

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

American International Group, Inc.

Quarterly Financial Supplement
First Quarter 2018

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, 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, management succession and retention plans, exposure to risk, trends in operations and financial results.

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

- changes in market and industry conditions;
- negative impacts on customers, business partners and other stakeholders;
- the occurrence of catastrophic events, both natural and man-made;
- AIG’s ability to successfully reorganize its businesses, as well as improve profitability, without negatively impacting client relationships or its competitive position;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets, including AIG’s ability to successfully consummate the purchase of Validus Holdings, Ltd.;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- changes in judgments concerning potential cost saving opportunities;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities;
- disruptions in the availability of AIG’s electronic data systems or those of third parties;
- AIG’s ability to successfully manage Legacy portfolios;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject, including as a global systemically important insurer;
- significant legal, regulatory or governmental proceedings;
- changes in judgments concerning the recognition of deferred tax assets; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (which will be filed with the Securities and Exchange Commission), and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2017.

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



American International Group, Inc. Non-GAAP Financial Measures

Throughout this Financial Supplement, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “Non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for generally accepted accounting principles in the United States. The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies.

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

Adjusted Pre-tax Income (APTI) is derived by excluding the items set forth below from income from continuing operations before income tax. This definition is consistent across our segments. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. APTI is a GAAP measure for our segments. Excluded items include the following:

- changes in fair value of securities used to hedge guaranteed living benefits;
- changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
- loss (gain) on extinguishment of debt;
- all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized capital gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
- income or loss from discontinued operations;
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain; and
- net loss reserve discount benefit (charge).

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

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

Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share) are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share, excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 46 herein.

AIG Return on Equity – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Equity) is used to show the rate of return on shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG by average Adjusted Shareholders’ Equity. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 46 herein.

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

Core, General Insurance, Life and Retirement and Legacy Return on Equity – Adjusted After-tax Income (Adjusted Return on Attributed Equity) is used to show the rate of return on Adjusted Attributed Equity. Adjusted Return on Attributed Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Equity. The reconciliations to Adjusted Return on Equity are presented on pages 12, 21 and 48 herein.



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

Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy is derived by subtracting attributed interest expense and income tax expense from APTI. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segments conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Adjusted pre-tax income to Adjusted after-tax income attributed to General Insurance, Life and Retirement, Core and Legacy are presented on pages 12, 21, 35 and 48 herein. Attributed debt is included on page 49 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 and Accident year loss and combined ratios, as adjusted, including Average Annual Loss (AAL): 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 the 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. Accident year loss and combined ratios, as adjusted, including AAL is Accident year loss and combined ratios, as adjusted, including expected catastrophe loss per year, based on our catastrophe loss model. The expected catastrophe losses represents the probabilistic loss distribution that is calculated based on our catastrophe model. The mean of this distribution is the average annual loss, which is generally allocated evenly to each quarter. Average annual loss represents our best estimate based on current facts and circumstances and will change over time.

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 (RIPs) related to catastrophes +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
- g) Accident year loss ratio, as adjusted (AYLR), including AAL = [Loss and loss adjustment expenses incurred – CATs – PYD + AAL] ÷ [NPE +/- Reinstatement premiums (RIPs) related to catastrophes +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
- h) Accident year combined ratio, as adjusted = AYLR + Expense ratio
- i) Accident year combined ratio, as adjusted, including AAL = AYLR, including AAL + Expense ratio
- j) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- RIPs related to catastrophes] – Loss ratio
- k) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business] – Loss ratio

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

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

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

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

Average Annual Loss (AAL) is the expected catastrophe loss per year based on our catastrophe loss model. The expected catastrophe losses represents the probabilistic loss distribution that is calculated based on our catastrophe model. The mean of this distribution is the average annual loss, which is generally allocated evenly to each quarter. Average annual loss represents our best estimate based on current facts and circumstances and will change over time.

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

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

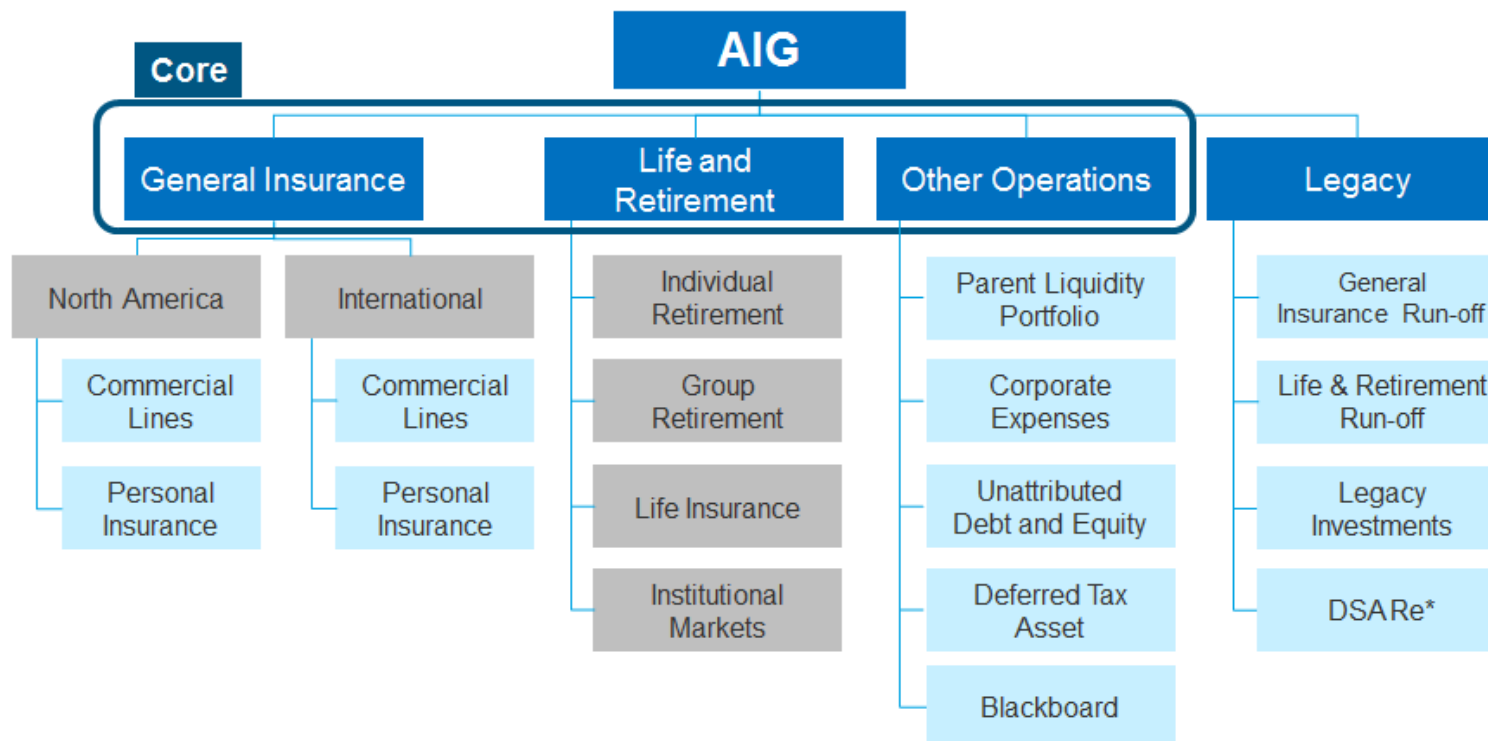


American International Group, Inc.

Overview

Segment Reporting

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



General Insurance - Geography

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

Non-qualifying (economic) hedges or replications of investment assets included in APTI

Beginning in the first quarter of 2018, to align with the economic risk being hedged, net realized capital gains (losses) related to non-qualifying hedges or replications of investment assets have been included in APTI within net investment income, interest credited to policyholder account balances, interest expense and other income. The impact to prior periods was immaterial. This has no impact on our consolidated statement of operations.

* DSA Reinsurance Company, Ltd. (DSA Re), our newly formed Bermuda domiciled composite reinsurer, commenced operations on February 2018.

American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Results of Operations Data (attributable to AIG)					
Net income (loss)	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185
Net income (loss) per share:					
Basic	\$ 1.03	\$ (7.33)	\$ (1.91)	\$ 1.22	\$ 1.21
Diluted (1)	\$ 1.01	\$ (7.33)	\$ (1.91)	\$ 1.19	\$ 1.18
Weighted average shares outstanding:					
Basic	908.0	908.1	908.7	925.8	980.8
Diluted (1)	925.3	908.1	908.7	948.2	1,005.3
Effective tax rate	22.6 %	NM	38.9 %	33.4 %	29.9 %
Adjusted after-tax income (loss)	\$ 963	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,367
Adjusted after-tax income (loss) per diluted share (1)	\$ 1.04	\$ 0.57	\$ (1.22)	\$ 1.53	\$ 1.36
Weighted average diluted shares - operating (1)	925.3	928.3	908.7	948.2	1,005.3
Adjusted effective tax rate	20.0 %	38.9 %	41.5 %	32.6 %	32.0 %
Selected Balance Sheet data, at period end					
Total assets	\$ 499,143	\$ 498,301	\$ 503,073	\$ 499,762	\$ 500,162
Long-term debt	33,619	31,640	31,039	31,812	30,747
AIG shareholders' equity	62,792	65,171	72,468	73,732	74,069
Adjusted Shareholders' Equity	50,358	49,214	51,632	54,483	55,703
Adjusted Attributed Equity *					
General Insurance	\$ 23,887	\$ 25,244	\$ 24,979	\$ 25,867	\$ 25,517
Life and Retirement	19,931	20,304	20,983	20,884	20,716
Other Operations	(2,706)	(5,617)	(4,211)	(2,180)	(1,007)
Total Core	41,112	39,931	41,751	44,571	45,226
Legacy	9,246	9,283	9,880	9,912	10,477
Total AIG adjusted attributed equity	\$ 50,358	\$ 49,214	\$ 51,631	\$ 54,483	\$ 55,703
Return On Equity (ROE, attributable to AIG)					
ROE	5.9 %	(38.7)%	(9.5)%	6.1 %	6.3 %
Adjusted return on equity	7.7 %	4.2 %	(8.4)%	10.5 %	9.6 %
Adjusted return on attributed equity - Core**	8.6 %	2.6 %	(11.6)%	10.5 %	10.2 %
Adjusted return on attributed equity - General Insurance**	5.1 %	(1.6)%	(31.5)%	9.8 %	8.7 %
Adjusted return on attributed equity - Life and Retirement**	14.3 %	10.2 %	14.9 %	12.7 %	11.7 %
Adjusted return on attributed equity - Legacy Portfolio**	4.6 %	10.5 %	6.7 %	9.9 %	7.6 %

* Attribution of adjusted equity is performed on an annual basis unless recalibration is needed (refer to page 49). Adjusted attributed equity is based on our internal capital model and on the risk profile of each business.

** Refer to pages 12, 21, 35 and 48 for components of calculation.

See accompanying notes on page 11 and reconciliations of Non-GAAP financial measures beginning on page 44.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
<u>AIG Capitalization</u>					
Total equity	\$ 63,357	\$ 65,708	\$ 73,012	\$ 74,324	\$ 74,667
Hybrid debt securities (4)	1,592	841	836	865	847
Total equity and hybrid debt	64,949	66,549	73,848	75,189	75,514
Financial debt (4)	22,043	21,315	21,062	21,668	20,437
Total capital	\$ 86,992	\$ 87,864	\$ 94,910	\$ 96,857	\$ 95,951
<u>Leverage Ratios</u>					
Hybrid debt securities / Total capital	1.8 %	1.0 %	0.9 %	0.9 %	0.9 %
Financial debt / Total capital	25.3	24.3	22.2	22.4	21.3
Total hybrids and financial debt / Total capital	27.1 %	25.3 %	23.1 %	23.3 %	22.2 %
<u>Common Stock Repurchases</u>					
Aggregate repurchase of common stock	\$ 298	\$ -	\$ 275	\$ 2,415	\$ 3,585
Number of common shares repurchased	5.4	-	4.6	39.1	56.0
Average price paid per share of common stock	\$ 55.41	\$ -	\$ 60.49	\$ 61.72	\$ 64.02
Aggregate repurchases of warrants	\$ 2	\$ -	\$ 3	\$ -	-
Number of warrants repurchased	0.1	-	0.2	-	-
<u>Dividends</u>					
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Total dividends declared	\$ 289	\$ 288	\$ 287	\$ 290	\$ 307
<u>Share Data (attributable to AIG, at period end)</u>					
Common shares outstanding	897.7	899.0	898.9	903.4	942.5
Closing share price	\$ 54.42	\$ 59.58	\$ 61.39	\$ 62.52	\$ 62.43
Book value per common share	69.95	72.49	80.62	81.62	78.59
Book value per common share, excluding AOCI	67.48	66.41	74.01	76.12	74.58
Adjusted book value per common share	56.10	54.74	57.44	60.31	59.10

See accompanying notes on page 11 and reconciliations of Non-GAAP financial measures beginning on page 44.



American International Group, Inc.
Consolidated Statement of Operations

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Revenues:					
Premiums	\$ 7,275	\$ 7,915	\$ 8,063	\$ 7,614	\$ 7,782
Policy fees	764	758	728	725	724
Net investment income:					
Interest and dividends	3,060	3,072	2,960	3,014	3,063
Alternative investments	337	301	355	371	448
Other investment income	(12)	221	237	356	301
Investment expenses	(124)	(130)	(136)	(128)	(126)
Total net investment income	3,261	3,464	3,416	3,613	3,686
Net realized capital gains (losses)	(19)	(274)	(922)	(69)	(115)
Other income	431	772	466	619	555
Total revenues	11,712	12,635	11,751	12,502	12,632
Benefits, losses and expenses					
Policyholder benefits and losses incurred	5,667	7,319	10,322	6,284	6,047
Interest credited to policyholder account balances	916	909	867	906	910
Amortization of deferred policy acquisition costs	1,358	1,153	912	1,115	1,108
General operating and other expenses	2,271	2,333	2,149	2,182	2,443
Interest expense	277	288	290	292	298
(Gain) loss on extinguishment of debt	4	(1)	1	(4)	(1)
Net (gain) loss on sale of divested businesses (2)	(8)	(241)	13	60	100
Total benefits, losses and expenses	10,485	11,760	14,554	10,835	10,905
Income (loss) from continuing operations before income taxes	1,227	875	(2,803)	1,667	1,727
Income tax (benefit) expense	277	7,544	(1,091)	557	516
Income (loss) from continuing operations	950	(6,669)	(1,712)	1,110	1,211
Income (loss) from discontinued operations, net of income taxes	(1)	(3)	(1)	8	-
Net income (loss)	949	(6,672)	(1,713)	1,118	1,211
Net income (loss) attributable to noncontrolling interests	11	(12)	26	(12)	26
Net income (loss) attributable to AIG	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185

See accompanying notes on page 11.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 233,914	\$ 238,992	\$ 237,771	\$ 235,289	\$ 230,698
Other bond securities, at fair value	12,397	12,772	12,653	13,478	13,605
Equity securities					
Common and preferred stock available for sale, at fair value (7)	-	1,708	1,707	1,605	2,099
Other common and preferred stock, at fair value	1,725	589	538	506	500
Mortgage and other loans receivable, net of allowance	38,540	37,023	36,089	34,642	33,878
Other invested assets	21,183	20,822	22,590	23,132	23,652
Short-term investments	14,616	10,386	9,775	12,094	11,073
Total investments	322,375	322,292	321,123	320,746	315,505
Cash	2,103	2,362	2,433	2,517	1,918
Accrued investment income	2,390	2,356	2,416	2,337	2,386
Premiums and other receivables, net of allowance	11,107	10,248	11,156	10,921	11,130
Reinsurance assets, net of allowance	34,744	33,024	34,429	34,510	34,140
Deferred income taxes	14,558	14,033	20,954	20,171	20,881
Deferred policy acquisition costs	11,631	10,994	10,938	11,063	11,091
Other assets	9,646	10,194	10,324	9,852	10,606
Separate account assets, at fair value	90,589	92,798	89,300	87,090	85,917
Assets held for sale (3)	-	-	-	555	6,588
Total assets	\$ 499,143	\$ 498,301	\$ 503,073	\$ 499,762	\$ 500,162
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 78,098	\$ 78,393	\$ 80,087	\$ 76,422	\$ 76,050
Unearned premiums	20,038	19,030	20,135	19,992	19,840
Future policy benefits for life and accident and health insurance contracts	44,895	45,432	44,055	43,252	42,719
Policyholder contract deposits	138,153	135,602	134,514	133,295	132,639
Other policyholder funds	3,473	3,648	3,678	4,613	3,719
Other liabilities	26,921	26,050	27,253	28,135	28,093
Long-term debt	33,619	31,640	31,039	31,812	30,747
Separate account liabilities	90,589	92,798	89,300	87,090	85,917
Liabilities held for sale (3)	-	-	-	827	5,771
Total liabilities	435,786	432,593	430,061	425,438	425,495
AIG shareholders' equity					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(47,706)	(47,595)	(47,602)	(47,329)	(44,915)
Additional paid-in capital	80,841	81,078	80,976	80,913	80,846
Retained earnings	22,671	21,457	28,389	30,420	29,591
Accumulated other comprehensive income	2,220	5,465	5,939	4,962	3,781
Total AIG shareholders' equity	62,792	65,171	72,468	73,732	74,069
Non-redeemable noncontrolling interests	565	537	544	592	598
Total equity	63,357	65,708	73,012	74,324	74,667
Total liabilities and equity	\$ 499,143	\$ 498,301	\$ 503,073	\$ 499,762	\$ 500,162

See accompanying notes on page 11.



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

(in millions)	Debt and Hybrid Capital			Interest Expense	
	March 31, 2018	March 31, 2017	December 31, 2017	Three Months Ended March 31,	
				2018	2017
Financial Debt					
AIG notes and bonds payable	\$ 21,048	\$ 19,460	\$ 20,339	\$ 202	\$ 215
AIG Japan Holdings Kabushiki Kaisha	353	335	334	-	-
AIG Life Holdings, Inc. notes and bonds payable	281	281	281	5	5
AIG Life Holdings, Inc. junior subordinated debt	361	361	361	7	7
Total	22,043	20,437	21,315	214	227
Operating Debt					
MIP notes payable	377	1,133	356	2	11
Series AIGFP matched notes and bonds payable	21	32	21	-	-
Other AIG borrowings supported by assets	2,820	3,151	2,888	-	-
Other subsidiaries	80	701	190	-	3
Borrowings of consolidated investments	6,686	4,446	6,029	48	42
Total	9,984	9,463	9,484	50	56
Hybrid - Debt Securities (4)					
Junior subordinated debt (5)	1,592	847	841	13	15
Total	33,619	30,747	31,640	277	298
AIG Capitalization					
Total equity	\$ 63,357	\$ 74,667	\$ 65,708		
Hybrid - debt securities (4) (5)	1,592	847	841		
Total equity and hybrid capital	64,949	75,514	66,549		
Financial debt	22,043	20,437	21,315		
Total capital	\$ 86,992	\$ 95,951	\$ 87,864		
Ratios					
Hybrid - debt securities / Total capital	1.8 %	0.9 %	1.0 %		
Financial debt / Total capital	25.3	21.3	24.3		
Total debt / Total capital	27.1 %	22.2 %	25.3 %		

See accompanying notes on page 11.

American International Group, Inc.
Consolidated Notes

- (1) For the quarters ended December 31, 2017 and September 30, 2017, because we reported a net loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. For the quarter ended September 30, 2017, we also reported an adjusted after-tax loss, and therefore, all common stock equivalents are anti-dilutive and are excluded from the calculation of diluted shares and diluted per share amounts.
- (2) 4Q17 included sale of certain group benefits business, primarily medical stop loss. 2Q17 included held for sale impairment of Fuji Life and certain entities and operations being sold to Fairfax Financial Holdings Limited (Fairfax). 1Q17 included held-for-sale impairment of Fuji Life, United Guaranty Corporation (UGC), AIG Greece Representation of Insurance Enterprises S.A., and certain entities and operations being sold to Fairfax.
- (3) Assets and liabilities held-for-sale are comprised of Fuji Life, Ascot Corporate Name Limited, AIG United Guaranty Insurance (Asia) Limited and certain entities and operations sold to Fairfax.
- (4) Hybrid debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 49.
- (5) 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.
- (6) Represents the impact of fair value changes on other securities accounted under the fair value option on APTI, rather than their impact on the income from continuing operations before tax expense. The table below provides the reconciliation:

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Fixed Maturity Securities - Other*	\$ 51	\$ 507	\$ 259	\$ 439	\$ 329
Adjustments to arrive at APTI:					
Changes in fair value of securities used to hedge guaranteed living benefits**	77	(29)	(26)	(80)	(11)
Changes in fair value of securities used to hedge guaranteed living benefits (included in net realized capital (gains) losses)	(4)	(6)	(7)	(7)	(7)
Subtotal: Fixed Maturity Securities - Other included in APTI	124	472	226	352	311
Equity Securities - Other*	(31)	52	32	13	26
Fair value changes on equity securities and fixed maturity securities included APTI	\$ 93	\$ 524	\$ 258	\$ 365	\$ 337

* Refer to Investment Portfolio Results page 39.

** Refer to Reconciliation of Adjusted Pre-tax and After-tax Income on page 47.

- (7) As a result of the adoption of the Financial Instruments Recognition and Measurement Standard (ASU 2016-01) on January 1, 2018, equity securities are no longer classified and accounted for as available-for-sale securities. Investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.

American International Group, Inc.
General Insurance Results

(in millions)

Results of Operations (4)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 6,171	\$ 5,892	\$ 6,577	\$ 6,672	\$ 6,297
Net premiums earned	\$ 6,683	\$ 6,375	\$ 6,638	\$ 6,524	\$ 6,489
Losses and loss adjustment expenses incurred (2)	4,488	4,990	8,240	4,175	4,237
Acquisition expenses:					
Amortization of deferred policy acquisition costs	1,066	963	933	960	909
Other acquisition expenses	385	306	344	350	388
Total acquisition expenses	1,451	1,269	1,277	1,310	1,297
General operating expenses	995	962	917	890	943
Underwriting income (loss)	(251)	(846)	(3,796)	149	12
Net investment income (loss):					
Interest and dividends	660	680	677	690	723
Alternative investments	153	185	201	212	297
Other investment income (loss) (1)	(21)	25	25	31	61
Investment expenses	(31)	(31)	(40)	(36)	(32)
Total net investment income	761	859	863	897	1,049
Adjusted pre-tax income (loss)	510	13	(2,933)	1,046	1,061
Interest expense on attributed financial debt	124	115	124	132	128
Adjusted pre-tax income (loss) including attributed interest expense	386	(102)	(3,057)	914	933
Income tax expense (benefit)	89	(2)	(1,054)	281	329
Adjusted after-tax income (loss) (a)	\$ 297	\$ (100)	\$ (2,003)	\$ 633	\$ 604
Ending adjusted attributed equity	\$ 23,887	\$ 25,244	\$ 24,979	\$ 25,867	\$ 25,517
Average adjusted attributed equity (b)*	23,410	25,112	25,423	25,692	27,803
Adjusted return on attributed equity (a÷b)	5.1 %	(1.6) %	(31.5) %	9.9 %	8.7 %
Underwriting Ratios					
Loss ratio (2)	67.2	78.3	124.1	64.0	65.3
Catastrophe losses and reinstatement premiums	(5.7)	(11.7)	(45.4)	(2.8)	(3.5)
Prior year development	1.6	(1.4)	(12.7)	(1.1)	(0.6)
Adjustment for ceded premium under reinsurance contract	-	-	-	(0.4)	-
Accident year loss ratio, as adjusted (3)	63.1	65.2	66.0	59.7	61.2
AAL ratio	3.9	5.6	5.4	5.1	5.1
Accident year loss ratio, as adjusted, including AAL	67.0	70.8	71.4	64.8	66.3
Acquisition ratio	21.7	19.9	19.2	20.1	20.0
General operating expense ratio	14.9	15.1	13.8	13.6	14.5
Expense ratio	36.6	35.0	33.0	33.7	34.5
Combined ratio (2)	103.8	113.3	157.1	97.7	99.8
Accident year combined ratio, as adjusted (3)	99.7	100.2	99.0	93.4	95.7
Accident year combined ratio, as adjusted, including AAL	103.6	105.8	104.4	98.5	100.8

* See accompanying notes to Adjusted Attributed Equity on page 49.

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.



American International Group, Inc.
General Insurance Operating Statistics

(in millions)

Noteworthy Items (pre-tax)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Catastrophe-related losses, net of reinsurance	\$ 376	\$ 762	\$ 3,016	\$ 180	\$ 228
Average annual loss	263	360	360	335	335
Reinstatement premiums related to catastrophes	-	(23)	-	-	-
Severe losses, net of reinsurance	135	51	243	125	57
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(108)	80	837	58	24
(Additional) return premium related to prior year development on loss sensitive business	4	13	9	23	23
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(104)	93	846	81	47
Better (worse) than expected alternative returns	8	35	43	51	135
Fair value changes on other securities accounted under fair value option	(20)	24	34	43	43
Net liability for unpaid losses and loss adjustment expenses (at period end)	46,032	46,669	47,374	43,523	43,786

Net Premiums Written

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
North America	\$ 2,039	\$ 2,583	\$ 2,942	\$ 3,125	\$ 2,323
International (4)	4,132	3,309	3,635	3,547	3,974
Total General Insurance net premiums written	\$ 6,171	\$ 5,892	6,577	6,672	\$ 6,297
Foreign exchange effect on worldwide premiums:					
Change in net premiums written					
Increase (decrease) in original currency (5)	(6.1) %	(9.0) %	(8.7) %	(9.0) %	(11.8) %
Foreign exchange effect	4.1	(0.5)	(0.9)	(1.1)	(0.5)
Increase (decrease) as reported in U.S. dollars	(2.0) %	(9.5) %	(9.6) %	(10.1) %	(12.3) %

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 2,039	\$ 2,583	\$ 2,942	\$ 3,125	\$ 2,323
Net premiums earned	\$ 2,692	\$ 2,727	\$ 2,887	\$ 2,892	\$ 2,949
Losses and loss adjustment expenses incurred (2)	2,153	2,264	5,053	2,166	2,163
Acquisition expenses:					
Amortization of deferred policy acquisition costs	358	335	307	340	323
Other acquisition expenses	154	83	127	113	162
Total acquisition expenses	512	418	434	453	485
General operating expenses	355	361	340	331	364
Underwriting income (loss)	(328)	(316)	(2,940)	(58)	(63)
Net investment income (loss):					
Interest and dividends	547	554	563	564	598
Alternative investments	151	185	194	213	277
Other investment income (loss) (1)	(24)	14	18	28	39
Investment expenses	(26)	(25)	(28)	(26)	(23)
Total net investment income	648	728	747	779	891
Adjusted pre-tax income (loss)	\$ 320	\$ 412	\$ (2,193)	\$ 721	\$ 828

Underwriting Ratios

Loss ratio (2)	80.0	83.0	175.0	74.9	73.3
Catastrophe losses and reinstatement premiums	(11.1)	(24.5)	(78.8)	(6.1)	(5.4)
Prior year development	2.8	3.3	(19.0)	(0.7)	2.1
Adjustment for ceded premium under reinsurance contract	-	-	-	(1.1)	-
Accident year loss ratio, as adjusted (3)	71.7	61.8	77.2	67.0	70.0
AAL ratio	6.4	9.0	8.4	7.4	7.3
Accident year loss ratio, as adjusted, including AAL	78.1	70.8	85.6	74.4	77.3
Acquisition ratio	19.0	15.3	15.0	15.7	16.4
General operating expense ratio	13.2	13.2	11.8	11.4	12.3
Expense ratio	32.2	28.5	26.8	27.1	28.7
Combined ratio (2)	112.2	111.5	201.8	102.0	102.0
Accident year combined ratio, as adjusted (3)	103.9	90.3	104.0	94.1	98.7
Accident year combined ratio, as adjusted, including AAL	110.3	99.3	112.4	101.5	106.0

Noteworthy Items (pre-tax)

Catastrophe-related losses, net of reinsurance	\$ 299	\$ 682	\$ 2,275	\$ 176	\$ 162
Average annual loss	174	244	244	219	219
Reinstatement premiums related to catastrophes	-	(23)	-	-	-
Severe losses, net of reinsurance	36	(13)	111	61	44
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(78)	(97)	542	4	(78)
(Additional) return premium related to prior year development on loss sensitive business	4	13	9	23	23
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(74)	(84)	551	27	(55)

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 1,314	\$ 1,808	\$ 2,118	\$ 2,312	\$ 1,611
Net premiums earned	\$ 1,918	\$ 1,998	\$ 2,091	\$ 2,105	\$ 2,172
Losses and loss adjustment expenses incurred (2)	1,456	1,477	4,286	1,766	1,697
Acquisition expenses:					
Amortization of deferred policy acquisition costs	186	198	187	227	224
Other acquisition expenses	101	36	48	24	70
Total acquisition expenses	287	234	235	251	294
General operating expenses	264	271	254	247	281
Underwriting income (loss)	\$ (89)	\$ 16	\$ (2,684)	\$ (159)	\$ (100)

Underwriting Ratios

Loss ratio (2)	75.9	73.9	205.0	83.9	78.1
Catastrophe losses and reinstatement premiums	(4.5)	(12.0)	(95.7)	(8.3)	(6.4)
Prior year development	6.9	4.9	(25.6)	(1.5)	2.9
Adjustment for ceded premium under reinsurance contract	-	-	-	(1.6)	-
Accident year loss ratio, as adjusted (3)	78.3	66.8	83.7	72.5	74.6
AAL ratio	6.9	10.1	9.6	8.1	8.0
Accident year loss ratio, as adjusted, including AAL	85.2	76.9	93.3	80.6	82.6
Acquisition ratio	15.0	11.7	11.2	11.9	13.5
General operating expense ratio	13.8	13.6	12.1	11.7	12.9
Expense ratio	28.8	25.3	23.3	23.6	26.4
Combined ratio (2)	104.7	99.2	228.3	107.5	104.5
Accident year combined ratio, as adjusted (3)	107.1	92.1	107.0	96.1	101.0
Accident year combined ratio, as adjusted, including AAL	114.0	102.2	116.6	104.2	109.0

Noteworthy Items (pre-tax)

Catastrophe-related losses, net of reinsurance	\$ 87	\$ 255	\$ 2,000	\$ 174	\$ 140
Average annual loss	132	201	201	176	176
Reinstatement premiums related to catastrophes	-	(23)	-	-	-
Severe losses, net of reinsurance	36	(13)	100	61	27
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(136)	(105)	528	15	(81)
(Additional) return premium related to prior year development on loss sensitive business	4	13	9	23	23
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(132)	(92)	537	38	(58)

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Results of Operations					
Net premiums written	\$ 725	\$ 775	\$ 824	\$ 813	\$ 712
Net premiums earned	\$ 774	\$ 729	\$ 796	\$ 787	\$ 777
Losses and loss adjustment expenses incurred	697	787	767	400	466
Acquisition expenses:					
Amortization of deferred policy acquisition costs	172	137	120	113	99
Other acquisition expenses	53	47	79	89	92
Total acquisition expenses	225	184	199	202	191
General operating expenses	91	90	86	84	83
Underwriting income (loss)	\$ (239)	\$ (332)	\$ (256)	\$ 101	\$ 37
Underwriting Ratios					
Loss ratio	90.1	108.0	96.4	50.8	60.0
Catastrophe losses and reinstatement premiums	(27.4)	(58.6)	(34.6)	(0.2)	(2.9)
Prior year development	(7.5)	(1.1)	(1.7)	1.4	(0.3)
Accident year loss ratio, as adjusted	55.2	48.3	60.1	52.0	56.8
AAL ratio	5.4	5.9	5.4	5.4	5.5
Accident year loss ratio, as adjusted, including AAL	60.6	54.2	65.5	57.4	62.3
Acquisition ratio	29.1	25.2	25.0	25.7	24.6
General operating expense ratio	11.8	12.3	10.8	10.7	10.7
Expense ratio	40.9	37.5	35.8	36.4	35.3
Combined ratio	131.0	145.5	132.2	87.2	95.3
Accident year combined ratio, as adjusted	96.1	85.8	95.9	88.4	92.1
Accident year combined ratio, as adjusted, including AAL	101.5	91.7	101.3	93.8	97.6
Noteworthy Items (pre-tax)					
Catastrophe-related losses, net of reinsurance	\$ 212	\$ 427	\$ 275	\$ 2	\$ 22
Average annual loss	42	43	43	43	43
Severe losses, net of reinsurance	-	-	11	-	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	58	8	14	(11)	3

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.

American International Group, Inc.
General Insurance - International Results

(in millions)

Results of Operations (4)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 4,132	\$ 3,309	\$ 3,635	\$ 3,547	\$ 3,974
Net premiums earned	\$ 3,991	\$ 3,648	\$ 3,751	\$ 3,632	\$ 3,540
Losses and loss adjustment expenses incurred (2)	2,335	2,726	3,187	2,009	2,074
Acquisition expenses:					
Amortization of deferred policy acquisition costs	708	628	626	620	586
Other acquisition expenses	231	223	217	237	226
Total acquisition expenses	939	851	843	857	812
General operating expenses	640	601	577	559	579
Underwriting income (loss)	77	(530)	(856)	207	75
Net investment income (loss):					
Interest and dividends	113	126	114	126	125
Alternative investments	2	-	7	(1)	20
Other investment income (loss) (1)	3	11	7	3	22
Investment expenses	(5)	(6)	(12)	(10)	(9)
Total net investment income	113	131	116	118	158
Adjusted pre-tax income (loss)	\$ 190	\$ (399)	\$ (740)	\$ 325	\$ 233
Underwriting Ratios					
Loss ratio (2)	58.5	74.7	85.0	55.3	58.6
Catastrophe losses and reinstatement premiums	(1.9)	(2.2)	(19.8)	(0.1)	(1.9)
Prior year development	0.7	(4.8)	(7.9)	(1.5)	(2.9)
Accident year loss ratio, as adjusted	57.3	67.7	57.3	53.7	53.8
AAL ratio	2.3	3.2	3.1	3.2	3.3
Accident year loss ratio, as adjusted, including AAL	59.6	70.9	60.4	56.9	57.1
Acquisition ratio	23.5	23.3	22.5	23.6	22.9
General operating expense ratio	16.0	16.5	15.4	15.4	16.4
Expense ratio	39.5	39.8	37.9	39.0	39.3
Combined ratio (2)	98.0	114.5	122.9	94.3	97.9
Accident year combined ratio, as adjusted	96.8	107.5	95.2	92.7	93.1
Accident year combined ratio, as adjusted, including AAL	99.1	110.7	98.3	95.9	96.4
Noteworthy Items (pre-tax)					
Catastrophe-related losses, net of reinsurance	\$ 77	\$ 80	\$ 741	\$ 4	\$ 66
Average annual loss	89	116	116	116	116
Severe losses, net of reinsurance	99	64	132	64	13
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(30)	177	295	54	102

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 1,955	\$ 1,422	\$ 1,652	\$ 1,514	\$ 2,018
Net premiums earned	\$ 1,722	\$ 1,694	\$ 1,724	\$ 1,631	\$ 1,597
Losses and loss adjustment expenses incurred (2)	1,110	1,660	2,140	996	1,017
Acquisition expenses:					
Amortization of deferred policy acquisition costs	263	251	237	238	204
Other acquisition expenses	81	87	81	79	98
Total acquisition expenses	344	338	318	317	302
General operating expenses	282	299	222	257	260
Underwriting income (loss)	\$ (14)	\$ (603)	\$ (956)	\$ 61	\$ 18

Underwriting Ratios

Loss ratio (2)	64.5	98.0	124.1	61.1	63.7
Catastrophe losses and reinstatement premiums	(4.5)	(2.7)	(41.7)	(0.3)	(3.8)
Prior year development	-	(11.4)	(17.9)	(2.9)	(6.5)
Accident year loss ratio, as adjusted	60.0	83.9	64.5	57.9	53.4
AAL ratio	3.9	5.5	5.3	5.7	5.7
Accident year loss ratio, as adjusted, including AAL	63.9	89.4	69.8	63.6	59.1
Acquisition ratio	20.0	20.0	18.4	19.4	18.9
General operating expense ratio	16.4	17.7	12.9	15.8	16.3
Expense ratio	36.4	37.7	31.3	35.2	35.2
Combined ratio (2)	100.9	135.7	155.4	96.3	98.9
Accident year combined ratio, as adjusted	96.4	121.6	95.8	93.1	88.6
Accident year combined ratio, as adjusted, including AAL	100.3	127.1	101.1	98.8	94.3

Noteworthy Items (pre-tax)

Catastrophe-related losses, net of reinsurance	\$ 77	\$ 45	\$ 719	\$ 4	\$ 61
Average annual loss	67	92	92	92	92
Severe losses, net of reinsurance	99	64	132	64	13
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(1)	193	309	47	104

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.

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

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 2,177	\$ 1,887	\$ 1,983	\$ 2,033	\$ 1,956
Net premiums earned	\$ 2,269	\$ 1,953	\$ 2,028	\$ 2,001	\$ 1,943
Losses and loss adjustment expenses incurred	1,225	1,066	1,047	1,013	1,057
Acquisition expenses:					
Amortization of deferred policy acquisition costs	445	376	390	382	382
Other acquisition expenses	150	136	136	158	128
Total acquisition expenses	595	512	526	540	510
General operating expenses	358	302	355	302	319
Underwriting income (loss)	\$ 91	\$ 73	\$ 100	\$ 146	\$ 57

Underwriting Ratios

Loss ratio	54.0	54.6	51.7	50.6	54.4
Catastrophe losses and reinstatement premiums	-	(1.8)	(1.1)	-	(0.3)
Prior year development	1.3	0.8	0.7	(0.3)	0.1
Accident year loss ratio, as adjusted	55.3	53.6	51.3	50.3	54.2
AAL ratio	0.9	1.2	1.1	1.2	1.3
Accident year loss ratio, as adjusted, including AAL	56.2	54.8	52.4	51.5	55.5
Acquisition ratio	26.2	26.2	25.9	27.0	26.2
General operating expense ratio	15.8	15.5	17.5	15.1	16.4
Expense ratio	42.0	41.7	43.4	42.1	42.6
Combined ratio	96.0	96.3	95.1	92.7	97.0
Accident year combined ratio, as adjusted	97.3	95.3	94.7	92.4	96.8
Accident year combined ratio, as adjusted, including AAL	98.2	96.5	95.8	93.6	98.1

Noteworthy Items (pre-tax)

Catastrophe-related losses, net of reinsurance	\$ -	\$ 35	\$ 22	\$ -	\$ 5
Average annual loss	22	24	24	24	24
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(29)	(16)	(14)	7	(2)

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 44.



American International Group, Inc.
General Insurance Notes

- (1) Other investment income (loss) is comprised principally of real estate income, changes in market value of investments accounted for under the fair value option, and income (loss) from equity method investments. Starting in 1Q18 as a result of the adoption of the Financial Instruments Recognition and Measurement Standard (ASU 2016-01), investment income from equity securities is included in Other investment income (loss).
- (2) 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 changes in amortization of the deferred gain.
- (3) Includes adjustment for ceded premiums under reinsurance contracts related to prior accident years of \$47 million, which reduced the accident year loss ratio, as adjusted, in the three-month period ended June 30, 2017.
- (4) As a result of the merger of AIUI Japan and Fuji Fire and Marine Insurance Company (Fuji), Fuji's fiscal reporting period was conformed to that of AIU Japan (Fuji Merger Impact). 1Q18 Results of Operations includes 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.
- (5) Computed using current exchange rate for the corresponding periods in the prior year.

American International Group, Inc.
Life and Retirement Results

(in millions)

Results of Operations

Premiums and deposits:

Revenues:

Premiums

Policy fees

Net investment income (loss):

Base portfolio (2)

Alternative investments

Other yield enhancements (3)

Total net investment income

Advisory fee and other income

Total adjusted revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions

Advisory fee expenses

General operating expenses

Interest expense

Total benefits, losses and expenses

Adjusted pre-tax income (1)

Interest expense on attributed financial debt

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

Income tax expense

Adjusted after-tax income (loss) (a)

Ending adjusted attributed equity

Average adjusted attributed equity (b)*

Adjusted return on attributed equity (a÷b)

Noteworthy Items:

Update of actuarial assumptions (unlocking) (1)

Better (worse) than expected alternative returns

Fair value changes on other securities accounted under fair value option

Quarterly

	1Q18	4Q17	3Q17	2Q17	1Q17
\$	8,862	7,965	6,797	5,791	6,905
\$	446	1,397	1,311	502	836
	734	726	690	694	688
	1,758	1,750	1,713	1,716	1,731
	136	55	76	81	110
	152	198	118	147	121
	2,046	2,003	1,907	1,944	1,962
	234	256	228	225	217
	3,460	4,382	4,136	3,365	3,703
	830	1,833	1,537	767	1,110
	854	855	808	851	846
	246	285	31	199	228
	139	136	149	130	138
	76	86	83	79	76
	385	373	336	327	383
	38	32	34	19	24
	2,568	3,600	2,978	2,372	2,805
	892	782	1,158	993	898
	16	6	5	6	6
	876	776	1,153	987	892
	174	252	374	326	290
\$	702	524	779	661	602
\$	19,931	20,304	20,983	20,884	20,716
	19,699	20,644	20,934	20,800	20,632
	14.3 %	10.2 %	14.9 %	12.7 %	11.7 %
\$	-	-	284	-	-
	95	12	31	33	55
	20	81	56	65	58

* See accompanying notes to Adjusted Attributed Equity on page 49.

See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

Results of Operations

Premiums and deposits

Revenues:

Premiums

Policy fees

Net investment income (loss):

Base portfolio (2)

Alternative investments

Other yield enhancements (3)

Total net investment income

Advisory fee and other income

Total adjusted revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions and other (13)

Advisory fee expenses

General operating expenses

Interest expense

Total benefits, losses and expenses

Adjusted pre-tax income

Noteworthy Items (pre-tax)

Update of actuarial assumptions (unlocking) (1)

Better (worse) than expected alternative returns

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Premiums and deposits	\$ 4,358	\$ 3,106	\$ 2,526	\$ 2,892	\$ 3,382
Revenues:					
Premiums	\$ 12	\$ 10	\$ 22	\$ 31	\$ 28
Policy fees	204	200	190	192	185
Net investment income (loss):					
Base portfolio (2)	852	876	868	873	885
Alternative investments	68	29	41	44	60
Other yield enhancements (3)	64	125	64	86	62
Total net investment income	984	1,030	973	1,003	1,007
Advisory fee and other income	161	175	158	157	153
Total adjusted revenues	1,361	1,415	1,343	1,383	1,373
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	47	73	15	36	37
Interest credited to policyholder account balances	412	423	366	412	415
Amortization of deferred policy acquisition costs	134	180	(20)	126	129
Non deferrable insurance commissions and other (13)	81	81	82	73	72
Advisory fee expenses	54	62	61	60	58
General operating expenses	115	105	103	108	110
Interest expense	19	17	18	10	13
Total benefits, losses and expenses	862	941	625	825	834
Adjusted pre-tax income	\$ 499	\$ 474	\$ 718	\$ 558	\$ 539
Noteworthy Items (pre-tax)					
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ 242	\$ -	\$ -
Better (worse) than expected alternative returns	47	7	17	18	30

See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Assets under management:					
General accounts	\$ 26,115	\$ 24,754	\$ 23,858	\$ 23,155	\$ 21,936
Separate accounts	48,000	49,188	47,548	46,273	45,224
Total assets under management	\$ 74,115	\$ 73,942	\$ 71,406	\$ 69,428	\$ 67,160
Net investment spreads:					
Total yield	4.71 %	5.70 %	5.08 %	5.20 %	5.24 %
Less: Alternative investments (5)	(0.39)	(0.11)	(0.23)	(0.25)	(0.41)
Less: Other yield enhancements (6)	0.15	(1.05)	(0.19)	(0.38)	(0.25)
Base yield (7)	4.47	4.54	4.66	4.57	4.58
Cost of funds (a)	1.25	1.23	1.25	1.29	1.28
Base net investment spread (b)	3.22 %	3.31 %	3.41 %	3.28 %	3.30 %
DAC rollforward:					
Balance at beginning of period	\$ 2,789	\$ 2,699	\$ 2,628	\$ 2,579	\$ 2,533
Deferrals	86	91	77	91	83
Operating amortization	(61)	(86)	(2)	(54)	(54)
Change from realized gains (losses)	(31)	106	80	55	57
Change from unrealized gains (losses)	171	(21)	(84)	(43)	(40)
Balance at end of period	\$ 2,954	\$ 2,789	\$ 2,699	\$ 2,628	\$ 2,579
Reserve rollforward:					
Balance at beginning of period, gross	\$ 69,550	\$ 67,050	\$ 65,104	\$ 63,155	\$ 61,026
Premiums and deposits	2,660	1,555	1,337	1,561	1,468
Surrenders and withdrawals	(1,120)	(1,069)	(920)	(988)	(935)
Death and other contract benefits	(254)	(221)	(210)	(208)	(210)
Subtotal	70,836	67,315	65,311	63,520	61,349
Change in fair value of underlying assets and reserve accretion, net of policy fees	(1,167)	2,118	1,822	1,467	1,730
Cost of funds (a)	57	54	53	52	49
Other reserve changes	(66)	63	(136)	65	27
Balance at end of period	69,660	69,550	67,050	65,104	63,155
Reinsurance ceded	(32)	(33)	(33)	(41)	(42)
Total insurance reserves	\$ 69,628	\$ 69,517	\$ 67,017	\$ 65,063	\$ 63,113

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

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

See accompanying notes on page 33.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Assets under management:					
General accounts	\$ 56,663	\$ 58,442	\$ 58,894	\$ 58,483	\$ 59,002
Separate accounts	32	33	32	32	32
Total assets under management	\$ 56,695	\$ 58,475	\$ 58,926	\$ 58,515	\$ 59,034
Net investment spreads (a):					
Total yield	5.15 %	5.09 %	5.00 %	5.28 %	5.26 %
Less: Alternative investments (5)	(0.24)	(0.06)	(0.11)	(0.11)	(0.16)
Less: Other yield enhancements (6)	(0.31)	(0.29)	(0.21)	(0.30)	(0.18)
Base yield (7)	4.60	4.74	4.68	4.87	4.92
Cost of funds (b)	2.65	2.64	2.65	2.64	2.67
Base net investment spread (c)	1.95 %	2.10 %	2.03 %	2.23 %	2.25 %
DAC rollforward:					
Balance at beginning of period	\$ 884	\$ 896	\$ 910	\$ 1,028	\$ 1,067
Deferrals	19	19	13	14	22
Operating amortization	(73)	(94)	22	(72)	(75)
Change from realized gains (losses)	1	1	(1)	(1)	(3)
Change from unrealized gains (losses)	176	62	(48)	(59)	17
Balance at end of period	\$ 1,007	\$ 884	\$ 896	\$ 910	\$ 1,028
Reserve rollforward:					
Balance at beginning of period, gross	\$ 50,846	\$ 51,020	\$ 51,353	\$ 51,912	\$ 52,285
Premiums and deposits	797	868	592	633	917
Surrenders and withdrawals	(932)	(905)	(751)	(902)	(901)
Death and other contract benefits	(646)	(499)	(535)	(613)	(593)
Subtotal	50,065	50,484	50,659	51,030	51,708
Change in fair value of underlying assets and reserve accretion, net of policy fees	67	45	46	49	59
Cost of funds (b)	321	327	331	329	333
Other reserve changes	(29)	(10)	(16)	(55)	(188)
Balance at end of period	50,424	50,846	51,020	51,353	51,912
Reinsurance ceded	(292)	(289)	(291)	(292)	(295)
Total insurance reserves	\$ 50,132	\$ 50,557	\$ 50,729	\$ 51,061	\$ 51,617

(a) Excludes immediate annuities.

(b) Excludes the amortization of deferred SIAs.

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

See accompanying notes on page 33.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Premiums and deposits:					
Fixed Annuities	\$ 797	\$ 868	\$ 592	\$ 633	\$ 917
Variable Annuities	773	769	736	841	862
Index Annuities	739	786	601	720	606
Retail Mutual Funds	901	683	597	698	997
Total premiums and deposits (4)	3,210	3,106	2,526	2,892	3,382
Surrenders and withdrawals:					
Fixed Annuities	(932)	(905)	(751)	(902)	(901)
Variable Annuities	(1,019)	(974)	(843)	(916)	(858)
Index Annuities	(101)	(95)	(77)	(72)	(77)
Retail Mutual Funds	(1,078)	(834)	(828)	(872)	(1,038)
Total surrenders and withdrawals	(3,130)	(2,808)	(2,499)	(2,762)	(2,874)
Death and other contract benefits:					
Fixed Annuities	(646)	(499)	(535)	(613)	(593)
Variable Annuities	(231)	(199)	(194)	(192)	(196)
Index Annuities	(23)	(22)	(16)	(16)	(14)
Total death and other contract benefits	(900)	(720)	(745)	(821)	(803)
Net flows (4):					
Fixed Annuities	(781)	(536)	(694)	(882)	(577)
Variable Annuities	(477)	(404)	(301)	(267)	(192)
Index Annuities	615	669	508	632	515
Retail Mutual Funds	(177)	(151)	(231)	(174)	(41)
Total net flows	\$ (820)	\$ (422)	\$ (718)	\$ (691)	\$ (295)
Surrender rates (8):					
Fixed Annuities	7.4%	7.1%	5.9%	7.0%	7.0%
Variable and Index Annuities	6.4%	6.3%	5.6%	6.2%	6.0%

See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.

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

(in millions)

Results of Operations

Premiums and deposits

Revenues:

Premiums
 Policy fees
 Net investment income (loss):
 Base portfolio (2)
 Alternative investments
 Other yield enhancements (3)
 Total net investment income
 Advisory fee and other income
Total adjusted revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred
 Interest credited to policyholder account balances
 Amortization of deferred policy acquisition costs
 Non deferrable insurance commissions and other (13)
 Advisory fee expenses
 General operating expenses
 Interest expense
Total benefits, losses and expenses

Adjusted pre-tax income (loss)

Noteworthy items (pre-tax)

Update of actuarial assumptions (unlocking) (1)
 Better (worse) than expected alternative returns

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Results of Operations					
Premiums and deposits	\$ 2,072	\$ 1,848	\$ 1,860	\$ 1,802	\$ 2,040
Revenues:					
Premiums	\$ 6	\$ 6	\$ 8	\$ 4	\$ 9
Policy fees	112	114	113	101	99
Net investment income (loss):					
Base portfolio (2)	485	483	477	472	481
Alternative investments	36	16	22	23	31
Other yield enhancements (3)	61	51	25	40	43
Total net investment income	582	550	524	535	555
Advisory fee and other income	61	62	57	56	55
Total adjusted revenues	761	732	702	696	718
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	16	38	10	5	21
Interest credited to policyholder account balances	275	270	283	284	278
Amortization of deferred policy acquisition costs	25	25	12	25	22
Non deferrable insurance commissions and other (13)	29	28	28	25	27
Advisory fee expenses	22	24	22	19	18
General operating expenses	102	92	88	66	102
Interest expense	10	9	10	6	7
Total benefits, losses and expenses	479	486	453	430	475
Adjusted pre-tax income (loss)	\$ 282	\$ 246	\$ 249	\$ 266	\$ 243
Noteworthy items (pre-tax)					
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ 13	\$ -	\$ -
Better (worse) than expected alternative returns	25	5	9	9	17

See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Assets under administration:					
General accounts	\$ 46,172	\$ 47,245	\$ 46,994	\$ 46,922	\$ 45,679
Separate accounts	35,847	36,419	35,196	34,304	33,649
Group Retirement mutual funds	19,952	20,160	19,135	17,994	17,188
Total assets under administration	\$ 101,971	\$ 103,824	\$ 101,325	\$ 99,220	\$ 96,516
Net investment spreads:					
Total yield	5.22 %	4.91 %	4.76 %	4.86 %	5.16 %
Less: Alternative investments (5)	(0.26)	(0.08)	(0.14)	(0.14)	(0.21)
Less: Other yield enhancements (6)	(0.43)	(0.34)	(0.12)	(0.25)	(0.27)
Base yield (7)	4.53	4.49	4.50	4.47	4.68
Cost of funds (a)	2.72	2.61	2.78	2.82	2.81
Base net investment spread (b)	1.81 %	1.88 %	1.72 %	1.65 %	1.87 %
Net flows: (4)					
Premiums and deposits	\$ 1,863	\$ 1,848	\$ 1,860	\$ 1,802	\$ 2,040
Surrenders and withdrawals	(2,467)	(2,156)	(1,740)	(1,835)	(2,288)
Death and other contract benefits	(151)	(145)	(135)	(148)	(134)
Total net flows	\$ (755)	\$ (453)	\$ (15)	\$ (181)	\$ (382)
Surrender rates (8)	10.2 %	9.0 %	7.4 %	8.0 %	10.2 %
DAC rollforward:					
Balance at beginning of period	\$ 928	\$ 919	\$ 926	\$ 949	\$ 931
Deferrals	17	25	16	21	18
Operating amortization	(25)	(25)	(12)	(25)	(22)
Change from realized gains (losses)	1	(4)	1	(1)	(1)
Change from unrealized gains (losses)	59	13	(12)	(18)	23
Balance at end of period	\$ 980	\$ 928	\$ 919	\$ 926	\$ 949
Reserve rollforward:					
Balance at beginning of period, gross	\$ 97,306	\$ 94,992	\$ 92,649	\$ 90,958	\$ 88,622
Premiums and deposits	2,072	1,848	1,860	1,802	2,040
Surrenders and withdrawals	(2,467)	(2,156)	(1,740)	(1,835)	(2,288)
Death and other contract benefits	(151)	(145)	(135)	(148)	(134)
Subtotal	96,760	94,539	92,634	90,777	88,240
Change in fair value of underlying assets and reserve accretion, net of policy fees	(270)	2,502	2,078	1,593	2,444
Cost of funds (a)	270	265	280	279	274
Other reserve changes	(6)	-	-	-	-
Total insurance reserves and Group Retirement mutual funds	\$ 96,754	\$ 97,306	\$ 94,992	\$ 92,649	\$ 90,958

(a) Excludes the amortization of SIAs.

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

See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 67,822	\$ 68,608	\$ 67,294	\$ 65,785	\$ 65,439
Guaranteed Minimum Income Benefits (GMIB) (c)	2,338	2,419	2,392	2,362	2,360
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	44,267	45,289	43,937	42,952	41,885
Liability by benefit type (a)					
GMDB (b)	\$ 333	\$ 341	\$ 303	\$ 377	\$ 378
GMIB (c)	12	11	10	11	9
GMWB (d)	1,601	1,994	2,104	1,917	1,671

(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				
	1Q18	4Q17	3Q17	2Q17	1Q17
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ 551	\$ 567	\$ 284	\$ (19)	\$ 591
Change in fair value of variable annuity hedging portfolio:					
Fixed maturity securities	(77)	29	26	80	11
Interest rate derivative contracts	(406)	(80)	(20)	213	(183)
Equity derivative contracts	74	(369)	(310)	(259)	(409)
Change in fair value of variable annuity hedging portfolio	(409)	(420)	(304)	34	(581)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	142	147	(20)	15	10
Change in fair value of embedded derivatives due to NPA spread	72	(355)	(82)	(218)	(185)
Change in fair value of embedded derivatives due to change in NPA volume	(144)	(114)	(114)	79	(203)
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	-	(188)	-	-
Total change due to update of actuarial assumptions and NPA	(72)	(469)	(384)	(139)	(388)
Net impact on pre-tax income (loss)	\$ 70	\$ (322)	\$ (404)	\$ (124)	\$ (378)

See accompanying notes on page 33.



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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Results of Operations					
Premiums and deposits	\$ 969	\$ 963	\$ 935	\$ 947	\$ 910
Revenues:					
Premiums	\$ 379	\$ 362	\$ 384	\$ 400	\$ 384
Policy fees	377	370	343	357	360
Net investment income (loss):					
Base portfolio (2)	253	242	233	235	237
Alternative investments	21	7	9	10	13
Other yield enhancements (3)	19	14	18	16	10
Total net investment income	293	263	260	261	260
Advisory fee and other income (10)	12	18	13	12	9
Total adjusted revenues	1,061	1,013	1,000	1,030	1,013
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	646	649	587	615	593
Interest credited to policyholder account balances	95	95	93	93	95
Amortization of deferred policy acquisition costs (14)	86	78	37	48	76
Non deferrable insurance commissions and other (13)	22	21	32	25	31
General operating expenses	154	164	135	141	161
Interest expense	6	4	4	2	3
Total benefits, losses and expenses	1,009	1,011	888	924	959
Adjusted pre-tax income (loss)	\$ 52	\$ 2	\$ 112	\$ 106	\$ 54
Noteworthy items (pre-tax)					
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ 29	\$ -	\$ -
Better (worse) than expected alternative returns	15	1	4	4	7
Adjusted pre-tax income (loss) Domestic Life	57	12	90	88	62
Adjusted pre-tax income (loss) International Life	(5)	(10)	22	18	(8)

See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Gross life insurance in force, end of period:					
Domestic Life	\$ 865,395	\$ 857,577	\$ 857,445	\$ 852,679	\$ 847,182
International Life	111,259	99,212	92,877	84,764	76,772
Total	\$ 976,654	\$ 956,789	\$ 950,322	\$ 937,443	\$ 923,954
Life and A&H CPPE sales (11):					
Term	\$ 58	\$ 54	\$ 52	\$ 53	\$ 45
Universal life	42	43	40	37	28
Other life	12	11	9	8	5
Single premium and unscheduled deposits	3	3	3	2	2
A&H	3	6	6	6	7
Total	\$ 118	\$ 117	\$ 110	\$ 106	\$ 87
Surrender/lapse rates (12):					
Domestic Life:					
Independent distribution	3.98 %	3.87 %	4.82 %	5.07 %	5.08 %
Career distribution	5.75 %	5.98 %	6.70 %	6.40 %	6.94 %
DAC/VOBA rollforward:					
Balance at beginning of period	\$ 3,009	\$ 3,012	\$ 3,152	\$ 3,105	\$ 3,013
Deferrals	127	137	109	113	115
Operating amortization	(86)	(78)	(37)	(48)	(76)
Change from realized gains (losses)	2	-	2	2	-
Change from unrealized gains (losses)	160	(39)	(249)	(30)	49
Foreign exchange translation	12	(23)	35	10	4
Balance at end of period	\$ 3,224	\$ 3,009	\$ 3,012	\$ 3,152	\$ 3,105
Reserve rollforward:					
Balance at beginning of period, gross	\$ 19,424	\$ 18,836	\$ 18,694	\$ 18,533	\$ 18,397
Premiums and deposits	884	884	860	884	856
Surrenders and withdrawals	(174)	(132)	(143)	(136)	(158)
Death and other contract benefits	(96)	(134)	(151)	(159)	(131)
Subtotal	20,038	19,454	19,260	19,122	18,964
Change in fair value of underlying assets and reserve accretion, net of policy fees	(247)	(214)	(242)	(229)	(204)
Cost of funds	95	95	93	93	95
Other reserve changes	(197)	85	(287)	(305)	(326)
Foreign exchange translation	17	4	12	13	4
Balance at end of period	19,706	19,424	18,836	18,694	18,533
Reinsurance ceded	(1,061)	(1,055)	(1,049)	(1,075)	(1,074)
Total insurance reserves	\$ 18,645	\$ 18,369	\$ 17,787	\$ 17,619	\$ 17,459
Domestic Life	18,377	18,134	17,577	17,436	17,304
International Life	268	235	210	183	155
Total insurance reserves	\$ 18,645	\$ 18,369	\$ 17,787	\$ 17,619	\$ 17,459

See accompanying notes on page 33.



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

(in millions)

Results of Operations

Premiums and deposits (15)

Revenues:

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Premiums and deposits (15)	\$ 1,463	\$ 2,048	\$ 1,476	\$ 150	\$ 573
Revenues:					
Premiums	\$ 49	\$ 1,019	\$ 897	\$ 67	\$ 415
Policy fees	41	42	44	44	44
Net investment income:					
Base portfolio (2)	168	149	135	136	128
Alternative investments	11	3	4	4	6
Other yield enhancements (3)	8	8	11	5	6
Total net investment income	187	160	150	145	140
Advisory fee and other income	-	1	-	-	-
Total adjusted revenues	277	1,222	1,091	256	599

Benefits, losses and expenses:

Policyholder benefits and losses incurred	121	1,073	925	111	459
Interest credited to policyholder account balances	72	67	66	62	58
Amortization of deferred policy acquisition costs	1	2	2	-	1
Non deferrable insurance commissions	7	6	7	7	8
General operating expenses	14	12	10	12	10
Interest expense	3	2	2	1	1
Total benefits, losses and expenses	218	1,162	1,012	193	537

Adjusted pre-tax income

\$ 59	\$ 60	\$ 79	\$ 63	\$ 62
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General and separate account reserves

Future policyholder benefits	\$ 5,890	\$ 5,867	\$ 4,871	\$ 4,014	\$ 3,962
Policyholder contract deposits	9,653	8,267	8,306	7,648	7,550
Separate account reserves	4,033	4,443	3,811	3,780	4,300
Total general and separate account reserves	\$ 19,576	\$ 18,577	\$ 16,988	\$ 15,442	\$ 15,812

Noteworthy Items (pre-tax)

Better (worse) than expected alternative returns	\$ 8	\$ (1)	\$ 1	\$ 2	\$ 1
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See accompanying notes on page 33 and reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Reserve rollforward:					
Balance at beginning of period, gross	\$ 18,580	\$ 16,991	\$ 15,445	\$ 15,815	\$ 15,384
Premiums and deposits (15)	1,463	2,048	1,476	150	573
Surrenders and withdrawals	(522)	(491)	(37)	(564)	(199)
Death and other contract benefits	(107)	(68)	(72)	(108)	(95)
Subtotal	19,414	18,480	16,812	15,293	15,663
Change in fair value of underlying assets and reserve accretion, net of policy fees	61	56	86	47	56
Cost of funds	72	67	66	62	58
Other reserve changes	32	(23)	27	43	38
Balance at end of period	19,579	18,580	16,991	15,445	15,815
Reinsurance ceded	(3)	(3)	(3)	(3)	(3)
Total insurance reserves	\$ 19,576	\$ 18,577	\$ 16,988	\$ 15,442	\$ 15,812
Reserves by line of business:					
Structured settlements	\$ 2,877	\$ 2,830	\$ 2,774	\$ 2,714	\$ 2,635
Pension risk transfer	3,659	3,671	2,700	1,880	1,889
Corporate and Bank-owned life insurance	4,856	4,889	4,863	4,825	4,792
Stable value wrap - separate account liability	1,734	2,097	1,499	1,491	2,026
Guaranteed investment contracts	6,450	5,090	5,152	4,532	4,470
Total insurance reserves	\$ 19,576	\$ 18,577	\$ 16,988	\$ 15,442	\$ 15,812
Premiums and deposits by line of business:					
Structured settlements	\$ 72	\$ 74	\$ 84	\$ 98	\$ 128
Pension risk transfer	(4)	974	842	-	321
Corporate and Bank-owned life insurance	-	1	-	-	-
Stable value wrap - separate account liability	-	599	-	-	-
Guaranteed investment contracts (15)	1,395	400	550	52	124
Total premiums and deposits	\$ 1,463	\$ 2,048	\$ 1,476	\$ 150	\$ 573
Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)	\$ 36,638	\$ 37,616	\$ 36,415	\$ 36,605	\$ 36,983

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

American International Group, Inc.
Life and Retirement Notes

- (1) Life and Retirement Adjusted pre-tax income in 3Q17 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
	3Q17	3Q17	3Q17	3Q17	3Q17
Policy fees	\$ (9)	\$ -	\$ -	\$ -	\$ (9)
Interest credited to policyholder account balances	-	36	11	2	49
Amortization of deferred policy acquisition costs	34	94	55	11	194
Policyholder benefits and claims incurred	4	-	46	-	50
Adjusted pre-tax income (loss)	\$ 29	\$ 130	\$ 112	\$ 13	\$ 284
Changes in DAC related to net realized capital gains (losses)	-	-	43	1	44
Net realized capital gains (losses)	-	-	(208)	(38)	(246)
Increase (decrease) to pre-tax income (loss)	\$ 29	\$ 130	\$ (53)	\$ (24)	\$ 82

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

American International Group, Inc.
Other Operations Results

(in millions)

Results of Operations

Revenues:

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Premiums	\$ 6	\$ 4	\$ (19)	\$ 447	\$ 294
Net investment income	(1)	-	6	25	22
Other income (loss)	145	182	140	154	158
Total adjusted revenues	150	186	127	626	474

Benefits, losses and expenses:

Policyholder benefits and losses incurred	6	5	11	346	241
Acquisition expenses:					
Amortization of deferred policy acquisition costs	1	(1)	-	(2)	(6)
Other acquisition expenses	1	-	(5)	10	14
Total acquisition expenses	2	(1)	(5)	8	8
General operating expenses	246	310	243	394	290
Interest expense	238	238	244	243	243
Total benefits, losses and expenses	492	552	493	991	782

Adjusted pre-tax income (loss) before consolidation and eliminations

Consolidation, eliminations and other adjustments	11	-	(1)	28	48
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Adjusted pre-tax income (loss)

	\$ (331)	\$ (366)	\$ (367)	\$ (337)	\$ (260)
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Adjusted Pre-tax income (loss) by activities

Fuji Life (a)	N/A	N/A	N/A	\$ 27	\$ 16
Parent and Other:					
Corporate general operating expenses	(153)	(206)	(172)	(235)	(156)
Interest expense	(238)	(239)	(243)	(242)	(244)
Other income (expense), net	49	79	49	85	76
Total Parent and Other	(342)	(366)	(366)	(392)	(324)
Consolidation, eliminations and other adjustments	11	-	(1)	28	48

Adjusted pre-tax income (loss)

Interest expense on attributed financial debt	(150)	(152)	(171)	(181)	(177)
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Adjusted pre-tax income (loss) including attributed interest expense

Income tax expense (benefit)	(49)	(50)	(169)	(47)	(64)
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Adjusted after-tax income (loss)

	\$ (132)	\$ (164)	\$ (27)	\$ (109)	\$ (19)
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Noteworthy Items (pre-tax):

Better (worse) than expected alternative returns	\$ -	\$ -	\$ 1	\$ 1	\$ -
Better (worse) than expected DIB and GCM returns	-	1	-	4	2
Fair value changes on other securities accounted under fair value option (b)	14	51	30	11	22
Parent Liquidity Portfolio Information:					
Earnings on Parent liquidity portfolio	\$ 31	\$ 33	\$ 30	\$ 38	\$ 39
Interest expense, net of portion allocated to segments	(88)	(86)	(72)	(61)	(67)
Net interest expense on Parent liquidity portfolio	\$ (57)	\$ (53)	\$ (42)	\$ (23)	\$ (28)

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

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

See reconciliations of Non-GAAP financial measures beginning on page 44.

American International Group, Inc.
Legacy Portfolio Results

(in millions)

Results of Operations

Revenues:

	1Q18	4Q17	3Q17	2Q17	1Q17
Premiums	\$ 141	\$ 141	\$ 136	\$ 146	\$ 167
Policy Fees	30	32	38	32	35
Net investment income	565	634	690	722	730
Other income (loss)	100	349	149	238	152
Total adjusted revenues	836	1,156	1,013	1,138	1,084

Benefits, losses and expenses:

Policyholder benefits and losses incurred	506	528	500	488	482
Interest credited to policyholder account balances	59	60	61	57	63
Acquisition expenses:					
Amortization of deferred policy acquisition costs	18	6	28	14	28
Other acquisition expenses	1	-	1	(1)	-
Total acquisition expenses	19	6	29	13	28
Non deferrable insurance commissions	5	6	6	6	6
General operating expenses	94	126	98	115	121
Interest expense*	8	19	33	28	42
Total benefits, losses and expenses	691	745	727	707	742

Adjusted pre-tax income (loss)

	\$ 145	\$ 411	\$ 286	\$ 431	\$ 342
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Adjusted pre-tax income (loss) by type

General Insurance run-off lines	\$ 62	\$ 14	\$ 63	\$ 57	\$ 87
Life and Retirement run-off lines	28	98	79	139	90
Legacy investments	55	299	144	235	165

Adjusted pre-tax income (loss)

	\$ 145	\$ 411	\$ 286	\$ 431	\$ 342
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Interest expense on attributed financial debt	10	31	42	43	43
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Adjusted pre-tax income (loss) including attributed interest expense

	135	380	244	388	299
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Income tax expense (benefit)	29	129	79	135	97
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Adjusted after-tax income (loss) (a)

	\$ 106	\$ 251	\$ 165	\$ 253	\$ 202
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Ending adjusted attributed equity	\$ 9,246	\$ 9,283	\$ 9,880	\$ 9,912	\$ 10,477
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Average adjusted attributed equity (b)**	9,265	9,582	9,896	10,195	10,563
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Adjusted return on attributed equity (a÷b)	4.6 %	10.5 %	6.7 %	9.9 %	7.6 %
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* Includes inter-segment interest expenses.

** See accompanying notes to Adjusted Attributed Equity on page 49.

See reconciliations of Non-GAAP financial measures beginning on page 44.



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

(in millions)

Noteworthy Items (pre-tax)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Catastrophe losses, net of reinsurance	\$ -	\$ 4	\$ -	\$ -	-
Average annual loss	4	2	2	2	2
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(2)	(4)	(1)	(2)	(14)
Update of actuarial assumptions (unlocking)	-	-	(14)	-	-
Better (worse) than expected alternative returns	-	15	29	29	(5)
Better (worse) than expected DIB and GCM returns	37	233	42	138	43
Fair value changes on other securities accounted under fair value option*	79	368	138	246	214
Selected Balance Sheet Data					
Legacy investments, net of related debt	\$ 2,779	\$ 3,670	\$ 5,811	\$ 5,961	\$ 6,534
Legacy General Insurance run-off reserves **	5,926	6,178	6,375	6,548	6,726
Legacy Life and Retirement run-off reserves	37,793	38,608	38,489	38,740	38,442
Adjusted attributed equity	9,246	9,283	9,880	9,912	10,477

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

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

See reconciliations of Non-GAAP financial measures beginning on page 44.

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

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums earned	\$ 18	\$ 21	\$ 19	\$ 22	\$ 45
Losses and loss adjustment expenses incurred*	17	70	38	46	38
Total acquisition expenses	3	2	2	1	1
General operating expenses	8	9	6	9	7
Underwriting income (loss)	(10)	(60)	(27)	(34)	(1)
Net investment income	72	74	90	91	88
Adjusted pre-tax income (loss)	\$ 62	\$ 14	\$ 63	\$ 57	\$ 87
Noteworthy Items (pre-tax)					
Catastrophe-related losses, net of reinsurance	\$ -	\$ 4	\$ -	\$ -	\$ -
Average annual loss	4	2	2	2	2
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(2)	(4)	(1)	(2)	(14)
Net liability for unpaid losses and loss adjustment expenses (at period end)**	5,926	6,178	6,375	6,548	6,726

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

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

See reconciliations of Non-GAAP financial measures beginning on page 44.

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

(in millions)

Results of Operations	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Premiums and deposits	\$ 225	\$ 156	\$ 155	\$ 149	\$ 160
Revenues:					
Premiums	\$ 122	\$ 120	\$ 117	\$ 124	\$ 122
Policy fees	30	32	38	32	35
Net investment income:					
Base portfolio	421	443	424	423	441
Alternative investments	47	64	78	79	37
Other yield enhancements	22	44	35	40	44
Total net investment income	490	551	537	542	522
Other income	-	2	-	1	-
Total adjusted revenues	642	705	692	699	679
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	482	458	462	442	444
Interest credited to policyholder account balances	59	60	61	57	63
Amortization of deferred policy acquisition costs	17	4	27	12	27
Non deferrable insurance commissions	5	6	6	6	6
General operating expenses	49	71	48	38	43
Interest expense	2	8	9	5	6
Total benefits, losses and expenses	614	607	613	560	589
Adjusted pre-tax income (loss)	\$ 28	\$ 98	\$ 79	\$ 139	\$ 90
Noteworthy items (pre-tax)					
Future policy benefits for life and A&H contracts (at period end)	\$ 30,355	\$ 31,005	\$ 30,845	\$ 30,996	\$ 30,607
Policyholder contract deposits	5,483	5,624	5,648	5,745	5,807
Separate account reserves	1,955	1,979	1,996	1,999	2,028
Total general and separate account reserves	\$ 37,793	\$ 38,608	\$ 38,489	\$ 38,740	\$ 38,442
Update of actuarial assumptions (unlocking)	\$ -	\$ -	\$ (14)	\$ -	\$ -

See reconciliations of Non-GAAP financial measures beginning on page 44.



American International Group, Inc.
Investments Portfolio Results by Asset Category and Annualized Yields

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Fixed Maturity Securities- AFS, ending carry value					
Yield (a)	4.64%	4.66%	4.58%	4.70%	4.63%
Investment income (b)	\$ 2,617	\$ 2,618	\$ 2,559	\$ 2,635	\$ 2,695
Net realized capital gains (losses)	(76)	20	(18)	111	96
Ending carrying value	233,914	238,992	237,771	235,289	230,698
Fixed Maturity Securities- Other (c)					
Total Return (a)	1.62%	15.95%	7.92%	12.95%	9.55%
Investment income (loss) (b)	\$ 51	\$ 507	\$ 259	\$ 439	\$ 329
Ending carrying value	12,397	12,772	12,653	13,478	13,605
Equity Securities- AFS, ending carry value					
Yield (a)	0.00%	3.76%	1.49%	3.40%	1.25%
Investment income (loss) (b)	\$ -	\$ 12	\$ 5	\$ 12	\$ 5
Net realized capital gains (losses)	16	1	2	75	(1)
Ending carrying value (d)	-	1,708	1,707	1,605	2,099
Equity Securities- Other, ending carry value (c)					
Investment income (b)	\$ (31)	\$ 52	\$ 32	\$ 13	\$ 26
Ending carrying value	1,725	589	538	506	500
Loans					
Yield (a)	4.79%	4.99%	4.72%	4.70%	4.75%
Investment income (b)	\$ 452	\$ 456	\$ 417	\$ 402	\$ 399
Net realized capital gains (losses)	(24)	10	(36)	(24)	6
Ending carrying value	38,540	37,023	36,089	34,642	33,878
Short-term Investments					
Yield (a)	0.91%	1.26%	0.70%	0.67%	0.54%
Investment income (b)	\$ 28	\$ 32	\$ 19	\$ 19	\$ 16
Ending carrying value	14,616	10,386	9,775	12,094	11,073

(a) Yields/Total Return are calculated using quarterly annualized investment income divided by average quarterly asset amortized cost for the interim periods.

(b) Investment Income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries. As a result of the adoption of the Financial Instruments Recognition and Measurement Standard (ASU 2016-01) on January 1, 2018, equity securities are no longer classified and accounted for as available-for-sale securities, and changes in fair value of these securities are recorded as net investment income in Equity Securities - Other.

(c) Fixed Maturity Securities – Other and Equity Securities – Other are securities where we have elected the fair value option. Changes in the fair value for these securities are reported through investment income which can result in significant fluctuations in the total return.

(d) Includes Arch Capital Group Ltd. (Arch) convertible non-voting common-equivalent preferred shares, which were fully sold in 1Q18.

American International Group, Inc.
Investments Portfolio Results by Asset Category and Annualized Yields

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Other invested assets - Hedge Funds/Private Equity (c)					
Yield (a)	11.51%	9.94%	11.21%	11.96%	13.72%
Investment income (b)	\$ 299	\$ 260	\$ 309	\$ 338	\$ 404
Net realized capital gains (losses)	-	(5)	(14)	16	43
Ending carrying value	10,642	10,764	11,484	11,929	12,134
Other invested assets - Real Estate investments					
Yield (a)	1.67%	1.82%	4.76%	1.08%	2.44%
Investment income (b)	\$ 35	\$ 36	\$ 87	\$ 20	\$ 42
Net realized capital gains (losses)	(6)	3	1	33	(9)
Ending carrying value	8,636	8,258	7,465	7,188	7,057
Other invested assets - All other (d)					
Investment income (b) (e)	\$ 54	\$ 73	\$ 98	\$ 135	\$ 171
Net realized capital gains (losses)	97	(14)	(321)	(56)	(128)
Ending carrying value	1,905	1,800	3,641	4,015	4,461
Total Other Invested Assets	\$ 21,183	\$ 20,822	\$ 22,590	\$ 23,132	\$ 23,652
Total AIG					
Total Investments	\$ 322,375	\$ 322,292	\$ 321,123	\$ 320,746	\$ 315,505
Total Investment Expenses	\$ 124	\$ 130	\$ 136	\$ 128	\$ 126
Total Gross AIG Investment Income (b)	\$ 3,505	\$ 4,046	\$ 3,785	\$ 3,961	\$ 4,139

(a) Yields are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods.

(b) Investment Income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.

(c) 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.

(d) Other Invested Assets - All Other includes life settlements, long term time deposits, private common stock, affordable housing partnerships and aircraft assets. 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. The total carrying value for these is less than 2% of total investments.

(e) Includes Arch convertible non-voting common-equivalent preferred shares, which were fully sold in 1Q18.

See Reconciliation of Net Investment Income and Gross AIG Investment Income on page 50.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Sales of fixed maturity securities	\$ 10	\$ 51	\$ 54	\$ 165	\$ 155
Sales of equity securities	16	2	4	81	1
Other-than-temporary impairments:					
Severity	-	-	-	(2)	-
Change in intent	(49)	-	(1)	(7)	(1)
Foreign currency declines	(6)	-	(1)	-	(10)
Issuer-specific credit events	(32)	(37)	(85)	(55)	(57)
Adverse projected cash flows	-	-	(1)	(3)	-
Total other-than-temporary impairments	(87)	(37)	(88)	(67)	(68)
Provision for loan losses	(24)	6	(38)	(24)	6
Foreign exchange transactions	53	190	66	74	159
Variable annuity embedded derivatives, net of related hedges	147	(351)	(430)	(204)	(389)
All other derivatives and hedge accounting	(225)	(151)	(136)	(94)	13
Impairments on investments in life settlements	-	-	(273)	(46)	(41)
Other*	91	16	(81)	46	49
Total net realized capital gains (losses)	\$ (19)	\$ (274)	\$ (922)	\$ (69)	\$ (115)

* In 4Q17, we sold the remaining portion of our life settlement portfolio. Included loss on sale of a portion of our Life Settlement Portfolio of \$11 million, \$34 million, \$5 million, and \$89 million in 4Q17, 3Q17, 2Q17, and 1Q17, respectively. The aggregate amount of loss on sale plus impairments of our Life Settlement Portfolio was \$11 million, \$307 million, \$51 million, and \$130 million in 4Q17, 3Q17, 2Q17, and 1Q17, respectively.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
General Insurance					
North America					
Commercial Lines	\$ (136)	\$ (105)	\$ 528	\$ 15	(81)
Personal Insurance	58	8	14	(11)	3
Total North America	(78)	(97)	542	4	(78)
International					
Commercial Lines	(1)	193	309	47	104
Personal Insurance	(29)	(16)	(14)	7	(2)
Total International	(30)	177	295	54	102
Total General Insurance	(108)	80	837	58	24
Legacy Portfolio - General Insurance Run Off Lines	(2)	(4)	(1)	(2)	(14)
Total prior year unfavorable (favorable) development*	\$ (110)	\$ 76	\$ 836	\$ 56	\$ 10
(Additional) return premium related to prior year development on loss sensitive business	\$ 4	\$ 13	\$ 9	\$ 23	\$ 23

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreement of \$62 million, \$63 million, \$62 million, \$62 million and \$41 million for the three months ended March 31, 2018, and December 31, September 30, June 30 and March 31, 2017, respectively. Consistent with our definition of APTI, prior year development excludes the portion of unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of \$9 million, \$72 million, \$3 million, \$273 million and \$11 million for the three months ended March 31, 2018 and December 31, September 30, June 30 and March 31, 2017, respectively, and related changes in amortization of the deferred gain of (\$23 million), \$26 million, \$13 million, \$20 million and (\$3 million) over those same periods.

Prior year development by accident year:

Accident Year	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
2017	\$ (17)	\$ -	\$ -	\$ -	-
2016	(60)	76	705	58	(19)
2015	(4)	20	52	(21)	(3)
2014	(14)	(6)	12	(23)	11
2013	(3)	(54)	(9)	(29)	(7)
2012	(9)	36	(42)	(18)	2
2011	(8)	(19)	21	8	8
2010	(3)	8	13	2	(7)
2009	(1)	60	4	9	(5)
2008 and prior	9	(45)	80	70	30
Total prior year unfavorable (favorable) development	\$ (110)	\$ 76	\$ 836	\$ 56	\$ 10

American International Group, Inc.
Adverse Development Cover

The table below shows the calculation of the gain on the 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)	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	1Q18 Change
Gross Covered Losses						
Covered reserves before discount	\$ 25,700	\$ 26,654	\$ 28,778	\$ 30,399	\$ 31,614	\$ (954)
Inception to date losses paid	15,751	14,788	12,631	11,010	9,454	963
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	\$ 16,451	\$ 16,442	\$ 16,409	\$ 16,409	\$ 16,068	\$ 9
Deferred Gain Development						
Covered losses above attachment ceded to NICO (80%)*	\$ 13,161	\$ 13,153	\$ 13,127	\$ 13,127	\$ 12,854	\$ 8
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	2,973	2,965	2,939	2,939	2,666	8
Discount on ceded losses	(1,667)	(1,539)	(1,494)	(1,547)	(1,655)	(128)
Pre-tax deferred gain before amortization	1,306	1,426	1,445	1,392	1,011	(120)
Inception to date amortization attributed to deferred gain at inception	(290)	(228)	(165)	(103)	(41)	(62)
Inception to date amortization attributed to changes in deferred gain**	(3)	(31)	(19)	(12)	(2)	28
Deferred gain liability reflected in AIG's balance sheet	\$ 1,013	\$ 1,167	\$ 1,261	\$ 1,277	\$ 968	\$ (154)

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ 9	\$ 33	\$ -	\$ 341	\$ 15
Prior year development ceded to NICO*	(8)	(26)	-	(273)	(11)
Subtotal	1	7	-	68	4
Amortization attributed to deferred gain at inception	(62)	(63)	(62)	(62)	(41)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	(61)	(56)	(62)	6	(37)
Unfavorable (favorable) prior year development on non-covered reserves	(49)	132	898	50	47
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	\$ (110)	\$ 76	\$ 836	\$ 56	\$ 10

* 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.

** Excluded from our definition of APTI.

Selected Balance Sheet data for ADC

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Reinsurance recoverable reported in Reinsurance assets, net of allowance	11,494	\$ 11,614	\$ 11,633	\$ 11,580	\$ 11,199
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	11,494	11,614	11,633	11,580	11,199
Deferred gain reported in Other liabilities	1,013	1,167	1,261	1,277	968



American International Group, Inc.
Supplemental Information Table of Contents

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American International Group, Inc.
Earnings Per Share Computations

(in millions)	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
GAAP Basis:					
Numerator for EPS:					
Income (loss) from continuing operations	\$ 950	\$ (6,669)	\$ (1,712)	\$ 1,110	\$ 1,211
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	11	(12)	26	(12)	26
Income (loss) attributable to AIG common shareholders from continuing operations	939	(6,657)	(1,738)	1,122	1,185
Income (loss) from discontinued operations, net of income tax expense	(1)	(3)	(1)	8	-
Net income (loss) attributable to AIG common shareholders	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185
Denominator for EPS:					
Weighted average shares outstanding - basic*	908.0	908.1	908.7	925.8	980.8
Dilutive shares**	17.3	-	-	22.4	24.5
Weighted average shares outstanding - diluted**	925.3	908.1	908.7	948.2	1,005.3
Income per common share attributable to AIG:					
Basic:					
Income (loss) from continuing operations	\$ 1.03	\$ (7.33)	\$ (1.91)	\$ 1.21	\$ 1.21
Income (loss) from discontinued operations	-	-	-	0.01	-
Net income (loss) attributable to AIG	\$ 1.03	\$ (7.33)	\$ (1.91)	\$ 1.22	\$ 1.21
Diluted**:					
Income (loss) from continuing operations	\$ 1.01	\$ (7.33)	\$ (1.91)	\$ 1.18	\$ 1.18
Income (loss) from discontinued operations	-	-	-	0.01	-
Net income (loss) attributable to AIG	\$ 1.01	\$ (7.33)	\$ (1.91)	\$ 1.19	\$ 1.18

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

** For the quarters where we reported a net loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.

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

(in millions, except per share data)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Book Value Per Share					
Total AIG shareholders' equity (a)	\$ 62,792	\$ 65,171	\$ 72,468	\$ 73,732	\$ 74,069
Less: Accumulated other comprehensive income (AOCI)	2,220	5,465	5,939	4,962	3,781
Total AIG shareholders' equity, excluding AOCI (b)	60,572	59,706	66,529	68,770	70,288
Less: Deferred tax assets (DTA)*	10,214	10,492	14,897	14,287	14,585
Total adjusted shareholders' equity (c)	50,358	49,214	51,632	54,483	55,703
Total common shares outstanding (d)	897.7	899.0	898.9	903.4	942.5
Book value per common share (a÷d)	\$ 69.95	\$ 72.49	\$ 80.62	\$ 81.62	\$ 78.59
Book value per common share, excluding AOCI (b÷d)	67.48	66.41	74.01	76.12	74.58
Adjusted book value per common share (c÷d)	56.10	54.74	57.44	60.31	59.10
Return On Equity (ROE) Computations					
Actual or Annualized net income (loss) attributable to AIG (a)	\$ 3,752	\$ (26,640)	\$ (6,956)	\$ 4,520	\$ 4,740
Actual or Annualized adjusted after-tax income (loss) attributable to AIG (b)	\$ 3,852	\$ 2,104	\$ (4,444)	\$ 5,796	\$ 5,468
Average AIG Shareholders' equity (c)	\$ 63,982	\$ 68,820	\$ 73,100	\$ 73,901	\$ 75,185
Less: Average AOCI	3,843	5,702	5,451	4,372	3,506
Less: Average DTA	10,353	12,695	14,592	14,436	14,678
Average adjusted shareholders' equity (d)	\$ 49,786	\$ 50,423	\$ 53,057	\$ 55,093	\$ 57,001
ROE (a÷c)	5.9%	(38.7%)	(9.5%)	6.1%	6.3%
Adjusted return on equity (b÷d)	7.7%	4.2%	8.4%	10.5%	9.6%

* 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				
	1Q18	4Q17	3Q17	2Q17	1Q17
Pre-tax income (loss) from continuing operations	\$ 1,227	\$ 875	\$ (2,803)	\$ 1,667	\$ 1,727
Adjustments to arrive at Adjusted pre-tax income (loss)					
Changes in fair value of securities used to hedge guaranteed living benefits	77	(29)	(26)	(80)	(11)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	31	(108)	(84)	(58)	(53)
Loss (gain) on extinguishment of debt	4	(1)	1	(4)	(1)
Net realized capital (gains) losses (a)	19	274	922	69	115
(Income) loss from divested businesses	(8)	(241)	13	60	100
Non-operating litigation reserves and settlements	13	(43)	-	(80)	(6)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	34	45	(7)	251	14
Net loss reserve discount (benefit) charge	(205)	(96)	48	260	(25)
Pension expense related to a one-time lump sum payment to former employees	-	10	49	1	-
Restructuring and other costs	24	154	31	47	181
Adjusted pre-tax income (loss)	\$ 1,216	\$ 840	\$ (1,856)	\$ 2,133	\$ 2,041
Net income (loss) attributable to AIG	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185
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	(4)	461	11	66	(50)
Deferred income tax valuation allowance (releases) charges	30	66	(2)	(8)	(13)
Impact of Tax Act	-	6,687	-	-	-
Changes in fair value of securities used to hedge guaranteed living benefits	61	(19)	(17)	(52)	(7)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	25	(70)	(55)	(38)	(34)
Loss (gain) on extinguishment of debt	3	-	-	(2)	(1)
Net realized capital (gains) losses (a)(b)	21	170	607	31	73
(Income) loss from discontinued operations and divested businesses (b)	(5)	(156)	7	12	106
Non-operating litigation reserves and settlements	10	(28)	-	(52)	(4)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	27	30	(5)	162	10
Net loss reserve discount (benefit) charge	(162)	(60)	28	170	(16)
Pension expense related to a one-time lump sum payment to former employees	-	6	33	-	-
Restructuring and other costs	19	99	21	30	118
Adjusted after-tax income (loss)	\$ 963	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,367
Calculation of Effective Tax Rates					
Adjusted pre-tax income (loss)	\$ 1,216	\$ 840	\$ (1,856)	\$ 2,133	\$ 2,041
Income tax benefit (expense)	(243)	(327)	770	(696)	(653)
Net income (loss) attributable to noncontrolling interest	(10)	13	(25)	12	(21)
Adjusted after-tax income (loss)	\$ 963	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,367
Effective tax rates on adjusted pre-tax income (loss)	20.0%	38.9%	41.5%	32.6%	32.0%

(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.



American International Group, Inc.

Reconciliation of Adjusted Pre-tax and After-tax Income – Core Portfolio

Total Core

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Adjusted pre-tax income (loss)	\$ 1,071	\$ 429	\$ (2,142)	\$ 1,702	\$ 1,699
Interest expense (benefit) on attributed financial debt	(10)	(31)	(42)	(43)	(43)
Adjusted pre-tax income (loss) including attributed interest expenses:	1,081	460	(2,100)	1,745	1,742
Income tax expense (benefit)	214	198	(849)	561	556
Adjusted after-tax income (loss) (a)	\$ 867	\$ 262	\$ (1,251)	\$ 1,184	\$ 1,186
Ending adjusted attributed equity	41,112	39,931	41,751	44,571	45,226
Average adjusted attributed equity (b)*	40,522	40,841	43,161	44,898	46,438
Adjusted return on attributed equity (a÷b)	8.6 %	2.6 %	(11.6)%	10.5 %	10.2 %

* See accompanying notes to Adjusted Attributed Equity on page 49.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Attributed Debt (a)					
General Insurance	\$ 12,862	\$ 10,819	\$ 10,819	\$ 12,329	\$ 11,652
Life and Retirement	2,830	516	516	516	516
Other Operations	7,943	8,785	6,799	5,921	5,352
Total Core	23,635	20,120	18,134	18,766	17,520
Legacy Portfolio	-	2,036	3,764	3,767	3,764
Total Attributed Debt	\$ 23,635	\$ 22,156	\$ 21,898	\$ 22,533	\$ 21,284
Consolidated Attributed Debt					
Total Financial debt	\$ 22,043	\$ 21,315	\$ 21,062	\$ 21,668	\$ 20,437
Hybrid debt securities - junior subordinated debt	1,592	841	836	865	847
Total Attributed Debt	\$ 23,635	\$ 22,156	\$ 21,898	\$ 22,533	\$ 21,284
Adjusted Attributed Equity (b)					
General Insurance	\$ 23,887	\$ 25,244	\$ 24,979	\$ 25,867	\$ 25,517
Life and Retirement	19,931	20,304	20,983	20,884	20,716
Other Operations	(2,706)	(5,617)	(4,211)	(2,180)	(1,007)
Total Core	41,112	39,931	41,751	44,571	45,226
Legacy Portfolio	9,246	9,283	9,880	9,912	10,477
Total Adjusted Attributed Equity	\$ 50,358	\$ 49,214	\$ 51,631	\$ 54,483	\$ 55,703

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

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

(b) Attribution of adjusted equity is performed on an annual basis unless recalibration is needed. Adjusted attributed equity is based on our internal capital model and on the model's risk profile of each business. The recalibrated adjusted attributed equity balances as of January 1, 2018 was \$22,933 million, \$19,467 million, (\$2,469) million and \$39,931 million for General Insurance, Life and Retirement, Other Operations and Core, respectively. There was no change for Legacy Portfolio. The calculation of average adjusted attributed equity for 1Q18 is calculated as the average of the recalibrated adjusted attributed equity as of January 1, 2018 and March 31, 2018.

American International Group, Inc.

Reconciliation of Net Investment Income and Gross AIG Investment Income

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Reconciliation of Net Investment Income:					
Net Investment Income - Insurance companies:					
General Insurance	\$ 761	\$ 859	\$ 863	\$ 897	\$ 1,049
Life and Retirement	2,046	2,003	1,907	1,944	1,962
Legacy Operations	565	634	690	722	730
Divested Insurance Operations (Reported in Other Operations)	(1)	-	6	25	22
Consolidations and eliminations	(33)	(61)	(76)	(55)	(88)
Total Insurance Company NII - Operating basis	3,338	3,435	3,390	3,533	3,675
Add:					
Non-operating changes in FV of securities used to hedge guaranteed living benefits	(77)	29	26	80	11
Total Net Investment Income -per Consolidated Statement of Operations	3,261	3,464	3,416	3,613	3,686
Add:					
Investment Expenses	124	130	136	128	126
Investment income from non-insurance subsidiaries and other	120	452	233	220	327
Total Gross AIG Investment Income	\$ 3,505	\$ 4,046	\$ 3,785	\$ 3,961	\$ 4,139

See Total Gross AIG Investment Income in the Investments Portfolio Results by Asset Category and Annualized Yields on page 40.

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

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 3,269	\$ 3,230	\$ 3,770	\$ 3,826	\$ 3,629
Net premiums earned	\$ 3,640	\$ 3,692	\$ 3,815	\$ 3,736	\$ 3,769
Losses and loss adjustment expenses incurred (a)	2,566	3,137	6,426	2,762	2,714
Acquisition expenses:					
Amortization of deferred policy acquisition costs	449	449	424	465	428
Other acquisition expenses	182	123	129	103	168
Total acquisition expenses	631	572	553	568	596
General operating expenses	546	570	476	504	541
Underwriting income (loss)	\$ (103)	\$ (587)	\$ (3,640)	\$ (98)	\$ (82)

Underwriting Ratios

Loss ratio (a)	70.5	85.0	168.4	73.9	72.0
Catastrophe losses and reinstatement premiums	(4.5)	(7.7)	(71.2)	(4.7)	(5.3)
Prior year development	3.7	(2.6)	(22.1)	(2.1)	(1.0)
Adjustment for ceded premium under reinsurance contract	-	-	-	(0.8)	-
Accident year loss ratio, as adjusted (b)	69.7	74.7	75.1	66.3	65.7
AAL ratio	5.4	7.9	7.6	7.0	7.0
Accident year loss ratio, as adjusted, including AAL	75.1	82.6	82.7	73.3	72.7
Acquisition ratio	17.3	15.5	14.5	15.2	15.8
General operating expense ratio	15.0	15.4	12.5	13.5	14.4
Expense ratio	32.3	30.9	27.0	28.7	30.2
Combined ratio (a)	102.8	115.9	195.4	102.6	102.2
Accident year combined ratio, as adjusted (b)	102.0	105.6	102.1	95.0	95.9
Accident year combined ratio, as adjusted, including AAL	107.4	113.5	109.7	102.0	102.9

Noteworthy Items (pre-tax)

Catastrophe-related losses	\$ 164	\$ 300	\$ 2,719	\$ 178	\$ 201
Average annual loss	199	293	293	268	268
Reinstatement premiums related to catastrophes	-	(23)	-	-	-
Severe losses	135	51	232	125	40
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(137)	88	837	62	23
(Additional) return premium related to prior year development on loss sensitive business	4	13	9	23	23
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(133)	101	846	85	46

(a) 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 changes in amortization of the deferred gain.

(b) Includes adjustment for ceded premiums under reinsurance contracts related to prior accident years of \$47 million, which reduced the accident year loss ratio, as adjusted, in the three-month period ended June 30, 2017.



American International Group, Inc.
Supplemental General Insurance Information
Personal Insurance Operating Statistics

(in millions)

Results of Operations

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Net premiums written	\$ 2,902	\$ 2,662	\$ 2,807	\$ 2,846	\$ 2,668
Net premiums earned	\$ 3,043	\$ 2,683	\$ 2,823	\$ 2,788	\$ 2,720
Losses and loss adjustment expenses incurred	1,922	1,853	1,814	1,413	1,523
Acquisition expenses:					
Amortization of deferred policy acquisition costs	617	513	510	495	481
Other acquisition expenses	203	183	215	247	220
Total acquisition expenses	820	696	725	742	701
General operating expenses	449	392	441	386	402
Underwriting income (loss)	\$ (148)	\$ (258)	\$ (157)	\$ 247	\$ 94

Underwriting Ratios

Loss ratio*	63.2	69.1	64.3	50.7	56.0
Catastrophe losses and reinstatement premiums	(7.0)	(17.3)	(10.6)	(0.1)	(1.0)
Prior year development	(1.0)	0.3	-	0.2	-
Accident year loss ratio, as adjusted	55.2	52.1	53.7	50.8	55.0
AAL ratio	2.1	2.5	2.4	2.4	2.4
Accident year loss ratio, as adjusted, including AAL	57.3	54.6	56.1	53.2	57.4
Acquisition ratio	26.9	25.9	25.7	26.6	25.8
General operating expense ratio	14.8	14.6	15.6	13.8	14.8
Expense ratio	41.7	40.5	41.3	40.4	40.6
Combined ratio*	104.9	109.6	105.6	91.1	96.6
Accident year combined ratio, as adjusted	96.9	92.6	95.0	91.2	95.6
Accident year combined ratio, as adjusted, including AAL	99.0	95.1	97.4	93.6	98.0

Noteworthy Items (pre-tax)

Catastrophe-related losses	\$ 212	\$ 462	\$ 297	\$ 2	\$ 27
Average annual loss	64	67	67	67	67
Severe losses	-	-	11	-	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	29	(8)	-	(4)	1

* Consistent with our definition of APTI, excludes 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.

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

(in millions)

	Quarterly				
	1Q18	4Q17	3Q17	2Q17	1Q17
Individual Retirement:					
Premiums	\$ 12	\$ 10	\$ 22	\$ 31	\$ 28
Deposits	4,347	3,096	2,504	2,862	3,357
Other	(1)	-	-	(1)	(3)
Premiums and deposits	\$ 4,358	\$ 3,106	\$ 2,526	\$ 2,892	\$ 3,382
Individual Retirement (Fixed Annuities):					
Premiums	\$ 13	\$ 14	\$ 20	\$ 33	\$ 29
Deposits	786	856	573	604	892
Other	(2)	(2)	(1)	(4)	(4)
Premiums and deposits	\$ 797	\$ 868	\$ 592	\$ 633	\$ 917
Individual Retirement (Variable Annuities):					
Premiums	\$ (1)	\$ (4)	\$ 2	\$ (2)	\$ (1)
Deposits	1,921	771	733	841	862
Other	1	2	1	2	1
Premiums and deposits	\$ 1,921	\$ 769	\$ 736	\$ 841	\$ 862
Individual Retirement (Index Annuities):					
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	739	786	601	720	606
Other	-	-	-	-	-
Premiums and deposits	\$ 739	\$ 786	\$ 601	\$ 720	\$ 606
Individual Retirement (Retail Mutual Funds):					
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	901	683	597	698	997
Other	-	-	-	-	-
Premiums and deposits	\$ 901	\$ 683	\$ 597	\$ 698	\$ 997
Group Retirement:					
Premiums	\$ 6	\$ 6	\$ 8	\$ 4	\$ 9
Deposits	2,066	1,842	1,852	1,798	2,031
Other	-	-	-	-	-
Premiums and deposits	\$ 2,072	\$ 1,848	\$ 1,860	\$ 1,802	\$ 2,040
Life Insurance:					
Premiums	\$ 379	\$ 362	\$ 384	\$ 400	\$ 384
Deposits	412	398	371	381	368
Other	178	203	180	166	158
Premiums and deposits	\$ 969	\$ 963	\$ 935	\$ 947	\$ 910
Institutional Markets:					
Premiums	\$ 49	\$ 1,019	\$ 897	\$ 67	\$ 415
Deposits	1,408	1,022	573	76	150
Other	6	7	6	7	8
Premiums and deposits	\$ 1,463	\$ 2,048	\$ 1,476	\$ 150	\$ 573
Total Life and Retirement:					
Premiums	\$ 446	\$ 1,397	\$ 1,311	\$ 502	\$ 836
Deposits	8,233	6,358	5,300	5,117	5,906
Other	183	210	186	172	163
Premiums and deposits	\$ 8,862	\$ 7,965	\$ 6,797	\$ 5,791	\$ 6,905
Legacy Life and Retirement Run-off Lines:					
Premiums	\$ 116	\$ 120	\$ 117	\$ 124	\$ 122
Deposits	102	30	27	18	30
Other	7	6	11	7	8
Premiums and deposits	\$ 225	\$ 156	\$ 155	\$ 149	\$ 160

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





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