

2014 年第 1 四半期（1 月～3 月） 決算短信

会社名 アメリカン・インターナショナル・グループ・インク
 決算期 本決算：年 1 回（12 月）
 中間決算：四半期毎
 問い合わせ先 東京都港区元赤坂一丁目 2 番 7 号 赤坂 K タワー
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1. 本国における決算発表日 2014 年 5 月 5 日

2. 業績（注 1：下記の数字は 2014 年 3 月 31 日現在の会計方法に従い算出したものである。）

	第 1 四半期（1 月～3 月の 3 ヶ月間）		
	当年度（2014 年）	前年度（2013 年）	増減率
売上高又は営業収入	16,112 百万ドル	16,962 百万ドル	△5.0%
純利益（税引後）	1,609 百万ドル	2,206 百万ドル	△27.1%
1 株当たり純利益（注 2）	1.09 ドル	1.49 ドル	△26.8%

	今期累計額		
	当期	前年同期	増減率
売上高又は営業収入			
純利益（税引後）			
1 株当たり純利益（注 2）			

	配当金の推移（注 3）		
	当年度（2014 年）	前年度（2013 年）	備考
第 1 四半期	0.125 ドル		
第 2 四半期			
第 3 四半期		0.10 ドル	
第 4 四半期		0.10 ドル	
合計		0.20 ドル	

（注 2） 1 株当たり純利益は、希薄化後である。

（注 3） 配当金は、各四半期に設定された基準日に基づき記載されている。

3. 概況・特記事項・その他

上記 2. の各数値は、会社の 2014 年 5 月 5 日付けプレス・リリースおよび Quarterly Financial Supplement First Quarter 2014 から抜粋したものである。当該プレス・リリースおよび Quarterly Financial Supplement First Quarter 2014 を添付する。



Press Release
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AIG REPORTS FIRST QUARTER 2014 NET INCOME ATTRIBUTABLE TO AIG OF \$1.6 BILLION AND DILUTED EARNINGS PER SHARE OF \$1.09

- First quarter 2014 after-tax operating income attributable to AIG of \$1.8 billion, \$1.21 per diluted share
- First quarter 2014 insurance pre-tax operating income of \$2.7 billion
- Share repurchases of approximately \$867 million in the first quarter of 2014
- Book value per share grew 6 percent from first quarter 2013 to \$71.77; book value per share excluding accumulated other comprehensive income (AOCI) grew 10 percent from first quarter 2013 to \$65.49
- \$1.7 billion of cash dividends from AIG Life and Retirement in the first quarter of 2014

NEW YORK, May 5, 2014 – American International Group, Inc. (NYSE: AIG) today reported net income attributable to AIG of \$1.6 billion for the quarter ended March 31, 2014, compared to \$2.2 billion for the first quarter of 2013. After-tax operating income attributable to AIG was \$1.8 billion for the first quarter of 2014, compared to \$2.0 billion for the prior-year quarter.

Diluted earnings per share attributable to AIG were \$1.09 for the first quarter of 2014, compared to \$1.49 for the first quarter of 2013. After-tax operating income per diluted share attributable to AIG was \$1.21 for the first quarter of 2014, compared to \$1.34 in the prior-year quarter.

“I am very pleased with AIG’s solid operating profits this quarter,” said Robert H. Benmosche, AIG President and Chief Executive Officer. “The earnings power of our business coupled with our customer strategy reinforce the strength of our foundation throughout our core insurance operations. I am encouraged by the positive momentum we’ve generated around the world, which has enabled us to become closer to, and better serve, our customers.

“These results reflect strong operating income across our insurance operations, as well as execution of our capital management strategy,” Mr. Benmosche continued. “We remain diligently focused on increasing operational efficiency, managing our expenses, and investing in technology; we continue to look at ways to simplify and make our organization more efficient to ensure that we are creating a company that will thrive well into the future.

“As we look to build upon the important work we have already done, we must continue to develop and grow our company so that it is more sustainable. We have made great strides in this transformation and in showing what we are capable of as a company, but we still have work to do. Above all else, we must operate and make sound business decisions as a company whose number one priority is to understand and provide for its customers.



“We also remain fully engaged with all of our regulators, including the Federal Reserve, and will continue to work closely with them to achieve our shared goal of making AIG a better, stronger company able to withstand whatever the future brings,” Mr. Benmosche concluded.

Capital and Liquidity

- AIG shareholders’ equity totaled \$103.8 billion at March 31, 2014
- Repurchased 17.4 million shares of AIG Common Stock for an aggregate purchase price of approximately \$867 million in the first quarter of 2014; \$537 million remaining under repurchase authorization
- During the first quarter of 2014, AIG reduced Direct Investment book (DIB) debt by \$2.2 billion through a redemption of \$1.2 billion aggregate principal amount of its 4.250% Notes due 2014 and a repurchase of \$1.0 billion aggregate principal amount of its 8.250% Notes due 2018 using cash allocated to the DIB
- In May 2014, AIG further reduced DIB debt through a redemption of \$750 million aggregate principal amount of its 3.000% Notes due 2015 using cash allocated to the DIB
- AIG Parent liquidity sources were \$15.6 billion at March 31, 2014, including \$11.2 billion of cash, short-term investments, and unencumbered fixed maturity securities, compared to \$17.6 billion at year-end 2013

AFTER-TAX OPERATING INCOME

(\$ in millions)	Three Months Ended March 31,	
	2014	2013
Pre-tax operating income (loss)		
Insurance Operations		
AIG Property Casualty	\$ 1,159	\$ 1,557
AIG Life and Retirement	1,417	1,394
Mortgage Guaranty	76	41
Total Insurance Operations	2,652	2,992
Other Operations (excluding Mortgage Guaranty)		
Direct Investment book	440	329
Global Capital Markets	29	227
Interest expense	(325)	(397)
Corporate expenses, net	(243)	(261)
Other, net	18	(59)
Total Other Operations (excluding Mortgage Guaranty)	(81)	(161)
Consolidations, eliminations and other adjustments	35	30
Pre-tax operating income	2,606	2,861
Income tax expense	(827)	(854)
Noncontrolling interests excluding net realized capital (gains) losses	2	(25)



After-tax operating income attributable to AIG	\$ 1,781	\$ 1,982	
After-tax operating income attributable to AIG per diluted common share	\$ 1.21	\$ 1.34	
Effective tax rate on After-tax operating income attributable to AIG	31.7	29.8	%

All operating segment comparisons that follow are to the first quarter of 2013 unless otherwise noted.

AIG PROPERTY CASUALTY

(\$ in millions)	Three Months Ended March 31,			
	2014	2013	Change	
Net premiums written	\$ 8,334	\$ 8,437	(1)	%
Net premiums earned	8,230	8,558	(4)	
Underwriting income (loss)	(97)	232	NM	
Net investment income	1,256	1,325	(5)	
Pre-tax operating income	\$ 1,159	\$ 1,557	(26)	%
Underwriting ratios:				
Loss ratio	67.1	63.3	3.8	pts
Acquisition ratio	19.9	19.7	0.2	
General operating expense ratio	14.2	14.3	(0.1)	
Combined ratio	101.2	97.3	3.9	
Accident year loss ratio, as adjusted	63.2	63.2	-	
Accident year combined ratio, as adjusted	97.3	97.2	0.1	pts

AIG Property Casualty's pre-tax operating income decreased to \$1.2 billion due to higher catastrophe and severe losses, unfavorable loss reserve development, and a decrease in net investment income.

The first quarter 2014 combined ratio was 101.2, a 3.9 point increase from the prior-year quarter. Catastrophe losses were \$262 million, compared to \$41 million in the first quarter of 2013. Including related premium adjustments, net adverse development was \$162 million, compared to net favorable development of \$52 million for the first quarter of 2013. This adverse development was partially offset by a reserve discount benefit of \$105 million in the first quarter of 2014 related to the previously disclosed changes in U.S. pooling arrangements. The first quarter 2014 accident year loss ratio, as adjusted, was flat at 63.2, reflecting enhanced risk selection, rate increases, and continued improvement from changes in business mix, offset by higher severe losses. Severe losses for the first quarter of 2014 were \$186 million compared to \$60 million in the first quarter of 2013. The first quarter 2014 acquisition ratio increased by 0.2 point to 19.9, primarily due to changes in business mix. The general operating expense ratio declined 0.1 point to 14.2 primarily due to lower employee-related expenses.

Excluding the effects of foreign exchange, first quarter 2014 net premiums written increased 3 percent from the same period in the prior year, with Commercial Insurance and Consumer Insurance first quarter 2014 net premiums written growing 3 percent and 2 percent, respectively, reflecting increased net exposures in both segments. Commercial Insurance continues to focus on growing



higher value lines of business and rate strengthening, while Consumer Insurance continues to focus on improving underwriting results and targeted growth through multiple distribution channels.

COMMERCIAL INSURANCE UNDERWRITING

(\$ in millions)	Three Months Ended March 31,			
	2014	2013	Change	
Net premiums written	\$ 4,996	\$ 4,903	2	%
Net premiums earned	5,042	5,128	(2)	
Underwriting income	\$ 113	\$ 396	(71)	%
Underwriting ratios:				
Loss ratio	69.4	64.9	4.5	pts
Acquisition ratio	16.2	16.3	(0.1)	
General operating expense ratio	12.1	11.0	1.1	
Combined ratio	97.7	92.2	5.5	
Accident year loss ratio, as adjusted	65.1	65.4	(0.3)	
Accident year combined ratio, as adjusted	93.4	92.7	0.7	pts

The Commercial Insurance combined ratio increased 5.5 points to 97.7. The first quarter 2014 accident year loss ratio, as adjusted, decreased 0.3 point to 65.1, reflecting positive results from strategic actions taken to enhance risk selection and pricing; however, severe losses in the quarter increased the accident year loss ratio by 1.7 points. The general operating expense ratio increased 1.1 points to 12.1 as investments in infrastructure were partially offset by lower employee-related expenses. In addition, general operating expenses in the first quarter of 2013 included unusually low bad debt expense.

CONSUMER INSURANCE UNDERWRITING

(\$ in millions)	Three Months Ended March 31,			
	2014	2013	Change	
Net premiums written	\$ 3,338	\$ 3,532	(5)	%
Net premiums earned	3,172	3,408	(7)	
Underwriting income (loss)	\$ (59)	\$ 55	NM	%
Underwriting ratios:				
Loss ratio	61.3	57.8	3.5	pts
Acquisition ratio	25.9	24.9	1.0	
General operating expense ratio	14.7	15.7	(1.0)	
Combined ratio	101.9	98.4	3.5	
Accident year loss ratio, as adjusted	59.3	58.8	0.5	
Accident year combined ratio, as adjusted	99.9	99.4	0.5	pts

The Consumer Insurance combined ratio increased 3.5 points to 101.9 due to higher catastrophes and individual severe losses, and lower favorable prior year development, partially offset by lower expenses. The accident year loss ratio, as adjusted, increased 0.5 point to 59.3, reflecting severe



losses of \$41 million primarily in personal property, which were partially offset by automobile and warranty profitability. The first quarter 2014 acquisition ratio increased 1.0 point to 25.9 due to increased sales-related expenses. The general operating expense ratio improved 1.0 point primarily due to lower employee-related expenses.

AIG LIFE AND RETIREMENT

(\$ in millions)	Three Months Ended March 31,			
	2014	2013	Change	
Premiums and deposits	\$ 7,129	\$ 5,580	28	%
Net investment income	2,817	2,877	(2)	
Pre-tax operating income:				
Retail	834	821	2	
Institutional	583	573	2	
Total pre-tax operating income	1,417	1,394	2	
Assets under management	\$ 324,426	\$ 296,868	9	%

AIG Life and Retirement reported record quarterly pre-tax operating income of over \$1.4 billion in the first quarter of 2014. These strong results reflect continued momentum across AIG Life and Retirement's diversified portfolio of products. Performance was driven by higher income on fee-oriented products and increased profitability from spread-based products. AIG Life and Retirement generated \$7.1 billion of premiums and deposits, driving \$1.3 billion in net flow improvement compared to the first quarter of 2013, and contributing to the growth in assets under management. AIG Life and Retirement's interest rate-sensitive businesses continued to benefit from disciplined pricing on new business, reduced renewal crediting rates, and the run-off of older business with relatively high crediting rates.

Net investment income for the first quarter was over \$2.8 billion. The portfolio base investment yield increased to 5.32 percent, compared to 5.30 percent in the first quarter of 2013. Lower yields on new investments were more than offset by participation income on a commercial mortgage loan and redemption income received in the first quarter 2014. Net investment income also benefitted from higher returns on alternative investments in the quarter. The fair value of AIG Life and Retirement's investment in The People's Insurance Company (Group) of China Limited (PICC Group) declined by \$79 million in the first quarter of 2014, compared to a \$31 million increase in the prior-year quarter, which had a negative impact on net investment income.

Assets under management grew 9 percent to \$324.4 billion. Increased demand for AIG Life and Retirement's products drove strong net flows of \$5.8 billion over the last 12 months, contributing to the growth in assets under management. Appreciation in equity markets also resulted in an increase in assets under management in the group and individual variable annuity and mutual fund businesses. The development of AIG's stable value wrap business accounted for a \$13.0 billion increase in assets under management from the prior-year period.

Premiums and deposits totaled \$7.1 billion, up 28 percent from the first quarter of 2013. AIG Life and Retirement continued to maintain its disciplined approach to product pricing and design while generating substantial growth in retail investment products. Premiums and deposits for the



Retirement Income Solutions and Retail Mutual Fund product lines increased 54 percent and 39 percent, respectively. Fixed Annuities product line premiums and deposits totaled \$960 million for the quarter, up from \$376 million in the first quarter of 2013, reflecting a higher interest rate environment in the first quarter of 2014 compared to the prior-year period.

The Retail operating segment reported quarterly pre-tax operating income of \$834 million. Results were driven by higher fee income and enhanced spread income. Fixed Annuities continued to benefit from crediting rate actions on existing business, duration matching of assets and liabilities, disciplined pricing on new business, and the run-off of older business with relatively high crediting rates. Retail net investment income declined slightly, primarily attributable to the reduction in the fair value of the investment in PICC Group, which was partially offset by higher alternative investment income.

The Institutional operating segment reported quarterly pre-tax operating income of \$583 million. Results were driven by operating income growth in Group Retirement attributable to increased fee income due to higher assets under management and enhanced spread income. Institutional pre-tax operating income was also impacted by a decline in the fair value of the investment in PICC Group.

In the first quarter of 2014, AIG Life and Retirement distributed \$1.7 billion in cash dividends to AIG Parent, including approximately \$316 million of legal settlement proceeds.

MORTGAGE GUARANTY

(\$ in millions)	Three Months Ended March 31,			
	2014	2013	Change	
New insurance written	\$ 7,745	\$ 10,658	(27)	%
Net premiums written	231	246	(6)	
Net premiums earned	213	194	10	
Underwriting income	41	7	486	
Net investment income	35	34	3	
Pre-tax operating income	\$ 76	\$ 41	85	%

United Guaranty Corporation (UGC) reported pre-tax operating income of \$76 million for the first quarter of 2014, compared to pre-tax operating income of \$41 million in the prior-year quarter. Current quarter results reflect increased net premiums earned, lower incurred losses due to lower newly reported delinquencies and increased cure rates in the first-lien book of business, which were partially offset by a change in the assumption for overturn rates on previously denied claims.

Net premiums written decreased 6 percent to \$231 million. First-lien new insurance written decreased 27 percent to \$7.7 billion in principal of loans insured, driven by declining mortgage originations from refinancing activity. Quality remained high, with an average FICO score of 751, and an average loan-to-value of 92 percent on new business.

OTHER OPERATIONS

AIG's Other Operations (excluding Mortgage Guaranty) reported a first quarter 2014 pre-tax operating loss of \$81 million compared to a pre-tax operating loss of \$161 million in the prior-year



first quarter. This improvement reflects lower interest expense from ongoing debt management activities and improved results from the DIB driven by asset appreciation and gains realized upon unwinding certain positions. Partially offsetting these improvements was a decline in Global Capital Markets pre-tax operating income due to declines in unrealized market valuation gains related to the super senior CDS portfolio and in net credit valuation adjustments on derivative assets and liabilities.

Conference Call

AIG will host a conference call tomorrow, Tuesday, May 6, 2014, at 8:00 a.m. EDT to review these results. The call is open to the public and can be accessed via a live listen-only webcast at www.aig.com. A replay will be available after the call at the same location.

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Additional supplementary financial data is available in the Investor Information section at www.aig.com.

The conference call (including the conference call presentation material), the earnings release and the financial supplement may include 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 AIG’s 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 “believe,” “anticipate,” “expect,” “intend,” “plan,” “view,” “target” or “estimate.” These projections, goals, assumptions and statements may address, among other things: the monetization of AIG’s interests in International Lease Finance Corporation (ILFC), including whether AIG’s proposed sale of ILFC will be completed and if completed, the timing and final terms of such sale; AIG’s exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers, and sovereign bond issuers; AIG’s exposure to European governments and European financial institutions; AIG’s strategy for risk management; AIG’s generation of deployable capital; AIG’s return on equity and earnings per share; AIG’s strategies to grow net investment income, efficiently manage capital and reduce expenses; AIG’s strategies for customer retention, growth, product development, market position, financial results and reserves; and the revenues and combined ratios of AIG’s subsidiaries. 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 conditions; the occurrence of catastrophic events, both natural and man-made; significant legal proceedings; the timing and applicable requirements of any new regulatory framework to which AIG is subject as a non-bank systemically important financial institution and as a global systemically important insurer; concentrations in AIG’s investment portfolios; actions by credit rating agencies; judgments concerning casualty insurance underwriting and insurance liabilities; 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, 2014, and Part I, Item 1A. Risk Factors and Part II, Item 7. MD&A in AIG's Annual Report on Form 10-K for the year ended December 31, 2013. 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.

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Comment on Regulation G

Throughout this press release, including the financial highlights, AIG presents its financial condition and results of operations in the way it believes will be most meaningful, representative and transparent. Some of the measurements AIG uses are "non-GAAP financial measures" under Securities and Exchange Commission rules and regulations. GAAP is the acronym for "accounting principles generally accepted in the United States." The non-GAAP financial measures AIG presents may not be comparable to similarly named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the First Quarter 2014 Financial Supplement available in the Investor Information section of AIG's website, www.aig.com.

Book Value Per Common Share Excluding Accumulated Other Comprehensive Income (Loss) (AOCI) is used to show the amount of AIG's net worth on a per-share basis. AIG believes Book Value Per Common Share Excluding AOCI is useful to investors because it eliminates the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of AIG's available for sale securities portfolio and foreign currency translation adjustments. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders' equity, excluding AOCI, by Total common shares outstanding.

AIG uses the following operating performance measures because it believes they enhance understanding of the underlying profitability of continuing operations and trends of AIG and its business segments. AIG believes they also allow for more meaningful comparisons with AIG's insurance competitors.

After-tax operating income (loss) attributable to AIG is derived by excluding the following items from net income (loss) attributable to AIG: income (loss) from discontinued operations, net loss (gain) on sale of divested businesses and properties, income from divested businesses, legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments, legal reserves (settlements) related to "legacy crisis matters," deferred income tax valuation allowance (releases) charges, changes in fair value of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities (net of interest expense), 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 (losses), AIG Property Casualty other (income) expenses-net, (gain) loss on extinguishment of debt, net realized capital (gains) losses, and non-qualifying derivative hedging activities, excluding net realized capital (gains) losses. "Legacy crisis matters" include favorable and unfavorable settlements related to events leading up to and resulting from AIG's September 2008 liquidity crisis and legal fees incurred by AIG as the plaintiff in connection with such legal matters. See page 12 for the reconciliation of Net



income attributable to AIG to After-tax operating income attributable to AIG.

AIG Property Casualty pre-tax operating income (loss) includes both underwriting income (loss) and net investment income, but excludes net realized capital (gains) losses, other (income) expense-net, and legal settlements related to legacy crisis matters described above. Underwriting income (loss) is derived by reducing net premiums earned by claims and claims adjustment expenses incurred, acquisition expenses and general operating expenses.

AIG Property Casualty, along with most property and casualty insurance companies, uses 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 claims and claims adjustment expense, 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. 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.

Both the AIG Property Casualty Accident year loss ratio, as adjusted, and combined ratio, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior-year development, net of premium adjustments, and the impact of reserve discounting. Catastrophe losses are generally weather or seismic events having a net impact on AIG Property Casualty in excess of \$10 million each.

AIG Life and Retirement pre-tax operating income (loss) is derived by excluding the following items from pre-tax income (loss): legal settlements related to legacy crisis matters described above, changes in fair values of fixed maturity securities designated to hedge living benefit liabilities (net of interest expense), net realized capital (gains) losses, and changes in benefit reserves and DAC, VOBA, and SIA related to net realized capital gains (losses).

AIG Life and Retirement premiums and deposits includes direct and assumed amounts received on traditional life insurance policies, group benefit policies and deposits on life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Other Operations pre-tax operating income (loss) is derived by excluding the following items from pre-tax income (loss): certain legal reserves (settlements) related to legacy crisis matters described above, (gain) loss on extinguishment of debt, net realized capital (gains) losses, net loss (gain) on sale of divested businesses and properties, changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses) and income from divested businesses, including Aircraft Leasing.

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

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American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: [@AIGInsurance](https://twitter.com/AIGInsurance) | LinkedIn: <http://www.linkedin.com/company/aig> |

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

American International Group, Inc.
Financial Highlights*
(in millions, except share data)

	Three Months Ended March 31,		
	2014	2013	% Inc. (Dec.)
AIG Property Casualty Operations:			
Net premiums written	\$ 8,334	\$ 8,437	(1.2)%
Net premiums earned	8,230	8,558	(3.8)
Claims and claims adjustment expenses incurred	5,521	5,413	2.0
Acquisition expenses	1,639	1,688	(2.9)
General operating expenses	1,167	1,225	(4.7)
Underwriting income (loss)	(97)	232	NM
Net investment income	1,256	1,325	(5.2)
Pre-tax operating income	1,159	1,557	(25.6)
Net realized capital gains	142	54	163.0
Legal settlements	8	-	NM
Other income (expense) - net	-	3	NM
Pre-tax income	\$ 1,309	\$ 1,614	(18.9)
Loss ratio	67.1	63.3	
Acquisition ratio	19.9	19.7	
General operating expense ratio	14.2	14.3	
Combined ratio	101.2	97.3	
AIG Life and Retirement Operations:			
Premiums	\$ 597	\$ 620	(3.7)
Policy fees	692	615	12.5
Net investment income	2,817	2,877	(2.1)
Other income	460	393	17.0
Total revenues	4,566	4,505	1.4
Benefits and expenses	3,149	3,111	1.2
Pre-tax operating income	1,417	1,394	1.6
Legal settlements	30	108	(72.2)
Changes in fair value of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	76	(29)	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	30	(59)	NM
Net realized capital gains (losses)	(321)	156	NM
Pre-tax income	\$ 1,232	\$ 1,570	(21.5)
Other operations, pre-tax operating loss	(5)	(120)	95.8
Legal reserves	(24)	(11)	(118.2)
Legal settlements	(12)	2	NM
Loss on extinguishment of debt	(238)	(340)	30.0
Changes in benefit reserves and DAC, VOBA and SIA related to net realized gains (losses)	(12)	-	NM
Aircraft Leasing	17	43	(60.5)
Net gain on sale of divested businesses	4	-	NM
Net realized capital gains (losses)	(75)	45	NM
Pre-tax loss	(345)	(381)	9.4
Consolidation and elimination adjustments related to pre-tax operating income	35	27	29.6
Consolidation and elimination adjustments related to non-operating income, including net realized capital gains (losses)	42	45	(6.7)
Income from continuing operations before income tax expense	2,273	2,875	(20.9)
Income tax expense	614	717	(14.4)
Income from continuing operations	1,659	2,158	(23.1)
Income (loss) from discontinued operations, net of income tax expense	(47)	73	NM
Net income	1,612	2,231	(27.7)
Less: Net income from continuing operations attributable to noncontrolling interests	3	25	(88.0)
Net income attributable to AIG	\$ 1,609	\$ 2,206	(27.1)%

See accompanying notes on the following page.

Financial Highlights -continued

	Three Months Ended March 31,		
	2014	2013	% Inc. (Dec.)
Net income attributable to AIG	\$ 1,609	\$ 2,206	(27.1)%
Adjustments to arrive at after-tax operating income attributable to AIG (amounts are net of tax):			
(Income) loss from discontinued operations	47	(73)	NM
Income from divested businesses, including Aircraft Leasing	(12)	(20)	40.0
Uncertain tax positions and other tax adjustments	(28)	626	NM
Legal settlements related to legacy crisis matters	(2)	(64)	96.9
Deferred income tax valuation allowance releases	(65)	(786)	91.7
Changes in fair value of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(49)	19	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(12)	54	NM
Loss on extinguishment of debt	155	221	(29.9)
Net realized capital (gains) losses	138	(201)	NM
After-tax operating income attributable to AIG	<u>\$ 1,781</u>	<u>\$ 1,982</u>	(10.1)
Income (loss) per common share:			
<i>Basic</i>			
Income from continuing operations	\$ 1.13	\$ 1.44	(21.5)
Income (loss) from discontinued operations	(0.03)	0.05	NM
Net income attributable to AIG	<u>\$ 1.10</u>	<u>\$ 1.49</u>	(26.2)
<i>Diluted</i>			
Income from continuing operations	\$ 1.12	\$ 1.44	(22.2)
Income (loss) from discontinued operations	(0.03)	0.05	NM
Net income attributable to AIG	<u>\$ 1.09</u>	<u>\$ 1.49</u>	(26.8)
After-tax operating income attributable to AIG per diluted share	\$ 1.21	\$ 1.34	(9.7)
Weighted average shares outstanding:			
Basic	1,459.2	1,476.5	
Diluted	1,472.5	1,476.7	
Book value per common share (a)	\$ 71.77	\$ 67.41	6.5
Book value per common share excluding accumulated other comprehensive income (b)	\$ 65.49	\$ 59.39	10.3 %
Return on equity (c)	6.3 %	8.9 %	
Return on equity, excluding AOCI (d)	6.8 %	10.2 %	
Return on equity - after-tax operating income, excluding AOCI (e)	7.5 %	9.2 %	

Financial highlights - notes

* Including reconciliation in accordance with Regulation G.

(a) Represents total AIG shareholders' equity divided by common shares outstanding.

(b) Represents total AIG shareholders' equity, excluding AOCI divided by common shares outstanding.

(c) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes deferred tax assets.

(d) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity, excluding AOCI. Equity includes deferred tax assets.

(e) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI. Equity includes deferred tax assets.



American International Group, Inc.

Quarterly Financial Supplement First Quarter 2014

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, 2014 filed with the Securities and Exchange Commission.



American International Group, Inc. Quarterly Financial Supplement

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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, 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 AIG’s 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 “believe,” “anticipate,” “expect,” “intend,” “plan,” “view,” “target” or “estimate.” These projections, goals, assumptions and statements may address, among other things: the monetization of AIG’s interests in International Lease Finance Corporation (ILFC), including whether AIG’s proposed sale of ILFC will be completed and if completed, the timing and final terms of such sale; AIG’s exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers and sovereign bond issuers; AIG’s exposure to European governments and European financial institutions; AIG’s strategy for risk management; AIG’s generation of deployable capital; AIG’s return on equity and earnings per share; AIG’s strategies to grow net investment income, efficiently manage capital and reduce expenses; AIG’s strategies for customer retention, growth, product development, market position, financial results and reserves; and the revenues and combined ratios of AIG’s subsidiaries.

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 conditions;
- the occurrence of catastrophic events, both natural and man-made;
- significant legal proceedings;
- the timing and applicable requirements of any new regulatory framework to which AIG is subject as a non-bank systemically important financial institution and as a global systemically important insurer;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- judgments concerning casualty insurance underwriting and insurance liabilities;
- 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, 2014, and Part I, Item 1A. Risk Factors and Part II, Item 7. MD&A in AIG’s Annual Report on Form 10-K for the year ended December 31, 2013.

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.



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, representative and transparent. Some of the measurements we use are “non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for “accounting principles generally accepted in the United States.” The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies. When such measures are disclosed, reconciliations to the most comparable GAAP measure are provided.

Book Value Per Common Share Excluding Accumulated Other Comprehensive Income (Loss) (AOCI) is used to show the amount of our net worth on a per-share basis. We believe Book Value Per Common Share Excluding AOCI is useful to investors because it eliminates the effect of non-cash items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio and foreign currency translation adjustments. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders’ equity, excluding AOCI, by Total common shares outstanding.

We use the following operating performance measures because we believe they enhance understanding of the underlying profitability of continuing operations and trends of AIG and our business segments. We believe they also allow for more meaningful comparisons with our insurance competitors.

After-tax operating income (loss) attributable to AIG is derived by excluding the following items from net income (loss) attributable to AIG: income (loss) from discontinued operations, net loss (gain) on sale of divested businesses and properties, income from divested businesses, legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments, legal reserves (settlements) related to “legacy crisis matters,” deferred income tax valuation allowance (releases) charges, changes in fair value of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities (net of interest expense), 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 (losses), AIG Property Casualty other (income) expense - net, (gain) loss on extinguishment of debt, net realized capital (gains) losses and non-qualifying derivative hedging activities, excluding net realized capital (gains) losses. “Legacy crisis matters” include favorable and unfavorable settlements related to events leading up to and resulting from our September 2008 liquidity crisis and legal fees incurred by AIG as the plaintiff in connection with such legal matters. See page 6 for the reconciliation of Net income attributable to AIG to After-tax operating income attributable to AIG.

AIG Property Casualty Pre-tax operating income (loss) includes both underwriting income (loss) and net investment income, but excludes net realized capital (gains) losses, other (income) expense – net and legal settlements related to legacy crisis matters described above. Underwriting income (loss) is derived by reducing net premiums earned by claims and claims adjustment expenses incurred, acquisition expenses and general operating expenses.

AIG Property Casualty, along with most property and casualty insurance companies, uses 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 claims and claims adjustment expense, 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. 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.

Both the AIG Property Casualty Accident year loss ratio, as adjusted, and AIG Property Casualty combined ratio, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Catastrophe losses are generally weather or seismic events having a net impact on AIG Property Casualty in excess of \$10 million each.

AIG Life and Retirement Pre-tax operating income (loss) is derived by excluding the following items from pre-tax income (loss): legal settlements related to legacy crisis matters described above, changes in fair values of fixed maturity securities designated to hedge living benefit liabilities (net of interest expense), net realized capital (gains) losses, and changes in benefit reserves and DAC, VOBA, and SIA related to net realized capital gains (losses).

AIG Life and Retirement Premiums and deposits includes direct and assumed amounts received on traditional life insurance policies, group benefit policies and deposits on life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Other Operations Pre-tax operating income (loss) is derived by excluding the following items from pre-tax income (loss): certain legal reserves (settlements) related to legacy crisis matters described above, (gain) loss on extinguishment of debt, net realized capital (gains) losses, net (gain) loss on sale of divested businesses and properties, changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses) and income from divested businesses, including Aircraft Leasing.

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



American International Group, Inc.
Consolidated Statement of Operations
(in millions, except per share data)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Revenues:					
Premiums	\$ 9,038	\$ 9,426	\$ 9,352	\$ 9,200	\$ 9,372
Policy fees	692	652	645	623	615
Net investment income	4,196	4,229	3,573	3,844	4,164
Net realized capital gains (losses) (page 49)					
Total other-than-temporary impairments on available for sale securities	(50)	(75)	(33)	(17)	(40)
Portion of other-than-temporary impairments on available for sale fixed maturity securities recognized in Other comprehensive income (loss)	(4)	(5)	(6)	(10)	(1)
Net other-than-temporary impairments on available for sale securities recognized in net income	(54)	(80)	(39)	(27)	(41)
Other realized capital gains (losses)	(159)	(319)	291	1,618	341
Total net realized capital gains (losses)	(213)	(399)	252	1,591	300
Aircraft leasing revenue	1,113	1,117	1,118	1,111	1,074
Other income	1,286	2,321	1,004	2,057	1,437
Total revenues	<u>16,112</u>	<u>17,346</u>	<u>15,944</u>	<u>18,426</u>	<u>16,962</u>
Benefits, claims and expenses:					
Policyholder benefits and claims incurred	6,797	7,269	7,416	8,090	6,728
Interest credited to policyholder account balances	955	979	924	972	1,017
Amortization of deferred policy acquisition costs	1,305	1,298	1,220	1,353	1,286
Other acquisition and insurance expenses	2,117	2,432	2,251	2,245	2,238
Interest expense	479	514	516	535	577
Aircraft leasing expenses	1,096	1,306	1,119	1,093	1,031
Loss on extinguishment of debt	238	192	81	38	340
Net (gain) loss on sale of properties and divested businesses	(4)	1	-	47	-
Other expenses	856	1,205	1,239	888	870
Total benefits, claims and expenses	<u>13,839</u>	<u>15,196</u>	<u>14,766</u>	<u>15,261</u>	<u>14,087</u>
Income from continuing operations before income tax expense (benefit)	<u>2,273</u>	<u>2,150</u>	<u>1,178</u>	<u>3,165</u>	<u>2,875</u>
Income tax expense (benefit)	<u>614</u>	<u>188</u>	<u>(970)</u>	<u>425</u>	<u>717</u>
Income from continuing operations	<u>1,659</u>	<u>1,962</u>	<u>2,148</u>	<u>2,740</u>	<u>2,158</u>
Income (loss) from discontinued operations, net of income tax expense (benefit)	<u>(47)</u>	<u>11</u>	<u>(18)</u>	<u>18</u>	<u>73</u>
Net income	<u>1,612</u>	<u>1,973</u>	<u>2,130</u>	<u>2,758</u>	<u>2,231</u>
Net income (loss) from continuing operations attributable to noncontrolling interests	<u>3</u>	<u>(5)</u>	<u>(40)</u>	<u>27</u>	<u>25</u>
Net income attributable to AIG	<u>\$ 1,609</u>	<u>\$ 1,978</u>	<u>\$ 2,170</u>	<u>\$ 2,731</u>	<u>\$ 2,206</u>
Income (loss) per common share attributable to AIG:					
Basic:					
Income from continuing operations	\$ 1.13	\$ 1.34	\$ 1.48	\$ 1.84	\$ 1.44
Income (loss) from discontinued operations	(0.03)	0.01	(0.01)	0.01	0.05
Net income attributable to AIG	<u>\$ 1.10</u>	<u>\$ 1.35</u>	<u>\$ 1.47</u>	<u>\$ 1.85</u>	<u>\$ 1.49</u>
Diluted:					
Income from continuing operations	\$ 1.12	\$ 1.33	\$ 1.47	\$ 1.83	\$ 1.44
Income (loss) from discontinued operations	(0.03)	0.01	(0.01)	0.01	0.05
Net income attributable to AIG	<u>\$ 1.09</u>	<u>\$ 1.34</u>	<u>\$ 1.46</u>	<u>\$ 1.84</u>	<u>\$ 1.49</u>
Weighted average shares outstanding:					
Basic	1,459.2	1,468.7	1,475.1	1,476.5	1,476.5
Diluted	1,472.5	1,480.7	1,485.3	1,482.2	1,476.7
Dividends declared per common share	<u>\$ 0.125</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ -</u>	<u>\$ -</u>



American International Group, Inc.
Consolidated Statement of Segment Operations
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
AIG Property Casualty					
Net premiums written	\$ 8,334	\$ 8,028	\$ 8,660	\$ 9,263	\$ 8,437
Net premiums earned	8,230	8,621	8,427	8,347	8,558
Claims and claims adjustment expenses incurred	5,521	5,878	5,669	5,679	5,413
Acquisition expenses	1,639	1,682	1,664	1,671	1,688
General operating expenses	1,167	1,391	1,228	1,220	1,225
Underwriting income (loss)	(97)	(330)	(134)	(223)	232
Net investment income	1,256	1,420	1,213	1,309	1,325
Pre-tax operating income	1,159	1,090	1,079	1,086	1,557
Net realized capital gains	142	167	50	109	54
Legal settlements	8	10	-	3	-
Other income (expense) - net	-	(79)	(3)	7	3
Pre-tax income	1,309	1,188	1,126	1,205	1,614
AIG Life and Retirement					
Premiums	597	606	721	649	620
Policy fees	692	652	645	623	615
Net investment income	2,817	2,873	2,467	2,637	2,877
Advisory fee and other income	460	454	443	419	393
Total revenues	4,566	4,585	4,276	4,328	4,505
Benefits and expenses	3,149	3,179	3,132	3,177	3,111
Pre-tax operating income	1,417	1,406	1,144	1,151	1,394
Legal settlements	30	553	-	359	108
Changes in fair value of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	76	(33)	(30)	(69)	(29)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	30	(4)	(271)	(1,152)	(59)
Net realized capital gains (losses)	(321)	53	398	1,430	156
Pre-tax income	1,232	1,975	1,241	1,719	1,570
Other operations, pre-tax operating income (loss)	(5)	(14)	(575)	198	(120)
Other operations pre-tax income (loss) before net realized capital gains (losses)	(270)	(444)	(1,057)	163	(426)
Other operations, net realized capital gains (losses)	(75)	(652)	(166)	88	45
Consolidation and elimination adjustments related to pre-tax operating income	35	48	64	26	27
Consolidation and elimination adjustments related to non-operating income (loss), including net realized capital gains (losses)	42	35	(30)	(36)	45
Income from continuing operations before income tax expense (benefit)	2,273	2,150	1,178	3,165	2,875
Income tax expense (benefit) (1)	614	188	(970)	425	717
Income from continuing operations	1,659	1,962	2,148	2,740	2,158
Income (loss) from discontinued operations, net of income tax expense (benefit)	(47)	11	(18)	18	73
Net income	1,612	1,973	2,130	2,758	2,231
Net income (loss) from continuing operations attributable to noncontrolling interests	3	(5)	(40)	27	25
Net income attributable to AIG	\$ 1,609	\$ 1,978	\$ 2,170	\$ 2,731	\$ 2,206
Effective tax rates (page 6):					
Income from continuing operations	27.0%	8.7%	(82.3)%	13.4%	24.9%

See Accompanying Note on Page 5



American International Group, Inc.
Consolidated Statement of Segment Operations
Notes

- (1) Includes deferred tax asset valuation allowance releases of \$65 million, \$0.5 billion, \$1.2 billion, \$0.8 billion and \$0.8 billion in 1Q14, 4Q13, 3Q13, 2Q13 and 1Q13, respectively. In addition, 1Q14 also includes a valuation allowance release of \$892 million included in Accumulated other comprehensive income.

Return on equity (ROE) computations:

(dollars in millions)	1Q14	4Q13	3Q13	2Q13	1Q13
Annualized Net income attributable to AIG	\$ 6,436	\$ 7,912	\$ 8,680	\$ 10,924	\$ 8,824
Annualized After-tax operating income attributable to AIG	\$ 7,124	\$ 6,816	\$ 5,684	\$ 6,620	\$ 7,928
Average AIG Shareholders' equity (a)	\$ 102,152	\$ 99,632	\$ 98,128	\$ 98,492	\$ 98,761
Less: Average AOCI	7,723	6,435	6,774	9,439	12,206
Average AIG Shareholders' equity, excluding average AOCI (a)	\$ 94,429	\$ 93,197	\$ 91,354	\$ 89,053	\$ 86,555
ROE (b)	6.3%	7.9%	8.8%	11.1%	8.9%
ROE excluding AOCI (c)	6.8%	8.5%	9.5%	12.3%	10.2%
ROE - After-tax operating income, excluding AOCI (d)	7.5%	7.3%	6.2%	7.4%	9.2%

(a) Includes net deferred tax asset.

(b) Computed as Annualized Net income attributable to AIG divided by Average AIG Shareholders' equity.

(c) Computed as Annualized Net income attributable to AIG divided by Average AIG Shareholders' equity, excluding AOCI.

(d) Computed as Annualized After-tax operating income attributable to AIG divided by Average AIG Shareholders' equity, excluding AOCI.

Book Value per Common Share computations:

(dollars in millions, except share amounts)

	(1+3) Book Value Per Share	(2+3) Book Value Per Share, Excluding Accumulated Other Comprehensive Income	(1) Total AIG Shareholders' Equity	(2) Total AIG Shareholders' Equity, Excluding Accumulated Other Comprehensive Income	(3) Total Common Shares Outstanding
March 31, 2013	\$ 67.41	\$ 59.39	\$ 99,520	\$ 87,681	1,476,345,163
June 30, 2013	66.02	61.25	97,463	90,424	1,476,348,011
September 30, 2013	67.10	62.68	98,793	92,284	1,472,343,722
December 31, 2013	68.62	64.28	100,470	94,110	1,464,063,323
March 31, 2014	71.77	65.49	103,833	94,748	1,446,647,787



American International Group, Inc.
After-tax Operating Income Attributable to AIG
(in millions, except share data)

The reconciliation of Net income (loss) attributable to AIG to After-tax operating income attributable to AIG is presented below.

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net income attributable to AIG	\$ 1,609	\$ 1,978	\$ 2,170	\$ 2,731	\$ 2,206
Adjustments to arrive at After-tax operating income attributable to AIG (amounts net of tax):					
(Income) loss from discontinued operations	47	(11)	18	(18)	(73)
(Income) loss from divested businesses (1)	(12)	97	24	16	(20)
Uncertain tax positions and other tax adjustments	(28)	65	36	64	626
Legal reserves (settlements) related to legacy crisis matters	(2)	(399)	260	(257)	(64)
Deferred income tax valuation allowance releases	(65)	(540)	(1,159)	(752)	(786)
Changes in fair values of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(49)	22	19	45	19
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(12)	67	176	835	54
AIG Property Casualty other (income) expense - net	-	47	-	-	-
Loss on extinguishment of debt	155	125	52	25	221
Net realized capital (gains) losses	138	253	(175)	(1,034)	(201)
After-tax operating income attributable to AIG	\$ 1,781	\$ 1,704	\$ 1,421	\$ 1,655	\$ 1,982
After-tax operating income attributable to AIG per diluted share	\$ 1.21	\$ 1.15	\$ 0.96	\$ 1.12	\$ 1.34
Effective tax rates on After-tax operating income attributable to AIG (2)	31.7%	32.3%	18.0%	31.8%	29.8%

The reconciliation of Income from continuing operations to After-tax operating income and calculation of the effective tax rates is presented below (for adjustment items, gains are negative and losses are positive).

	Three Months Ended March 31, 2014					
	Income (Loss) Before Tax	Income Tax (Expense) Benefit	Net Income (Loss)	Noncontrolling Interests	Net Income (Loss) Attributable to AIG	Effective Tax Rate (2)
(dollars in millions)						
Income from continuing operations	\$ 2,273	\$ (614)	\$ 1,659	\$ (3)	\$ 1,656	27.0%
(Income) loss from divested businesses (1)	(21)	9	(12)	-	(12)	
Uncertain tax positions and other tax adjustments	-	(28)	(28)	-	(28)	
Legal reserves (settlements) related to legacy crisis matters	(3)	1	(2)	-	(2)	
Deferred income tax valuation allowance releases	-	(65)	(65)	-	(65)	
Changes in fair values of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(76)	27	(49)	-	(49)	
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(18)	6	(12)	-	(12)	
Loss on extinguishment of debt	238	(83)	155	-	155	
Net realized capital (gains) losses	213	(80)	133	5	138	
After-tax operating income	\$ 2,606	\$ (827)	\$ 1,779	\$ 2	\$ 1,781	31.7%

(1) Includes the results of ILFC, which is classified as held for sale.

(2) Effective tax rates are calculated based on income (loss) from continuing operations before tax.



American International Group, Inc.
Condensed Consolidated Balance Sheets
(in millions)

	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Assets:					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 262,937	\$ 258,274	\$ 259,901	\$ 261,229	\$ 270,251
Other bond securities, at fair value	21,718	22,623	22,884	23,789	23,855
Equity securities					
Common and preferred stock available for sale, at fair value	3,878	3,656	3,378	3,153	3,108
Other common and preferred stock, at fair value	725	834	807	758	696
Mortgage and other loans receivable, net of allowance	21,569	20,765	19,707	19,857	19,488
Other invested assets (page 48)	29,050	28,659	29,168	29,206	28,965
Short-term investments	17,658	21,617	22,457	20,215	23,336
Total investments	357,535	356,428	358,302	358,207	369,699
Cash	2,490	2,241	2,058	1,762	1,227
Accrued investment income	2,924	2,905	3,008	2,916	3,093
Premiums and other receivables, net of allowance	14,269	12,939	13,715	14,203	15,310
Reinsurance assets, net of allowance	25,346	23,829	26,264	26,506	27,604
Deferred income taxes	21,631	21,925	21,671	20,044	17,741
Deferred policy acquisition costs	9,217	9,436	9,188	8,770	7,972
Derivative assets, at fair value	1,601	1,665	1,723	2,805	3,290
Other assets	8,738	9,366	8,736	9,298	10,069
Separate account assets, at fair value	72,593	71,059	65,959	61,759	61,059
Assets held for sale (1)	30,767	29,536	30,120	31,168	31,816
Total assets	\$ 547,111	\$ 541,329	\$ 540,744	\$ 537,438	\$ 548,880
Liabilities:					
Liability for unpaid claims and claims adjustment expense	\$ 81,155	\$ 81,547	\$ 83,228	\$ 84,054	\$ 85,774
Unearned premiums	23,383	21,953	23,606	23,578	24,200
Future policy benefits for life and accident and health insurance contracts	41,419	40,653	40,111	39,844	40,443
Policyholder contract deposits	122,839	122,016	121,441	121,439	121,856
Other policyholder funds	4,802	5,083	5,115	5,400	5,728
Derivative liabilities, at fair value	3,039	2,511	2,722	3,124	3,711
Other liabilities	28,138	29,155	31,368	30,895	33,108
Long-term debt (page 10)	39,508	41,693	42,231	42,614	45,266
Separate account liabilities	72,593	71,059	65,959	61,759	61,059
Liabilities held for sale (1)	25,815	24,548	25,448	26,496	27,164
Total liabilities	\$ 442,691	\$ 440,218	\$ 441,229	\$ 439,203	\$ 448,309
Redeemable noncontrolling interests	27	30	66	80	388
AIG shareholders' equity:					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(15,386)	(14,520)	(14,115)	(13,923)	(13,923)
Additional paid-in capital	80,975	80,899	80,497	80,468	80,456
Retained earnings	24,393	22,965	21,136	19,113	16,382
Accumulated other comprehensive income	9,085	6,360	6,509	7,039	11,839
Total AIG shareholders' equity	103,833	100,470	98,793	97,463	99,520
Non-redeemable noncontrolling interests	560	611	656	692	663
Total equity	104,393	101,081	99,449	98,155	100,183
Total liabilities and equity	\$ 547,111	\$ 541,329	\$ 540,744	\$ 537,438	\$ 548,880

Note:

(1) Represents the assets and liabilities of ILFC, which is held for sale.



American International Group, Inc.
Condensed Consolidating Segment Balance Sheet
March 31, 2014
(in millions)

	AIG Property Casualty	AIG Life and Retirement	Mortgage Guaranty	Other Operations (1)	Consolidation & Eliminations (2)	AIG Inc.
Assets:						
Investments:						
Fixed maturity securities						
Bonds available for sale, at fair value	\$ 96,950	\$ 159,175	\$ 3,774	\$ 6,944	\$ (3,906)	\$ 262,937
Other bond securities, at fair value	1,947	2,525	-	17,575	(329)	21,718
Equity securities						
Common and preferred stock available for sale, at fair value	3,842	33	-	3	-	3,878
Other common and preferred stock, at fair value	183	459	-	83	-	725
Mortgage and other loans receivable, net of allowance	4,605	19,388	1	811	(3,236)	21,569
Other invested assets (page 48)	9,498	13,238	32	6,383	(101)	29,050
Short-term investments	4,330	4,653	177	9,431	(933)	17,658
Total investments	121,355	199,471	3,984	41,230	(8,505)	357,535
Cash	1,640	602	21	227	-	2,490
Accrued investment income	927	1,899	40	61	(3)	2,924
Premiums and other receivables, net of allowance	12,227	1,487	38	1,447	(930)	14,269
Reinsurance assets, net of allowance	23,332	1,934	65	15	-	25,346
Deferred income taxes	4,931	345	133	16,744	(522)	21,631
Deferred policy acquisition costs	2,665	6,459	72	-	21	9,217
Derivative assets, at fair value	380	540	-	2,307	(1,626)	1,601
Other assets	4,065	1,762	59	99,923	(97,071)	8,738
Separate account assets, at fair value	-	72,581	-	12	-	72,593
Assets held for sale	-	-	-	30,767	-	30,767
Total assets	\$ 171,522	\$ 287,080	\$ 4,412	\$ 192,733	\$ (108,636)	\$ 547,111
Liabilities:						
Liability for unpaid claims and claims adjustment expense	\$ 79,838	\$ -	\$ 1,317	\$ -	\$ -	\$ 81,155
Unearned premiums	22,753	-	630	-	-	23,383
Future policy benefits for life and accident and health insurance contracts	3,467	37,748	-	226	(22)	41,419
Policyholder contract deposits	-	122,896	-	17	(74)	122,839
Other policyholder funds	2,455	2,341	-	6	-	4,802
Derivative liabilities, at fair value	331	685	-	3,734	(1,711)	3,039
Other liabilities	13,835	9,446	104	8,309	(3,556)	28,138
Long-term debt (page 10)	155	1,565 (3)	-	45,674	(7,886)	39,508
Separate account liabilities	-	72,581	-	12	-	72,593
Liabilities held for sale	-	-	-	25,815	-	25,815
Total liabilities	\$ 122,834	\$ 247,262	\$ 2,051	\$ 83,793	\$ (13,249)	\$ 442,691
Redeemable noncontrolling interests	27	-	-	-	-	27
AIG shareholders' equity:						
Common stock	38	14	4	4,768	(58)	4,766
Treasury stock, at cost	-	-	-	(15,386)	-	(15,386)
Additional paid-in capital	24,306	41,124	1,627	72,459	(58,541)	80,975
Retained earnings	20,657	(6,570)	689	37,470	(27,853)	24,393
Accumulated other comprehensive income	3,594	5,249	41	9,142	(8,941)	9,085
Total AIG shareholders' equity	48,595	39,817	2,361	108,453	(95,393)	103,833
Non-redeemable noncontrolling interests	66	1	-	487	6	560
Total equity	48,661	39,818	2,361	108,940	(95,387)	104,393
Total liabilities and equity	\$ 171,522	\$ 287,080	\$ 4,412	\$ 192,733	\$ (108,636)	\$ 547,111

Notes:

- (1) Includes AIG Parent (including the deferred tax asset valuation allowance), Global Capital Markets, Direct Investment book, AIG Life Holdings, Inc. (a non-operating holding company) and assets and liabilities of ILFC, which is held for sale.
- (2) Segment amounts are presented on a stand-alone basis prior to intercompany eliminations.
- (3) Consists primarily of intercompany debt which is eliminated in consolidation.



American International Group, Inc.
Condensed Consolidating Segment Balance Sheet
December 31, 2013
(in millions)

	AIG Property Casualty	AIG Life and Retirement	Mortgage Guaranty	Other Operations (1)	Consolidation & Eliminations (2)	AIG Inc.
Assets:						
Investments:						
Fixed maturity securities						
Bonds available for sale, at fair value	\$ 96,972	\$ 154,763	\$ 3,692	\$ 7,282	\$ (4,435)	\$ 258,274
Other bond securities, at fair value	1,995	2,406	-	18,558	(336)	22,623
Equity securities						
Common and preferred stock available for sale, at fair value	3,618	36	-	2	-	3,656
Other common and preferred stock, at fair value	198	538	-	98	-	834
Mortgage and other loans receivable, net of allowance	4,217	19,078	2	850	(3,382)	20,765
Other invested assets (page 48)	9,316	13,025	24	6,398	(104)	28,659
Short-term investments	5,236	6,462	184	10,852	(1,117)	21,617
Total investments	121,552	196,308	3,902	44,040	(9,374)	356,428
Cash	1,501	547	32	161	-	2,241
Accrued investment income	963	1,836	41	67	(2)	2,905
Premiums and other receivables, net of allowance	10,794	1,525	34	1,494	(908)	12,939
Reinsurance assets, net of allowance	21,804	1,944	67	15	(1)	23,829
Deferred income taxes	4,048	935	158	17,094	(310)	21,925
Deferred policy acquisition costs	2,623	6,723	67	-	23	9,436
Derivative assets, at fair value	333	571	-	2,417	(1,656)	1,665
Other assets	4,256	2,020	60	96,686	(93,656)	9,366
Separate account assets, at fair value	-	71,048	-	11	-	71,059
Assets held for sale	-	-	-	29,536	-	29,536
Total assets	\$ 167,874	\$ 283,457	\$ 4,361	\$ 191,521	\$ (105,884)	\$ 541,329
Liabilities:						
Liability for unpaid claims and claims adjustment expense	\$ 80,199	\$ -	\$ 1,348	\$ -	\$ -	\$ 81,547
Unearned premiums	21,341	-	612	-	-	21,953
Future policy benefits for life and accident and health insurance contracts	3,543	36,914	-	219	(23)	40,653
Policyholder contract deposits	-	122,038	-	18	(40)	122,016
Other policyholder funds	2,732	2,345	-	6	-	5,083
Derivative liabilities, at fair value	222	644	-	3,213	(1,568)	2,511
Other liabilities	13,267	11,036	119	8,008	(3,275)	29,155
Long-term debt (page 10)	154	761 (3)	-	49,463	(8,685)	41,693
Separate account liabilities	-	71,048	-	11	-	71,059
Liabilities held for sale	-	-	-	24,548	-	24,548
Total liabilities	\$ 121,458	\$ 244,786	\$ 2,079	\$ 85,486	\$ (13,591)	\$ 440,218
Redeemable noncontrolling interests	30	-	-	-	-	30
AIG shareholders' equity:						
Common stock	37	14	4	4,768	(57)	4,766
Treasury stock, at cost	-	-	-	(14,520)	-	(14,520)
Additional paid-in capital	23,434	41,124	1,627	72,411	(57,697)	80,899
Retained earnings	19,648	(6,210)	637	36,423	(27,533)	22,965
Accumulated other comprehensive income	3,208	3,742	14	6,410	(7,014)	6,360
Total AIG shareholders' equity	46,327	38,670	2,282	105,492	(92,301)	100,470
Non-redeemable noncontrolling interests	59	1	-	543	8	611
Total equity	46,386	38,671	2,282	106,035	(92,293)	101,081
Total liabilities and equity	\$ 167,874	\$ 283,457	\$ 4,361	\$ 191,521	\$ (105,884)	\$ 541,329

Notes:

- (1) Includes AIG Parent (including the deferred tax asset valuation allowance), Global Capital Markets, Direct Investment book, AIG Life Holdings, Inc. (a non-operating holding company) and assets and liabilities of ILFC, which is held for sale.
- (2) Segment amounts are presented on a stand-alone basis prior to intercompany eliminations.
- (3) Consists primarily of intercompany debt which is eliminated in consolidation.



American International Group, Inc.
Debt and Capital
(dollars in millions)

	Debt and Hybrid Capital			Interest Expense	
	March 31, 2014	March 31, 2013	Dec. 31, 2013	Three Months Ended	
				March 31, 2014	March 31, 2013
Financial debt:					
AIG notes and bonds payable	\$ 14,077	\$ 13,870	\$ 14,062	\$ 192	\$ 193
AIG subordinated debt	250	250	250	2	2
AIG loans and mortgage payable	-	78	1	-	-
AIG Life Holdings, Inc. notes and bonds payable	299	299	299	5	5
AIG Life Holdings, Inc. junior subordinated debt	1,054	1,094	1,054	21	25
Total	15,680	15,591	15,666	220	225
Operating debt:					
MIP notes payable	6,763	8,943	7,963	74	89
Series AIGFP matched notes and bonds payable	2,163	3,533	3,219	48	68
Other AIG borrowings supported by assets (1)	6,019	7,663	6,747	-	-
Other subsidiaries	626	304	656	10	4
Borrowings of consolidated investments	2,720	1,849	1,909	22	19
Total	18,291	22,292	20,494	154	180
Hybrid - debt securities:					
Junior subordinated debt (2)	5,537	7,383	5,533	105	172
Total (3)	\$ 39,508	\$ 45,266	\$ 41,693	\$ 479	\$ 577
AIG capitalization:					
Total equity	\$ 104,393	\$ 100,183	\$ 101,081		
Hybrid - debt securities (2)	5,537	7,383	5,533		
Total equity and hybrid capital	109,930	107,566	106,614		
Financial debt	15,680	15,591	15,666		
Total capital	\$ 125,610	\$ 123,157	\$ 122,280		
Ratios:					
Hybrid - debt securities / Total capital	4.4%	6.0%	4.5%		
Financial debt / Total capital	12.5%	12.7%	12.8%		
Total debt / Total capital	16.9%	18.7%	17.3%		

Notes:

- (1) Borrowings are carried at fair value with fair value adjustments reported in Other income on the Consolidated Statement of Operations. Contractual interest payments amounted to \$48 million and \$64 million for the three months ended March 31, 2014 and 2013, respectively.
- (2) The junior subordinated debentures receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings on the Condensed Consolidated Balance Sheet.
- (3) Excludes ILFC's debt which is reflected as Liabilities held for sale on the Condensed Consolidated Balance Sheet and the related interest expense which is reflected within Aircraft leasing expenses on the Consolidated Statement of Operations.



American International Group, Inc.
AIG Property Casualty Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net premiums written	\$ 8,334	\$ 8,028	\$ 8,660	\$ 9,263	\$ 8,437
Net premiums earned	8,230	8,621	8,427	8,347	8,558
Claims and claims adjustment expenses incurred (1)	5,521	5,878	5,669	5,679	5,413
Acquisition expenses	1,639	1,682	1,664	1,671	1,688
General operating expenses	1,167	1,391	1,228	1,220	1,225
Underwriting income (loss)	(97)	(330)	(134)	(223)	232
Net investment income (2) :					
Interest and dividends	958	1,041	1,071	1,008	1,004
Alternative investments (3)	269	303	69	240	258
Other investment income (4)	75	119	103	127	123
Investment expense	(46)	(43)	(30)	(66)	(60)
Total net investment income	1,256	1,420	1,213	1,309	1,325
Pre-tax operating income	1,159	1,090	1,079	1,086	1,557
Adjustments to arrive at pre-tax income:					
Net realized capital gains	142	167	50	109	54
Legal settlements (5)	8	10	-	3	-
Other income (expense) - net	-	(79)	(3)	7	3
Pre-tax income	\$ 1,309	\$ 1,188	\$ 1,126	\$ 1,205	\$ 1,614
Underwriting ratios:					
Loss ratio	67.1	68.2	67.3	68.0	63.3
Catastrophe losses and reinstatement premiums	(3.2)	(2.4)	(2.7)	(3.7)	(0.5)
Prior year development net of premium adjustments	(1.9)	(3.1)	(0.8)	(2.3)	0.4
Net reserve discount benefit (charge)	1.2	3.7	(0.1)	(0.1)	-
Accident year loss ratio, as adjusted	63.2	66.4	63.7	61.9	63.2
Acquisition ratio	19.9	19.5	19.7	20.0	19.7
General operating expense ratio	14.2	16.1	14.6	14.6	14.3
Expense ratio	34.1	35.6	34.3	34.6	34.0
Combined ratio	101.2	103.8	101.6	102.6	97.3
Catastrophe losses and reinstatement premiums	(3.2)	(2.4)	(2.7)	(3.7)	(0.5)
Prior year development net of premium adjustments	(1.9)	(3.1)	(0.8)	(2.3)	0.4
Net reserve discount benefit (charge)	1.2	3.7	(0.1)	(0.1)	-
Accident year combined ratio, as adjusted	97.3	102.0	98.0	96.5	97.2
Foreign exchange effect on worldwide premium:					
Change in net premiums written					
Increase (decrease) in original currency (6)	2.6 %	8.6 %	4.1 %	5.5 %	(2.6)%
Foreign exchange effect	(3.8)	(5.8)	(4.7)	(3.7)	(1.7)
Increase (decrease) as reported in US \$	(1.2)%	2.8 %	(0.6)%	1.8 %	(4.3)%
Noteworthy items (pre-tax):					
Catastrophe-related losses (7)	\$ 262	\$ 208	\$ 222	\$ 316	\$ 41
Reinstatement premiums related to prior year catastrophes	-	-	2	11	14
Severe losses (8)	186	277	211	38	60
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	158	272	73	224	(42)
Additional premium related to prior year development	4	(6)	(3)	(70)	(10)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	162	266	70	154	(52)
Net reserve discount benefit (charge)	105	325	(6)	(5)	(5)
Net loss and loss expense reserve (at period end)	\$ 62,683	\$ 63,029	\$ 63,418	\$ 64,050	\$ 65,114

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty
Commercial Insurance Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net premiums written	\$ 4,996	\$ 4,841	\$ 5,222	\$ 5,876	\$ 4,903
Net premiums earned	5,042	5,294	5,142	5,073	5,128
Claims and claims adjustment expenses incurred	3,501	4,122	3,692	3,685	3,329
Acquisition expenses	818	850	812	829	838
General operating expenses	610	724	646	647	565
Underwriting income (loss)	113	(402)	(8)	(88)	396
Net investment income (2)	600	614	618	623	645
Pre-tax operating income	\$ 713	\$ 212	\$ 610	\$ 535	\$ 1,041
Underwriting ratios:					
Loss ratio	69.4	77.9	71.8	72.6	64.9
Catastrophe losses and reinstatement premiums	(3.6)	(3.6)	(3.5)	(6.0)	(0.6)
Prior year development net of premium adjustments	(3.2)	(0.9)	(2.1)	(4.4)	1.1
Net reserve discount benefit (charge)	2.5	(6.1)	-	-	-
Accident year loss ratio, as adjusted	65.1	67.3	66.2	62.2	65.4
Acquisition ratio	16.2	16.1	15.8	16.3	16.3
General operating expense ratio	12.1	13.7	12.6	12.8	11.0
Expense ratio	28.3	29.8	28.4	29.1	27.3
Combined ratio	97.7	107.7	100.2	101.7	92.2
Catastrophe losses and reinstatement premiums	(3.6)	(3.6)	(3.5)	(6.0)	(0.6)
Prior year development net of premium adjustments	(3.2)	(0.9)	(2.1)	(4.4)	1.1
Net reserve discount benefit (charge)	2.5	(6.1)	-	-	-
Accident year combined ratio, as adjusted	93.4	97.1	94.6	91.3	92.7
Foreign exchange effect on worldwide premium:					
Change in net premiums written					
Increase (decrease) in original currency (6)	2.8 %	11.7 %	3.5 %	6.8 %	(6.1) %
Foreign exchange effect	(0.9)	(1.8)	(1.1)	(1.3)	(0.1)
Increase (decrease) as reported in US \$	1.9 %	9.9 %	2.4 %	5.5 %	(6.2) %
Noteworthy items (pre-tax):					
Catastrophe-related losses (7)	\$ 184	\$ 188	\$ 182	\$ 307	\$ 33
Reinstatement premiums related to prior year catastrophes	-	1	2	11	14
Severe losses (8)	145	260	211	38	60
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	156	54	105	257	(61)
Additional premium related to prior year development	4	(6)	(3)	(70)	(10)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	160	48	102	187	(71)
Net reserve discount benefit (charge)	126	(322)	-	-	-
Net loss and loss expense reserve (at period end)	\$ 54,413	\$ 54,400	\$ 54,134	\$ 54,654	\$ 55,507

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty
Consumer Insurance Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net premiums written	\$ 3,338	\$ 3,189	\$ 3,441	\$ 3,390	\$ 3,532
Net premiums earned	3,172	3,296	3,270	3,255	3,408
Claims and claims adjustment expenses incurred (1)	1,944	1,992	1,922	1,916	1,969
Acquisition expenses	821	832	852	842	850
General operating expenses	466	585	492	498	534
Underwriting income (loss)	(59)	(113)	4	(1)	55
Net investment income (2)	86	93	89	92	98
Pre-tax operating income (loss)	\$ 27	\$ (20)	\$ 93	\$ 91	\$ 153
Underwriting ratios:					
Loss ratio	61.3	60.4	58.8	58.9	57.8
Catastrophe losses and reinstatement premiums	(2.5)	(0.6)	(1.2)	(0.3)	(0.3)
Prior year development net of premium adjustments	0.5	0.9	0.9	1.6	1.3
Accident year loss ratio, as adjusted	59.3	60.7	58.5	60.2	58.8
Acquisition ratio	25.9	25.2	26.1	25.9	24.9
General operating expense ratio	14.7	17.7	15.0	15.3	15.7
Expense ratio	40.6	42.9	41.1	41.2	40.6
Combined ratio	101.9	103.3	99.9	100.1	98.4
Catastrophe losses and reinstatement premiums	(2.5)	(0.6)	(1.2)	(0.3)	(0.3)
Prior year development net of premium adjustments	0.5	0.9	0.9	1.6	1.3
Accident year combined ratio, as adjusted	99.9	103.6	99.6	101.4	99.4
Foreign exchange effect on worldwide premium:					
Change in net premiums written					
Increase (decrease) in original currency (6)	2.3 %	4.9 %	4.7 %	3.6 %	2.5 %
Foreign exchange effect	(7.8)	(11.1)	(9.9)	(7.5)	(4.2)
Increase (decrease) as reported in US \$	(5.5)%	(6.2)%	(5.2)%	(3.9)%	(1.7)%
Noteworthy items (pre-tax):					
Catastrophe-related losses (7)	\$ 78	\$ 20	\$ 40	\$ 9	\$ 8
Severe losses (8)	41	17	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(14)	(30)	(30)	(53)	(42)
Net loss and loss expense reserve (at period end)	\$ 4,999	\$ 5,154	\$ 5,314	\$ 5,388	\$ 5,465

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty
Other Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net premiums written	\$ -	\$ (2)	\$ (3)	\$ (3)	\$ 2
Net premiums earned	16	31	15	19	22
Claims and claims adjustment expenses incurred	76	(236)	55	78	115
General operating expenses	91	82	90	75	126
Underwriting income (loss)	(151)	185	(130)	(134)	(219)
Net investment income (2)	570	713	506	594	582
Pre-tax operating income	419	898	376	460	363
Adjustments to arrive at pre-tax income:					
Net realized capital gains	142	167	50	109	54
Legal settlements (5)	8	10	-	3	-
Other income (expense) - net	-	(79)	(3)	7	3
Pre-tax income	\$ 569	\$ 996	\$ 423	\$ 579	\$ 420
Noteworthy items (pre-tax):					
Reinstatement premiums related to prior year catastrophes	\$ -	\$ (1)	\$ -	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	16	248	(2)	20	61
Net reserve discount benefit (charge)	(21)	647	(6)	(5)	(5)
Net loss and loss expense reserve (at period end)	\$ 3,271	\$ 3,475	\$ 3,970	\$ 4,008	\$ 4,142

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty - North America Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net premiums written	\$ 3,615	\$ 4,063	\$ 4,364	\$ 4,878	\$ 3,617
Net premiums earned	4,100	4,343	4,278	4,208	4,252
Claims and claims adjustment expenses incurred	3,041	3,153	3,167	3,286	2,999
Acquisition expenses	632	678	666	672	660
General operating expenses	461	518	474	434	385
Underwriting income (loss)	(34)	(6)	(29)	(184)	208
Net investment income					
Interest and dividends	769	824	858	789	772
Alternative investments (3)	265	300	77	236	254
Other investment income (4)	44	99	79	102	96
Investment expense	(35)	(30)	(13)	(51)	(45)
Total	1,043	1,193	1,001	1,076	1,077
Pre-tax operating income	1,009	1,187	972	892	1,285
Adjustments to arrive at pre-tax income:					
Net realized capital gains (losses)	58	(22)	(21)	(31)	12
Legal settlements (5)	8	10	-	3	-
Other income (expense) - net	-	(79)	(3)	7	3
Pre-tax income	\$ 1,075	\$ 1,096	\$ 948	\$ 871	\$ 1,300
Underwriting ratios:					
Loss ratio	74.2	72.6	74.0	78.1	70.5
Catastrophe losses and reinstatement premiums	(4.0)	(2.4)	(3.3)	(4.7)	(0.7)
Prior year development net of premium adjustments	(1.8)	(6.6)	(2.7)	(5.5)	0.9
Net reserve discount benefit (charge)	2.6	7.5	(0.1)	(0.5)	(0.1)
Accident year loss ratio, as adjusted	71.0	71.1	67.9	67.4	70.6
Acquisition ratio	15.4	15.6	15.6	15.9	15.5
General operating expense ratio	11.2	11.9	11.1	10.3	9.1
Expense ratio	26.6	27.5	26.7	26.2	24.6
Combined ratio	100.8	100.1	100.7	104.3	95.1
Catastrophe losses and reinstatement premiums	(4.0)	(2.4)	(3.3)	(4.7)	(0.7)
Prior year development net of premium adjustments	(1.8)	(6.6)	(2.7)	(5.5)	0.9
Net reserve discount benefit (charge)	2.6	7.5	(0.1)	(0.5)	(0.1)
Accident year combined ratio, as adjusted	97.6	98.6	94.6	93.6	95.2
Noteworthy items (pre-tax):					
Catastrophe-related losses (7)	\$ 164	\$ 107	\$ 141	\$ 198	\$ 31
Reinstatement premiums related to prior year catastrophes	-	(3)	2	11	12
Severe losses (8)	83	118	45	-	23
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	68	290	120	290	(38)
Additional premium related to prior year development	4	(6)	(3)	(70)	(10)
Prior year reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	72	284	117	220	(48)
Net reserve discount benefit (charge)	\$ 105	\$ 325	\$ (4)	\$ (3)	\$ (3)

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty - North America Operating Statistics by Business
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Commercial Insurance					
Net premiums written	\$ 2,766	\$ 3,287	\$ 3,414	\$ 4,086	\$ 2,771
Net premiums earned	3,262	3,466	3,384	3,337	3,369
Claims and claims adjustment expenses incurred	2,408	2,896	2,543	2,688	2,409
Acquisition expenses	460	495	480	513	499
General operating expenses	304	354	336	307	233
Underwriting income (loss)	90	(279)	25	(171)	228
Net investment income	503	506	510	513	528
Pre-tax operating income	\$ 593	\$ 227	\$ 535	\$ 342	\$ 756
Underwriting ratios:					
Loss ratio	73.8	83.6	75.1	80.6	71.5
Catastrophe losses and reinstatement premiums	(3.8)	(3.0)	(3.5)	(5.9)	(0.7)
Prior year development net of premium adjustments	(2.5)	(1.8)	(4.2)	(7.1)	1.4
Net reserve discount benefit (charge)	3.9	(9.3)	-	(0.6)	-
Accident year loss ratio, as adjusted	71.4	69.5	67.4	67.0	72.2
Acquisition ratio	14.1	14.3	14.2	15.4	14.8
General operating expense ratio	9.3	10.2	9.9	9.2	6.9
Expense ratio	23.4	24.5	24.1	24.6	21.7
Combined ratio	97.2	108.1	99.2	105.2	93.2
Catastrophe losses and reinstatement premiums	(3.8)	(3.0)	(3.5)	(5.9)	(0.7)
Prior year development net of premium adjustments	(2.5)	(1.8)	(4.2)	(7.1)	1.4
Net reserve discount benefit (charge)	3.9	(9.3)	-	(0.6)	-
Accident year combined ratio, as adjusted	94.8	94.0	91.5	91.6	93.9
Consumer Insurance					
Net premiums written	\$ 849	\$ 779	\$ 953	\$ 795	\$ 844
Net premiums earned	826	847	880	854	864
Claims and claims adjustment expenses incurred	581	528	603	558	503
Acquisition expenses	172	183	186	159	161
General operating expenses	113	134	100	95	102
Underwriting income (loss)	(40)	2	(9)	42	98
Net investment income	36	39	38	37	39
Pre-tax operating income	\$ (4)	\$ 41	\$ 29	\$ 79	\$ 137
Underwriting ratios:					
Loss ratio	70.3	62.3	68.5	65.3	58.2
Catastrophe losses and reinstatement premiums	(4.9)	(0.4)	(2.2)	(0.3)	(0.8)
Prior year development net of premium adjustments	3.4	3.3	2.2	2.9	4.9
Accident year loss ratio, as adjusted	68.8	65.2	68.5	67.9	62.3
Acquisition ratio	20.8	21.6	21.2	18.6	18.7
General operating expense ratio	13.7	15.8	11.4	11.1	11.8
Expense ratio	34.5	37.4	32.6	29.7	30.5
Combined ratio	104.8	99.7	101.1	95.0	88.7
Catastrophe losses and reinstatement premiums	(4.9)	(0.4)	(2.2)	(0.3)	(0.8)
Prior year development net of premium adjustments	3.4	3.3	2.2	2.9	4.9
Accident year combined ratio, as adjusted	103.3	102.6	101.1	97.6	92.8
Other North America					
Net premiums written	\$ -	\$ (3)	\$ (3)	\$ (3)	\$ 2
Net premiums earned	12	30	14	17	19
Claims and claims adjustment expenses incurred	52	(271)	21	40	87
General operating expenses	44	30	38	32	50
Underwriting income (loss)	(84)	271	(45)	(55)	(118)
Net investment income	504	648	453	526	510
Pre-tax operating income	420	919	408	471	392
Adjustments to arrive at pre-tax income:					
Net realized capital gains (losses)	58	(22)	(21)	(31)	12
Legal settlements (5)	8	10	-	3	-
Other income (expense) - net	-	(79)	(3)	7	3
Pre-tax income	\$ 486	\$ 828	\$ 384	\$ 450	\$ 407
Total AIG Property Casualty - North America					
Net premiums written	\$ 3,615	\$ 4,063	\$ 4,364	\$ 4,878	\$ 3,617
Net premiums earned	4,100	4,343	4,278	4,208	4,252
Claims and claims adjustment expenses incurred	3,041	3,153	3,167	3,286	2,999
Acquisition expenses	632	678	666	672	660
General operating expenses	461	518	474	434	385
Underwriting income (loss)	(34)	(6)	(29)	(184)	208
Net investment income	1,043	1,193	1,001	1,076	1,077
Pre-tax operating income	1,009	1,187	972	892	1,285
Adjustments to arrive at pre-tax income:					
Net realized capital gains (losses)	58	(22)	(21)	(31)	12
Legal settlements (5)	8	10	-	3	-
Other income (expense) - net	-	(79)	(3)	7	3
Pre-tax income	\$ 1,075	\$ 1,096	\$ 948	\$ 871	\$ 1,300

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty - International Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net premiums written	\$ 4,719	\$ 3,965	\$ 4,296	\$ 4,385	\$ 4,820
Net premiums earned	4,130	4,278	4,149	4,139	4,306
Claims and claims adjustment expenses incurred (1)	2,480	2,725	2,502	2,393	2,414
Acquisition expenses	1,007	1,004	998	999	1,028
General operating expenses	706	873	754	786	840
Underwriting income (loss)	(63)	(324)	(105)	(39)	24
Net investment income:					
Interest and dividends	189	217	213	219	232
Alternative investments (3)	4	3	(8)	4	4
Other investment income (4)	31	20	24	25	27
Investment expense	(11)	(13)	(17)	(15)	(15)
Total	213	227	212	233	248
Pre-tax operating income (loss)	150	(97)	107	194	272
Adjustments to arrive at pre-tax income:					
Net realized capital gains	84	189	71	140	42
Pre-tax income	\$ 234	\$ 92	\$ 178	\$ 334	\$ 314
Underwriting ratios:					
Loss ratio	60.0	63.7	60.3	57.8	56.1
Catastrophe losses and reinstatement premiums	(2.3)	(2.4)	(1.9)	(2.8)	(0.3)
Prior year development net of premium adjustments	(2.2)	0.4	1.1	1.6	0.1
Net reserve discount benefit (charge)	-	-	(0.1)	(0.1)	-
Accident year loss ratio, as adjusted	55.5	61.7	59.4	56.5	55.9
Acquisition ratio	24.4	23.5	24.1	24.2	23.8
General operating expense ratio	17.1	20.4	18.2	19.0	19.5
Expense ratio	41.5	43.9	42.3	43.2	43.3
Combined ratio	101.5	107.6	102.6	101.0	99.4
Catastrophe losses and reinstatement premiums	(2.3)	(2.4)	(1.9)	(2.8)	(0.3)
Prior year development net of premium adjustments	(2.2)	0.4	1.1	1.6	0.1
Net reserve discount benefit (charge)	-	-	(0.1)	(0.1)	-
Accident year combined ratio, as adjusted	97.0	105.6	101.7	99.7	99.2
Foreign exchange effect on International's premium:					
Change in net premiums written					
Increase (decrease) in original currency (6)	4.6 %	10.2 %	7.0 %	7.5 %	0.7 %
Foreign exchange effect	(6.7)	(11.3)	(9.4)	(7.5)	(3.1)
Increase (decrease) as reported in US \$	(2.1)%	(1.1)%	(2.4)%	- %	(2.4)%
Noteworthy items (pre-tax):					
Catastrophe-related losses (7)	\$ 98	\$ 101	\$ 81	\$ 118	\$ 10
Reinstatement premiums related to prior year catastrophes	-	3	-	-	2
Severe losses (8)	103	159	166	38	37
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	90	(18)	(47)	(66)	(4)
Net reserve discount benefit (charge)	\$ -	\$ -	\$ (2)	\$ (2)	\$ (2)

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty - International Operating Statistics by Business
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Commercial Insurance					
Net premiums written	\$ 2,230	\$ 1,554	\$ 1,808	\$ 1,790	\$ 2,132
Net premiums earned	1,780	1,828	1,758	1,736	1,759
Claims and claims adjustment expenses incurred	1,093	1,226	1,149	997	920
Acquisition expenses	358	355	332	316	339
General operating expenses	306	370	310	340	332
Underwriting income (loss)	23	(123)	(33)	83	168
Net investment income	97	108	108	110	117
Pre-tax operating income (loss)	\$ 120	\$ (15)	\$ 75	\$ 193	\$ 285
Underwriting ratios:					
Loss ratio	61.4	67.1	65.4	57.4	52.3
Catastrophe losses and reinstatement premiums	(3.4)	(4.8)	(3.5)	(6.4)	(0.5)
Prior year development net of premium adjustments	(4.3)	0.8	2.1	2.3	0.7
Accident year loss ratio, as adjusted	53.7	63.1	64.0	53.3	52.5
Acquisition ratio	20.1	19.4	18.9	18.2	19.2
General operating expense ratio	17.2	20.2	17.6	19.6	18.9
Expense ratio	37.3	39.6	36.5	37.8	38.1
Combined ratio	98.7	106.7	101.9	95.2	90.4
Catastrophe losses and reinstatement premiums	(3.4)	(4.8)	(3.5)	(6.4)	(0.5)
Prior year development net of premium adjustments	(4.3)	0.8	2.1	2.3	0.7
Accident year combined ratio, as adjusted	91.0	102.7	100.5	91.1	90.6
Consumer Insurance					
Net premiums written	\$ 2,489	\$ 2,410	\$ 2,488	\$ 2,595	\$ 2,688
Net premiums earned	2,346	2,449	2,390	2,401	2,544
Claims and claims adjustment expenses incurred	1,363	1,464	1,319	1,358	1,466
Acquisition expenses	649	649	666	683	689
General operating expenses	353	451	392	403	432
Underwriting income (loss)	(19)	(115)	13	(43)	(43)
Net investment income	50	54	51	55	59
Pre-tax operating income (loss)	\$ 31	\$ (61)	\$ 64	\$ 12	\$ 16
Underwriting ratios:					
Loss ratio	58.1	59.8	55.2	56.6	57.6
Catastrophe losses and reinstatement premiums	(1.6)	(0.7)	(0.8)	(0.3)	-
Prior year development net of premium adjustments	(0.6)	0.1	0.4	1.2	-
Accident year loss ratio, as adjusted	55.9	59.2	54.8	57.5	57.6
Acquisition ratio	27.7	26.5	27.9	28.4	27.0
General operating expense ratio	15.0	18.4	16.4	16.8	17.0
Expense ratio	42.7	44.9	44.3	45.2	44.0
Combined ratio	100.8	104.7	99.5	101.8	101.6
Catastrophe losses and reinstatement premiums	(1.6)	(0.7)	(0.8)	(0.3)	-
Prior year development net of premium adjustments	(0.6)	0.1	0.4	1.2	-
Accident year combined ratio, as adjusted	98.6	104.1	99.1	102.7	101.6
Other International					
Net premiums written	\$ -	\$ 1	\$ -	\$ -	\$ -
Net premiums earned	4	1	1	2	3
Claims and claims adjustment expenses incurred	24	35	34	38	28
General operating expenses	47	52	52	43	76
Underwriting loss	(67)	(86)	(85)	(79)	(101)
Net investment income	66	65	53	68	72
Pre-tax operating loss	(1)	(21)	(32)	(11)	(29)
Adjustments to arrive at pre-tax income:					
Net realized capital gains	84	189	71	140	42
Pre-tax income	\$ 83	\$ 168	\$ 39	\$ 129	\$ 13
Total AIG Property Casualty International					
Net premiums written	\$ 4,719	\$ 3,965	\$ 4,296	\$ 4,385	\$ 4,820
Net premiums earned	4,130	4,278	4,149	4,139	4,306
Claims and claims adjustment expenses incurred	2,480	2,725	2,502	2,393	2,414
Acquisition expenses	1,007	1,004	998	999	1,028
General operating expenses	706	873	754	786	840
Underwriting income (loss)	(63)	(324)	(105)	(39)	24
Net investment income	213	227	212	233	248
Pre-tax operating income (loss)	150	(97)	107	194	272
Adjustment to arrive at pre-tax income:					
Net realized capital gains	84	189	71	140	42
Pre-tax income	\$ 234	\$ 92	\$ 178	\$ 334	\$ 314

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty Net Premiums Written by Line of Business & Region
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
By Line of Business:					
Commercial					
Casualty	\$ 2,012	\$ 1,867	\$ 1,924	\$ 2,110	\$ 2,244
Property	928	905	1,350	1,770	683
Specialty	994	978	898	882	972
Financial lines	1,062	1,091	1,050	1,114	1,004
Total Commercial	4,996	4,841	5,222	5,876	4,903
Consumer					
Personal lines	1,677	1,657	1,790	1,745	1,739
Accident & Health	1,661	1,532	1,651	1,645	1,793
Total Consumer	3,338	3,189	3,441	3,390	3,532
Other	-	(2)	(3)	(3)	2
Total net premiums written	\$ 8,334	\$ 8,028	\$ 8,660	\$ 9,263	\$ 8,437
By Region:					
Americas					
Commercial	\$ 2,890	\$ 3,415	\$ 3,548	\$ 4,201	\$ 2,878
Consumer	982	921	1,085	930	975
Other	-	(2)	(3)	(3)	2
Total Americas	3,872	4,334	4,630	5,128	3,855
EMEA					
Commercial	1,645	941	1,151	1,159	1,524
Consumer	607	460	456	475	584
Total EMEA	2,252	1,401	1,607	1,634	2,108
Asia Pacific					
Commercial	461	485	523	516	501
Consumer	1,749	1,808	1,900	1,985	1,973
Total Asia Pacific	2,210	2,293	2,423	2,501	2,474
Total net premiums written	\$ 8,334	\$ 8,028	\$ 8,660	\$ 9,263	\$ 8,437

See Accompanying Notes on Page 21



American International Group, Inc.
AIG Property Casualty - Returns On Alternative Investments
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Alternative investment income (3)					
Private equity	\$ 170	\$ 131	\$ 73	\$ 108	\$ 110
Hedge funds	99	172	(4)	132	148
Total alternative investment income	\$ 269	\$ 303	\$ 69	\$ 240	\$ 258
Average alternative investment assets					
Private equity	\$ 3,923	\$ 3,787	\$ 3,727	\$ 3,741	\$ 3,807
Hedge funds	4,005	3,853	3,643	3,438	3,227
Total average alternative investment assets	\$ 7,928	\$ 7,640	\$ 7,370	\$ 7,179	\$ 7,034
Annualized yields on book value					
Private equity	17.33%	13.84%	7.83%	11.55%	11.56%
Hedge funds	9.89%	17.86%	(0.44)%	15.36%	18.35%
Total annualized yield	13.57%	15.86%	3.75%	13.37%	14.67%

See Accompanying Notes on Page 21



American International Group, Inc. AIG Property Casualty - Notes

Basis of Presentation

AIG Property Casualty manages its business in two operating segments - Commercial Insurance and Consumer Insurance - and is organized under three major geographic areas: the Americas (which includes the United States, Canada, Central America, South America, the Caribbean and Bermuda), Asia Pacific (which includes Japan and other Asia Pacific nations, including China, Korea, Singapore, Vietnam, Thailand, Australia and Indonesia), and EMEA (which includes the United Kingdom, Continental Europe, Russia, India, the Middle East and Africa). Commercial Insurance products for large and small businesses are primarily distributed through a network of independent retail and wholesale brokers, and through an independent agency network in the Asia Pacific and EMEA regions. Major lines of business include Casualty, Property, Specialty and Financial Lines. Consumer Insurance products are distributed primarily to individual consumers or groups of consumers through insurance brokers and agents, as well as through direct marketing, and partner organizations and through the internet. Offerings within Consumer Insurance include Accident and Health (A&H) and Personal Lines insurance. In addition, Fuji Fire & Marine Insurance Company Limited (Fuji) in Japan offers life insurance products through Fuji Life Insurance Company (Fuji Life), which is included in A&H.

AIG Property Casualty - Other consists primarily of: run-off lines of business, including excess workers' compensation, asbestos and legacy environmental (1986 and prior); certain environmental liability businesses written prior to 2004; operations and expenses not attributable to the Commercial Insurance or Consumer Insurance operating segments; unallocated net investment income; net realized capital gains and losses; other income and expense items; and adverse loss development, net of the related amortization of deferred gain, for a retroactive reinsurance arrangement.

AIG Property Casualty's chief operating decision makers review the performance of Commercial Insurance and Consumer Insurance businesses using an allocation of net investment income to the operating segments based on an internal investment income allocation model. The model estimates investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each segment. The investment income allocation is calculated based on the estimated investable funds and risk-free yields (plus a liquidity premium) consistent with the approximate duration of the liabilities. The actual yields in excess of the allocated amounts and the investment income from the assets not attributed to the Commercial Insurance or the Consumer Insurance operating segments are assigned to the Other category.

Notes:

- (1) Results include changes in future policy benefits for certain A&H insurance contracts and Fuji Life insurance.
- (2) Variances between actual net investment income and amounts allocated to the Commercial Insurance and Consumer Insurance operating segments are assigned to AIG Property Casualty - Other.
- (3) Alternative investment income is reported on a lag basis. Hedge funds are generally on a one month lag, while private equity funds are generally on a one quarter lag.
- (4) Other investment income 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.
- (5) Reflects litigation settlement income from settlements with financial institutions that participated in the creation, offering and sale of residential mortgage-backed securities (RMBS) from which AIG Property Casualty subsidiaries realized losses during the financial crisis.
- (6) Computed using a constant exchange rate for each period.
- (7) Catastrophes (CATs) are generally weather or seismic events having a net impact on AIG Property Casualty in excess of \$10 million each.
- (8) Severe losses are defined as non-catastrophic individual first party losses and surety losses greater than \$10 million, net of related reinsurance and salvage and subrogation.



American International Group, Inc.
AIG Life and Retirement
Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 7,129	\$ 8,042	\$ 8,422	\$ 6,765	\$ 5,580
Revenues:					
Premiums	\$ 597	\$ 606	\$ 721	\$ 649	\$ 620
Policy fees (2)	692	652	645	623	615
Net investment income:					
Base portfolio (3)	2,299	2,263	2,242	2,267	2,258
Alternative investments (4)	540	505	137	436	489
Other enhancements (5)	(22)	105	88	(66)	130
Total net investment income	2,817	2,873	2,467	2,637	2,877
Advisory fee and other income	460	454	443	419	393
Total revenues excluding net realized capital gains (losses)	4,566	4,585	4,276	4,328	4,505
Benefits and expenses:					
Policyholder benefits and claims incurred	1,145	1,141	1,316	1,183	1,098
Interest credited to policyholder account balances	953	978	924	971	1,017
Amortization of deferred policy acquisition costs	214	184	76	202	188
Non deferrable commissions	116	121	117	118	117
General operating expenses	424	456	412	426	425
Commissions and advisory fee expenses	297	299	287	277	266
Total benefits and expenses	3,149	3,179	3,132	3,177	3,111
Pre-tax operating income (6)	1,417	1,406	1,144	1,151	1,394
Adjustments to arrive at pre-tax income:					
Legal settlements (7)	30	553	-	359	108
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	76	(33)	(30)	(69)	(29)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	30	(4)	(271)	(1,152)	(59)
Net realized capital gains (losses)	(321)	53	398	1,430	156
Pre-tax income	\$ 1,232	\$ 1,975	\$ 1,241	\$ 1,719	\$ 1,570
Investment yield:					
Base portfolio (8)	5.32%	5.29%	5.26%	5.35%	5.30%
Alternative investments (9)	0.88%	0.80%	0.00%	0.69%	0.79%
Other enhancements (10)	(0.11)%	0.18%	0.15%	(0.21)%	0.29%
Total	6.09%	6.27%	5.41%	5.83%	6.38%
Gross life insurance in force, end of period	\$ 915,261	\$ 914,033	\$ 911,849	\$ 911,163	\$ 909,397
Assets under management:					
General account	\$ 198,946	\$ 195,621	\$ 195,019	\$ 195,892	\$ 202,671
Separate accounts	72,581	71,048	65,948	61,749	61,049
Group retirement and retail mutual funds	27,488	26,743	24,152	22,019	20,774
Stable value wraps (11)	25,411	24,565	19,280	14,005	12,374
Total assets under management	\$ 324,426	\$ 317,977	\$ 304,399	\$ 293,665	\$ 296,868

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement
Investment Products Net Flows
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits: (1)					
Fixed Annuities	\$ 960	\$ 995	\$ 1,188	\$ 355	\$ 376
Retirement Income Solutions	2,173	2,502	2,460	2,233	1,413
Retail Mutual Funds	1,162	1,274	1,633	1,216	833
Group Retirement	1,708	1,968	1,838	1,705	1,740
Total premiums and deposits	6,003	6,739	7,119	5,509	4,362
Surrenders and withdrawals:					
Fixed Annuities	(873)	(933)	(774)	(957)	(888)
Retirement Income Solutions	(758)	(775)	(703)	(842)	(687)
Retail Mutual Funds	(922)	(602)	(514)	(528)	(532)
Group Retirement	(1,647)	(1,744)	(1,872)	(1,880)	(1,755)
Total surrenders and withdrawals	(4,200)	(4,054)	(3,863)	(4,207)	(3,862)
Death and other contract benefits:					
Fixed Annuities	(502)	(515)	(518)	(662)	(487)
Retirement Income Solutions	(146)	(136)	(119)	(99)	(155)
Group Retirement	(139)	(141)	(125)	(124)	(102)
Total death and other contract benefits	(787)	(792)	(762)	(885)	(744)
Net flows: (12)					
Fixed Annuities	(415)	(453)	(104)	(1,264)	(999)
Retirement Income Solutions	1,269	1,591	1,638	1,292	571
Retail Mutual Funds	240	672	1,119	688	301
Group Retirement	(78)	83	(159)	(299)	(117)
Total net flows	\$ 1,016	\$ 1,893	\$ 2,494	\$ 417	\$ (244)

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement
Returns On Alternative Investments
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Alternative investment income (4)					
Private equity	\$ 221	\$ 153	\$ 60	\$ 112	\$ 166
Hedge funds	258	275	46	263	262
Total private equity and hedge funds	479	428	106	375	428
Affordable housing partnerships	61	77	31	61	61
Total alternative investment income	\$ 540	\$ 505	\$ 137	\$ 436	\$ 489
Average alternative investment assets					
Private equity	\$ 3,244	\$ 3,413	\$ 3,526	\$ 3,647	\$ 3,671
Hedge funds	5,650	5,187	4,904	4,521	4,041
Total private equity and hedge funds	8,894	8,600	8,430	8,168	7,712
Affordable housing partnerships	1,467	1,543	1,626	1,714	1,925
Total average alternative investment assets	\$ 10,361	\$ 10,143	\$ 10,056	\$ 9,882	\$ 9,637
Annualized yields on book value					
Private equity	27.19%	17.91%	6.82%	12.33%	18.08%
Hedge funds	18.27%	21.17%	3.73%	23.29%	25.95%
Total private equity and hedge funds	21.52%	19.90%	5.03%	18.36%	22.20%
Affordable housing partnerships	16.76%	20.11%	7.70%	13.91%	12.76%
Total annualized yield	20.85%	19.91%	5.45%	17.62%	20.30%

See Accompanying Notes on Pages 38 and 39

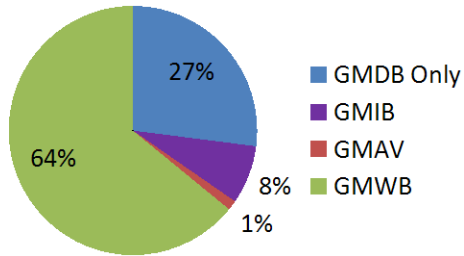


American International Group, Inc.
AIG Life and Retirement
Guaranteed Benefits (13)
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Account value by benefit type					
Guaranteed Minimum Death Benefits (GMDB) only (a)	\$ 63,358	\$ 62,868	\$ 59,776	\$ 58,174	\$ 58,053
Guaranteed Minimum Income Benefits (GMIB) (b)	2,996	3,081	2,994	2,948	3,049
Guaranteed Minimum Account Value (GMAV) (c)	523	627	682	734	841
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	29,424	27,924	25,080	22,387	20,798
Liability by benefit type					
Guaranteed Minimum Death Benefits (GMDB) (a)	\$ 356	\$ 355	\$ 355	\$ 363	\$ 368
Guaranteed Minimum Income Benefits (GMIB) (b)	39	43	42	45	47
Guaranteed Minimum Account Value (GMAV) (c)	6	8	14	19	21
Guaranteed Minimum Withdrawal Benefits (GMWB) (d) (e)	393	(45)	94	311	737

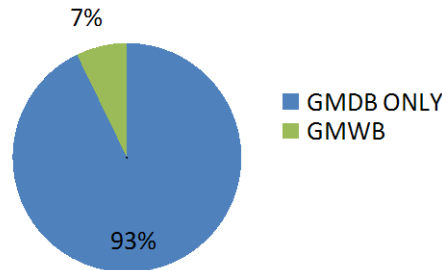
- (a) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. Each of these benefits may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit.
- (b) A guaranteed minimum income benefit establishes a minimum amount available to be annuitized regardless of actual performance in the product. The benefit is not available until a set number of years after contract issue.
- (c) A guaranteed minimum account value ensures a return of premium invested at the end of 10 years. The amount is based on premium in a defined period.
- (d) A guaranteed minimum withdrawal benefit establishes an amount that can be taken as withdrawals over a fixed period or for life, regardless of market performance, even if the account value drops to zero.
- (e) 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 increase in the fair value of the GMWB liability in 1Q14 is primarily due to lower interest rates and narrowing credit spreads in the quarter. The fair value of the GMWB liability was a net asset at December 31, 2013, primarily due to higher interest rates and equity market returns.

Retirement Income Solutions



Type of Benefit	Account Value (\$B)
GMDB Only	10.7
GMIB	3.0
GMAV	0.5
GMWB	25.3
Total	39.5

Group Retirement



Type of Benefit	Account Value (\$B)
GMDB ONLY	52.7
GMWB	4.1
Total	56.8



American International Group, Inc.
AIG Life and Retirement - Retail
Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 5,141	\$ 5,627	\$ 6,133	\$ 4,666	\$ 3,486
Revenues:					
Premiums	\$ 387	\$ 372	\$ 403	\$ 389	\$ 358
Policy fees	536	513	509	491	487
Net investment income:					
Base portfolio (3)	1,374	1,347	1,327	1,336	1,323
Alternative investments (4)	255	251	63	211	251
Other enhancements (5)	(1)	65	55	(37)	83
Total net investment income	1,628	1,663	1,445	1,510	1,657
Advisory fee and other income	425	419	409	382	365
Total revenues excluding net realized capital gains (losses)	2,976	2,967	2,766	2,772	2,867
Benefits and expenses:					
Policyholder benefits and claims incurred	718	683	765	689	635
Interest credited to policyholder account balances	563	579	503	584	611
Amortization of deferred policy acquisition costs	193	198	2	177	163
Non deferrable commissions	75	75	72	74	67
General operating expenses	298	317	295	303	307
Commissions and advisory fee expenses	295	295	283	275	263
Total benefits and expenses	2,142	2,147	1,920	2,102	2,046
Pre-tax operating income (6)	834	820	846	670	821
Adjustments to arrive at pre-tax income:					
Legal settlements (7)	20	350	-	221	76
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	76	(33)	(30)	(69)	(29)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	41	7	(23)	(160)	39
Net realized capital gains (losses)	(306)	105	148	515	89
Pre-tax income	\$ 665	\$ 1,249	\$ 941	\$ 1,177	\$ 996

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Retail
Life Insurance and A&H Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 833	\$ 853	\$ 830	\$ 850	\$ 842
Revenues:					
Premiums	336	308	335	365	339
Policy fees	343	334	341	332	337
Net investment income:					
Base portfolio (3)	467	449	451	453	444
Alternative investments (4)	70	71	19	61	70
Other enhancements (5)	(7)	11	14	(9)	23
Total net investment income	530	531	484	505	537
Advisory fee and other income	-	-	-	1	-
Total revenues excluding net realized capital gains (losses)	1,209	1,173	1,160	1,203	1,213
Benefits and expenses:					
Policyholder benefits and claims incurred	625	572	667	619	592
Interest credited to policyholder account balances	120	120	122	127	148
Amortization of deferred policy acquisition costs	74	79	89	86	83
Non deferrable commissions	31	29	28	28	27
General operating expenses	151	160	147	147	149
Total benefits and expenses	1,001	960	1,053	1,007	999
Pre-tax operating income (6)	\$ 208	\$ 213	\$ 107	\$ 196	\$ 214
Gross life insurance in force, end of period	\$ 820,621	\$ 819,769	\$ 818,384	\$ 817,822	\$ 816,604
Reserves:					
Policyholder benefits for life and accident & health insurance contracts	\$ 12,019	\$ 11,921	\$ 11,846	\$ 11,766	\$ 11,702
Policyholder contract deposits	13,646	13,624	13,577	13,471	13,431
Separate account reserves	718	716	679	651	657
Total reserves	\$ 26,383	\$ 26,261	\$ 26,102	\$ 25,888	\$ 25,790

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Retail
Life Insurance and A&H Other Data
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Life Insurance and A&H CPPE sales: (14)					
Term	\$ 23	\$ 25	\$ 25	\$ 25	\$ 23
Universal life	30	38	34	35	26
Other life	2	1	2	2	2
Single premium and unscheduled deposits	2	2	1	3	3
A&H	4	5	6	7	6
Total	\$ 61	\$ 71	\$ 68	\$ 72	\$ 60
Life and A&H sales by distribution channel:					
Retail - Independent	\$ 39	\$ 46	\$ 42	\$ 39	\$ 33
Retail - Affiliated (Career and AIG Direct)	22	25	26	33	27
Total	\$ 61	\$ 71	\$ 68	\$ 72	\$ 60
Surrender rates: (15)					
Independent distribution	4.6%	4.6%	4.9%	4.8%	4.9%
Career distribution	8.4%	8.6%	8.4%	8.3%	8.7%
DAC rollforward:					
Balance at beginning of period	\$ 3,556	\$ 3,497	\$ 3,464	\$ 3,342	\$ 3,377
Deferrals	63	70	68	75	73
Operating amortization	(74)	(79)	(89)	(86)	(83)
Change from realized gains (losses)	1	(6)	(1)	-	2
Change from unrealized gains (losses)	(50)	74	55	133	(27)
Balance at end of period	\$ 3,496	\$ 3,556	\$ 3,497	\$ 3,464	\$ 3,342
Reserve rollforward:					
Balance at beginning of period, gross	\$ 27,390	\$ 27,225	\$ 27,007	\$ 26,914	\$ 26,479
Premiums and deposits	833	853	830	850	842
Surrenders and withdrawals	(169)	(166)	(168)	(174)	(182)
Death and other contract benefits	(150)	(131)	(148)	(173)	(156)
Subtotal	514	556	514	503	504
Change in fair value of underlying assets and reserve accretion, net of policy fees	(132)	(149)	(101)	(117)	(131)
Cost of funds	120	120	122	127	148
Other reserve changes	(388)	(362)	(317)	(420)	(86)
Balance at end of period	27,504	27,390	27,225	27,007	26,914
Reinsurance ceded	(1,121)	(1,129)	(1,123)	(1,119)	(1,124)
Total insurance reserves	\$ 26,383	\$ 26,261	\$ 26,102	\$ 25,888	\$ 25,790

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Retail
Fixed Annuities Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 971	\$ 1,005	\$ 1,208	\$ 365	\$ 395
Revenues:					
Premiums	\$ 51	\$ 60	\$ 69	\$ 27	\$ 16
Policy fees	7	7	6	8	7
Net investment income:					
Base portfolio (3)	807	808	790	808	809
Alternative investments (4)	142	139	35	121	144
Other enhancements (5)	10	47	35	(25)	52
Total net investment income	959	994	860	904	1,005
Total revenues excluding net realized capital gains (losses)	1,017	1,061	935	939	1,028
Benefits and expenses:					
Policyholder benefits and claims incurred	90	97	104	63	42
Interest credited to policyholder account balances	406	425	348	426	437
Amortization of deferred policy acquisition costs	72	81	(145)	67	80
Non deferrable commissions	7	7	7	5	5
General operating expenses	37	38	35	35	37
Total benefits and expenses	612	648	349	596	601
Pre-tax operating income (6)	\$ 405	\$ 413	\$ 586	\$ 343	\$ 427
Reserves:					
Future policyholder benefits	\$ 3,025	\$ 2,898	\$ 2,889	\$ 2,913	\$ 2,948
Policyholder contract deposits and separate account reserves	54,152	54,271	54,418	54,234	55,235
Total reserves	\$ 57,177	\$ 57,169	\$ 57,307	\$ 57,147	\$ 58,183

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Retail
Fixed Annuities Other Data
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net investment spreads: (a)					
Base yield (8)	5.25%	5.24%	5.17%	5.25%	5.10%
Alternative investments (9)	0.51%	0.53%	(0.02)%	0.47%	0.55%
Other enhancements (10)	0.02%	0.25%	0.18%	(0.22)%	0.33%
Total yield	5.78%	6.02%	5.33%	5.50%	5.98%
Cost of funds (b)	2.85%	2.91%	2.93%	2.89%	2.91%
Net spread rate, as reported	2.93%	3.11%	2.40%	2.61%	3.07%
Base net investment spread (c)	2.40%	2.33%	2.24%	2.36%	2.19%
Surrender rates (16)	6.8%	7.1%	5.9%	7.1%	6.6%
DAC rollforward:					
Balance at beginning of period	\$ 1,017	\$ 1,046	\$ 802	\$ 438	\$ 626
Deferrals	23	24	27	8	8
Operating amortization	(72)	(81)	145	(67)	(80)
Change from realized gains (losses)	(23)	(37)	(11)	3	(7)
Change from unrealized gains (losses)	(145)	65	83	420	(109)
Balance at end of period	\$ 800	\$ 1,017	\$ 1,046	\$ 802	\$ 438
Reserve rollforward:					
Balance at beginning of period, gross	\$ 57,531	\$ 57,672	\$ 57,449	\$ 58,183	\$ 58,978
Premiums and deposits	971	1,005	1,208	365	395
Surrenders and withdrawals	(967)	(1,019)	(841)	(1,033)	(1,035)
Death and other contract benefits	(552)	(577)	(581)	(674)	(504)
Subtotal	(548)	(591)	(214)	(1,342)	(1,144)
Change in fair value of underlying assets and reserve accretion, net of policy fees	43	42	21	49	36
Cost of funds (b)	378	392	398	393	407
Other reserve changes (including loss recognition)	10	16	18	166	(94)
Balance at end of period	57,414	57,531	57,672	57,449	58,183
Reserves related to unrealized investment appreciation	124	-	-	74	370
Reinsurance ceded	(361)	(362)	(365)	(376)	(370)
Total insurance reserves	\$ 57,177	\$ 57,169	\$ 57,307	\$ 57,147	\$ 58,183

(a) Excludes immediate annuities.

(b) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Retail
Retirement Income Solutions Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 2,174	\$ 2,502	\$ 2,463	\$ 2,236	\$ 1,416
Revenues:					
Policy fees	\$ 185	\$ 175	\$ 158	\$ 146	\$ 136
Net investment income:					
Base portfolio (3)	100	90	86	74	71
Alternative investments (4)	42	41	9	29	37
Other enhancements (5)	(4)	8	6	(2)	7
Total net investment income	138	139	101	101	115
Advisory fee and other income	51	50	44	40	37
Total revenues excluding net realized capital gains (losses)	374	364	303	287	288
Benefits and expenses:					
Policyholder benefits and claims incurred (17)	2	13	(3)	3	3
Interest credited to policyholder account balances	37	34	31	33	26
Amortization of deferred policy acquisition costs	47	37	56	25	1
Non deferrable commissions	37	39	39	40	34
General operating expenses	52	52	47	53	49
Commissions and advisory fee expenses	3	3	1	3	2
Total benefits and expenses	178	178	171	157	115
Pre-tax operating income (6)	\$ 196	\$ 186	\$ 132	\$ 130	\$ 173
General and separate account reserves:					
Policyholder contract deposits and future policy benefits	\$ 7,947	\$ 7,233	\$ 6,835	\$ 6,479	\$ 6,210
Separate account reserves	34,632	33,511	30,599	28,095	27,397
Total general and separate account reserves	\$ 42,579	\$ 40,744	\$ 37,434	\$ 34,574	\$ 33,607

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Retail
Retirement Income Solutions Other Data
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net investment spreads:					
Base yield (8)	5.11%	5.08%	5.23%	5.18%	5.15%
Alternative investments (9)	1.38%	1.43%	(0.17)%	1.18%	1.71%
Other enhancements (10)	(0.31)%	0.27%	0.25%	(0.25)%	0.51%
Total yield	6.18%	6.78%	5.31%	6.11%	7.37%
Cost of funds (a)	1.83%	1.99%	1.73%	2.19%	2.20%
Net spread rate, as reported	4.35%	4.79%	3.58%	3.92%	5.17%
Base net investment spread (b)	3.28%	3.09%	3.50%	2.99%	2.95%
Surrender rates (16)	7.5%	8.1%	8.1%	10.3%	8.9%
DAC rollforward:					
Balance at beginning of period	\$ 1,174	\$ 1,047	\$ 964	\$ 866	\$ 833
Deferrals	119	147	137	130	82
Operating amortization	(47)	(39)	(56)	(25)	1
Change from realized gains (losses)	65	58	(11)	(36)	46
Change from unrealized gains (losses)	(51)	(39)	13	29	(96)
Balance at end of period	\$ 1,260	\$ 1,174	\$ 1,047	\$ 964	\$ 866
Reserve rollforward:					
Balance at beginning of period, gross	\$ 40,748	\$ 37,439	\$ 34,581	\$ 33,610	\$ 31,071
Premiums and deposits	2,174	2,502	2,463	2,236	1,416
Surrenders and withdrawals	(780)	(796)	(726)	(836)	(748)
Death and other contract benefits	(153)	(135)	(124)	(132)	(135)
Subtotal	1,241	1,571	1,613	1,268	533
Change in fair value of underlying assets and reserve accretion, net of policy fees	559	1,712	1,222	(353)	1,315
Cost of funds (a)	31	32	26	31	26
Other reserve changes	3	(6)	(3)	25	665
Balance at end of period	42,582	40,748	37,439	34,581	33,610
Reinsurance ceded	(3)	(4)	(5)	(7)	(3)
Total insurance reserves	\$ 42,579	\$ 40,744	\$ 37,434	\$ 34,574	\$ 33,607

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Institutional
Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 1,988	\$ 2,415	\$ 2,289	\$ 2,099	\$ 2,094
Revenues:					
Premiums	\$ 210	\$ 234	\$ 318	\$ 260	\$ 262
Policy fees (2)	156	139	136	132	128
Net investment income:					
Base portfolio (3)	925	916	915	933	935
Alternative investments (4)	285	254	74	225	238
Other enhancements (5)	(21)	40	33	(31)	47
Total net investment income	1,189	1,210	1,022	1,127	1,220
Advisory fee and other income	35	35	34	37	28
Total revenues excluding net realized capital gains (losses)	1,590	1,618	1,510	1,556	1,638
Benefits and expenses:					
Policyholder benefits and claims incurred	427	458	551	494	463
Interest credited to policyholder account balances	390	399	421	387	406
Amortization of deferred policy acquisition costs	21	(14)	74	25	25
Non deferrable commissions	41	46	45	44	50
General operating expenses	126	139	117	123	118
Commissions and advisory fee expenses	2	4	4	2	3
Total benefits and expenses	1,007	1,032	1,212	1,075	1,065
Pre-tax operating income (6)	583	586	298	481	573
Adjustments to arrive at pre-tax income:					
Legal settlements (7)	10	203	-	138	32
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(11)	(11)	(248)	(992)	(98)
Net realized capital gains (losses)	(15)	(52)	250	915	67
Pre-tax income	\$ 567	\$ 726	\$ 300	\$ 542	\$ 574

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Institutional
Group Retirement Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 1,708	\$ 1,968	\$ 1,838	\$ 1,705	\$ 1,740
Revenues:					
Premiums	\$ 6	\$ 4	\$ 3	\$ 2	\$ 4
Policy fees	106	105	101	99	95
Net investment income:					
Base portfolio (3)	531	525	520	523	494
Alternative investments (4)	84	86	23	75	86
Other enhancements (5)	3	28	27	(12)	35
Total net investment income	618	639	570	586	615
Advisory fees and other income	35	36	34	35	28
Total revenues excluding net realized capital gains (losses)	765	784	708	722	742
Benefits and expenses:					
Policyholder benefits and claims incurred	20	6	9	15	12
Interest credited to policyholder account balances	284	287	312	289	287
Amortization of deferred policy acquisition costs	18	(17)	69	22	20
Non deferrable commissions	18	23	16	17	17
General operating expenses	85	88	79	82	77
Commissions and advisory fee expenses	1	5	3	2	3
Total benefits and expenses	426	392	488	427	416
Pre-tax operating income (6)	\$ 339	\$ 392	\$ 220	\$ 295	\$ 326
General and separate account reserves:					
Future policyholder benefits	\$ 458	\$ 456	\$ 463	\$ 465	\$ 473
Policyholder contract deposits	37,943	37,738	37,483	37,102	37,101
Separate account reserves	32,649	32,277	30,364	28,780	28,787
Total general and separate account reserves	71,050	70,471	68,310	66,347	66,361
Group retirement mutual funds	15,579	15,126	13,817	13,017	12,778
Total reserves and group retirement mutual funds	\$ 86,629	\$ 85,597	\$ 82,127	\$ 79,364	\$ 79,139

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Institutional
Group Retirement Other Data
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Net investment spreads:					
Base yield (8)	5.11%	5.10%	5.08%	5.14%	4.85%
Alternative investments (9)	0.55%	0.57%	(0.01)%	0.49%	0.60%
Other enhancements (10)	(0.03)%	0.21%	0.20%	(0.16)%	0.33%
Total yield	5.63%	5.88%	5.27%	5.47%	5.78%
Cost of funds (a)	3.02%	3.05%	3.08%	3.06%	3.10%
Net spread rate, as reported	2.61%	2.83%	2.19%	2.41%	2.68%
Base net investment spread (b)	2.09%	2.05%	2.00%	2.08%	1.75%
Surrender rates (16)	7.7%	8.3%	9.3%	9.5%	9.0%
DAC rollforward:					
Balance at beginning of period	\$ 900	\$ 846	\$ 856	\$ 726	\$ 769
Deferrals	19	21	19	16	15
Operating amortization	(18)	17	(69)	(22)	(20)
Change from realized gains (losses)	-	(3)	(4)	(3)	(2)
Change from unrealized gains (losses)	(68)	19	44	139	(36)
Balance at end of period	\$ 833	\$ 900	\$ 846	\$ 856	\$ 726
Reserve rollforward:					
Balance at beginning of period, gross	\$ 85,597	\$ 82,127	\$ 79,364	\$ 79,139	\$ 76,062
Premiums and deposits	1,708	1,968	1,838	1,705	1,740
Surrenders and withdrawals	(1,647)	(1,744)	(1,872)	(1,879)	(1,755)
Death and other contract benefits	(139)	(141)	(125)	(124)	(101)
Subtotal	(78)	83	(159)	(298)	(116)
Change in fair value of underlying assets and reserve accretion, net of policy fees	830	3,102	2,637	217	2,807
Cost of funds	280	285	286	282	279
Other reserve changes	-	-	(1)	24	107
Total reserves and group retirement mutual funds	\$ 86,629	\$ 85,597	\$ 82,127	\$ 79,364	\$ 79,139

(a) Excludes the amortization of sales inducement assets

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

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Institutional
Institutional Markets Operating Statistics
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Premiums and deposits (1)	\$ 147	\$ 294	\$ 293	\$ 223	\$ 181
Revenues:					
Premiums	\$ 99	\$ 123	\$ 208	\$ 144	\$ 135
Policy fees (2)	44	29	28	27	28
Net investment income:					
Base portfolio (3)	361	358	362	376	409
Alternative investments (4)	196	162	50	145	147
Other enhancements (5)	(5)	30	22	1	28
Total net investment income	552	550	434	522	584
Advisory fee and other income	-	-	-	1	-
Total revenues excluding net realized capital gains (losses)	695	702	670	694	747
Benefits and expenses:					
Policyholder benefits and claims incurred	339	377	467	408	364
Interest credited to policyholder account balances	100	105	104	92	112
Amortization of deferred policy acquisition costs	1	1	1	1	1
Non deferrable commissions	8	9	9	6	12
General operating expenses	18	19	14	15	16
Total benefits and expenses	466	511	595	522	505
Pre-tax operating income	\$ 229	\$ 191	\$ 75	\$ 172	\$ 242
General and separate account reserves:					
Future policyholder benefits	\$ 18,636	\$ 18,073	\$ 17,981	\$ 17,784	\$ 18,452
Policyholder contract deposits	9,560	9,513	9,527	10,541	10,623
Separate account reserves	4,549	4,509	4,277	4,194	4,181
Total general and separate account reserves	\$ 32,745	\$ 32,095	\$ 31,785	\$ 32,519	\$ 33,256

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement - Institutional
Institutional Markets Other Data
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
DAC rollforward:					
Balance at beginning of period	\$ 22	\$ 22	\$ 21	\$ 19	\$ 18
Deferrals	1	1	1	1	-
Operating amortization	(1)	(1)	(1)	(1)	(1)
Changes related to unrealized gains (losses)	(1)	-	1	2	2
Balance at end of period	\$ 21	\$ 22	\$ 22	\$ 21	\$ 19
Reserve rollforward:					
Balance at beginning of period, gross	\$ 32,100	\$ 31,791	\$ 32,312	\$ 31,262	\$ 32,242
Premiums and deposits	147	294	293	223	181
Surrenders and withdrawals	(70)	(99)	(1,103)	(190)	(1,228)
Death and other contract benefits	(353)	(326)	(365)	(340)	(340)
Subtotal	(276)	(131)	(1,175)	(307)	(1,387)
Change in fair value of underlying assets and reserve accretion, net of policy fees	356	339	253	291	273
Cost of funds	100	104	104	92	113
Other reserve changes (including loss recognition)	(41)	(3)	297	974	21
Balance at end of period	32,239	32,100	31,791	32,312	31,262
Reserves related to unrealized investment appreciation	511	-	-	215	2,004
Reinsurance ceded	(5)	(5)	(6)	(8)	(10)
Total insurance reserves	\$ 32,745	\$ 32,095	\$ 31,785	\$ 32,519	\$ 33,256
Reserves by line of business:					
Structured settlements	\$ 18,763	\$ 18,234	\$ 18,113	\$ 17,984	\$ 18,597
Terminal funding annuities	2,993	2,965	2,988	2,934	3,038
Corporate and bank-owned life insurance	4,765	4,755	4,680	4,672	4,695
High net worth products	2,277	2,233	2,074	1,982	1,945
Guaranteed investments contracts	3,947	3,908	3,930	4,947	4,981
Total insurance reserves	\$ 32,745	\$ 32,095	\$ 31,785	\$ 32,519	\$ 33,256
Stable value wraps - Assets under management (11)	\$ 25,411	\$ 24,565	\$ 19,280	\$ 14,005	\$ 12,374

See Accompanying Notes on Pages 38 and 39



American International Group, Inc.
AIG Life and Retirement
Notes

AIG Life and Retirement presents its results in the following two operating segments:

Retail: product lines include life insurance and accident and health (A&H), fixed annuities, retirement income solutions including variable and indexed annuities, brokerage services and retail mutual funds.

Institutional: product lines include group retirement, group benefits and institutional markets. The institutional markets product line consists of stable value wrap products, structured settlement and terminal funding annuities, high net worth products, guaranteed investment contracts (GIC), and corporate-and bank-owned life insurance.

Invested assets are maintained in segregated portfolios for each of the product lines comprising our Retail and Institutional operating segments. Our fundamental investment strategy is to maintain primarily a diversified, high quality portfolio of fixed maturity securities and, as is practicable, to match established duration targets based on characteristics of the underlying liabilities. Invested assets in excess of liabilities are allocated to product lines based on an internal capital model.

Selected operating statistics are provided for life insurance and A&H, fixed annuities, retirement income solutions, group retirement, and institutional markets. Operating statistics are not separately presented for brokerage services and retail mutual funds included in the Retail operating segment and group benefits included in the Institutional operating segment.

AIG Life and Retirement insurance operations are conducted through American General Life Insurance Company, The Variable Annuity Life Insurance Company, and The United States Life Insurance Company in the City of New York.

- (1) Premiums and deposits is a non-GAAP measure. Premiums and deposits includes direct and assumed amounts received on traditional life insurance policies, group benefit policies and deposits on life contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.
- (2) Beginning in 1Q14, stable value wrap fees are reported in Policy fees. Historically, they were reported in Other enhancements within Net investment income.
- (3) Includes interest, dividends and real estate income, net of investment expenses.
- (4) Includes income on hedge funds, private equity funds and affordable housing partnerships. Alternative investment income is reported on a lag basis. Hedge funds are generally on a one month lag, while private equity funds are generally on a one quarter lag.
- (5) Includes call and tender income, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments and other miscellaneous investment income.
- (6) Pre-tax operating income for the three months ended December 31, 2013 and September 30, 2013 includes the net effect of adjustments to reflect updated assumptions for fixed annuity spreads, variable annuity growth rates, surrender rates, and life insurance mortality rates as follows:

<i>(in millions)</i>	Life and A&H		Fixed Annuities		Retirement Income		Total Retail	
	Quarterly		Quarterly		Quarterly		Quarterly	
	4Q13	3Q13	4Q13	3Q13	4Q13	3Q13	4Q13	3Q13
Policy fees	\$ -	\$28	\$ -	-	\$ -	-	\$ -	\$28
Interest credited to policyholder account balances	-	-	-	82	-	(1)	-	81
Amortization of deferred policy acquisition costs	-	(33)	-	224	-	(33)	-	158
Policyholder benefits and claims incurred	-	(75)	-	-	-	6	-	(69)
Pre-tax operating income (loss)	\$ -	\$ (80)	\$ -	\$ 306	\$ -	\$ (28)	\$ -	\$ 198

<i>(in millions)</i>	Group Retirement		Total L&R	
	Quarterly		Quarterly	
	4Q13	3Q13	4Q13	3Q13
Policy fees	\$ -	-	\$ -	\$28
Interest credited to policyholder account balances	2	(20)	2	61
Amortization of deferred policy acquisition costs	31	(60)	31	98
Policyholder benefits and claims incurred	2	-	2	(69)
Pre-tax operating income (loss)	\$ 35	\$ (80)	\$ 35	\$ 118



American International Group, Inc.
AIG Life and Retirement
Notes (continued)

- (7) Legal settlement income reflects settlements with financial institutions who participated in the creation, offering and sale of RMBS from which AIG Life and Retirement realized losses during the financial crisis.
- (8) Includes return on base portfolio. Quarterly results are annualized.
- (9) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (10) Includes incremental effect on base yield of other enhancements. Quarterly results are annualized.
- (11) Includes the notional value of stable value wraps novated with Global Capital Markets and rewritten as group annuity contracts at AIG Life and Retirement.
- (12) Net flows are provided for fixed annuities, retirement income solutions, retail mutual funds and group retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawals benefits. Net flows related to retail mutual funds represent deposits less withdrawals. Life insurance and A&H, brokerage services, institutional markets and group benefits are not included in net flows. Net flows exclude activity related to closed blocks of fixed and variable annuities.
- (13) AIG Life and Retirement uses reinsurance and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. Certain GMDB benefits written before 2004 are reinsured. The majority of GMIB benefits, which are no longer offered, are reinsured. GMWB liabilities and GMAV liabilities (GMAV is no longer offered) are included in AIG Life and Retirement's dynamic hedging program. The hedging program is focused on mitigating economic risk fluctuations. The program manages equity market risk (delta), interest rate risk (rho), volatility risk (vega and gamma) within specified levels. The hedge portfolio is regularly rebalanced to manage gamma and to maintain delta neutrality and to maintain rho and vega within exposure limits established by AIG Life and Retirement and AIG Enterprise Risk Management. Rho and vega are not fully hedged due to potential adverse effects on statutory capital from the mismatch between fair value accounting for hedge assets and prescribed methods for calculating statutory reserves and capital.
- (14) Life insurance and A&H 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.
- (15) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
- (16) Annuities surrender rates represent annualized surrenders and withdrawals as a percentage of average account value.
- (17) Policyholder benefits and claims incurred is negative in the three months ended September 30, 2013 as a result of updated actuarial assumptions related to variable growth annuity growth rates and surrender rates.



American International Group, Inc.
Other Operations
(in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Other operations:					
Mortgage Guaranty	\$ 76	\$ 48	\$ 43	\$ 73	\$ 41
Direct Investment book	440	418	110	591	329
Global Capital Markets	29	194	29	175	227
Interest expense	(325)	(328)	(334)	(353)	(397)
Corporate expenses, net (1)	(243)	(213)	(282)	(253)	(261)
Severance expense (2)	-	(265)	-	-	-
Other non-core businesses (3)	17	131	(142)	(36)	(60)
Consolidation & elimination	1	1	1	1	1
Pre-tax operating income (loss)	(5)	(14)	(575)	198	(120)
Adjustments to arrive at pre-tax income (loss) before net realized capital gains (losses):					
Legal reserves	(24)	(21)	(400)	(14)	(11)
Legal settlements (4)	(12)	71	-	46	2
Loss on extinguishment of debt	(238)	(192)	(81)	(38)	(340)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(12)	(98)	-	-	-
Divested businesses (5)	17	(189)	(1)	18	43
Net (gain) loss on sale of properties and divested businesses (6)	4	(1)	-	(47)	-
Total adjustments	(265)	(430)	(482)	(35)	(306)
Pre-tax income (loss) before net realized capital gains (losses)	\$ (270)	\$ (444)	\$ (1,057)	\$ 163	\$ (426)

Notes:

- (1) Includes unallocated corporate expenses, including AIG Parent service fees, project related costs, restructuring expenses, professional fees, long-term compensation costs and certain litigation expenses.
- (2) In 4Q13, includes \$263 million of severance expense attributable to AIG Property Casualty.
- (3) Includes results from AIG's real estate investment operations, investments in life settlements and other minor subsidiaries. In 4Q13, includes gains from real estate sales transactions of \$170 million.
- (4) Reflects litigation settlement income from settlements with financial institutions that participated in the creation, offering and sale of RMBS from which AIG and its subsidiaries realized losses during the financial crisis.
- (5) Includes the results of ILFC, which is classified as held for sale.
- (6) Includes results from divested businesses that are not reported as discontinued operations.



American International Group, Inc.
Mortgage Guaranty Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Total new insurance written	\$ 7,745	\$ 10,859	\$ 14,437	\$ 13,979	\$ 10,658
Net premiums written	231	255	272	275	246
Net premiums earned	213	203	204	208	194
Claims and claims adjustment expenses incurred	118	128	136	119	131
Underwriting expenses	54	60	57	49	56
Underwriting income	41	15	11	40	7
Net investment income	35	33	32	33	34
Pre-tax operating income	76	48	43	73	41
Adjustment to arrive at pre-tax income:					
Net realized capital gains	1	3	-	2	3
Pre-tax income	\$ 77	\$ 51	\$ 43	\$ 75	\$ 44
Underwriting ratios:					
Loss ratio	55.4	63.1	66.7	57.2	67.5
Expense ratio	25.4	29.6	27.9	23.6	28.9
Combined ratio	80.8	92.7	94.6	80.8	96.4



American International Group, Inc.
Mortgage Guaranty - Domestic First Lien Operating Statistics
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
1st lien new insurance written	\$ 7,605	\$ 10,752	\$ 14,230	\$ 13,817	\$ 10,556
1st lien persistency (twelve months)	82.1%	80.1%	77.5%	76.1%	76.0%
1st lien insurance in force	\$ 150,874	\$ 147,612	\$ 141,962	\$ 134,137	\$ 126,112
Total 1st lien primary risk in force - net of reinsurance and stop loss	\$ 37,352	\$ 36,367	\$ 35,548	\$ 32,219	\$ 30,005
Number of primary paid claims	3,057	4,041	5,626	5,074	5,121
Gross paid claims	\$ 140	\$ 183	\$ 253	\$ 240	\$ 244
Number of ending primary delinquent loans	42,781	47,518	49,932	53,036	57,040
Gross loss reserves	\$ 1,201	\$ 1,220	\$ 1,293	\$ 1,429	\$ 1,540
Primary delinquency ratio	5.3%	5.9%	6.4%	7.1%	7.9%
In force count	808,392	799,573	780,267	752,143	724,986
Aging of primary delinquent inventory:					
3 or fewer payments missed	27.9%	30.4%	29.1%	26.6%	25.9%
4-11 payments missed	27.6%	27.1%	27.0%	28.5%	30.7%
12-23 payments missed	18.2%	18.0%	19.7%	21.6%	22.0%
24-35 payments missed	11.1%	11.3%	12.1%	12.8%	12.8%
More than 35 payments missed	15.2%	13.2%	12.0%	10.5%	8.6%



American International Group, Inc.
Mortgage Guaranty
Domestic First Lien - Primary Gross Risk In Force by Vintage

Vintage year:	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
2005 and prior	8%	9%	14%	16%	18%
2006	5%	5%	6%	7%	8%
2007	10%	11%	12%	13%	15%
2008	6%	6%	6%	7%	8%
2009	2%	3%	3%	3%	4%
2010	3%	3%	3%	4%	4%
2011	8%	8%	9%	10%	11%
2012	22%	23%	23%	25%	27%
2013	32%	32%	24%	15%	6%
2014	4%	0%	0%	0%	0%



American International Group, Inc.
Condensed Balance Sheet — Parent Company Only

<i>(in millions)</i>	March 31, 2014	December 31, 2013
Assets:		
Short-term investments (1)	\$ 10,249	\$ 11,965
Other investments (2)	7,145	7,561
Total investments	17,394	19,526
Cash	60	30
Loans to subsidiaries* (3)	31,013	31,220
Due from affiliates - net*	1,419	765
Deferred income taxes	20,931	19,352
Investments in consolidated subsidiaries*	69,439	66,201
Other assets	1,376	1,489
Total assets	\$ 141,632	\$ 138,583
Liabilities:		
Intercompany tax payable*	\$ 2,700	\$ 1,419
Notes and bonds payable	14,327	14,312
Junior subordinated debt	5,537	5,533
MIP notes payable	6,763	7,963
Series AIGFP matched notes and bonds payable	2,030	3,031
Loans from subsidiaries*	808	852
Other liabilities (4)	5,634	5,003
Total liabilities	37,799	38,113
AIG Shareholders' equity:		
Common stock	4,766	4,766
Treasury stock	(15,386)	(14,520)
Additional paid-in capital	80,975	80,899
Retained earnings	24,393	22,965
Accumulated other comprehensive income	9,085	6,360
Total AIG shareholders' equity	103,833	100,470
Total liabilities and equity	\$ 141,632	\$ 138,583

* Eliminated in consolidation.

Notes:

- (1) Includes \$1.7 billion and \$1.8 billion intercompany deposit with AIG Funding as of March 31, 2014 and December 31, 2013, respectively, which are eliminated in consolidation. Also includes securities purchased under agreements to resell, including balances attributable to the DIB.
- (2) Includes investments and intercompany derivative assets attributable to the DIB.
- (3) Represents AIG Parent's loan to Global Capital Markets (mostly through AIG Funding) and other subsidiaries.
- (4) Primarily consists of intercompany derivative liabilities (eliminated in consolidation) and accrued liabilities.



American International Group, Inc.
Condensed Statement of Operations — Parent Company Only

(in millions)	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
Revenues:					
Equity in undistributed net income (loss) of consolidated subsidiaries*	\$ 283	\$ (3,667)	\$ (436)	\$ 390	\$ 1,487
Interest income	83	90	73	117	107
Dividend income from consolidated subsidiaries*	1,702	5,048	2,428	1,984	404
Net realized capital gains (losses)	(62)	32	(103)	159	81
Other income	203	334	94	397	106
Expenses:					
Interest expense	422	463	465	482	528
Loss on extinguishment of debt	288	192	81	38	269
Other expenses	242	259	668	335	258
Income from continuing operations before income tax benefit	1,257	923	842	2,192	1,130
Income tax benefit	(349)	(1,066)	(1,328)	(538)	(1,080)
Income (loss) from discontinued operations	3	(11)	-	1	(4)
Net income attributable to AIG	\$ 1,609	\$ 1,978	\$ 2,170	\$ 2,731	\$ 2,206

* Eliminated in consolidation.



American International Group, Inc.
Condensed Statement of Cash Flows — Parent Company Only

(in millions)	Three Months Ended March 31,	
	2014	2013
Net cash provided by (used in) operating activities	\$ 875	\$ (606)
Cash flows from investing activities:		
Sales of investments	430	212
Purchase of investments	(38)	(2,448)
Net change in restricted cash	(6)	-
Net change in short-term investments	2,027	3,255
Contributions to subsidiaries, net	40	(30)
Loans to subsidiaries, net	295	1,710
Other, net	(16)	179
Net cash provided by investing activities	2,732	2,878
Cash flows from financing activities:		
Purchase of common stock	(867)	-
Repayments of long-term debt	(2,196)	(2,149)
Loans from (repayments to) subsidiaries, net	(47)	97
Cash dividends paid to shareholders	(182)	-
Other, net	(285)	(243)
Net cash used in financing activities	(3,577)	(2,295)
Change in cash	30	(23)
Cash at beginning of period	30	81
Cash at end of period	\$ 60	\$ 58



American International Group, Inc.
Cash and Investments by Segment
(in millions)

	March 31, 2014				
	AIG Property Casualty	AIG Life and Retirement	Mortgage Guaranty	Other Operations & Eliminations (1)	AIG Inc.
Bonds available for sale, at fair value:					
U.S. government and government sponsored entities	\$ 1,896	\$ 752	\$ 48	\$ 226	\$ 2,922
Obligations of states, municipalities and political subdivisions	22,567	4,785	1,996	1,241	30,589
Non-U.S. governments	17,463	3,872	128	421	21,884
Corporate debt	34,703	107,988	1,407	2,893	146,991
Mortgage-backed, asset-backed and collateralized:					
RMBS	12,103	23,547	-	1,654	37,304
CMBS	2,687	9,216	71	121	12,095
CDO/ABS	5,531	9,015	124	(3,518)	11,152
Total mortgage-backed, asset-backed and collateralized	<u>20,321</u>	<u>41,778</u>	<u>195</u>	<u>(1,743)</u>	<u>60,551</u>
Total bonds available for sale, at fair value	<u>96,950</u>	<u>159,175</u>	<u>3,774</u>	<u>3,038</u>	<u>262,937</u>
Other bond securities, at fair value	1,947	2,525	-	17,246	21,718
Equity securities available for sale, at fair value	3,842	33	-	3	3,878
Other equity securities trading, at fair value	183	459	-	83	725
Mortgage and other loans receivable, net of allowance	4,605	19,388	1	(2,425)	21,569
Other invested assets	9,498	13,238	32	6,282	29,050
Cash and short-term investments	5,970	5,255	198	8,725	20,148
Total cash and investments	<u>\$ 122,995</u>	<u>\$ 200,073</u>	<u>\$ 4,005</u>	<u>\$ 32,952</u>	<u>\$ 360,025</u>

	December 31, 2013				
	AIG Property Casualty	AIG Life and Retirement	Mortgage Guaranty	Other Operations & Eliminations (1)	AIG Inc.
Bonds available for sale, at fair value:					
U.S. government and government sponsored entities	\$ 2,165	\$ 720	\$ 87	\$ 223	\$ 3,195
Obligations of states, municipalities and political subdivisions	22,023	3,773	2,067	1,517	29,380
Non-U.S. governments	18,329	3,606	127	447	22,509
Corporate debt	34,389	105,955	1,261	2,947	144,552
Mortgage-backed, asset-backed and collateralized:					
RMBS	11,684	22,826	-	1,638	36,148
CMBS	2,671	8,662	30	119	11,482
CDO/ABS	5,711	9,221	120	(4,044)	11,008
Total mortgage-backed, asset-backed and collateralized	<u>20,066</u>	<u>40,709</u>	<u>150</u>	<u>(2,287)</u>	<u>58,638</u>
Total bonds available for sale, at fair value	<u>96,972</u>	<u>154,763</u>	<u>3,692</u>	<u>2,847</u>	<u>258,274</u>
Other bond securities, at fair value	1,995	2,406	-	18,222	22,623
Equity securities available for sale, at fair value	3,618	36	-	2	3,656
Other equity securities trading, at fair value	198	538	-	98	834
Mortgage and other loans receivable, net of allowance	4,217	19,078	2	(2,532)	20,765
Other invested assets	9,316	13,025	24	6,294	28,659
Cash and short-term investments	6,737	7,009	216	9,896	23,858
Total cash and investments	<u>\$ 123,053</u>	<u>\$ 196,855</u>	<u>\$ 3,934</u>	<u>\$ 34,827</u>	<u>\$ 358,669</u>

Note:

(1) Includes AIG Parent, Global Capital Markets and Direct Investment book.



American International Group, Inc
Other Invested Assets by Segment
(dollars in millions)

	<u>March 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>% Inc.</u> <u>(Dec.)</u>
AIG Property Casualty			
Alternative investments (1)	\$ 8,010	\$ 7,846	2.1 %
Investment real estate	325	312	4.3
All other investments (2)	<u>1,163</u>	<u>1,158</u>	0.4
Total AIG Property Casualty	9,498	9,316	2.0
AIG Life and Retirement			
Alternative investments (1)	11,463	11,208	2.3
Investment real estate	884	840	5.3
Aircraft asset investments	730	763	(4.3)
All other investments (2)	<u>161</u>	<u>214</u>	(24.6)
Total AIG Life and Retirement	13,238	13,025	1.6
Other Operations			
Alternative investments (1)	609	655	(7.0)
Investment real estate	1,948	1,961	(0.7)
Investments in life settlements	3,664	3,601	1.7
All other investments and eliminations (2)	<u>93</u>	<u>101</u>	(7.9)
Total Other Operations	6,314	6,318	(0.1)
Total AIG Other Invested Assets			
Alternative investments (1)	20,082	19,709	1.9
Investment real estate	3,157	3,113	1.4
Aircraft asset investments	730	763	(4.3)
Investments in life settlements	3,664	3,601	1.7
All other investments (2)	<u>1,417</u>	<u>1,473</u>	(3.8)
Total AIG Other Invested Assets	\$ <u><u>29,050</u></u>	\$ <u><u>28,659</u></u>	1.4 %

Notes:

- (1) Includes hedge funds, private equity funds and other investment partnerships.
- (2) Represents all other invested assets that are not separately presented.



American International Group, Inc.
Net Realized Capital Gains (Losses)
(dollars in millions)

	Quarterly				
	1Q14	4Q13	3Q13	2Q13	1Q13
AIG Property Casualty					
Bonds available for sale	\$ 86	\$ 90	\$ 33	\$ 66	\$ 54
Stocks available for sale	26	17	13	20	17
Other transactions	6	27	(19)	14	4
Other than temporary impairments:					
Severity	-	(1)	-	(3)	(2)
Change in intent	-	-	-	-	(2)
Foreign currency declines	(1)	(1)	-	-	-
Issuer-specific credit events	(14)	(10)	(13)	(5)	(15)
Adverse projected cash flows	-	-	-	(1)	-
Total other than temporary impairments	(15)	(12)	(13)	(9)	(19)
Foreign exchange transactions	29	107	45	94	50
Derivative instruments	10	(62)	(9)	(76)	(52)
Total pre-tax net realized capital gains	\$ 142	\$ 167	\$ 50	\$ 109	\$ 54
AIG Life and Retirement					
Bonds available for sale	\$ 97	\$ 286	\$ 457	\$ 1,253	\$ 255
Stocks available for sale	2	-	(1)	21	16
Other transactions	15	45	(23)	8	21
Other than temporary impairments:					
Change in intent	(5)	(44)	-	-	-
Foreign currency declines	(3)	-	-	-	-
Issuer-specific credit events	(54)	(55)	(42)	(77)	(48)
Adverse projected cash flows	(1)	-	-	-	(6)
Total other than temporary impairments	(63)	(99)	(42)	(77)	(54)
Foreign exchange transactions	6	(26)	(62)	(7)	77
Derivative instruments	(378)	(153)	69	232	(159)
Total pre-tax net realized capital gains (losses)	\$ (321)	\$ 53	\$ 398	\$ 1,430	\$ 156
Other Operations					
Bonds available for sale	\$ 2	\$ (7)	\$ -	\$ (46)	\$ (9)
Stocks available for sale	-	8	-	(1)	1
Other transactions (1)	(45)	(653)	(68)	(28)	(43)
Other than temporary impairments:					
Change in intent	-	-	(1)	-	(1)
Total other than temporary impairments	-	-	(1)	-	(1)
Foreign exchange transactions	(9)	(65)	(259)	(5)	202
Derivative instruments	18	98	132	132	(60)
Total pre-tax net realized capital gains (losses)	\$ (34)	\$ (619)	\$ (196)	\$ 52	\$ 90
Total AIG					
Bonds available for sale	\$ 185	\$ 369	\$ 490	\$ 1,273	\$ 300
Stocks available for sale	28	25	12	40	34
Other transactions (1)	(24)	(581)	(110)	(6)	(18)
Other than temporary impairments:					
Severity	-	(1)	-	(3)	(2)
Change in intent	(5)	(44)	(1)	-	(3)
Foreign currency declines	(4)	(1)	-	-	-
Issuer-specific credit events	(68)	(65)	(55)	(82)	(63)
Adverse projected cash flows	(1)	-	-	(1)	(6)
Total other than temporary impairments	(78)	(111)	(56)	(86)	(74)
Foreign exchange transactions	26	16	(276)	82	329
Derivative instruments	(350)	(117)	192	288	(271)
Total pre-tax net realized capital gains (losses)	\$ (213)	\$ (399)	\$ 252	\$ 1,591	\$ 300
Total net realized gains (losses), net of tax	\$ (138)	\$ (253)	\$ 175	\$ 1,034	\$ 201

Note:

(1) Includes impairments on investments in life settlements.