

2014 年第 3 四半期（7 月～9 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
 アンダーソン・毛利・友常法律事務所
 弁護士 北澤 正明
 電話 (03) 6888-1000

1. 本国における決算発表日 2014 年 11 月 3 日

2. 業績（注 1：下記の数字は 2014 年 9 月 30 日現在の会計方法に従い算出したものである。）

	第 3 四半期（7 月～9 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	16,654 百万ドル	15,944 百万ドル	4.5%
純利益（税引後）	2,192 百万ドル	2,170 百万ドル	1.0%
1 株当たり純利益（注 2）	1.52 ドル	1.46 ドル	4.1%

	今期累計額		
	当期	前年同期	増減率
売上高又は営業収入	48,871 百万ドル	51,332 百万ドル	△4.8%
純利益（税引後）	6,874 百万ドル	7,107 百万ドル	△3.3%
1 株当たり純利益（注 2）	4.71 ドル	4.80 ドル	△1.9%

	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	0.125 ドル		
第 3 四半期	0.125 ドル	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 11 月 3 日付けプレス・リリースおよび Quarterly Financial Supplement Third 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 Third Quarter 2014 を添付する。



Press Release
AIG
175 Water Street
New York, NY 10038
www.aig.com

Contacts:

Liz Werner (Investors): 212-770-7074; elizabeth.werner@aig.com
Fernando Melon (Investors): 212-770-4630; fernando.melon@aig.com
Matt Gallagher (Media): 212-458-3247; matthew.gallagher2@aig.com
Jon Diat (Media): 212-770-3505; jon.diat@aig.com

**AIG REPORTS THIRD QUARTER 2014 NET INCOME OF \$2.2 BILLION AND
DILUTED EARNINGS PER SHARE OF \$1.52**

- Third quarter 2014 after-tax operating income increased 23 percent to \$1.7 billion, or \$1.21 per diluted share
- Third quarter 2014 insurance pre-tax operating income increased 14 percent to \$2.6 billion
- Approximately \$1.5 billion of shares repurchased during the third quarter of 2014 and \$3.4 billion year-to-date
- Increase in share repurchase authorization of \$1.5 billion on October 31, 2014
- \$2.5 billion of dividends and loan repayments in the form of cash and fixed maturity securities to AIG Parent from insurance subsidiaries in the third quarter of 2014

NEW YORK, November 3, 2014 – American International Group, Inc. (NYSE: AIG) today reported net income of \$2.2 billion for the quarter ended September 30, 2014, up slightly from the prior-year quarter. After-tax operating income was \$1.7 billion for the third quarter of 2014, up from \$1.4 billion in the prior-year quarter.

Diluted earnings per share were \$1.52 for the third quarter of 2014, compared to \$1.46 for the third quarter of 2013. After-tax operating income per diluted share increased to \$1.21 for the third quarter of 2014, from \$0.96 in the prior-year quarter.

“I am excited to lead AIG forward and further build on our capabilities to serve all our stakeholders,” said AIG President and Chief Executive Officer Peter Hancock. “Our new management structure brings together a team that has the skill set, experience, and commitment to execute on our strategies and serve our customers around the world. Together, we remain disciplined in our approach to balancing growth, profitability, and risk and focused on maintaining the strength of our industry-leading balance sheet.

“The solid third quarter results were driven by consistent performance across our businesses,” Mr. Hancock said. “While no one quarter is a trend, our risk-adjusted return focus could be seen in various metrics including improved accident year loss ratios, modest net spread compression, and continued capital management. In the quarter and through early October, we repurchased \$1.5 billion of AIG Common Stock and completed over \$4.0 billion in liability management, excluding DIB activities. As a result of our strong capital position and a positive outlook for our businesses, the Board has authorized additional share repurchases of \$1.5 billion.”



Capital and Liquidity

- AIG shareholders' equity totaled \$108.6 billion at September 30, 2014
- Book value per share of \$77.35 grew 15 percent from September 30, 2013; book value per share excluding accumulated other comprehensive income (AOCI) and deferred tax assets (DTA) grew 15 percent to \$58.11 over the same period
- Repurchased 24.8 million shares of AIG Common Stock in the third quarter of 2014, including 1.7 million shares received in July 2014 upon the settlement of an accelerated share repurchase agreement executed in the second quarter of 2014 and including the initial delivery of approximately 8.8 million shares pursuant to a \$692 million accelerated share repurchase agreement executed in September 2014, which settled in October 2014 with the delivery to AIG of approximately 3.9 million additional shares
- Tax sharing payments to AIG Parent from insurance businesses amounted to \$314 million in the third quarter of 2014 and \$1.1 billion year-to-date
- During the third quarter of 2014, AIG issued \$1.0 billion of 2.300% Notes due 2019 and \$1.5 billion of 4.500% Notes due 2044. In October 2014, AIG issued an additional \$750 million of 4.500% Notes due 2044
- During the third quarter of 2014, AIG repurchased, in tender offers, certain high coupon hybrid and senior notes issued or guaranteed by AIG Parent, for an aggregate purchase price of \$2.5 billion; in October 2014, AIG repurchased \$1.6 billion aggregate principal amount of 8.175% hybrid notes
- During the third quarter of 2014, AIG reduced Direct Investment book (DIB) debt by approximately \$2.0 billion through a redemption of \$790 million aggregate principal amount of its 4.875% Notes due 2016 and a redemption of \$1.25 billion aggregate principal amount of its 3.800% Notes due 2017, in each case, using cash allocated to the DIB. In October 2014, AIG further reduced DIB debt through a redemption of approximately \$2.0 billion aggregate principal amount of its 8.250% Notes due 2018 and the repurchase of approximately \$405 million aggregate principal amount of its 5.450% Medium-Term Notes, in each case, using cash allocated to the DIB
- AIG Parent liquidity sources were \$17.1 billion at September 30, 2014, including \$12.6 billion of cash, short-term investments, and unencumbered fixed maturity securities, down from \$18.5 billion at June 30, 2014



AFTER-TAX OPERATING INCOME

	Three Months Ended September 30,	
	2014	2013
<i>(\$ in millions, except per share data)</i>		
Pre-tax operating income (loss)		
Insurance Operations		
AIG Property Casualty	\$ 1,096	\$ 1,079
AIG Life and Retirement	1,348	1,144
Mortgage Guaranty	135	43
Total Insurance Operations	2,579	2,266
Other Operations (excluding Mortgage Guaranty)		
Direct Investment book	314	110
Global Capital Markets	58	29
Equity in pre-tax operating earnings of AerCap	196	-
Interest expense	(310)	(334)
Corporate expenses, net	(280)	(282)
Other, net	91	(141)
Total Other Operations (excluding Mortgage Guaranty)	69	(618)
Consolidations, eliminations and other adjustments	(9)	61
Pre-tax operating income	2,639	1,709
Income tax expense	(900)	(307)
Noncontrolling interests excluding net realized capital (gains) losses	6	19
After-tax operating income	\$ 1,745	\$ 1,421
After-tax operating income per diluted common share	\$ 1.21	\$ 0.96
Effective tax rate on Pre-tax operating income	34.1 %	18.0 %

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

AIG PROPERTY CASUALTY

	Three Months Ended September 30,		
	2014	2013	Change
<i>(\$ in millions)</i>			
Net premiums written	\$ 8,953	\$ 8,660	3 %
Net premiums earned	8,630	8,427	2
Underwriting loss	(169)	(134)	(26)
Net investment income	1,265	1,213	4
Pre-tax operating income	\$ 1,096	\$ 1,079	2 %
Underwriting ratios:			
Loss ratio	67.7	67.3	0.4 pts
Acquisition ratio	19.4	19.7	(0.3)
General operating expense ratio	14.9	14.6	0.3
Combined ratio	102.0	101.6	0.4



Accident year loss ratio, as adjusted	61.3	63.7	(2.4)	
Accident year combined ratio, as adjusted	95.6	98.0	(2.4)	
Severe losses	2.2	2.5	(0.3)	pts

AIG Property Casualty's pre-tax operating income increased by two percent to \$1.1 billion. Higher net investment income, improved loss experience in Consumer Insurance, a lower Commercial Insurance current accident year loss ratio, as adjusted, and reduced severe losses were partially offset by higher net adverse prior year loss reserve development and higher catastrophe losses. As part of AIG's continued focus on capital management, AIG Property Casualty distributed \$800 million in dividends in the form of cash and fixed maturity securities to AIG Parent during the third quarter of 2014.

The third quarter 2014 combined ratio was 102.0, a 0.4 point increase from the prior-year quarter. Catastrophe losses were \$284 million, compared to \$222 million in the third quarter of 2013. Net adverse prior year loss reserve development was \$227 million, primarily in the primary Casualty business, compared to net adverse prior year loss reserve development of \$70 million for the third quarter of 2013. These increases were partially offset by a \$23 million decrease in Commercial Insurance severe losses to \$188 million. The third quarter 2014 acquisition ratio decreased 0.3 points to 19.4 due to a reduction in expense related to personnel engaged in sales support activities. The general operating expense ratio increased 0.3 points to 14.9, primarily due to an increase in technology-related expenses, partially offset by reductions in employee-related and other operating expenses.

The third quarter 2014 accident year loss ratio, as adjusted, was 61.3, a decrease of 2.4 points from the prior-year quarter attributable to improved accident year loss experience in Consumer Insurance and Financial Lines in Commercial Insurance, and lower severe losses. The increase in net investment income was driven by higher returns on alternative investments, which was partially offset by the effects of lower reinvestment yields compared to interest rates on matured or sold investments, and lower income on investments accounted for under the fair value option.

Excluding the effects of foreign exchange and additional premiums on loss-sensitive business, third quarter 2014 net premiums written increased three percent from the same period in the prior year, with Commercial Insurance and Consumer Insurance third quarter 2014 net premiums written growing three percent and two percent, respectively. Commercial Insurance continues to benefit from new business growth in Property and Financial Lines. Consumer Insurance continues to benefit from growth in AIG Fuji Life and in personal property in Japan and the U.S., partially offset by declines in the U.S. warranty business and in certain classes of Accident & Health business, due to maintaining underwriting discipline.



COMMERCIAL INSURANCE UNDERWRITING

(\$ in millions)	Three Months Ended September 30,			
	2014	2013	Change	
Net premiums written	\$ 5,496	\$ 5,222	5	%
Net premiums earned	5,344	5,142	4	
Underwriting loss	\$ (54)	\$ (8)	NM	%
Underwriting ratios:				
Loss ratio	74.3	71.8	2.5	pts
Acquisition ratio	15.4	15.8	(0.4)	
General operating expense ratio	11.4	12.6	(1.2)	
Combined ratio	101.1	100.2	0.9	
Accident year loss ratio, as adjusted	64.8	66.2	(1.4)	
Accident year combined ratio, as adjusted	91.6	94.6	(3.0)	pts

The Commercial Insurance combined ratio increased 0.9 points to 101.1, as improvements in the accident year loss ratio, as adjusted, were more than offset by higher net adverse prior year loss reserve development and higher catastrophe losses. The third quarter 2014 accident year loss ratio, as adjusted, decreased 1.4 points to 64.8. The acquisition ratio decreased 0.4 points to 15.4, primarily due to a reduction in expenses related to personnel engaged in sales support activities, lower premium taxes, and guaranty fund and other assessments. The general operating expense ratio decreased 1.2 points to 11.4 primarily due to lower employee-related and other operating expenses, partially offset by the increased technology-related expenses mentioned above.

CONSUMER INSURANCE UNDERWRITING

(\$ in millions)	Three Months Ended September 30,			
	2014	2013	Change	
Net premiums written	\$ 3,454	\$ 3,441	-	%
Net premiums earned	3,271	3,270	-	
Underwriting income	\$ 40	\$ 4	NM	%
Underwriting ratios:				
Loss ratio	55.3	58.8	(3.5)	pts
Acquisition ratio	26.1	26.1	-	
General operating expense ratio	17.4	15.0	2.4	
Combined ratio	98.8	99.9	(1.1)	
Accident year loss ratio, as adjusted	55.0	58.5	(3.5)	
Accident year combined ratio, as adjusted	98.5	99.6	(1.1)	pts

The Consumer Insurance combined ratio decreased 1.1 points to 98.8 due to a lower loss ratio. Both the loss ratio and the accident year loss ratio, as adjusted, decreased 3.5 points to 55.3 and 55.0,



respectively, reflecting rate increases and improved claim experience in the Japan automobile business, and rate actions and coverage changes in the U.S. warranty business. The general operating expense ratio increased 2.4 points primarily due to higher expenses related to the ongoing integration of AIG Property Casualty's Japan entities and investment in targeted growth areas, partially offset by a decrease in employee-related and other operating expenses.

AIG LIFE AND RETIREMENT

(\$ in millions)	Three Months Ended		
	September 30,		
	2014	2013	Change
Premiums and deposits	\$ 9,662	\$ 8,422	15 %
Net investment income	2,614	2,467	6
Pre-tax operating income:			
Retail	803	846	(5)
Institutional	545	298	83
Total pre-tax operating income	1,348	1,144	18
Assets under management	\$ 333,978	\$ 304,399	10 %

AIG Life and Retirement reported pre-tax operating income of \$1.3 billion in the third quarter of 2014, an increase of 18 percent over the prior-year period, reflecting higher fee income from growth in assets under management and higher net investment income, primarily due to strong returns on alternative investments. Active crediting rate management and increased assets offset the impact of lower investment yields available in the current interest rate environment. Pre-tax operating income included a net positive adjustment to DAC and reserve items of \$120 million related to an annual review of actuarial assumptions, compared to a \$118 million net positive adjustment in the same quarter in the prior year. AIG Life and Retirement generated \$9.7 billion of premiums and deposits in the third quarter of 2014, reflecting continued sales growth in variable annuities and index annuities in the Retirement Income Solutions product line and a large deposit for a stable value wrap funding agreement, partially offset by lower sales of Fixed Annuities due to the sustained low interest rate environment and lower sales of Retail Mutual Funds.

Net investment income for the third quarter increased to \$2.6 billion, reflecting strong performance from alternative investments and higher call and tender income. Reinvestment of portfolio cash flows in the sustained low interest rate environment was the primary driver of the decline in base investment yield to 5.11 percent from 5.26 percent in the third quarter of 2013.

Assets under management increased 10 percent from a year ago to \$334 billion, reflecting appreciation in equity markets, which contributed to an increase in assets under management in the variable annuity and mutual fund businesses, and strong net flows from the individual variable annuity business. Further development of AIG's stable value wrap business contributed \$10.9 billion to the increase in assets under management from the prior-year period.

The Retail operating segment reported quarterly pre-tax operating income of \$803 million. These results included higher fee and spread income from growth in assets under management, primarily in Retirement Income Solutions, and higher alternative investment income. The decrease in Retail pre-



tax operating income compared to the prior-year period was primarily due to an annual review and update of actuarial assumptions, which resulted in a net positive adjustment of \$71 million in the third quarter of 2014 compared to a \$198 million net positive adjustment in the third quarter of 2013.

The Institutional operating segment reported quarterly pre-tax operating income of \$545 million. Results were driven by higher fee income, higher alternative investment income, and a net positive adjustment of \$49 million related to an annual review and update of actuarial assumptions, compared to an \$80 million net unfavorable adjustment for assumption updates in the prior-year period.

In the third quarter of 2014, AIG Life and Retirement subsidiaries declared dividends and made loan repayments to AIG Parent totaling \$2.4 billion, of which \$1.7 billion was paid in cash to AIG Parent in the third quarter, and the remaining \$635 million was distributed to AIG Parent in the form of cash and fixed maturity securities in October 2014. These dividend payments included approximately \$465 million of legal settlement proceeds.

MORTGAGE GUARANTY

(\$ in millions)	Three Months Ended September 30,		
	2014	2013	Change
Domestic first-lien new insurance written	\$ 12,643	\$ 14,230	(11) %
Net premiums written	271	272	-
Net premiums earned	227	204	11
Underwriting income	100	11	NM
Net investment income	35	32	9
Pre-tax operating income	\$ 135	\$ 43	214 %

United Guaranty Corporation (UGC) reported pre-tax operating income of \$135 million for the third quarter of 2014, compared to pre-tax operating income of \$43 million in the prior year quarter resulting from decreased first-lien claims and claims adjustment expenses incurred and an increase in first-lien net premiums earned. Current quarter lower incurred losses were due to \$6 million of favorable first-lien prior year loss reserve development compared to \$34 million of unfavorable first-lien prior year loss reserve development for the same period in 2013, lower new delinquencies, and an increased rate of cures. Increased first-lien net premiums earned were due primarily to higher persistency.

Net premiums written remained consistent with the prior-year quarter at \$271 million. Domestic first-lien new insurance written decreased 11 percent to \$12.6 billion in principal of loans insured, driven primarily by declining mortgage originations from refinancing activity. Quality metrics remained high, with an average FICO score of 750, and an average loan-to-value of 92 percent on new business.



OTHER OPERATIONS

AIG's Other Operations (excluding Mortgage Guaranty) reported third quarter 2014 pre-tax operating income of \$69 million compared to a pre-tax operating loss of \$618 million in the prior-year third quarter. This improvement primarily reflects the results from the DIB driven by higher asset appreciation and earnings from AIG's equity investment in AerCap Holdings N.V.

Conference Call

AIG will host a conference call tomorrow, Tuesday, November 4, 2014, at 8:00 a.m. ET 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.

#

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: 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 nonbank 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 September 30, 2014, Part I, Item 2. MD&A in AIG's Quarterly Reports on Form 10-Q



for the quarterly periods ended June 30, 2014 and 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.

#

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 Third 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) and Book Value Per Common Share Excluding AOCI and DTA are used to show the amount of AIG's net worth on a per-share basis. AIG believes Book Value Per Common Share Excluding AOCI and Book Value Per Common Share Excluding AOCI and DTA are useful to investors because they eliminate 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, foreign currency translation adjustments and, in the case of Book Value Per Common Share Excluding AOCI and DTA, U.S. tax attribute deferred tax assets. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders' equity, excluding AOCI, by Total common shares outstanding. Book Value Per Common Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA, 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, income (loss) from divested businesses, (including gain on the sale of ILFC and certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and related tax effects), 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 AIG's September 2008 liquidity crisis and legal fees incurred by AIG as the plaintiff in connection with such legal matters. See page 13 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 the 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, changes in benefit



reserves and DAC, VOBA and SIA related to net realized capital gains (losses), income (loss) from divested businesses, including Aircraft Leasing, and net (gain) loss on sale of divested businesses (including gain on the sale of ILFC and certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes).

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

#

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 September 30,			Nine Months Ended September 30,		
	2014	2013	% Inc. (Dec.)	2014	2013	% Inc. (Dec.)
AIG Property Casualty Operations:						
Net premiums written	\$ 8,953	\$ 8,660	3.4 %	\$ 26,500	\$ 26,360	0.5 %
Net premiums earned	8,630	8,427	2.4	25,391	25,332	0.2
Claims and claims adjustment expenses incurred	5,839	5,669	3.0	16,871	16,761	0.7
Acquisition expenses	1,674	1,664	0.6	4,967	5,023	(1.1)
General operating expenses	1,286	1,228	4.7	3,718	3,673	1.2
Underwriting loss	(169)	(134)	(26.1)	(165)	(125)	(32.0)
Net investment income	1,265	1,213	4.3	3,775	3,847	(1.9)
Pre-tax operating income	1,096	1,079	1.6	3,610	3,722	(3.0)
Net realized capital gains	92	50	84.0	361	213	69.5
Legal settlements	19	-	NM	27	3	NM
Other income (expense) - net	-	(3)	NM	8	7	14.3
Pre-tax income	\$ 1,207	\$ 1,126	7.2	\$ 4,006	\$ 3,945	1.5
Loss ratio	67.7	67.3		66.4	66.2	
Acquisition ratio	19.4	19.7		19.6	19.8	
General operating expense ratio	14.9	14.6		14.6	14.5	
Combined ratio	102.0	101.6		100.6	100.5	
AIG Life and Retirement Operations:						
Premiums	\$ 599	\$ 721	(16.9)	\$ 1,896	\$ 1,990	(4.7)
Policy fees	743	645	15.2	2,136	1,883	13.4
Net investment income	2,614	2,467	6.0	7,992	7,981	0.1
Other income	502	443	13.3	1,460	1,255	16.3
Total revenues	4,458	4,276	4.3	13,484	13,109	2.9
Benefits and expenses	3,110	3,132	(0.7)	9,539	9,420	1.3
Pre-tax operating income	1,348	1,144	17.8	3,945	3,689	6.9
Legal settlements	479	-	NM	521	467	11.6
Changes in fair value of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	32	(30)	NM	162	(128)	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital losses	(33)	(271)	87.8	(44)	(1,482)	97.0
Net realized capital gains (losses)	105	398	(73.6)	(172)	1,984	NM
Pre-tax income	\$ 1,931	\$ 1,241	55.6	\$ 4,412	\$ 4,530	(2.6)
Other operations, pre-tax operating income (loss)	204	(575)	NM	398	(497)	NM
Legal reserves	(17)	(400)	95.8	(546)	(425)	(28.5)
Legal settlements	155	-	NM	143	48	197.9
Loss on extinguishment of debt	(742)	(81)	NM	(1,014)	(459)	(120.9)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized gains (losses)	-	-	NM	(13)	-	NM
Aircraft Leasing	-	(1)	NM	17	60	(71.7)
Net gain (loss) on sale of divested businesses	18	-	NM	2,168	(47)	NM
Net realized capital gains (losses)	126	(166)	NM	(69)	(33)	(109.1)
Pre-tax income (loss)	(256)	(1,223)	79.1	1,084	(1,353)	NM
Consolidation and elimination adjustments related to pre-tax operating income (loss)	(9)	64	NM	28	117	(76.1)
Consolidation and elimination adjustments related to non-operating income (loss), including net realized capital gains (losses)	146	(30)	NM	242	(21)	NM
Income from continuing operations before income tax expense	3,019	1,178	156.3	9,772	7,218	35.4
Income tax expense (benefit)	820	(970)	NM	2,908	172	NM
Income from continuing operations	2,199	2,148	2.4	6,864	7,046	(2.6)
Income (loss) from discontinued operations, net of income tax expense	2	(18)	NM	(15)	73	NM
Net income	2,201	2,130	3.3	6,849	7,119	(3.8)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	9	(40)		(25)	12	NM
Net income attributable to AIG	\$ 2,192	\$ 2,170	1.0 %	\$ 6,874	\$ 7,107	(3.3) %

See accompanying notes on the following page.

Financial Highlights -continued

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2014	2013	% Inc. (Dec.)	2014	2013	% Inc. (Dec.)
Net income attributable to AIG	\$ 2,192	\$ 2,170	1.0 %	\$ 6,874	\$ 7,107	(3.3)%
Adjustments to arrive at after-tax operating income attributable to AIG (amounts are net of tax):						
(Income) loss from discontinued operations	(2)	18	NM	15	(73)	NM
(Income) loss from divested businesses, including gain on sale of ILFC	(42)	24	NM	(1,453)	20	NM
Uncertain tax positions and other tax adjustments	(25)	36	NM	(14)	726	NM
Legal reserves (settlements) related to legacy crisis matters	(569)	260	NM	(250)	(61)	(309.8)
Deferred income tax valuation allowance releases	(21)	(1,159)	98.2	(161)	(2,697)	94.0
Changes in fair value of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(21)	19	NM	(105)	83	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	21	176	(88.1)	37	1,065	(96.5)
Loss on extinguishment of debt	482	52	NM	659	298	121.1
Net realized capital gains	(270)	(175)	(54.3)	(243)	(1,410)	82.8
After-tax operating income attributable to AIG	<u>\$ 1,745</u>	<u>\$ 1,421</u>	22.8	<u>\$ 5,359</u>	<u>\$ 5,058</u>	6.0
Income (loss) per common share:						
<i>Basic</i>						
Income from continuing operations	\$ 1.54	\$ 1.48	4.1	\$ 4.78	\$ 4.77	0.2
Income (loss) from discontinued operations	-	(0.01)	NM	(0.01)	0.05	NM
Net income attributable to AIG	<u>\$ 1.54</u>	<u>\$ 1.47</u>	4.8	<u>\$ 4.77</u>	<u>\$ 4.82</u>	(1.0)
<i>Diluted</i>						
Income from continuing operations	\$ 1.52	\$ 1.47	3.4	\$ 4.72	\$ 4.75	(0.6)
Income (loss) from discontinued operations	-	(0.01)	NM	(0.01)	0.05	NM
Net income attributable to AIG	<u>\$ 1.52</u>	<u>\$ 1.46</u>	4.1	<u>\$ 4.71</u>	<u>\$ 4.80</u>	(1.9)
After-tax operating income attributable to AIG per diluted share	<u>\$ 1.21</u>	<u>\$ 0.96</u>	26.0 %	<u>\$ 3.67</u>	<u>\$ 3.41</u>	7.6
Weighted average shares outstanding:						
Basic	1,419.2	1,475.1		1,440.1	1,476.0	
Diluted	1,442.1	1,485.3		1,459.5	1,481.4	
Book value per common share (a)				\$ 77.35	\$ 67.10	15.3
Book value per common share excluding accumulated other comprehensive income (b)				\$ 69.28	\$ 62.68	10.5
Book value per common share excluding accumulated other comprehensive income and DTA (c)				\$ 58.11	\$ 50.47	15.1 %
Return on equity (d)	8.1 %	8.8 %		8.7 %	9.6 %	
Return on equity - after-tax operating income, excluding AOCI (e)	7.2 %	6.2 %		7.5 %	7.6 %	
Return on equity - after-tax operating income, excluding AOCI and DTA (f)	8.6 %	7.8 %		9.0 %	9.5 %	

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

(d) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes DTA.

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

(f) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI and DTA.



American International Group, Inc.

Quarterly Financial Supplement Third 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 September 30, 2014 filed with the Securities and Exchange Commission.



American International Group, Inc. Quarterly Financial Supplement

Contacts: Investors

Liz Werner: (212) 770-7074; elizabeth.werner@aig.com

Fernando Melon: (212) 770-4630; fernando.melon@aig.com

Table of Contents	Page(s)		
Cautionary Statement Regarding Forward-Looking Information	1	AIG Life and Retirement	
Non-GAAP Financial Measures	2	Total Retail Operating Statistics	27
Consolidated Results		Life Insurance and A&H Operating Statistics	28
Consolidated Statement of Operations	3	Life Insurance and A&H Other Data	29
Earnings Per Share Computations	4	Fixed Annuities Operating Statistics	30
Consolidated Statement of Segment Operations	5	Fixed Annuities Other Data	31
After-tax Operating Income Attributable to AIG	6	Retirement Income Solutions Operating Statistics	32
Return on Equity and Per Share Data	7	Retirement Income Solutions Other Data	33
Condensed Balance Sheets	8 – 10	Total Institutional Operating Statistics	34
Debt and Capital	11	Group Retirement Operating Statistics	35
AIG Property Casualty		Group Retirement Other Data	36
AIG Property Casualty Operating Statistics	12	Institutional Markets Operating Statistics	37
AIG Property Casualty Operating Statistics by Business	13 - 15	Institutional Markets Other Data	38
AIG Property Casualty Operating Statistics (North America & International)	16 - 19	AIG Life and Retirement Notes	39 – 40
AIG Property Casualty Net Premiums Written by Line of Business & Region	20	Other	
AIG Property Casualty Returns on Alternative Investments	21	Other Operations	41
AIG Property Casualty Notes	22	Mortgage Guaranty Operating Statistics	42 – 44
AIG Life and Retirement		Investment Information	
AIG Life and Retirement Operating Statistics	23	Cash and Investments by Segment	45
AIG Life and Retirement Investment Products Net Flows	24	Other Invested Assets by Segment	46
AIG Life and Retirement Returns on Alternative Investments	25	Net Realized Capital Gains (Losses)	47
AIG Life and Retirement Guaranteed Benefits	26	Acronyms	48



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: 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 nonbank 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 September 30, 2014, in Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014, in Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, and in Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 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.

Book Value Per Common Share Excluding Accumulated Other Comprehensive Income (Loss) (AOCI) and Book Value Per Common Share Excluding AOCI and DTA are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate 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, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Book Value Per Common Share Excluding AOCI is derived by dividing Total AIG shareholders’ equity, excluding AOCI, by Total common shares outstanding. Book Value Per Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA, by Total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 7 herein.

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. When we use these measures, reconciliations to the most comparable GAAP measure are provided.

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, income (loss) from divested businesses (including gain on the sale of International Lease Finance Corporation (ILFC) and certain post-acquisition transaction expenses incurred by AerCap Holdings N.V. (AerCap) in connection with its acquisition of ILFC and the difference between expensing AerCap’s maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and the related tax effects), 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, changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses), income (loss) from divested businesses, including Aircraft Leasing, and net (gain) loss on sale of divested businesses (including gain on the sale of ILFC and certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap’s maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap’s income taxes).

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



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Revenues:							
Premiums	\$ 9,453	\$ 9,458	\$ 9,038	\$ 9,426	\$ 9,352	\$ 27,949	\$ 27,924
Policy fees	743	701	692	652	645	2,136	1,883
Net investment income	4,028	3,884	4,196	4,229	3,573	12,108	11,581
Net realized capital gains (losses) (page 47)							
Total other-than-temporary impairments on available for sale securities	(34)	(32)	(50)	(75)	(33)	(116)	(90)
Portion of other-than-temporary impairments on available for sale fixed maturity securities recognized in Other comprehensive income (loss)	(1)	(16)	(4)	(5)	(6)	(21)	(17)
Net other-than-temporary impairments on available for sale securities recognized in net income	(35)	(48)	(54)	(80)	(39)	(137)	(107)
Other realized capital gains (losses)	505	149	(159)	(319)	291	495	2,250
Total net realized capital gains (losses)	470	101	(213)	(399)	252	358	2,143
Aircraft leasing revenue (1)	-	489	1,113	1,117	1,118	1,602	3,303
Other income	1,960	1,472	1,286	2,321	1,004	4,718	4,498
Total revenues	16,654	16,105	16,112	17,346	15,944	48,871	51,332
Benefits, claims and expenses:							
Policyholder benefits and claims incurred	7,203	6,771	6,797	7,269	7,416	20,771	22,234
Interest credited to policyholder account balances	882	963	955	979	924	2,800	2,913
Amortization of deferred policy acquisition costs	1,288	1,396	1,305	1,298	1,220	3,989	3,859
Other acquisition and insurance expenses	2,117	2,213	2,117	2,432	2,251	6,447	6,734
Interest expense	430	463	479	514	516	1,372	1,628
Aircraft leasing expenses (1)	-	489	1,096	1,306	1,119	1,585	3,243
Loss on extinguishment of debt	742	34	238	192	81	1,014	459
Net (gain) loss on sale of divested businesses	(18)	(2,174)	(4)	1	-	(2,196)	47
Other expenses	991	1,470	856	1,205	1,239	3,317	2,997
Total benefits, claims and expenses	13,635	11,625	13,839	15,196	14,766	39,099	44,114
Income from continuing operations before income tax expense (benefit)	3,019	4,480	2,273	2,150	1,178	9,772	7,218
Income tax expense (benefit)	820	1,474	614	188	(970)	2,908	172
Income from continuing operations	2,199	3,006	1,659	1,962	2,148	6,864	7,046
Income (loss) from discontinued operations, net of income tax expense (benefit)	2	30	(47)	11	(18)	(15)	73
Net income	2,201	3,036	1,612	1,973	2,130	6,849	7,119
Net income (loss) from continuing operations attributable to noncontrolling interests	9	(37)	3	(5)	(40)	(25)	12
Net income attributable to AIG	\$ 2,192	\$ 3,073	\$ 1,609	\$ 1,978	\$ 2,170	\$ 6,874	\$ 7,107

Refer to page 4 for the related earnings per share computations.

Note:

(1) ILFC was sold on May 14, 2014. Nine months ended September 30, 2014 includes ILFC's results through that date.



American International Group, Inc.
Earnings Per Share Computations
(dollars in millions, except per share data)

GAAP Basis (1):

	Quarterly					Nine Months Ended September 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Numerator for EPS:							
Income from continuing operations	\$ 2,199	\$ 3,006	\$ 1,659	\$ 1,962	\$ 2,148	\$ 6,864	\$ 7,046
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	9	(37)	3	(5)	(40)	(25)	12
Income attributable to AIG common shareholders from continuing operations	2,190	3,043	1,656	1,967	2,188	6,889	7,034
Income (loss) from discontinued operations, net of income tax expense	2	30	(47)	11	(18)	(15)	73
Net income attributable to AIG common shareholders	\$ 2,192	\$ 3,073	\$ 1,609	\$ 1,978	\$ 2,170	\$ 6,874	\$ 7,107
Denominator for EPS:							
Weighted average shares outstanding - basic	1,419,239,774	1,442,397,111	1,459,249,393	1,468,725,573	1,475,053,126	1,440,148,774	1,476,007,034
Dilutive shares	22,828,068	22,279,219	13,261,420	11,928,909	10,269,732	19,334,459	5,403,839
Weighted average shares outstanding - diluted (2)	1,442,067,842	1,464,676,330	1,472,510,813	1,480,654,482	1,485,322,858	1,459,483,233	1,481,410,873
Income per common share attributable to AIG:							
Basic:							
Income from continuing operations	\$ 1.54	\$ 2.11	\$ 1.13	\$ 1.34	\$ 1.48	\$ 4.78	\$ 4.77
Income (loss) from discontinued operations	-	0.02	(0.03)	0.01	(0.01)	(0.01)	0.05
Net income attributable to AIG	\$ 1.54	\$ 2.13	\$ 1.10	\$ 1.35	\$ 1.47	\$ 4.77	\$ 4.82
Diluted:							
Income from continuing operations	\$ 1.52	\$ 2.08	\$ 1.12	\$ 1.33	\$ 1.47	\$ 4.72	\$ 4.75
Income (loss) from discontinued operations	-	0.02	(0.03)	0.01	(0.01)	(0.01)	0.05
Net income attributable to AIG	\$ 1.52	\$ 2.10	\$ 1.09	\$ 1.34	\$ 1.46	\$ 4.71	\$ 4.80

Notes:

(1) Refer to page 6 for operating earnings per share.

(2) Dilutive shares are calculated using the treasury stock method and include dilutive shares from share-based employee compensation plans, a weighted average portion of the warrants issued to AIG shareholders as part of the recapitalization in January 2011 and a weighted average portion of the warrants issued to the Department of the Treasury in 2009 that we repurchased in the first quarter of 2013. The number of shares excluded from diluted shares outstanding was 0.3 million, 0.3 million, 0.3 million, 0.4 million and 0.4 million for each of 3Q14, 2Q14, 1Q14, 4Q13 and 3Q13, respectively, and 0.3 million and 51 million for the nine months ended September 30, 2014 and 2013, respectively, because the effect of including those shares in the calculation would have been anti-dilutive.



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
AIG Property Casualty							
Net premiums written	\$ 8,953	\$ 9,213	\$ 8,334	\$ 8,028	\$ 8,660	\$ 26,500	\$ 26,360
Net premiums earned	8,630	8,531	8,230	8,621	8,427	25,391	25,332
Claims and claims adjustment expenses incurred	5,839	5,511	5,521	5,878	5,669	16,871	16,761
Acquisition expenses	1,674	1,654	1,639	1,682	1,664	4,967	5,023
General operating expenses	1,286	1,265	1,167	1,391	1,228	3,718	3,673
Underwriting income (loss)	(169)	101	(97)	(330)	(134)	(165)	(125)
Net investment income	1,265	1,254	1,256	1,420	1,213	3,775	3,847
Pre-tax operating income	1,096	1,355	1,159	1,090	1,079	3,610	3,722
Net realized capital gains	92	127	142	167	50	361	213
Legal settlements	19	-	8	10	-	27	3
Other income (expense) - net	-	8	-	(79)	(3)	8	7
Pre-tax income	1,207	1,490	1,309	1,188	1,126	4,006	3,945
AIG Life and Retirement							
Premiums	599	700	597	606	721	1,896	1,990
Policy fees	743	701	692	652	645	2,136	1,883
Net investment income	2,614	2,561	2,817	2,873	2,467	7,992	7,981
Advisory fee and other income	502	498	460	454	443	1,460	1,255
Total revenues	4,458	4,460	4,566	4,585	4,276	13,484	13,109
Policyholder benefits and claims incurred	1,294	1,239	1,145	1,141	1,316	3,678	3,597
Interest credited to policyholder account balances	881	962	953	978	924	2,796	2,912
Amortization of deferred policy acquisition costs	59	209	214	184	76	482	466
Non deferrable commissions	114	105	116	121	117	335	352
General operating expenses	434	432	424	456	412	1,290	1,263
Commission and advisory fee expenses	328	333	297	299	287	958	830
Total benefits and expenses	3,110	3,280	3,149	3,179	3,132	9,539	9,420
Pre-tax operating income	1,348	1,180	1,417	1,406	1,144	3,945	3,689
Legal settlements	479	12	30	553	-	521	467
Changes in fair value of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	32	54	76	(33)	(30)	162	(128)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(33)	(41)	30	(4)	(271)	(44)	(1,482)
Net realized capital gains (losses)	105	44	(321)	53	398	(172)	1,984
Pre-tax income	1,931	1,249	1,232	1,975	1,241	4,412	4,530
Other operations, pre-tax operating income (loss)	204	199	(5)	(14)	(575)	398	(497)
Other operations pre-tax income (loss) before net realized capital gains (losses)	(382)	1,805	(270)	(444)	(1,057)	1,153	(1,320)
Other operations, net realized capital gains (losses)	126	(120)	(75)	(652)	(166)	(69)	(33)
Consolidation and elimination adjustments related to pre-tax operating income (loss)	(9)	2	35	48	64	28	117
Consolidation and elimination adjustments related to non-operating income (loss), including net realized capital gains (losses)	146	54	42	35	(30)	242	(21)
Income from continuing operations before income tax expense (benefit)	3,019	4,480	2,273	2,150	1,178	9,772	7,218
Income tax expense (benefit) (1)	820	1,474	614	188	(970)	2,908	172
Income from continuing operations	2,199	3,006	1,659	1,962	2,148	6,864	7,046
Income (loss) from discontinued operations, net of income tax expense (benefit)	2	30	(47)	11	(18)	(15)	73
Net income	2,201	3,036	1,612	1,973	2,130	6,849	7,119
Net income (loss) from continuing operations attributable to noncontrolling interests	9	(37)	3	(5)	(40)	(25)	12
Net income attributable to AIG	\$ 2,192	\$ 3,073	\$ 1,609	\$ 1,978	\$ 2,170	\$ 6,874	\$ 7,107
Effective tax rates (page 6):							
Income from continuing operations	27.2%	32.9%	27.0%	8.7%	(82.3)%	29.8%	2.4%

Note:

(1) Includes Deferred tax asset valuation allowance releases. See page 6.



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

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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net income attributable to AIG	\$ 2,192	\$ 3,073	\$ 1,609	\$ 1,978	\$ 2,170	\$ 6,874	\$ 7,107
Adjustments to arrive at After-tax operating income attributable to AIG (amounts net of tax):							
(Income) loss from discontinued operations	(2)	(30)	47	(11)	18	15	(73)
(Income) loss from divested businesses (1)	(42)	(1,399)	(12)	97	24	(1,453)	20
Uncertain tax positions and other tax adjustments	(25)	39	(28)	65	36	(14)	726
Legal reserves (settlements) related to legacy crisis matters	(569)	321	(2)	(399)	260	(250)	(61)
Deferred income tax valuation allowance releases (2)	(21)	(75)	(65)	(540)	(1,159)	(161)	(2,697)
Changes in fair values of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(21)	(35)	(49)	22	19	(105)	83
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	21	28	(12)	67	176	37	1,065
AIG Property Casualty other (income) expense - net	-	-	-	47	-	-	-
Loss on extinguishment of debt	482	22	155	125	52	659	298
Net realized capital (gains) losses	(270)	(111)	138	253	(175)	(243)	(1,410)
After-tax operating income attributable to AIG	\$ 1,745	\$ 1,833	\$ 1,781	\$ 1,704	\$ 1,421	\$ 5,359	\$ 5,058
After-tax operating income attributable to AIG per diluted share	\$ 1.21	\$ 1.25	\$ 1.21	\$ 1.15	\$ 0.96	\$ 3.67	\$ 3.41
Effective tax rates on Pre-tax operating income attributable to AIG (3)	34.1%	33.4%	31.7%	32.3%	18.0%	33.1%	27.7%

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 September 30, 2014						Nine Months Ended September 30, 2014					
	Income (Loss) Before Tax	Income Tax (Expense) Benefit	Net Income (Loss)	Noncontrolling Interests	Net Income (Loss) Attributable to AIG	Effective Tax Rate (2)	Income (Loss) Before Tax	Income Tax (Expense) Benefit	Net Income (Loss)	Noncontrolling Interests	Net Income (Loss) Attributable to AIG	Effective Tax Rate (2)
Income from continuing operations	\$ 3,019	\$ (820)	\$ 2,199	\$ (9)	\$ 2,190	27.2%	\$ 9,772	\$ (2,908)	\$ 6,864	\$ 25	\$ 6,889	29.8%
(Income) loss from divested businesses (1)	(17)	(25)	(42)	-	(42)		(2,189)	736	(1,453)	-	(1,453)	
Uncertain tax positions and other tax adjustments	-	(25)	(25)	-	(25)		-	(14)	(14)	-	(14)	
Legal reserves (settlements) related to legacy crisis matters	(636)	67	(569)	-	(569)		(145)	(105)	(250)	-	(250)	
Deferred income tax valuation allowance releases (2)	-	(21)	(21)	-	(21)		-	(161)	(161)	-	(161)	
Changes in fair values of AIG Life and Retirement fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(32)	11	(21)	-	(21)		(162)	57	(105)	-	(105)	
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	33	(12)	21	-	21		57	(20)	37	-	37	
Loss on extinguishment of debt	742	(260)	482	-	482		1,014	(355)	659	-	659	
Net realized capital (gains) losses	(470)	185	(285)	15	(270)		(358)	125	(233)	(10)	(243)	
After-tax operating income	\$ 2,639	\$ (900)	\$ 1,739	\$ 6	\$ 1,745	34.1%	\$ 7,989	\$ (2,645)	\$ 5,344	\$ 15	\$ 5,359	33.1%

(1) 2Q14 includes the gain on sale of ILFC, which was sold on May 14, 2014. 3Q14 and 2Q14 also includes certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and the related tax effects.

(2) Excludes valuation allowance releases of \$184 million, \$582 million and \$892 million in 3Q14, 2Q14 and 1Q14, respectively, related to AOCL.

(3) Effective tax rates are calculated based on Income (loss) from continuing operations before tax.



American International Group, Inc.
Return On Equity and Per Share Data
(in millions, except per share data)

Common Equity and Book Value Per Share Computations:

	Quarterly							Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	2014	2013
<i>(as of period end)</i>									
Total AIG shareholders' equity (1)	\$ 108,581	\$ 108,161	\$ 103,833	\$ 100,470	\$ 98,793	\$ 97,463	\$ 99,520	\$ 108,581	\$ 98,793
Less: Accumulated other comprehensive income (AOCI)	11,331	11,511	9,085	6,360	6,509	7,039	11,839	11,331	6,509
Total AIG Shareholders' equity, excluding AOCI (2)	97,250	96,650	94,748	94,110	92,284	90,424	87,681	97,250	92,284
Less: Deferred tax assets (DTA)*	15,682	15,899	17,518	17,797	17,973	18,149	18,324	15,682	17,982
Total AIG Shareholders' equity, excluding AOCI and DTA (3)	\$ 81,568	\$ 80,751	\$ 77,230	\$ 76,313	\$ 74,311	\$ 72,275	\$ 69,357	\$ 81,568	\$ 74,302
Total common shares outstanding (4)	1,403.8	1,428.6	1,446.6	1,464.1	1,472.3	1,476.3	1,476.3	1,403.8	1,472.3
Book Value Per Share (1÷4)	\$ 77.35	\$ 75.71	\$ 71.77	\$ 68.62	\$ 67.10	\$ 66.02	\$ 67.41	\$ 77.35	\$ 67.10
Book Value Per Share, excluding AOCI (2÷4)	69.28	67.65	65.49	64.28	62.68	61.25	59.39	69.28	62.68
Book Value Per Share, excluding AOCI and DTA (3÷4)	\$ 58.11	\$ 56.53	\$ 53.39	\$ 52.12	\$ 50.47	\$ 48.96	\$ 46.98	\$ 58.11	\$ 50.47

Return On Equity (ROE) Computations:

Annualized Net income attributable to AIG (1)	\$ 8,768	\$ 12,292	\$ 6,436	\$ 7,912	\$ 8,680	\$ 10,924	\$ 8,824	\$ 9,165	\$ 9,476
Annualized After-tax operating income attributable to AIG (2)	\$ 6,980	\$ 7,332	\$ 7,124	\$ 6,816	\$ 5,684	\$ 6,620	\$ 7,928	\$ 7,145	\$ 6,744
Average AIG Shareholders' equity (3)	\$ 108,371	\$ 105,997	\$ 102,152	\$ 99,632	\$ 98,128	\$ 98,492	\$ 98,761	\$ 105,261	\$ 98,445
Less: Average AOCI	11,421	10,298	7,723	6,435	6,774	9,439	12,206	9,571	9,491
Average AIG Shareholders' equity, excluding average AOCI (4)	96,950	95,699	94,429	93,197	91,354	89,053	86,555	95,690	88,954
Less: Average DTA	15,790	16,709	17,658	17,885	18,061	18,236	18,412	16,724	18,236
Average AIG Shareholders' equity, excluding average AOCI and DTA (5)	\$ 81,160	\$ 78,990	\$ 76,771	\$ 75,312	\$ 73,293	\$ 70,817	\$ 68,143	\$ 78,966	\$ 70,718
ROE (1÷3)	8.1%	11.6%	6.3%	7.9%	8.8%	11.1%	8.9%	8.7%	9.6%
ROE - After-tax operating income, excluding AOCI (2÷4)	7.2%	7.7%	7.5%	7.3%	6.2%	7.4%	9.2%	7.5%	7.6%
ROE - After-tax operating income, excluding AOCI and DTA (2÷5)	8.6%	9.3%	9.3%	9.1%	7.8%	9.3%	11.6%	9.0%	9.5%

Common Stock Repurchase:

Aggregate repurchase of common stock	\$ 1,466	\$ 1,070	\$ 867	\$ 405	\$ 192	\$ -	\$ -	\$ 3,403	\$ 192
Total number of common shares repurchased	24.8	18.1	17.4	8.3	4.0	-	-	60.3	4.0
Average price paid per share of common stock	\$ 54.32	\$ 54.08	\$ 49.73	\$ 49.00	\$ 47.70	\$ -	\$ -	\$ 52.92	\$ 47.70
Dividends Declared Per Common Share	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.10	\$ 0.10	\$ -	\$ -	\$ 0.375	\$ 0.10

* Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts for the first, second and third quarters and nine-month periods are estimates based on projections of full year attribute utilization.



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

	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Assets:					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 265,786	\$ 266,304	\$ 262,937	\$ 258,274	\$ 259,901
Other bond securities, at fair value	20,381	21,430	21,718	22,623	22,884
Equity securities					
Common and preferred stock available for sale, at fair value	4,344	4,048	3,878	3,656	3,378
Other common and preferred stock, at fair value	766	724	725	834	807
Mortgage and other loans receivable, net of allowance	23,397	22,937	21,569	20,765	19,707
Other invested assets (page 46)	33,908	33,645	29,050	28,659	29,168
Short-term investments	17,852	20,888	17,658	21,617	22,457
Total investments	366,434	369,976	357,535	356,428	358,302
Cash	1,933	1,827	2,490	2,241	2,058
Accrued investment income	2,877	2,846	2,924	2,905	3,008
Premiums and other receivables, net of allowance	13,236	14,077	14,269	12,939	13,715
Reinsurance assets, net of allowance	23,864	24,631	25,346	23,829	26,264
Deferred income taxes	19,606	19,912	21,631	21,925	21,671
Deferred policy acquisition costs	9,603	9,106	9,217	9,436	9,188
Derivative assets, at fair value	1,588	1,617	1,601	1,665	1,723
Other assets	10,239	9,399	8,738	9,366	8,736
Separate account assets, at fair value	77,810	75,718	72,593	71,059	65,959
Assets held for sale (1)	-	-	30,767	29,536	30,120
Total assets	\$ 527,190	\$ 529,109	\$ 547,111	\$ 541,329	\$ 540,744
Liabilities:					
Liability for unpaid claims and claims adjustment expense	\$ 78,674	\$ 79,977	\$ 81,155	\$ 81,547	\$ 83,228
Unearned premiums	23,695	23,694	23,383	21,953	23,606
Future policy benefits for life and accident and health insurance contracts	42,431	42,536	41,419	40,653	40,111
Policyholder contract deposits	123,744	123,354	122,839	122,016	121,441
Other policyholder funds	4,718	4,809	4,802	5,083	5,115
Derivative liabilities, at fair value	2,502	2,416	3,039	2,511	2,722
Other liabilities	28,410	29,610	28,138	29,155	31,368
Long-term debt (page 11)	36,223	38,414	39,508	41,693	42,231
Separate account liabilities	77,810	75,718	72,593	71,059	65,959
Liabilities held for sale (1)	-	-	25,815	24,548	25,448
Total liabilities	\$ 418,207	\$ 420,528	\$ 442,691	\$ 440,218	\$ 441,229
Redeemable noncontrolling interests	-	-	27	30	66
AIG shareholders' equity:					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(17,720)	(16,369)	(15,386)	(14,520)	(14,115)
Additional paid-in capital	80,904	80,967	80,975	80,899	80,497
Retained earnings	29,300	27,286	24,393	22,965	21,136
Accumulated other comprehensive income	11,331	11,511	9,085	6,360	6,509
Total AIG shareholders' equity	108,581	108,161	103,833	100,470	98,793
Non-redeemable noncontrolling interests	402	420	560	611	656
Total equity	108,983	108,581	104,393	101,081	99,449
Total liabilities and equity	\$ 527,190	\$ 529,109	\$ 547,111	\$ 541,329	\$ 540,744

Note:

(1) For periods prior to June 30, 2014, includes the assets and liabilities of ILFC, which was sold on May 14, 2014.



American International Group, Inc.
Condensed Consolidating Segment Balance Sheet
September 30, 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	\$ 96,751	\$ 161,858	\$ 3,873	\$ 6,376	\$ (3,072)	\$ 265,786
Other bond securities, at fair value	1,781	2,606	-	16,295	(301)	20,381
Equity securities						
Common and preferred stock available for sale, at fair value	4,306	35	-	3	-	4,344
Other common and preferred stock, at fair value (3)	236	-	-	530	-	766
Mortgage and other loans receivable, net of allowance	5,962	19,861	2	751	(3,179)	23,397
Other invested assets (page 46)	9,798	12,196	40	11,885	(11)	33,908
Short-term investments	3,868	4,908	202	9,901	(1,027)	17,852
Total investments	122,702	201,464	4,117	45,741	(7,590)	366,434
Cash	1,417	316	8	192	-	1,933
Accrued investment income	928	1,875	40	36	(2)	2,877
Premiums and other receivables, net of allowance	11,123	1,729	47	1,278	(941)	13,236
Reinsurance assets, net of allowance	21,945	1,866	40	14	(1)	23,864
Deferred income taxes	3,795	-	102	16,505	(796)	19,606
Deferred policy acquisition costs	2,877	6,624	81	-	21	9,603
Derivative assets, at fair value	249	589	-	2,089	(1,339)	1,588
Other assets	3,863	2,858	61	99,036	(95,579)	10,239
Separate account assets, at fair value	-	77,799	-	11	-	77,810
Total assets	\$ 168,899	\$ 295,120	\$ 4,496	\$ 164,902	\$ (106,227)	\$ 527,190
Liabilities:						
Liability for unpaid claims and claims adjustment expense	\$ 77,570	\$ -	\$ 1,104	\$ -	\$ -	\$ 78,674
Unearned premiums	23,002	-	693	-	-	23,695
Future policy benefits for life and accident and health insurance contracts	3,825	38,402	-	226	(22)	42,431
Policyholder contract deposits	-	123,842	-	16	(114)	123,744
Other policyholder funds	2,446	2,265	-	6	1	4,718
Derivative liabilities, at fair value	162	587	-	3,091	(1,338)	2,502
Other liabilities	13,094	10,826	98	9,899	(5,507)	28,410
Long-term debt (page 11)	124	1,613 (4)	-	41,393	(6,907)	36,223
Separate account liabilities	-	77,799	-	11	-	77,810
Total liabilities	\$ 120,223	\$ 255,334	\$ 1,895	\$ 54,642	\$ (13,887)	\$ 418,207
AIG shareholders' equity:						
Common stock	38	14	4	4,768	(58)	4,766
Treasury stock, at cost	-	-	-	(17,720)	-	(17,720)
Additional paid-in capital	24,308	41,124	1,627	67,691	(53,846)	80,904
Retained earnings	20,166	(7,623)	917	43,857	(28,017)	29,300
Accumulated other comprehensive income	4,098	6,268	53	11,332	(10,420)	11,331
Total AIG shareholders' equity	48,610	39,783	2,601	109,928	(92,341)	108,581
Non-redeemable noncontrolling interests						
	66	3	-	332	1	402
Total equity	48,676	39,786	2,601	110,260	(92,340)	108,983
Total liabilities and equity	\$ 168,899	\$ 295,120	\$ 4,496	\$ 164,902	\$ (106,227)	\$ 527,190

Notes:

- (1) Includes AIG Parent, Global Capital Markets, Direct Investment book and AIG Life Holdings, Inc. (a non-operating holding company).
- (2) Segment amounts are presented on a stand-alone basis prior to intercompany eliminations.
- (3) During 3Q14, AIG Life and Retirement sold its investment in PICC Group to AIG Parent.
- (4) 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 46)	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 11)	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, Global Capital Markets, Direct Investment book, AIG Life Holdings, Inc. (a non-operating holding company) and assets and liabilities of ILFC, which was sold on May 14, 2014.
 - (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

	Debt and Hybrid Capital			Interest Expense			
	Sept. 30, 2014	Sept. 30, 2013	Dec. 31, 2013	Three Months Ended		Nine Months Ended	
	Sept. 30, 2014	Sept. 30, 2013	Dec. 31, 2013	Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2014	Sept. 30, 2013
Financial debt:							
AIG notes and bonds payable	\$ 15,804	\$ 13,582	\$ 14,062	\$ 204	\$ 187	\$ 590	\$ 568
AIG subordinated debt	250	250	250	2	1	5	4
AIG loans and mortgage payable	-	79	1	-	-	-	-
AIG Life Holdings, Inc. notes and bonds payable	284	299	299	5	5	16	16
AIG Life Holdings, Inc. junior subordinated debt	847	1,054	1,054	15	21	59	68
Total	17,185	15,264	15,666	226	214	670	656
Operating debt:							
MIP notes payable	3,418	8,243	7,963	46	88	187	266
Series AIGFP matched notes and bonds payable	2,134	3,485	3,219	42	67	131	203
Other AIG borrowings supported by assets (1)	5,667	6,981	6,747	-	-	-	-
Other subsidiaries	62	346	656	-	4	1	11
Borrowings of consolidated investments	3,631	1,882	1,909	32	23	91	64
Total	14,912	20,937	20,494	120	182	410	544
Hybrid - debt securities:							
Junior subordinated debt (2)	4,126	6,030	5,533	84	120	292	428
Total (3)	\$ 36,223	\$ 42,231	\$ 41,693	\$ 430	\$ 516	\$ 1,372	\$ 1,628
AIG capitalization:							
Total equity	\$ 108,983	\$ 99,449	\$ 101,081				
Hybrid - debt securities (2)	4,126	6,030	5,533				
Total equity and hybrid capital	113,109	105,479	106,614				
Financial debt	17,185	15,264	15,666				
Total capital	\$ 130,294	\$ 120,743	\$ 122,280				
Ratios:							
Hybrid - debt securities / Total capital	3.2%	5.0%	4.5%				
Financial debt / Total capital	13.2%	12.6%	12.8%				
Total debt / Total capital	16.4%	17.6%	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 \$46 million and \$60 million for the three months ended September 30, 2014 and 2013, respectively, and \$178 million and \$213 million for the nine months ended September 30, 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 interest expense which is reflected within Aircraft leasing expenses on the Consolidated Statement of Operations. ILFC was sold on May 14, 2014.



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net premiums written	\$ 8,953	\$ 9,213	\$ 8,334	\$ 8,028	\$ 8,660	\$ 26,500	\$ 26,360
Net premiums earned	8,630	8,531	8,230	8,621	8,427	25,391	25,332
Claims and claims adjustment expenses incurred (1)	5,839	5,511	5,521	5,878	5,669	16,871	16,761
Acquisition expenses	1,674	1,654	1,639	1,682	1,664	4,967	5,023
General operating expenses	1,286	1,265	1,167	1,391	1,228	3,718	3,673
Underwriting income (loss)	(169)	101	(97)	(330)	(134)	(165)	(125)
Net investment income (2) :							
Interest and dividends	1,014	987	958	1,041	1,071	2,959	3,083
Alternative investments (3)	194	188	269	303	69	651	567
Other investment income (4)	100	121	75	119	103	296	353
Investment expense	(43)	(42)	(46)	(43)	(30)	(131)	(156)
Total net investment income	1,265	1,254	1,256	1,420	1,213	3,775	3,847
Pre-tax operating income	1,096	1,355	1,159	1,090	1,079	3,610	3,722
Adjustments to arrive at pre-tax income:							
Net realized capital gains	92	127	142	167	50	361	213
Legal settlements (5)	19	-	8	10	-	27	3
Other income (expense) - net	-	8	-	(79)	(3)	8	7
Pre-tax income	\$ 1,207	\$ 1,490	\$ 1,309	\$ 1,188	\$ 1,126	\$ 4,006	\$ 3,945
Underwriting ratios:							
Loss ratio	67.7	64.6	67.1	68.2	67.3	66.4	66.2
Catastrophe losses and reinstatement premiums	(3.3)	(1.6)	(3.2)	(2.4)	(2.7)	(2.7)	(2.3)
Prior year development net of premium adjustments	(3.1)	(0.2)	(1.9)	(3.1)	(0.8)	(1.7)	(0.9)
Net reserve discount benefit (charge)	-	(0.1)	1.2	3.7	(0.1)	0.4	(0.1)
Accident year loss ratio, as adjusted	61.3	62.7	63.2	66.4	63.7	62.4	62.9
Acquisition ratio	19.4	19.4	19.9	19.5	19.7	19.6	19.8
General operating expense ratio	14.9	14.8	14.2	16.1	14.6	14.6	14.5
Expense ratio	34.3	34.2	34.1	35.6	34.3	34.2	34.3
Combined ratio	102.0	98.8	101.2	103.8	101.6	100.6	100.5
Catastrophe losses and reinstatement premiums	(3.3)	(1.6)	(3.2)	(2.4)	(2.7)	(2.7)	(2.3)
Prior year development net of premium adjustments	(3.1)	(0.2)	(1.9)	(3.1)	(0.8)	(1.7)	(0.9)
Net reserve discount benefit (charge)	-	(0.1)	1.2	3.7	(0.1)	0.4	(0.1)
Accident year combined ratio, as adjusted	95.6	96.9	97.3	102.0	98.0	96.6	97.2
Foreign exchange effect on worldwide premium:							
Change in net premiums written							
Increase (decrease) in original currency (6)	4.0 %	0.5 %	2.6 %	8.6 %	4.1 %	2.3 %	2.4 %
Foreign exchange effect	(0.6)	(1.0)	(3.8)	(5.8)	(4.7)	(1.8)	(3.4)
Increase (decrease) as reported in US \$	3.4 %	(0.5)%	(1.2)%	2.8 %	(0.6)%	0.5 %	(1.0)%
Noteworthy items (pre-tax):							
Catastrophe-related losses (7)	\$ 282	\$ 139	\$ 262	\$ 208	\$ 222	\$ 683	\$ 579
Reinstatement premiums related to catastrophes	2	-	-	-	-	2	-
Reinstatement premiums related to prior year catastrophes	(1)	1	-	-	2	-	27
Severe losses (8)	188	193	186	277	211	567	309
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	320	54	158	272	73	532	255
(Additional) returned premium related to prior year development	(93)	(68)	4	(6)	(3)	(157)	(83)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	227	(14)	162	266	70	375	172
Net reserve discount benefit (charge)	-	(15)	105	325	(6)	90	(16)
Net loss and loss expense reserve (at period end)	\$ 61,296	\$ 61,959	\$ 62,683	\$ 63,029	\$ 63,418	\$ 61,296	\$ 63,418

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net premiums written	\$ 5,496	\$ 5,816	\$ 4,996	\$ 4,841	\$ 5,222	\$ 16,308	\$ 16,001
Net premiums earned	5,344	5,265	5,042	5,294	5,142	15,651	15,343
Claims and claims adjustment expenses incurred	3,968	3,564	3,501	4,122	3,692	11,033	10,706
Acquisition expenses	821	812	818	850	812	2,451	2,479
General operating expenses	609	650	610	724	646	1,869	1,858
Underwriting income (loss)	(54)	239	113	(402)	(8)	298	300
Net investment income (2)	627	624	600	614	618	1,851	1,886
Pre-tax operating income	\$ 573	\$ 863	\$ 713	\$ 212	\$ 610	\$ 2,149	\$ 2,186
Underwriting ratios:							
Loss ratio	74.3	67.7	69.4	77.9	71.8	70.5	69.8
Catastrophe losses and reinstatement premiums	(4.9)	(2.3)	(3.6)	(3.6)	(3.5)	(3.6)	(3.4)
Prior year development net of premium adjustments	(4.9)	0.7	(3.2)	(0.9)	(2.1)	(2.4)	(1.7)
Net reserve discount benefit (charge)	0.3	0.3	2.5	(6.1)	-	1.0	-
Accident year loss ratio, as adjusted	64.8	66.4	65.1	67.3	66.2	65.5	64.7
Acquisition ratio	15.4	15.4	16.2	16.1	15.8	15.7	16.2
General operating expense ratio	11.4	12.3	12.1	13.7	12.6	11.9	12.1
Expense ratio	26.8	27.7	28.3	29.8	28.4	27.6	28.3
Combined ratio	101.1	95.4	97.7	107.7	100.2	98.1	98.1
Catastrophe losses and reinstatement premiums	(4.9)	(2.3)	(3.6)	(3.6)	(3.5)	(3.6)	(3.4)
Prior year development net of premium adjustments	(4.9)	0.7	(3.2)	(0.9)	(2.1)	(2.4)	(1.7)
Net reserve discount benefit (charge)	0.3	0.3	2.5	(6.1)	-	1.0	-
Accident year combined ratio, as adjusted	91.6	94.1	93.4	97.1	94.6	93.1	93.0
Foreign exchange effect on worldwide premium:							
Change in net premiums written							
Increase (decrease) in original currency (6)	4.9 %	(1.1)%	2.8 %	11.7 %	3.5 %	2.1 %	1.5 %
Foreign exchange effect	0.3	0.1	(0.9)	(1.8)	(1.1)	(0.2)	(0.8)
Increase (decrease) as reported in U.S. \$	5.2 %	(1.0)%	1.9 %	9.9 %	2.4 %	1.9 %	0.7 %
Noteworthy items (pre-tax):							
Catastrophe-related losses (7)	\$ 260	\$ 121	\$ 184	\$ 188	\$ 182	\$ 565	\$ 522
Reinstatement premiums related to catastrophes	2	-	-	-	-	2	-
Reinstatement premiums related to prior year catastrophes	(1)	1	-	1	2	-	27
Severe losses (8)	188	193	145	260	211	526	309
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	319	5	156	54	105	480	301
(Additional) returned premium related to prior year development	(93)	(68)	4	(6)	(3)	(157)	(83)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	226	(63)	160	48	102	323	218
Net reserve discount benefit (charge)	16	16	126	(322)	-	158	-
Net loss and loss expense reserve (at period end)	\$ 53,191	\$ 53,788	\$ 53,920	\$ 54,075	\$ 54,134	\$ 53,191	\$ 54,134

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net premiums written	\$ 3,454	\$ 3,407	\$ 3,338	\$ 3,189	\$ 3,441	\$ 10,199	\$ 10,363
Net premiums earned	3,271	3,253	3,172	3,296	3,270	9,696	9,933
Claims and claims adjustment expenses incurred (1)	1,809	1,814	1,944	1,992	1,922	5,567	5,807
Acquisition expenses	853	842	821	832	852	2,516	2,544
General operating expenses	569	529	466	585	492	1,564	1,524
Underwriting income (loss)	40	68	(59)	(113)	4	49	58
Net investment income (2)	91	89	86	93	89	266	279
Pre-tax operating income (loss)	\$ 131	\$ 157	\$ 27	\$ (20)	\$ 93	\$ 315	\$ 337
Underwriting ratios:							
Loss ratio	55.3	55.8	61.3	60.4	58.8	57.4	58.5
Catastrophe losses and reinstatement premiums	(0.7)	(0.6)	(2.5)	(0.6)	(1.2)	(1.2)	(0.6)
Prior year development net of premium adjustments	0.4	0.5	0.5	0.9	0.9	0.4	1.2
Accident year loss ratio, as adjusted	55.0	55.7	59.3	60.7	58.5	56.6	59.1
Acquisition ratio	26.1	25.9	25.9	25.2	26.1	25.9	25.6
General operating expense ratio	17.4	16.3	14.7	17.7	15.0	16.1	15.3
Expense ratio	43.5	42.2	40.6	42.9	41.1	42.0	40.9
Combined ratio	98.8	98.0	101.9	103.3	99.9	99.4	99.4
Catastrophe losses and reinstatement premiums	(0.7)	(0.6)	(2.5)	(0.6)	(1.2)	(1.2)	(0.6)
Prior year development net of premium adjustments	0.4	0.5	0.5	0.9	0.9	0.4	1.2
Accident year combined ratio, as adjusted	98.5	97.9	99.9	103.6	99.6	98.6	100.0
Foreign exchange effect on worldwide premium:							
Change in net premiums written							
Increase (decrease) in original currency (6)	2.4 %	3.5 %	2.3 %	4.9 %	4.7 %	2.7 %	3.6 %
Foreign exchange effect	(2.0)	(3.0)	(7.8)	(11.1)	(9.9)	(4.3)	(7.2)
Increase (decrease) as reported in U.S. \$	0.4 %	0.5 %	(5.5)%	(6.2)%	(5.2)%	(1.6)%	(3.6)%
Noteworthy items (pre-tax):							
Catastrophe-related losses (7)	\$ 22	\$ 18	\$ 78	\$ 20	\$ 40	\$ 118	\$ 57
Severe losses (8)	-	-	41	17	-	41	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(12)	(16)	(14)	(30)	(30)	(42)	(125)
Net loss and loss expense reserve (at period end)	\$ 5,010	\$ 5,015	\$ 5,492	\$ 5,479	\$ 5,314	\$ 5,010	\$ 5,314

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net premiums written	\$ 3	\$ (10)	\$ -	\$ (2)	\$ (3)	\$ (7)	\$ (4)
Net premiums earned	15	13	16	31	15	44	56
Claims and claims adjustment expenses incurred	62	133	76	(236)	55	271	248
General operating expenses	108	86	91	82	90	285	291
Underwriting income (loss)	(155)	(206)	(151)	185	(130)	(512)	(483)
Net investment income (2)	547	541	570	713	506	1,658	1,682
Pre-tax operating income	392	335	419	898	376	1,146	1,199
Adjustments to arrive at pre-tax income:							
Net realized capital gains	92	127	142	167	50	361	213
Legal settlements (5)	19	-	8	10	-	27	3
Other income (expense) - net	-	8	-	(79)	(3)	8	7
Pre-tax income	\$ 503	\$ 470	\$ 569	\$ 996	\$ 423	\$ 1,542	\$ 1,422
Noteworthy items (pre-tax):							
Reinstatement premiums related to prior year catastrophes	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	13	65	16	248	(2)	94	79
Net reserve discount benefit (charge)	(16)	(31)	(21)	647	(6)	(68)	(16)
Net loss and loss expense reserve (at period end)	\$ 3,095	\$ 3,156	\$ 3,271	\$ 3,475	\$ 3,970	\$ 3,095	\$ 3,970

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net premiums written	\$ 4,387	\$ 4,685	\$ 3,615	\$ 4,063	\$ 4,364	\$ 12,687	\$ 12,859
Net premiums earned	4,268	4,195	4,100	4,343	4,278	12,563	12,738
Claims and claims adjustment expenses incurred	3,290	3,098	3,041	3,153	3,167	9,429	9,452
Acquisition expenses	634	628	632	678	666	1,894	1,998
General operating expenses	461	454	461	518	474	1,376	1,293
Underwriting income (loss)	(117)	15	(34)	(6)	(29)	(136)	(5)
Net investment income							
Interest and dividends	813	782	769	824	858	2,364	2,419
Alternative investments (3)	195	178	265	300	77	638	567
Other investment income (4)	80	97	44	99	79	221	277
Investment expense	(32)	(27)	(35)	(30)	(13)	(94)	(109)
Total	1,056	1,030	1,043	1,193	1,001	3,129	3,154
Pre-tax operating income	939	1,045	1,009	1,187	972	2,993	3,149
Adjustments to arrive at pre-tax income:							
Net realized capital gains (losses)	(11)	42	58	(22)	(21)	89	(40)
Legal settlements (5)	19	-	8	10	-	27	3
Other income (expense) - net	-	8	-	(79)	(3)	8	7
Pre-tax income	\$ 947	\$ 1,095	\$ 1,075	\$ 1,096	\$ 948	\$ 3,117	\$ 3,119
Underwriting ratios:							
Loss ratio	77.1	73.8	74.2	72.6	74.0	75.1	74.2
Catastrophe losses and reinstatement premiums	(4.1)	(3.0)	(4.0)	(2.4)	(3.3)	(3.7)	(2.9)
Prior year development net of premium adjustments	(6.3)	(2.7)	(1.8)	(6.6)	(2.7)	(3.7)	(2.5)
Net reserve discount benefit (charge)	-	(0.4)	2.6	7.5	(0.1)	0.8	(0.1)
Accident year loss ratio, as adjusted	66.7	67.7	71.0	71.1	67.9	68.5	68.7
Acquisition ratio	14.9	15.0	15.4	15.6	15.6	15.1	15.7
General operating expense ratio	10.8	10.8	11.2	11.9	11.1	11.0	10.2
Expense ratio	25.7	25.8	26.6	27.5	26.7	26.1	25.9
Combined ratio	102.8	99.6	100.8	100.1	100.7	101.2	100.1
Catastrophe losses and reinstatement premiums	(4.1)	(3.0)	(4.0)	(2.4)	(3.3)	(3.7)	(2.9)
Prior year development net of premium adjustments	(6.3)	(2.7)	(1.8)	(6.6)	(2.7)	(3.7)	(2.5)
Net reserve discount benefit (charge)	-	(0.4)	2.6	7.5	(0.1)	0.8	(0.1)
Accident year combined ratio, as adjusted	92.4	93.5	97.6	98.6	94.6	94.6	94.6
Noteworthy items (pre-tax):							
Catastrophe-related losses (7)	\$ 174	\$ 126	\$ 164	\$ 107	\$ 141	\$ 464	\$ 370
Reinstatement premiums related to prior year catastrophes	-	1	-	(3)	2	1	25
Severe losses (8)	62	62	83	118	45	207	68
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	332	162	68	290	120	562	372
(Additional) returned premium related to prior year development	(93)	(68)	4	(6)	(3)	(157)	(83)
Prior year reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	239	94	72	284	117	405	289
Net reserve discount benefit (charge)	\$ -	\$ (15)	\$ 105	\$ 325	\$ (4)	\$ 90	\$ (10)

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Commercial Insurance							
Net premiums written	\$ 3,500	\$ 3,874	\$ 2,766	\$ 3,287	\$ 3,414	\$ 10,140	\$ 10,271
Net premiums earned	3,424	3,339	3,262	3,466	3,384	10,025	10,090
Claims and claims adjustment expenses incurred	2,779	2,504	2,408	2,896	2,543	7,691	7,640
Acquisition expenses	465	447	460	495	480	1,372	1,492
General operating expenses	293	307	304	354	336	904	876
Underwriting income (loss)	(113)	81	90	(279)	25	58	82
Net investment income	522	519	503	506	510	1,544	1,551
Pre-tax operating income	\$ 409	\$ 600	\$ 593	\$ 227	\$ 535	\$ 1,602	\$ 1,633
Underwriting ratios:							
Loss ratio	81.2	75.0	73.8	83.6	75.1	76.7	75.7
Catastrophe losses and reinstatement premiums	(5.1)	(3.5)	(3.8)	(3.0)	(3.5)	(4.1)	(3.4)
Prior year development net of premium adjustments	(7.8)	(1.2)	(2.5)	(1.8)	(4.2)	(3.9)	(3.4)
Net reserve discount benefit (charge)	0.5	0.5	3.9	(9.3)	-	1.6	-
Accident year loss ratio, as adjusted	68.8	70.8	71.4	69.5	67.4	70.3	68.9
Acquisition ratio	13.6	13.4	14.1	14.3	14.2	13.7	14.8
General operating expense ratio	8.6	9.2	9.3	10.2	9.9	9.0	8.7
Expense ratio	22.2	22.6	23.4	24.5	24.1	22.7	23.5
Combined ratio	103.4	97.6	97.2	108.1	99.2	99.4	99.2
Catastrophe losses and reinstatement premiums	(5.1)	(3.5)	(3.8)	(3.0)	(3.5)	(4.1)	(3.4)
Prior year development net of premium adjustments	(7.8)	(1.2)	(2.5)	(1.8)	(4.2)	(3.9)	(3.4)
Net reserve discount benefit (charge)	0.5	0.5	3.9	(9.3)	-	1.6	-
Accident year combined ratio, as adjusted	91.0	93.4	94.8	94.0	91.5	93.0	92.4
Consumer Insurance							
Net premiums written	\$ 883	\$ 821	\$ 849	\$ 779	\$ 953	\$ 2,553	\$ 2,592
Net premiums earned	835	848	826	847	880	2,509	2,598
Claims and claims adjustment expenses incurred	477	488	581	528	603	1,546	1,664
Acquisition expenses	169	181	172	183	186	522	506
General operating expenses	125	107	113	134	100	345	297
Underwriting income (loss)	64	72	(40)	2	(9)	96	131
Net investment income	39	35	36	39	38	110	114
Pre-tax operating income (loss)	\$ 103	\$ 107	\$ (4)	\$ 41	\$ 29	\$ 206	\$ 245
Underwriting ratios:							
Loss ratio	57.1	57.5	70.3	62.3	68.5	61.6	64.0
Catastrophe losses and reinstatement premiums	(0.1)	(1.1)	(4.9)	(0.4)	(2.2)	(2.1)	(1.1)
Prior year development net of premium adjustments	0.6	(0.6)	3.4	3.3	2.2	1.2	3.3
Accident year loss ratio, as adjusted	57.6	55.8	68.8	65.2	68.5	60.7	66.2
Acquisition ratio	20.2	21.3	20.8	21.6	21.2	20.8	19.4
General operating expense ratio	15.0	12.6	13.7	15.8	11.4	13.8	11.4
Expense ratio	35.2	33.9	34.5	37.4	32.6	34.6	30.8
Combined ratio	92.3	91.4	104.8	99.7	101.1	96.2	94.8
Catastrophe losses and reinstatement premiums	(0.1)	(1.1)	(4.9)	(0.4)	(2.2)	(2.1)	(1.1)
Prior year development net of premium adjustments	0.6	(0.6)	3.4	3.3	2.2	1.2	3.3
Accident year combined ratio, as adjusted	92.8	89.7	103.3	102.6	101.1	95.3	97.0
Other North America							
Net premiums written	\$ 4	\$ (10)	\$ -	\$ (3)	\$ (3)	\$ (6)	\$ (4)
Net premiums earned	9	8	12	30	14	29	50
Claims and claims adjustment expenses incurred	34	106	52	(271)	21	192	148
General operating expenses	43	40	44	30	38	127	120
Underwriting income (loss)	(68)	(138)	(84)	271	(45)	(290)	(218)
Net investment income	495	476	504	648	453	1,475	1,489
Pre-tax operating income	427	338	420	919	408	1,185	1,271
Adjustments to arrive at pre-tax income:							
Net realized capital gains (losses)	(11)	42	58	(22)	(21)	89	(40)
Legal settlements (5)	19	-	8	10	-	27	3
Other income (expense) - net	-	8	-	(79)	(3)	8	7
Pre-tax income	\$ 435	\$ 388	\$ 486	\$ 828	\$ 384	\$ 1,309	\$ 1,241
Total AIG Property Casualty - North America							
Net premiums written	\$ 4,387	\$ 4,685	\$ 3,615	\$ 4,063	\$ 4,364	\$ 12,687	\$ 12,859
Net premiums earned	4,268	4,195	4,100	4,343	4,278	12,563	12,738
Claims and claims adjustment expenses incurred	3,290	3,098	3,041	3,153	3,167	9,429	9,452
Acquisition expenses	634	628	632	678	666	1,894	1,998
General operating expenses	461	454	461	518	474	1,376	1,293
Underwriting income (loss)	(117)	15	(34)	(6)	(29)	(136)	(5)
Net investment income	1,056	1,030	1,043	1,193	1,001	3,129	3,154
Pre-tax operating income	939	1,045	1,009	1,187	972	2,993	3,149
Adjustments to arrive at pre-tax income:							
Net realized capital gains (losses)	(11)	42	58	(22)	(21)	89	(40)
Legal settlements (5)	19	-	8	10	-	27	3
Other income (expense) - net	-	8	-	(79)	(3)	8	7
Pre-tax income	\$ 947	\$ 1,095	\$ 1,075	\$ 1,096	\$ 948	\$ 3,117	\$ 3,119

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net premiums written	\$ 4,566	\$ 4,528	\$ 4,719	\$ 3,965	\$ 4,296	\$ 13,813	\$ 13,501
Net premiums earned	4,362	4,336	4,130	4,278	4,149	12,828	12,594
Claims and claims adjustment expenses incurred (1)	2,549	2,413	2,480	2,725	2,502	7,442	7,309
Acquisition expenses	1,040	1,026	1,007	1,004	998	3,073	3,025
General operating expenses	825	811	706	873	754	2,342	2,380
Underwriting income (loss)	(52)	86	(63)	(324)	(105)	(29)	(120)
Net investment income:							
Interest and dividends	201	205	189	217	213	595	664
Alternative investments (3)	(1)	10	4	3	(8)	13	-
Other investment income (4)	20	24	31	20	24	75	76
Investment expense	(11)	(15)	(11)	(13)	(17)	(37)	(47)
Total	209	224	213	227	212	646	693
Pre-tax operating income (loss)	157	310	150	(97)	107	617	573
Adjustments to arrive at pre-tax income:							
Net realized capital gains	103	85	84	189	71	272	253
Pre-tax income	\$ 260	\$ 395	\$ 234	\$ 92	\$ 178	\$ 889	\$ 826
Underwriting ratios:							
Loss ratio	58.4	55.7	60.0	63.7	60.3	58.0	58.0
Catastrophe losses and reinstatement premiums	(2.5)	(0.3)	(2.3)	(2.4)	(1.9)	(1.7)	(1.6)
Prior year development net of premium adjustments	0.3	2.4	(2.2)	0.4	1.1	0.2	0.9
Net reserve discount benefit (charge)	-	-	-	-	(0.1)	-	(0.1)
Accident year loss ratio, as adjusted	56.2	57.8	55.5	61.7	59.4	56.5	57.2
Acquisition ratio	23.8	23.7	24.4	23.5	24.1	24.0	24.0
General operating expense ratio	18.9	18.7	17.1	20.4	18.2	18.3	18.9
Expense ratio	42.7	42.4	41.5	43.9	42.3	42.3	42.9
Combined ratio	101.1	98.1	101.5	107.6	102.6	100.3	100.9
Catastrophe losses and reinstatement premiums	(2.5)	(0.3)	(2.3)	(2.4)	(1.9)	(1.7)	(1.6)
Prior year development net of premium adjustments	0.3	2.4	(2.2)	0.4	1.1	0.2	0.9
Net reserve discount benefit (charge)	-	-	-	-	(0.1)	-	(0.1)
Accident year combined ratio, as adjusted	98.9	100.2	97.0	105.6	101.7	98.8	100.1
Foreign exchange effect on International's premium:							
Change in net premiums written							
Increase (decrease) in original currency (6)	7.5 %	5.5 %	4.6 %	10.2 %	7.0 %	5.8 %	4.9 %
Foreign exchange effect	(1.2)	(2.2)	(6.7)	(11.3)	(9.4)	(3.5)	(6.6)
Increase (decrease) as reported in U.S. \$	6.3 %	3.3 %	(2.1) %	(1.1) %	(2.4) %	2.3 %	(1.7) %
Noteworthy items (pre-tax):							
Catastrophe-related losses (7)	\$ 108	\$ 13	\$ 98	\$ 101	\$ 81	\$ 219	\$ 209
Reinstatement premiums related to catastrophes	2	-	-	-	-	2	-
Reinstatement premiums related to prior year catastrophes	(1)	-	-	3	-	(1)	2
Severe losses (8)	126	131	103	159	166	360	241
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(12)	(108)	90	(18)	(47)	(30)	(117)
Net reserve discount benefit (charge)	\$ -	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ (6)

See Accompanying Notes on Page 22



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Commercial Insurance							
Net premiums written	\$ 1,996	\$ 1,942	\$ 2,230	\$ 1,554	\$ 1,808	\$ 6,168	\$ 5,730
Net premiums earned	1,920	1,926	1,780	1,828	1,758	5,626	5,253
Claims and claims adjustment expenses incurred	1,189	1,060	1,093	1,226	1,149	3,342	3,066
Acquisition expenses	356	365	358	355	332	1,079	987
General operating expenses	316	343	306	370	310	965	982
Underwriting income (loss)	59	158	23	(123)	(33)	240	218
Net investment income	105	105	97	108	108	307	335
Pre-tax operating income (loss)	\$ 164	\$ 263	\$ 120	\$ (15)	\$ 75	\$ 547	\$ 553
Underwriting ratios:							
Loss ratio	61.9	55.0	61.4	67.1	65.4	59.4	58.4
Catastrophe losses and reinstatement premiums	(4.6)	(0.2)	(3.4)	(4.8)	(3.5)	(2.7)	(3.5)
Prior year development net of premium adjustments	0.7	4.3	(4.3)	0.8	2.1	0.3	1.7
Accident year loss ratio, as adjusted	58.0	59.1	53.7	63.1	64.0	57.0	56.6
Acquisition ratio	18.5	19.0	20.1	19.4	18.9	19.2	18.8
General operating expense ratio	16.5	17.8	17.2	20.2	17.6	17.2	18.8
Expense ratio	35.0	36.8	37.3	39.6	36.5	36.4	37.6
Combined ratio	96.9	91.8	98.7	106.7	101.9	95.8	96.0
Catastrophe losses and reinstatement premiums	(4.6)	(0.2)	(3.4)	(4.8)	(3.5)	(2.7)	(3.5)
Prior year development net of premium adjustments	0.7	4.3	(4.3)	0.8	2.1	0.3	1.7
Accident year combined ratio, as adjusted	93.0	95.9	91.0	102.7	100.5	93.4	94.2
Consumer Insurance							
Net premiums written	\$ 2,571	\$ 2,586	\$ 2,489	\$ 2,410	\$ 2,488	\$ 7,646	\$ 7,771
Net premiums earned	2,436	2,405	2,346	2,449	2,390	7,187	7,335
Claims and claims adjustment expenses incurred	1,332	1,326	1,363	1,464	1,319	4,021	4,143
Acquisition expenses	684	661	649	649	666	1,994	2,038
General operating expenses	444	422	353	451	392	1,219	1,227
Underwriting income (loss)	(24)	(4)	(19)	(115)	13	(47)	(73)
Net investment income	52	54	50	54	51	156	165
Pre-tax operating income (loss)	\$ 28	\$ 50	\$ 31	\$ (61)	\$ 64	\$ 109	\$ 92
Underwriting ratios:							
Loss ratio	54.7	55.1	58.1	59.8	55.2	55.9	56.5
Catastrophe losses and reinstatement premiums	(0.9)	(0.3)	(1.6)	(0.7)	(0.8)	(0.9)	(0.4)
Prior year development net of premium adjustments	0.3	0.9	(0.6)	0.1	0.4	0.2	0.5
Accident year loss ratio, as adjusted	54.1	55.7	55.9	59.2	54.8	55.2	56.6
Acquisition ratio	28.1	27.5	27.7	26.5	27.9	27.7	27.8
General operating expense ratio	18.2	17.5	15.0	18.4	16.4	17.0	16.7
Expense ratio	46.3	45.0	42.7	44.9	44.3	44.7	44.5
Combined ratio	101.0	100.1	100.8	104.7	99.5	100.6	101.0
Catastrophe losses and reinstatement premiums	(0.9)	(0.3)	(1.6)	(0.7)	(0.8)	(0.9)	(0.4)
Prior year development net of premium adjustments	0.3	0.9	(0.6)	0.1	0.4	0.2	0.5
Accident year combined ratio, as adjusted	100.4	100.7	98.6	104.1	99.1	99.9	101.1
Other International							
Net premiums written	\$ (1)	\$ -	\$ -	\$ 1	\$ -	\$ (1)	\$ -
Net premiums earned	6	5	4	1	1	15	6
Claims and claims adjustment expenses incurred	28	27	24	35	34	79	100
General operating expenses	65	46	47	52	52	158	171
Underwriting loss	(87)	(68)	(67)	(86)	(85)	(222)	(265)
Net investment income	52	65	66	65	53	183	193
Pre-tax operating loss	(35)	(3)	(1)	(21)	(32)	(39)	(72)
Adjustments to arrive at pre-tax income:							
Net realized capital gains	103	85	84	189	71	272	253
Pre-tax income	\$ 68	\$ 82	\$ 83	\$ 168	\$ 39	\$ 233	\$ 181
Total AIG Property Casualty International							
Net premiums written	\$ 4,566	\$ 4,528	\$ 4,719	\$ 3,965	\$ 4,296	\$ 13,813	\$ 13,501
Net premiums earned	4,362	4,336	4,130	4,278	4,149	12,828	12,594
Claims and claims adjustment expenses incurred	2,549	2,413	2,480	2,725	2,502	7,442	7,309
Acquisition expenses	1,040	1,026	1,007	1,004	998	3,073	3,025
General operating expenses	825	811	706	873	754	2,342	2,380
Underwriting income (loss)	(52)	86	(63)	(324)	(105)	(29)	(120)
Net investment income	209	224	213	227	212	646	693
Pre-tax operating income (loss)	157	310	150	(97)	107	617	573
Adjustment to arrive at pre-tax income:							
Net realized capital gains	103	85	84	189	71	272	253
Pre-tax income	\$ 260	\$ 395	\$ 234	\$ 92	\$ 178	\$ 889	\$ 826



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

By Line of Business:	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Commercial							
Casualty	\$ 1,964	\$ 2,004	\$ 2,012	\$ 1,867	\$ 1,924	\$ 5,980	\$ 6,278
Property	1,480	1,731	928	905	1,350	4,139	3,803
Specialty	907	907	994	978	898	2,808	2,752
Financial lines	1,145	1,174	1,062	1,091	1,050	3,381	3,168
Total Commercial	5,496	5,816	4,996	4,841	5,222	16,308	16,001
Consumer							
Personal lines	1,804	1,785	1,677	1,657	1,790	5,266	5,274
Accident & Health	1,650	1,622	1,661	1,532	1,651	4,933	5,089
Total Consumer	3,454	3,407	3,338	3,189	3,441	10,199	10,363
Other	3	(10)	-	(2)	(3)	(7)	(4)
Total net premiums written	\$ 8,953	\$ 9,213	\$ 8,334	\$ 8,028	\$ 8,660	\$ 26,500	\$ 26,360
By Region:							
Americas							
Commercial	\$ 3,637	\$ 4,018	\$ 2,890	\$ 3,415	\$ 3,548	\$ 10,545	\$ 10,627
Consumer	1,019	965	982	921	1,085	2,966	2,990
Other	4	(10)	-	(2)	(3)	(6)	(4)
Total Americas	4,660	4,973	3,872	4,334	4,630	13,505	13,613
EMEA							
Commercial	1,271	1,302	1,645	941	1,151	4,218	3,834
Consumer	481	510	607	460	456	1,598	1,515
Total EMEA	1,752	1,812	2,252	1,401	1,607	5,816	5,349
Asia Pacific							
Commercial	588	496	461	485	523	1,545	1,540
Consumer	1,954	1,932	1,749	1,808	1,900	5,635	5,858
Other	(1)	-	-	-	-	(1)	-
Total Asia Pacific	2,541	2,428	2,210	2,293	2,423	7,179	7,398
Total net premiums written	\$ 8,953	\$ 9,213	\$ 8,334	\$ 8,028	\$ 8,660	\$ 26,500	\$ 26,360



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Alternative investment income (3)							
Private equity	\$ 118	\$ 121	\$ 170	\$ 131	\$ 73	\$ 409	\$ 291
Hedge funds	76	67	99	172	(4)	242	276
Total alternative investment income	\$ 194	\$ 188	\$ 269	\$ 303	\$ 69	\$ 651	\$ 567
Average alternative investment assets							
Private equity	\$ 3,930	\$ 3,896	\$ 3,923	\$ 3,787	\$ 3,727	\$ 3,927	\$ 3,798
Hedge funds	4,064	3,988	4,005	3,853	3,643	4,035	3,352
Total average alternative investment assets	\$ 7,994	\$ 7,884	\$ 7,928	\$ 7,640	\$ 7,370	\$ 7,962	\$ 7,150
Annualized yields on book value							
Private equity	12.01%	12.42%	17.33%	13.84%	7.83%	13.89%	10.22%
Hedge funds	7.48%	6.72%	9.89%	17.86%	(0.44)%	8.00%	10.98%
Total annualized yield	9.71%	9.54%	13.57%	15.86%	3.75%	10.90%	10.57%

See Accompanying Notes on Page 22



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 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					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 9,662	\$ 7,360	\$ 7,129	\$ 8,042	\$ 8,422	\$ 24,151	\$ 20,767
Revenues:							
Premiums	\$ 599	\$ 700	\$ 597	\$ 606	\$ 721	\$ 1,896	\$ 1,990
Policy fees (2)	743	701	692	652	645	2,136	1,883
Net investment income:							
Base portfolio (3)	2,224	2,238	2,299	2,263	2,242	6,761	6,767
Alternative investments (4)	290	252	540	505	137	1,082	1,062
Other enhancements (5)	100	71	(22)	105	88	149	152
Total net investment income	2,614	2,561	2,817	2,873	2,467	7,992	7,981
Advisory fee and other income	502	498	460	454	443	1,460	1,255
Total revenues excluding net realized capital gains (losses)	4,458	4,460	4,566	4,585	4,276	13,484	13,109
Benefits and expenses:							
Policyholder benefits and claims incurred	1,294	1,239	1,145	1,141	1,316	3,678	3,597
Interest credited to policyholder account balances	881	962	953	978	924	2,796	2,912
Amortization of deferred policy acquisition costs	59	209	214	184	76	482	466
Non deferrable commissions	114	105	116	121	117	335	352
General operating expenses	434	432	424	456	412	1,290	1,263
Commissions and advisory fee expenses	328	333	297	299	287	958	830
Total benefits and expenses	3,110	3,280	3,149	3,179	3,132	9,539	9,420
Pre-tax operating income (6)	1,348	1,180	1,417	1,406	1,144	3,945	3,689
Adjustments to arrive at pre-tax income:							
Legal settlements (7)	479	12	30	553	-	521	467
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	32	54	76	(33)	(30)	162	(128)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(33)	(41)	30	(4)	(271)	(44)	(1,482)
Net realized capital gains (losses)	105	44	(321)	53	398	(172)	1,984
Pre-tax income	\$ 1,931	\$ 1,249	\$ 1,232	\$ 1,975	\$ 1,241	\$ 4,412	\$ 4,530
Investment yield:							
Base portfolio (8)	5.11%	5.17%	5.32%	5.29%	5.26%	5.20%	5.30%
Alternative investments (9)	0.33%	0.25%	0.88%	0.80%	0.00%	0.48%	0.49%
Other enhancements (10)	0.14%	0.06%	(0.11)%	0.18%	0.15%	0.03%	0.08%
Total	5.58%	5.48%	6.09%	6.27%	5.41%	5.71%	5.87%
Gross life insurance in force, end of period	\$ 924,523	\$ 918,600	\$ 915,261	\$ 914,033	\$ 911,849	\$ 924,523	\$ 911,849
Assets under management:							
General account	\$ 200,784	\$ 202,366	\$ 198,946	\$ 195,621	\$ 195,019	\$ 200,784	\$ 195,019
Separate accounts	77,799	75,706	72,581	71,048	65,948	77,799	65,948
Group retirement and retail mutual funds	27,739	28,632	27,488	26,743	24,152	27,739	24,152
Stable value wraps (11)	27,656	26,108	25,411	24,565	19,280	27,656	19,280
Total assets under management	\$ 333,978	\$ 332,812	\$ 324,426	\$ 317,977	\$ 304,399	\$ 333,978	\$ 304,399

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits: (1)							
Fixed Annuities	\$ 692	\$ 1,061	\$ 960	\$ 995	\$ 1,188	\$ 2,713	\$ 1,919
Retirement Income Solutions	2,887	2,570	2,173	2,502	2,460	7,630	6,106
Retail Mutual Funds	598	896	1,162	1,274	1,633	2,656	3,682
Group Retirement	1,686	1,640	1,708	1,968	1,838	5,034	5,283
Total premiums and deposits	5,863	6,167	6,003	6,739	7,119	18,033	16,990
Surrenders and withdrawals:							
Fixed Annuities	(834)	(880)	(873)	(933)	(774)	(2,587)	(2,619)
Retirement Income Solutions	(770)	(797)	(758)	(775)	(703)	(2,325)	(2,232)
Retail Mutual Funds	(913)	(743)	(922)	(602)	(514)	(2,578)	(1,574)
Group Retirement	(2,615)	(1,902)	(1,647)	(1,744)	(1,872)	(6,164)	(5,507)
Total surrenders and withdrawals	(5,132)	(4,322)	(4,200)	(4,054)	(3,863)	(13,654)	(11,932)
Death and other contract benefits:							
Fixed Annuities	(591)	(605)	(502)	(515)	(518)	(1,698)	(1,667)
Retirement Income Solutions	(165)	(168)	(146)	(136)	(119)	(479)	(373)
Group Retirement	(132)	(133)	(139)	(141)	(125)	(404)	(351)
Total death and other contract benefits	(888)	(906)	(787)	(792)	(762)	(2,581)	(2,391)
Net flows: (12)							
Fixed Annuities	(733)	(424)	(415)	(453)	(104)	(1,572)	(2,367)
Retirement Income Solutions	1,952	1,605	1,269	1,591	1,638	4,826	3,501
Retail Mutual Funds	(315)	153	240	672	1,119	78	2,108
Group Retirement	(1,061)	(395)	(78)	83	(159)	(1,534)	(575)
Total net flows	\$ (157)	\$ 939	\$ 1,016	\$ 1,893	\$ 2,494	\$ 1,798	\$ 2,667

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Alternative investment income (4)							
Private equity	\$ 94	\$ 151	\$ 221	\$ 153	\$ 60	\$ 466	\$ 338
Hedge funds	137	33	258	275	46	428	571
Total private equity and hedge funds	231	184	479	428	106	894	909
Affordable housing partnerships	59	68	61	77	31	188	153
Total alternative investment income	\$ 290	\$ 252	\$ 540	\$ 505	\$ 137	\$ 1,082	\$ 1,062
Average alternative investment assets							
Private equity	\$ 3,106	\$ 3,162	\$ 3,244	\$ 3,413	\$ 3,526	\$ 3,170	\$ 3,614
Hedge funds	5,832	5,870	5,650	5,187	4,904	5,785	4,492
Total private equity and hedge funds	8,938	9,032	8,894	8,600	8,430	8,955	8,106
Affordable housing partnerships	1,335	1,386	1,467	1,543	1,626	1,396	1,753
Total average alternative investment assets	\$ 10,273	\$ 10,418	\$ 10,361	\$ 10,143	\$ 10,056	\$ 10,351	\$ 9,859
Annualized yields on book value							
Private equity	12.11%	19.16%	27.19%	17.91%	6.82%	19.60%	12.49%
Hedge funds	9.41%	2.21%	18.27%	21.17%	3.73%	9.86%	16.95%
Total private equity and hedge funds	10.35%	8.15%	21.52%	19.90%	5.03%	13.31%	14.95%
Affordable housing partnerships	17.50%	19.73%	16.76%	20.11%	7.70%	17.98%	11.58%
Total annualized yield	11.28%	9.69%	20.85%	19.91%	5.45%	13.94%	14.36%

See Accompanying Notes on Pages 39 and 40



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

Quarterly

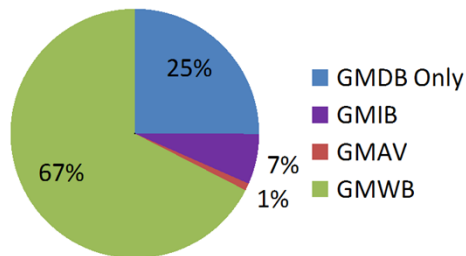
Account value by benefit type

- Guaranteed Minimum Death Benefits (GMDB) only (a)
- Guaranteed Minimum Income Benefits (GMIB) (b)
- Guaranteed Minimum Account Value (GMAV) (c)
- Guaranteed Minimum Withdrawal Benefits (GMWB) (d)

	3Q14	2Q14	1Q14	4Q13	3Q13
Guaranteed Minimum Death Benefits (GMDB) only (a)	\$ 63,709	\$ 64,604	\$ 63,358	\$ 62,868	\$ 59,776
Guaranteed Minimum Income Benefits (GMIB) (b)	2,844	2,971	2,996	3,081	2,994
Guaranteed Minimum Account Value (GMAV) (c)	359	441	523	627	682
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	32,913	31,709	29,424	27,924	25,080
Liability by benefit type					
Guaranteed Minimum Death Benefits (GMDB) (a)	\$ 395	\$ 359	\$ 356	\$ 355	\$ 355
Guaranteed Minimum Income Benefits (GMIB) (b)	23	37	39	43	42
Guaranteed Minimum Account Value (GMAV) (c)	5	5	6	8	14
Guaranteed Minimum Withdrawal Benefits (GMWB) (d) (e)	540	388	393	(45)	94

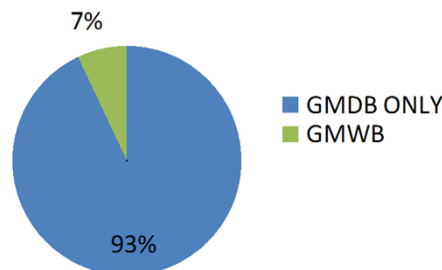
- (a) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. Each of these benefits may be subject to a maximum amount based on age of owner or dollar 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 3Q14 is primarily due to decreasing interest rates, update of assumptions to more accurately reflect product features and mortality experience (unlocking) and mutual fund basis risk, partially offset by widening spreads used for non-performance spread adjustment. 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	10.8
GMIB	2.8
GMAV	0.4
GMWB	28.9
Total	42.9

Group Retirement



Type of Benefit	Account Value (\$B)
GMDB ONLY	52.9
GMWB	4.0
Total	56.9



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 5,004	\$ 5,386	\$ 5,141	\$ 5,627	\$ 6,133	\$ 15,531	\$ 14,285
Revenues:							
Premiums	\$ 371	\$ 431	\$ 387	\$ 372	\$ 403	\$ 1,189	\$ 1,150
Policy fees	576	542	536	513	509	1,654	1,487
Net investment income:							
Base portfolio (3)	1,315	1,323	1,374	1,347	1,327	4,012	3,986
Alternative investments (4)	142	107	255	251	63	504	525
Other enhancements (5)	69	34	(1)	65	55	102	101
Total net investment income	1,526	1,464	1,628	1,663	1,445	4,618	4,612
Advisory fee and other income	456	454	425	419	409	1,335	1,156
Total revenues excluding net realized capital gains (losses)	2,929	2,891	2,976	2,967	2,766	8,796	8,405
Benefits and expenses:							
Policyholder benefits and claims incurred	857	753	718	683	765	2,328	2,089
Interest credited to policyholder account balances	492	565	563	579	503	1,620	1,698
Amortization of deferred policy acquisition costs	79	190	193	198	2	462	342
Non deferrable commissions	74	63	75	75	72	212	213
General operating expenses	301	307	298	317	295	906	905
Commissions and advisory fee expenses	323	329	295	295	283	947	821
Total benefits and expenses	2,126	2,207	2,142	2,147	1,920	6,475	6,068
Pre-tax operating income (6)	803	684	834	820	846	2,321	2,337
Adjustments to arrive at pre-tax income:							
Legal settlements (7)	300	8	20	350	-	328	297
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense							
benefit liabilities, net of interest expense	32	54	76	(33)	(30)	162	(128)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(32)	(27)	41	7	(23)	(18)	(144)
Net realized capital gains (losses)	57	19	(306)	105	148	(230)	752
Pre-tax income	\$ 1,160	\$ 738	\$ 665	\$ 1,249	\$ 941	\$ 2,563	\$ 3,114

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 814	\$ 844	\$ 833	\$ 853	\$ 830	\$ 2,491	\$ 2,522
Revenues:							
Premiums	328	341	336	308	335	1,005	1,039
Policy fees	357	342	343	334	341	1,042	1,010
Net investment income:							
Base portfolio (3)	433	437	467	449	451	1,337	1,348
Alternative investments (4)	42	32	70	71	19	144	150
Other enhancements (5)	22	11	(7)	11	14	26	28
Total net investment income	497	480	530	531	484	1,507	1,526
Advisory fee and other income	1	-	-	-	-	1	1
Total revenues excluding net realized capital gains (losses)	1,183	1,163	1,209	1,173	1,160	3,555	3,576
Benefits and expenses:							
Policyholder benefits and claims incurred	763	607	625	572	667	1,995	1,878
Interest credited to policyholder account balances	120	120	120	120	122	360	397
Amortization of deferred policy acquisition costs	90	78	74	79	89	242	258
Non deferrable commissions	26	20	31	29	28	77	83
General operating expenses	155	160	151	160	147	466	443
Total benefits and expenses	1,154	985	1,001	960	1,053	3,140	3,059
Pre-tax operating income (6)	\$ 29	\$ 178	\$ 208	\$ 213	\$ 107	\$ 415	\$ 517
Gross life insurance in force, end of period	\$ 829,694	\$ 823,763	\$ 820,621	\$ 819,769	\$ 818,384	\$ 829,694	\$ 818,384
Reserves:							
Policyholder benefits for life and accident & health insurance contracts	\$ 12,278	\$ 12,111	\$ 12,019	\$ 11,921	\$ 11,846	\$ 12,278	\$ 11,846
Policyholder contract deposits	13,716	13,663	13,646	13,624	13,577	13,716	13,577
Separate account reserves	706	731	718	716	679	706	679
Total reserves	\$ 26,700	\$ 26,505	\$ 26,383	\$ 26,261	\$ 26,102	\$ 26,700	\$ 26,102

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Life Insurance and A&H CPPE sales: (14)							
Term	\$ 28	\$ 24	\$ 23	\$ 25	\$ 25	\$ 75	\$ 73
Universal life	26	30	30	38	34	86	95
Other life	1	1	2	1	2	4	6
Single premium and unscheduled deposits	1	3	2	2	1	6	7
A&H	4	4	4	5	6	12	19
Total	\$ 60	\$ 62	\$ 61	\$ 71	\$ 68	\$ 183	\$ 200
Life and A&H sales by distribution channel:							
Retail - Independent	\$ 40	\$ 38	\$ 39	\$ 46	\$ 42	\$ 117	\$ 114
Retail - Affiliated (Career and AIG Direct)	20	24	22	25	26	66	86
Total	\$ 60	\$ 62	\$ 61	\$ 71	\$ 68	\$ 183	\$ 200
Surrender rates: (15)							
Independent distribution	5.1%	5.1%	4.6%	4.6%	4.9%	4.9%	4.8%
Career distribution	7.6%	8.4%	8.4%	8.6%	8.4%	8.1%	8.7%
DAC rollforward:							
Balance at beginning of period	\$ 3,435	\$ 3,496	\$ 3,556	\$ 3,497	\$ 3,464	\$ 3,556	\$ 3,377
Deferrals	68	77	63	70	68	208	216
Operating amortization	(89)	(78)	(74)	(79)	(89)	(241)	(258)
Change from realized gains (losses)	(1)	-	1	(6)	(1)	-	1
Change from unrealized gains (losses)	5	(60)	(50)	74	55	(105)	161
Balance at end of period	\$ 3,418	\$ 3,435	\$ 3,496	\$ 3,556	\$ 3,497	\$ 3,418	\$ 3,497
Reserve rollforward:							
Balance at beginning of period, gross	\$ 27,619	\$ 27,504	\$ 27,390	\$ 27,225	\$ 27,007	\$ 27,390	\$ 26,479
Premiums and deposits	814	844	833	853	830	2,491	2,522
Surrenders and withdrawals	(152)	(163)	(169)	(166)	(168)	(484)	(524)
Death and other contract benefits	(184)	(150)	(150)	(131)	(148)	(484)	(477)
Subtotal	478	531	514	556	514	1,523	1,521
Change in fair value of underlying assets and reserve accretion, net of policy fees	(125)	(115)	(132)	(149)	(101)	(372)	(349)
Cost of funds	120	120	120	120	122	360	397
Other reserve changes	(289)	(421)	(388)	(362)	(317)	(1,098)	(823)
Balance at end of period	27,803	27,619	27,504	27,390	27,225	27,803	27,225
Reinsurance ceded	(1,103)	(1,114)	(1,121)	(1,129)	(1,123)	(1,103)	(1,123)
Total insurance reserves	\$ 26,700	\$ 26,505	\$ 26,383	\$ 26,261	\$ 26,102	\$ 26,700	\$ 26,102

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 703	\$ 1,074	\$ 971	\$ 1,005	\$ 1,208	\$ 2,748	\$ 1,968
Revenues:							
Premiums	\$ 50	\$ 91	\$ 51	\$ 60	\$ 69	\$ 192	\$ 112
Policy fees	3	6	7	7	6	16	21
Net investment income:							
Base portfolio (3)	772	782	807	808	790	2,361	2,407
Alternative investments (4)	72	56	142	139	35	270	300
Other enhancements (5)	41	19	10	47	35	70	62
Total net investment income	885	857	959	994	860	2,701	2,769
Total revenues excluding net realized capital gains (losses)	938	954	1,017	1,061	935	2,909	2,902
Benefits and expenses:							
Policyholder benefits and claims incurred	78	128	90	97	104	296	209
Interest credited to policyholder account balances	332	408	406	425	348	1,146	1,211
Amortization of deferred policy acquisition costs	(60)	71	72	81	(145)	83	2
Non deferrable commissions	6	6	7	7	7	19	17
General operating expenses	37	37	37	38	35	111	107
Total benefits and expenses	393	650	612	648	349	1,655	1,546
Pre-tax operating income (6)	\$ 545	\$ 304	\$ 405	\$ 413	\$ 586	\$ 1,254	\$ 1,356
Reserves:							
Future policyholder benefits	\$ 3,029	\$ 3,151	\$ 3,025	\$ 2,898	\$ 2,889	\$ 3,029	\$ 2,889
Policyholder contract deposits and separate account reserves	53,577	54,004	54,152	54,271	54,418	53,577	54,418
Total reserves	\$ 56,606	\$ 57,155	\$ 57,177	\$ 57,169	\$ 57,307	\$ 56,606	\$ 57,307

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net investment spreads: (a)							
Base yield (8)	5.06%	5.11%	5.25%	5.24%	5.17%	5.14%	5.17%
Alternative investments (9)	0.21%	0.13%	0.51%	0.53%	(0.02)%	0.28%	0.34%
Other enhancements (10)	0.20%	0.04%	0.02%	0.25%	0.18%	0.09%	0.10%
Total yield	5.47%	5.28%	5.78%	6.02%	5.33%	5.51%	5.61%
Cost of funds (b)	2.81%	2.83%	2.85%	2.91%	2.93%	2.83%	2.91%
Net spread rate, as reported	2.66%	2.45%	2.93%	3.11%	2.40%	2.68%	2.70%
Base net investment spread (c)	2.25%	2.28%	2.40%	2.33%	2.24%	2.31%	2.26%
Surrender rates (16)	6.3%	6.7%	6.8%	7.1%	5.9%	6.6%	6.5%
DAC rollforward:							
Balance at beginning of period	\$ 645	\$ 800	\$ 1,017	\$ 1,046	\$ 802	\$ 1,017	\$ 626
Deferrals	17	26	23	24	27	66	43
Operating amortization	60	(70)	(72)	(81)	145	(82)	(2)
Change from realized gains (losses)	(8)	(7)	(23)	(37)	(11)	(38)	(15)
Change from unrealized gains (losses)	141	(104)	(145)	65	83	(108)	394
Balance at end of period	\$ 855	\$ 645	\$ 800	\$ 1,017	\$ 1,046	\$ 855	\$ 1,046
Reserve rollforward:							
Balance at beginning of period, gross	\$ 57,303	\$ 57,414	\$ 57,531	\$ 57,672	\$ 57,449	\$ 57,531	\$ 58,978
Premiums and deposits	703	1,074	971	1,005	1,208	2,748	1,968
Surrenders and withdrawals	(896)	(954)	(967)	(1,019)	(841)	(2,817)	(2,909)
Death and other contract benefits	(650)	(670)	(552)	(577)	(581)	(1,872)	(1,759)
Subtotal	(843)	(550)	(548)	(591)	(214)	(1,941)	(2,700)
Change in fair value of underlying assets and reserve accretion, net of policy fees	28	47	43	42	21	118	106
Cost of funds (b)	377	380	378	392	398	1,135	1,198
Other reserve changes (including loss recognition)	12	12	10	16	18	34	90
Balance at end of period	56,877	57,303	57,414	57,531	57,672	56,877	57,672
Reserves related to unrealized investment appreciation	85	210	124	-	-	85	-
Reinsurance ceded	(356)	(358)	(361)	(362)	(365)	(356)	(365)
Total insurance reserves	\$ 56,606	\$ 57,155	\$ 57,177	\$ 57,169	\$ 57,307	\$ 56,606	\$ 57,307

(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 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 2,889	\$ 2,573	\$ 2,174	\$ 2,502	\$ 2,463	\$ 7,636	\$ 6,115
Revenues:							
Premiums	\$ (8)	\$ -	\$ -	\$ -	\$ -	\$ (8)	\$ -
Policy fees	214	193	185	175	158	592	440
Net investment income:							
Base portfolio (3)	110	104	100	90	86	314	231
Alternative investments (4)	30	19	42	41	9	91	75
Other enhancements (5)	6	3	(4)	8	6	5	11
Total net investment income	146	126	138	139	101	410	317
Advisory fee and other income	58	54	51	50	44	163	121
Total revenues excluding net realized capital gains (losses)	410	373	374	364	303	1,157	878
Benefits and expenses:							
Policyholder benefits and claims incurred	17	18	2	13	(3)	37	3
Interest credited to policyholder account balances	40	37	37	34	31	114	90
Amortization of deferred policy acquisition costs	50	41	47	37	56	138	82
Non deferrable commissions	41	37	37	39	39	115	113
General operating expenses	48	53	52	52	47	153	149
Commissions and advisory fee expenses	3	2	3	3	1	8	6
Total benefits and expenses	199	188	178	178	171	565	443
Pre-tax operating income (6)	\$ 211	\$ 185	\$ 196	\$ 186	\$ 132	\$ 592	\$ 435
General and separate account reserves:							
Policyholder contract deposits and future policy benefits	\$ 9,507	\$ 8,588	\$ 7,947	\$ 7,233	\$ 6,835	\$ 9,507	\$ 6,835
Separate account reserves	37,303	36,712	34,632	33,511	30,599	37,303	30,599
Total general and separate account reserves	\$ 46,810	\$ 45,300	\$ 42,579	\$ 40,744	\$ 37,434	\$ 46,810	\$ 37,434

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net investment spreads:							
Base yield (8)	5.11%	5.09%	5.11%	5.08%	5.23%	5.10%	5.18%
Alternative investments (9)	0.69%	0.30%	1.38%	1.43%	(0.17)%	0.78%	0.83%
Other enhancements (10)	0.12%	(0.01)%	(0.31)%	0.27%	0.25%	(0.06)%	0.18%
Total yield	5.92%	5.38%	6.18%	6.78%	5.31%	5.82%	6.19%
Cost of funds (a)	1.83%	1.87%	1.83%	1.99%	1.73%	1.84%	2.03%
Net spread rate, as reported	4.09%	3.51%	4.35%	4.79%	3.58%	3.98%	4.16%
Base net investment spread (b)	3.28%	3.22%	3.28%	3.09%	3.50%	3.26%	3.15%
Surrender rates (16)	6.8%	7.4%	7.5%	8.1%	8.1%	7.3%	9.0%
DAC rollforward:							
Balance at beginning of period	\$ 1,286	\$ 1,260	\$ 1,174	\$ 1,047	\$ 964	\$ 1,174	\$ 833
Deferrals	163	144	119	147	137	426	349
Operating amortization	(50)	(41)	(47)	(39)	(56)	(138)	(80)
Change from realized gains (losses)	(19)	(19)	65	58	(11)	27	(1)
Change from unrealized gains (losses)	53	(58)	(51)	(39)	13	(56)	(54)
Balance at end of period	\$ 1,433	\$ 1,286	\$ 1,260	\$ 1,174	\$ 1,047	\$ 1,433	\$ 1,047
Reserve rollforward:							
Balance at beginning of period, gross	\$ 45,302	\$ 42,582	\$ 40,748	\$ 37,439	\$ 34,581	\$ 40,748	\$ 31,071
Premiums and deposits	2,889	2,573	2,174	2,502	2,463	7,636	6,115
Surrenders and withdrawals	(786)	(817)	(780)	(796)	(726)	(2,383)	(2,310)
Death and other contract benefits	(171)	(175)	(153)	(135)	(124)	(499)	(391)
Subtotal	1,932	1,581	1,241	1,571	1,613	4,754	3,414
Change in fair value of underlying assets and reserve accretion, net of policy fees	(470)	1,089	559	1,712	1,222	1,178	2,184
Cost of funds (a)	37	35	31	32	26	103	83
Other reserve changes	9	15	3	(6)	(3)	27	687
Balance at end of period	46,810	45,302	42,582	40,748	37,439	46,810	37,439
Reinsurance ceded	-	(2)	(3)	(4)	(5)	-	(5)
Total insurance reserves	\$ 46,810	\$ 45,300	\$ 42,579	\$ 40,744	\$ 37,434	\$ 46,810	\$ 37,434

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 4,658	\$ 1,974	\$ 1,988	\$ 2,415	\$ 2,289	\$ 8,620	\$ 6,482
Revenues:							
Premiums	\$ 228	\$ 269	\$ 210	\$ 234	\$ 318	\$ 707	\$ 840
Policy fees (2)	167	159	156	139	136	482	396
Net investment income:							
Base portfolio (3)	909	915	925	916	915	2,749	2,783
Alternative investments (4)	148	145	285	254	74	578	537
Other enhancements (5)	31	37	(21)	40	33	47	49
Total net investment income	1,088	1,097	1,189	1,210	1,022	3,374	3,369
Advisory fee and other income	46	44	35	35	34	125	99
Total revenues excluding net realized capital gains (losses)	1,529	1,569	1,590	1,618	1,510	4,688	4,704
Benefits and expenses:							
Policyholder benefits and claims incurred	437	486	427	458	551	1,350	1,508
Interest credited to policyholder account balances	389	397	390	399	421	1,176	1,214
Amortization of deferred policy acquisition costs	(20)	19	21	(14)	74	20	124
Non deferrable commissions	40	42	41	46	45	123	139
General operating expenses	133	125	126	139	117	384	358
Commissions and advisory fee expenses	5	4	2	4	4	11	9
Total benefits and expenses	984	1,073	1,007	1,032	1,212	3,064	3,352
Pre-tax operating income (6)	545	496	583	586	298	1,624	1,352
Adjustments to arrive at pre-tax income:							
Legal settlements (7)	179	4	10	203	-	193	170
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(1)	(14)	(11)	(11)	(248)	(26)	(1,338)
Net realized capital gains (losses)	48	25	(15)	(52)	250	58	1,232
Pre-tax income	\$ 771	\$ 511	\$ 567	\$ 726	\$ 300	\$ 1,849	\$ 1,416

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 1,686	\$ 1,640	\$ 1,708	\$ 1,968	\$ 1,838	\$ 5,034	\$ 5,283
Revenues:							
Premiums	\$ 24	\$ 7	\$ 6	\$ 4	\$ 3	\$ 37	\$ 9
Policy fees	112	109	106	105	101	327	295
Net investment income:							
Base portfolio (3)	515	524	531	525	520	1,570	1,537
Alternative investments (4)	55	43	84	86	23	182	184
Other enhancements (5)	30	12	3	28	27	45	50
Total net investment income	600	579	618	639	570	1,797	1,771
Advisory fees and other income	45	44	35	36	34	124	97
Total revenues excluding net realized capital gains (losses)	781	739	765	784	708	2,285	2,172
Benefits and expenses:							
Policyholder benefits and claims incurred	43	14	20	6	9	77	36
Interest credited to policyholder account balances	276	288	284	287	312	848	888
Amortization of deferred policy acquisition costs	(23)	16	18	(17)	69	11	111
Non deferrable commissions	20	19	18	23	16	57	50
General operating expenses	87	89	85	88	79	261	238
Commissions and advisory fee expenses	7	4	1	5	3	12	8
Total benefits and expenses	410	430	426	392	488	1,266	1,331
Pre-tax operating income (6)	\$ 371	\$ 309	\$ 339	\$ 392	\$ 220	\$ 1,019	\$ 841
General and separate account reserves:							
Future policyholder benefits	\$ 485	\$ 456	\$ 458	\$ 456	\$ 463	\$ 485	\$ 463
Policyholder contract deposits	37,963	37,918	37,943	37,738	37,483	37,963	37,483
Separate account reserves	32,687	33,653	32,649	32,277	30,364	32,687	30,364
Total general and separate account reserves	71,135	72,027	71,050	70,471	68,310	71,135	68,310
Group retirement mutual funds	15,471	16,270	15,579	15,126	13,817	15,471	13,817
Total reserves and group retirement mutual funds	\$ 86,606	\$ 88,297	\$ 86,629	\$ 85,597	\$ 82,127	\$ 86,606	\$ 82,127

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Net investment spreads:							
Base yield (8)	4.92%	5.00%	5.11%	5.10%	5.08%	5.01%	5.02%
Alternative investments (9)	0.25%	0.15%	0.55%	0.57%	(0.01)%	0.31%	0.35%
Other enhancements (10)	0.20%	0.02%	(0.03)%	0.21%	0.20%	0.07%	0.13%
Total yield	5.37%	5.17%	5.63%	5.88%	5.27%	5.39%	5.50%
Cost of funds (a)	2.99%	3.03%	3.02%	3.05%	3.08%	3.01%	3.08%
Net spread rate, as reported	2.38%	2.14%	2.61%	2.83%	2.19%	2.38%	2.42%
Base net investment spread (b)	1.93%	1.97%	2.09%	2.05%	2.00%	2.00%	1.94%
Surrender rates (16)	12.0%	8.7%	7.7%	8.3%	9.3%	9.5%	9.3%
DAC rollforward:							
Balance at beginning of period	\$ 758	\$ 833	\$ 900	\$ 846	\$ 856	\$ 900	\$ 769
Deferrals	16	14	19	21	19	49	50
Operating amortization	23	(16)	(18)	17	(69)	(11)	(111)
Change from realized gains (losses)	(1)	(5)	-	(3)	(4)	(6)	(9)
Change from unrealized gains (losses)	49	(68)	(68)	19	44	(87)	147
Balance at end of period	\$ 845	\$ 758	\$ 833	\$ 900	\$ 846	\$ 845	\$ 846
Reserve rollforward:							
Balance at beginning of period, gross	\$ 88,297	\$ 86,629	\$ 85,597	\$ 82,127	\$ 79,364	\$ 85,597	\$ 76,062
Premiums and deposits	1,686	1,640	1,708	1,968	1,838	5,034	5,283
Surrenders and withdrawals	(2,615)	(1,902)	(1,647)	(1,744)	(1,872)	(6,164)	(5,506)
Death and other contract benefits	(132)	(133)	(139)	(141)	(125)	(404)	(350)
Subtotal	(1,061)	(395)	(78)	83	(159)	(1,534)	(573)
Change in fair value of underlying assets and reserve accretion, net of policy fees	(914)	1,778	830	3,102	2,637	1,694	5,661
Cost of funds	284	285	280	285	286	849	847
Other reserve changes	-	-	-	-	(1)	-	130
Total reserves and group retirement mutual funds	\$ 86,606	\$ 88,297	\$ 86,629	\$ 85,597	\$ 82,127	\$ 86,606	\$ 82,127

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Premiums and deposits (1)	\$ 2,840	\$ 195	\$ 147	\$ 294	\$ 293	\$ 3,182	\$ 697
Revenues:							
Premiums	\$ 108	\$ 161	\$ 99	\$ 123	\$ 208	\$ 368	\$ 487
Policy fees (2)	48	45	44	29	28	137	83
Net investment income:							
Base portfolio (3)	363	358	361	358	362	1,082	1,147
Alternative investments (4)	89	101	196	162	50	386	342
Other enhancements (5)	17	42	(5)	30	22	54	51
Total net investment income	469	501	552	550	434	1,522	1,540
Advisory fee and other income	1	-	-	-	-	1	1
Total revenues excluding net realized capital gains (losses)	626	707	695	702	670	2,028	2,111
Benefits and expenses:							
Policyholder benefits and claims incurred	345	410	339	377	467	1,094	1,239
Interest credited to policyholder account balances	105	103	100	105	104	308	308
Amortization of deferred policy acquisition costs	-	1	1	1	1	2	3
Non deferrable commissions	8	9	8	9	9	25	27
General operating expenses	15	14	18	19	14	47	45
Total benefits and expenses	473	537	466	511	595	1,476	1,622
Pre-tax operating income	\$ 153	\$ 170	\$ 229	\$ 191	\$ 75	\$ 552	\$ 489
General and separate account reserves:							
Future policyholder benefits	\$ 19,040	\$ 19,310	\$ 18,636	\$ 18,073	\$ 17,981	\$ 19,040	\$ 17,981
Policyholder contract deposits	9,401	9,560	9,560	9,513	9,527	9,401	9,527
Separate account reserves	7,070	4,576	4,549	4,509	4,277	7,070	4,277
Total general and separate account reserves	\$ 35,511	\$ 33,446	\$ 32,745	\$ 32,095	\$ 31,785	\$ 35,511	\$ 31,785

See Accompanying Notes on Pages 39 and 40



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
DAC rollforward:							
Balance at beginning of period	\$ 20	\$ 21	\$ 22	\$ 22	\$ 21	\$ 22	\$ 18
Deferrals	-	1	1	1	1	2	2
Operating amortization	1	(1)	(1)	(1)	(1)	(1)	(3)
Changes related to unrealized gains (losses)	1	(1)	(1)	-	1	(1)	5
Balance at end of period	\$ 22	\$ 20	\$ 21	\$ 22	\$ 22	\$ 22	\$ 22
Reserve rollforward:							
Balance at beginning of period, gross	\$ 32,386	\$ 32,239	\$ 32,100	\$ 31,791	\$ 32,312	\$ 32,100	\$ 32,242
Premiums and deposits	2,840	195	147	294	293	3,182	697
Surrenders and withdrawals	(343)	(15)	(70)	(99)	(1,103)	(428)	(2,521)
Death and other contract benefits	(365)	(399)	(353)	(326)	(365)	(1,117)	(1,045)
Subtotal	2,132	(219)	(276)	(131)	(1,175)	1,637	(2,869)
Change in fair value of underlying assets and reserve accretion, net of policy fees	184	293	356	339	253	833	817
Cost of funds	105	103	100	104	104	308	309
Other reserve changes (including loss recognition)	(42)	(30)	(41)	(3)	297	(113)	1,292
Balance at end of period	34,765	32,386	32,239	32,100	31,791	34,765	31,791
Reserves related to unrealized investment appreciation	752	1,065	511	-	-	752	-
Reinsurance ceded	(6)	(5)	(5)	(5)	(6)	(6)	(6)
Total insurance reserves	\$ 35,511	\$ 33,446	\$ 32,745	\$ 32,095	\$ 31,785	\$ 35,511	\$ 31,785
Reserves by line of business:							
Structured settlements	\$ 19,072	\$ 19,312	\$ 18,763	\$ 18,234	\$ 18,113	\$ 19,072	\$ 18,113
Terminal funding annuities	3,068	3,112	2,993	2,965	2,988	3,068	2,988
Corporate and bank-owned life insurance	4,803	4,789	4,765	4,755	4,680	4,803	4,680
High net worth products	2,230	2,283	2,277	2,233	2,074	2,230	2,074
Guaranteed investments contracts	3,795	3,950	3,947	3,908	3,930	3,795	3,930
Stable value wrap	2,543	-	-	-	-	2,543	-
Total insurance reserves	\$ 35,511	\$ 33,446	\$ 32,745	\$ 32,095	\$ 31,785	\$ 35,511	\$ 31,785
Stable value wraps - Assets under management (11)	\$ 27,656	\$ 26,108	\$ 25,411	\$ 24,565	\$ 19,280	\$ 27,656	\$ 19,280

See Accompanying Notes on Pages 39 and 40



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 reported on a one-month lag, while private equity funds are generally reported 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 in 3Q14 and 3Q13 included the net effect of adjustments to reflect the annual review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, surrender rates and variable annuity growth rates. In addition, \$87 million of loss recognition expense was recorded primarily due to updated assumptions for certain discontinued long-term care business. In aggregate, these adjustments increased (decreased) pre-tax operating income and pre-tax income as follows:

	Life and A&H		Fixed Annuities		Retirement Income Solutions		Total Retail		Total Institutional*		Total L&R	
	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13	3Q14	3Q13
<i>(in millions)</i>												
Policy fees	\$ 27	\$28	\$ -	\$ -	\$ -	\$ -	\$ 27	\$28	\$ -	\$ -	\$ 27	\$28
Interest credited to policyholder account balances	-	-	74	82	5	(1)	79	81	14	(20)	93	61
Amortization of deferred policy acquisition costs	(17)	(33)	122	224	10	(33)	115	158	50	(60)	165	98
Policyholder benefits and claims incurred	(149)	(75)	-	-	(1)	6	(150)	(69)	(15)	-	(165)	(69)
Pre-tax operating income (loss)	\$ (139)	\$ (80)	\$ 196	\$ 306	\$ 14	\$ (28)	\$ 71	\$ 198	\$ 49	\$ (80)	\$ 120	\$ 118
Change in DAC related to net realized capital gains (losses)	-	-	-	-	5	(21)	5	(21)	-	-	5	(21)
Net realized capital gains (losses)	-	-	-	-	(32)	82	(32)	82	-	-	(32)	82
Pre-tax income	\$ (139)	\$ (80)	\$ 196	\$ 306	\$ (13)	\$ 33	\$ 44	\$ 259	\$ 49	\$ (80)	\$ 93	\$ 179

* Primarily Group Retirement; includes increases in pre-tax operating income of \$2 million and \$1 million in amortization of deferred policy acquisition costs for Benefit Solutions and Institutional Markets, respectively.



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 from AIG Global Capital Markets and rewritten as group annuity contracts at AIG Life and Retirement. Excludes a \$2.5 billion deposit received in 3Q14 for one such contract, which was rewritten as a funding agreement and is included in separate account assets.
- (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.



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Other operations:							
Mortgage Guaranty	\$ 135	\$ 210	\$ 76	\$ 48	\$ 43	\$ 421	\$ 157
Direct Investment book	314	313	440	418	110	1,067	1,030
Global Capital Markets	58	245	29	194	29	332	431
Interest expense	(310)	(327)	(325)	(328)	(334)	(962)	(1,084)
Corporate expenses, net (1)	(280)	(282)	(243)	(213)	(282)	(805)	(796)
Equity in pre-tax operating earnings of AerCap (2)	196	53	-	-	-	249	-
Fair value earnings on PICC Group shares (3)	(30)	-	-	-	-	(30)	-
Severance expense (4)	-	-	-	(265)	-	-	-
Other businesses (5)	122	(14)	17	131	(142)	125	(238)
Consolidation and elimination	(1)	1	1	1	1	1	3
Pre-tax operating income (loss)	204	199	(5)	(14)	(575)	398	(497)
Adjustments to arrive at pre-tax income (loss) before net realized capital gains (losses):							
Legal reserves (6)	(17)	(505)	(24)	(21)	(400)	(546)	(425)
Legal settlements (7)	155	-	(12)	71	-	143	48
Loss on extinguishment of debt	(742)	(34)	(238)	(192)	(81)	(1,014)	(459)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	-	(1)	(12)	(98)	-	(13)	-
Aircraft Leasing (8)	-	-	17	(189)	(1)	17	60
Net gain (loss) on sale of divested businesses (9)	18	2,146	4	(1)	-	2,168	(47)
Total adjustments	(586)	1,606	(265)	(430)	(482)	755	(823)
Pre-tax income (loss) before net realized capital gains (losses)	\$ (382)	\$ 1,805	\$ (270)	\$ (444)	\$ (1,057)	\$ 1,153	\$ (1,320)

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) Represents AIG's share of AerCap's pre-tax operating income which excludes certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights asset over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes.
- (3) During 3Q14, AIG Life and Retirement sold its investment in PICC Group to AIG Parent.
- (4) In 4Q13, includes \$263 million of severance expense attributable to AIG Property Casualty.
- (5) Includes results from AIG's real estate investment operations, investments in life settlements and other minor subsidiaries. In 3Q14, includes higher earnings from life settlements and gains from real estate sales transactions of \$47 million. In 4Q13, includes gains from real estate sales transactions of \$170 million.
- (6) 2Q14 includes increased provisions for legal contingencies primarily related to "Legacy crisis matters."
- (7) 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.
- (8) Includes the results of ILFC, which was sold on May 14, 2014.
- (9) Includes the gain on sale of ILFC in 2Q14. 3Q14 and 2Q14 also include certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes.



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Total new insurance written	\$ 12,881	\$ 11,195	\$ 7,745	\$ 10,859	\$ 14,437	\$ 31,821	\$ 39,074
Net premiums written	271	249	231	255	272	751	793
Net premiums earned	227	226	213	203	204	666	606
Claims and claims adjustment expenses incurred	63	(7)	118	128	136	174	386
Underwriting expenses	64	56	54	60	57	174	162
Underwriting income	100	177	41	15	11	318	58
Net investment income	35	33	35	33	32	103	99
Pre-tax operating income	135	210	76	48	43	421	157
Adjustment to arrive at pre-tax income:							
Net realized capital gains	-	1	1	3	-	2	5
Pre-tax income	\$ 135	\$ 211	\$ 77	\$ 51	\$ 43	\$ 423	\$ 162
Underwriting ratios:							
Loss ratio	27.8	(3.1)	55.4	63.1	66.7	26.1	63.7
Expense ratio	28.2	24.8	25.4	29.6	27.9	26.1	26.7
Combined ratio	56.0	21.7	80.8	92.7	94.6	52.2	90.4



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
1st lien new insurance written	\$ 12,643	\$ 11,057	\$ 7,605	\$ 10,752	\$ 14,230	\$ 31,305	\$ 38,603
1st lien persistency (twelve months)	84.2%	83.5%	82.1%	80.1%	77.5%	84.2%	77.5%
1st lien insurance in force	\$ 162,533	\$ 156,050	\$ 150,874	\$ 147,612	\$ 141,962	\$ 162,533	\$ 141,962
Total 1st lien primary risk in force - net of reinsurance and stop loss	\$ 40,782	\$ 38,917	\$ 37,352	\$ 36,367	\$ 35,548	\$ 40,782	\$ 35,548
Number of primary paid claims	2,711	3,015	3,057	4,041	5,626	8,783	15,821
Gross paid claims	\$ 119	\$ 126	\$ 140	\$ 183	\$ 253	\$ 385	\$ 737
Number of ending primary delinquent loans	39,222	39,801	42,781	47,518	49,932	39,222	49,932
Gross loss reserves	\$ 1,006	\$ 1,068	\$ 1,201	\$ 1,220	\$ 1,293	\$ 1,006	\$ 1,293
Primary delinquency ratio	4.6%	4.8%	5.3%	5.9%	6.4%	4.6%	6.4%
In force count	850,578	826,158	808,392	799,573	780,267	850,578	780,267
Aging of primary delinquent inventory:							
3 or fewer payments missed	32.0%	29.2%	27.9%	30.4%	29.1%	32.0%	29.1%
4-11 payments missed	25.0%	25.8%	27.6%	27.1%	27.0%	25.0%	27.0%
12-23 payments missed	16.9%	18.0%	18.2%	18.0%	19.7%	16.9%	19.7%
24-35 payments missed	9.6%	10.5%	11.1%	11.3%	12.1%	9.6%	12.1%
More than 35 payments missed	16.5%	16.5%	15.2%	13.2%	12.1%	16.5%	12.1%



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
Vintage year:							
2005 and prior	7%	8%	8%	9%	14%	7%	14%
2006	4%	5%	5%	5%	6%	4%	6%
2007	9%	9%	10%	11%	12%	9%	12%
2008	5%	5%	6%	6%	6%	5%	6%
2009	2%	2%	2%	3%	3%	2%	3%
2010	2%	3%	3%	3%	3%	2%	3%
2011	6%	7%	8%	8%	9%	6%	9%
2012	19%	20%	22%	23%	23%	19%	23%
2013	28%	30%	32%	32%	24%	28%	24%
2014	18%	11%	4%	0%	0%	18%	0%



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

	September 30, 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	\$ 1,659	\$ 774	\$ 50	\$ 315	\$ 2,798
Obligations of states, municipalities and political subdivisions	20,932	5,098	1,751	391	28,172
Non-U.S. governments	17,858	4,317	116	371	22,662
Corporate debt	35,942	107,953	1,708	2,725	148,328
Mortgage-backed, asset-backed and collateralized:					
RMBS	12,466	24,104	-	2,134	38,704
CMBS	2,574	9,743	101	124	12,542
CDO/ABS	5,320	9,869	147	(2,756)	12,580
Total mortgage-backed, asset-backed and collateralized	<u>20,360</u>	<u>43,716</u>	<u>248</u>	<u>(498)</u>	<u>63,826</u>
Total bonds available for sale, at fair value	<u>96,751</u>	<u>161,858</u>	<u>3,873</u>	<u>3,304</u>	<u>265,786</u>
Other bond securities, at fair value	1,781	2,606	-	15,994	20,381
Equity securities available for sale, at fair value	4,306	35	-	3	4,344
Other equity securities trading, at fair value	236	-	-	530	766
Mortgage and other loans receivable, net of allowance	5,962	19,861	2	(2,428)	23,397
Other invested assets	9,798	12,196	40	11,874	33,908
Cash and short-term investments	5,285	5,224	210	9,066	19,785
Total cash and investments	<u>\$ 124,119</u>	<u>\$ 201,780</u>	<u>\$ 4,125</u>	<u>\$ 38,343</u>	<u>\$ 368,367</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
(in millions)

	September 30, 2014				
	<u>AIG</u>	<u>AIG</u>	<u>Mortgage</u>	<u>Other Operations</u>	<u>AIG Inc.</u>
	<u>Property Casualty</u>	<u>Life and Retirement</u>	<u>Guaranty</u>		
Alternative investments (1)	\$ 8,067	\$ 11,317	\$ 36	\$ 455	\$ 19,875
Investments in life settlements	-	-	-	3,721	3,721
Investment real estate	437	769	2	2,119	3,327
Aircraft assets (2)	-	-	-	673	673
Investment in AerCap	-	-	-	4,820	4,820
All other investments (3)	1,294	110	2	86	1,492
	<u>\$ 9,798</u>	<u>\$ 12,196</u>	<u>\$ 40</u>	<u>\$ 11,874</u>	<u>\$ 33,908</u>

	December 31, 2013				
	<u>AIG</u>	<u>AIG</u>	<u>Mortgage</u>	<u>Other Operations</u>	<u>AIG Inc.</u>
	<u>Property Casualty</u>	<u>Life and Retirement</u>	<u>Guaranty</u>		
Alternative investments (1)	\$ 7,846	\$ 11,208	\$ 22	\$ 633	\$ 19,709
Investments in life settlements	-	-	-	3,601	3,601
Investment real estate	312	840	-	1,961	3,113
Aircraft assets (2)	-	763	-	-	763
All other investments (3)	1,158	214	2	99	1,473
	<u>\$ 9,316</u>	<u>\$ 13,025</u>	<u>\$ 24</u>	<u>\$ 6,294</u>	<u>\$ 28,659</u>

Notes:

- (1) Includes hedge funds, private equity funds and other investment partnerships.
- (2) In 2Q14, AIG Life and Retirement transferred its investments in aircraft assets held in trusts to AIG Parent.
- (3) Represents all other invested assets that are not separately presented.



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

	Quarterly					Nine Months Ended Sept. 30,	
	3Q14	2Q14	1Q14	4Q13	3Q13	2014	2013
AIG Property Casualty							
Bonds available for sale	\$ 47	\$ 41	\$ 86	\$ 90	\$ 33	\$ 174	\$ 153
Stocks available for sale	27	35	26	17	13	88	50
Other transactions	(12)	9	6	27	(19)	3	(1)
Other than temporary impairments	(18)	(20)	(15)	(12)	(13)	(53)	(41)
Foreign exchange transactions	10	37	29	107	45	76	189
Derivative instruments	38	25	10	(62)	(9)	73	(137)
Total pre-tax net realized capital gains	\$ 92	\$ 127	\$ 142	\$ 167	\$ 50	\$ 361	\$ 213
AIG Life and Retirement							
Bonds available for sale	\$ 52	\$ 78	\$ 97	\$ 286	\$ 457	\$ 227	\$ 1,965
Stocks available for sale	2	-	2	-	(1)	4	36
Other transactions	90	4	(4)	20	(27)	90	(64)
Other than temporary impairments	(32)	(35)	(44)	(74)	(38)	(111)	(103)
Foreign exchange transactions	48	18	6	(26)	(62)	72	8
Derivative instruments	(55)	(21)	(378)	(153)	69	(454)	142
Total pre-tax net realized capital gains (losses)	\$ 105	\$ 44	\$ (321)	\$ 53	\$ 398	\$ (172)	\$ 1,984
Other Operations							
Bonds available for sale	\$ (2)	\$ 62	\$ 2	\$ (7)	\$ -	\$ 62	\$ (55)
Stocks available for sale	-	-	-	8	-	-	-
Other transactions (1)	(70)	(38)	(45)	(653)	(68)	(153)	(139)
Other than temporary impairments	-	-	-	-	(1)	-	(2)
Foreign exchange transactions	292	(102)	(9)	(65)	(259)	181	(62)
Derivative instruments	53	8	18	98	132	79	204
Total pre-tax net realized capital gains (losses)	\$ 273	\$ (70)	\$ (34)	\$ (619)	\$ (196)	\$ 169	\$ (54)
Total AIG							
Bonds available for sale	\$ 97	\$ 181	\$ 185	\$ 369	\$ 490	\$ 463	\$ 2,063
Stocks available for sale	29	35	28	25	12	92	86
Other transactions (1)	8	(25)	(43)	(606)	(114)	(60)	(204)
Other than temporary impairments	(50)	(55)	(59)	(86)	(52)	(164)	(146)
Foreign exchange transactions	350	(47)	26	16	(276)	329	135
Derivative instruments	36	12	(350)	(117)	192	(302)	209
Total pre-tax net realized capital gains (losses)	\$ 470	\$ 101	\$ (213)	\$ (399)	\$ 252	\$ 358	\$ 2,143
Total net realized gains (losses), net of tax	\$ 270	\$ 111	\$ (138)	\$ (253)	\$ 175	\$ 243	\$ 1,410

Note:

(1) Includes impairments on investments in life settlements.



American International Group, Inc Acronyms

ABS	Asset-Backed Securities
A&H	Accident and Health Insurance
AOCI	Accumulated Other Comprehensive Income
CPPE	Continuous Payment Premium Equivalent
CDO	Collateralized Debt Obligations
CMBS	Commercial Mortgage-Backed Securities
DAC	Deferred Acquisition Costs
DTA	Deferred Tax Assets
GAAP	Accounting principles generally accepted in the United States of America
GIC	Guaranteed Investment Contracts
GMAV	Guaranteed Minimum Account Value Benefits
GMDB	Guaranteed Minimum Death Benefits
GMIB	Guaranteed Minimum Income Benefits
RMBS	Residential Mortgage-Backed Securities
ROE	Return on Equity
SIA	Sales Inducement Assets
VOBA	Value of Business Acquired