

## 2015 年第 2 四半期（4 月～6 月） 決算 短 信

会社名 アメリカン・インターナショナル・グループ・インク  
 決算期 本決算：年 1 回（12 月）  
 中間決算：四半期毎  
 問い合わせ先 東京都港区元赤坂一丁目 2 番 7 号 赤坂 K タワー  
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1. 本国における決算発表日 2015 年 8 月 3 日

2. 業績（注 1：下記の数字は 2015 年 6 月 30 日現在の会計方法に従い算出したものである。）

	第 2 四半期（4 月～6 月の 3 ヶ月間）		
	当年度（2015 年）	前年度（2014 年）	増減率
売上高又は営業収入	15,699 百万ドル	16,136 百万ドル	△2.7%
純利益（税引後）	1,800 百万ドル	3,073 百万ドル	△41.4%
1 株当たり純利益（注 2）	1.32 ドル	2.10 ドル	△37.1%

	今期累計額		
	当期	前年同期	増減率
売上高又は営業収入	31,674 百万ドル	32,299 百万ドル	△1.9%
純利益（税引後）	4,268 百万ドル	4,682 百万ドル	△8.8%
1 株当たり純利益（注 2）	3.10 ドル	3.19 ドル	△2.8%

	配当金の推移（注 3）		
	当年度（2015 年）	前年度（2014 年）	備考
第 1 四半期	0.125 ドル	0.125 ドル	
第 2 四半期	0.125 ドル	0.125 ドル	
第 3 四半期		0.125 ドル	
第 4 四半期		0.125 ドル	
合計		0.50 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 2015 年 8 月 3 日付けプレス・リリースおよび Quarterly Financial Supplement Second Quarter 2015 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 Second Quarter 2015 を添付する。



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**AIG REPORTS SECOND QUARTER 2015 NET INCOME OF \$1.8 BILLION  
 AND DILUTED EARNINGS PER SHARE OF \$1.32**

- Second quarter 2015 after-tax operating income of \$1.9 billion or \$1.39 per diluted share
- Book value per share excluding AOCI and DTA of \$62.22 increased 10 percent from the prior-year quarter
- Approximately \$2.3 billion in share repurchases during the second quarter of 2015; additional repurchases of approximately \$965 million through the end of July 2015
- On August 3, 2015, AIG's Board of Directors authorized the repurchase of additional shares of AIG Common Stock with an aggregate purchase price of up to \$5.0 billion, bringing AIG's remaining share repurchase authorization to approximately \$6.3 billion
- On August 3, 2015, AIG's Board of Directors declared a 124 percent increase in the quarterly dividend to \$0.28 per share
- Further strengthened the financial flexibility of AIG Parent with distributions received in the quarter from its insurance companies totaling \$2.1 billion, consisting of \$1.4 billion of dividends and loan repayments, and \$720 million of tax sharing payments
- Second quarter 2015 operating ROE excluding AOCI and DTA was 9.3 percent; normalized ROE excluding AOCI and DTA was 6.7 percent
- Second quarter 2015 general operating expenses, operating basis (GOE), declined 4 percent from the prior-year quarter

NEW YORK, August 3, 2015 – American International Group, Inc. (NYSE: AIG) today reported net income attributable to AIG of \$1.8 billion, or \$1.32 per diluted share, for the quarter ended June 30, 2015, compared to \$3.1 billion, or \$2.10 per diluted share, for the second quarter of 2014. Compared to the prior-year quarter, second quarter 2015 net income attributable to AIG declined primarily due to higher loss on extinguishment of debt from ongoing liability management activities, lower capital gains from sales of investments, and a net gain on the sale of divested businesses related to the sale of International Lease Finance Corporation in the second quarter of 2014.

After-tax operating income was \$1.9 billion, or \$1.39 per diluted share, for the second quarter of 2015, compared to \$1.8 billion, or \$1.23 per diluted share, in the prior-year quarter. Compared to the prior-year quarter, operating results in the second quarter of 2015 reflected higher pre-tax operating earnings of AerCap Holdings N.V. (AerCap) and the fair value of PICC Property &



Casualty Company Limited (PICC P&C) and People's Insurance Company (Group) of China Limited (PICC Group) investments, partially offset by a decrease in income from insurance operations.

“Our second quarter results demonstrate our steadfast commitment to value-based management – we’re taking action today to create long-term value for tomorrow,” said Peter D. Hancock, AIG President and Chief Executive Officer. “We continued to proactively manage our capital resources through both common stock and debt repurchases. We significantly reduced our non-core investments in both AerCap and Springleaf. These actions simplify our balance sheet and improve our risk profile. Our Board’s approval of an additional \$5.0 billion share repurchase authorization, and a 124 percent increase in the quarterly dividend to \$0.28 per share, highlights our commitment to shareholder return and our positive outlook for long-term profitability.”

“We made progress towards our financial targets,” Mr. Hancock continued. “Book value per share excluding AOCI and DTA increased 10 percent and GOE declined 4 percent, both compared to the prior-year quarter. Normalized ROE for the quarter was 6.7 percent and year-to-date was 7.3 percent, reflecting the shifting profitability dynamics in Commercial Insurance markets. Adjusting for the impact of the AerCap sale, we expect to reach our financial ROE target.”

“Our focus on value and long-term sustainability benefits our clients and our shareholders. We’ll continue to balance growth, profitability and risk as we work to become our clients’ most valued insurer.”

## **CAPITAL AND LIQUIDITY**

- AIG shareholders’ equity totaled \$104.3 billion at June 30, 2015
- In the second quarter of 2015, AIG repurchased approximately 40 million shares of AIG Common Stock for an aggregate purchase price of \$2.3 billion; AIG made additional repurchases of approximately \$965 million through the end of July 2015
- In the second quarter of 2015, AIG repurchased, through cash tender offers, approximately \$915 million aggregate principal amount of certain junior subordinated debentures issued or guaranteed by AIG for an aggregate purchase price of approximately \$1.25 billion, and approximately \$22 million aggregate principal amount of certain senior notes issued or guaranteed by AIG for an aggregate purchase price of approximately \$24 million. Additionally, in July 2015, AIG repurchased, through cash tender offers, approximately \$3.4 billion aggregate principal amount of certain debt issued or guaranteed by AIG for an aggregate purchase price of approximately \$3.7 billion. As a result of these actions, the weighted average coupon on AIG’s financial debt is less than 5 percent
- In the second quarter of 2015, AIG sold approximately 86.9 million ordinary shares of AerCap through an underwritten public offering and a private sale, for total proceeds of \$4.2 billion, including approximately \$3.7 billion in cash and \$500 million principal amount of 6.50% fixed-to-floating rate junior subordinated notes issued by AerCap
- In the second quarter of 2015, AIG received net proceeds of approximately \$410 million



from the sale of approximately 8.4 million shares of common stock of Springleaf

- In July 2015, AIG issued \$1.25 billion aggregate principal amount of 3.750% Notes due 2025, \$500 million aggregate principal amount of 4.700% Notes due 2035 and \$750 million aggregate principal amount of 4.800% Notes due 2045. In addition, in July 2015, AIG issued \$290 million aggregate principal amount of 4.90% Callable Notes due 2045
- AIG Parent liquidity was \$13.6 billion at June 30, 2015, up from \$11.3 billion at March 31, 2015, reflecting non-core asset monetizations completed in the second quarter of 2015

## AFTER-TAX OPERATING INCOME

(\$ in millions)	Three Months Ended		
	June 30,		
	2015	2014	Change
Pre-tax operating income			
Insurance Operations			
Commercial Insurance			
Property Casualty	\$ 1,192	\$ 1,245	(4) %
Mortgage Guaranty	157	210	(25)
Institutional Markets	151	170	(11)
Total Commercial Insurance	1,500	1,625	(8)
Consumer Insurance			
Retirement	804	764	5
Life	149	215	(31)
Personal Insurance	70	140	(50)
Total Consumer Insurance	1,023	1,119	(9)
Total Insurance Operations	2,523	2,744	(8)
Corporate and Other	372	(57)	NM
Consolidations, eliminations and other adjustments	(27)	6	NM
Pre-tax operating income	2,868	2,693	6
Income tax expense	(985)	(904)	(9)
Net income attributable to noncontrolling interests	10	7	43
<b>After-tax operating income</b>	\$ 1,893	\$ 1,796	5
<b>After-tax operating income per diluted common share</b>	1.39	1.23	13
<b>Effective tax rate on Pre-tax operating income</b>	34.3%	33.6%	2

All operating segment comparisons that follow are to the second quarter of 2014 unless otherwise noted.

## COMMERCIAL INSURANCE

Pre-tax operating income decreased to \$1.5 billion from \$1.6 billion in the prior-year quarter, primarily due to lower underwriting results from Property Casualty and Mortgage Guaranty, as well as lower net investment income from Institutional Markets, partially offset by an increase in net investment income from Property Casualty.

**PROPERTY CASUALTY**

(\$ in millions)	Three Months Ended		
	June 30,		
	2015	2014	Change
Net premiums written	\$ 5,583	\$ 5,813	(4) %
Net premiums earned	5,102	5,269	(3)
Underwriting income	61	183	(67)
Net investment income	1,131	1,062	6
Pre-tax operating income	\$ 1,192	\$ 1,245	(4)
Underwriting ratios:			
Loss ratio	70.8	67.7	3.1 pts
Acquisition ratio	15.1	15.4	(0.3)
General operating expense ratio	12.9	13.4	(0.5)
Combined ratio	98.8	96.5	2.3
Accident year loss ratio, as adjusted	66.6	66.5	0.1
Accident year combined ratio, as adjusted	94.6	95.3	(0.7)
Catastrophe-related losses	\$ 209	\$ 121	73 %
Severe losses	184	193	(5)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	279	(63)	NM
Net reserve discount charge (benefit)	(270)	(16)	NM

Property Casualty's decrease in pre-tax operating income is attributable to lower underwriting income partially offset by an increase in net investment income. The combined ratio increased 2.3 points to 98.8 in the second quarter of 2015 from the prior-year quarter. The loss ratio increased 3.1 points to 70.8, primarily due to higher net unfavorable prior year loss reserve development, and higher catastrophe losses, partially offset by a higher net loss reserve discount benefit for workers' compensation reserves.

Catastrophe losses were \$209 million compared to \$121 million in the prior-year quarter. Net unfavorable prior year loss reserve development was \$279 million, including return premiums of \$12 million, primarily due to commercial automobile liability in U.S. Casualty, compared to net favorable prior year loss reserve development of \$63 million in the prior-year quarter, which included an additional premium of \$68 million. The net reserve discount benefit was \$270 million compared to \$16 million in the prior-year quarter, reflecting an increase in the discount rate used on workers' compensation reserves, primarily due to higher Treasury rates beginning in the first quarter of 2015. In the fourth quarter of 2014, Pennsylvania and Delaware regulators gave AIG approval to update this discount rate on a quarterly basis beginning in the first quarter of 2015.

The accident year loss ratio, as adjusted, increased slightly by 0.1 points to 66.6, reflecting higher current accident year losses in U.S. commercial automobile liability, and higher severe losses in Specialty, partially offset by an improvement in U.S. Property. The acquisition ratio decreased by 0.3 points to 15.1, reflecting lower amortization of previously deferred costs, lower premium taxes, and guaranty fund and other assessments. The general operating expense ratio decreased 0.5 points to 12.9, primarily due to efficiencies from organizational realignment initiatives and a decrease in employee incentive costs, partially offset by increased technology-related expenses.

Net premiums written decreased 4 percent compared to the prior-year quarter. Excluding the effects of foreign exchange, net premiums written increased modestly compared to the prior-year quarter.



New business increases in the growth-targeted products in Financial lines and Specialty, across all regions, were largely offset by declines in U.S. Casualty and Property, reflecting pricing discipline.

### **MORTGAGE GUARANTY**

<i>(\$ in millions)</i>	<b>Three Months Ended</b>		
	<b>June 30,</b>		
	<b>2015</b>	<b>2014</b>	<b>Change</b>
Net premiums written	\$ 277	\$ 249	11 %
Net premiums earned	226	226	-
Underwriting income	122	177	(31)
Net investment income	35	33	6
Pre-tax operating income	\$ 157	\$ 210	(25)
Underwriting ratios:			
Loss ratio	19.5	(3.1)	22.6 pts
Acquisition ratio	8.8	8.4	0.4
General operating expense ratio	17.7	16.4	1.3
Combined ratio	46.0	21.7	24.3
Accident year loss ratio, as adjusted	27.0	36.3	(9.3)
Accident year combined ratio, as adjusted	53.5	61.1	(7.6)
Prior year loss reserve development (favorable)	\$ (17)	\$ (89)	81 %
New insurance written, domestic first-lien	15,190	11,057	37

Mortgage Guaranty's pre-tax operating income decreased to \$157 million compared to \$210 million in the prior-year quarter, due to favorable prior year loss reserve development in the first-lien business recorded in the prior-year quarter. Excluding the effects of prior-year loss reserve development, pre-tax operating income increased \$19 million, or 16 percent, compared to the prior-year quarter, due primarily to the decline in accident year losses from lower delinquency rates and higher cure rates. The improvement in accident year losses reduced the accident year loss ratio, as adjusted, by 9.3 points compared to the prior-year quarter. The slight increase in the acquisition ratio was due to increased expenses of sales support activities, resulting from the increase in new insurance written. The increase in the general operating expense ratio was primarily due to an increase in servicing costs related to the growth in the in-force business.

Net premiums written increased 11 percent to \$277 million compared to the prior-year quarter. Domestic first-lien new insurance written of \$15.2 billion in principal amount of loans insured increased 37 percent from the prior-year quarter, driven by an increase in mortgage originations primarily from refinancing activity as a result of a reduction in mortgage interest rates and improvements in existing home sales due to lower down payment requirements. New business written during the second quarter of 2015 had an average FICO score of 752 and an average loan-to-value ratio of 91 percent.



### INSTITUTIONAL MARKETS

(\$ in millions)	Three Months Ended		
	June 30,		
	2015	2014	Change
Operating revenues:			
Premiums	\$ 643	\$ 161	299 %
Policy fees	50	45	11
Net investment income	479	501	(4)
Total operating revenues	1,172	707	66
Benefits and expenses	1,021	537	90
Pre-tax operating income	\$ 151	\$ 170	(11)
Premiums and deposits	680	195	249

Institutional Markets pre-tax operating income of \$151 million decreased by \$19 million compared to the prior-year quarter, primarily due to lower yield enhancements from bond call and tender income, partially offset by higher returns on alternative investments and higher fee income, which was principally driven by growth in stable value wrap assets under management. The increases in premiums and deposits and benefits and expenses, compared to the prior-year quarter, were primarily due to a large single premium for a terminal funding annuity received in the second quarter of 2015.

### CONSUMER INSURANCE

Consumer Insurance pre-tax operating income decreased to \$1.0 billion compared to \$1.1 billion in the prior-year quarter, primarily due to lower base net investment income and mortality experience in Life that was less favorable than in the prior-year quarter. The decrease in base net investment income was driven by lower average assets primarily as a result of dividends paid to AIG Parent, and reinvestment at rates below the weighted average yield of the overall portfolio. These decreases were partially offset by strong alternative investment income performance, and higher policy and advisory fees driven by growth in separate account assets under management in Retirement.

### RETIREMENT

(\$ in millions)	Three Months Ended		
	June 30,		
	2015	2014	Change
Operating revenues:			
Premiums	\$ 44	\$ 97	(55) %
Policy fees	277	248	12
Net investment income	1,618	1,563	4
Other income	526	502	5
Total operating revenues	2,465	2,410	2
Benefits and expenses	1,661	1,646	1
Pre-tax operating income	\$ 804	\$ 764	5
Premiums and deposits <sup>(1)</sup>	6,070	6,167	(2)

(1) Excludes activity related to closed blocks of fixed and variable annuities.

Retirement pre-tax operating income increased to \$804 million compared to \$764 million in the prior-year quarter. The increase reflected higher net investment income from strong alternative investment performance compared to the prior-year quarter, as well as higher policy and advisory



fees from increased separate account assets under management, principally driven by growth in variable annuities. These increases were partially offset by a decrease in base net investment income, which reflected lower average assets primarily from dividend payments to AIG Parent, and reinvestment at rates below the weighted average yield of the overall portfolio. DAC amortization was higher in Retirement Income Solutions, reflecting growth in the business and lower equity market returns compared to the prior-year quarter.

Premiums and deposits were lower in the second quarter of 2015 compared to the prior-year quarter, due to lower sales in the Fixed Annuities and Group Retirement product lines, partially offset by continued strong sales of index annuities in the Retirement Income Solutions product line, and improved deposits in Retail Mutual Funds.

### ***LIFE***

<i>(\$ in millions)</i>	<b>Three Months Ended</b>		
	<b>June 30,</b>		
	<b>2015</b>	<b>2014</b>	<b>Change</b>
Operating revenues:			
Premiums	\$ 702	\$ 676	4 %
Policy fees	362	353	3
Net investment income	551	531	4
Other income	17	-	NM
Total operating revenues	1,632	1,560	5
Benefits and expenses	1,483	1,345	10
Pre-tax operating income	\$ 149	\$ 215	(31)
Premiums and deposits	1,249	1,207	3
Gross life insurance in force, end of period	1,016,632	922,527	10

Life pre-tax operating income decreased to \$149 million compared to \$215 million in the prior-year quarter, primarily due to mortality experience that was within pricing assumptions but less favorable compared to the prior-year quarter, partially offset by strong performance from alternative investments. Increases in other income and general operating expenses were primarily related to international growth, including acquisitions.

Gross life insurance in force and premiums and deposits increased 10 percent and 3 percent, respectively, compared to the prior-year quarter, primarily due to the December 31, 2014 acquisition of Ageas Protect Limited (now AIG Life Limited) in the United Kingdom. Excluding the effects of foreign exchange, premiums and deposits increased by 6 percent compared to the prior-year quarter, principally driven by growth in Japan and the acquisition of AIG Life Limited.



**PERSONAL INSURANCE**

	<b>Three Months Ended</b>		
	<b>June 30,</b>		
<i>(\$ in millions)</i>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Net premiums written	\$ 2,930	\$ 3,177	(8) %
Net premiums earned	2,806	3,026	(7)
Underwriting income	7	37	(81)
Net investment income	63	103	(39)
<b>Pre-tax operating income</b>	<b>\$ 70</b>	<b>\$ 140</b>	<b>(50)</b>
Underwriting ratios:			
Loss ratio	52.7	53.5	(0.8) pts
Acquisition ratio	27.9	26.9	1.0
General operating expense ratio	19.1	18.4	0.7
<b>Combined ratio</b>	<b>99.7</b>	<b>98.8</b>	<b>0.9</b>
Accident year loss ratio, as adjusted	52.8	53.4	(0.6)
Accident year combined ratio, as adjusted	99.8	98.7	1.1
Catastrophe-related losses	\$ 16	\$ 18	(11) %
Severe losses	-	-	NM
Prior year loss reserve development (favorable)			
unfavorable, net of reinsurance and premium adjustments	(17)	(16)	6

Personal Insurance pre-tax operating income decreased to \$70 million compared to \$140 million in the prior-year quarter, due to decreases in net investment income and underwriting income. The combined ratio increased by 0.9 points to 99.7, which reflected an increase in the expense ratio partially offset by a decrease in the loss ratio.

The loss ratio and accident year loss ratio, as adjusted, decreased by 0.8 points and 0.6 points to 52.7 and 52.8, respectively, compared to the prior-year quarter. Improved performance in a warranty retail program contributed to the decrease in the loss ratios, which was offset by an increase in the acquisition ratio due to a related profit sharing arrangement. Excluding the effect of this warranty retail program, the loss ratios increased due to automobile and property losses in the current quarter, partially offset by Accident and Health, which showed improvement in both loss and acquisition ratios.

The general operating expense ratio increased by 0.7 points compared to the prior-year quarter, primarily due to higher employee-related expenses and the timing of technology-related initiatives.

Excluding the effects of foreign exchange, net premiums written increased 2 percent from the prior-year quarter, reflecting growth in automobile across all regions and in property businesses primarily in the U.S. and Japan, partially offset by declines in U.S. warranty service programs.



## CORPORATE AND OTHER

(\$ in millions)	Three Months Ended		
	June 30,		
	2015	2014	Change
Pre-tax operating income (loss):			
Equity in pre-tax operating earnings of AerCap	\$ 127	\$ 53	140 %
Fair value of PICC investments	170	-	NM
Income from other assets, net <sup>(1)</sup>	509	17	NM
Corporate general operating expenses	(268)	(306)	12
Interest expense	(278)	(327)	15
Direct Investment Book <sup>(1)</sup>	-	313	NM
Global Capital Markets <sup>(1)</sup>	-	245	NM
Run-off insurance lines	110	(53)	NM
Consolidation and elimination	2	1	NM
Pre-tax operating income (loss)	\$ 372	\$ (57)	NM

(1) As a result of the progress of the wind-down and de-risking activities of the Direct Investment book (DIB) and the derivative portfolio of AIG Financial Products Corp. and related subsidiaries included within Global Capital Markets (GCM), AIG has discontinued separate reporting of the DIB and GCM. Their results are reported within Income from other assets, net, beginning with the first quarter of 2015. This reporting aligns with the manner in which AIG manages its financial resources. Prior periods are presented in historical format for informational purposes.

Corporate and Other pre-tax operating results improved compared to the prior-year quarter, primarily due to AIG's share of AerCap's pre-tax operating income through the date of sale of AerCap common shares in the second quarter of 2015 (accounted for under the equity method), fair value gains in investments in PICC P&C and PICC Group, lower interest expense from ongoing debt management activities and lower general operating expenses.

Run-off insurance lines reported pre-tax operating income of \$110 million compared to a pre-tax operating loss in the prior-year quarter, primarily due to a higher net reserve discount benefit, reflecting the update to the discount rates used on excess workers' compensation reserves as result of an increase in Treasury rates from the first quarter of 2015. This improvement was partially offset by an increase in net unfavorable prior year loss reserve development.

## CONFERENCE CALL

AIG will host a conference call tomorrow, Tuesday, August 4, 2015, 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](http://www.aig.com). A replay will be available after the call at the same location.

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Additional supplementary financial data is available in the Investor Information section at [www.aig.com](http://www.aig.com).

The conference call (including the conference call presentation material), the earnings release and the financial supplement may include, and officers and representatives of 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, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; generation of deployable capital; strategies to increase return on equity and earnings per share; strategies to grow net investment income, efficiently manage capital, grow book value per share, and reduce expenses; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries’ revenues and combined ratios. 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 June 30, 2015, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 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, 2014. AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions, or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

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## COMMENT ON REGULATION G

Throughout this press release, including the financial highlights, AIG presents its financial condition and results of operations in the way it believes will be most meaningful and representative of its business results. 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 Second Quarter 2015 Financial Supplement available in the Investor Information section of AIG’s website, [www.aig.com](http://www.aig.com).

Book Value Per Share Excluding Accumulated Other Comprehensive Income (AOCI) and Book



Value Per Share Excluding AOCI and Deferred Tax Assets (DTA) are used to show the amount of AIG's net worth on a per-share basis. AIG believes 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 AIG's available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full-year attribute utilization. Book Value Per 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.

Return on Equity – After-tax Operating Income Excluding AOCI and Return on Equity – After-tax Operating Income Excluding AOCI and DTA are used to show the rate of return on shareholders' equity. AIG believes 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 available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full-year attribute utilization. Return on Equity – After-tax Operating Income Excluding AOCI is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders' equity, excluding average AOCI. Return on Equity – After-tax Operating Income Excluding AOCI and DTA is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders' equity, excluding average AOCI and DTA.

Normalized Return on Equity, Excluding AOCI and DTA further adjusts Return on Equity – After-tax Operating Income, Excluding AOCI and DTA for the effects of certain volatile or market-related items. Normalized Return on Equity, Excluding AOCI and DTA is derived by excluding the following tax adjusted effects from Return on Equity – After-tax Operating Income, Excluding AOCI and DTA: catastrophe losses compared to expectations; alternative investment returns compared to expectations; DIB/GCM returns compared to expectations; fair value changes on PICC investments; DAC unlockings; net reserve discount change; Life insurance IBNR death claim charge; and prior year loss reserve development.

AIG uses the following operating performance measures because it believes they enhance the understanding of the underlying profitability of continuing operations and trends of AIG's business segments. AIG believes they also allow for more meaningful comparisons with AIG's insurance competitors. When AIG uses these measures, reconciliations to the most comparable GAAP measure are provided, on a consolidated basis.

After-tax operating income attributable to AIG is derived by excluding the following items from net income attributable to AIG: income or loss from discontinued operations; income and 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 related tax effects); legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments; legal reserves and settlements related



to “legacy crisis matters”; deferred income tax valuation allowance releases and charges; changes in fair value of 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 and losses; other income and expense — net, related to Corporate and Other runoff insurance lines; loss on extinguishment of debt; net realized capital gains and losses; and non-qualifying derivative hedging activities, excluding net realized capital gains and 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 as the plaintiff in connection with such legal matters. See page 14 for the reconciliation of Net income attributable to AIG to After-tax operating income attributable to AIG.

Operating revenue excludes Net realized capital gains (losses), Aircraft leasing revenues, income from legal settlements (included in Other income for GAAP purposes) and changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense (included in Net investment income for GAAP purposes).

General operating expenses, operating basis, is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) certain investment and other expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) legal reserves related to legacy crisis matters and (v) other expense related to a retroactive reinsurance agreement. AIG uses general operating expenses, operating basis, because it believes it provides a more meaningful indication of ordinary course of business operating costs.

AIG uses the following operating performance measures within its Commercial Insurance and Consumer Insurance reportable segments as well as Corporate and Other.

*Commercial Insurance: Property Casualty and Mortgage Guaranty; Consumer Insurance: Personal Insurance*

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

Ratios: AIG, 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 losses and loss adjustment expenses, 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.

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

*Commercial Insurance: Institutional Markets; Consumer Insurance: Retirement and Life*

Pre-tax operating income is derived by excluding the following items from pre-tax income: 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 and losses; and changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses.

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

*Corporate and Other*

Pre-tax operating income and loss is derived by excluding the following items from pre-tax income and loss: certain legal reserves and settlements related to legacy crisis matters described above; loss on extinguishment of debt; net realized capital gains and losses; changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses; income and loss from divested businesses, including Aircraft Leasing; and net gain or 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 AIG's 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 global insurance organization serving customers in more than 100 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](http://www.aig.com) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: @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](http://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.**  
**Selected Financial Data and Non-GAAP Reconciliation**  
(\$ in millions, except per share data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2015	2014	% Inc. (Dec.)	2015	2014	% Inc. (Dec.)
<b>Reconciliations of Pre-tax and After-tax Operating Income:</b>						
<i>Pre-tax income from continuing operations</i>	\$ 2,552	\$ 4,480	(43.0)%	\$ 6,328	\$ 6,753	(6.3)%
<b>Adjustments to arrive at Pre-tax operating income:</b>						
Changes in fair value of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	87	(54)	NM	43	(130)	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	28	52	(46.2)	82	45	82.2
Loss on extinguishment of debt	342	34	NM	410	272	50.7
Net realized capital gains	(126)	(162)	22.2	(1,467)	(10)	NM
(Income) loss from divested businesses	34	(2,151)	NM	55	(2,172)	NM
Legal settlements related to legacy crisis matters	(76)	(12)	NM	(91)	(38)	(139.5)
Legal reserves related to legacy crisis matters	27	506	(94.7)	35	529	(93.4)
<b>Pre-tax operating income</b>	<u>\$ 2,868</u>	<u>\$ 2,693</u>	6.5	<u>\$ 5,395</u>	<u>\$ 5,249</u>	2.8
<i>Net income attributable to AIG</i>	\$ 1,800	\$ 3,073	(41.4)	\$ 4,268	\$ 4,682	(8.8)
<b>Adjustments to arrive at after-tax operating income (amounts are net of tax):</b>						
Uncertain tax positions and other tax adjustments	(49)	39	NM	(91)	11	NM
Deferred income tax valuation allowance (releases) charges	(40)	(75)	46.7	53	(140)	NM
Changes in fair value of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	57	(35)	NM	28	(84)	NM
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	18	35	(48.6)	53	30	76.7
Loss on extinguishment of debt	222	22	NM	266	177	50.3
Net realized capital gains	(79)	(155)	49.0	(953)	(64)	NM
(Income) loss from discontinued operations	(16)	(30)	46.7	(17)	17	NM
(Income) loss from divested businesses	11	(1,399)	NM	13	(1,411)	NM
Legal reserves (settlements) related to legacy crisis matters	(31)	321	NM	(36)	319	NM
<b>After-tax operating income attributable to AIG</b>	<u>\$ 1,893</u>	<u>\$ 1,796</u>	5.4	<u>\$ 3,584</u>	<u>\$ 3,537</u>	1.3
<b>Income (loss) per common share:</b>						
<b>Basic</b>						
Income from continuing operations	\$ 1.34	\$ 2.11	(36.5)	\$ 3.16	\$ 3.24	(2.5)
Income (loss) from discontinued operations	0.01	0.02	(50.0)	0.01	(0.01)	NM
<b>Net income attributable to AIG</b>	<u>\$ 1.35</u>	<u>\$ 2.13</u>	(36.6)	<u>\$ 3.17</u>	<u>\$ 3.23</u>	(1.9)
<b>Diluted</b>						
Income from continuing operations	\$ 1.31	\$ 2.08	(37.0)	\$ 3.09	\$ 3.20	(3.4)
Income (loss) from discontinued operations	0.01	0.02	(50.0)	0.01	(0.01)	NM
<b>Net income attributable to AIG</b>	<u>\$ 1.32</u>	<u>\$ 2.10</u>	(37.1)	<u>\$ 3.10</u>	<u>\$ 3.19</u>	(2.8)
<b>After-tax operating income attributable to AIG per diluted share</b>	<u>\$ 1.39</u>	<u>\$ 1.23</u>	13.0 %	<u>\$ 2.60</u>	<u>\$ 2.41</u>	7.9
<b>Weighted average shares outstanding:</b>						
Basic	1,329.2	1,442.4		1,347.5	1,450.8	
Diluted	1,365.4	1,464.7		1,376.3	1,468.4	
<b>Return on equity (a)</b>	6.8 %	11.6 %		8.0 %	9.0 %	
<b>Return on equity - after-tax operating income, excluding AOCI (b)</b>	7.8 %	7.5 %		7.4 %	7.4 %	
<b>Return on equity - after-tax operating income, excluding AOCI and DTA (c)</b>	9.3 %	9.1 %		8.8 %	9.1 %	
<b>As of period end:</b>						
<b>Book value per common share (d)</b>				\$ 79.74	\$ 75.71	5.3
<b>Book value per common share excluding accumulated other comprehensive income (e)</b>				\$ 73.91	\$ 67.65	9.3
<b>Book value per common share excluding accumulated other comprehensive income and DTA (f)</b>				\$ 62.22	\$ 56.53	10.1 %
<b>Total common shares outstanding</b>				1,307.5	1,428.6	

**Financial highlights - notes**

- (a) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.  
(b) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI. Equity includes DTA.  
(c) Computed as Annualized after-tax operating income attributable to AIG divided by average AIG shareholders' equity, excluding AOCI and DTA.  
(d) Represents total AIG shareholders' equity divided by common shares outstanding.  
(e) Represents total AIG shareholders' equity, excluding AOCI, divided by common shares outstanding.  
(f) Represents total AIG shareholders' equity, excluding AOCI and DTA, divided by common shares outstanding.

**American International Group, Inc.**  
**Selected Financial Data and Non-GAAP Reconciliation (continued)**  
(\$ in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2015	2014	% Inc. (Dec.)	2015	2014	% Inc. (Dec.)
<b>Reconciliations of General Operating Expenses, Operating basis and GAAP basis</b>						
<i>Total general operating expenses, Operating basis</i>	\$ 2,942	\$ 3,052	(3.6)%	\$ 5,726	\$ 5,931	(3.5)%
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(428)	(418)	(2.4)	(851)	(825)	(3.2)
Advisory fee expenses	341	337	1.2	673	648	3.9
Non-deferrable insurance commissions	126	119	5.9	254	246	3.3
Direct marketing and acquisition expenses, net of deferrals	101	146	(30.8)	241	262	(8.0)
Investment expenses reported as net investment income and other	(19)	(28)	32.1	(39)	(53)	26.4
Legal reserves related to legacy crisis matters	27	506	(94.7)	35	529	(93.4)
<b>Total general operating and other expenses, GAAP basis</b>	<b>\$ 3,090</b>	<b>\$ 3,714</b>	<b>(16.8)%</b>	<b>\$ 6,039</b>	<b>\$ 6,738</b>	<b>(10.4)%</b>

	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
<b>Reconciliations of Normalized and After-tax Operating Income Return on Equity, Excluding AOCI and DTA</b>		
<i>Return on equity - after-tax operating income, excluding AOCI and DTA</i>	9.3 %	8.8 %
<i>Adjustments to arrive at Normalized Return on Equity, Excluding AOCI and DTA:</i>		
Catastrophe losses below expectations	(0.1)	(0.2)
Better than expected alternative returns	(0.6)	(0.5)
Better than expected DIB & GCM returns	(1.0)	(0.6)
Fair value changes on PICC investments	(0.7)	(0.4)
Net reserves discount charge	(1.3)	(0.4)
Unfavorable prior year loss reserve development	1.1	0.6
<b>Normalized Return on Equity, excluding AOCI and DTA</b>	<b>6.7 %</b>	<b>7.3 %</b>





# American International Group, Inc.

Quarterly Financial Supplement  
Second Quarter 2015

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 June 30, 2015 filed with the Securities and Exchange Commission.

# American International Group, Inc. Quarterly Financial Supplement

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

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make, 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, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; generation of deployable capital; strategies to increase return on equity and earnings per share; strategies to grow net investment income, efficiently manage capital, grow book value per share, and reduce expenses; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries’ revenues and combined ratios.

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 June 30, 2015, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2014.

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

## American International Group, Inc. Non-GAAP Financial Measures

Throughout this Financial Supplement, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for “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 Share Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value Per Share Excluding AOCI and Deferred Tax Assets (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. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full-year attribute utilization. Book Value Per 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.

Return on Equity – After-tax Operating Income Excluding AOCI and Return on Equity – After-tax Operating Income Excluding AOCI and DTA are used to show the rate of return on shareholders’ equity. 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. Deferred tax assets represent U.S. tax attributes related to net operating loss carry-forwards and foreign tax credits. Amounts are estimates based on projections of full-year attribute utilization. Return on Equity – After-tax Operating Income Excluding AOCI is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders’ equity, excluding average AOCI. Return on Equity – After-tax Operating Income Excluding AOCI and DTA is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders’ equity, excluding average AOCI and DTA. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 7 herein.

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

*After-tax operating income attributable to AIG* is derived by excluding the following items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges
- changes in fair value of 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 and losses
- other income and expense — net, related to Corporate and Other run-off insurance lines
- loss on extinguishment of debt
- net realized capital gains and losses
- non-qualifying derivative hedging activities, excluding net realized capital gains and losses
- income or loss from discontinued operations
- income and loss from divested businesses, including:
  - gain on the sale of International Lease Finance Corporation (ILFC)
  - 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 related tax effects
- legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments
- legal reserves and settlements related to legacy crisis matters, which include favorable and unfavorable settlements related to events leading up to and resulting from our September 2008 liquidity crisis and legal fees incurred as the plaintiff in connection with such legal matters

Operating revenue excludes Net realized capital gains (losses), Aircraft leasing revenues, income from legal settlements (included in Other income from GAAP purposes) and changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense (included in Net investment income for GAAP purposes).

General operating expenses, operating basis, is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) certain investment and other expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) legal reserves related to legacy crisis matters and (v) other expense related to a retroactive reinsurance agreement. We use general operating expenses, operating basis, because we believe it provides a more meaningful indication of our ordinary course of business operating costs.

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

We use the following operating performance measures within our Commercial Insurance and Consumer Insurance reportable segments as well as Corporate and Other.

***Commercial Insurance: Property Casualty and Mortgage Guaranty; Consumer Insurance: Personal Insurance***

- **Pre-tax operating income:** includes both underwriting income and loss and net investment income, but excludes net realized capital gains and losses, other income and expense — net and legal settlements related to legacy crisis matters described above. Underwriting income and loss is derived by reducing net premiums earned by losses and loss adjustment expenses incurred, acquisition expenses and general operating expenses.
- **Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every \$100 of net premiums earned, the amount of losses and loss adjustment expenses, 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.
- **Accident year loss and combined ratios, as adjusted:** both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Catastrophe losses are generally weather or seismic events having a net impact in excess of \$10 million each.

***Commercial Insurance: Institutional Markets; Consumer Insurance: Retirement and Life***

- **Pre-tax operating income** is derived by excluding the following items from pre-tax income:
  - changes in fair values of fixed maturity securities designated to hedge living benefit liabilities (net of interest expense)
  - net realized capital gains and losses
  - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses
  - legal settlements related to legacy crisis matters described above
- **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

***Corporate and Other — Pre-tax operating income and loss*** is derived by excluding the following items from pre-tax income and loss:

- loss on extinguishment of debt
- net realized capital gains and losses
- changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses
- income and loss from divested businesses, including Aircraft Leasing
- net gain or 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
- certain legal reserves (settlements) related to legacy crisis matters described above

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

**American International Group, Inc.**  
**Consolidated Statement of Operations**

**Consolidated Results**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Revenues:</b>							
Premiums	\$ 9,545	\$ 8,822	\$ 9,208	\$ 9,486	\$ 9,485	\$ 18,367	\$ 18,560
Policy fees	688	677	667	677	640	1,365	1,271
Net investment income:							
Interest and dividends	3,208	3,187	3,283	3,352	3,307	6,395	6,611
Alternative investments	694	689	516	636	547	1,383	1,472
Other investment income (1)	41	114	291	173	163	155	262
Investment expenses	(117)	(152)	(119)	(133)	(133)	(269)	(265)
Total net investment income	3,826	3,838	3,971	4,028	3,884	7,664	8,080
Net realized capital gains (page 52)	126	1,341	193	536	162	1,467	10
Aircraft leasing revenue (2)	-	-	-	-	489	-	1,602
Other income	1,514	1,297	1,371	1,970	1,476	2,811	2,776
Total revenues	15,699	15,975	15,410	16,697	16,136	31,674	32,299
<b>Benefits, claims and expenses:</b>							
Policyholder benefits and losses incurred	7,100	6,551	7,510	7,203	6,771	13,651	13,568
Interest credited to policyholder account balances	942	935	968	882	963	1,877	1,918
Amortization of deferred policy acquisition costs	1,356	1,350	1,341	1,288	1,396	2,706	2,701
General operating and other expenses (page 9)	3,090	2,949	3,249	3,151	3,714	6,039	6,738
Interest expense	316	340	346	430	463	656	942
Loss on extinguishment of debt	342	68	1,268	742	34	410	272
Aircraft leasing expenses (2)	-	-	-	-	489	-	1,585
Net (gain) loss on sale of divested businesses	1	6	(1)	(18)	(2,174)	7	(2,178)
Total benefits, claims and expenses	13,147	12,199	14,681	13,678	11,656	25,346	25,546
<b>Income from continuing operations before income tax expense</b>	2,552	3,776	729	3,019	4,480	6,328	6,753
<b>Income tax expense</b>	777	1,300	19	820	1,474	2,077	2,088
<b>Income from continuing operations</b>	1,775	2,476	710	2,199	3,006	4,251	4,665
<b>Income (loss) from discontinued operations, net of income tax expense (benefit)</b>	16	1	(35)	2	30	17	(17)
<b>Net income</b>	1,791	2,477	675	2,201	3,036	4,268	4,648
<b>Net income (loss) from continuing operations attributable to noncontrolling interests</b>	(9)	9	20	9	(37)	-	(34)
<b>Net income attributable to AIG</b>	\$ 1,800	\$ 2,468	\$ 655	\$ 2,192	\$ 3,073	\$ 4,268	\$ 4,682
<b>Effective tax rates</b>	30.4%	34.4%	2.6%	27.2%	32.9%	32.8%	30.9%

See Page 5 for the related earnings per share computations and Page 14 for Accompanying Notes.



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

**Consolidated Results**

(in millions, except share data)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>GAAP Basis:</b>							
<b>Numerator for EPS:</b>							
Income from continuing operations	\$ 1,775	\$ 2,476	\$ 710	\$ 2,199	\$ 3,006	\$ 4,251	\$ 4,665
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	(9)	9	20	9	(37)	-	(34)
Income attributable to AIG common shareholders from continuing operations	1,784	2,467	690	2,190	3,043	4,251	4,699
Income (loss) from discontinued operations, net of income tax expense	16	1	(35)	2	30	17	(17)
Net income attributable to AIG common shareholders	\$ 1,800	\$ 2,468	\$ 655	\$ 2,192	\$ 3,073	\$ 4,268	\$ 4,682
<b>Denominator for EPS:</b>							
Weighted average shares outstanding - basic	1,329,157,366	1,365,951,690	1,391,790,420	1,419,239,774	1,442,397,111	1,347,452,833	1,450,776,629
Dilutive shares	36,233,065	20,311,859	20,372,036	22,828,068	22,279,219	28,873,138	17,587,654
Weighted average shares outstanding - diluted (3)	1,365,390,431	1,386,263,549	1,412,162,456	1,442,067,842	1,464,676,330	1,376,325,971	1,468,364,283
<b>Income per common share attributable to AIG:</b>							
Basic:							
Income from continuing operations	\$ 1.34	\$ 1.81	\$ 0.50	\$ 1.54	\$ 2.11	\$ 3.16	\$ 3.24
Income (loss) from discontinued operations	0.01	-	(0.03)	-	0.02	0.01	(0.01)
Net income attributable to AIG	\$ 1.35	\$ 1.81	\$ 0.47	\$ 1.54	\$ 2.13	\$ 3.17	\$ 3.23
Diluted:							
Income from continuing operations	\$ 1.31	\$ 1.78	\$ 0.49	\$ 1.52	\$ 2.08	\$ 3.09	\$ 3.20
Income (loss) from discontinued operations	0.01	-	(0.03)	-	0.02	0.01	(0.01)
Net income attributable to AIG	\$ 1.32	\$ 1.78	\$ 0.46	\$ 1.52	\$ 2.10	\$ 3.10	\$ 3.19

See Page 6 for the related operating earnings per share and Page 14 for Accompanying Notes.



**American International Group, Inc.**  
**Reconciliations of Pre-tax and After-tax Operating Income**

**Consolidated Results**

(in millions, except share data)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Pre-tax income from continuing operations</b>	\$ 2,552	\$ 3,776	\$ 729	\$ 3,019	\$ 4,480	\$ 6,328	\$ 6,753
<b>Adjustments to arrive at Pre-tax operating income</b>							
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	87	(44)	(98)	(32)	(54)	43	(130)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains	28	54	127	45	52	82	45
Loss on extinguishment of debt	342	68	1,268	742	34	410	272
Net realized capital (gains)	(126)	(1,341)	(193)	(536)	(162)	(1,467)	(10)
(Income) loss from divested businesses (4)	34	21	20	(17)	(2,151)	55	(2,172)
Legal settlements related to legacy crisis matters	(76)	(15)	(113)	(653)	(12)	(91)	(38)
Legal reserves related to legacy crisis matters	27	8	-	17	506	35	529
<b>Pre-tax operating income</b>	<u>\$ 2,868</u>	<u>\$ 2,527</u>	<u>\$ 1,740</u>	<u>\$ 2,585</u>	<u>\$ 2,693</u>	<u>\$ 5,395</u>	<u>\$ 5,249</u>
<b>Net income attributable to AIG</b>	\$ 1,800	\$ 2,468	\$ 655	\$ 2,192	\$ 3,073	\$ 4,268	\$ 4,682
<b>Adjustments to arrive at After-tax operating income (amounts net of tax):</b>							
Uncertain tax positions and other tax adjustments	(49)	(42)	73	(25)	39	(91)	11
Deferred income tax valuation allowance (releases) charges (5)	(40)	93	(20)	(21)	(75)	53	(140)
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	57	(29)	(64)	(21)	(35)	28	(84)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains	18	35	82	29	35	53	30
Loss on extinguishment of debt	222	44	824	482	22	266	177
Net realized capital (gains)	(79)	(874)	(105)	(301)	(155)	(953)	(64)
(Income) loss from discontinued operations	(16)	(1)	35	(2)	(30)	(17)	17
(Income) loss from divested businesses (4)	11	2	(9)	(42)	(1,399)	13	(1,411)
Legal reserves (settlements) related to legacy crisis matters	(31)	(5)	(100)	(569)	321	(36)	319
<b>After-tax operating income</b>	<u>\$ 1,893</u>	<u>\$ 1,691</u>	<u>\$ 1,371</u>	<u>\$ 1,722</u>	<u>\$ 1,796</u>	<u>\$ 3,584</u>	<u>\$ 3,537</u>
<b>After-tax operating income per diluted share</b>	<u>\$ 1.39</u>	<u>\$ 1.22</u>	<u>\$ 0.97</u>	<u>\$ 1.19</u>	<u>\$ 1.23</u>	<u>\$ 2.60</u>	<u>\$ 2.41</u>
<b>Calculation of Effective tax rates:</b>							
Pre-tax operating income	\$ 2,868	\$ 2,527	\$ 1,740	\$ 2,585	\$ 2,693	\$ 5,395	\$ 5,249
Income tax expense	(985)	(825)	(369)	(869)	(904)	(1,810)	(1,721)
Net income (loss) attributable to non-controlling interest	10	(11)	-	6	7	(1)	9
After-tax operating income	<u>\$ 1,893</u>	<u>\$ 1,691</u>	<u>\$ 1,371</u>	<u>\$ 1,722</u>	<u>\$ 1,796</u>	<u>\$ 3,584</u>	<u>\$ 3,537</u>
Effective tax rates on pre-tax operating income	<u>34.3%</u>	<u>32.6%</u>	<u>21.2%</u>	<u>33.6%</u>	<u>33.6%</u>	<u>33.5%</u>	<u>32.8%</u>

See Accompanying Notes on Page 14.





**American International Group, Inc.**  
**Return On Equity and Per Share Data**

**Consolidated Results**

(in millions, except per share data)

	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Common Equity and Book Value Per Share Computations:</b>							
<i>(as of period end)</i>							
Total AIG shareholders' equity (a)	\$ 104,258	\$ 107,979	\$ 106,898	\$ 108,581	\$ 108,161	\$ 104,258	\$ 108,161
Less: Accumulated other comprehensive income (AOCI)	7,620	10,657	10,617	11,331	11,511	7,620	11,511
Total AIG Shareholders' equity, excluding AOCI (b)	96,638	97,322	96,281	97,250	96,650	96,638	96,650
Less: Deferred tax assets (DTA)*	15,290	15,566	16,158	15,682	15,899	15,290	15,899
Total AIG Shareholders' equity, excluding AOCI and DTA (c)	\$ 81,348	\$ 81,756	\$ 80,123	\$ 81,568	\$ 80,751	\$ 81,348	\$ 80,751
Total common shares outstanding (d)	1,307.5	1,347.1	1,375.9	1,403.8	1,428.6	1,307.5	1,428.6
Book Value Per Share (a÷d)	\$ 79.74	\$ 80.16	\$ 77.69	\$ 77.35	\$ 75.71	\$ 79.74	\$ 75.71
Book Value Per Share, excluding AOCI (b÷d)	73.91	72.25	69.98	69.28	67.65	73.91	67.65
Book Value Per Share, excluding AOCI and DTA (c÷d)	\$ 62.22	\$ 60.69	\$ 58.23	\$ 58.11	\$ 56.53	\$ 62.22	\$ 56.53
<b>Return On Equity (ROE) Computations:</b>							
Annualized Net income attributable to AIG (a)	\$ 7,200	\$ 9,872	\$ 2,620	\$ 8,768	\$ 12,292	\$ 8,536	\$ 9,364
Annualized After-tax operating income attributable to AIG (b)	\$ 7,572	\$ 6,764	\$ 5,484	\$ 6,888	\$ 7,184	\$ 7,168	\$ 7,074
Average AIG Shareholders' equity (c)	\$ 106,119	\$ 107,439	\$ 107,740	\$ 108,371	\$ 105,997	\$ 106,378	\$ 104,155
Less: Average AOCI	9,139	10,637	10,974	11,421	10,298	9,631	8,985
Average AIG Shareholders' equity, excluding average AOCI (d)	96,980	96,802	96,766	96,950	95,699	96,747	95,170
Less: Average DTA	15,428	15,862	15,920	15,790	16,709	15,671	17,071
Average AIG Shareholders' equity, excluding average AOCI and DTA (e)	\$ 81,552	\$ 80,940	\$ 80,846	\$ 81,160	\$ 78,990	\$ 81,076	\$ 78,099
ROE (a÷c)	6.8%	9.2%	2.4%	8.1%	11.6%	8.0%	9.0%
ROE - After-tax operating income, excluding AOCI (b÷d)	7.8%	7.0%	5.7%	7.1%	7.5%	7.4%	7.4%
ROE - After-tax operating income, excluding AOCI and DTA (b÷e)	9.3%	8.4%	6.8%	8.5%	9.1%	8.8%	9.1%
<b>Common Stock Repurchase:</b>							
Aggregate repurchase of common stock	\$ 2,345	\$ 1,398	\$ 1,500	\$ 1,466	\$ 1,070	\$ 3,743	\$ 1,937
Total number of common shares repurchased**	39.7	28.9	27.9	24.8	18.1	68.6	35.5
Average price paid per share of common stock	\$ 59.15	\$ 55.14	\$ 54.48	\$ 54.32	\$ 54.08	\$ 54.65	\$ 54.87
<b>Dividends Declared Per Common Share</b>	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.25	\$ 0.25

\* Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full year attribute utilization.

\*\* 1Q15 and the six months ended June 30, 2015 exclude approximately 3.5 million shares of AIG Common Stock received in January 2015 upon the settlement of an ASR agreement executed in the fourth quarter of 2014.

See Accompanying Notes on Page 14.



**American International Group, Inc.**  
**Selected Segment Data**

**Consolidated Results - Operating basis**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Total operating revenues: (6)</b>							
<b>Commercial Insurance</b>							
Property Casualty	\$ 6,233	\$ 5,956	\$ 6,315	\$ 6,425	\$ 6,331	\$ 12,189	\$ 12,443
Mortgage Guaranty	261	264	273	262	259	525	507
Institutional Markets	1,172	624	548	626	707	1,796	1,402
Total Commercial Insurance	7,666	6,844	7,136	7,313	7,297	14,510	14,352
<b>Consumer Insurance</b>							
Retirement	2,465	2,388	2,417	2,472	2,410	4,853	4,895
Life	1,632	1,613	1,576	1,575	1,560	3,245	3,170
Personal Insurance	2,869	2,862	3,008	3,163	3,129	5,731	6,193
Total Consumer Insurance	6,966	6,863	7,001	7,210	7,099	13,829	14,258
Corporate and Other	1,119	1,042	988	1,121	1,114	2,161	2,097
Consolidation, eliminations and other adjustments	(116)	(159)	(119)	(168)	(91)	(275)	(188)
Total operating revenues	<u>\$ 15,635</u>	<u>\$ 14,590</u>	<u>\$ 15,006</u>	<u>\$ 15,476</u>	<u>\$ 15,419</u>	<u>\$ 30,225</u>	<u>\$ 30,519</u>
<b>Total pre-tax operating income:</b>							
<b>Commercial Insurance</b>							
Property Casualty	\$ 1,192	\$ 1,170	\$ 935	\$ 952	\$ 1,245	\$ 2,362	\$ 2,361
Mortgage Guaranty	157	145	171	135	210	302	286
Institutional Markets	151	147	118	153	170	298	399
Total Commercial Insurance	1,500	1,462	1,224	1,240	1,625	2,962	3,046
<b>Consumer Insurance</b>							
Retirement	804	800	722	1,094	764	1,604	1,679
Life	149	171	80	50	215	320	450
Personal Insurance	70	(26)	121	120	140	44	158
Total Consumer Insurance	1,023	945	923	1,264	1,119	1,968	2,287
Corporate and Other	372	162	(418)	149	(57)	534	(110)
Consolidation, eliminations and other adjustments	(27)	(42)	11	(68)	6	(69)	26
Total pre-tax operating income	<u>\$ 2,868</u>	<u>\$ 2,527</u>	<u>\$ 1,740</u>	<u>\$ 2,585</u>	<u>\$ 2,693</u>	<u>\$ 5,395</u>	<u>\$ 5,249</u>

*See Accompanying Notes on Page 14.*



**American International Group, Inc.**  
**General Operating and Other Expenses**

**Consolidated Results**

(in millions)	Quarterly					Six Months Ended	
	June 30,						
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>General operating expenses</b>							
<b>Commercial Insurance</b>							
Property Casualty (7)	\$ 658	\$ 629	\$ 644	\$ 676	\$ 706	\$ 1,287	\$ 1,377
Mortgage Guaranty	40	39	36	46	37	79	74
Institutional Markets	20	18	19	15	14	38	32
Total Commercial Insurance	718	686	699	737	757	1,404	1,483
<b>Consumer Insurance</b>							
Retirement	262	244	279	233	236	506	468
Life (8)	250	231	229	233	213	481	423
Personal Insurance	535	478	550	607	558	1,013	1,063
Total Consumer Insurance	1,047	953	1,058	1,073	1,007	2,000	1,954
Corporate and Other	443	433	532	455	530	876	1,002
Consolidations and eliminations	(91)	(100)	(83)	(59)	(56)	(191)	(130)
<b>Total general operating expenses</b>	<b>2,117</b>	<b>1,972</b>	<b>2,206</b>	<b>2,206</b>	<b>2,238</b>	<b>4,089</b>	<b>4,309</b>
<b>Other acquisition expenses</b>							
<b>Commercial Insurance</b>							
Property Casualty	203	187	190	195	198	390	404
Mortgage Guaranty	13	15	11	13	11	28	25
Institutional Markets	8	7	5	8	9	15	17
Total Commercial Insurance	224	209	206	216	218	433	446
<b>Consumer Insurance</b>							
Personal Insurance	154	160	159	139	150	314	298
Total Consumer Insurance	154	160	159	139	150	314	298
<b>Total other acquisition expenses</b>	<b>378</b>	<b>369</b>	<b>365</b>	<b>355</b>	<b>368</b>	<b>747</b>	<b>744</b>
<b>Loss adjustment expenses</b>							
Commercial Insurance - Property Casualty	313	304	314	302	303	617	601
Consumer Insurance - Personal Insurance	115	119	120	106	115	234	224
<b>Total loss adjustment expenses</b>	<b>428</b>	<b>423</b>	<b>434</b>	<b>408</b>	<b>418</b>	<b>851</b>	<b>825</b>
Investment and other expenses	19	20	11	24	28	39	53
<b>Total general operating expenses, operating basis (9)</b>	<b>2,942</b>	<b>2,784</b>	<b>3,016</b>	<b>2,993</b>	<b>3,052</b>	<b>5,726</b>	<b>5,931</b>
<b>Reconciliation to general operating and other expenses, GAAP basis</b>							
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(428)	(423)	(434)	(408)	(418)	(851)	(825)
Advisory fee expenses	341	332	329	338	337	673	648
Non-deferrable insurance commissions	126	128	146	130	119	254	246
Direct marketing and acquisition expenses, net of deferrals	101	140	203	105	146	241	262
Investment expenses reported as net investment income and other	(19)	(20)	(11)	(24)	(28)	(39)	(53)
<b>Total general operating and other expenses included in pre-tax operating income</b>	<b>3,063</b>	<b>2,941</b>	<b>3,249</b>	<b>3,134</b>	<b>3,208</b>	<b>6,004</b>	<b>6,209</b>
Legal reserves related to legacy crisis matters	27	8	-	17	506	35	529
<b>Total general operating and other expenses, GAAP basis</b>	<b>\$ 3,090</b>	<b>\$ 2,949</b>	<b>\$ 3,249</b>	<b>\$ 3,151</b>	<b>\$ 3,714</b>	<b>\$ 6,039</b>	<b>\$ 6,738</b>

See Accompanying Notes on Page 14.



**American International Group, Inc.**  
**Condensed Consolidated Balance Sheets**

**Consolidated Results**

(in millions)	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
<b>Assets:</b>					
<b>Investments:</b>					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 255,066	\$ 260,822	\$ 259,859	\$ 265,786	\$ 266,304
Other bond securities, at fair value	16,598	19,013	19,712	20,381	21,430
Equity securities					
Common and preferred stock available for sale, at fair value	4,755	3,766	4,395	4,344	4,048
Other common and preferred stock, at fair value	1,323	1,100	1,049	766	724
Mortgage and other loans receivable, net of allowance	27,143	25,313	24,990	23,397	22,937
Other invested assets (page 50)	29,829	34,838	34,518	33,908	33,645
Short-term investments	13,865	11,961	11,243	17,852	20,888
<b>Total investments</b>	<b>348,579</b>	<b>356,813</b>	<b>355,766</b>	<b>366,434</b>	<b>369,976</b>
Cash	1,937	1,823	1,758	1,933	1,827
Accrued investment income	2,632	2,726	2,712	2,877	2,846
Premiums and other receivables, net of allowance	13,258	13,450	12,031	13,236	14,077
Reinsurance assets, net of allowance	21,361	22,208	21,959	23,864	24,631
Deferred income taxes	18,665	18,010	19,339	19,606	19,912
Deferred policy acquisition costs	10,270	9,708	9,827	9,603	9,106
Derivative assets, at fair value	1,256	1,621	1,604	1,588	1,617
Other assets	9,894	12,203	10,549	10,239	9,399
Separate account assets, at fair value	82,135	82,139	80,036	77,810	75,718
<b>Total assets</b>	<b>\$ 509,987</b>	<b>\$ 520,701</b>	<b>\$ 515,581</b>	<b>\$ 527,190</b>	<b>\$ 529,109</b>
<b>Liabilities:</b>					
Liability for unpaid losses and loss adjustment expenses	\$ 72,939	\$ 74,490	\$ 77,260	\$ 78,674	\$ 79,977
Unearned premiums	22,786	22,437	21,324	23,695	23,694
Future policy benefits for life and accident and health insurance contracts	42,787	43,244	42,749	42,431	42,536
Policyholder contract deposits	124,480	124,935	124,613	123,744	123,354
Other policyholder funds	4,378	4,415	4,669	4,718	4,809
Derivative liabilities, at fair value	1,546	2,651	2,273	2,502	2,416
Other liabilities	23,934	26,024	24,168	28,410	29,610
Long-term debt (page 13)	30,360	31,999	31,217	36,223	38,414
Separate account liabilities	82,135	82,139	80,036	77,810	75,718
<b>Total liabilities</b>	<b>405,345</b>	<b>412,334</b>	<b>408,309</b>	<b>418,207</b>	<b>420,528</b>
<b>AIG shareholders' equity:</b>					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(23,165)	(20,820)	(19,218)	(17,720)	(16,369)
Additional paid-in capital	81,330	81,303	80,958	80,904	80,967
Retained earnings	33,707	32,073	29,775	29,300	27,286
Accumulated other comprehensive income	7,620	10,657	10,617	11,331	11,511
<b>Total AIG shareholders' equity</b>	<b>104,258</b>	<b>107,979</b>	<b>106,898</b>	<b>108,581</b>	<b>108,161</b>
<b>Non-redeemable noncontrolling interests</b>	<b>384</b>	<b>388</b>	<b>374</b>	<b>402</b>	<b>420</b>
<b>Total equity</b>	<b>104,642</b>	<b>108,367</b>	<b>107,272</b>	<b>108,983</b>	<b>108,581</b>
<b>Total liabilities and equity</b>	<b>\$ 509,987</b>	<b>\$ 520,701</b>	<b>\$ 515,581</b>	<b>\$ 527,190</b>	<b>\$ 529,109</b>

See Accompanying Notes on Page 14.



**American International Group, Inc.**  
**Condensed Consolidating Balance Sheet**

**Consolidated Results**

	June 30, 2015 (13)			
(in millions)	Life Insurance Companies (10)	Non-Life Insurance Companies (11)	Corporate and Other (12)	AIG Inc.
<b>Assets:</b>				
<b>Investments:</b>				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 159,089	\$ 90,742	\$ 5,235	\$ 255,066
Other bond securities, at fair value	1,649	1,626	13,323	16,598
Equity securities				
Common and preferred stock available for sale, at fair value	106	3,924	725	4,755
Other common and preferred stock, at fair value	-	406	917	1,323
Mortgage and other loans receivable, net of allowance	22,386	7,018	(2,261)	27,143
Other invested assets (page 50)	12,349	9,987	7,493	29,829
Short-term investments	2,996	3,896	6,973	13,865
<b>Total investments</b>	<u>198,575</u>	<u>117,599</u>	<u>32,405</u>	<u>348,579</u>
Cash	437	1,284	216	1,937
Accrued investment income	1,752	843	37	2,632
Premiums and other receivables, net of allowance	1,814	11,590	(146)	13,258
Reinsurance assets, net of allowance	1,863	19,485	13	21,361
Deferred income taxes	-	4,016	14,649	18,665
Deferred policy acquisition costs	7,658	2,596	16	10,270
Derivative assets, at fair value	853	335	68	1,256
Other assets	1,213	6,526	2,155	9,894
Separate account assets, at fair value	82,124	-	11	82,135
<b>Total assets</b>	<u>\$ 296,289</u>	<u>\$ 164,274</u>	<u>\$ 49,424</u>	<u>\$ 509,987</u>
<b>Liabilities:</b>				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 72,939	\$ -	\$ 72,939
Unearned premiums	-	22,786	-	22,786
Future policy benefits for life and accident and health insurance contracts	41,891	744	152	42,787
Policyholder contract deposits	124,556	-	(76)	124,480
Other policyholder funds	2,635	1,733	10	4,378
Derivative liabilities, at fair value	480	86	980	1,546
Other liabilities	6,845	14,915	2,174	23,934
Long-term debt (page 13)	1,520	700 <sup>(14)</sup>	28,140	30,360
Separate account liabilities	82,124	-	11	82,135
<b>Total liabilities</b>	<u>260,051</u>	<u>113,903</u>	<u>31,391</u>	<u>405,345</u>
<b>AIG shareholders' equity:</b>				
Accumulated other comprehensive income (loss)	5,148	2,951	(479)	7,620
Other AIG shareholders' equity	31,057	47,256	18,325	96,638
<b>Total AIG shareholders' equity</b>	<u>36,205</u>	<u>50,207</u>	<u>17,846</u>	<u>104,258</u>
<b>Non-redeemable noncontrolling interests</b>	<u>33</u>	<u>164</u>	<u>187</u>	<u>384</u>
<b>Total equity</b>	<u>36,238</u>	<u>50,371</u>	<u>18,033</u>	<u>104,642</u>
<b>Total liabilities and equity</b>	<u>\$ 296,289</u>	<u>\$ 164,274</u>	<u>\$ 49,424</u>	<u>\$ 509,987</u>

See Accompanying Notes on Page 14.



**American International Group, Inc.**  
**Condensed Consolidating Balance Sheet**

**Consolidated Results**

	December 31, 2014			
	Life Insurance Companies (10)	Non-Life Insurance Companies (11)	Corporate and Other (12)	AIG Inc.
<b>(in millions)</b>				
<b>Assets:</b>				
<b>Investments:</b>				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 164,527	\$ 92,942	\$ 2,390	\$ 259,859
Other bond securities, at fair value	2,785	1,733	15,194	19,712
Equity securities				
Common and preferred stock available for sale, at fair value	150	4,241	4	4,395
Other common and preferred stock, at fair value	-	495	554	1,049
Mortgage and other loans receivable, net of allowance	20,874	6,686	(2,570)	24,990
Other invested assets (page 50)	11,916	10,372	12,230	34,518
Short-term investments	2,131	4,154	4,958	11,243
<b>Total investments</b>	<u>202,383</u>	<u>120,623</u>	<u>32,760</u>	<u>355,766</u>
Cash	451	1,191	116	1,758
Accrued investment income	1,781	907	24	2,712
Premiums and other receivables, net of allowance	1,810	9,970	251	12,031
Reinsurance assets, net of allowance	1,921	20,025	13	21,959
Deferred income taxes	-	4,040	15,299	19,339
Deferred policy acquisition costs	7,258	2,551	18	9,827
Derivative assets, at fair value	902	340	362	1,604
Other assets	4,764	4,652	1,133	10,549
Separate account assets, at fair value	80,025	-	11	80,036
<b>Total assets</b>	<u>\$ 301,295</u>	<u>\$ 164,299</u>	<u>\$ 49,987</u>	<u>\$ 515,581</u>
<b>Liabilities:</b>				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 77,260	\$ -	\$ 77,260
Unearned premiums	-	21,325	(1)	21,324
Future policy benefits for life and accident and health insurance contracts	42,004	579	166	42,749
Policyholder contract deposits	124,716	-	(103)	124,613
Other policyholder funds	2,656	2,003	10	4,669
Derivative liabilities, at fair value	555	208	1,510	2,273
Other liabilities	12,237	11,849	82	24,168
Long-term debt (page 13)	1,574 <sup>(14)</sup>	136	29,507	31,217
Separate account liabilities	80,025	-	11	80,036
<b>Total liabilities</b>	<u>263,767</u>	<u>113,360</u>	<u>31,182</u>	<u>408,309</u>
<b>AIG shareholders' equity:</b>				
Accumulated other comprehensive income (loss)	6,545	3,951	121	10,617
Other AIG shareholders' equity	30,980	46,918	18,383	96,281
<b>Total AIG shareholders' equity</b>	<u>37,525</u>	<u>50,869</u>	<u>18,504</u>	<u>106,898</u>
<b>Non-redeemable noncontrolling interests</b>	<u>3</u>	<u>70</u>	<u>301</u>	<u>374</u>
<b>Total equity</b>	<u>37,528</u>	<u>50,939</u>	<u>18,805</u>	<u>107,272</u>
<b>Total liabilities and equity</b>	<u>\$ 301,295</u>	<u>\$ 164,299</u>	<u>\$ 49,987</u>	<u>\$ 515,581</u>

See Accompanying Notes on Page 14.



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

**Consolidated Results**

(in millions)	Debt and Hybrid Capital			Interest Expense			
	June 30, 2015 (15)	June 30, 2014	Dec. 31, 2014	Three Months Ended		Six Months Ended	
				June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
<b>Financial debt:</b>							
AIG notes and bonds payable	\$ 17,846	\$ 14,122	\$ 15,570	\$ 218	\$ 194	\$ 433	\$ 386
AIG subordinated debt	250	250	250	2	1	3	3
AIG Life Holdings, Inc. notes and bonds payable	284	299	284	5	6	10	11
AIG Life Holdings, Inc. junior subordinated debt	422	997	536	9	23	20	44
<b>Total</b>	<b>18,802</b>	<b>15,668</b>	<b>16,640</b>	<b>234</b>	<b>224</b>	<b>466</b>	<b>444</b>
<b>Operating debt:</b>							
MIP notes payable	1,534	5,650	2,870	15	67	44	141
Series AIGFP matched notes and bonds payable	37	2,156	34	-	41	-	89
Other AIG borrowings supported by assets (16)	4,269	5,824	5,466	-	-	-	-
Other subsidiaries	132	80	58	1	-	2	1
Borrowings of consolidated investments	3,960	3,486	3,683	37	28	71	59
<b>Total</b>	<b>9,932</b>	<b>17,196</b>	<b>12,111</b>	<b>53</b>	<b>136</b>	<b>117</b>	<b>290</b>
<b>Hybrid - debt securities:</b>							
Junior subordinated debt (17)	1,626	5,550	2,466	29	103	73	208
<b>Total (18)</b>	<b>\$ 30,360</b>	<b>\$ 38,414</b>	<b>\$ 31,217</b>	<b>\$ 316</b>	<b>\$ 463</b>	<b>\$ 656</b>	<b>\$ 942</b>
<b>AIG capitalization:</b>							
Total equity	\$ 104,642	\$ 108,581	\$ 107,272				
Hybrid - debt securities (17)	1,626	5,550	2,466				
<b>Total equity and hybrid capital</b>	<b>106,268</b>	<b>114,131</b>	<b>109,738</b>				
Financial debt	18,802	15,668	16,640				
<b>Total capital</b>	<b>\$ 125,070</b>	<b>\$ 129,799</b>	<b>\$ 126,378</b>				
<b>Ratios:</b>							
Hybrid - debt securities / Total capital	1.3%	4.3%	1.9%				
Financial debt / Total capital	15.0%	12.1%	13.2%				
Total debt / Total capital	16.3%	16.3%	15.1%				

See accompanying notes on Page 14.



**American International Group, Inc.**  
**Notes**

**Consolidated Results**

- (1) Includes changes in market value of investments accounted for under the fair value option (including PICC Property & Casualty Company Limited “PICC P&C”), real estate income and income (loss) from equity method investments (excluding AerCap which is reported in Other income through the June 2015 date of sale of a majority of our ordinary shares of AerCap).
- (2) The 2014 periods include the results of ILFC, which was sold on May 14, 2014.
- (3) Dilutive shares are calculated using the treasury stock method and include dilutive shares from share-based employee compensation plans and a weighted average portion of the warrants issued to AIG shareholders as part of the recapitalization in January 2011. The number of shares excluded from diluted shares outstanding was 0.2 million, 0.6 million, 0.4 million, 0.3 million and 0.3 million for each of 2Q15, 1Q15, 4Q14, 3Q14 and 2Q14, respectively, and 0.3 million for both the six-month periods ended June 30, 2015 and 2014, because the effect of including those shares in the calculation would have been anti-dilutive.
- (4) 2Q14 includes the gain on sale of ILFC. 2Q15, 1Q15 and the 2014 periods 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.
- (5) Excludes valuation allowance (charge) releases of \$(49) million, \$184 million, \$582 million and \$892 million in 4Q14, 3Q14, 2Q14 and 1Q14, respectively, recorded in AOCI. There were no valuation allowance (charge) releases recorded in AOCI for 2Q15 or 1Q15.
- (6) Operating revenues exclude Net realized capital gains (losses), Aircraft leasing revenues, income from legal settlements (included in Other income for GAAP purposes) and changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense (included in Net investment income for GAAP purposes).
- (7) Includes general operating expenses from NSM, which was acquired on March 31, 2015.
- (8) Includes general operating expenses from AIG Life Limited (formerly Ageas Protect Limited), which was acquired on December 31, 2014, and general operating expenses from Laya Healthcare, which was acquired on March 31, 2015.
- (9) Includes unallocated loss adjustment expenses, investment expenses and certain acquisition expenses (including the portion deferred for GAAP reporting). Excludes charges for legal reserves related to legacy crisis matters.
- (10) The Life Insurance Companies conduct business primarily through American General Life Insurance Company, The Variable Annuity Life Insurance Company, The United States Life Insurance Company in the City of New York, AIG Fuji Life Insurance Company Limited and AIG Life Limited.
- (11) The Non-Life Insurance Companies include property casualty and mortgage guaranty companies that conduct their business primarily through the following major operating companies: National Union Fire Insurance Company of Pittsburgh, Pa.; American Home Assurance Company; Lexington Insurance Company; Fuji Fire and Marine Insurance Company Limited; American Home Assurance Company, Ltd.; AIG Asia Pacific Insurance, Pte. Ltd.; AIG Europe Limited; and United Guaranty Residential Insurance Company.
- (12) Includes AIG Parent, other assets and investments held by AIG Parent, AIG Life Holdings, Inc. (a non-operating holding company), and consolidations, eliminations and other adjustments.
- (13) Includes debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$979 million and other securitization vehicles and investments of \$543 million.
- (14) Consists primarily of third-party debt related to other subsidiaries and consolidated investments in affordable housing partnerships.
- (15) In July 2015, we repurchased approximately \$142 million aggregate principal amount of senior notes issued by AIG and approximately \$3.3 billion aggregate principal amount of senior notes and junior subordinated notes issued or guaranteed by AIG. Also in July 2015, we issued \$1.25 billion aggregate principal amount of 3.750% Notes due 2025, \$500 million aggregate principal amount of 4.700% Notes due 2035, and \$750 million aggregate principal amount of 4.800% Notes due 2045. In addition, in July 2015 we issued \$290 million aggregate principal amount of 4.90% Callable Notes due 2045.
- (16) 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 \$78 million and \$84 million for the three months ended June 30, 2015 and 2014, respectively, and \$91 million and \$132 million for the six months ended June 30, 2015 and 2014, respectively.
- (17) 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 Sheets.
- (18) ILFC was sold on May 14, 2014. The six-month period ended June 30, 2014 excludes ILFC’s interest expense which is reflected within Aircraft leasing expense on the Consolidated Statement of Operations.



**American International Group, Inc.**  
**Operating Results**

**Commercial Insurance**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Revenues:</b>							
Premiums	\$ 5,971	\$ 5,257	\$ 5,509	\$ 5,692	\$ 5,656	\$ 11,228	\$ 11,020
Policy fees	50	49	49	49	45	99	89
Net investment income	1,645	1,538	1,578	1,572	1,596	3,183	3,243
Total operating revenues	7,666	6,844	7,136	7,313	7,297	14,510	14,352
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	4,549	3,767	4,255	4,385	3,970	8,316	7,935
Interest credited to policyholder account balances	102	102	102	105	103	204	203
Amortization of deferred policy acquisition costs	593	596	612	648	633	1,189	1,252
General operating and other expenses*	922	917	943	935	966	1,839	1,916
Total benefits and expenses	6,166	5,382	5,912	6,073	5,672	11,548	11,306
<b>Pre-tax operating income</b>	<b>\$ 1,500</b>	<b>\$ 1,462</b>	<b>\$ 1,224</b>	<b>\$ 1,240</b>	<b>\$ 1,625</b>	<b>\$ 2,962</b>	<b>\$ 3,046</b>

\* Includes general operating expenses, commissions and other acquisition expenses.

*See Accompanying Notes on Page 24 to 25.*

**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Property Casualty**

(in millions)

	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Net premiums written	\$ 5,583	\$ 5,047	\$ 4,692	\$ 5,509	\$ 5,813	\$ 10,630	\$ 10,819
Net premiums earned	\$ 5,102	\$ 4,931	\$ 5,207	\$ 5,357	\$ 5,269	\$ 10,033	\$ 10,321
Losses and loss adjustment expenses incurred	3,614	3,360	3,904	3,977	3,567	6,974	7,075
Acquisition expenses:							
Amortization of deferred policy acquisition costs	586	588	604	643	624	1,174	1,239
Other acquisition expenses	183	209	228	177	189	392	391
Total acquisition expenses	769	797	832	820	813	1,566	1,630
General operating expenses	658	629	644	676	706	1,287	1,377
Underwriting income (loss)	61	145	(173)	(116)	183	206	239
Net investment income:							
Interest and dividends	856	837	830	857	838	1,693	1,651
Alternative investments (1)	216	243	111	176	171	459	413
Other investment income (2)	96	(6)	189	70	91	90	141
Investment expenses	(37)	(49)	(22)	(35)	(38)	(86)	(83)
Total net investment income	1,131	1,025	1,108	1,068	1,062	2,156	2,122
<b>Pre-tax operating income</b>	<b>\$ 1,192</b>	<b>\$ 1,170</b>	<b>\$ 935</b>	<b>\$ 952</b>	<b>\$ 1,245</b>	<b>\$ 2,362</b>	<b>\$ 2,361</b>
<b>Underwriting ratios: (9)</b>							
Loss ratio	70.8	68.1	75.0	74.2	67.7	69.5	68.5
Catastrophe losses and reinstatement premiums	(4.1)	(1.4)	(0.7)	(4.8)	(2.3)	(2.8)	(2.9)
Prior year development net of premium adjustments	(5.3)	(0.4)	(4.0)	(4.9)	0.7	(2.9)	(1.2)
Net reserve discount	5.2	(1.9)	(4.4)	0.3	0.4	1.7	1.4
Accident year loss ratio, as adjusted	66.6	64.4	65.9	64.8	66.5	65.5	65.8
Acquisition ratio	15.1	16.2	16.0	15.3	15.4	15.6	15.8
General operating expense ratio	12.9	12.8	12.4	12.6	13.4	12.8	13.3
Expense ratio	28.0	29.0	28.4	27.9	28.8	28.4	29.1
Combined ratio	98.8	97.1	103.4	102.1	96.5	97.9	97.6
Catastrophe losses and reinstatement premiums	(4.1)	(1.4)	(0.7)	(4.8)	(2.3)	(2.8)	(2.9)
Prior year development net of premium adjustments	(5.3)	(0.4)	(4.0)	(4.9)	0.7	(2.9)	(1.2)
Net reserve discount	5.2	(1.9)	(4.4)	0.3	0.4	1.7	1.4
Accident year combined ratio, as adjusted	94.6	93.4	94.3	92.7	95.3	93.9	94.9
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses (3)	\$ 209	\$ 71	\$ 35	\$ 260	\$ 121	\$ 280	\$ 305
Reinstatement premiums related to catastrophes	-	-	-	2	-	-	-
Reinstatement premiums related to prior year catastrophes	-	(7)	(2)	(1)	1	(7)	1
Severe losses (4)	184	134	66	188	193	318	338
<b>Prior year development:</b>							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	267	17	175	319	5	284	161
(Additional) returned premium related to prior year development	12	11	52	(93)	(68)	23	(64)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	279	28	227	226	(63)	307	97
Net reserve discount (benefit) charge	(270)	93	229	(16)	(16)	(177)	(142)
<b>Net loss and loss expense reserve by line of business (at end of period):</b>							
Casualty	31,753	32,658	33,065	33,730	34,216	31,753	34,216
Financial Lines	9,216	9,275	9,538	9,644	9,855	9,216	9,855
Specialty	5,861	5,750	5,786	5,660	5,665	5,861	5,665
Property	3,692	3,693	4,079	4,157	4,052	3,692	4,052
Total	<b>\$ 50,522</b>	<b>\$ 51,376</b>	<b>\$ 52,468</b>	<b>\$ 53,191</b>	<b>\$ 53,788</b>	<b>\$ 50,522</b>	<b>\$ 53,788</b>

See Accompanying Notes on Page 24 to 25.



**American International Group, Inc.**  
**Net Premiums Written by Line of Business and Region**

**Commercial Insurance - Property Casualty**

(in millions)	Quarterly					Six Months Ended	
	2Q15	1Q15	4Q14	3Q14	2Q14	June 30, 2015	2014
<b>By Line of Business:</b>							
Casualty	\$ 1,812	\$ 1,882	\$ 1,659	\$ 1,968	\$ 2,007	\$ 3,694	\$ 4,022
Property	1,628	1,007	992	1,482	1,732	2,635	2,662
Specialty	918	954	909	911	898	1,872	1,894
Financial lines	1,225	1,204	1,132	1,148	1,176	2,429	2,241
<b>Total net premiums written</b>	<b>\$ 5,583</b>	<b>\$ 5,047</b>	<b>\$ 4,692</b>	<b>\$ 5,509</b>	<b>\$ 5,813</b>	<b>\$ 10,630</b>	<b>\$ 10,819</b>
<b>By Region:</b>							
Americas	\$ 3,892	\$ 2,949	\$ 3,251	\$ 3,643	\$ 4,013	\$ 6,841	\$ 6,905
EMEA	1,231	1,616	962	1,276	1,303	2,847	2,954
Asia Pacific	460	482	479	590	497	942	960
<b>Total net premiums written</b>	<b>\$ 5,583</b>	<b>\$ 5,047</b>	<b>\$ 4,692</b>	<b>\$ 5,509</b>	<b>\$ 5,813</b>	<b>\$ 10,630</b>	<b>\$ 10,819</b>
<b>Foreign exchange effect on worldwide premiums:</b>							
<b>Change in net premiums written</b>							
Increase (decrease) in original currency over prior-year period (5)	0.3 %	5.9 %	(2.2) %	5.2 %	(1.4) %	2.9 %	0.5 %
Foreign exchange effect	(4.3)	(5.1)	(1.1)	0.3	0.1	(4.6)	(0.4)
Increase (decrease) as reported in U.S. dollars	(4.0) %	0.8 %	(3.3) %	5.5 %	(1.3) %	(1.7) %	0.1 %

*See Accompanying Notes on Page 24 to 25.*

**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Property Casualty North America**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net premiums written	3,742	2,828	3,087	3,503	3,864	6,570	6,629
Net premiums earned	3,258	3,197	3,308	3,426	3,336	6,455	6,598
Losses and loss adjustment expenses incurred	2,519	2,482	2,790	2,786	2,497	5,001	4,906
Acquisition expenses:							
Amortization of deferred policy acquisition costs	320	325	334	361	352	645	698
Other acquisition expenses	71	120	130	103	96	191	209
Total acquisition expenses	391	445	464	464	448	836	907
General operating expenses	335	296	322	328	339	631	678
Underwriting income (loss)	13	(26)	(268)	(152)	52	(13)	107
Net investment income:							
Interest and dividends	728	719	702	725	705	1,447	1,396
Alternative investments (1)	214	237	107	177	165	451	404
Other investment income (2)	82	(12)	176	56	73	70	101
Investment expenses	(24)	(38)	(10)	(28)	(27)	(62)	(64)
Total net investment income	1,000	906	975	930	916	1,906	1,837
<b>Pre-tax operating income</b>	<b>\$ 1,013</b>	<b>\$ 880</b>	<b>\$ 707</b>	<b>\$ 778</b>	<b>\$ 968</b>	<b>\$ 1,893</b>	<b>\$ 1,944</b>
<b>Underwriting ratios: (9)</b>							
Loss ratio	77.3	77.6	84.3	81.3	74.9	77.5	74.4
Catastrophe losses and reinstatement premiums	(4.9)	(2.2)	(0.8)	(5.0)	(3.5)	(3.6)	(3.7)
Prior year development net of premium adjustments	(9.1)	(2.1)	(8.3)	(7.8)	(1.3)	(5.7)	(1.8)
Net reserve discount	8.2	(2.9)	(6.8)	0.4	0.5	2.8	2.1
Accident year loss ratio, as adjusted	71.5	70.4	68.4	68.9	70.6	71.0	71.0
Acquisition ratio	12.0	13.9	14.0	13.5	13.4	13.0	13.7
General operating expense ratio	10.3	9.3	9.7	9.6	10.2	9.8	10.3
Expense ratio	22.3	23.2	23.7	23.1	23.6	22.8	24.0
Combined ratio	99.6	100.8	108.0	104.4	98.5	100.3	98.4
Catastrophe losses and reinstatement premiums	(4.9)	(2.2)	(0.8)	(5.0)	(3.5)	(3.6)	(3.7)
Prior year development net of premium adjustments	(9.1)	(2.1)	(8.3)	(7.8)	(1.3)	(5.7)	(1.8)
Net reserve discount	8.2	(2.9)	(6.8)	0.4	0.5	2.8	2.1
Accident year combined ratio, as adjusted	93.8	93.6	92.1	92.0	94.2	93.8	95.0
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses (3)	\$ 160	\$ 70	\$ 27	\$ 173	\$ 116	\$ 230	\$ 239
Reinstatement premiums related to prior year catastrophes	-	(7)	-	-	1	(7)	1
Severe losses (4)	79	87	(1)	62	62	166	108
<b>Prior year development:</b>							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	290	66	235	331	88	356	167
(Additional) returned premium related to prior year development	12	11	52	(93)	(68)	23	(64)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	302	77	287	238	20	379	103
Net reserve discount (benefit) charge	\$ (270)	\$ 93	\$ 229	\$ (16)	\$ (16)	\$ (177)	\$ (142)

See Accompanying Notes on Page 24 to 25.



**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Property Casualty International**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Net premiums written	\$ 1,841	\$ 2,219	\$ 1,605	\$ 2,006	\$ 1,949	\$ 4,060	\$ 4,190
Net premiums earned	\$ 1,844	\$ 1,734	\$ 1,899	\$ 1,931	\$ 1,933	\$ 3,578	\$ 3,723
Losses and loss adjustment expenses incurred	1,095	878	1,114	1,191	1,070	1,973	2,169
Acquisition expenses:							
Amortization of deferred policy acquisition costs	266	263	270	282	272	529	541
Other acquisition expenses	112	89	98	74	93	201	182
Total acquisition expenses	378	352	368	356	365	730	723
General operating expenses	323	333	322	348	367	656	699
Underwriting income (loss)	48	171	95	36	131	219	132
Net investment income:							
Interest and dividends	128	118	128	132	133	246	255
Alternative investments (1)	2	6	4	(1)	6	8	9
Other investment income (2)	14	6	13	14	18	20	40
Investment expenses	(13)	(11)	(12)	(7)	(11)	(24)	(19)
Total net investment income	131	119	133	138	146	250	285
<b>Pre-tax operating income</b>	<b>\$ 179</b>	<b>\$ 290</b>	<b>\$ 228</b>	<b>\$ 174</b>	<b>\$ 277</b>	<b>\$ 469</b>	<b>\$ 417</b>
<b>Underwriting ratios: (9)</b>							
Loss ratio	59.4	50.6	58.7	61.7	55.4	55.1	58.3
Catastrophe losses and reinstatement premiums	(2.7)	-	(0.5)	(4.6)	(0.3)	(1.4)	(1.8)
Prior year development net of premium adjustments	1.3	2.8	3.3	0.7	4.3	2.1	0.1
Accident year loss ratio, as adjusted	58.0	53.4	61.5	57.8	59.4	55.8	56.6
Acquisition ratio	20.5	20.3	19.4	18.4	18.9	20.4	19.4
General operating expense ratio	17.5	19.2	17.0	18.0	19.0	18.3	18.8
Expense ratio	38.0	39.5	36.4	36.4	37.9	38.7	38.2
Combined ratio	97.4	90.1	95.1	98.1	93.3	93.8	96.5
Catastrophe losses and reinstatement premiums	(2.7)	-	(0.5)	(4.6)	(0.3)	(1.4)	(1.8)
Prior year development net of premium adjustments	1.3	2.8	3.3	0.7	4.3	2.1	0.1
Accident year combined ratio, as adjusted	96.0	92.9	97.9	94.2	97.3	94.5	94.8
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses (3)	\$ 49	\$ 1	\$ 8	\$ 87	\$ 5	\$ 50	\$ 66
Reinstatement premiums related to catastrophes	-	-	-	2	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	(2)	(1)	-	-	-
Severe losses (4)	105	47	67	126	131	152	230
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	\$ (23)	\$ (49)	\$ (60)	\$ (12)	\$ (83)	\$ (72)	\$ (6)

See Accompanying Notes on Page 24 to 25.



**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Mortgage Guaranty**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Net premiums written	\$ 277	\$ 258	\$ 273	\$ 271	\$ 249	\$ 535	\$ 480
Net premiums earned	\$ 226	\$ 230	\$ 238	\$ 227	\$ 226	456	439
Losses and loss adjustment expenses incurred	44	58	49	63	(7)	102	111
Acquisition expenses:							
Amortization of deferred policy acquisition costs	7	7	6	5	8	14	11
Other acquisition expenses	13	15	11	13	11	28	25
Total acquisition expenses	20	22	17	18	19	42	36
General operating expenses	40	39	36	46	37	79	74
Underwriting income	122	111	136	100	177	233	218
Net investment income	35	34	35	35	33	69	68
<b>Pre-tax operating income</b>	<b>\$ 157</b>	<b>\$ 145</b>	<b>\$ 171</b>	<b>\$ 135</b>	<b>\$ 210</b>	<b>\$ 302</b>	<b>\$ 286</b>
<b>Underwriting ratios: (9)</b>							
Loss ratio	19.5	25.2	20.6	27.8	(3.1)	22.4	25.3
Prior year loss development	7.5	-	12.6	5.2	39.4	3.7	14.1
Accident year loss ratio, as adjusted	27.0	25.2	33.2	33.0	36.3	26.1	39.4
Acquisition ratio	8.8	9.6	7.1	7.9	8.4	9.2	8.2
General operating expense ratio	17.7	16.9	15.1	20.3	16.4	17.3	16.9
Expense ratio	26.5	26.5	22.2	28.2	24.8	26.5	25.1
Combined ratio	46.0	51.7	42.8	56.0	21.7	48.9	50.4
Prior year loss development	7.5	-	12.6	5.2	39.4	3.7	14.1
Accident year combined ratio, as adjusted	53.5	51.7	55.4	61.2	61.1	52.6	64.5
<b>Noteworthy Items (pre-tax):</b>							
Prior year loss reserve development (favorable) unfavorable	\$ (17)	\$ -	\$ (30)	\$ (12)	\$ (89)	\$ (17)	\$ (62)
New insurance written	15,323	10,854	11,023	12,881	11,195	26,177	18,940
Net loss and loss expense reserve (at period end)	873	922	977	1,068	1,131	873	1,131
Shareholders' equity (at period end)	3,247	3,178	3,070	2,601	2,529	3,247	2,529
Shareholders' equity, excluding AOCI (at period end)	3,222	3,100	3,011	2,548	2,460	3,222	2,460
<b>Domestic first liens:</b>							
Number of primary paid claims	1,998	2,454	2,818	2,711	3,015	4,452	6,072
Gross paid claims	\$ 90	\$ 110	\$ 124	\$ 119	\$ 126	\$ 200	\$ 266

See Accompanying Notes on 24 to 25.



**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Mortgage Guaranty Domestic First-Lien, Delinquencies and Gross Risk in Force by Vintage**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
First-lien new insurance written	\$ 15,190	\$ 10,542	\$ 10,733	\$ 12,643	\$ 11,057	\$ 25,732	\$ 18,662
First-lien persistency (twelve months)	82.2%	82.3%	84.1%	84.2%	83.5%	82.2%	83.5%
First-lien insurance in force	\$ 178,498	\$ 169,880	\$ 167,180	\$ 162,533	\$ 156,050	\$ 178,498	\$ 156,050
Total first-lien primary risk in force - net of reinsurance and stop loss	\$ 45,022	\$ 42,839	\$ 42,106	\$ 40,782	\$ 38,917	\$ 45,022	\$ 38,917
Number of ending primary delinquent loans	32,648	34,372	38,357	39,222	39,801	32,648	39,801
In force count	899,621	877,076	867,120	850,578	826,158	899,621	826,158
Delinquency data:							
Primary delinquency ratio	3.6%	3.9%	4.4%	4.6%	4.8%	3.6%	4.8%
Aging of primary delinquent inventory:							
3 or fewer payments missed	31.5%	29.7%	32.9%	32.0%	29.2%	31.5%	29.2%
4-11 payments missed	25.9%	27.9%	26.5%	25.0%	25.8%	25.9%	25.8%
12-23 payments missed	16.8%	16.4%	15.6%	16.9%	18.0%	16.8%	18.0%
24-35 payments missed	8.5%	8.8%	8.7%	9.6%	10.5%	8.5%	10.5%
More than 35 payments missed	17.3%	17.2%	16.3%	16.5%	16.5%	17.3%	16.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Risk in Force by Vintage year:							
2006 and prior	9%	9%	10%	11%	13%	9%	13%
2007	7%	8%	8%	9%	9%	7%	9%
2008	4%	4%	5%	5%	5%	4%	5%
2009	1%	2%	2%	2%	2%	1%	2%
2010	2%	2%	2%	2%	3%	2%	3%
2011	5%	5%	6%	6%	7%	5%	7%
2012	15%	16%	17%	19%	20%	15%	20%
2013	22%	25%	26%	28%	30%	22%	30%
2014	22%	24%	24%	18%	11%	22%	11%
2015	13%	5%	0%	0%	0%	13%	0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See Accompanying Notes on Page 24 to 25.



**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Institutional Markets**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Premiums and deposits</b>	\$ 680	\$ 146	\$ 615	\$ 2,840	\$ 195	\$ 826	\$ 342
<b>Revenues:</b>							
Premiums	\$ 643	\$ 96	\$ 64	\$ 108	\$ 161	\$ 739	\$ 260
Policy fees	50	49	49	49	45	99	89
Net investment income:							
Base portfolio (6)	358	354	353	363	358	712	719
Alternative investments (1)	117	120	77	89	101	237	297
Other enhancements (7)	4	5	5	17	42	9	37
Total net investment income	479	479	435	469	501	958	1,053
Total operating revenues	<b>1,172</b>	<b>624</b>	<b>548</b>	<b>626</b>	<b>707</b>	<b>1,796</b>	<b>1,402</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	891	349	302	345	410	1,240	749
Interest credited to policyholder account balances	102	102	102	105	103	204	203
Acquisition expenses:							
Amortization of deferred policy acquisition costs	-	1	2	-	1	1	2
Other acquisition expenses	8	7	5	8	9	15	17
Total acquisition expenses	8	8	7	8	10	16	19
General operating expenses	20	18	19	15	14	38	32
Total benefits and expenses	1,021	477	430	473	537	1,498	1,003
<b>Pre-tax operating income</b>	<b>\$ 151</b>	<b>\$ 147</b>	<b>\$ 118</b>	<b>\$ 153</b>	<b>\$ 170</b>	<b>\$ 298</b>	<b>\$ 399</b>
<b>General and separate account reserves:</b>							
Future policyholder benefits	\$ 19,219	\$ 19,723	\$ 19,343	\$ 19,040	\$ 19,310	\$ 19,219	\$ 19,310
Policyholder contract deposits	9,712	9,802	9,854	9,401	9,560	9,712	9,560
Separate account reserves	6,901	6,978	6,932	7,070	4,576	6,901	4,576
<b>Total general and separate account reserves</b>	<b>\$ 35,832</b>	<b>\$ 36,503</b>	<b>\$ 36,129</b>	<b>\$ 35,511</b>	<b>\$ 33,446</b>	<b>\$ 35,832</b>	<b>\$ 33,446</b>

See Accompanying Notes on Page 24 to 25.



**American International Group, Inc.**  
**Operating Statistics**

**Commercial Insurance - Institutional Markets**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 35,120	\$ 35,080	\$ 34,765	\$ 32,386	\$ 32,239	\$ 35,080	\$ 32,100
Premiums and deposits	680	146	615	2,840	195	826	342
Surrenders and withdrawals	(227)	(29)	(338)	(343)	(15)	(256)	(85)
Death and other contract benefits	(418)	(379)	(413)	(365)	(399)	(797)	(752)
Subtotal	35	(262)	(136)	2,132	(219)	(227)	(495)
Change in fair value of underlying assets and reserve accretion, net of policy fees	299	258	297	184	293	557	649
Cost of funds	102	102	102	105	103	204	203
Other reserve changes (including loss recognition)	(33)	(58)	52	(42)	(30)	(91)	(71)
Balance at end of period	35,523	35,120	35,080	34,765	32,386	35,523	32,386
Reserves related to unrealized investment appreciation	314	1,388	1,054	752	1,065	314	1,065
Reinsurance ceded	(5)	(5)	(5)	(6)	(5)	(5)	(5)
<b>Total insurance reserves</b>	<b>\$ 35,832</b>	<b>\$ 36,503</b>	<b>\$ 36,129</b>	<b>\$ 35,511</b>	<b>\$ 33,446</b>	<b>\$ 35,832</b>	<b>\$ 33,446</b>
<b>Reserves by line of business:</b>							
Structured settlements	\$ 18,843	\$ 19,701	\$ 19,343	\$ 19,072	\$ 19,312	\$ 18,843	\$ 19,312
Terminal funding annuities	3,460	3,108	3,090	3,068	3,112	3,460	3,112
Corporate and bank-owned life insurance	4,814	4,810	4,816	4,803	4,789	4,814	4,789
High net worth products	2,367	2,359	2,312	2,230	2,283	2,367	2,283
Guaranteed investments contracts	4,073	4,179	4,247	3,795	3,950	4,073	3,950
Stable value wrap - separate account liability	2,275	2,346	2,321	2,543	-	2,275	-
<b>Total insurance reserves</b>	<b>\$ 35,832</b>	<b>\$ 36,503</b>	<b>\$ 36,129</b>	<b>\$ 35,511</b>	<b>\$ 33,446</b>	<b>\$ 35,832</b>	<b>\$ 33,446</b>
<b>Stable value wraps (401k and bank-owned life insurance) - Assets under management (8)</b>	<b>\$ 32,588</b>	<b>\$ 32,422</b>	<b>\$ 32,320</b>	<b>\$ 27,656</b>	<b>\$ 26,108</b>	<b>\$ 32,588</b>	<b>\$ 26,108</b>

See Accompanying Notes on Page 24 to 25.



## Commercial Insurance

### **Basis of Presentation**

Commercial Insurance manages its business in three operating segments - Property Casualty, Mortgage Guaranty and Institutional Markets - and operates in three major geographic areas: the Americas (which includes the United States, Canada, Latin 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, the Russian Federation, 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.

Net investment income is attributed to the operating segments of Commercial Insurance and Consumer Insurance based on internal models consistent with the nature of the underlying businesses.

For Commercial Insurance - Property Casualty, we estimate investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each operating segment. The net 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, and excludes net investment income associated with the runoff insurance lines reported in Corporate and Other. The remaining excess is attributed to Commercial Insurance - Property Casualty and Consumer Insurance - Personal Insurance based on the relative net investment income previously allocated.

For Commercial Insurance - Institutional Markets, net investment income is attributed based on invested assets from segregated product line portfolios. The fundamental investment strategy for these operating segments 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 internal capital estimates.

Net investment income for Commercial Insurance - Mortgage Guaranty is attributed based on legal entity invested assets.

### **Notes**

- (1) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships and 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. Refer to page 50 for additional information.
- (2) 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.
- (3) Catastrophes (CATs) are generally weather or seismic events having a net impact in excess of \$10 million each.
- (4) 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.
- (5) Computed using a constant exchange rate for each period.
- (6) Includes interest, dividends and real estate income, net of investment expenses.
- (7) 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 income.
- (8) Comprises the notional value of (i) new stable value wrap contracts and (ii) stable value wrap contracts novated from AIG Global Capital Markets and rewritten as group annuity contracts. Excludes the portion of stable value wraps included in Total insurance reserves.

**American International Group, Inc.**  
**Notes (Continued)**

**Commercial Insurance**

**Notes**

(9) Underwriting ratios are computed as follows:

- a. Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b. Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE + Reinstatement premiums (RIPs) related to catastrophes] – Loss ratio
- c. Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development (favorable) unfavorable, net of reinsurance (PYD)] ÷ [NPE + RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio
- d. Net reserve discount = -1\*[Net reserve discount (benefit) charge ÷ NPE] (Note: any rounding will go into this line since Accident year loss ratio, as adjusted is calculated independently.)
- e. Accident year loss ratio, as adjusted = [Loss and loss adjustment expenses incurred – CATs – PYD – Net reserve discount (benefit) charge] ÷ [NPE + RIPs related to catastrophes + RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development]
- f. Acquisition ratio = Total acquisition expenses ÷ NPE
- g. General operating expense ratio = General operating expenses ÷ NPE
- h. Expense ratio = Acquisition ratio + General operating expenses ratio
- i. Combined ratio = Loss ratio + Expense ratio
- j. Accident year combined ratio = Accident year loss ratio, as adjusted + Expense ratio

**American International Group, Inc.**  
**Operating Results**

**Consumer Insurance**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Revenues:</b>							
Premiums	\$ 3,552	\$ 3,553	\$ 3,667	\$ 3,781	\$ 3,799	\$ 7,105	\$ 7,488
Policy fees	639	627	624	635	601	1,266	1,194
Net investment income	2,232	2,175	2,199	2,283	2,197	4,407	4,600
Other income	543	508	511	511	502	1,051	976
<b>Total operating revenues</b>	<b>6,966</b>	<b>6,863</b>	<b>7,001</b>	<b>7,210</b>	<b>7,099</b>	<b>13,829</b>	<b>14,258</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	2,561	2,679	2,630	2,763	2,646	5,240	5,403
Interest credited to policyholder account balances	837	833	865	776	859	1,670	1,712
Amortization of deferred policy acquisition cost	737	715	726	597	718	1,452	1,436
General operating and other expenses*	1,808	1,691	1,857	1,810	1,757	3,499	3,420
<b>Total benefits and expenses</b>	<b>5,943</b>	<b>5,918</b>	<b>6,078</b>	<b>5,946</b>	<b>5,980</b>	<b>11,861</b>	<b>11,971</b>
<b>Pre-tax operating income</b>	<b>\$ 1,023</b>	<b>\$ 945</b>	<b>\$ 923</b>	<b>\$ 1,264</b>	<b>\$ 1,119</b>	<b>\$ 1,968</b>	<b>\$ 2,287</b>

\* Includes general operating expenses, non deferrable commissions, other acquisition expenses and advisory fees and other expenses.

*See Accompanying Notes on Pages 42 to 44.*

**American International Group, Inc.**  
**Operating Results**

**Consumer Insurance - Retirement**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Premiums and deposits (1)</b>	\$ 6,083	\$ 5,522	\$ 6,003	\$ 5,876	\$ 6,182	\$ 11,605	\$ 12,198
<b>Revenues:</b>							
Premiums	\$ 44	\$ 46	\$ 66	\$ 67	\$ 97	\$ 90	\$ 154
Policy fees	277	264	259	265	248	541	486
Net investment income:							
Base portfolio (2)	1,360	1,351	1,378	1,397	1,410	2,711	2,848
Alternative investments (3)	214	165	125	155	118	379	387
Other enhancements (4)	44	54	78	77	35	98	44
Total net investment income	1,618	1,570	1,581	1,629	1,563	3,188	3,279
Advisory fee and other income	526	508	511	511	502	1,034	976
Total operating revenues	<b>2,465</b>	<b>2,388</b>	<b>2,417</b>	<b>2,472</b>	<b>2,410</b>	<b>4,853</b>	<b>4,895</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	116	92	127	137	160	208	273
Interest credited to policyholder account balances	715	709	738	648	733	1,424	1,460
Amortization of deferred policy acquisition costs	158	142	148	(46)	117	300	243
Non deferrable insurance commissions	69	69	74	68	63	138	124
Advisory fee expenses	341	332	329	338	337	673	648
General operating expenses	262	244	279	233	236	506	468
Total benefits and expenses	<b>1,661</b>	<b>1,588</b>	<b>1,695</b>	<b>1,378</b>	<b>1,646</b>	<b>3,249</b>	<b>3,216</b>
<b>Pre-tax operating income</b>	<b>\$ 804</b>	<b>\$ 800</b>	<b>\$ 722</b>	<b>\$ 1,094</b>	<b>\$ 764</b>	<b>\$ 1,604</b>	<b>\$ 1,679</b>
<b>Assets under management:</b>							
General accounts	\$ 122,169	\$ 124,460	\$ 124,755	\$ 127,178	\$ 128,325	\$ 122,169	\$ 128,325
Separate accounts	74,523	74,434	72,381	70,024	70,400	74,523	70,400
Group retirement and retail mutual funds	28,207	27,706	27,052	27,739	28,632	28,207	28,632
<b>Total assets under management</b>	<b>\$ 224,899</b>	<b>\$ 226,600</b>	<b>\$ 224,188</b>	<b>\$ 224,941</b>	<b>\$ 227,357</b>	<b>\$ 224,899</b>	<b>\$ 227,357</b>

See Accompanying Notes on Pages 42 to 44.



**American International Group, Inc.**  
**Net Flows**

**Consumer Insurance - Retirement**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Investment Products Net Flows:</b>							
<b>Premiums and deposits: (1)</b>							
Fixed Annuities	\$ 650	\$ 684	\$ 865	\$ 692	\$ 1,061	\$ 1,334	\$ 2,021
Retirement Income Solutions	2,936	2,457	2,695	2,887	2,570	5,393	4,743
Retail Mutual Funds	922	857	721	598	896	1,779	2,058
Group Retirement	1,562	1,511	1,709	1,686	1,640	3,073	3,348
<b>Total premiums and deposits</b>	<b>6,070</b>	<b>5,509</b>	<b>5,990</b>	<b>5,863</b>	<b>6,167</b>	<b>11,579</b>	<b>12,170</b>
<b>Surrenders and withdrawals:</b>							
Fixed Annuities	(946)	(883)	(1,059)	(834)	(880)	(1,829)	(1,753)
Retirement Income Solutions	(823)	(751)	(781)	(770)	(797)	(1,574)	(1,555)
Retail Mutual Funds	(581)	(714)	(800)	(913)	(743)	(1,295)	(1,665)
Group Retirement	(1,819)	(2,012)	(3,839)	(2,615)	(1,902)	(3,831)	(3,549)
<b>Total surrenders and withdrawals</b>	<b>(4,169)</b>	<b>(4,360)</b>	<b>(6,479)</b>	<b>(5,132)</b>	<b>(4,322)</b>	<b>(8,529)</b>	<b>(8,522)</b>
<b>Death and other contract benefits:</b>							
Fixed Annuities	(644)	(547)	(547)	(591)	(605)	(1,191)	(1,107)
Retirement Income Solutions	(191)	(181)	(174)	(165)	(168)	(372)	(314)
Group Retirement	(134)	(139)	(133)	(132)	(133)	(273)	(272)
<b>Total death and other contract benefits</b>	<b>(969)</b>	<b>(867)</b>	<b>(854)</b>	<b>(888)</b>	<b>(906)</b>	<b>(1,836)</b>	<b>(1,693)</b>
<b>Net flows: (5)</b>							
Fixed Annuities	(940)	(746)	(741)	(733)	(424)	(1,686)	(839)
Retirement Income Solutions	1,922	1,525	1,740	1,952	1,605	3,447	2,874
Retail Mutual Funds	341	143	(79)	(315)	153	484	393
Group Retirement	(391)	(640)	(2,263)	(1,061)	(395)	(1,031)	(473)
<b>Total net flows</b>	<b>\$ 932</b>	<b>\$ 282</b>	<b>\$ (1,343)</b>	<b>\$ (157)</b>	<b>\$ 939</b>	<b>\$ 1,214</b>	<b>\$ 1,955</b>

See Accompanying Notes on Pages 42 to 44.



**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Retirement (Fixed Annuities)**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Premiums and deposits (1)</b>	\$ 661	\$ 695	\$ 875	\$ 703	\$ 1,074	\$ 1,356	\$ 2,045
<b>Revenues:</b>							
Premiums	\$ 43	\$ 41	\$ 61	\$ 50	\$ 91	\$ 84	\$ 142
Policy fees	5	4	5	3	6	9	13
Net investment income:							
Base portfolio (2)	723	733	755	772	782	1,456	1,589
Alternative investments (3)	103	84	60	72	56	187	198
Other enhancements (4)	24	30	50	41	19	54	29
Total net investment income	850	847	865	885	857	1,697	1,816
<b>Total operating revenues</b>	<b>898</b>	<b>892</b>	<b>931</b>	<b>938</b>	<b>954</b>	<b>1,790</b>	<b>1,971</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	78	64	90	78	128	142	218
Interest credited to policyholder account balances	391	386	407	332	408	777	814
Amortization of deferred policy acquisition costs	72	70	76	(60)	71	142	143
Non deferrable insurance commissions	5	5	7	6	6	10	13
General operating expenses	38	40	43	37	37	78	74
<b>Total benefits and expenses</b>	<b>584</b>	<b>565</b>	<b>623</b>	<b>393</b>	<b>650</b>	<b>1,149</b>	<b>1,262</b>
<b>Pre-tax operating income</b>	<b>\$ 314</b>	<b>\$ 327</b>	<b>\$ 308</b>	<b>\$ 545</b>	<b>\$ 304</b>	<b>\$ 641</b>	<b>\$ 709</b>
<b>General and separate account reserves:</b>							
Future policyholder benefits	\$ 2,935	\$ 3,070	\$ 3,054	\$ 3,029	\$ 3,151	\$ 2,935	\$ 3,151
Policyholder contract deposits and separate account reserves	52,080	52,718	53,138	53,577	54,004	52,080	54,004
<b>Total general and separate account reserves</b>	<b>\$ 55,015</b>	<b>\$ 55,788</b>	<b>\$ 56,192</b>	<b>\$ 56,606</b>	<b>\$ 57,155</b>	<b>\$ 55,015</b>	<b>\$ 57,155</b>

See Accompanying Notes on Pages 42 to 44.

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Retirement (Fixed Annuities)**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Net investment spreads: (a)</b>							
Base yield (6)	4.98%	4.99%	5.03%	5.06%	5.11%	4.99%	5.18%
Alternative investments (7)	0.36%	0.22%	0.14%	0.21%	0.13%	0.29%	0.32%
Other enhancements (8)	0.09%	0.12%	0.27%	0.20%	0.04%	0.10%	0.03%
<b>Total yield</b>	<b>5.43%</b>	<b>5.33%</b>	<b>5.44%</b>	<b>5.47%</b>	<b>5.28%</b>	<b>5.38%</b>	<b>5.53%</b>
Cost of funds (b)	2.77%	2.78%	2.80%	2.81%	2.83%	2.78%	2.84%
<b>Net spread rate, as reported</b>	<b>2.66%</b>	<b>2.55%</b>	<b>2.64%</b>	<b>2.66%</b>	<b>2.45%</b>	<b>2.60%</b>	<b>2.69%</b>
<b>Base net investment spread (c)</b>	<b>2.21%</b>	<b>2.21%</b>	<b>2.23%</b>	<b>2.25%</b>	<b>2.28%</b>	<b>2.21%</b>	<b>2.34%</b>
<b>Surrender rates (9)</b>	<b>7.2%</b>	<b>6.7%</b>	<b>8.0%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>7.0%</b>	<b>6.7%</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 723	\$ 817	\$ 855	\$ 645	\$ 800	\$ 817	\$ 1,017
Deferrals	15	16	20	17	26	31	49
Operating amortization	(72)	(70)	(77)	60	(70)	(142)	(142)
Change from realized gains (losses)	(2)	2	2	(8)	(7)	-	(30)
Change from unrealized gains (losses)	205	(42)	17	141	(104)	163	(249)
<b>Balance at end of period</b>	<b>\$ 869</b>	<b>\$ 723</b>	<b>\$ 817</b>	<b>\$ 855</b>	<b>\$ 645</b>	<b>\$ 869</b>	<b>\$ 645</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 56,013	\$ 56,445	\$ 56,877	\$ 57,303	\$ 57,414	\$ 56,445	\$ 57,531
Premiums and deposits	661	695	875	703	1,074	1,356	2,045
Surrenders and withdrawals	(1,000)	(933)	(1,125)	(896)	(954)	(1,933)	(1,921)
Death and other contract benefits	(710)	(600)	(601)	(650)	(670)	(1,310)	(1,222)
Subtotal	(1,049)	(838)	(851)	(843)	(550)	(1,887)	(1,098)
Change in fair value of underlying assets and reserve accretion, net of policy fees	47	30	28	28	47	77	90
Cost of funds (b)	361	356	373	377	380	717	758
Other reserve changes (including loss recognition)	(2)	20	18	12	12	18	22
Balance at end of period	55,370	56,013	56,445	56,877	57,303	55,370	57,303
Reserves related to unrealized investment appreciation	9	139	100	85	210	9	210
Reinsurance ceded	(364)	(364)	(353)	(356)	(358)	(364)	(358)
<b>Total insurance reserves</b>	<b>\$ 55,015</b>	<b>\$ 55,788</b>	<b>\$ 56,192</b>	<b>\$ 56,606</b>	<b>\$ 57,155</b>	<b>\$ 55,015</b>	<b>\$ 57,155</b>

(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 42 to 44.





**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Retirement (Retirement Income Solutions)**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Premiums and deposits (1)</b>	\$ 2,938	\$ 2,459	\$ 2,698	\$ 2,889	\$ 2,573	\$ 5,397	\$ 4,747
<b>Revenues:</b>							
Premiums	\$ (2)	\$ (3)	\$ (2)	\$ (8)	-	\$ (5)	-
Policy fees	168	158	154	155	140	326	271
Net investment income:							
Base portfolio (2)	127	117	109	110	104	244	204
Alternative investments (3)	41	27	20	30	19	68	61
Other enhancements (4)	5	4	5	6	3	9	(1)
Total net investment income	173	148	134	146	126	321	264
Advisory fee and other income	64	63	66	58	54	127	105
<b>Total operating revenues</b>	<b>403</b>	<b>366</b>	<b>352</b>	<b>351</b>	<b>320</b>	<b>769</b>	<b>640</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	21	15	20	17	18	36	20
Interest credited to policyholder account balances	46	45	43	40	37	91	74
Amortization of deferred policy acquisition costs	61	50	51	38	31	111	67
Non deferrable insurance commissions	46	47	47	41	37	93	74
Advisory fee expenses	2	4	3	3	2	6	5
General operating expenses	68	58	63	48	53	126	105
<b>Total benefits and expenses</b>	<b>244</b>	<b>219</b>	<b>227</b>	<b>187</b>	<b>178</b>	<b>463</b>	<b>345</b>
<b>Pre-tax operating income</b>	<b>\$ 159</b>	<b>\$ 147</b>	<b>\$ 125</b>	<b>\$ 164</b>	<b>\$ 142</b>	<b>\$ 306</b>	<b>\$ 295</b>
<b>General and separate account reserves:</b>							
Policyholder contract deposits and future policy benefits	\$ 11,784	\$ 11,424	\$ 10,567	\$ 9,507	\$ 8,588	\$ 11,784	\$ 8,588
Separate account reserves	40,896	40,365	38,944	37,303	36,712	40,896	36,712
<b>Total general and separate account reserves</b>	<b>\$ 52,680</b>	<b>\$ 51,789</b>	<b>\$ 49,511</b>	<b>\$ 46,810</b>	<b>\$ 45,300</b>	<b>\$ 52,680</b>	<b>\$ 45,300</b>

See Accompanying Notes on Pages 42 to 44.

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Retirement (Retirement Income Solutions)**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Net investment spreads:</b>							
Base yield (6)	4.76%	4.75%	4.68%	5.11%	5.09%	4.75%	5.10%
Alternative investments (7)	0.90%	0.53%	0.32%	0.69%	0.30%	0.72%	0.83%
Other enhancements (8)	0.06%	0.04%	0.05%	0.12%	(0.01)%	0.05%	(0.16)%
<b>Total yield</b>	<b>5.72%</b>	<b>5.32%</b>	<b>5.05%</b>	<b>5.92%</b>	<b>5.38%</b>	<b>5.52%</b>	<b>5.77%</b>
Cost of funds (a)	1.65%	1.82%	1.74%	1.83%	1.87%	1.73%	1.85%
<b>Net spread rate, as reported</b>	<b>4.07%</b>	<b>3.50%</b>	<b>3.31%</b>	<b>4.09%</b>	<b>3.51%</b>	<b>3.79%</b>	<b>3.92%</b>
<b>Base net investment spread (b)</b>	<b>3.11%</b>	<b>2.93%</b>	<b>2.94%</b>	<b>3.28%</b>	<b>3.22%</b>	<b>3.02%</b>	<b>3.25%</b>
<b>Surrender rates (9)</b>	<b>6.4%</b>	<b>6.0%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>7.4%</b>	<b>6.3%</b>	<b>7.4%</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 1,545	\$ 1,529	\$ 1,433	\$ 1,286	\$ 1,260	\$ 1,529	\$ 1,174
Deferrals	177	144	154	163	144	321	263
Operating amortization	(61)	(50)	(51)	(38)	(31)	(111)	(67)
Change from realized gains (losses)	(25)	(37)	(4)	(31)	(29)	(62)	25
Change from unrealized gains (losses)	92	(41)	(3)	53	(58)	51	(109)
<b>Balance at end of period</b>	<b>\$ 1,728</b>	<b>\$ 1,545</b>	<b>\$ 1,529</b>	<b>\$ 1,433</b>	<b>\$ 1,286</b>	<b>\$ 1,728</b>	<b>\$ 1,286</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 51,788	\$ 49,511	\$ 46,810	\$ 45,302	\$ 42,582	\$ 49,511	\$ 40,748
Premiums and deposits	2,938	2,459	2,698	2,889	2,573	5,397	4,747
Surrenders and withdrawals	(841)	(766)	(799)	(786)	(817)	(1,607)	(1,597)
Death and other contract benefits	(197)	(188)	(181)	(171)	(175)	(385)	(328)
Subtotal	1,900	1,505	1,718	1,932	1,581	3,405	2,822
Change in fair value of underlying assets and reserve accretion, net of policy fees	(1,037)	705	943	(470)	1,089	(332)	1,648
Cost of funds (a)	42	43	39	37	35	85	66
Other reserve changes	(13)	24	1	9	15	11	18
Balance at end of period	52,680	51,788	49,511	46,810	45,302	52,680	45,302
Reinsurance ceded	-	1	-	-	(2)	-	(2)
<b>Total insurance reserves</b>	<b>\$ 52,680</b>	<b>\$ 51,789</b>	<b>\$ 49,511</b>	<b>\$ 46,810</b>	<b>\$ 45,300</b>	<b>\$ 52,680</b>	<b>\$ 45,300</b>

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 42 to 44.



**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Retirement (Group Retirement)**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Premiums and deposits (1)</b>	\$ 1,562	\$ 1,511	\$ 1,709	\$ 1,686	\$ 1,640	\$ 3,073	\$ 3,348
<b>Revenues:</b>							
Premiums	\$ 3	\$ 8	\$ 7	\$ 24	\$ 7	\$ 11	\$ 13
Policy fees	103	101	100	105	101	204	200
Net investment income:							
Base portfolio (2)	511	500	514	515	524	1,011	1,055
Alternative investments (3)	70	54	44	55	43	124	127
Other enhancements (4)	15	20	24	30	12	35	15
Total net investment income	596	574	582	600	579	1,170	1,197
Advisory fee and other income	55	55	55	55	48	110	97
<b>Total operating revenues</b>	<b>757</b>	<b>738</b>	<b>744</b>	<b>784</b>	<b>735</b>	<b>1,495</b>	<b>1,507</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	17	13	17	43	14	30	34
Interest credited to policyholder account balances	278	278	288	276	288	556	572
Amortization of deferred policy acquisition costs	25	22	20	(23)	16	47	34
Non deferrable insurance commissions	18	17	21	20	19	35	37
Advisory fee expenses	13	16	16	17	8	29	23
General operating expenses	90	90	113	87	89	180	174
<b>Total benefits and expenses</b>	<b>441</b>	<b>436</b>	<b>475</b>	<b>420</b>	<b>434</b>	<b>877</b>	<b>874</b>
<b>Pre-tax operating income</b>	<b>\$ 316</b>	<b>\$ 302</b>	<b>\$ 269</b>	<b>\$ 364</b>	<b>\$ 301</b>	<b>\$ 618</b>	<b>\$ 633</b>
<b>General and separate account reserves:</b>							
Future policy benefits	\$ 478	\$ 483	\$ 484	\$ 485	\$ 456	\$ 478	\$ 456
Policyholder contract deposits	37,540	37,677	37,734	37,963	37,918	37,540	37,918
Separate account reserves	33,593	34,034	33,401	32,687	33,653	33,593	33,653
<b>Total general and separate account reserves</b>	<b>71,611</b>	<b>72,194</b>	<b>71,619</b>	<b>71,135</b>	<b>72,027</b>	<b>71,611</b>	<b>72,027</b>
Group Retirement mutual funds	15,138	14,900	14,557	15,471	16,270	15,138	16,270
<b>Total reserves and Group Retirement mutual funds</b>	<b>\$ 86,749</b>	<b>\$ 87,094</b>	<b>\$ 86,176</b>	<b>\$ 86,606</b>	<b>\$ 88,297</b>	<b>\$ 86,749</b>	<b>\$ 88,297</b>

See Accompanying Notes on Page 42 to 44.

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Retirement (Group Retirement)**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Net investment spreads:</b>							
Base yield (6)	5.08%	4.92%	4.96%	4.92%	5.00%	5.00%	5.06%
Alternative investments (7)	0.42%	0.26%	0.17%	0.25%	0.15%	0.34%	0.34%
Other enhancements (8)	0.06%	0.13%	0.15%	0.20%	0.02%	0.10%	(0.01)%
<b>Total yield</b>	<b>5.56%</b>	<b>5.31%</b>	<b>5.28%</b>	<b>5.37%</b>	<b>5.17%</b>	<b>5.44%</b>	<b>5.39%</b>
Cost of funds (a)	2.94%	2.97%	2.98%	2.99%	3.03%	2.96%	3.02%
<b>Net spread rate, as reported</b>	<b>2.62%</b>	<b>2.34%</b>	<b>2.30%</b>	<b>2.38%</b>	<b>2.14%</b>	<b>2.48%</b>	<b>2.37%</b>
<b>Base net investment spread (b)</b>	<b>2.14%</b>	<b>1.95%</b>	<b>1.98%</b>	<b>1.93%</b>	<b>1.97%</b>	<b>2.04%</b>	<b>2.04%</b>
<b>Surrender rates (9)</b>	<b>8.4%</b>	<b>9.3%</b>	<b>17.8%</b>	<b>12.0%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>8.2%</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 813	\$ 839	\$ 845	\$ 758	\$ 833	\$ 839	\$ 900
Deferrals	15	15	17	16	14	30	33
Operating amortization	(25)	(22)	(20)	23	(16)	(47)	(34)
Change from realized gains (losses)	-	1	1	(1)	(5)	1	(5)
Change from unrealized gains (losses)	82	(20)	(4)	49	(68)	62	(136)
<b>Balance at end of period</b>	<b>\$ 885</b>	<b>\$ 813</b>	<b>\$ 839</b>	<b>\$ 845</b>	<b>\$ 758</b>	<b>\$ 885</b>	<b>\$ 758</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 87,094	\$ 86,176	\$ 86,606	\$ 88,297	\$ 86,629	\$ 86,176	\$ 85,597
Premiums and deposits	1,562	1,511	1,709	1,686	1,640	3,073	3,348
Surrenders and withdrawals	(1,819)	(2,012)	(3,839)	(2,615)	(1,902)	(3,831)	(3,549)
Death and other contract benefits	(134)	(139)	(133)	(132)	(133)	(273)	(272)
Subtotal	(391)	(640)	(2,263)	(1,061)	(395)	(1,031)	(473)
Change in fair value of underlying assets and reserve accretion, net of policy fees	(227)	1,284	1,551	(914)	1,778	1,057	2,608
Cost of funds	273	274	282	284	285	547	565
<b>Total reserves and Group Retirement mutual funds</b>	<b>\$ 86,749</b>	<b>\$ 87,094</b>	<b>\$ 86,176</b>	<b>\$ 86,606</b>	<b>\$ 88,297</b>	<b>\$ 86,749</b>	<b>\$ 88,297</b>

(a) Excludes the amortization of sales inducement assets.

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

*See Accompanying Notes on Pages 42 to 44.*



## American International Group, Inc. Variable Annuity Guaranteed Benefits (10)

### Consumer Insurance - Retirement

(in millions)

#### Account value by benefit type (a)

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

#### Liability by benefit type (a)

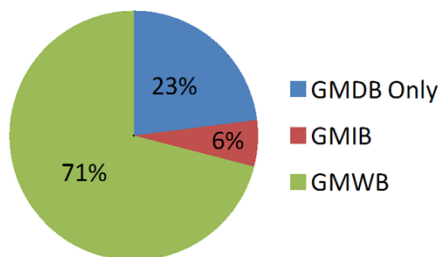
- Guaranteed Minimum Death Benefits (GMDB) (b)
- Guaranteed Minimum Income Benefits (GMIB) (c)
- Guaranteed Minimum Withdrawal Benefits (GMWB) (d)

	Quarterly				
	2Q15	1Q15	4Q14	3Q14	2Q14
\$	64,672	\$ 65,144	\$ 64,386	\$ 63,709	\$ 64,604
	2,647	2,759	2,799	2,844	2,971
	37,435	36,559	35,043	33,272	32,150
\$	397	\$ 393	\$ 401	\$ 395	\$ 359
	16	17	23	23	37
	456	1,184	957	545	393

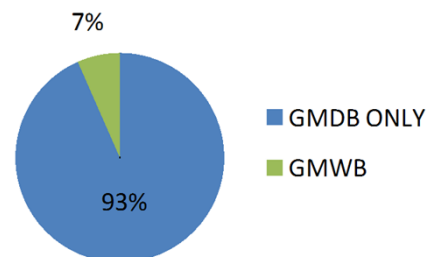
- (a) Excludes assumed reinsurance business.
- (b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. Each of these benefits may be subject to 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.
- (c) 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.
- (d) A guaranteed minimum withdrawal benefit creates a guaranteed income stream which, within certain parameters, may continue for the life of the annuitant even if the entire contract value has been reduced to zero. The fair value of GMWB embedded derivatives is based on actuarial and capital market assumptions related to projected cash flows of rider fees and claims over the expected lives of the contracts. Also includes guaranteed minimum account value (GMAV), which ensures a return of premium invested at the end of 10 years, based on premium in a defined period. The liability for GMAV at June 30, 2015 was \$3 million.

#### Retirement Income Solutions

#### Group Retirement



Type of Benefit	Account Value (\$B)
GMDB Only	11.0
GMIB	2.6
GMWB	33.7
<b>Total</b>	<b>47.3</b>



Type of Benefit	Account Value (\$B)
GMDB ONLY	53.7
GMWB	3.8
<b>Total</b>	<b>57.5</b>

See Accompanying Notes on Pages 42 to 44.

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Life**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Premiums and deposits (1)</b>	\$ 1,249	\$ 1,223	\$ 1,249	\$ 1,163	\$ 1,207	\$ 2,472	\$ 2,394
<b>Revenues:</b>							
Premiums	\$ 702	\$ 708	\$ 675	\$ 655	\$ 676	\$ 1,410	\$ 1,349
Policy fees	362	363	365	370	353	725	708
Net investment income:							
Base portfolio (2)	482	481	488	480	485	963	1,000
Alternative investments (3)	62	44	38	46	34	106	109
Other enhancements (4)	7	17	10	24	12	24	4
Total net investment income	551	542	536	550	531	1,093	1,113
Other income (11)	17	-	-	-	-	17	-
<b>Total operating revenues</b>	<b>1,632</b>	<b>1,613</b>	<b>1,576</b>	<b>1,575</b>	<b>1,560</b>	<b>3,245</b>	<b>3,170</b>
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	965	942	1,005	1,005	868	1,907	1,761
Interest credited to policyholder account balances	122	124	127	128	126	246	252
Amortization of deferred policy acquisition costs	89	86	63	97	81	175	161
Non deferrable insurance commissions	57	59	72	62	57	116	123
General operating expenses	250	231	229	233	213	481	423
<b>Total benefits and expenses</b>	<b>1,483</b>	<b>1,442</b>	<b>1,496</b>	<b>1,525</b>	<b>1,345</b>	<b>2,925</b>	<b>2,720</b>
<b>Pre-tax operating income</b>	<b>\$ 149</b>	<b>\$ 171</b>	<b>\$ 80</b>	<b>\$ 50</b>	<b>\$ 215</b>	<b>\$ 320</b>	<b>\$ 450</b>
<b>Gross life insurance in force, end of period:</b>							
Domestic Life	\$ 916,307	\$ 910,413	\$ 906,232	\$ 901,393	\$ 895,407	\$ 916,307	\$ 895,407
International Life	100,325	92,609	94,471	28,612	27,120	100,325	27,120
<b>Total</b>	<b>\$ 1,016,632</b>	<b>\$ 1,003,022</b>	<b>\$ 1,000,703</b>	<b>\$ 930,005</b>	<b>\$ 922,527</b>	<b>\$ 1,016,632</b>	<b>\$ 922,527</b>

See Accompanying Notes on Pages 42 to 44.

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Life**

(in millions)

	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Life Insurance and A&amp;H CPPE sales: (12)</b>							
Term	\$ 48	\$ 43	\$ 31	\$ 32	\$ 28	\$ 91	\$ 54
Whole Life	13	11	15	19	36	24	74
Universal life	26	23	30	26	30	49	60
Other life	7	30	5	2	4	37	10
Single premium and unscheduled deposits	3	3	3	2	4	6	8
A&H	13	12	23	28	19	25	39
<b>Total</b>	<b>\$ 110</b>	<b>\$ 122</b>	<b>\$ 107</b>	<b>\$ 109</b>	<b>\$ 121</b>	<b>\$ 232</b>	<b>\$ 245</b>
<b>Life and A&amp;H sales by distribution channel:</b>							
Retail - Independent	\$ 84	\$ 102	\$ 84	\$ 84	\$ 92	\$ 186	\$ 189
Retail - Affiliated (Career and AIG Direct)	26	20	23	25	29	46	56
<b>Total</b>	<b>\$ 110</b>	<b>\$ 122</b>	<b>\$ 107</b>	<b>\$ 109</b>	<b>\$ 121</b>	<b>\$ 232</b>	<b>\$ 245</b>
<b>Life and A&amp;H sales by region:</b>							
Domestic Life	\$ 62	\$ 55	\$ 64	\$ 60	\$ 62	\$ 117	\$ 123
International Life	48	67	43	49	59	115	122
<b>Total</b>	<b>\$ 110</b>	<b>\$ 122</b>	<b>\$ 107</b>	<b>\$ 109</b>	<b>\$ 121</b>	<b>\$ 232</b>	<b>\$ 245</b>
<b>Surrender rates: (13)</b>							
Domestic Life:							
Independent distribution	4.4%	4.8%	4.7%	5.1%	5.1%	4.6%	4.8%
Career distribution	7.1%	7.5%	7.5%	7.6%	8.4%	7.3%	8.4%
International Life	2.9%	2.9%	3.0%	3.3%	3.4%	2.9%	3.3%
<b>DAC/VOBA rollforward:</b>							
Balance at beginning of period	\$ 4,032	\$ 4,051	\$ 3,712	\$ 3,710	\$ 3,748	\$ 4,051	\$ 3,805
Deferrals	109	104	96	89	102	213	190
Operating amortization	(89)	(86)	(63)	(97)	(81)	(175)	(161)
Change from realized gains (losses)	(3)	-	-	(1)	-	(3)	1
Change from unrealized gains (losses)	92	(7)	(11)	7	(63)	85	(115)
Other changes	-	-	336	-	-	-	-
Foreign exchange translation	11	(30)	(19)	4	4	(19)	(10)
<b>Balance at end of period</b>	<b>\$ 4,152</b>	<b>\$ 4,032</b>	<b>\$ 4,051</b>	<b>\$ 3,712</b>	<b>\$ 3,710</b>	<b>\$ 4,152</b>	<b>\$ 3,710</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 33,482	\$ 33,536	\$ 33,418	\$ 33,086	\$ 32,817	\$ 33,536	\$ 32,810
Premiums and deposits	1,249	1,223	1,249	1,163	1,207	2,472	2,394
Surrenders and withdrawals	(164)	(222)	(215)	(211)	(211)	(386)	(427)
Death and other contract benefits	(260)	(247)	(204)	(224)	(194)	(507)	(384)
Subtotal	825	754	830	728	802	1,579	1,583
Change in fair value of underlying assets and reserve accretion, net of policy fees	(186)	(142)	(161)	(195)	(163)	(328)	(335)
Cost of funds	122	124	129	126	126	246	252
Other reserve changes	(610)	(496)	(409)	(391)	(558)	(1,106)	(1,063)
Foreign exchange translation	7	(294)	(271)	64	62	(287)	(161)
Balance at end of period	33,640	33,482	33,536	33,418	33,086	33,640	33,086
Reinsurance ceded	(1,444)	(1,440)	(1,315)	(1,315)	(1,332)	(1,444)	(1,332)
<b>Total insurance reserves</b>	<b>\$ 32,196</b>	<b>\$ 32,042</b>	<b>\$ 32,221</b>	<b>\$ 32,103</b>	<b>\$ 31,754</b>	<b>\$ 32,196</b>	<b>\$ 31,754</b>
Domestic Life	28,899	28,879	28,761	28,647	28,459	28,899	28,459
International Life	3,297	3,163	3,460	3,456	3,295	3,297	3,295
<b>Total insurance reserves</b>	<b>\$ 32,196</b>	<b>\$ 32,042</b>	<b>\$ 32,221</b>	<b>\$ 32,103</b>	<b>\$ 31,754</b>	<b>\$ 32,196</b>	<b>\$ 31,754</b>

See Accompanying Notes on Pages 42 to 44.



**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Personal Insurance**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net premiums written	2,930	2,915	2,866	3,241	3,177	5,845	6,305
Net premiums earned	2,806	2,799	2,926	3,059	3,026	5,605	5,985
Losses and loss adjustment expenses incurred	1,480	1,645	1,498	1,621	1,618	3,125	3,369
Acquisition expenses:							
Amortization of deferred policy acquisition costs	490	487	514	546	520	977	1,032
Other acquisition expenses	294	278	325	269	293	572	571
Total acquisition expenses	784	765	839	815	813	1,549	1,603
General operating expenses	535	478	550	607	558	1,013	1,063
Underwriting income (loss)	7	(89)	39	16	37	(82)	(50)
Net investment income:							
Interest and dividends	55	56	70	91	88	111	174
Alternative investments	7	9	5	9	10	16	23
Other investment income	5	2	11	8	11	7	21
Investment expenses	(4)	(4)	(4)	(4)	(6)	(8)	(10)
Total net investment income	63	63	82	104	103	126	208
<b>Pre-tax operating income (loss)</b>	<b>\$ 70</b>	<b>\$ (26)</b>	<b>\$ 121</b>	<b>\$ 120</b>	<b>\$ 140</b>	<b>\$ 44</b>	<b>\$ 158</b>
<b>Underwriting ratios: (17)</b>							
Loss ratio	52.7	58.8	51.2	53.0	53.5	55.8	56.3
Catastrophe losses and reinstatement premiums	(0.5)	(2.2)	(0.3)	(0.7)	(0.6)	(1.4)	(1.6)
Prior year development net of premium adjustments	0.6	(0.2)	1.2	0.4	0.5	0.2	0.5
Accident year loss ratio, as adjusted	52.8	56.4	52.1	52.7	53.4	54.6	55.2
Acquisition ratio	27.9	27.3	28.7	26.6	26.9	27.6	26.8
General operating expense ratio	19.1	17.1	18.8	19.8	18.4	18.1	17.8
Expense ratio	47.0	44.4	47.5	46.4	45.3	45.7	44.6
Combined ratio	99.7	103.2	98.7	99.4	98.8	101.5	100.9
Catastrophe losses and reinstatement premiums	(0.5)	(2.2)	(0.3)	(0.7)	(0.6)	(1.4)	(1.6)
Prior year development net of premium adjustments	0.6	(0.2)	1.2	0.4	0.5	0.2	0.5
Accident year combined ratio, as adjusted	99.8	100.8	99.6	99.1	98.7	100.3	99.8
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses (14)	\$ 16	\$ 61	\$ 8	\$ 22	\$ 18	\$ 77	\$ 96
Severe losses (15)	-	12	13	-	-	12	41
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(17)	4	(35)	(12)	(16)	(13)	(30)
<b>Net loss and loss expense reserve by line of business (at period end):</b>							
Personal Lines	2,816	2,836	2,763	2,994	3,072	2,816	3,072
Accident and Health	1,667	1,669	1,878	2,016	1,943	1,667	1,943
Total	\$ 4,483	\$ 4,505	\$ 4,641	\$ 5,010	\$ 5,015	\$ 4,483	\$ 5,015

See Accompanying Notes on Pages 42 to 44.





**American International Group, Inc.**  
**Net Premiums Written by Line of Business and Region**

**Consumer Insurance - Personal Insurance**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>By Line of Business:</b>							
Personal Lines	\$ 1,692	\$ 1,567	\$ 1,673	\$ 1,815	\$ 1,793	\$ 3,259	\$ 3,483
Accident and Health	1,238	1,348	1,193	1,426	1,384	2,586	2,822
<b>Total net premiums written</b>	<b>\$ 2,930</b>	<b>\$ 2,915</b>	<b>\$ 2,866</b>	<b>\$ 3,241</b>	<b>\$ 3,177</b>	<b>\$ 5,845</b>	<b>\$ 6,305</b>
<b>By Region:</b>							
Americas	\$ 947	\$ 912	\$ 905	\$ 1,004	\$ 945	\$ 1,859	\$ 1,915
EMEA	444	573	456	488	511	1,017	1,128
Asia Pacific	1,539	1,430	1,505	1,749	1,721	2,969	3,262
<b>Total net premiums written</b>	<b>\$ 2,930</b>	<b>\$ 2,915</b>	<b>\$ 2,866</b>	<b>\$ 3,241</b>	<b>\$ 3,177</b>	<b>\$ 5,845</b>	<b>\$ 6,305</b>
<b>Foreign exchange effect on worldwide premiums:</b>							
<b>Change in net premiums written</b>							
Increase (decrease) in original currency over prior-year period (16)	2.0 %	1.4 %	1.7 %	1.9 %	2.2 %	1.7 %	1.7 %
Foreign exchange effect	(9.8)	(8.2)	(4.9)	(1.9)	(2.4)	(9.0)	(4.7)
Increase (decrease) as reported in U.S. dollars	(7.8) %	(6.8) %	(3.2) %	- %	(0.2) %	(7.3) %	(3.0) %

*See Accompanying Notes on Pages 42 to 44.*

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Personal Insurance North America**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net premiums written	800	772	749	865	795	1,572	1,628
Net premiums earned	799	780	776	817	821	1,579	1,631
Losses and loss adjustment expenses incurred	405	546	434	467	466	951	1,033
Acquisition expenses:							
Amortization of deferred policy acquisition costs	105	101	109	116	111	206	223
Other acquisition expenses	105	95	90	44	60	200	111
Total acquisition expenses	210	196	199	160	171	406	334
General operating expenses	121	88	120	120	111	209	226
Underwriting income (loss)	63	(50)	23	70	73	13	38
Net investment income:							
Interest and dividends	20	21	26	41	34	41	70
Alternative investments	6	7	4	10	8	13	20
Other investment income	3	-	6	3	4	3	5
Investment expenses	(1)	(1)	-	(2)	(2)	(2)	(3)
Total net investment income	28	27	36	52	44	55	92
<b>Pre-tax operating income</b>	<b>\$ 91</b>	<b>\$ (23)</b>	<b>\$ 59</b>	<b>\$ 122</b>	<b>\$ 117</b>	<b>\$ 68</b>	<b>\$ 130</b>
<b>Underwriting ratios: (17)</b>							
Loss ratio	50.7	70.0	55.9	57.2	56.8	60.2	63.3
Catastrophe losses and reinstatement premiums	(2.0)	(7.8)	-	(0.2)	(1.3)	(4.8)	(3.1)
Prior year development net of premium adjustments	3.0	2.3	3.1	0.6	(0.6)	2.6	1.4
Accident year loss ratio, as adjusted	51.7	64.5	59.0	57.6	54.9	58.0	61.6
Acquisition ratio	26.3	25.1	25.6	19.6	20.8	25.7	20.5
General operating expense ratio	15.1	11.3	15.5	14.7	13.5	13.2	13.9
Expense ratio	41.4	36.4	41.1	34.3	34.3	38.9	34.4
Combined ratio	92.1	106.4	97.0	91.5	91.1	99.1	97.7
Catastrophe losses and reinstatement premiums	(2.0)	(7.8)	-	(0.2)	(1.3)	(4.8)	(3.1)
Prior year development net of premium adjustments	3.0	2.3	3.1	0.6	(0.6)	2.6	1.4
Accident year combined ratio, as adjusted	93.1	100.9	100.1	91.9	89.2	96.9	96.0
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses (14)	\$ 16	\$ 61	\$ -	\$ 1	\$ 10	\$ 77	\$ 51
Severe losses (15)	-	12	13	-	-	12	37
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ (24)	\$ (18)	\$ (24)	\$ (5)	\$ 5	\$ (42)	\$ (23)

*See Accompanying Notes on Pages 42 to 44.*

**American International Group, Inc.**  
**Operating Statistics**

**Consumer Insurance - Personal Insurance International**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Net premiums written	\$ 2,130	\$ 2,143	\$ 2,117	\$ 2,376	\$ 2,382	\$ 4,273	\$ 4,677
Net premiums earned	\$ 2,007	\$ 2,019	\$ 2,150	\$ 2,242	\$ 2,205	\$ 4,026	\$ 4,354
Losses and loss adjustment expenses incurred	1,075	1,099	1,064	1,154	1,152	2,174	2,336
Acquisition expenses:							
Amortization of deferred policy acquisition costs	385	386	405	430	409	771	809
Other acquisition expenses	189	183	235	225	233	372	460
Total acquisition expenses	574	569	640	655	642	1,143	1,269
General operating expenses	414	390	430	487	447	804	837
Underwriting income (loss)	(56)	(39)	16	(54)	(36)	(95)	(88)
Net investment income:							
Interest and dividends	35	35	44	50	54	70	104
Alternative investments	1	2	1	(1)	2	3	3
Other investment income	2	2	5	5	7	4	16
Investment expenses	(3)	(3)	(4)	(2)	(4)	(6)	(7)
Total net investment income	35	36	46	52	59	71	116
<b>Pre-tax operating income (loss)</b>	<b>\$ (21)</b>	<b>\$ (3)</b>	<b>\$ 62</b>	<b>\$ (2)</b>	<b>\$ 23</b>	<b>\$ (24)</b>	<b>\$ 28</b>
<b>Underwriting ratios: (17)</b>							
Loss ratio	53.6	54.4	49.5	51.5	52.2	54.0	53.7
Catastrophe losses and reinstatement premiums	-	-	(0.4)	(1.0)	(0.3)	-	(1.1)
Prior year development net of premium adjustments	(0.4)	(1.1)	0.5	0.3	0.9	(0.7)	0.2
Accident year loss ratio, as adjusted	53.2	53.3	49.6	50.8	52.8	53.3	52.8
Acquisition ratio	28.6	28.2	29.8	29.2	29.1	28.4	29.1
General operating expense ratio	20.6	19.3	20.0	21.7	20.3	20.0	19.2
Expense ratio	49.2	47.5	49.8	50.9	49.4	48.4	48.3
Combined ratio	102.8	101.9	99.3	102.4	101.6	102.4	102.0
Catastrophe losses and reinstatement premiums	-	-	(0.4)	(1.0)	(0.3)	-	(1.1)
Prior year development net of premium adjustments	(0.4)	(1.1)	0.5	0.3	0.9	(0.7)	0.2
Accident year combined ratio, as adjusted	102.4	100.8	99.4	101.7	102.2	101.7	101.1
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses (14)	\$ -	\$ -	\$ 8	\$ 21	\$ 8	\$ -	\$ 45
Severe losses (15)	-	-	-	-	-	-	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ 7	\$ 22	\$ (11)	\$ (7)	\$ (21)	\$ 29	\$ (7)

*See Accompanying Notes on Pages 42 to 44.*

## Consumer Insurance

### **Basis of Presentation:**

Consumer Insurance presents its results in the following operating segments:

**Retirement:** product lines include Fixed Annuities, with products including deferred fixed annuities and immediate annuities; Retirement Income Solutions, with products including variable and index annuities; Group Retirement, with products including retirement plans, annuity and investment products for employees of education, healthcare and other sponsoring companies, and Retail Mutual Funds and Advisory Services.

**Life:** includes the following product lines: Traditional Life, Universal Life, International Life, Accident & Health (A&H), Endowments and Group Benefits of the Life Insurance Companies.

**Personal Insurance:** Personal Insurance - North America and Personal Insurance - International include the following product lines: Automobile, Property, Warranty Service Programs, and A&H and Group Benefits of the Non-Life Insurance Companies.

Selected operating statistics are provided for the Fixed Annuities, Retirement Income Solutions, and Group Retirement product lines in the Retirement operating segment, as well as the Personal Insurance - North America and Personal Insurance - International in the Personal Insurance operating segment. Operating statistics are not separately presented for Advisory Services and Retail Mutual Funds, which are included in the Retirement operating segment.

Consumer Insurance operations are conducted through the Life Insurance Companies as well as the Non-Life Insurance Companies.

Consumer Insurance operates in three major geographic areas: the Americas (which includes the United States, Canada, Latin America, the Caribbean and Bermuda), Asia Pacific (which includes Japan, China, Korea, Singapore, Vietnam, Thailand, Australia, Indonesia and other Asia Pacific nations), and EMEA (which includes the United Kingdom, Ireland, Continental Europe, the Russian Federation, India, the Middle East and Africa).

Consumer Insurance products are distributed primarily to individual consumers or groups of consumers through strategic relationships with banks, broker-dealers, insurance agents and independent marketing organizations, as well as through affiliated distribution channels, direct marketing and the internet.

Net investment income is attributed to the operating segments of Commercial Insurance and Consumer Insurance based on internal models consistent with the nature of the underlying businesses.

For Consumer Insurance - Personal Insurance, we estimate investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each operating segment. The net 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, and excludes net investment income associated with the runoff insurance lines reported in Corporate and Other. The remaining income on excess surplus is allocated to Commercial Insurance - Property Casualty and Consumer Insurance - Personal Insurance based on the relative net investment income previously allocated.

For Consumer Insurance - Retirement and Consumer Insurance - Life, net investment income is attributed based on invested assets from segregated product line portfolios. The fundamental investment strategy for these operating segments 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 internal capital estimates.

Consumer Insurance

**Notes:**

- (1) Premiums and deposits is a non-GAAP measure. Premiums and deposits for the Consumer Insurance segments include direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.
- (2) Base portfolio investment income includes interest, dividends and real estate income, net of investment expenses.
- (3) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships, and 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) Net investment income other enhancements include 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.
- (5) 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 mutual funds represent deposits less withdrawals. Life Insurance, Advisory Services, Group Benefits and Personal Insurance are not included in net flows. Net flows exclude activity related to closed blocks of fixed and variable annuities.
- (6) Includes return on base portfolio. Quarterly results are annualized.
- (7) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (8) Includes incremental effect on base yield of other enhancements. Quarterly results are annualized.
- (9) Annuity surrender rates represent annualized surrenders and withdrawals as a percentage of average account value.
- (10) Consumer Insurance 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 Consumer Insurance's hedging program. The hedging program is focused on mitigating economic risk fluctuations including providing additional protection against large market movements (i.e., tail-risk protection). The program manages equity market risk (delta), interest rate risk (rho), volatility risk (vega) within specified levels. The hedge portfolio is regularly rebalanced to maintain delta neutrality and to maintain rho and vega within exposure limits established by Consumer Insurance and AIG Enterprise Risk Management. The net rho exposure is essentially fully hedged currently while vega is not fully hedged; however, product features, such as the VIX index rider fees and the volatility control mechanism in the funds, reduce the overall net vega exposure.
- (11) Life Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products. AIG acquired Laya Healthcare on March 31, 2015.
- (12) Life 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 A&H insurance represent annualized first-year premium from new policies.
- (13) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing. International lapse rates represent Fuji Life (Japan).
- (14) Catastrophe-related losses (CATs) are generally weather or seismic events having a net impact in excess of \$10 million each.
- (15) Severe losses are defined as non-catastrophic individual first party losses greater than \$10 million, net of related reinsurance and salvage and subrogation.
- (16) Computed using a constant exchange rate for each period.

Consumer Insurance

**Notes:**

(17) Underwriting ratios are computed as follows:

- a) Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE + Reinstatement premiums (RIPs) related to catastrophes] – Loss ratio
- c) Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development (favorable) unfavorable, net of reinsurance (PYD)] ÷ [NPE + RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio
- d) Net reserve discount = -1\*[Net reserve discount (benefit) charge ÷ NPE] (Note: any rounding will go into this line since Accident year loss ratio, as adjusted is calculated independently.)
- e) Accident year loss ratio, as adjusted = [Loss and loss adjustment expenses incurred – CATs – PYD – Net reserve discount (benefit) charge] ÷ [NPE + RIPs related to catastrophes + RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development]
- f) Acquisition ratio = Total acquisition expenses ÷ NPE
- g) General operating expense ratio = General operating expenses ÷ NPE
- h) Expense ratio = Acquisition ratio + General operating expenses ratio
- i) Combined ratio = Loss ratio + Expense ratio
- j) Accident year combined ratio = Accident year loss ratio, as adjusted + Expense ratio

**American International Group, Inc.**  
**Operating Results**

**Corporate and Other**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Revenues:</b>							
Premiums	\$ 24	\$ 17	\$ 21	\$ 15	\$ 29	\$ 41	\$ 42
Net investment income	111	164	181	223	136	275	296
Other income	984	861	786	883	949	1,845	1,759
Total operating revenues	1,119	1,042	988	1,121	1,114	2,161	2,097
<b>Benefits and expenses:</b>							
Policyholder benefits and losses incurred	(28)	95	510	61	155	67	220
General operating expenses	443	433	532	455	530	876	1,002
Interest expense	332	352	364	456	486	684	985
Total benefits and expenses	747	880	1,406	972	1,171	1,627	2,207
<b>Pre-tax operating income (loss)</b>	<b>\$ 372</b>	<b>\$ 162</b>	<b>\$ (418)</b>	<b>\$ 149</b>	<b>\$ (57)</b>	<b>\$ 534</b>	<b>\$ (110)</b>

*See Accompanying Notes on Page 48.*

**American International Group, Inc.**  
**Operating Results**

**Corporate and Other**

(in millions)	Quarterly					Six Months Ended	
	2Q15	1Q15	4Q14	3Q14	2Q14	June 30, 2015	2014
<b>Pre-tax operating income (loss): (1)</b>							
Equity in pre-tax operating earnings of AerCap (2)	\$ 127	\$ 128	\$ 185	\$ 196	\$ 53	\$ 255	\$ 53
Fair value of PICC investments (3)	170	47	67	(30)	-	217	-
Income from other assets, net (4)	509	564	110	214	17	1,073	49
Corporate general operating expenses	(268)	(252)	(288)	(317)	(306)	(520)	(541)
Interest expense (5)	(278)	(305)	(271)	(310)	(327)	(583)	(652)
Direct Investment book (5)	-	-	174	314	313	-	753
Global Capital Markets (5)	-	-	27	58	245	-	274
Runoff insurance lines (page 47) (6)	110	(19)	(422)	25	(53)	91	(48)
Consolidation and elimination	2	(1)	-	(1)	1	1	2
<b>Pre-tax operating income (loss)</b>	<b>\$ 372</b>	<b>\$ 162</b>	<b>\$ (418)</b>	<b>\$ 149</b>	<b>\$ (57)</b>	<b>\$ 534</b>	<b>\$ (110)</b>

*See Accompanying Notes on Page 48.*



**American International Group, Inc.**  
**Operating Statistics**

**Corporate and Other - Runoff Insurance Lines**

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Property Casualty runoff business:							
Net premiums earned	\$ 23	\$ 15	\$ 19	\$ 12	\$ 18	\$ 38	\$ 35
Losses and loss adjustment expenses incurred	(30)	93	514	50	122	63	184
General operating expenses	-	(1)	1	-	1	(1)	2
Underwriting income (loss)	53	(77)	(496)	(38)	(105)	(24)	(151)
Net investment income	58	58	58	59	56	116	114
Property Casualty runoff businesses	111	(19)	(438)	21	(49)	92	(37)
Life insurance runoff businesses, net	(1)	-	16	4	(4)	(1)	(11)
<b>Pre-tax operating income (loss)</b>	<b>\$ 110</b>	<b>\$ (19)</b>	<b>\$ (422)</b>	<b>\$ 25</b>	<b>\$ (53)</b>	<b>\$ 91</b>	<b>\$ (48)</b>
<b>Noteworthy items (pre-tax):</b>							
Property Casualty runoff business:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	\$ 84	\$ 3	\$ 135	\$ 13	\$ 65	\$ 87	\$ 81
Net reserve discount (benefit) charge	(130)	72	339	16	31	(58)	52
Net loss and loss expense reserve (at period end)	3,215	3,340	3,526	3,095	3,156	3,215	3,156
Future policy benefits for life and A&H contracts (at period end)	\$ 1,299	\$ 1,324	\$ 1,346	\$ 1,255	\$ 1,303	\$ 1,299	\$ 1,303

**American International Group, Inc.**  
**Notes**

**Corporate and Other**

- (1) Revised to reflect elimination of intercompany income (expense) previously reported in Corporate and Other. This change in presentation had no impact on consolidated pre-tax operating income. All prior periods have been revised to conform to the current presentation.

(in millions)	Quarterly				Six Months Ended June 30,
	1Q15	4Q14	3Q14	2Q14	2014
Corporate and Other pre-tax operating income (loss) as previously reported	\$ 138	\$ (357)	\$ 90	\$ (53)	\$ (121)
Elimination of intercompany (income) expense	24	(61)	59	(4)	11
Corporate and Other pre-tax operating income (loss) as revised	\$ 162	\$ (418)	\$ 149	\$ (57)	\$ (110)

- (2) Represents AIG's share of AerCap's pre-tax operating income through the June 2015 date of sale of a majority of our ordinary shares of AerCap, 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 aircraft and our share of AerCap's income taxes.
- (3) During 3Q14, Consumer Insurance sold its investment in PICC Group to AIG Parent. During 1Q15, Commercial Insurance sold a portion of its investment in PICC P&C to AIG Parent. Refer to page 53 for additional information on AIG's PICC holdings.
- (4) Consists of the results of investments held by AIG Parent to support various corporate needs as well as the remaining positions of AIG Financial Products Corp. and related subsidiaries (collectively, AIGFP), life settlements, real estate, equipment leasing and lending and other secured lending investments held by AIG Parent and certain subsidiaries. 3Q14 includes higher earnings from life settlements, and \$47 million of gains from real estate sales transactions. 1Q15 includes \$174 million of gains recognized on legacy real estate portfolio investments.
- (5) As a result of the progress of the wind down and de-risking activities of the Direct Investment book (DIB) and the derivative portfolio of AIGFP included within Global Capital Markets (GCM), AIG has discontinued separate reporting of the DIB and GCM. Their results are reported within Income from other assets, net, beginning with the first quarter of 2015. This reporting aligns with the manner in which AIG manages its financial resources. Prior periods are presented in historical format for informational purposes. Interest expense for 2Q15 and 1Q15 includes \$15 million and \$29 million, respectively, of interest expense previously reported in DIB results.
- (6) Property Casualty runoff insurance lines consists primarily of excess workers' compensation, asbestos and legacy environmental (1986 and prior); certain environmental liability businesses written prior to 2004; and long-duration business in Japan and the U.S. Life Insurance runoff insurance lines include American Security Life Insurance Company Limited, AIG Life Insurance Company (Switzerland) Ltd. and a reinsurance transaction of American International Reinsurance Company, Ltd.

## American International Group, Inc.

### Investments - Cash and Investments

(in millions)	June 30, 2015 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
<b>Bonds available for sale, at fair value:</b>				
U.S. government and government sponsored entities	\$ 771	\$ 1,357	\$ 386	\$ 2,514
Obligations of states, municipalities and political subdivisions	5,112	22,006	544	27,662
Non-U.S. governments	7,276	11,497	376	19,149
Corporate debt	103,004	34,949	2,910	140,863
Mortgage-backed, asset-backed and collateralized:			-	
RMBS	22,157	11,329	2,762	36,248
CMBS	10,138	2,933	451	13,522
CDO/ABS	10,631	6,671	(2,194)	15,108
Total mortgage-backed, asset-backed and collateralized	42,926	20,933	1,019	64,878
Total bonds available for sale, at fair value	159,089	90,742	5,235	255,066
Other bond securities, at fair value	1,649	1,626	13,323	16,598
Equity securities available for sale, at fair value	106	3,924	725	4,755
Other equity securities trading, at fair value	-	406	917	1,323
Mortgage and other loans receivable, net of allowance	22,386	7,018	(2,261)	27,143
Other invested assets	12,349	9,987	7,493	29,829
Cash and short-term investments	3,433	5,180	7,189	15,802
Total cash and investments	\$ 199,012	\$ 118,883	\$ 32,621	\$ 350,516

(in millions)	December 31, 2014			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
<b>Bonds available for sale, at fair value:</b>				
U.S. government and government sponsored entities	\$ 794	\$ 1,812	\$ 386	\$ 2,992
Obligations of states, municipalities and political subdivisions	5,249	22,014	396	27,659
Non-U.S. governments	7,475	13,301	319	21,095
Corporate debt	107,048	35,349	2,036	144,433
Mortgage-backed, asset-backed and collateralized:			-	
RMBS	23,389	11,801	2,330	37,520
CMBS	10,042	2,712	131	12,885
CDO/ABS	10,530	5,953	(3,208)	13,275
Total mortgage-backed, asset-backed and collateralized	43,961	20,466	(747)	63,680
Total bonds available for sale, at fair value	164,527	92,942	2,390	259,859
Other bond securities, at fair value	2,785	1,733	15,194	19,712
Equity securities available for sale, at fair value	150	4,241	4	4,395
Other equity securities trading, at fair value	-	495	554	1,049
Mortgage and other loans receivable, net of allowance	20,874	6,686	(2,570)	24,990
Other invested assets	11,916	10,372	12,230	34,518
Cash and short-term investments	2,582	5,345	5,074	13,001
Total cash and investments	\$ 202,834	\$ 121,814	\$ 32,876	\$ 357,524

**Note:**

(1) Includes Mortgage Guaranty.

(2) Includes consolidations, eliminations and other adjustments.

(3) Includes assets supported by debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$979 million and other securitization vehicles and investments of \$543 million.



American International Group, Inc

Investments - Other Invested Assets

(in millions)	June 30, 2015 (3)			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Alternative investments	\$ 11,163	\$ 8,379	\$ 124	\$ 19,666
Investments in life settlements	-	-	3,815	3,815
Investment real estate	1,118	562	2,911	4,591
Aircraft assets	-	-	596	596
All other investments	68	1,046	47	1,161
	<u>\$ 12,349</u>	<u>\$ 9,987</u>	<u>\$ 7,493</u>	<u>\$ 29,829</u>

(in millions)	December 31, 2014			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other (2)	AIG Inc.
Alternative investments	\$ 11,012	\$ 8,249	\$ 395	\$ 19,656
Investments in life settlements	-	-	3,753	3,753
Investment real estate	840	446	2,326	3,612
Aircraft assets	-	-	651	651
Investment in AerCap (4)	-	-	4,972	4,972
All other investments (5)	64	1,677	133	1,874
	<u>\$ 11,916</u>	<u>\$ 10,372</u>	<u>\$ 12,230</u>	<u>\$ 34,518</u>

Notes:

- (1) Includes Mortgage Guaranty.
- (2) Includes consolidations, eliminations and other adjustments.
- (3) Includes assets supported by debt of consolidated investment vehicles related to real estate investments of \$2.4 billion, affordable housing partnership investments and securitizations of \$979 million and other securitization vehicles and investments of \$543 million.
- (4) In June 2015, we sold 86.9 million ordinary shares of AerCap by means of an underwritten public offering of 71.2 million ordinary shares and a private sale of 15.7 million ordinary shares to AerCap. We received cash proceeds of approximately \$3.7 billion, reflecting proceeds of approximately \$3.4 billion from the underwritten offering and cash proceeds of \$250 million from the private sale of shares to AerCap. We recognized a \$463 million loss on the sale of the ordinary shares of AerCap. In connection with the closing of the private sale of shares to AerCap, we also received \$500 million of 6.50% fixed-to-floating rate junior subordinated notes issued by AerCap Global Aviation Trust and guaranteed by AerCap and certain of its subsidiaries. These notes, included in Bonds available for sale, mature in 2045 and are callable beginning in 2025. Our remaining 10.7 million ordinary shares of AerCap are included in Common and preferred stock available for sale and we recorded an other-than-temporary impairment of \$78 million. We accounted for our interest in AerCap using the equity method of accounting through the date of sale.
- (5) Consists primarily of direct private equity investments.

American International Group, Inc.

Investments - Returns On Alternative Investments (1)

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Alternative investment income (2)</b>							
Private equity	\$ 291	\$ 278	\$ 206	\$ 213	\$ 277	\$ 569	\$ 645
Hedge funds	272	246	86	215	99	518	456
Total private equity and hedge funds	563	524	292	428	376	1,087	1,101
Affordable housing partnerships	45	51	72	58	68	96	130
<b>Total alternative investment income</b>	<b>\$ 608</b>	<b>\$ 575</b>	<b>\$ 364</b>	<b>\$ 486</b>	<b>\$ 444</b>	<b>\$ 1,183</b>	<b>\$ 1,231</b>
<b>Average alternative investment assets</b>							
Private equity	\$ 7,177	\$ 7,252	\$ 7,449	\$ 7,622	\$ 7,679	\$ 7,293	\$ 7,609
Hedge funds	11,127	10,853	10,664	10,405	10,296	10,881	10,352
Total private equity and hedge funds	18,304	18,105	18,113	18,027	17,975	18,174	17,961
Affordable housing partnerships	1,104	1,163	1,228	1,316	1,394	1,165	1,363
<b>Total average alternative investment assets</b>	<b>\$ 19,408</b>	<b>\$ 19,268</b>	<b>\$ 19,341</b>	<b>\$ 19,343</b>	<b>\$ 19,369</b>	<b>\$ 19,339</b>	<b>\$ 19,324</b>
<b>Annualized yields on carrying value</b>							
Private equity	16.22 %	15.33 %	11.06 %	11.18 %	14.43 %	15.60 %	16.95 %
Hedge funds	9.78	9.08	3.23	8.27	3.85	9.53	8.81
Total private equity and hedge funds	12.30	11.58	6.45	9.50	8.37	11.96	12.26
Affordable housing partnerships	16.30	17.47	23.45	17.63	19.51	16.44	19.05
<b>Total annualized yield</b>	<b>12.53 %</b>	<b>11.94 %</b>	<b>7.53 %</b>	<b>10.05 %</b>	<b>9.17 %</b>	<b>12.23 %</b>	<b>12.74 %</b>
<b>Average alternative investment assets</b>							
Life Insurance Companies	\$ 11,155	\$ 11,080	\$ 11,165	\$ 11,331	\$ 11,404	\$ 11,133	\$ 11,301
Non-Life Insurance Companies	8,253	8,188	8,176	8,012	7,965	8,206	8,023
<b>Total average alternative investment assets</b>	<b>\$ 19,408</b>	<b>\$ 19,268</b>	<b>\$ 19,341</b>	<b>\$ 19,343</b>	<b>\$ 19,369</b>	<b>\$ 19,339</b>	<b>\$ 19,324</b>

Notes:

(1) Alternative investments includes hedge funds, private equity funds and other investment partnerships.

(2) 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.

American International Group, Inc.

Investments - Net Realized Capital Gains (Losses)

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
<b>Life Insurance Companies</b>							
Bonds available for sale	\$ 63	\$ (8)	\$ 35	\$ 53	\$ 78	\$ 55	\$ 175
Stocks available for sale	3	1	2	2	-	4	2
Other transactions	(50)	104	11	90	4	54	-
Other than temporary impairments	(55)	(83)	(51)	(32)	(35)	(138)	(79)
Foreign exchange transactions	(13)	(22)	18	48	18	(35)	24
Derivative instruments (1)	346	171	(127)	10	40	517	(278)
<b>Total pre-tax net realized capital gains (losses)</b>	<b>294</b>	<b>163</b>	<b>(112)</b>	<b>171</b>	<b>105</b>	<b>457</b>	<b>(156)</b>
<b>Non-Life Insurance Companies</b>							
Bonds available for sale	60	38	58	47	42	98	129
Stocks available for sale	19	663	17	27	35	682	61
Other transactions	(15)	429	(2)	(13)	9	414	15
Other than temporary impairments	(30)	(45)	(32)	(18)	(20)	(75)	(35)
Foreign exchange transactions	131	66	21	10	37	197	66
Derivative instruments	(37)	98	21	39	25	61	36
<b>Total pre-tax net realized capital gains</b>	<b>128</b>	<b>1,249</b>	<b>83</b>	<b>92</b>	<b>128</b>	<b>1,377</b>	<b>272</b>
<b>Corporate and Other</b>							
Bonds available for sale	12	1	29	(3)	61	13	62
Stocks available for sale	(1)	(173)	-	-	-	(174)	-
Other transactions (2)	(155)	(48)	(80)	(69)	(38)	(203)	(83)
Other than temporary impairments	(79)	-	-	-	-	(79)	-
Foreign exchange transactions	(52)	210	230	292	(102)	158	(111)
Derivative instruments	(21)	(61)	43	53	8	(82)	26
<b>Total pre-tax net realized capital gains (losses)</b>	<b>(296)</b>	<b>(71)</b>	<b>222</b>	<b>273</b>	<b>(71)</b>	<b>(367)</b>	<b>(106)</b>
<b>Total AIG</b>							
Bonds available for sale	135	31	122	97	181	166	366
Stocks available for sale	21	491	19	29	35	512	63
Other transactions (2)	(220)	485	(71)	8	(25)	265	(68)
Other than temporary impairments	(164)	(128)	(83)	(50)	(55)	(292)	(114)
Foreign exchange transactions	66	254	269	350	(47)	320	(21)
Derivative instruments	288	208	(63)	102	73	496	(216)
<b>Total pre-tax net realized capital gains (losses)</b>	<b>\$ 126</b>	<b>\$ 1,341</b>	<b>\$ 193</b>	<b>\$ 536</b>	<b>\$ 162</b>	<b>\$ 1,467</b>	<b>\$ 10</b>
<b>Total net realized gains (losses), net of tax</b>	<b>\$ 79</b>	<b>\$ 874</b>	<b>\$ 105</b>	<b>\$ 301</b>	<b>\$ 155</b>	<b>\$ 953</b>	<b>\$ 64</b>

- Notes:**
- (1) Includes changes in the fair value of embedded derivatives and a portion of associated fees for variable annuity living benefit features (primarily GMWB) and changes in fair value of hedging instruments purchased to fund the liabilities.
  - (2) Includes impairments on investments in life settlements. Refer to Note 4 on page 50 for additional information on the Sale of AerCap.

## American International Group, Inc.

### Investment in People's Insurance Company of China (PICC)

(in millions)

	PICC Fair Value Option Assets								
	PICC Group (Ticker: 1339.HK)			PICC Property & Casualty (Ticker: 2328.HK)					
	Corporate and Other			Non-Life Insurance Companies			Corporate and Other		
	2Q15	1Q15	4Q14	2Q15	1Q15	4Q14	2Q15	1Q15	4Q14
Number of shares	1,113	1,113	1,113	178	178	255	76	76	-
Net investment income	\$ -	\$ -	\$ -	\$ 54	\$ 7	\$ 143	\$ -	\$ -	\$ -
Other income	147	45	67	-	-	-	23	2	-
Dividend income	-	-	-	-	-	-	-	-	-

(in millions)

	PICC Available For Sale Assets					
	PICC Property & Casualty (Ticker: 2328.HK)					
	Non-Life Insurance Companies			Corporate and Other		
	2Q15	1Q15	4Q14	2Q15	1Q15	4Q14
Number of shares	849	849	1,213	108	108	-
Other comprehensive income	\$ 257	\$ 22	\$ 209	\$ 33	\$ 9	\$ -
Dividend income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

American International Group, Inc.

Supplemental Property Casualty Information\*

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q15	1Q15	4Q14	3Q14	2Q14	2015	2014
Net premiums written	\$ 8,512	\$ 7,962	\$ 7,558	\$ 8,750	\$ 8,990	\$ 16,474	\$ 17,124
Net premiums earned	\$ 7,931	\$ 7,745	\$ 8,152	\$ 8,428	\$ 8,313	15,676	16,341
Loss and loss adjustment expenses incurred	5,064	5,098	5,916	5,648	5,307	10,162	10,628
Acquisition expenses	1,553	1,562	1,671	1,635	1,626	3,115	3,233
General operating expenses	1,193	1,106	1,195	1,283	1,265	2,299	2,442
Underwriting income (loss)	121	(21)	(630)	(138)	115	100	38
Net investment income	1,252	1,146	1,248	1,231	1,221	2,398	2,444
<b>Pre-tax operating income</b>	<b>\$ 1,373</b>	<b>\$ 1,125</b>	<b>\$ 618</b>	<b>\$ 1,093</b>	<b>\$ 1,336</b>	<b>\$ 2,498</b>	<b>\$ 2,482</b>
<b>Underwriting ratios:</b>							
Loss ratio	63.9	65.8	72.6	67.0	63.8	64.8	65.0
Catastrophe losses and reinstatement premiums	(2.9)	(1.7)	(0.6)	(3.3)	(1.6)	(2.3)	(2.4)
Prior year development net of premium adjustments	(4.3)	(0.3)	(3.7)	(3.2)	(0.2)	(2.3)	(1.1)
Net reserve discount	5.1	(2.2)	(7.0)	-	(0.2)	1.5	0.6
Accident year loss ratio, as adjusted	61.8	61.6	61.3	60.5	61.8	61.7	62.1
Acquisition ratio	19.6	20.2	20.5	19.4	19.6	19.9	19.8
General operating expense ratio	15.0	14.3	14.7	15.2	15.2	14.7	14.9
Expense ratio	34.6	34.5	35.2	34.6	34.8	34.6	34.7
Combined ratio	98.5	100.3	107.8	101.6	98.6	99.4	99.7
Catastrophe losses and reinstatement premiums	(2.9)	(1.7)	(0.6)	(3.3)	(1.6)	(2.3)	(2.4)
Prior year development net of premium adjustments	(4.3)	(0.3)	(3.7)	(3.2)	(0.2)	(2.3)	(1.1)
Net reserve discount	5.1	(2.2)	(7.0)	-	(0.2)	1.5	0.6
Accident year combined ratio, as adjusted	96.4	96.1	96.5	95.1	96.6	96.3	96.8
<b>Noteworthy items (pre-tax):</b>							
Catastrophe-related losses	\$ 225	\$ 132	\$ 43	\$ 282	\$ 139	\$ 357	\$ 401
Reinstatement premiums related to catastrophes	-	-	-	2	-	-	-
Reinstatement premiums related to prior year catastrophes	-	(7)	(2)	(1)	1	(7)	1
Severe losses	184	146	79	188	193	330	379
<b>Prior year development:</b>							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	334	24	275	320	54	358	212
(Additional) returned premium related to prior year development	12	11	52	(93)	(68)	23	(64)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	346	35	327	227	(14)	381	148
Net reserve discount (benefit) charge	(400)	165	568	-	15	(235)	(90)
<b>Net loss and loss expense reserve (at period end)</b>	<b>\$ 58,220</b>	<b>\$ 59,221</b>	<b>\$ 60,635</b>	<b>\$ 61,296</b>	<b>\$ 61,959</b>	<b>\$ 58,220</b>	<b>\$ 61,959</b>

\* Represents the aggregate operating results of Commercial Insurance - Property Casualty, Consumer Insurance - Personal Insurance and Property Casualty runoff businesses reported in Corporate and Other.





## American International Group, Inc. Acronyms

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