

2017 年第 1 四半期（1 月～3 月） 決算 短 信

会社名 アメリカン・インターナショナル・グループ・インク
 決算期 本決算：年 1 回（12 月）
 中間決算：四半期毎

1. 本国における決算発表日 2017 年 5 月 3 日

2. 業績（注 1：下記の数字は 2017 年 3 月 31 日現在の会計方法に従い算出したものである。）

	第 1 四半期（1 月～3 月の 3 ヶ月間）		
	当年度（2017 年）	前年度（2016 年）	増減率
売上高又は営業収入	12,632 百万ドル	11,779 百万ドル	7.2%
純利益（税引後）	1,185 百万ドル	△183 百万ドル	-
1 株当たり純利益（注 2）	1.18 ドル	△0.16 ドル	-

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

	配当金の推移（注 3）		
	当年度（2017 年）	前年度（2016 年）	備考
第 1 四半期	0.32 ドル	0.32 ドル	
第 2 四半期		0.32 ドル	
第 3 四半期		0.32 ドル	
第 4 四半期		0.32 ドル	
合計		1.28 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 2017 年 5 月 3 日付けプレス・リリースおよび Quarterly Financial Supplement First Quarter 2017 から抜粋したものである。当該プレス・リリースおよび Quarterly Financial Supplement First Quarter 2017 を添付する。



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AIG REPORTS FIRST QUARTER 2017 RESULTS

NEW YORK, May 3, 2017 - American International Group, Inc. (NYSE: AIG) today announced results for the quarter ended March 31, 2017.

“Our first quarter results highlight the success of the actions we have taken to execute on our strategy, strengthen our balance sheet, and improve earnings quality,” said Peter D. Hancock, AIG President and Chief Executive Officer. “Operating results across our core Commercial and Consumer businesses improved and we continued to return excess capital to shareholders. Since January 1, 2016, we have returned over \$18 billion of capital towards our \$25 billion target. We will continue to execute our strategy and further build on our position as a leading global insurance company.”

FIRST QUARTER FINANCIAL SUMMARY*

	Three Months Ended March 31,	
	2017	2016
<i>(\$ in millions, except per share amounts)</i>		
Net income (loss)	\$ 1,185	\$ (183)
Net income (loss) per diluted share (a)	\$ 1.18	\$ (0.16)
After-tax operating income	\$ 1,367	\$ 765
After-tax operating income per diluted share (a)	\$ 1.36	\$ 0.64
Return on equity	6.3 %	(0.8)%
AIG Consolidated:		
Adjusted return on equity	9.6 %	4.5 %
Normalized return on equity (b)	8.1 %	8.3 %
Core:		
Adjusted return on attributed equity - Core	10.2 %	6.8 %
Normalized return on attributed equity - Core (b)	8.7 %	9.0 %
Book value per common share, excluding accumulated other comprehensive income	\$ 74.58	\$ 73.40

*Refer to the Comments on Regulation G and the tables that follow for a discussion of non-GAAP financial measures and the reconciliations of the non-GAAP financial measures to GAAP measures.

(a) For periods reporting a loss, basic average common shares outstanding are used to calculate net income (loss) per diluted share.

(b) The declines in Consolidated Normalized ROE and Core Normalized ROE are largely due to the increase in second half 2016 U.S. Casualty loss estimates, which contributed 0.8 pts and 1.0 pts to the declines respectively.



All comparisons are against the first quarter of 2016, unless otherwise indicated. Refer to the AIG First Quarter 2017 Financial Supplement which is posted on AIG's website in the Investor Information section for further information.

FINANCIAL HIGHLIGHTS

ROE Improvements – ROE of 6.3% and Core Adjusted ROE of 10.2% improved largely due to active capital management and expense efficiencies. After normalizing our results, including for strong alternative investment returns and lower than expected catastrophe losses, Core Normalized ROE was 8.7%. The decline in Core Normalized ROE of 30 bps from a year ago is largely due to the increase in second half 2016 U.S. Casualty loss estimates. Had the loss estimates been reflected in the first quarter of 2016, the Core Normalized ROE would have been 100 bps lower. The year ago Core Normalized ROE also included a 50 bps contribution from certain favorable tax audit resolutions.

Expense Reduction Ahead of Target – General operating and other expenses (GOE) declined \$560 million or 18.6% to \$2.4 billion. GOE, operating basis, declined 10% on a constant dollar basis excluding the GOE reductions related to the sales of United Guaranty Corporation and AIG Advisor Group, driven by organizational simplification and better use of technology.

Execution of Capital and Liquidity Plan – In the first quarter, AIG repurchased 56.0 million common shares for \$3.6 billion. Through May 3, 2017, AIG has repurchased an additional 18.1 million common shares for \$1.1 billion. On May 3, 2017, AIG's Board of Directors authorized an additional increase to its previous repurchase authorization of AIG Common Stock of \$2.5 billion, resulting in an aggregate remaining authorization of approximately \$3.8 billion on such date.

In the first quarter, AIG Parent received \$2.8 billion of distributions from insurance subsidiaries including \$2.6 billion remitted by the Life Insurance Companies in the form of tax sharing payments which were primarily the result of a life reinsurance agreement entered into at the end of 2016.

Continued Progress on Sculpting the Portfolio – Since the first quarter AIG closed on the sale of AIG Fuji Life Insurance Company, Ltd. to FWD Group. In addition, AIG closed on four of the twelve international operations it had agreed to sell to Fairfax Financial Holdings Limited.

CORE

Commercial Insurance Highlights – In the first quarter, Commercial Insurance results benefited from strong alternative investment returns and expense reduction. Reinsurance and continued remediation in the U.S. Casualty and Property businesses accounted for a large majority of the decline in net premiums written which is consistent with AIG's focus on risk selection and targeted growth.

- Pre-tax operating income included \$35 million of favorable prior year reserve development, net of reinsurance and premium adjustments, in Property and Special Risks and \$81 million of adverse prior year reserve development, net of reinsurance and premium adjustments in Liability and Financial Lines. The Liability and Financial



Lines adverse development primarily reflected a \$102 million addition related to the Ogden U.K. discount rate adjustment which was partially offset by \$41 million of benefit attributable to the partial quarterly amortization of the deferred gain from the adverse development reinsurance agreement with National Indemnity Company.

- The loss ratio of 71.9 increased by 4.1 points in the first quarter 2017. The accident year loss ratio, as adjusted, of 65.5 increased by 2.0 points. The first quarter of 2016 did not include the increase in second half 2016 loss estimates, which were primarily in the U.S. Casualty business. Taking into account the increased loss estimates, the accident year loss ratio, as adjusted, would have improved by 2.2 points.
- The expense ratio was 30.3 in the first quarter, slightly higher than that in the prior year quarter as improvements in GOE, ceding commissions received from reinsurers and a decline in commission expenses associated with the sale of Ascot Underwriting Holdings Ltd. were offset by the decline in premiums associated with our strategic portfolio actions.
- Commercial Insurance net premiums written decreased by 17% or 14% on a constant dollar basis excluding divestitures. The increased use of reinsurance in Property represented 4 points of the decline, while the remaining 10 points was related to continued execution on our strategic portfolio actions throughout the first quarter of 2017, and the important January 1st renewal date in Europe.

(\$ in millions)	Three Months Ended March 31,		
	2017	2016	Change
Total Commercial Insurance			
Net premiums written	\$ 3,629	\$ 4,375	(17) %
Pre-tax operating income	\$ 849	\$ 662	28
Underwriting ratios:			
Loss ratio	71.9	67.8	4.1 pts
Expense ratio	30.3	29.9	0.4
Combined ratio	102.2	97.7	4.5
Liability and Financial Lines			
Net premiums written	\$ 2,216	\$ 2,509	(12) %
Pre-tax operating income	\$ 574	\$ 569	1
Underwriting ratios:			
Loss ratio	76.0	69.0	7.0 pts
Expense ratio	29.4	27.8	1.6
Combined ratio	105.4	96.8	8.6
Property and Special Risks			
Net premiums written	\$ 1,413	\$ 1,866	(24) %
Pre-tax operating income	\$ 275	\$ 93	196
Underwriting ratios:			
Loss ratio	66.3	66.0	0.3 pts



Expense ratio	31.4	33.1	(1.7)
Combined ratio	97.7	99.1	(1.4)

Consumer Insurance Highlights – In the first quarter, Consumer Insurance earnings were supported by increased alternative investment income and expense control, combined with stable earnings from the inforce Individual and Group Retirement and Life Insurance businesses.

- Pre-tax operating income increased 49%, driven by higher returns on alternative investments and expense reductions across all Consumer Insurance businesses.
- In Individual Retirement, higher returns on alternative investments, lower acquisition cost amortization and benefit expense, and higher policy fee income related to better equity market performance were partially offset by the decrease in income from the sale of AIG Advisor Group in May 2016.
- In Group Retirement, premiums increased slightly, while premiums and deposits increased 10% driven by group acquisitions. Higher surrenders resulted in negative net flows. Lower prepayments on commercial mortgage loans were offset by higher returns on alternative investments and effective crediting rate management.
- In Life Insurance, higher pre-tax operating income reflected higher returns on alternative investments, higher policy fee income primarily from growth in universal life and lower domestic GOE.
- Personal Insurance delivered solid results. Growth in net investment income from alternative investments and an improved expense ratio which reflected strategic actions, were partially offset by a lower earned premium base, higher accident year loss ratio, as adjusted, and lower net favorable prior year loss reserve development.

(\$ in millions)	Three Months Ended March 31,		
	2017	2016	Change
Total Consumer Insurance			
Premiums & Fees	\$ 3,785	\$ 3,772	- %
Net Investment Income	1,940	1,612	20
Operating Revenue	5,942	5,891	1
Benefits & Expenses	4,894	5,187	(6)
Pre-tax operating income	1,048	704	49
Individual Retirement			
Premiums & Fees	\$ 213	\$ 214	- %
Net Investment Income	1,007	839	20
Operating Revenue	1,373	1,493	(8)
Benefits & Expenses	834	1,191	(30)
Pre-tax operating income	539	302	78
Group Retirement			



Premiums & Fees	\$	108	\$	98	10 %
Net Investment Income		555		479	16
Operating Revenue		718		629	14
Benefits & Expenses		475		438	8
Pre-tax operating income		243		191	27
Life Insurance					
Premiums & Fees	\$	744	\$	704	6 %
Net Investment Income		260		234	11
Operating Revenue		1,013		953	6
Benefits & Expenses		959		952	1
Pre-tax operating income		54		1	NM
Personal Insurance					
Net premiums written	\$	2,668	\$	2,809	(5) %
Pre-tax operating income	\$	212	\$	210	1
Underwriting ratios:					
Loss ratio		56.0		52.7	3.3 pts
Expense ratio		40.6		41.9	(1.3)
Combined ratio		96.6		94.6	2.0

LEGACY & OTHER

Legacy Portfolio Highlights - During the first quarter, the Legacy Investment portfolio executed on several transactions with external parties for total consideration of approximately \$468 million. The majority of the consideration received was used to pay down intercompany loans and notes with affiliated insurance companies.

- Higher Legacy Investment pre-tax operating income was driven by higher appreciation on assets for which the fair value option was elected.

CONFERENCE CALL

AIG will host a conference call tomorrow, Thursday, May 4, 2017, at 9:00 a.m. ET to review these results. The call is open to the public and can be accessed via a live listen-only webcast in the Investor Relations section of 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 Relations section at 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 "will," "believe," "anticipate," "expect," "intend," "plan," "focused on achieving," "view," "target," "goal" 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; actual and anticipated sales of businesses or asset divestitures or monetizations; restructuring of business operations, including anticipated restructuring charges and annual cost savings; strategies to increase return on equity and earnings per share; strategies to grow net investment income, efficiently manage capital, grow book value per common share, and reduce expenses; anticipated organizational and business changes; strategies for customer retention, growth, product development, market position, financial results and reserves; segments' revenues and combined ratios; and Chief Executive Officer succession and management retention plans. 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; negative impacts on customers, business partners and other stakeholders; 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; AIG's ability to successfully manage Legacy portfolios; AIG's ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or AIG's competitive position; AIG's ability to successfully dispose of, or monetize, businesses or assets; judgments concerning the recognition of deferred tax assets; judgments concerning estimated restructuring charges and estimated cost savings; and such other factors discussed in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (which will be filed with the SEC) 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, 2016. 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 "generally accepted accounting principles" in the United States. The non-GAAP



financial measures AIG presents may not be comparable to similarly-named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the First Quarter 2017 Financial Supplement available in the Investor Information section of AIG's website, www.aig.com.

Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share) and Adjusted Book Value per Common Share, Including Dividend Growth 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 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. These measures also eliminate the asymmetrical impact resulting from changes in fair value of AIG's available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. AIG excludes deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share, excluding AOCI, is derived by dividing Total AIG Shareholders' equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA (**Adjusted Shareholders' Equity**), by total common shares outstanding. Adjusted Book Value per Common Share, including dividend growth is derived by dividing Adjusted Shareholders' Equity including growth in quarterly dividends above \$0.125 per share to shareholders, by total common shares outstanding.

AIG Return on Equity – After-tax Operating Income Excluding AOCI and DTA (Adjusted Return on Equity) is used to show the rate of return on shareholders' equity. AIG believes this measure is useful to investors because it eliminates 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. This measure also eliminates the asymmetrical impact resulting from changes in fair value of AIG's available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. AIG excludes deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized after-tax operating income attributable to AIG by average Adjusted Shareholders' Equity.

AIG Normalized Return on Equity further adjusts Adjusted Return on Equity for the effects of certain volatile or market related items. AIG believes this measure is useful to investors because it presents the trends in AIG's consolidated return on equity without the impact of certain items that can experience volatility in AIG's short-term results. Normalized Return on Equity is derived by excluding the following tax adjusted effects from Adjusted Return on Equity: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii)



Direct Investment book (DIB) and Global Capital Markets (GCM) returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance incurred but not reported (IBNR) death claim charge; and prior year loss reserve development.

Core Attributed Equity is an attribution of total AIG Adjusted Shareholders' Equity to each of AIG's modules within Core based on AIG's internal capital model, which incorporates the respective risk profiles. Attributed equity represents AIG's best estimates based on current facts and circumstances and will change over time.

Core Return on Equity – After-tax Operating Income (Adjusted Return on Attributed Equity) is used to show the rate of return on attributed equity. Return on Attributed Equity is derived by dividing actual or annualized After-tax Operating Income by Average Attributed Equity.

Core Normalized Return on Attributed Equity (Normalized Return on Attributed Equity) further adjusts Adjusted Return on Attributed Equity for the effects of certain volatile or market-related items. AIG believes this measure is useful to investors because it presents the trends in AIG's Return on Attributed Equity without the impact of certain items that can experience volatility in our short-term results. Normalized Return on Attributed Equity is derived by excluding the following tax adjusted effects from Return on Attributed Equity: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) DIB and GCM returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance IBNR death claim charge; and prior year loss reserve development.

After-tax Operating Income Attributable to Core is derived by subtracting attributed interest expense and income tax expense from pre-tax operating income. Attributed debt and the related interest expense is calculated based on AIG's internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the operating segments conduct business, as well as the deductibility of expenses in those jurisdictions.

Normalized After-tax Operating Income Attributable to Core further adjusts After-tax Operating Income attributable to Core for the effects of certain volatile or market related items. AIG believes this measure is useful to investors because it presents the trends in after tax operating income without the impact of certain items that can experience volatility in AIG's short-term results. Normalized After-tax Operating Income attributable to Core is derived by excluding the following tax adjusted effects from After-tax Operating Income: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) DIB and GCM returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance IBNR death claim charge; and prior year loss reserve development (PYD), net of reinsurance premium adjustments.

Operating Revenues exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Operating revenues is a GAAP measure for our operating segments.



General Operating Expenses, Operating Basis (Operating GOE), is derived by making the following adjustments to general operating and other expenses: include (i) certain 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) non-operating litigation reserves and (v) other expense related to an asbestos retroactive reinsurance agreement. AIG uses General operating expenses, operating basis, because AIG believes it provides a more meaningful indication of AIG's ordinary course of business operating costs, regardless of within which financial statement line item these expenses are reported externally within AIG's segment results. The majority of these expenses are employee-related costs. For example, Other acquisition expenses and losses and loss adjustment expenses primarily represent employee-related costs in the underwriting and claims functions, respectively. Excluded from this measure are non-operating expenses (such as restructuring costs and litigation reserves), direct marketing expenses, insurance company assessments and non-deferrable commissions. AIG also excludes the impact of foreign exchange and the expenses of AIG Advisor Group and UGC, which have been divested, when measuring period-over-period fluctuations in General Operating Expenses, Operating basis.

AIG uses the following operating performance measures because AIG 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.

Pre-tax Operating Income (PTOI) is derived by excluding the following items from income from continuing operations before income tax. This definition is consistent across AIG's modules (including geography). These items generally fall into one or more of the following broad categories: legacy matters having no relevance to AIG's current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that AIG believes to be common to the industry. PTOI is a GAAP measure for our operating segments.

- changes in fair value of securities used to hedge guaranteed living benefits;
- changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
- loss (gain) on extinguishment of debt;
- net realized capital gains and losses;
- non-qualifying derivative hedging activities, excluding net realized capital gains and losses;
- income or loss from discontinued operations;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- reserve development related to non-operating run-off insurance business;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization; and
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.



After-tax Operating Income Attributable to AIG (ATOI) is derived by excluding the tax effected PTOI adjustments described above and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges; and
- uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance.

See page 12 for the reconciliation of Net income attributable to AIG to After-tax Operating Income Attributable to AIG.

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 (which for Commercial Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. AIG's ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.

Accident year loss and combined ratios, as adjusted: both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. Natural catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of \$10 million each. Catastrophes also include certain man-made events, such as terrorism and civil disorders that meet the \$10 million threshold. AIG believes the as adjusted ratios are meaningful measures of AIG's underwriting results on an on-going basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. AIG also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

- Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- Acquisition ratio = Total acquisition expenses ÷ NPE
- General operating expense ratio = General operating expenses ÷ NPE
- Expense ratio = Acquisition ratio + General operating expense ratio
- Combined ratio = Loss ratio + Expense ratio
- Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums (RIPs) related to catastrophes +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD]



- Accident year combined ratio = AYLR + Expense ratio
- Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/-(-) RIPs related to catastrophes] – Loss ratio
- Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/-(-) RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio

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

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

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American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG's core businesses include Commercial Insurance and Consumer Insurance, as well as Other Operations. Commercial Insurance comprises two modules – Liability and Financial Lines, and Property and Special Risks. Consumer Insurance comprises four modules – Individual Retirement, Group Retirement, Life Insurance and Personal Insurance. 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 and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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

American International Group, Inc.
Selected Financial Data and Non-GAAP Reconciliation
(\$ in millions, except per share data)

Reconciliations of Pre-tax and After-tax Operating Income (Loss)

	Three Months Ended March 31,					
	2017			2016		
	Pre-tax	Tax Effect	After-tax	Pre-tax	Tax Effect	After-tax
Pre-tax income (loss)/net income (loss), including noncontrolling interests	\$ 1,727	\$ 516	\$ 1,206	\$ (214)	\$ (58)	\$ (185)
Noncontrolling interest	-	-	(21)	-	-	2
Pre-tax income (loss)/net income (loss) attributable to AIG	<u>1,727</u>	<u>516</u>	<u>1,185</u>	<u>(214)</u>	<u>(58)</u>	<u>(183)</u>
<i>Adjustments:</i>						
Uncertain tax positions and other tax adjustments	-	50	(50)	-	(205)	205
Deferred income tax valuation allowance releases	-	13	(13)	-	37	(37)
Changes in fair value of securities used to hedge guaranteed living benefits	(11)	(4)	(7)	(133)	(47)	(86)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(53)	(19)	(34)	(40)	(14)	(26)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	14	4	10	(7)	(2)	(5)
Loss (gain) on extinguishment of debt	(1)	-	(1)	83	29	54
Net realized capital losses	115	47	68	1,106	387	719
Noncontrolling interest on net realized capital losses	-	-	5	-	-	(18)
Loss from discontinued operations	-	-	-	-	-	47
Loss from divested businesses	100	(6)	106	2	1	1
Non-operating litigation reserves and settlements	(6)	(2)	(4)	(31)	(11)	(20)
Net loss reserve discount benefit (charge)	(25)	(9)	(16)	(9)	(1)	(8)
Restructuring and other costs	181	63	118	188	66	122
Pre-tax operating income/After-tax operating income	<u>\$ 2,041</u>	<u>\$ 653</u>	<u>\$ 1,367</u>	<u>\$ 945</u>	<u>\$ 182</u>	<u>\$ 765</u>

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

Summary of Key Financial Metrics

	Three Months Ended March 31,		
	2017	2016	% Inc. (Dec.)
<u>Income (loss) per common share:</u>			
Basic			
Income (loss) from continuing operations	\$ 1.21	\$ (0.12)	NM %
Loss from discontinued operations	-	(0.04)	NM
Net income (loss) attributable to AIG	\$ 1.21	\$ (0.16)	NM
Diluted			
Income (loss) from continuing operations	\$ 1.18	\$ (0.12)	NM
Loss from discontinued operations	-	(0.04)	NM
Net income (loss) attributable to AIG	\$ 1.18	\$ (0.16)	NM
After-tax operating income attributable to AIG per diluted share (a)	\$ 1.36	\$ 0.64	112.5 %
Weighted average shares outstanding:			
Basic	980.8	1,156.5	
Diluted (a)(b)	1,005.3	1,156.5	
Return on equity (c)	6.3 %	(0.8)%	
Adjusted return on equity (d)	9.6 %	4.5 %	

<u>As of period end:</u>	March 31, 2017	December 31, 2016	December 31, 2015
Total AIG shareholders' equity	\$ 74,069	\$ 76,300	\$ 89,658
Accumulated other comprehensive income	3,781	3,230	2,537
Total AIG shareholders' equity, excluding AOCI	70,288	73,070	87,121
Deferred tax assets	14,585	14,770	16,751
Total adjusted AIG shareholders' equity	55,703	58,300	70,370
Add: Cumulative quarterly common stock dividends above \$0.125 per share	1,405	1,216	378
Total adjusted AIG shareholders' equity, including dividend growth	\$ 57,108	\$ 59,516	\$ 70,748

<u>As of period end:</u>	March 31, 2017	December 31, 2016	% Inc. (Dec.)	December 31, 2015	% Inc. (Dec.)
Book value per common share (e)	\$ 78.59	\$ 76.66	2.5 %	\$ 75.10	4.6 %
Book value per common share excluding AOCI (f)	\$ 74.58	\$ 73.41	1.6	\$ 72.97	2.2
Adjusted book value per common share (g)	\$ 59.10	\$ 58.57	0.9	\$ 58.94	0.3
Adjusted book value per common share, including dividend growth (h)	\$ 60.59	\$ 59.79	1.3 %	\$ 59.26	2.2 %
Total common shares outstanding	942.5	995.3		1,193.9	

Financial highlights - notes

- (a) For the quarter ended March 31, 2016, because we reported a net loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. We reported an after-tax operating income, therefore, we reported earnings per share on diluted basis. For the three months ended March 31, 2016, the weighted average outstanding shares - diluted includes 29,585,064 dilutive shares.
- (b) Diluted shares in the diluted EPS calculation represent basic shares for the three-months ended March 31, 2016 due to the net loss in that period.
- (c) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.
- (d) Computed as Annualized After-tax Operating Income attributable to AIG divided by Adjusted Shareholders' Equity.
- (e) Represents total AIG shareholders' equity divided by Total common shares outstanding.
- (f) Represents total AIG shareholders' equity, excluding AOCI, divided by Total common shares outstanding.
- (g) Represents Adjusted Shareholders' Equity, divided by Total common shares outstanding.
- (h) Represents Adjusted Shareholders' Equity, and including growth in quarterly dividends above \$0.125 per share to shareholders, divided by Total common shares outstanding.

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

Reconciliations of General Operating Expenses, Operating basis to General Operating and Other Expenses, GAAP basis

	Three Months Ended March 31,		
	2017	2016	% Inc. (Dec.)
General operating and other expenses, GAAP basis	\$ 2,443	\$ 3,003	(18.6)%
Restructuring and other costs	(181)	(188)	3.7
Other expense related to retroactive reinsurance agreement	-	7	NM
Non-operating litigation reserves	(4)	(3)	(33.3)
Total general operating and other expenses included in pre-tax operating income	<u>2,258</u>	<u>2,819</u>	(19.9)
Loss adjustment expenses, reported as policyholder benefits and losses incurred	304	341	(10.9)
Advisory fee expenses	(77)	(317)	75.7
Non-deferrable insurance commissions and other	(132)	(122)	(8.2)
Direct marketing and acquisition expenses, net of deferrals, and other	(112)	(144)	22.2
Investment expenses reported as net investment income and other	8	15	(46.7)
Total general operating expenses, operating basis	<u>\$ 2,249</u>	<u>\$ 2,592</u>	(13.2)%

Reconciliations of General Operating Expenses, Operating basis, Excluding Foreign Exchange and General Operating Expenses of AIG Advisor Group and UGC to General Operating and Other Expenses, GAAP basis

	Three Months Ended March 31,		
	2017	2016	% Inc. (Dec.)
General operating and other expenses, GAAP basis	\$ 2,443	\$ 3,003	(18.6)%
Restructuring and other costs	(181)	(188)	3.7
Other expense related to retroactive reinsurance agreement	-	7	NM
Non-operating litigation reserves	(4)	(3)	(33.3)
Total general operating and other expenses included in pre-tax operating income	<u>2,258</u>	<u>2,819</u>	(19.9)
Loss adjustment expenses, reported as policyholder benefits and losses incurred	304	341	(10.9)
Advisory fee expenses	(77)	(317)	75.7
Non-deferrable insurance commissions and other	(132)	(122)	(8.2)
Direct marketing and acquisition expenses, net of deferrals, and other	(112)	(144)	22.2
Investment expenses reported as net investment income and other	8	15	(46.7)
Total general operating expenses, operating basis	<u>2,249</u>	<u>2,592</u>	(13.2)
Less: FX impact	-	(12)	NM
Less: GOE of Advisor Group	-	45	NM
Less: GOE of UGC	-	50	NM
Total general operating expenses, Operating basis, Ex. FX & GOE of AIG Advisor Group and UGC	<u>\$ 2,249</u>	<u>\$ 2,509</u>	(10.4)%

American International Group, Inc.
Selected Financial Data and Non-GAAP Reconciliation
(\$ in millions, except per share amounts)

Reconciliations of Normalized and Adjusted Return on Equity

	Three Months Ended March 31, 2017				Three Months Ended March 31, 2016			
	Pre-tax	Tax		ROE	Pre-tax	Tax		ROE
		Effect	After-tax			Effect	After-tax	
<i>Return on Equity</i>			\$ 1,185	6.3 %			\$ (183)	(0.8) %
<i>Adjusted Return on equity (a)</i>	\$ 2,041	\$ 653	\$ 1,367	9.6 %	\$ 945	\$ 182	\$ 765	4.5 %
<i>Adjustments to arrive at Normalized Return on Equity:</i>								
Catastrophe losses above (below) expectations	(111)	(39)	(72)	(0.5)	(137)	(48)	(89)	(0.5)
(Better) worse than expected alternative returns	(183)	(64)	(119)	(0.8)	714	250	464	2.7
(Better) worse than expected DIB & GCM returns	(45)	(16)	(29)	(0.2)	395	138	257	1.5
Fair value changes on PICC investments	(22)	(8)	(14)	(0.1)	103	36	67	0.4
Life Insurance - IBNR death claims	-	-	-	-	(25)	(9)	(16)	(0.1)
Unfavorable (favorable) prior year loss reserve development	32	11	21	0.1	(60)	(21)	(39)	(0.2)
Normalized Return on Equity	<u>\$ 1,712</u>	<u>\$ 537</u>	<u>\$ 1,154</u>	<u>8.1 %</u>	<u>\$ 1,935</u>	<u>\$ 528</u>	<u>\$ 1,409</u>	<u>8.3 %</u>
Average AIG Shareholders' equity			\$ 75,185				\$ 89,088	
Less: Average AOCI			3,506				4,031	
Less: Average DTA			14,678				16,788	
Average adjusted shareholders' equity			<u>\$ 57,001</u>				<u>\$ 68,269</u>	

(a) After-tax operating income also excludes Net income (loss) attributable to non-controlling interest of \$21 million and \$(2) million for the three months ended March 31, 2017 and 2016, respectively.

Reconciliations of Core Normalized and Adjusted Return on Equity

	Three Months Ended March 31,	
	2017	2016
Pre-tax operating income	\$ 1,699	\$ 1,147
Interest expense (benefit) on attributed financial debt	(43)	(23)
Operating income before taxes	1,742	1,170
Income tax expense (benefit)	556	279
After-tax operating income	1,186	891
<i>Adjustments to arrive at Normalized Return on Equity:</i>		
Catastrophe losses above (below) expectations	(70)	(87)
(Better) worse than expected alternative returns	(123)	392
(Better) worse than expected DIB & GCM returns	(1)	2
Fair value changes on PICC investments	(14)	18
Unfavorable (favorable) prior year loss reserve development	31	(41)
Normalized after-tax operating income	<u>\$ 1,009</u>	<u>\$ 1,175</u>
Ending attributed equity	\$ 45,226	\$ 51,141
Average attributed equity	\$ 46,438	\$ 52,330
Adjusted return on attributed equity	10.2 %	6.8 %
Normalized return on attributed equity	8.7 %	9.0 %

American International Group, Inc.
Selected Financial Data and Non-GAAP Reconciliation (continued)

Reconciliations of Accident Year Loss Ratio, as Adjusted and Combined Ratio, as Adjusted

	Three Months Ended	
	March 31,	
	2017	2016
<u>Commercial Insurance - Liability and Financial Lines</u>		
Loss ratio	76.0	69.0
Catastrophe losses and reinstatement premiums	-	-
Prior year development net of premium adjustments	(3.5)	(0.1)
Accident year loss ratio, as adjusted	72.5	68.9
Combined ratio	105.4	96.8
Catastrophe losses and reinstatement premiums	-	-
Prior year development net of premium adjustments	(3.5)	(0.1)
Accident year combined ratio, as adjusted	101.9	96.7
<u>Commercial Insurance - Property and Special Risks</u>		
Loss ratio	66.3	66.0
Catastrophe losses and reinstatement premiums	(12.6)	(11.6)
Prior year development net of premium adjustments	2.2	1.0
Accident year loss ratio, as adjusted	55.9	55.4
Combined ratio	97.7	99.1
Catastrophe losses and reinstatement premiums	(12.6)	(11.6)
Prior year development net of premium adjustments	2.2	1.0
Accident year combined ratio, as adjusted	87.3	88.5
<u>Total Commercial Insurance</u>		
Loss ratio	71.9	67.8
Catastrophe losses and reinstatement premiums	(5.4)	(4.6)
Prior year development net of premium adjustments	(1.0)	0.3
Accident year loss ratio, as adjusted	65.5	63.5
Combined ratio	102.2	97.7
Catastrophe losses and reinstatement premiums	(5.4)	(4.6)
Prior year development net of premium adjustments	(1.0)	0.3
Accident year combined ratio, as adjusted	95.8	93.4
<u>Consumer Insurance - Personal Insurance</u>		
Loss ratio	56.0	52.7
Catastrophe losses and reinstatement premiums	(1.0)	(1.1)
Prior year development net of premium adjustments	-	1.8
Accident year loss ratio, as adjusted	55.0	53.4
Combined ratio	96.6	94.6
Catastrophe losses and reinstatement premiums	(1.0)	(1.1)
Prior year development net of premium adjustments	-	1.8
Accident year combined ratio, as adjusted	95.6	95.3

Reconciliations of Premiums and Deposits

	Three Months Ended	
	March 31,	
	2017	2016
<u>Consumer Insurance - Group Retirement:</u>		
Premiums	\$ 9	\$ 7
Deposits	2,031	1,849
Other	-	-
Total premiums and deposits	\$ 2,040	\$ 1,856

The image shows a large, illuminated 'AIG' logo mounted on the facade of a modern building. The logo is white and set against a dark rectangular background. The building has a glass and metal exterior with a curved entrance area.

American International Group, Inc.

Quarterly Financial Supplement
First Quarter 2017

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 which will be 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 “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” 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; actual and anticipated sales of businesses or asset divestitures or monetizations; restructuring of business operations, including anticipated restructuring charges and annual cost savings; generation of deployable capital; strategies to increase return on equity and earnings per common share; strategies to grow net investment income, efficiently manage capital, grow book value per common share, and reduce expenses; anticipated organizational and business changes; strategies for customer retention, growth, product development, market position, financial results and reserves; segments’ revenues and combined ratios; and Chief Executive Officer succession and management retention plans.

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;
- negative impacts on customers, business partners and other stakeholders;
- 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;
- AIG’s ability to successfully manage Legacy portfolios;
- AIG’s ability to successfully reduce costs and expenses and make business and organizational changes without negatively impacting client relationships or its competitive position;
- AIG’s ability to successfully dispose of, or monetize, businesses or assets;
- judgments concerning the recognition of deferred tax assets;
- judgments concerning estimated restructuring charges and estimated cost savings; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (which will be filed with the Securities and Exchange Commission), and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2016.

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

American International Group, Inc. Non-GAAP Financial Measures

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

Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share) and Adjusted Book Value per Common Share, Including Dividend Growth are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding. Adjusted Book Value per Common Share, including dividend growth is derived by dividing Adjusted Shareholders’ Equity, including growth in quarterly dividends above \$0.125 per share to shareholders, by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 47 herein.

AIG Return on Equity – After-tax Operating Income Excluding AOCI and DTA (Adjusted Return on Equity) is used to show the rate of return on shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Equity. Adjusted Return on Equity is derived by dividing actual or annualized after-tax operating income attributable to AIG by average Adjusted Shareholders’ Equity. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 47 herein.

AIG Normalized Return on Equity further adjusts Adjusted Return on Equity for the effects of certain volatile or market related items. We believe this measure is useful to investors because it presents the trends in our consolidated return on equity without the impact of certain items that can experience volatility in our short-term results. Normalized Return on Equity is derived by excluding the following tax adjusted effects from Adjusted Return on Equity: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) Direct Investment book (DIB) and Global Capital Markets (GCM) returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance incurred but not reported (IBNR) death claim charge; and prior year loss reserve development. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 47 herein.

Core, Legacy Portfolio and Geography Attributed Equity is an attribution of total AIG Adjusted Shareholders’ Equity to each of our modules within Core, Legacy Portfolio and geographies based on our internal capital model, which incorporates the respective risk profiles. Attributed equity represents our best estimates based on current facts and circumstances and will change over time.

Core, Legacy Portfolio and Geography Return on Equity – After-tax Operating Income (Adjusted Return on Attributed Equity) is used to show the rate of return on attributed equity. Return on Attributed Equity is derived by dividing actual or annualized After-tax Operating Income by Average Attributed Equity. The reconciliations to Adjusted Return on Equity are presented on pages 49-56 herein.

Core, Legacy Portfolio and Geography Normalized Return on Attributed Equity (Normalized Return on Attributed Equity) further adjusts Adjusted Return on Attributed Equity for the effects of certain volatile or market-related items. We believe this measure is useful to investors because it presents the trends in our Return on Attributed Equity without the impact of certain items that can experience volatility in our short-term results. Normalized Return on Attributed Equity is derived by excluding the following tax adjusted effects from Return on Attributed Equity: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) DIB and GCM returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance IBNR death claim charge; and prior year loss reserve development. The reconciliations to Normalized Return on Equity are presented on pages 49-56 herein.

After-tax Operating Income Attributable to Core, Legacy Portfolio and Geography is derived by subtracting attributed interest expense and income tax expense from pre-tax operating income. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the operating segments and geographies conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Pre-Tax operating income to After-tax operating income attributed to Core, Legacy Portfolio and Geography are presented on pages 49-56 herein. Attributed debt is included on page 59 herein.

Normalized After-tax Operating Income Attributable to Core, Legacy Portfolio and Geography further adjusts After-tax Operating Income attributable to Core, Legacy Portfolio and Geography for the effects of certain volatile or market related items. We believe this measure is useful to investors because it presents the trends in after tax operating income without the impact of certain items that can experience volatility in our short-term results. Normalized After-tax Operating Income attributable to Core, Legacy Portfolio and Geography is derived by excluding the following tax adjusted effects from After-tax Operating Income: the difference between actual and expected (i) catastrophe losses, (ii) alternative investment returns, and (iii) DIB and GCM returns; fair value changes on PICC investments; update of actuarial assumptions; Life insurance IBNR death claim charge; and prior year loss reserve development (PYD), net of reinsurance premium adjustments. The reconciliations from Pre-tax operating income to Normalized After-tax operating income attributed to Core, Legacy Portfolio and Geography are presented on page 49-56 herein. Attributed debt is included on pages 59 herein.

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

Operating Revenues exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Operating revenues is a GAAP measure for our operating segments.

General Operating Expenses, Operating Basis (Operating GOE), is derived by making the following adjustments to general operating and other expenses: include (i) certain 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) non-operating litigation reserves and (v) other expense related to an asbestos 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, regardless of within which financial statement line item these expenses are reported externally within our segment results. The majority of these expenses are employee-related costs. For example, Other acquisition expenses and losses and loss adjustment expenses primarily represent employee-related costs in the underwriting and claims functions, respectively. Excluded from this measure are non-operating expenses (such as restructuring costs and litigation reserves), direct marketing expenses, insurance company assessments and non-deferrable commissions. The reconciliation to general operating and other expenses, GAAP basis is included on page 60 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.

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

- changes in fair value of securities used to hedge guaranteed living benefits;
- changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
- loss (gain) on extinguishment of debt;
- net realized capital gains and losses;
- non-qualifying derivative hedging activities, excluding net realized capital gains and losses;
- income or loss from discontinued operations;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- reserve development related to non-operating run-off insurance business;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization; and
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.

After-tax Operating Income attributable to AIG (ATOI) is derived by excluding the tax effected PTOI adjustments described above and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges; and
- uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance

Ratios: We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every \$100 of net premiums earned, the amount of losses and loss adjustment expenses (which for Commercial Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. Our ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.

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

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. Natural catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of \$10 million each. Catastrophes also include certain man-made events, such as terrorism and civil disorders that meet the \$10 million threshold. We believe the as adjusted ratios are meaningful measures of our underwriting results on an ongoing basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

- a) Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b) Acquisition ratio = Total acquisition expenses ÷ NPE
- c) General operating expense ratio = General operating expenses ÷ NPE
- d) Expense ratio = Acquisition ratio + General operating expense ratio
- e) Combined ratio = Loss ratio + Expense ratio
- f) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums (RIPs) related to catastrophes +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD]
- g) Accident year combined ratio = AYLR + Expense ratio
- h) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- RIPs related to catastrophes] – Loss ratio
- i) Prior year development net of premium adjustments = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/- RIPs related to prior year catastrophes + (Additional) returned premium related to prior year development] – Loss ratio

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

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

American International Group, Inc.

Overview

Operating Modules

To align our financial reporting with the manner in which AIG's chief operating decision makers review the businesses to assess performance and make decisions about resources to be allocated, we have organized Commercial Insurance and Consumer Insurance into the following "modular" Core business units:

	Core							
	Commercial		Consumer					
Modules	Liability and Financial Lines	Property and Special Risks	Individual Retirement	Group Retirement	Life Insurance	Personal Insurance	Other Operations	Legacy Portfolio
Products/ Services	<ul style="list-style-type: none"> • Primary Casualty • Excess Casualty • Environmental • Management Liability • Professional Indemnity • M&A • Cyber 	<ul style="list-style-type: none"> • Large Limit Property • Energy and Engineered Risks • Excess & Surplus Programs • Marine • Aerospace • Credit Lines • Portfolio Solutions 	<ul style="list-style-type: none"> • Variable Annuities • Index Annuities • Fixed Annuities • Retail Mutual Funds 	<ul style="list-style-type: none"> • Group Retirement Plans • Individual Annuities • Advisory Services • Financial Planning 	<ul style="list-style-type: none"> • Term • Universal Life • Health • Disability 	<ul style="list-style-type: none"> • Auto • Property • Personal Accident • Travel • Warranty & Service 	<ul style="list-style-type: none"> • Institutional Markets • United Guaranty (sold in 2016) • Fuji Life (sold on April 30th, 2017) • Corporate Expenses • Debt and Equity Not Attributed to Modules 	<ul style="list-style-type: none"> • Pre-2012 Payout Annuities • Run-Off Life Insurance Lines • Run-Off Property and Casualty Insurance Lines • Legacy Assets including DIB/GCM, Real Estate, and Life Settlements

Geography

We also review and assess the performance of our most significant legal entity insurance businesses across three key geographic areas: United States, Europe and Japan. United States includes the following major property and casualty and life insurance companies: National Union Fire Insurance Company of Pittsburgh, Pa., Lexington Insurance Company, American Home Assurance Company, American General Life Company, The Variable Annuity Life Insurance Company, and The United States Life Insurance Company in the City of New York. Europe consists of AIG Europe Limited and its branches, which are property and casualty companies. Japan includes the following major property and casualty insurance companies: Fuji Fire and Marine Insurance Company, AIUI Japan and American Home Assurance, Ltd. Other geography includes AIG Fuji Life Insurance Company, Ltd., United Guaranty Residential Insurance Company and AIG Asia Pacific Insurance, Pte, Ltd. Legacy Portfolio includes Eaglestone Reinsurance Company.

Throughout this Financial Supplement, we use the following terms:

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

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.

Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships. Hedge funds for which we elected the fair value option are recorded as of the balance sheet date. Other hedge funds are generally reported on a one-month lag, while private equity funds are generally reported on a one-quarter lag.

American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Results of Operations Data (attributable to AIG)					
Net income (loss)	\$ 1,185	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)
Net income (loss) per share:					
Basic	\$ 1.21	\$ (2.96)	\$ 0.43	\$ 1.72	\$ (0.16)
Diluted (1)	\$ 1.18	\$ (2.96)	\$ 0.42	\$ 1.68	\$ (0.16)
Weighted average shares outstanding:					
Basic	980.8	1,023.9	1,071.3	1,113.6	1,156.5
Diluted (1)	1,005.3	1,023.9	1,102.4	1,140.0	1,156.5
Effective tax rate	29.9 %	28.5 %	41.2 %	32.3 %	27.1 %
After-tax operating income (loss)	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,313	\$ 765
After-tax operating income (loss) per diluted share (1)	\$ 1.36	\$ (2.72)	\$ 1.01	\$ 1.15	\$ 0.64
Weighted average diluted shares - operating (1)	1,005.3	1,023.9	1,102.4	1,140.0	1,186.1
Operating effective tax rate	32.0 %	27.9 %	32.0 %	31.4 %	19.3 %
General operating and other expenses	\$ 2,443	\$ 2,864	\$ 2,536	\$ 2,586	\$ 3,003
General operating expenses, operating basis	2,249	2,477	2,444	2,439	2,592
Selected Balance Sheet data, at period end					
Total assets	\$ 500,162	\$ 498,264	\$ 514,568	\$ 510,349	\$ 502,777
Long-term debt	30,747	30,912	32,277	33,329	31,952
AIG shareholders' equity	74,069	76,300	88,663	89,946	88,518
Adjusted Shareholders' Equity	55,703	58,300	64,039	66,073	66,168
Return On Equity (ROE, attributable to AIG)					
ROE	6.3 %	(14.7)%	2.1 %	8.6 %	(0.8)%
Adjusted return on equity	9.6 %	(18.2)%	6.9 %	7.9 %	4.5 %
Adjusted return on attributed equity - Core*	10.2 %	(22.9)%	9.0 %	9.6 %	6.8 %
Adjusted return on attributed equity - Legacy Portfolio*	7.6 %	4.5 %	(1.8)%	2.4 %	(3.2)%
Normalized return on equity	8.1 %	4.8 %	8.1 %	8.3 %	8.3 %
Normalized return on attributed equity - Core *	8.7 %	3.8 %	8.1 %	10.1 %	9.0 %
Normalized return on attributed equity - Legacy Portfolio*	6.3 %	10.2 %	8.1 %	2.4 %	5.8 %

* Refer to pages 10, 11, and 12 for components of calculation.

See accompanying notes on page 16 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

AIG Capitalization

Total equity	\$ 74,667	\$ 76,858	\$ 89,165	\$ 90,537	\$ 89,081
Hybrid debt securities (6)	847	843	861	861	876
Total equity and hybrid debt	75,514	77,701	90,026	91,398	89,957
Financial debt (6)	20,437	20,404	20,841	20,821	20,585
Total capital	\$ 95,951	\$ 98,105	\$ 110,867	\$ 112,219	\$ 110,542

Leverage Ratios

Hybrid debt securities / Total capital	0.9 %	0.9 %	0.8 %	0.8 %	0.8 %
Financial debt / Total capital	21.3	20.8	18.8	18.6	18.6
Total hybrids and financial debt / Total capital	22.2 %	21.7 %	19.6 %	19.4 %	19.4 %

Common Stock Repurchases

Aggregate repurchase of common stock	\$ 3,585	\$ 2,954	\$ 2,258	\$ 2,762	\$ 3,486
Number of common shares repurchased	56.0	47.5	39.8	50.1	63.2
Average price paid per share of common stock	\$ 64.02	\$ 62.10	\$ 56.67	\$ 55.19	\$ 55.17
Aggregate repurchases of warrants	\$ -	\$ 46	\$ -	\$ 90	\$ 173
Number of warrants repurchased	-	2.4	-	5.0	10.0

Dividends

Dividends declared per common share	\$ 0.320	\$ 0.320	\$ 0.320	\$ 0.320	\$ 0.320
Total dividends declared	\$ 307	\$ 321	\$ 338	\$ 350	\$ 363

Share Data (attributable to AIG, at period end)

Common shares outstanding	942.5	995.3	1,042.9	1,082.7	1,130.7
Closing share price	\$ 62.43	\$ 65.31	\$ 59.34	\$ 52.89	\$ 54.05
Book value per common share	78.59	76.66	85.02	83.08	78.28
Book value per common share, excluding AOCI	74.58	73.41	76.33	75.45	73.40
Adjusted book value per common share	59.10	58.57	61.41	61.03	58.52
Adjusted book value per common share, including dividend growth	60.59	59.79	62.39	61.78	59.05

See accompanying notes on page 16 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consolidated Statement of Operations

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Revenues:					
Premiums	\$ 7,782	\$ 8,255	\$ 8,581	\$ 8,751	\$ 8,806
Policy fees	724	703	646	696	687
Net investment income:					
Interest and dividends	3,063	3,202	3,213	3,242	3,243
Alternative investments	448	384	365	310	(366)
Other investment income	301	115	320	240	250
Investment expenses	(126)	(115)	(115)	(109)	(114)
Total net investment income	3,686	3,586	3,783	3,683	3,013
Net realized capital gains (losses)	(115)	(1,115)	(765)	1,042	(1,106)
Other income (2)	555	1,581	609	552	379
Total revenues	12,632	13,010	12,854	14,724	11,779
Benefits, losses and expenses					
Policyholder benefits and losses incurred	6,047	11,689	7,489	6,872	6,387
Interest credited to policyholder account balances	910	907	887	961	950
Amortization of deferred policy acquisition costs	1,108	896	1,018	1,345	1,262
General operating and other expenses	2,443	2,864	2,536	2,586	3,003
Interest expense	298	305	329	320	306
(Gain) loss on extinguishment of debt	(1)	(2)	(14)	7	83
Net (gain) loss on sale of divested businesses (3)	100	(194)	(128)	(225)	2
Total benefits, losses and expenses	10,905	16,465	12,117	11,866	11,993
Income (loss) from continuing operations before income taxes	1,727	(3,455)	737	2,858	(214)
Income tax (benefit) expense	516	(985)	304	924	(58)
Income (loss) from continuing operations	1,211	(2,470)	433	1,934	(156)
Income (loss) from discontinued operations, net of income taxes	-	(36)	3	(10)	(47)
Net income (loss)	1,211	(2,506)	436	1,924	(203)
Net income (loss) attributable to noncontrolling interests (2)	26	535	(26)	11	(20)
Net income (loss) attributable to AIG	\$ 1,185	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)

See accompanying notes on page 16.



American International Group, Inc.
Selected Results of Operations Data by Module

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
<u>Pre-Tax Operating Income (Loss)</u>					
Commercial Insurance					
Liability and Financial Lines	\$ 574	\$ (4,981)	\$ 948	\$ 815	\$ 569
Property and Special Risks	275	(42)	(263)	126	93
Total Commercial Insurance	849	(5,023)	685	941	662
Consumer Insurance					
Individual Retirement	539	542	920	505	302
Group Retirement	243	261	214	265	191
Life Insurance	54	(10)	(54)	26	1
Personal Insurance	212	176	148	152	210
Total Consumer Insurance	1,048	969	1,228	948	704
Other Operations	(246)	(183)	(164)	(162)	(239)
Consolidation, eliminations and other adjustments	48	42	(6)	(14)	20
Total Core	1,699	(4,195)	1,743	1,713	1,147
Legacy Portfolio	342	1,101	(99)	207	(202)
Total pre-tax operating income (loss)	<u>\$ 2,041</u>	<u>\$ (3,094)</u>	<u>\$ 1,644</u>	<u>\$ 1,920</u>	<u>\$ 945</u>
<u>After-Tax Operating Income (Loss)</u>					
Commercial Insurance					
Liability and Financial Lines	\$ 307	\$ (3,520)	\$ 679	\$ 528	\$ 374
Property and Special Risks	167	(56)	(192)	64	45
Total Commercial Insurance	474	(3,576)	487	592	419
Consumer Insurance					
Individual Retirement	363	363	596	328	202
Group Retirement	168	183	153	179	146
Life Insurance	30	(13)	(25)	12	(2)
Personal Insurance	130	102	79	83	121
Total Consumer Insurance	691	635	803	602	467
Other Operations	21	56	(114)	34	5
Total Core	1,186	(2,885)	1,176	1,228	891
Legacy Portfolio (4)	202	121	(58)	89	(128)
Net (income) loss attributable to NCI excluding income from Korea Fund	(21)	(23)	(3)	(4)	2
Total after-tax operating income	<u>\$ 1,367</u>	<u>\$ (2,787)</u>	<u>\$ 1,115</u>	<u>\$ 1,313</u>	<u>\$ 765</u>

See accompanying notes on page 16 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Selected Results of Operations Data by Module

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
<u>Normalized After-Tax Operating Income (Loss)</u>					
Commercial Insurance					
Liability and Financial Lines	\$ 319	\$ (82)	\$ 645	\$ 622	\$ 527
Property and Special Risks	73	(73)	(40)	65	28
Total Commercial Insurance	392	(155)	605	687	555
Consumer Insurance					
Individual Retirement	343	345	346	311	303
Group Retirement	157	174	178	170	195
Life Insurance	26	(16)	33	7	21
Personal Insurance	85	85	41	76	85
Total Consumer Insurance	611	588	598	564	604
Other Operations	6	47	(142)	45	16
Total Core	1,009	480	1,061	1,296	1,175
Legacy Portfolio (4)	166	278	263	88	232
Net (income) loss attributable to NCI, excluding income from Korea Fund	(21)	(23)	(3)	(4)	2
Total normalized after-tax operating income (loss)	\$ 1,154	\$ 735	\$ 1,321	\$ 1,380	\$ 1,409
<u>Average Adjusted Shareholders' Equity attributed by module</u>					
Commercial Insurance					
Liability and Financial Lines	\$ 16,656	\$ 18,805	\$ 19,365	\$ 20,005	\$ 19,909
Property and Special Risks	8,271	8,494	8,796	8,930	8,913
Total Commercial Insurance	24,927	27,299	28,161	28,935	28,822
Consumer Insurance					
Individual Retirement	10,960	11,059	11,330	11,397	11,432
Group Retirement	6,010	6,064	6,193	6,210	6,229
Life Insurance	2,537	2,570	2,676	2,733	2,696
Personal Insurance	2,877	2,739	2,828	2,889	2,853
Total Consumer Insurance	22,384	22,432	23,027	23,229	23,210
Other Operations	(873)	571	954	(928)	298
Total Core	46,438	50,302	52,142	51,236	52,330
Legacy Portfolio	10,563	10,867	12,914	14,884	15,939
Total average adjusted shareholders' equity	\$ 57,001	\$ 61,169	\$ 65,056	\$ 66,120	\$ 68,269

See accompanying notes on page 16 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Selected Results of Operations Data by Module

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
<u>Adjusted Return on Attributed Equity</u>					
Commercial Insurance					
Liability and Financial Lines	7.4 %	(74.9)%	14.0 %	10.6 %	7.5 %
Property and Special Risks	8.1	(2.6)	(8.7)	2.9	2.0
Total Commercial Insurance	7.6	(52.4)	6.9	8.2	5.8
Consumer Insurance					
Individual Retirement	13.2	13.1	21.0	11.5	7.1
Group Retirement	11.2	12.1	9.9	11.5	9.4
Life Insurance	4.7	(2.0)	(3.7)	1.8	(0.3)
Personal Insurance	18.1	14.9	11.2	11.5	17.0
Total Consumer Insurance	12.3	11.3	13.9	10.4	8.0
Other Operations	NM	NM	NM	NM	NM
Total Core	10.2	(22.9)	9.0	9.6	6.8
Legacy Portfolio	7.6	4.5	(1.8)	2.4	(3.2)
Total adjusted return on attributed equity	9.6 %	(18.2)%	6.9 %	7.9 %	4.5 %
<u>Normalized Return on Attributed Equity</u>					
Commercial Insurance					
Liability and Financial Lines	7.7 %	(1.7)%	13.3 %	12.4 %	10.6 %
Property and Special Risks	3.5	(3.4)	(1.8)	2.9	1.3
Total Commercial Insurance	6.3	(2.3)	8.6	9.5	7.7
Consumer Insurance					
Individual Retirement	12.5	12.5	12.2	10.9	10.6
Group Retirement	10.4	11.5	11.5	11.0	12.5
Life Insurance	4.1	(2.5)	4.9	1.0	3.1
Personal Insurance	11.8	12.4	5.8	10.5	11.9
Total Consumer Insurance	10.9	10.5	10.4	9.7	10.4
Other Operations	NM	NM	NM	NM	NM
Total Core	8.7	3.8	8.1	10.1	9.0
Legacy Portfolio (4)	6.3	10.2	8.1	2.4	5.8
Total normalized return on attributed equity	8.1 %	4.8 %	8.1 %	8.3 %	8.3 %

See accompanying notes on page 16 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Selected Results of Operations Data by Module – General Operating Expenses

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
<u>General Operating Expenses, Operating Basis</u>					
Commercial Insurance					
Liability and Financial Lines	\$ 322	\$ 337	\$ 345	\$ 332	\$ 370
Property and Special Risks	219	281	247	258	260
Total Commercial Insurance	541	618	592	590	630
Consumer Insurance					
Individual Retirement	123	120	112	140	166
Group Retirement	109	100	99	93	94
Life Insurance	164	167	155	174	184
Personal Insurance	402	488	431	443	443
Total Consumer Insurance	798	875	797	850	887
Other Operations	300	341	350	301	358
Consolidations, eliminations, and other	(105)	(107)	(77)	(102)	(74)
Total Core	1,534	1,727	1,662	1,639	1,801
Legacy Portfolio	127	131	111	135	129
Total general operating expenses	1,661	1,858	1,773	1,774	1,930
Other acquisition expenses					
Commercial Insurance					
Liability and Financial Lines	81	81	96	89	95
Property and Special Risks	68	73	75	73	76
Total Commercial Insurance	149	154	171	162	171
Consumer Insurance - Personal Insurance	127	139	145	138	135
Total other acquisition expenses	276	293	316	300	306
Loss adjustment expenses					
Commercial Insurance					
Liability and Financial Lines	158	157	175	187	189
Property and Special Risks	49	46	58	48	48
Total Commercial Insurance	207	203	233	235	237
Consumer Insurance - Personal Insurance	95	111	107	115	104
Legacy Portfolio - Legacy PC Runoff	2	-	-	-	-
Total loss adjustment expenses	304	314	340	350	341
Investment and other expenses	8	12	15	15	15
Total general operating expenses, operating basis	\$ 2,249	\$ 2,477	\$ 2,444	\$ 2,439	\$ 2,592

See definition of General operating expenses, operating basis, on page 4 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 230,698	\$ 241,537	\$ 260,649	\$ 262,089	\$ 253,785
Other bond securities, at fair value	13,605	13,998	14,772	15,335	15,344
Equity securities					
Common and preferred stock available for sale, at fair value	2,099	2,078	1,544	1,642	2,770
Other common and preferred stock, at fair value	500	482	498	661	877
Mortgage and other loans receivable, net of allowance	33,878	33,240	32,413	31,261	30,676
Other invested assets	23,652	24,538	25,747	27,345	28,480
Short-term investments	11,073	12,302	10,745	12,334	10,914
Total investments	315,505	328,175	346,368	350,667	342,846
Cash	1,918	1,868	2,498	1,784	1,499
Accrued investment income	2,386	2,495	2,608	2,590	2,657
Premiums and other receivables, net of allowance	11,130	10,465	11,606	12,078	12,414
Reinsurance assets, net of allowance	34,140	21,901	21,706	21,441	21,332
Deferred income taxes	20,881	21,332	18,412	18,542	20,116
Deferred policy acquisition costs	11,091	11,042	10,537	10,487	10,800
Other assets	10,606	10,815	11,546	12,188	11,581
Separate account assets, at fair value	85,917	82,972	82,626	80,572	79,532
Assets held for sale (5)	6,588	7,199	6,661	-	-
Total assets	\$ 500,162	\$ 498,264	\$ 514,568	\$ 510,349	\$ 502,777
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 76,050	\$ 77,077	\$ 72,487	\$ 74,143	\$ 73,946
Unearned premiums	19,840	19,634	21,047	22,165	22,060
Future policy benefits for life and accident and health insurance contracts	42,719	42,204	47,848	45,982	44,573
Policyholder contract deposits	132,639	132,216	132,808	131,936	130,007
Other policyholder funds	3,719	3,989	4,418	4,292	4,203
Other liabilities	28,093	26,296	27,983	27,393	27,423
Long-term debt	30,747	30,912	32,277	33,329	31,952
Separate account liabilities	85,917	82,972	82,626	80,572	79,532
Liabilities held for sale (5)	5,771	6,106	3,909	-	-
Total liabilities	425,495	421,406	425,403	419,812	413,696
AIG shareholders' equity					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(44,915)	(41,471)	(38,518)	(36,262)	(33,584)
Additional paid-in capital	80,846	81,064	81,281	81,232	81,415
Retained earnings	29,591	28,711	32,077	31,951	30,396
Accumulated other comprehensive income	3,781	3,230	9,057	8,259	5,525
Total AIG shareholders' equity	74,069	76,300	88,663	89,946	88,518
Non-redeemable noncontrolling interests	598	558	502	591	563
Total equity	74,667	76,858	89,165	90,537	89,081
Total liabilities and equity	\$ 500,162	\$ 498,264	\$ 514,568	\$ 510,349	\$ 502,777

See accompanying notes on page 16.



American International Group, Inc.
Debt and Capital

(in millions)	Debt and Hybrid Capital			Interest Expense	
	March 31,	March 31,	December 31,	Three Months Ended March 31,	
	2017	2016	2016	2017	2016
Financial Debt					
AIG notes and bonds payable	\$ 19,460	\$ 19,792	\$ 19,432	\$ 215	\$ 208
AIG Japan Holdings Kabushiki Kaisha	335	115	330	-	-
AIG Life Holdings, Inc. notes and bonds payable	281	281	281	5	5
AIG Life Holdings, Inc. junior subordinated debt	361	397	361	7	8
Total	20,437	20,585	20,404	227	221
Operating Debt					
MIP notes payable	1,133	1,434	1,099	11	13
Series AIGFP matched notes and bonds payable	32	38	32	-	-
Other AIG borrowings supported by assets	3,151	3,902	3,428	-	-
Other subsidiaries	701	2	735	3	-
Borrowings of consolidated investments	4,446	5,115	4,371	42	49
Total	9,463	10,491	9,665	56	62
Hybrid - Debt Securities (6)					
Junior subordinated debt (7)	847	876	843	15	23
Total	\$ 30,747	\$ 31,952	\$ 30,912	\$ 298	\$ 306
AIG Capitalization					
Total equity	\$ 74,667	\$ 89,081	\$ 76,858		
Hybrid - debt securities (6) (7)	847	876	843		
Total equity and hybrid capital	75,514	89,957	77,701		
Financial debt	20,437	20,585	20,404		
Total capital	\$ 95,951	\$ 110,542	\$ 98,105		
Ratios					
Hybrid - debt securities / Total capital	0.9 %	0.8 %	0.9 %		
Financial debt / Total capital	21.3	18.6	20.8		
Total debt / Total capital	22.2 %	19.4 %	21.7 %		

See accompanying notes on page 16.



American International Group, Inc.
Consolidated Notes

- (1) For the quarters ended December 31, 2016 and March 31, 2016, because we reported a net loss and, in the quarter ended December 31, 2016, an after-tax operating loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.
- (2) 4Q16 primarily represents gain on the sales of AIG's non-controlling interest in an AIG sponsored Fund (Korea Fund).
- (3) 1Q17 includes sales of Fuji Life, United Guaranty Corporation, AIG Greece Representation of Insurance Enterprises S.A., and certain entities and operations being sold to Fairfax Financial Holdings, Ltd (Fairfax). 4Q16 includes the sales of United Guaranty Corporation, Fuji Life, Ascot Corporate, AIG Taiwan Insurance Co., Ltd and certain entities and operations being sold to Fairfax. 3Q16 included the sale of NSM Insurance Group. 2Q16 included the sale of AIG Advisor Group.
- (4) Legacy Portfolio excludes income from non-controlling interest related to the Korea Fund transaction.
- (5) Assets and liabilities held for sale are comprised of Fuji Life, United Guaranty Asia and certain entities and operations being sold to Fairfax.
- (6) Hybrid debt securities and financial debt are attributed to our operating modules and Legacy Portfolio, as well as to the three key geographic modules. See details of attributed debt on page 59.
- (7) The junior subordinated debentures receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings in the Condensed Consolidated Balance Sheets.

American International Group, Inc.
Commercial Insurance Operating Results

(in millions)

Results of Operations

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Net premiums written	\$ 3,629	\$ 3,702	\$ 4,354	\$ 4,497	\$ 4,375
Net premiums earned	\$ 3,752	\$ 4,192	\$ 4,475	\$ 4,688	\$ 4,745
Losses and loss adjustment expenses incurred*	2,697	8,870	3,455	3,287	3,216
Acquisition expenses:					
Amortization of deferred policy acquisition costs	428	473	514	527	535
Other acquisition expenses	168	172	170	199	255
Total acquisition expenses	596	645	684	726	790
General operating expenses	541	618	592	590	630
Underwriting income (loss)	(82)	(5,941)	(256)	85	109
Net investment income (loss):					
Interest and dividends	651	775	790	814	776
Alternative investments	256	157	185	128	(139)
Other investment income (loss) (1)	51	8	(6)	(62)	(54)
Investment expenses	(27)	(22)	(28)	(24)	(30)
Total net investment income	931	918	941	856	553
Pre-tax operating income (loss)	\$ 849	\$ (5,023)	\$ 685	\$ 941	\$ 662

Underwriting Ratios

Loss ratio*	71.9	211.5	77.3	70.2	67.8
Acquisition ratio	15.9	15.4	15.3	15.5	16.6
General operating expense ratio	14.4	14.7	13.2	12.6	13.3
Expense ratio	30.3	30.1	28.5	28.1	29.9
Combined ratio	102.2	241.6	105.8	98.3	97.7
Accident year loss ratio, as adjusted	65.5	78.2	64.7	61.7	63.5
Accident year combined ratio, as adjusted	95.8	108.3	93.2	89.8	93.4
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:					
Catastrophe losses and reinstatement premiums	5.4	8.1	5.6	7.5	4.6
Prior year development net of premium adjustments	1.0	125.2	7.0	1.0	(0.3)

Noteworthy Items (pre-tax)

Catastrophe-related losses	\$ 201	\$ 338	\$ 252	\$ 353	\$ 222
Reinstatement premiums related to catastrophes	-	1	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	-	(11)	(10)
Severe losses	40	72	95	129	109
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance (Additional) returned premium related to prior year development	23	5,240	317	36	(16)
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	23	16	(11)	22	6
Net liability for unpaid losses and loss adjustment expenses (at period end)	46	5,256	306	58	(10)
	39,246	51,540	47,585	48,686	48,900

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

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Commercial - Liability and Financial Lines Operating Results

(in millions)

Results of Operations

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Net premiums written:					
U.S. Casualty (2)	\$ 754	\$ 776	\$ 941	\$ 830	\$ 925
International Casualty	447	309	379	377	547
Financial Lines	1,015	1,075	1,069	1,114	1,037
Total net premiums written	<u>\$ 2,216</u>	<u>\$ 2,160</u>	<u>\$ 2,389</u>	<u>\$ 2,321</u>	<u>\$ 2,509</u>
Net premiums earned	\$ 2,157	\$ 2,400	\$ 2,610	\$ 2,726	\$ 2,834
Losses and loss adjustment expenses incurred*	1,639	7,491	1,768	1,920	1,955
Acquisition expenses:					
Amortization of deferred policy acquisition costs	211	236	242	304	316
Other acquisition expenses	102	69	76	57	101
Total acquisition expenses	313	305	318	361	417
General operating expenses	322	337	345	332	370
Underwriting income (loss)	(117)	(5,733)	179	113	92
Net investment income (loss):					
Interest and dividends	519	648	659	668	635
Alternative investments	161	112	132	93	(97)
Other investment income (loss) (1)	32	7	(3)	(42)	(38)
Investment expenses	(21)	(15)	(19)	(17)	(23)
Total net investment income	691	752	769	702	477
Pre-tax operating income (loss)	<u>\$ 574</u>	<u>\$ (4,981)</u>	<u>\$ 948</u>	<u>\$ 815</u>	<u>\$ 569</u>

Underwriting Ratios

Loss ratio*	76.0	312.0	67.7	70.4	69.0
Acquisition ratio	14.5	12.7	12.2	13.2	14.7
General operating expense ratio	14.9	14.0	13.2	12.2	13.1
Expense ratio	29.4	26.7	25.4	25.4	27.8
Combined ratio	105.4	338.7	93.1	95.8	96.8
Accident year loss ratio, as adjusted	72.5	91.4	68.0	67.1	68.9
Accident year combined ratio, as adjusted	101.9	118.1	93.4	92.5	96.7
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:					
Catastrophe losses and reinstatement premiums	-	-	0.2	-	-
Prior year development net of premium adjustments	3.5	220.6	(0.5)	3.3	0.1

Noteworthy Items (pre-tax)

Catastrophe-related losses	\$ -	\$ -	\$ 4	\$ -	\$ -
Reinstatement premiums related to prior year catastrophes	-	-	1	-	-
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	58	5,283	(5)	76	(2)
(Additional) returned premium related to prior year development	23	16	(11)	22	6
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	81	5,299	(16)	98	4
Net liability for unpaid losses and loss adjustment expenses (at period end)	32,941	44,209	39,977	40,968	41,452

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

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Commercial - Property and Special Risks Operating Results

(in millions)

Results of Operations

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Net premiums written:					
Property	\$ 621	\$ 802	\$ 1,151	\$ 1,288	\$ 1,033
Special Risks	792	740	814	888	833
Total net premiums written	<u>\$ 1,413</u>	<u>\$ 1,542</u>	<u>\$ 1,965</u>	<u>\$ 2,176</u>	<u>\$ 1,866</u>
Net premiums earned	\$ 1,595	\$ 1,792	\$ 1,865	\$ 1,962	\$ 1,911
Losses and loss adjustment expenses incurred*	1,058	1,379	1,687	1,367	1,261
Acquisition expenses:					
Amortization of deferred policy acquisition costs	217	237	272	223	219
Other acquisition expenses	66	103	94	142	154
Total acquisition expenses	<u>283</u>	<u>340</u>	<u>366</u>	<u>365</u>	<u>373</u>
General operating expenses	219	281	247	258	260
Underwriting income (loss)	35	(208)	(435)	(28)	17
Net investment income (loss):					
Interest and dividends	132	127	131	146	141
Alternative investments	95	45	53	35	(42)
Other investment income (loss) (1)	19	1	(3)	(20)	(16)
Investment expenses	(6)	(7)	(9)	(7)	(7)
Total net investment income	<u>240</u>	<u>166</u>	<u>172</u>	<u>154</u>	<u>76</u>
Pre-tax operating income (loss) (3)	<u>\$ 275</u>	<u>\$ (42)</u>	<u>\$ (263)</u>	<u>\$ 126</u>	<u>\$ 93</u>
Underwriting Ratios					
Loss ratio*	66.3	77.0	90.5	69.7	66.0
Acquisition ratio	17.7	19.0	19.6	18.6	19.5
General operating expense ratio	13.7	15.7	13.2	13.1	13.6
Expense ratio	31.4	34.7	32.8	31.7	33.1
Combined ratio	<u>97.7</u>	<u>111.7</u>	<u>123.3</u>	<u>101.4</u>	<u>99.1</u>
Accident year loss ratio, as adjusted	55.9	60.5	59.9	54.0	55.4
Accident year combined ratio, as adjusted	87.3	95.2	92.7	85.7	88.5
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:					
Catastrophe losses and reinstatement premiums	12.6	18.9	13.3	18.0	11.6
Prior year development net of premium adjustments	(2.2)	(2.4)	17.3	(2.3)	(1.0)
Noteworthy Items (pre-tax)					
Catastrophe-related losses	\$ 201	\$ 338	\$ 248	\$ 353	\$ 222
Reinstatement premiums related to catastrophes	-	1	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	(1)	(11)	(10)
Severe losses	40	72	95	129	109
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(35)	(43)	322	(40)	(14)
Net liability for unpaid losses and loss adjustment expenses (at period end)	6,305	7,331	7,608	7,718	7,448

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

See accompanying notes on page 20 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Commercial Insurance Notes

- (1) 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.
- (2) U.S. Casualty net premiums written includes non-U.S. casualty exposures, primarily from intercompany reinsurance assumptions from International Casualty, of \$199 million, \$212 million, \$215 million, \$236 million and \$200 million in 1Q17, 4Q16, 3Q16, 2Q16 and 1Q16, respectively.
- (3) In 2Q15, a United Guaranty (UGC) subsidiary and certain of our property casualty companies entered into a 50 percent quota share arrangement whereby the UGC subsidiary (1) ceded 50 percent of the risk relating to policies written in 2014 that were current as of January 1, 2015 and (2) ceded 50 percent of the risk relating to all policies written in 2015 and 2016, each in exchange for a 30 percent ceding commission and reimbursements of 50 percent of the losses and loss adjustment expenses incurred on covered policies. Beginning in 3Q16, the effects of these intercompany reinsurance arrangements are included in the results of Commercial Insurance and Other Operations for all periods presented. Previously, these arrangements were eliminated for purposes of segment reporting.

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Impact of UGC reinsurance treaty in Commercial					
Accident year loss ratio, as adjusted - before UGC reinsurance treaty	66.4	79.3	65.5	62.4	64.1
Impact of UGC reinsurance treaty	(0.9)	(1.1)	(0.8)	(0.7)	(0.6)
Accident year loss ratio, as adjusted - as reported - Commercial	65.5	78.2	64.7	61.7	63.5
Impact of UGC reinsurance treaty in PSR					
Accident year loss ratio, as adjusted - before UGC reinsurance treaty	57.7	62.5	61.8	55.4	56.6
Impact of UGC reinsurance treaty	(1.8)	(2.0)	(1.9)	(1.4)	(1.2)
Accident year loss ratio, as adjusted - as reported - PSR	55.9	60.5	59.9	54.0	55.4
Pre-tax operating income (loss) - as reported - Commercial					
Pre-tax operating income (loss) - before UGC reinsurance treaty	\$ 812	\$ (5,063)	\$ 645	\$ 905	\$ 632
Impact of UGC reinsurance treaty*	37	40	40	36	30
Pre-tax operating income (loss) - as reported - Commercial	\$ 849	\$ (5,023)	\$ 685	\$ 941	\$ 662
Pre-tax operating income (loss) - as reported - PSR					
Pre-tax operating income (loss) - before UGC reinsurance treaty	\$ 238	\$ (82)	\$ (303)	\$ 90	\$ 63
Impact of UGC reinsurance treaty*	37	40	40	36	30
Pre-tax operating income (loss) - as reported - PSR	\$ 275	\$ (42)	\$ (263)	\$ 126	\$ 93

* Prior to 1Q17, PSR and UGC each used models that are consistent with their core underlying business to defer and amortize ceding commissions related to the intercompany reinsurance agreement.

American International Group, Inc.
Consumer Insurance Operating Results

(in millions)

Results of Operations

Revenues:

Premiums
 Policy fees
 Net investment income
 Advisory fee and other income
 Total operating revenues

Benefits, losses and expenses:

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

Pre-tax operating income (1)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
\$	3,141	\$ 3,261	\$ 3,313	\$ 3,272	\$ 3,169
	644	619	573	616	603
	1,940	1,918	1,903	1,912	1,612
	217	219	220	332	507
	5,942	6,017	6,009	6,132	5,891
	2,174	2,157	2,367	2,236	2,098
	788	807	755	823	820
	708	752	455	757	717
	130	119	116	119	112
	76	79	76	173	317
	1,018	1,134	1,012	1,076	1,123
	4,894	5,048	4,781	5,184	5,187
\$	1,048	\$ 969	\$ 1,228	\$ 948	\$ 704

* General operating expenses include other acquisition expenses.

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Consumer Insurance - Individual Retirement Operating Results

(in millions)

Results of Operations

Premiums and deposits

Revenues:

Premiums

Policy fees

Net investment income (loss):

Base portfolio (2)

Alternative investments

Other enhancements (3)

Total net investment income

Advisory fee and other income

Total operating revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions and other (14)

Advisory fee expenses

General operating expenses

Total benefits, losses and expenses

Pre-tax operating income

Noteworthy Items (pre-tax)

Actuarial assumption update income (loss)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums and deposits	\$ 3,382	\$ 3,078	\$ 3,363	\$ 4,611	\$ 5,010
Revenues:					
Premiums	\$ 28	\$ 34	\$ 37	\$ 45	\$ 47
Policy fees	185	181	183	178	167
Net investment income (loss):					
Base portfolio (2)	888	873	887	876	895
Alternative investments	60	65	67	86	(87)
Other enhancements (3)	59	72	55	58	31
Total net investment income	1,007	1,010	1,009	1,020	839
Advisory fee and other income	153	151	151	266	440
Total operating revenues	1,373	1,376	1,380	1,509	1,493
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	37	40	(20)	71	82
Interest credited to policyholder account balances	415	425	370	446	443
Amortization of deferred policy acquisition costs	129	133	(119)	136	148
Non deferrable insurance commissions and other (14)	72	60	59	55	52
Advisory fee expenses	58	56	58	156	300
General operating expenses	123	120	112	140	166
Total benefits, losses and expenses	834	834	460	1,004	1,191
Pre-tax operating income	\$ 539	\$ 542	\$ 920	\$ 505	\$ 302
Noteworthy Items (pre-tax)					
Actuarial assumption update income (loss)	\$ -	\$ -	\$ 369	\$ -	\$ -

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.



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

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Assets under management:					
General accounts	\$ 21,936	\$ 22,503	\$ 22,982	\$ 22,406	\$ 20,679
Separate accounts	45,224	43,463	43,247	41,890	41,085
Total assets under management	\$ 67,160	\$ 65,966	\$ 66,229	\$ 64,296	\$ 61,764
Net investment spreads:					
Total yield	5.24 %	5.13 %	5.04 %	5.11 %	3.61 %
Less: Alternative investments (5)	(0.41)	(0.35)	(0.36)	(0.46)	1.26
Less: Other enhancements (6)	(0.24)	(0.27)	(0.24)	(0.11)	0.12
Base yield (7)	4.59	4.51	4.44	4.54	4.99
Cost of funds (a)	1.28	1.28	1.42	1.54	1.56
Base net investment spread (b)	3.31 %	3.23 %	3.02 %	3.00 %	3.43 %
DAC rollforward:					
Balance at beginning of period	\$ 2,533	\$ 2,099	\$ 2,080	\$ 2,142	\$ 2,142
Deferrals	83	93	107	124	121
Operating amortization	(54)	(60)	(56)	(57)	(68)
Change from realized gains (losses)	57	267	(8)	(30)	32
Change from unrealized gains (losses)	(40)	134	(24)	(99)	(85)
Balance at end of period	\$ 2,579	\$ 2,533	\$ 2,099	\$ 2,080	\$ 2,142
Reserve rollforward:					
Balance at beginning of period, gross	\$ 61,026	\$ 61,332	\$ 59,369	\$ 57,205	\$ 55,307
Premiums and deposits	1,468	1,471	1,703	1,980	2,040
Surrenders and withdrawals	(935)	(864)	(779)	(720)	(669)
Death and other contract benefits	(210)	(197)	(206)	(213)	(190)
Subtotal	61,349	61,742	60,087	58,252	56,488
Change in fair value of underlying assets and reserve accretion, net of policy fees	1,730	(900)	1,254	1,106	540
Cost of funds (a)	49	49	52	53	50
Other reserve changes	27	135	(61)	(42)	127
Balance at end of period	63,155	61,026	61,332	59,369	57,205
Reinsurance ceded	(42)	(43)	(20)	-	-
Total insurance reserves	\$ 63,113	\$ 60,983	\$ 61,312	\$ 59,369	\$ 57,205

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

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

See accompanying notes on page 32.



American International Group, Inc.
Consumer Insurance - Individual Retirement (Fixed Annuities) Operating Statistics

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Assets under management:					
General accounts	\$ 59,002	\$ 58,212	\$ 60,775	\$ 61,668	\$ 61,088
Separate accounts	32	31	31	31	31
Total assets under management	\$ 59,034	\$ 58,243	\$ 60,806	\$ 61,699	\$ 61,119
Net investment spreads (c):					
Total yield	5.26 %	5.27 %	5.21 %	5.24 %	4.62 %
Less: Alternative investments (5)	(0.16)	(0.15)	(0.12)	(0.17)	0.44
Less: Other enhancements (6)	(0.16)	(0.26)	(0.14)	(0.18)	(0.06)
Base yield (7)	4.94	4.86	4.95	4.89	5.00
Cost of funds (a)	2.67	2.69	2.74	2.76	2.78
Base net investment spread (b)	2.27 %	2.17 %	2.21 %	2.13 %	2.22 %
DAC rollforward:					
Balance at beginning of period	\$ 1,067	\$ 766	\$ 720	\$ 931	\$ 1,111
Deferrals	22	12	14	29	39
Operating amortization	(75)	(73)	175	(79)	(80)
Change from realized gains (losses)	(3)	(1)	-	1	12
Change from unrealized gains (losses)	17	363	(143)	(162)	(151)
Balance at end of period	\$ 1,028	\$ 1,067	\$ 766	\$ 720	\$ 931
Reserve rollforward:					
Balance at beginning of period, gross	\$ 52,285	\$ 52,910	\$ 53,433	\$ 53,498	\$ 52,955
Premiums and deposits	917	546	570	1,221	1,645
Surrenders and withdrawals	(901)	(970)	(946)	(1,103)	(950)
Death and other contract benefits	(593)	(508)	(527)	(594)	(556)
Subtotal	51,708	51,978	52,530	53,022	53,094
Change in fair value of underlying assets and reserve accretion, net of policy fees	59	6	68	49	34
Cost of funds (a)	333	345	355	356	354
Other reserve changes	(188)	(44)	(43)	6	16
Balance at end of period	51,912	52,285	52,910	53,433	53,498
Reinsurance ceded	(295)	(328)	(332)	(333)	(334)
Total insurance reserves	\$ 51,617	\$ 51,957	\$ 52,578	\$ 53,100	\$ 53,164

(a) Excludes the amortization of deferred SIAs.

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

(c) Excludes immediate annuities.

See accompanying notes on page 32.



American International Group, Inc.
Consumer Insurance - Individual Retirement Investment Products Net Flows

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums and deposits:					
Fixed Annuities	\$ 917	\$ 546	\$ 570	\$ 1,221	\$ 1,645
Variable Annuities	862	923	1,092	1,225	1,267
Index Annuities	606	548	611	755	773
Retail Mutual Funds	997	1,061	1,090	1,410	1,325
Total premiums and deposits	3,382	3,078	3,363	4,611	5,010
Surrenders and withdrawals:					
Fixed Annuities	(901)	(970)	(946)	(1,103)	(950)
Variable Annuities	(858)	(796)	(723)	(669)	(623)
Index Annuities	(77)	(68)	(56)	(51)	(46)
Retail Mutual Funds	(1,038)	(860)	(676)	(707)	(783)
Total surrenders and withdrawals	(2,874)	(2,694)	(2,401)	(2,530)	(2,402)
Death and other contract benefits:					
Fixed Annuities	(593)	(508)	(527)	(594)	(556)
Variable Annuities	(196)	(189)	(198)	(200)	(183)
Index Annuities	(14)	(8)	(8)	(13)	(7)
Total death and other contract benefits	(803)	(705)	(733)	(807)	(746)
Net flows (4):					
Fixed Annuities	(577)	(932)	(903)	(476)	139
Variable Annuities	(192)	(62)	171	356	461
Index Annuities	515	472	547	691	720
Retail Mutual Funds	(41)	201	414	703	542
Total net flows	\$ (295)	\$ (321)	\$ 229	\$ 1,274	\$ 1,862
Surrender rates (8):					
Fixed Annuities	7.0%	7.4%	7.2%	8.3%	7.2%
Variable and Index Annuities	6.0%	5.7%	5.2%	4.9%	4.8%

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consumer Insurance - Group Retirement Operating Results

(in millions)

Results of Operations

Premiums and deposits

Revenues:

Premiums

Policy fees

Net investment income (loss):

Base portfolio (2)

Alternative investments

Other enhancements (3)

Total net investment income

Advisory fee and other income

Total operating revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions and other (14)

Advisory fee expenses

General operating expenses

Total benefits, losses and expenses

Pre-tax operating income (loss)

Noteworthy items (pre-tax)

Actuarial assumption update income (loss)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums and deposits	\$ 2,040	\$ 2,056	\$ 1,821	\$ 1,837	\$ 1,856
Revenues:					
Premiums	\$ 9	\$ 6	\$ 9	\$ 5	\$ 7
Policy fees	99	98	99	95	91
Net investment income (loss):					
Base portfolio (2)	481	485	493	488	496
Alternative investments	31	33	33	42	(42)
Other enhancements (3)	43	40	28	25	25
Total net investment income	555	558	554	555	479
Advisory fee and other income	55	54	55	52	52
Total operating revenues	718	716	717	707	629
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	21	(3)	14	10	7
Interest credited to policyholder account balances	278	286	289	281	279
Amortization of deferred policy acquisition costs	22	23	63	22	21
Non deferrable insurance commissions and other (14)	27	26	20	19	20
Advisory fee expenses	18	23	18	17	17
General operating expenses	109	100	99	93	94
Total benefits, losses and expenses	475	455	503	442	438
Pre-tax operating income (loss)	\$ 243	\$ 261	\$ 214	\$ 265	\$ 191
Noteworthy items (pre-tax)					
Actuarial assumption update income (loss)	\$ -	\$ -	\$ (47)	\$ -	\$ -

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consumer Insurance - Group Retirement Operating Statistics

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Assets under administration:					
General accounts	\$ 45,679	\$ 46,385	\$ 47,563	\$ 46,913	\$ 45,488
Separate accounts	33,649	32,470	32,307	31,464	31,309
Group Retirement mutual funds	17,188	16,310	16,206	15,420	14,919
Total assets under administration	\$ 96,516	\$ 95,165	\$ 96,076	\$ 93,797	\$ 91,716
Net investment spreads:					
Total yield	5.16 %	5.04 %	5.01 %	5.13 %	4.45 %
Less: Alternative investments (5)	(0.21)	(0.19)	(0.16)	(0.23)	0.58
Less: Other enhancements (6)	(0.26)	(0.25)	(0.14)	(0.09)	(0.09)
Base yield (7)	4.69	4.60	4.71	4.81	4.94
Cost of funds (a)	2.81	2.85	2.86	2.91	2.94
Base net investment spread (b)	1.88 %	1.75 %	1.85 %	1.90 %	2.00 %
Net flows:					
Premiums and deposits	\$ 2,040	\$ 2,056	\$ 1,821	\$ 1,837	\$ 1,856
Surrenders and withdrawals	(2,288)	(2,448)	(1,796)	(1,668)	(1,677)
Death and other contract benefits	(134)	(141)	(122)	(140)	(133)
Total net flows	\$ (382)	\$ (533)	\$ (97)	\$ 29	\$ 46
Surrender rates (8)	10.2 %	11.1%	8.3%	7.8%	7.9%
DAC rollforward:					
Balance at beginning of period	\$ 931	\$ 843	\$ 903	\$ 951	\$ 1,009
Deferrals	18	23	20	18	19
Operating amortization	(22)	(23)	(63)	(22)	(21)
Change from realized gains (losses)	(1)	6	(8)	(1)	3
Change from unrealized gains (losses)	23	82	(9)	(43)	(59)
Balance at end of period	\$ 949	\$ 931	\$ 843	\$ 903	\$ 951
Reserve rollforward:					
Balance at beginning of period, gross	\$ 88,622	\$ 88,200	\$ 85,943	\$ 84,695	\$ 84,145
Premiums and deposits	2,040	2,056	1,821	1,837	1,856
Surrenders and withdrawals	(2,288)	(2,448)	(1,796)	(1,668)	(1,677)
Death and other contract benefits	(134)	(141)	(122)	(140)	(133)
Subtotal	88,240	87,667	85,846	84,724	84,191
Change in fair value of underlying assets and reserve accretion, net of policy fees	2,444	676	2,074	943	230
Cost of funds (a)	274	279	280	276	274
Total insurance reserves and Group Retirement mutual funds	\$ 90,958	\$ 88,622	\$ 88,200	\$ 85,943	\$ 84,695

(a) Excludes the amortization of SIAs.

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

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.



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

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 65,439	\$ 64,029	\$ 63,836	\$ 60,438	\$ 62,224
Guaranteed Minimum Income Benefits (GMIB) (c)	2,360	2,316	2,358	2,342	2,367
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	41,885	40,557	40,367	39,202	38,433
Liability by benefit type (a)					
GMDB (b)	\$ 378	\$ 392	\$ 393	\$ 461	\$ 462
GMIB (c)	9	10	11	25	26
GMWB (d)	1,671	1,777	2,793	2,710	2,097

- (a) Excludes assumed reinsurance business.
- (b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. This benefit may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present in the contract. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit, but a policyholder can generally only receive payout from one guaranteed feature, i.e. the features are mutually exclusive.
- (c) A guaranteed minimum income benefit guarantees a minimum level of periodic income payments upon annuitization.
- (d) A guaranteed minimum withdrawal benefit creates a guaranteed income stream which, within certain parameters, may continue for the life of the annuitant even if the entire contract value has been reduced to zero. The fair value of GMWB embedded derivatives is based on actuarial and capital market assumptions related to projected cash flows of rider fees and claims over the expected lives of the contracts.

The following table presents the net increase (decrease) to consolidated pre-tax income from changes in the fair value of the GMWB embedded derivatives and related hedges:

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Change in fair value of embedded derivatives, excluding NPA	\$ 591	\$ 2,501	\$ (626)	\$ (885)	\$ (1,116)
Change in fair value of variable annuity hedging portfolio:					
Fixed maturity securities	11	(150)	17	120	133
Interest rate derivative contracts	(183)	(1,605)	27	534	850
Equity derivative contracts	(409)	(269)	(350)	(163)	(137)
Change in fair value of variable annuity hedging portfolio	(581)	(2,024)	(306)	491	846
Change in fair value of embedded derivatives, excluding NPA, net of hedging portfolio	10	477	(932)	(394)	(270)
Change in fair value of embedded derivatives due to NPA spread	(185)	(341)	(68)	(32)	155
Change in fair value of embedded derivatives due to change in NPA volume	(203)	(1,048)	708	418	203
Total change in NPA	(388)	(1,389)	640	386	358
Net impact on pre-tax income (loss)	\$ (378)	\$ (912)	\$ (292)	\$ (8)	\$ 88

See accompanying notes on page 32.



American International Group, Inc.
Consumer Insurance – Life Insurance Operating Results

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Results of Operations					
Premiums and deposits	\$ 910	\$ 911	\$ 880	\$ 879	\$ 849
Revenues:					
Premiums	\$ 384	\$ 339	\$ 349	\$ 360	\$ 359
Policy fees	360	340	291	343	345
Net investment income (loss):					
Base portfolio (2)	237	234	235	235	242
Alternative investments	13	16	15	21	(20)
Other enhancements (3)	10	13	17	15	12
Total net investment income	260	263	267	271	234
Advisory fee and other income (10)	9	14	14	14	15
Total operating revenues	1,013	956	921	988	953
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	593	601	730	564	557
Interest credited to policyholder account balances	95	96	96	96	98
Amortization of deferred policy acquisition costs	76	69	(43)	83	73
Non deferrable insurance commissions and other (14)	31	33	37	45	40
General operating expenses	164	167	155	174	184
Total benefits, losses and expenses	959	966	975	962	952
Pre-tax operating income (loss)	\$ 54	\$ (10)	\$ (54)	\$ 26	\$ 1
Noteworthy items (pre-tax)					
Actuarial assumption update income (loss)	\$ -	\$ -	\$ (92)	\$ -	\$ -
Pre-tax operating income (loss) Domestic Life	\$ 62	\$ -	\$ (43)	\$ 39	\$ 11
Pre-tax operating income (loss) International Life	\$ (8)	\$ (10)	\$ (11)	\$ (13)	\$ (10)

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.

American International Group, Inc.
Consumer Insurance – Life Insurance Operating Statistics

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Gross life insurance in force, end of period:					
Domestic Life	\$ 847,182	\$ 842,021	\$ 836,476	\$ 839,622	\$ 838,551
International Life	76,772	72,478	73,735	73,311	76,950
Total	\$ 923,954	\$ 914,499	\$ 910,211	\$ 912,933	\$ 915,501
Life and A&H CPPE sales (11):					
Term	\$ 45	\$ 47	\$ 48	\$ 49	\$ 49
Universal life	28	30	18	18	18
Other life	5	1	1	-	-
Single premium and unscheduled deposits	2	1	2	2	1
A&H	7	7	6	9	14
Total	\$ 87	\$ 86	\$ 75	\$ 78	\$ 82
Surrender/lapse rates (12):					
Domestic Life:					
Independent distribution	5.08 %	5.30 %	6.74 %	7.16 %	5.91 %
Career distribution	6.94 %	7.32 %	7.65 %	7.21 %	7.45 %
DAC/VOBA rollforward:					
Balance at beginning of period	\$ 3,013	\$ 2,868	\$ 2,754	\$ 2,845	\$ 2,888
Deferrals	115	110	104	86	100
Operating amortization	(76)	(69)	43	(83)	(73)
Change from realized gains (losses)	-	(1)	(1)	3	2
Change from unrealized gains (losses)	49	117	(27)	(79)	(67)
Foreign exchange translation	4	(12)	(5)	(18)	(5)
Balance at end of period	\$ 3,105	\$ 3,013	\$ 2,868	\$ 2,754	\$ 2,845
Reserve rollforward:					
Balance at beginning of period, gross	\$ 18,397	\$ 18,306	\$ 18,050	\$ 18,103	\$ 18,006
Premiums and deposits	856	869	841	851	830
Surrenders and withdrawals	(158)	(169)	(149)	(171)	(161)
Death and other contract benefits	(131)	(128)	(144)	(121)	(129)
Subtotal	18,964	18,878	18,598	18,662	18,546
Change in fair value of underlying assets and reserve accretion, net of policy fees	(204)	(263)	(204)	(299)	(267)
Cost of funds	95	96	96	97	97
Other reserve changes	(326)	(300)	(178)	(388)	(267)
Foreign exchange translation	4	(14)	(6)	(22)	(6)
Balance at end of period	18,533	18,397	18,306	18,050	18,103
Reinsurance ceded	(1,074)	(1,085)	(1,079)	(1,086)	(1,114)
Total insurance reserves	\$ 17,459	\$ 17,312	\$ 17,227	\$ 16,964	\$ 16,989
Domestic Life	17,304	17,179	17,109	16,867	16,903
International Life	155	133	118	97	86
Total insurance reserves	\$ 17,459	\$ 17,312	\$ 17,227	\$ 16,964	\$ 16,989

See accompanying notes on page 32.



American International Group, Inc.
Consumer Insurance - Personal Insurance Operating Results

(in millions)

Results of Operations

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Net premiums written	\$ 2,668	\$ 2,810	\$ 2,922	\$ 2,924	\$ 2,809
Net premiums earned	\$ 2,720	\$ 2,882	\$ 2,918	\$ 2,862	\$ 2,756
Losses and loss adjustment expenses incurred	1,523	1,519	1,643	1,591	1,452
Acquisition expenses:					
Amortization of deferred policy acquisition costs	481	527	554	516	475
Other acquisition expenses	220	259	215	226	236
Total acquisition expenses	701	786	769	742	711
General operating expenses	402	488	431	443	443
Underwriting income (loss)	94	89	75	86	150
Net investment income	118	87	73	66	60
Pre-tax operating income (loss)	\$ 212	\$ 176	\$ 148	\$ 152	\$ 210

Underwriting Ratios

Loss ratio	56.0	52.7	56.3	55.6	52.7
Acquisition ratio	25.8	27.3	26.4	25.9	25.8
General operating expense ratio	14.8	16.9	14.8	15.5	16.1
Expense ratio	40.6	44.2	41.2	41.4	41.9
Combined ratio	96.6	96.9	97.5	97.0	94.6
Accident year loss ratio, as adjusted (13)	55.0	51.7	56.5	54.9	53.4
Accident year combined ratio, as adjusted	95.6	95.9	97.7	96.3	95.3
Excluded from accident year loss ratio, as adjusted and accident year combined ratio, as adjusted:					
Catastrophe losses and reinstatement premiums	1.0	1.6	0.9	2.1	1.1
Prior year development net of premium adjustments	-	(0.6)	(1.1)	(1.4)	(1.8)

Noteworthy Items (pre-tax)

Catastrophe-related losses	\$ 27	\$ 45	\$ 27	\$ 59	\$ 29
Severe losses	17	12	-	16	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	1	(15)	(33)	(39)	(48)
Net liability for unpaid losses and loss adjustment expenses (at period end)	4,405	4,400	4,806	4,586	4,379

See accompanying notes on page 32 and reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Consumer Insurance Notes

- (1) Consumer Insurance Pre-tax operating income in 3Q16 included the net effect of adjustments to reflect the review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, surrender rates, fees and separate account long-term asset growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees. Consolidated pre-tax income in these periods also included adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives, primarily due to updated assumptions for surrenders, mortality, risk margins and utilization of withdrawal benefits. Changes in the fair value of such embedded derivatives are recorded in net realized capital gains (losses) and, together with related DAC adjustments, are excluded from PTOI. In the aggregate, the net effect of adjustments to reflect the review and update of actuarial assumptions for Consumer Insurance products increased (decreased) PTOI and pre-tax income as follows:

<i>(in millions)</i>	3Q16				
	Life Insurance	Individual Retirement -Fixed Annuities	Individual Retirement - Variable and Fixed Annuities	Group Retirement	Total Consumer
Policy fees	\$ (47)	\$ -	\$ -	\$ -	\$ (47)
Interest credited to policyholder account balances	-	79	(10)	(4)	65
Amortization of deferred policy acquisition costs	105	251	1	(43)	314
Policyholder benefits and claims incurred	(150)	-	48	-	(102)
Pre-tax operating income (loss)	\$ (92)	\$ 330	\$ 39	\$ (47)	\$ 230
Changes in DAC related to net realized capital gains (losses)	-	-	15	(2)	13
Net realized capital gains (losses)	-	-	(13)	(43)	(56)
Increase (decrease) to pre-tax income (loss)	\$ (92)	\$ 330	\$ 41	\$ (92)	\$ 187

- (2) Base portfolio investment income includes interest, dividends and foreclosed real estate income, net of investment expenses.
- (3) Net investment income - other enhancements includes call and tender income, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments (other than foreclosed real estate) and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated.
- (4) Net flows are provided for Individual Retirement and Group Retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows related to mutual funds represent deposits less withdrawals.
- (5) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (6) Includes incremental effect on base yield of other enhancements. Quarterly results are annualized.
- (7) Includes return on base portfolio. Quarterly results are annualized.
- (8) Annuity surrender rates represent actual or annualized surrenders and withdrawals as a percentage of average annuity reserves and Group Retirement mutual funds.
- (9) Consumer Insurance uses reinsurance, product design and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. See Part II, Item 7, MD&A Enterprise Risk Management – Insurance Risks – Life Insurance Companies Key Insurance Risks – Variable Annuity Risk Management and Hedging Programs in our Annual Report on Form 10-K for the year ended December 31, 2016 for a discussion of our risk management related to these product features.
- (10) Life Insurance - Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products.
- (11) Life Insurance sales are shown on a continuous payment premium equivalent (CPPE) basis. Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10 percent of unscheduled and single premiums from new and existing policyholders. Sales of accident and health insurance represent annualized first-year premium from new policies.
- (12) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
- (13) The 2Q16 accident year loss ratio, as adjusted, includes a single large loss event which totaled \$33 million, of which \$16 million was related to first party losses (meeting the definition of severe losses) and \$17 million was related to third party losses, impacting the personal property business in the U.S.
- (14) Beginning in 1Q17, Non deferrable insurance commissions and other includes risk charges related to statutory reinsurance that became effective in 2016 of certain life insurance reserves, which resulted in the release of statutory capital. The risk charges are allocated to the Consumer Insurance modules on the basis of attributed equity, consistent with the benefit from the reduced capital requirement.

American International Group, Inc.
Other Operations Operating Results

(in millions)

Results of Operations

Revenues:

	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums	\$ 726	\$ 657	\$ 619	\$ 685	\$ 665
Policy fees	44	46	44	45	44
Net investment income	162	206	197	196	171
Other income (loss)	158	94	143	88	118
Total operating revenues	1,090	1,003	1,003	1,014	998

Benefits, losses and expenses:

Policyholder benefits and losses incurred	717	491	460	519	527
Interest credited to policyholder account balances	58	61	59	61	63
Acquisition expenses:					
Amortization of deferred policy acquisition costs	(5)	22	21	19	14
Other acquisition expenses	22	28	29	27	32
Total acquisition expenses	17	50	50	46	46
General operating expenses	300	341	350	301	358
Interest expense	244	243	248	249	243
Total benefits, losses and expenses	1,336	1,186	1,167	1,176	1,237

Pre-tax operating income (loss) before consolidation and eliminations

Consolidation, eliminations and other adjustments	48	42	(6)	(14)	20
Pre-tax operating income (loss)	\$ (198)	\$ (141)	\$ (170)	\$ (176)	\$ (219)

Pre-tax operating income (loss) by activities

Mortgage Guaranty (a)	\$ N/A	\$ 121	\$ 130	\$ 145	\$ 126
Institutional Markets (b)	62	73	69	74	47
Fuji Life (c)	16	11	7	1	(5)
Parent and Other:					
Corporate general operating expenses	(156)	(152)	(167)	(156)	(191)
Interest expense	(244)	(243)	(248)	(249)	(243)
Other income (expense), net	76	7	45	23	27
Total Parent and Other	(324)	(388)	(370)	(382)	(407)
Consolidation, eliminations and other adjustments	48	42	(6)	(14)	20
Pre-tax operating income (loss)	\$ (198)	\$ (141)	\$ (170)	\$ (176)	\$ (219)

(a) Mortgage Guaranty was sold on December 31, 2016.

(b) Net insurance reserve balance at end of period are \$15.8 billion, \$15.4 billion, \$15.0 billion, \$14.9 billion and \$14.5 billion, respectively, for all periods presented.

(c) On November 14, 2016, we entered into an agreement to sell Fuji Life to FWD Group. Fuji Life was classified as held for sale on our balance sheet as of March 31, 2017 and was sold on April 30, 2017.

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Legacy Portfolio Operating Results

(in millions)

Results of Operations

Revenues:

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums	\$ 167	\$ 148	\$ 180	\$ 114	\$ 232
Policy Fees	35	39	29	35	39
Net investment income	730	760	810	694	649
Other income (loss)	152	1,300	293	167	(239)
Total operating revenues	1,084	2,247	1,312	1,010	681

Benefits, losses and expenses:

Policyholder benefits and losses incurred	482	890	1,137	498	559
Interest credited to policyholder account balances	63	56	73	74	64
Acquisition expenses:					
Amortization of deferred policy acquisition costs	28	26	21	23	38
Other acquisition expenses	-	3	3	4	(2)
Total acquisition expenses	28	29	24	27	36
Non deferrable insurance commissions	6	1	1	2	6
General operating expenses	127	131	111	135	129
Interest expense (a)	36	39	65	67	89
Total benefits, losses and expenses	742	1,146	1,411	803	883

Pre-tax operating income (loss)

Pre-tax operating income (loss) by type

Property and casualty run-off insurance lines	\$ 87	\$ (331)	\$ 68	\$ (35)	\$ 61
Life insurance run-off lines	90	132	(510)	148	6
Legacy investments	165	1,300	343	94	(269)
Pre-tax operating income (loss)	\$ 342	\$ 1,101	\$ (99)	\$ 207	\$ (202)

Selected Balance Sheet Data

Legacy investments, net of related debt	\$ 6,534	\$ 6,733	\$ 7,081	\$ 8,135	\$ 8,409
Legacy property and casualty run-off insurance reserves (b)	6,726	6,871	7,023	7,145	7,235
Legacy life run-off insurance reserves	38,442	38,359	39,974	38,932	38,234
Attributed equity	10,477	10,649	11,086	14,742	15,026

(a) Includes inter-module interest expenses.

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

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Legacy Property and Casualty Run-off Insurance Lines

(in millions)

Results of Operations

Net premiums earned
 Losses and loss adjustment expenses incurred*
 Total acquisition expenses
 General operating expenses
 Underwriting income (loss)
 Net investment income

Pre-tax operating income (loss)

Noteworthy Items (pre-tax)

Catastrophe-related losses
 Prior year loss reserve development (favorable) unfavorable, net
 of reinsurance and premium adjustments
 Net liability for unpaid losses and loss adjustment expenses (at period end)**

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Net premiums earned	\$ 45	\$ 30	\$ 54	\$ (18)	\$ 91
Losses and loss adjustment expenses incurred*	38	436	61	91	112
Total acquisition expenses	1	3	3	4	(2)
General operating expenses	7	4	4	6	7
Underwriting income (loss)	(1)	(413)	(14)	(119)	(26)
Net investment income	88	82	82	84	87
Pre-tax operating income (loss)	\$ 87	\$ (331)	\$ 68	\$ (35)	\$ 61
Catastrophe-related losses	\$ -	\$ -	\$ 3	\$ 2	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(14)	371	6	22	3
Net liability for unpaid losses and loss adjustment expenses (at period end)**	\$ 6,726	\$ 6,871	\$ 7,023	\$ 7,145	\$ 7,235

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

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

See reconciliations of Non-GAAP financial measures beginning on page 45.

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

(in millions)

Results of Operations

Premiums and deposits

Revenues:

Premiums

Policy fees

Net investment income:

Base portfolio

Alternative investments

Other enhancements

Total net investment income

Other income

Total operating revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions

General operating expenses

Total benefits, losses and expenses

Pre-tax operating income (loss)

Noteworthy items (pre-tax)

Future policy benefits for life and A&H contracts (at period end)

Policyholder contract deposits

Separate account reserves

Total general and separate account reserves

Actuarial assumption update income (loss)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums and deposits	\$ 160	\$ 159	\$ 167	\$ 162	\$ 178
Revenues:					
Premiums	\$ 122	\$ 118	\$ 126	\$ 132	\$ 141
Policy fees	35	39	29	35	39
Net investment income:					
Base portfolio	441	455	459	455	471
Alternative investments	37	86	55	53	(60)
Other enhancements	44	34	43	30	23
Total net investment income	522	575	557	538	434
Other income	-	-	1	-	-
Total operating revenues	679	732	713	705	614
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	444	454	1,076	407	447
Interest credited to policyholder account balances	63	56	73	74	64
Amortization of deferred policy acquisition costs	27	26	21	23	38
Non deferrable insurance commissions	6	1	1	2	6
General operating expenses	49	63	52	51	53
Total benefits, losses and expenses	589	600	1,223	557	608
Pre-tax operating income (loss)	\$ 90	\$ 132	\$ (510)	\$ 148	\$ 6
Noteworthy items (pre-tax)					
Future policy benefits for life and A&H contracts (at period end)	\$ 30,607	\$ 30,442	\$ 32,016	\$ 30,927	\$ 30,222
Policyholder contract deposits	5,807	5,923	5,947	6,034	6,076
Separate account reserves	2,028	1,994	2,011	1,971	1,936
Total general and separate account reserves	38,442	38,359	39,974	38,932	38,234
Actuarial assumption update income (loss)	-	-	614	-	-

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Selected Results of Operations Data by Geography

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-Tax Operating Income (Loss)					
United States	\$ 1,814	\$ (3,598)	\$ 1,832	\$ 1,788	\$ 1,160
Europe	28	(382)	66	106	205
Japan	115	92	36	74	54
Other	(258)	(307)	(191)	(255)	(272)
Total Core	1,699	(4,195)	1,743	1,713	1,147
Legacy Portfolio	342	1,101	(99)	207	(202)
Total pre-tax operating income	\$ 2,041	\$ (3,094)	\$ 1,644	\$ 1,920	\$ 945
Normalized After-Tax Operating Income					
United States	\$ 1,013	\$ 729	\$ 1,265	\$ 1,225	\$ 1,179
Europe	62	(111)	16	54	101
Japan	44	10	28	67	4
Other	(110)	(148)	(248)	(50)	(109)
Total Core	1,009	480	1,061	1,296	1,175
Legacy Portfolio*	166	278	263	88	232
Net income (loss) from NCI excluding income related to Korea Fund	(21)	(23)	(3)	(4)	2
Total normalized after-tax operating income	\$ 1,154	\$ 735	\$ 1,321	\$ 1,380	\$ 1,409
Total Average Attributed Equity					
United States	\$ 42,303	\$ 44,510	\$ 45,915	\$ 47,091	\$ 46,896
Europe	3,424	3,429	3,362	3,216	3,261
Japan	960	950	1,030	1,077	1,026
Other	(249)	1,413	1,835	(148)	1,147
Total Core	46,438	50,302	52,142	51,236	52,330
Legacy Portfolio	10,563	10,867	12,914	14,884	15,939
Total average attributed equity	\$ 57,001	\$ 61,169	\$ 65,056	\$ 66,120	\$ 68,269
Normalized Return on Attributed Equity					
United States	9.6 %	6.6 %	11.0 %	10.4 %	10.1 %
Europe	7.2	(12.9)	1.9	6.7	12.4
Japan	18.3	4.2	10.9	24.9	1.6
Other	NM	NM	NM	NM	NM
Total Core	8.7	3.8	8.1	10.1	9.0
Legacy Portfolio	6.3	10.2	8.1	2.4	5.8
Normalized return on equity	8.1 %	4.8 %	8.1 %	8.3 %	8.3 %

* Legacy Portfolio excludes income from non-controlling interest related to the Korea Fund transaction.

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Operating Results - United States

(in millions)

Results of Operations

Revenues:

Premiums

Policy fees

Net investment income

Advisory fee and other income

Total operating revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Other acquisition expenses

Advisory fee expenses

General operating expenses

Total benefits, losses and expenses

Pre-tax operating income (loss)

Noteworthy Items (pre-tax)

Catastrophe-related losses

Severe losses

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

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums	\$ 4,544	\$ 4,572	\$ 4,711	\$ 5,017	\$ 5,131
Policy fees	689	664	618	660	648
Net investment income	2,829	2,839	2,846	2,764	2,128
Advisory fee and other income	209	196	250	377	517
Total operating revenues	8,271	8,271	8,425	8,818	8,424
Policyholder benefits and losses incurred	3,581	8,877	4,030	3,869	3,884
Interest credited to policyholder account balances	846	868	814	883	884
Amortization of deferred policy acquisition costs	865	841	592	929	903
Other acquisition expenses	310	349	267	317	382
Advisory fee expenses	77	78	76	174	317
General operating expenses	778	856	814	858	894
Total benefits, losses and expenses	6,457	11,869	6,593	7,030	7,264
Pre-tax operating income (loss)	\$ 1,814	\$ (3,598)	\$ 1,832	\$ 1,788	\$ 1,160
Catastrophe-related losses	\$ 188	\$ 336	\$ 240	\$ 267	\$ 216
Severe losses	36	22	54	102	33
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(23)	4,827	286	54	57

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Operating Results - Europe

(in millions)

Results of Operations

Revenues:

Premiums

Net investment income

Total operating revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred

Amortization of deferred policy acquisition costs

Other acquisition expenses

General operating expenses

Total benefits, losses and expenses

Pre-tax operating income (loss)

Noteworthy items (pre-tax)

Catastrophe-related losses

Severe losses

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

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Revenues:					
Premiums	\$ 1,188	\$ 1,252	\$ 1,278	\$ 1,339	\$ 1,281
Net investment income	60	65	69	75	71
Total operating revenues	1,248	1,317	1,347	1,414	1,352
Benefits, losses and expenses:					
Policyholder benefits and losses incurred	836	1,317	838	820	729
Amortization of deferred policy acquisition costs	183	210	223	204	192
Other acquisition expenses	64	65	45	71	64
General operating expenses	137	107	175	213	162
Total benefits, losses and expenses	1,220	1,699	1,281	1,308	1,147
Pre-tax operating income (loss)	\$ 28	\$ (382)	\$ 66	\$ 106	\$ 205
<u>Noteworthy items (pre-tax)</u>					
Catastrophe-related losses	\$ -	\$ 5	\$ -	\$ 50	\$ 30
Severe losses	13	62	36	22	71
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	120	345	20	(7)	(22)

See reconciliations of Non-GAAP financial measures beginning on page 45.



American International Group, Inc.
Operating Results - Japan

(in millions)

Results of Operations

Revenues:

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Premiums	\$ 837	\$ 923	\$ 906	\$ 849	\$ 820
Net investment income	39	32	9	5	22
Total operating revenues	876	955	915	854	842

Benefits, losses and expenses:

Policyholder benefits and losses incurred	460	482	523	481	441
Amortization of deferred policy acquisition costs	42	44	45	44	39
Other acquisition expenses	72	99	108	71	106
General operating expenses	187	238	203	184	202
Total benefits, losses and expenses	761	863	879	780	788

Pre-tax operating income (loss)

	\$ 115	\$ 92	\$ 36	\$ 74	\$ 54
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Noteworthy items (pre-tax)

Catastrophe-related losses	\$ -	\$ (8)	\$ 27	\$ 41	\$ 2
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(13)	(11)	(6)	(10)	(24)

See reconciliation of Non-GAAP financial measures beginning on page 45.



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

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Fixed Maturity Securities- AFS, ending carry value					
Yield (a)	4.63%	4.75%	4.69%	4.70%	4.70%
Investment income (b)	\$ 2,695	\$ 2,862	\$ 2,850	\$ 2,857	\$ 2,836
Net realized capital gains (losses)	96	(15)	66	32	(562)
Ending carrying value	230,698	241,537	260,649	262,089	253,785
Fixed Maturity Securities- Other (c)					
Total Return (a)	11.04%	-4.95%	9.82%	6.31%	3.79%
Investment income (loss) (b)	\$ 381	\$ (178)	\$ 369	\$ 242	\$ 152
Ending carrying value	13,605	13,998	14,772	15,335	15,344
Equity Securities- AFS, ending carry value					
Yield (a)	1.25%	3.96%	2.33%	4.04%	1.63%
Investment income (loss) (b)	\$ 5	\$ 14	\$ 7	\$ 13	\$ 6
Net realized capital gains (losses)	(1)	6	50	973	21
Ending carrying value (e)	2,099	2,078	1,544	1,642	2,770
Equity Securities- Other, ending carry value (c)(d)					
Investment income (b)	\$ 26	\$ (16)	\$ 48	\$ (77)	\$ (104)
Ending carrying value	500	482	498	661	877
Loans					
Yield (a)	4.75%	4.74%	4.81%	4.92%	5.25%
Investment income (b)	\$ 399	\$ 389	\$ 383	\$ 381	\$ 395
Net realized capital gains (losses)	6	2	11	(30)	36
Ending carrying value	33,878	33,240	32,413	31,261	30,676
Short-term Investments					
Yield (a)	0.54%	0.33%	0.40%	0.52%	0.55%
Investment income (b)	\$ 16	\$ 9	\$ 11	\$ 15	\$ 15
Ending carrying value	11,073	12,302	10,745	12,334	10,914

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

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

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

(d) PICC Property & Casualty is the only investment included in the Equity Securities – Other. These securities are accounted for under the fair value option, fluctuations in value distort the annualized yield and therefore a yield is not presented.

(e) Includes Arch Capital Group Ltd. (Arch) convertible non-voting common-equivalent preferred shares.

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

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Other invested assets - Hedge Funds/Private Equity (c)					
Yield (a)	13.72%	10.10%	10.25%	7.31%	(10.66%)
Investment income (b)	\$ 404	\$ 314	\$ 336	\$ 258	\$ (415)
Net realized capital gains (losses)	43	(11)	8	-	22
Ending carrying value	12,134	12,754	13,609	14,338	15,759
Other invested assets - Real Estate investments					
Yield (a)	2.44%	71.30%	7.26%	5.99%	8.08%
Investment income (b) (e)	\$ 42	\$ 1,194	\$ 126	\$ 108	\$ 138
Net realized capital gains (losses)	(9)	43	15	27	1
Ending carrying value	7,057	6,900	6,494	7,340	7,088
Other invested assets - All other (d)					
Investment income (b) (f)	\$ 171	\$ 179	\$ 197	\$ 149	\$ 185
Net realized capital gains (losses)	(128)	(336)	(115)	(120)	(51)
Ending carrying value	4,461	4,884	5,644	5,667	5,633
Total Other Invested Assets	\$ 23,652	\$ 24,538	\$ 25,747	\$ 27,345	\$ 28,480
Total AIG					
Total Investments	\$ 315,505	\$ 328,175	\$ 346,368	\$ 350,667	\$ 342,846
Total Investment Expenses	\$ 126	\$ 115	\$ 115	\$ 109	\$ 114
Total Investment Income (b)	\$ 4,139	\$ 4,768	\$ 4,327	\$ 3,946	\$ 3,208

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

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

(c) Other Invested Assets - Hedge Funds/Private Equity includes investments accounted for under the equity method of accounting, where changes in our share of the net asset values are recorded through investment income or investments where we have elected the fair value option, where changes in the fair value are reported through investment income.

(d) Other Invested Assets - All Other includes life settlements, long term time deposits, private common stock, affordable housing partnerships and aircraft assets. Due to the mix of investments included within this line item and their varied performance, annualized yield is not meaningful and therefore is not presented. The total carrying value for these is less than 2% of total investments.

(e) Includes approximately \$514 million of income at 4Q16 that is not attributable to AIG and is recorded as a non-controlling interest.

(f) Includes Arch convertible non-voting common-equivalent preferred shares.

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

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Sales of fixed maturity securities	\$ 155	\$ 104	\$ 135	\$ 124	\$ (362)
Sales of equity securities	1	6	53	974	24
Other-than-temporary impairments:					
Severity	-	-	(10)	(3)	(2)
Change in intent	(1)	(11)	(2)	(4)	(29)
Foreign currency declines	(10)	(4)	(7)	(1)	(6)
Issuer-specific credit events	(57)	(130)	(77)	(95)	(131)
Adverse projected cash flows	-	-	(6)	(5)	(36)
Total other-than-temporary impairments	(68)	(145)	(102)	(108)	(204)
Provision for loan losses	6	2	8	(30)	30
Foreign exchange transactions	159	(29)	(639)	(38)	(520)
Derivatives and hedge accounting*	(376)	(804)	(226)	170	(72)
Impairments on investments in life settlements	(41)	(68)	(80)	(92)	(157)
Other**	49	(181)	86	42	155
Total net realized capital gains (losses)	\$ (115)	\$ (1,115)	\$ (765)	\$ 1,042	\$ (1,106)

* Included 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 hedge the liabilities.

**Included loss on sale of a portion of our Life Settlement Portfolio of \$89 million and \$253 million in 1Q17 and 4Q16, respectively. 1Q16 included a \$107 million purchase price adjustment on the sale of Class B shares of Prudential Financial, Inc.

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

(in millions)

Commercial Insurance

Liability and Financial Lines
Property and Special Risks

Total Commercial Insurance

Consumer Personal Insurance

Legacy Portfolio Run-Off Property and Casualty Insurance Lines

Other Operations*

Total prior year unfavorable (favorable) development**

(Additional) returned premiums related to prior year development

Total prior year unfavorable (favorable) development, net of premium adjustments

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
\$ 58	\$ 58	\$ 5,283	\$ (5)	\$ 76	\$ (2)
(35)	(35)	(43)	322	(40)	(14)
23	23	5,240	317	36	(16)
1	1	(15)	(33)	(39)	(48)
(14)	(14)	371	6	22	3
-	-	(22)	(16)	(13)	(5)
10	10	5,574	274	6	(66)
23	23	16	(11)	22	6
\$ 33	\$ 33	\$ 5,590	\$ 263	\$ 28	\$ (60)

* Represented prior year development from UGC, which was sold in 2016.

** Consistent with our definition of PTOI, excludes the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain. 1Q17 included amortization of the deferred gain of \$41 million.

Prior accident year development by accident year (in millions):

Accident Year

2016
2015
2014
2013
2012
2011
2010
2009
2008
2007
2006
2005
2004 and prior

Total prior year unfavorable (favorable) development

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
\$ (19)	\$ (19)	\$ -	\$ -	\$ -	\$ -
(3)	(3)	1,284	78	(69)	(65)
11	11	724	122	(25)	(43)
(7)	(7)	434	36	(19)	(7)
2	2	387	(1)	51	18
8	8	186	11	(9)	26
(7)	(7)	239	13	7	(4)
(5)	(5)	334	27	19	5
(6)	(6)	170	(20)	35	4
8	8	288	1	7	-
(2)	(2)	239	(3)	1	1
6	6	234	(1)	16	6
24	24	1,055	11	(8)	(7)
\$ 10	\$ 10	\$ 5,574	\$ 274	\$ 6	\$ (66)

American International Group, Inc.
Supplemental Details Table of Contents

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American International Group, Inc.
Earnings Per Share Computations

(in millions)

GAAP Basis:

Numerator for EPS:

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Income (loss) from continuing operations	\$ 1,211	\$ (2,470)	\$ 433	\$ 1,934	\$ (156)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	26	535	(26)	11	(20)
Income (loss) attributable to AIG common shareholders from continuing operations	1,185	(3,005)	459	1,923	(136)
Income (loss) from discontinued operations, net of income tax expense	-	(36)	3	(10)	(47)
Net income (loss) attributable to AIG common shareholders	\$ 1,185	\$ (3,041)	\$ 462	\$ 1,913	\$ (183)

Denominator for EPS:

Weighted average shares outstanding - basic	980.8	1,023.9	1,071.3	1,113.6	1,156.5
Dilutive shares*	24.5	-	31.1	26.4	-
Weighted average shares outstanding - diluted*	1,005.3	1,023.9	1,102.4	1,140.0	1,156.5

Income per common share attributable to AIG:

Basic:

Income (loss) from continuing operations	\$ 1.21	\$ (2.93)	\$ 0.43	\$ 1.73	\$ (0.12)
Income (loss) from discontinued operations	-	(0.03)	-	(0.01)	(0.04)
Net income (loss) attributable to AIG	\$ 1.21	\$ (2.96)	\$ 0.43	\$ 1.72	\$ (0.16)

Diluted*:

Income (loss) from continuing operations	\$ 1.18	\$ (2.93)	\$ 0.42	\$ 1.69	\$ (0.12)
Income (loss) from discontinued operations	-	(0.03)	-	(0.01)	(0.04)
Net income (loss) attributable to AIG	\$ 1.18	\$ (2.96)	\$ 0.42	\$ 1.68	\$ (0.16)

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



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

(in millions, except per share data)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Book Value Per Share					
Total AIG shareholders' equity (a)	\$ 74,069	\$ 76,300	\$ 88,663	\$ 89,946	\$ 88,518
Less: Accumulated other comprehensive income (AOCI)	3,781	3,230	9,057	8,259	5,525
Total AIG shareholders' equity, excluding AOCI (b)	70,288	73,070	79,606	81,687	82,993
Less: Deferred tax assets (DTA)	14,585	14,770	15,567	15,614	16,825
Total adjusted shareholders' equity (c)	55,703	58,300	64,039	66,073	66,168
Add: Cumulative quarterly common stock dividends above \$0.125 per share	1,405	1,216	1,020	814	599
Total adjusted shareholders' equity, including dividend growth (d)	\$ 57,108	\$ 59,516	\$ 65,059	\$ 66,887	\$ 66,767
Total common shares outstanding (e)	942.5	995.3	1,042.9	1,082.7	1,130.7
Book value per common share (a÷e)	\$ 78.59	\$ 76.66	\$ 85.02	\$ 83.08	\$ 78.28
Book value per common share, excluding AOCI (b÷e)	74.58	73.41	76.33	75.45	73.40
Adjusted book value per common share (c÷e)	59.10	58.57	61.41	61.03	58.52
Adjusted book value per common share, including dividend growth (d÷e)	60.59	59.79	62.39	61.78	59.05
Return On Equity (ROE) Computations					
Actual or Annualized net income (loss) attributable to AIG (a)	\$ 4,740	\$ (12,164)	\$ 1,848	\$ 7,652	\$ (732)
Actual or Annualized after-tax operating income (loss) attributable to AIG (b)	\$ 5,468	\$ (11,148)	\$ 4,460	\$ 5,252	\$ 3,060
Average AIG Shareholders' equity (c)	\$ 75,185	\$ 82,482	\$ 89,305	\$ 89,232	\$ 89,088
Less: Average AOCI	3,506	6,144	8,658	6,892	4,031
Less: Average DTA	14,678	15,169	15,591	16,220	16,788
Average adjusted shareholders' equity (d)	57,001	61,169	65,056	66,120	68,269
ROE (a÷c)	6.3%	(14.7%)	2.1%	8.6%	(0.8%)
After-tax operating income (loss) as reported (e)	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,313	\$ 765
Adjustments to arrive at Normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(72)	(1)	(70)	17	(89)
(Better) worse than expected alternative returns (1)	(119)	(67)	(45)	4	464
(Better) worse than expected DIB & GCM returns	(29)	(49)	(68)	(28)	257
Fair value changes on PICC investments	(14)	7	(31)	55	67
Update of actuarial assumptions	-	-	250	-	-
Life Insurance - IBNR death claims	-	-	-	-	(16)
Unfavorable (favorable) prior year loss reserve development	21	3,632	170	19	(39)
Normalized after-tax operating income (loss) (f)	\$ 1,154	\$ 735	\$ 1,321	\$ 1,380	\$ 1,409
Adjusted return on equity (e÷d)	9.6%	(18.2%)	6.9%	7.9%	4.5%
Normalized return on equity (f÷d)	8.1%	4.8%	8.1%	8.3%	8.3%

(1) The expected rate of return on alternative investments used was 8% for all periods presented.

American International Group, Inc.
Reconciliation of Pre-tax and After-tax Operating Income - Consolidated

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax income (loss) from continuing operations	\$ 1,727	\$ (3,455)	\$ 737	\$ 2,858	\$ (214)
Adjustments to arrive at Pre-tax operating income (loss)					
Changes in fair value of securities used to hedge guaranteed living benefits	(11)	150	(17)	(120)	(133)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(53)	(286)	67	64	(40)
Loss (gain) on extinguishment of debt	(1)	(2)	(14)	7	83
Net realized capital (gains) losses	115	1,115	765	(1,042)	1,106
(Income) loss from divested businesses	100	(194)	(128)	(225)	2
Non-operating litigation reserves and settlements	(6)	2	(5)	(7)	(31)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	14	(27)	(3)	(5)	(7)
Net loss reserve discount benefit (charge)	(25)	(750)	32	300	(9)
Pension expense related to a one-time lump sum payment to former employees	-	147	-	-	-
Restructuring and other costs	181	206	210	90	188
Pre-tax operating income (loss)	<u>\$ 2,041</u>	<u>\$ (3,094)</u>	<u>\$ 1,644</u>	<u>\$ 1,920</u>	<u>\$ 945</u>
Net income (loss) attributable to AIG	<u>\$ 1,185</u>	<u>\$ (3,041)</u>	<u>\$ 462</u>	<u>\$ 1,913</u>	<u>\$ (183)</u>
Adjustments to arrive at After-tax operating income (loss) (amounts net of tax, at a rate of 35%, except where noted):					
Uncertain tax positions and other tax adjustments (a)	(50)	(247)	42	(63)	205
Deferred income tax valuation allowance (releases) charges (a)	(13)	87	(2)	35	(37)
Changes in fair value of securities used to hedge guaranteed living benefits	(7)	97	(11)	(78)	(86)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(34)	(186)	43	42	(26)
Loss (gain) on extinguishment of debt	(1)	(2)	(9)	5	54
Net realized capital (gains) losses (b)	73	750	526	(655)	701
(Income) loss from discontinued operations (a)	-	36	(3)	10	47
(Income) loss from divested businesses (c)	106	(8)	(83)	(146)	1
Non-operating litigation reserves and settlements	(4)	1	(3)	(5)	(20)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	10	(17)	(2)	(3)	(5)
Net loss reserve discount benefit (charge)	(16)	(487)	18	200	(8)
Pension expense related to a one-time lump sum payment to former employees	-	96	-	-	-
Restructuring and other costs	118	134	137	58	122
After-tax operating income (loss)	<u>\$ 1,367</u>	<u>\$ (2,787)</u>	<u>\$ 1,115</u>	<u>\$ 1,313</u>	<u>\$ 765</u>
Calculation of Effective Tax Rates					
Pre-tax operating income (loss)	\$ 2,041	\$ (3,094)	\$ 1,644	\$ 1,920	\$ 945
Income tax benefit (expense)	(653)	863	(526)	(603)	(182)
Net income (loss) attributable to noncontrolling interest	(21)	(556)	(3)	(4)	2
After-tax operating income (loss)	<u>\$ 1,367</u>	<u>\$ (2,787)</u>	<u>\$ 1,115</u>	<u>\$ 1,313</u>	<u>\$ 765</u>
Effective tax rates on pre-tax operating income (loss)	<u>32.0%</u>	<u>27.9%</u>	<u>32.0%</u>	<u>31.4%</u>	<u>19.3%</u>

(a) Includes impact of tax only adjustments.

(b) The tax effect includes the impact of non-U.S. tax rates lower than 35% applied to foreign exchange (gains) or losses attributable to those jurisdictions where foreign earnings are considered to be indefinitely reinvested.

(c) The tax effect included the impact of non-U.S. tax rates lower than 35% applied to (income) or losses on dispositions by foreign affiliates whose tax bases in divested subsidiaries differed from U.S. GAAP carrying values.



American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI*

Total Commercial Insurance

(in millions)

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 849	\$ (5,023)	\$ 685	\$ 941	\$ 662
Interest expense on attributed financial debt	105	100	91	84	88
Operating income (loss) before taxes:	744	(5,123)	594	857	574
Income tax expense (benefit)	270	(1,547)	107	265	155
After-tax operating income (loss) (a)	\$ 474	\$ (3,576)	\$ 487	\$ 592	\$ 419
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(42)	10	(47)	18	(67)
(Better) worse than expected alternative returns	(70)	(3)	(23)	14	192
Fair value changes on PICC investments	-	(1)	(11)	25	17
Unfavorable (favorable) prior year loss reserve development	30	3,415	199	38	(6)
Normalized after-tax operating income (b)	\$ 392	\$ (155)	\$ 605	\$ 687	\$ 555
Ending attributed equity	22,506	27,346	27,251	29,070	28,799
Average attributed equity (c)	24,927	27,299	28,161	28,935	28,822
Adjusted return on attributed equity (a÷c)	7.6 %	(52.4) %	6.9 %	8.2 %	5.8 %
Normalized return on attributed equity (b÷c)	6.3 %	(2.3) %	8.6 %	9.5 %	7.7 %

Commercial Insurance - Liability and Financial Lines

(in millions)

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 574	\$ (4,981)	\$ 948	\$ 815	\$ 569
Interest expense on attributed financial debt	71	63	55	50	52
Operating income (loss) before taxes:	503	(5,044)	893	765	517
Income tax expense (benefit)	196	(1,524)	214	237	143
After-tax operating income (loss) (a)	\$ 307	\$ (3,520)	\$ 679	\$ 528	\$ 374
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(1)	(2)	1	(2)	(2)
(Better) worse than expected alternative returns	(40)	(2)	(17)	14	140
Fair value changes on PICC investments	-	(1)	(8)	18	12
Unfavorable (favorable) prior year loss reserve development	53	3,443	(10)	64	3
Normalized after-tax operating income (b)	\$ 319	\$ (82)	\$ 645	\$ 622	\$ 527
Ending attributed equity	14,338	18,973	18,636	20,094	19,916
Average attributed equity (c)	16,656	18,805	19,365	20,005	19,909
Adjusted return on attributed equity (a÷c)	7.4 %	(74.9) %	14.0 %	10.6 %	7.5 %
Normalized return on attributed equity (b÷c)	7.7 %	(1.7) %	13.3 %	12.4 %	10.6 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI*

Commercial Insurance - Property and Special Risks

(in millions)

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 275	\$ (42)	\$ (263)	\$ 126	\$ 93
Interest expense on attributed financial debt	34	37	36	34	36
Operating income (loss) before taxes:	241	(79)	(299)	92	57
Income tax expense (benefit)	74	(23)	(107)	28	12
After-tax operating income (loss) (a)	\$ 167	\$ (56)	\$ (192)	\$ 64	\$ 45
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(41)	12	(48)	20	(65)
(Better) worse than expected alternative returns	(30)	(1)	(6)	-	52
Fair value changes on PICC investments	-	-	(3)	7	5
Unfavorable (favorable) prior year loss reserve development	(23)	(28)	209	(26)	(9)
Normalized after-tax operating income (b)	\$ 73	\$ (73)	\$ (40)	\$ 65	\$ 28
Ending attributed equity	8,168	8,373	8,615	8,976	8,883
Average attributed equity (c)	8,271	8,494	8,796	8,930	8,913
Adjusted return on attributed equity (a÷c)	8.1 %	(2.6) %	(8.7) %	2.9 %	2.0 %
Normalized return on attributed equity (b÷c)	3.5 %	(3.4) %	(1.8) %	2.9 %	1.3 %

Total Consumer Insurance

(in millions)

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 1,048	\$ 969	\$ 1,228	\$ 948	\$ 704
Interest expense on attributed financial debt	29	30	42	54	56
Operating income (loss) before taxes:	1,019	939	1,186	894	648
Income tax expense (benefit)	328	304	383	292	181
After-tax operating income (loss) (a)	\$ 691	\$ 635	\$ 803	\$ 602	\$ 467
Adjustments to arrive at normalized after-tax operating income (loss):					
(Better) worse than expected alternative returns	(53)	(28)	(11)	(15)	187
Update of actuarial assumptions	-	-	(150)	-	-
Catastrophe losses above (below) expectations	(28)	(8)	(22)	-	(20)
Fair value changes on PICC investments	-	-	(1)	2	1
Unfavorable (favorable) prior year loss reserve development	1	(11)	(21)	(25)	(31)
Normalized after-tax operating income (b)	\$ 611	\$ 588	\$ 598	\$ 564	\$ 604
Ending attributed equity	22,596	22,168	22,696	23,357	23,100
Average attributed equity (c)	22,384	22,432	23,027	23,229	23,210
Adjusted return on attributed equity (a÷c)	12.3 %	11.3 %	13.9 %	10.4 %	8.0 %
Normalized return on attributed equity (b÷c)	10.9 %	10.5 %	10.4 %	9.7 %	10.4 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI*

Consumer Insurance - Individual Retirement

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income	\$ 539	\$ 542	\$ 920	\$ 505	\$ 302
Interest expense on attributed financial debt	-	-	7	15	15
Operating income (loss) before taxes:	539	542	913	490	287
Income tax expense (benefit)	176	179	317	162	85
After-tax operating income (a)	\$ 363	\$ 363	\$ 596	\$ 328	\$ 202
Adjustments to arrive at normalized after-tax operating income (loss):					
(Better) worse than expected alternative returns	(20)	(18)	(10)	(17)	101
Update of actuarial assumptions	-	-	(240)	-	-
Normalized after-tax operating income (b)	\$ 343	\$ 345	\$ 346	\$ 311	\$ 303
Ending attributed equity	11,006	10,913	11,205	11,455	11,338
Average attributed equity (c)	10,960	11,059	11,330	11,397	11,432
Adjusted return on attributed equity (a÷c)	13.2 %	13.1 %	21.0 %	11.5 %	7.1 %
Normalized return on attributed equity (b÷c)	12.5 %	12.5 %	12.2 %	10.9 %	10.6 %

Consumer Insurance - Group Retirement

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 243	\$ 261	\$ 214	\$ 265	\$ 191
Interest expense on attributed financial debt	-	-	4	8	8
Operating income (loss) before taxes:	243	261	210	257	183
Income tax expense (benefit)	75	78	57	78	37
After-tax operating income (a)	\$ 168	\$ 183	\$ 153	\$ 179	\$ 146
Adjustments to arrive at normalized after-tax operating income (loss):					
(Better) worse than expected alternative returns	(11)	(9)	(5)	(9)	49
Update of actuarial assumptions	-	-	30	-	-
Normalized after-tax operating income (b)	\$ 157	\$ 174	\$ 178	\$ 170	\$ 195
Ending attributed equity	6,035	5,984	6,144	6,242	6,178
Average attributed equity (c)	6,010	6,064	6,193	6,210	6,229
Adjusted return on attributed equity (a÷c)	11.2 %	12.1 %	9.9 %	11.5 %	9.4 %
Normalized return on attributed equity (b÷c)	10.4 %	11.5 %	11.5 %	11.0 %	12.5 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI*

Consumer Insurance - Life Insurance

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 54	\$ (10)	\$ (54)	\$ 26	\$ 1
Interest expense on attributed financial debt	6	6	8	8	9
Operating income (loss) before taxes:	48	(16)	(62)	18	(8)
Income tax expense (benefit)	18	(3)	(37)	6	(6)
After-tax operating income (loss) (a)	\$ 30	\$ (13)	\$ (25)	\$ 12	\$ (2)
Adjustments to arrive at normalized after-tax operating income (loss):					
(Better) worse than expected alternative returns	(4)	(3)	(2)	(5)	23
Update of actuarial assumptions	-	-	60	-	-
Normalized after-tax operating income (b)	\$ 26	\$ (16)	\$ 33	\$ 7	\$ 21
Ending attributed equity	2,544	2,529	2,610	2,741	2,724
Average Attributed equity (c)	2,537	2,570	2,676	2,733	2,696
Adjusted return on attributed equity (a÷c)	4.7 %	(2.0) %	(3.7) %	1.8 %	(0.3) %
Normalized return on attributed equity (b÷c)	4.1 %	(2.5) %	4.9 %	1.0 %	3.1 %

Consumer Insurance - Personal Insurance

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 212	\$ 176	\$ 148	\$ 152	\$ 210
Interest expense on attributed financial debt	23	24	23	23	24
Operating income (loss) before taxes:	189	152	125	129	186
Income tax expense (benefit)	59	50	46	46	65
After-tax operating income (loss) (a)	\$ 130	\$ 102	\$ 79	\$ 83	\$ 121
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(28)	(8)	(22)	-	(20)
(Better) worse than expected alternative returns	(18)	2	6	16	14
Fair value changes on PICC investments	-	-	(1)	2	1
Unfavorable (favorable) prior year loss reserve development	1	(11)	(21)	(25)	(31)
Normalized after-tax operating income (b)	\$ 85	\$ 85	\$ 41	\$ 76	\$ 85
Ending attributed equity	3,011	2,742	2,736	2,919	2,859
Average attributed equity (c)	2,877	2,739	2,828	2,889	2,853
Adjusted return on attributed equity (a÷c)	18.1 %	14.9 %	11.2 %	11.5 %	17.0 %
Normalized return on attributed equity (b÷c)	11.8 %	12.4 %	5.8 %	10.5 %	11.9 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI*

Other Operations (including consolidations and eliminations)

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ (198)	\$ (141)	\$ (170)	\$ (176)	\$ (219)
Interest expense (benefit) on attributed financial debt	(177)	(175)	(165)	(160)	(167)
Operating income (loss) before taxes:	(21)	34	(5)	(16)	(52)
Income tax expense (benefit)	(42)	(22)	109	(50)	(57)
After-tax operating income (loss) (a)	\$ 21	\$ 56	\$ (114)	\$ 34	\$ 5
Adjustments to arrive at normalized after-tax operating income (loss):					
(Better) worse than expected alternative returns	-	(6)	1	11	13
(Better) worse than expected DIB & GCM returns	(1)	2	1	1	2
Fair value changes on PICC investments	(14)	9	(19)	7	-
Update of actuarial assumptions	-	-	1	-	-
Unfavorable (favorable) prior year loss reserve development	-	(14)	(12)	(8)	(4)
Normalized after-tax operating income (loss) (b)	\$ 6	\$ 47	\$ (142)	\$ 45	\$ 16
Ending attributed equity	124	(1,863)	3,007	(1,096)	(756)
Average attributed equity (c)	(873)	571	954	(928)	298

Total Core

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 1,699	\$ (4,195)	\$ 1,743	\$ 1,713	\$ 1,147
Interest expense (benefit) on attributed financial debt	(43)	(45)	(32)	(22)	(23)
Operating income (loss) before taxes:	1,742	(4,150)	1,775	1,735	1,170
Income tax expense (benefit)	556	(1,265)	599	507	279
After-tax operating income (loss) (a)	\$ 1,186	\$ (2,885)	\$ 1,176	\$ 1,228	\$ 891
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(70)	2	(69)	18	(87)
(Better) worse than expected alternative returns	(123)	(37)	(33)	10	392
(Better) worse than expected DIB & GCM returns	(1)	2	1	1	2
Fair value changes on PICC investments	(14)	8	(31)	34	18
Update of actuarial assumptions	-	-	(149)	-	-
Unfavorable (favorable) prior year loss reserve development	31	3,390	166	5	(41)
Normalized after-tax operating income (b)	\$ 1,009	\$ 480	\$ 1,061	\$ 1,296	\$ 1,175
Ending attributed equity	45,226	47,651	52,953	51,331	51,141
Average attributed equity (c)	46,438	50,302	52,142	51,236	52,330
Adjusted return on attributed equity (a÷c)	10.2 %	(22.9) %	9.0 %	9.6 %	6.8 %
Normalized return on attributed equity (b÷c)	8.7 %	3.8 %	8.1 %	10.1 %	9.0 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.



American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI*

Legacy Portfolio

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 342	\$ 1,101	\$ (99)	\$ 207	\$ (202)
Interest expense on attributed financial debt	43	43	32	22	23
Operating income (loss) before taxes:	299	1,058	(131)	185	(225)
Income tax expense (benefit)	97	404	(73)	96	(97)
After-tax Non-controlling interest (income) loss on Korea Fund	-	(533)	-	-	-
After-tax operating income (loss) (a)	\$ 202	\$ 121	\$ (58)	\$ 89	\$ (128)
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(1)	(3)	(1)	(1)	(2)
(Better) worse than expected alternative returns	3	(30)	(12)	(6)	72
(Better) worse than expected DIB & GCM returns	(28)	(50)	(69)	(29)	255
Fair value changes on PICC investments	-	(1)	-	21	49
Update of actuarial assumptions	-	-	399	-	-
Life Insurance - IBNR death claims	-	-	-	-	(16)
Unfavorable (favorable) prior year loss reserve development	(10)	241	4	14	2
Normalized after-tax operating income (b)	\$ 166	\$ 278	\$ 263	\$ 88	\$ 232
Ending attributed equity	10,477	10,649	11,086	14,742	15,026
Average attributed equity (c)	10,563	10,867	12,914	14,884	15,939
Adjusted return on attributed equity (a÷c)	7.6 %	4.5 %	(1.8) %	2.4 %	(3.2) %
Normalized return on attributed equity (b÷c)	6.3 %	10.2 %	8.1 %	2.4 %	5.8 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI by Geography*

(in millions)

Results of Operations - United States

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 1,814	\$ (3,598)	\$ 1,832	\$ 1,788	\$ 1,160
Interest expense on attributed financial debt	59	48	47	49	51
Operating income (loss) before taxes:	1,755	(3,646)	1,785	1,739	1,109
Income tax expense (benefit)	580	(1,239)	475	538	309
After-tax operating income (loss) (a)	\$ 1,175	\$ (2,407)	\$ 1,310	\$ 1,201	\$ 800
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(36)	35	(29)	(10)	(44)
(Better) worse than expected alternative returns	(111)	(37)	(41)	(26)	369
Fair value changes on PICC investments	-	-	(12)	25	17
Update of actuarial assumptions	-	-	(149)	-	-
Unfavorable (favorable) prior year loss reserve development	(15)	3,138	186	35	37
Normalized after-tax operating income (loss) (b)	\$ 1,013	\$ 729	\$ 1,265	\$ 1,225	\$ 1,179
Ending attributed equity	40,199	44,406	44,613	47,216	46,965
Average attributed equity (c)	42,303	44,510	45,915	47,091	46,896
Adjusted return on attributed equity (a÷c)	11.1 %	(21.6) %	11.4 %	10.2 %	6.8 %
Normalized return on attributed equity (b÷c)	9.6 %	6.6 %	11.0 %	10.4 %	10.1 %

(in millions)

Results of Operations - Europe

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 28	\$ (382)	\$ 66	\$ 106	\$ 205
Interest expense on attributed financial debt	11	13	16	19	19
Operating income (loss) before taxes:	17	(395)	50	87	186
Income tax expense (benefit)	(1)	(95)	9	25	53
After-tax operating income (loss) (a)	\$ 18	\$ (300)	\$ 41	\$ 62	\$ 133
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(34)	(35)	(38)	(5)	(18)
(Better) worse than expected alternative returns	-	-	-	2	-
Unfavorable (favorable) prior year loss reserve development	78	224	13	(5)	(14)
Normalized after-tax operating income (loss) (b)	\$ 62	\$ (111)	\$ 16	\$ 54	\$ 101
Ending attributed equity	3,401	3,447	3,410	3,314	3,117
Average attributed equity (c)	3,424	3,429	3,362	3,216	3,261
Adjusted return on attributed equity (a÷c)	2.1 %	(35.0) %	4.9 %	7.7 %	16.3 %
Normalized return on attributed equity (b÷c)	7.2 %	(12.9) %	1.9 %	6.7 %	12.4 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.



American International Group, Inc.
Reconciliation of PTOI, ATOI and Normalized ATOI by Geography*

(in millions)

Results of Operations - Japan

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Pre-tax operating income (loss)	\$ 115	\$ 92	\$ 36	\$ 74	\$ 54
Interest expense on attributed financial debt	15	17	17	17	19
Operating income (loss) before taxes:	100	75	19	57	35
Income tax expense (benefit)	29	48	8	22	12
After-tax operating income (losses) (a)	\$ 71	\$ 27	\$ 11	\$ 35	\$ 23
Adjustments to arrive at normalized after-tax operating income (loss):					
Catastrophe losses above (below) expectations	(8)	(14)	11	20	(5)
(Better) worse than expected alternative returns	(11)	3	10	19	2
Unfavorable (favorable) prior year loss reserve development	(8)	(6)	(4)	(7)	(16)
Normalized after-tax operating income (loss) (b)	\$ 44	\$ 10	\$ 28	\$ 67	\$ 4
Ending attributed equity	979	941	959	1,100	1,054
Average attributed equity (c)	960	950	1,030	1,077	1,026
Adjusted return on attributed equity (a÷c)	29.6 %	11.4 %	4.3 %	13.0 %	9.0 %
Normalized return on attributed equity (b÷c)	18.3 %	4.2 %	10.9 %	24.9 %	1.6 %

* Normalizing adjustments are tax effected using a 35% tax rate and computed based on average attributed equity for the respective periods.

American International Group, Inc.

Reconciliation of Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted

Total Commercial Insurance

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Loss ratio	71.9	211.5	77.3	70.2	67.8
Catastrophe losses and reinstatement premiums	(5.4)	(8.1)	(5.6)	(7.5)	(4.6)
Prior year development net of premium adjustments	(1.0)	(125.2)	(7.0)	(1.0)	0.3
Accident year loss ratio, as adjusted	65.5	78.2	64.7	61.7	63.5
Combined ratio	102.2	241.6	105.8	98.3	97.7
Catastrophe losses and reinstatement premiums	(5.4)	(8.1)	(5.6)	(7.5)	(4.6)
Prior year development net of premium adjustments	(1.0)	(125.2)	(7.0)	(1.0)	0.3
Accident year combined ratio, as adjusted	95.8	108.3	93.2	89.8	93.4

Commercial Insurance - Liability and Financial Lines

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Loss ratio	76.0	312.0	67.7	70.4	69.0
Catastrophe losses and reinstatement premiums	-	-	(0.2)	-	-
Prior year development net of premium adjustments	(3.5)	(220.6)	0.5	(3.3)	(0.1)
Accident year loss ratio, as adjusted	72.5	91.4	68.0	67.1	68.9
Combined ratio	105.4	338.7	93.1	95.8	96.8
Catastrophe losses and reinstatement premiums	-	-	(0.2)	-	-
Prior year development net of premium adjustments	(3.5)	(220.6)	0.5	(3.3)	(0.1)
Accident year combined ratio, as adjusted	101.9	118.1	93.4	92.5	96.7

Commercial Insurance - Property and Special Risks

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Loss ratio	66.3	77.0	90.5	69.7	66.0
Catastrophe losses and reinstatement premiums	(12.6)	(18.9)	(13.3)	(18.0)	(11.6)
Prior year development net of premium adjustments	2.2	2.4	(17.3)	2.3	1.0
Accident year loss ratio, as adjusted	55.9	60.5	59.9	54.0	55.4
Combined ratio	97.7	111.7	123.3	101.4	99.1
Catastrophe losses and reinstatement premiums	(12.6)	(18.9)	(13.3)	(18.0)	(11.6)
Prior year development net of premium adjustments	2.2	2.4	(17.3)	2.3	1.0
Accident year combined ratio, as adjusted	87.3	95.2	92.7	85.7	88.5



American International Group, Inc.

Reconciliation of Accident Year Loss Ratio, as adjusted, and Accident Year Combined Ratio, as adjusted

Consumer Personal Insurance

Quarterly

	1Q17	4Q16	3Q16	2Q16	1Q16
Loss ratio	56.0	52.7	56.3	55.6	52.7
Catastrophe losses and reinstatement premiums	(1.0)	(1.6)	(0.9)	(2.1)	(1.1)
Prior year development net of premium adjustments	-	0.6	1.1	1.4	1.8
Accident year loss ratio, as adjusted	55.0	51.7	56.5	54.9	53.4
Combined ratio	96.6	96.9	97.5	97.0	94.6
Catastrophe losses and reinstatement premiums	(1.0)	(1.6)	(0.9)	(2.1)	(1.1)
Prior year development net of premium adjustments	-	0.6	1.1	1.4	1.8
Accident year combined ratio, as adjusted	95.6	95.9	97.7	96.3	95.3

American International Group, Inc.
Attributed Debt and Leverage Ratios by Module *

(in millions)	Quarterly					Leverage Ratio as of March 31,	
	1Q17	4Q16	3Q16	2Q16	1Q16	2017	2016
<u>Attributed Debt</u>							
Commercial Insurance							
Liability and Financial Lines	\$ 6,417	\$ 5,869	\$ 5,231	\$ 4,302	\$ 4,302	30.9%	17.8%
Property and Special Risks	2,936	3,084	3,392	2,968	2,968	26.4%	25.0%
Total Commercial Insurance	9,353	8,953	8,623	7,270	7,270	29.4%	20.2%
Consumer Insurance							
Individual Retirement	\$ -	\$ -	\$ -	\$ 1,250	\$ 1,250	0.0%	9.9%
Group Retirement	-	-	-	681	681	0.0%	9.9%
Life Insurance	516	516	551	738	738	16.9%	21.3%
Personal Insurance	2,299	2,206	2,467	2,098	2,098	43.3%	42.3%
Total Consumer Insurance	2,815	2,722	3,018	4,767	4,767	11.1%	17.1%
Other Operations	5,352	5,827	6,324	7,754	7,533	NM	NM
Total Core	17,520	17,502	17,965	19,791	19,570	27.9%	27.7%
Legacy Portfolio	3,764	3,745	3,737	1,891	1,891	26.4%	11.2%
Total Attributed Debt	\$ 21,284	\$ 21,247	\$ 21,702	\$ 21,682	\$ 21,461	27.6%	24.5%
<u>Attributed Debt by Geography</u>							
United States	\$ 5,535	\$ 4,637	\$ 3,740	\$ 4,223	\$ 4,223	12.1%	8.2%
Europe	901	1,021	1,209	1,596	1,596	20.9%	33.9%
Japan	1,626	1,591	2,056	1,671	1,671	62.4%	61.3%
Other	9,458	10,253	10,960	12,301	12,080	NM	NM
Total Core	17,520	17,502	17,965	19,791	19,570	27.9%	27.7%
Legacy Portfolio	3,764	3,745	3,737	1,891	1,891	26.4%	11.2%
Total Attributed Debt	\$ 21,284	\$ 21,247	\$ 21,702	\$ 21,682	\$ 21,461	27.6%	24.5%
<u>Consolidated Debt Attributed</u>							
Total Financial debt	\$ 20,437	\$ 20,404	\$ 20,841	\$ 20,821	\$ 20,585		
Hybrid debt securities - junior subordinated debt	847	843	861	861	876		
Total Debt Attributed	\$ 21,284	\$ 21,247	\$ 21,702	\$ 21,682	\$ 21,461		

*Attribution of debt and equity is performed on an annual basis unless recalibration is needed. Attributed debt and equity are based on our internal capital model. Attributed equity is based on the module's risk profile, whereas debt is attributed on "frictional" capital requirements beyond internal capital. Leverage ratio for the modules is calculated as: Attributed debt/[Attributed debt + Attributed equity].

American International Group, Inc.
Non-GAAP Reconciliation - General Operating and Other Expenses

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
General operating and other expenses, GAAP basis	\$ 2,443	\$ 2,864	\$ 2,536	\$ 2,586	\$ 3,003
Restructuring and other costs	(181)	(206)	(210)	(90)	(188)
Other expense related to retroactive reinsurance agreement	-	10	(4)	5	7
Pension expense related to a one-time lump sum payment to former employees	-	(147)	-	-	-
Non-operating litigation reserves	(4)	(2)	2	-	(3)
Total general operating and other expenses included in pre-tax operating income	2,258	2,519	2,324	2,501	2,819
Loss adjustment expenses, reported as policyholder benefits and losses incurred	304	314	340	350	341
Advisory fee expenses	(77)	(79)	(76)	(173)	(317)
Non-deferrable insurance commissions and other	(132)	(117)	(107)	(121)	(122)
Direct marketing and acquisition expenses, net of deferrals, and other	(112)	(172)	(52)	(133)	(144)
Investment expenses reported as net investment income and other	8	12	15	15	15
Total general operating expenses, operating basis	\$ 2,249	\$ 2,477	\$ 2,444	\$ 2,439	\$ 2,592

American International Group, Inc.
Non-GAAP Reconciliations - Premiums

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Consumer Insurance:					
Premiums and deposits	\$ 6,332	\$ 6,045	\$ 6,064	\$ 7,327	\$ 7,715
Deposits	(5,756)	(5,463)	(5,495)	(6,748)	(7,154)
Other	(155)	(202)	(174)	(169)	(148)
Premiums	\$ 421	\$ 380	\$ 395	\$ 410	\$ 413
Consumer Insurance - Individual Retirement:					
Premiums and deposits	\$ 3,382	\$ 3,078	\$ 3,363	\$ 4,611	\$ 5,010
Deposits	(3,357)	(3,044)	(3,328)	(4,563)	(4,963)
Other	3	-	2	(3)	-
Premiums	\$ 28	\$ 34	\$ 37	\$ 45	\$ 47
Consumer Insurance - Individual Retirement (Fixed Annuities):					
Premiums and deposits	\$ 917	\$ 546	\$ 570	\$ 1,221	\$ 1,645
Deposits	(892)	(512)	(535)	(1,174)	(1,599)
Other	4	2	3	-	2
Premiums	\$ 29	\$ 36	\$ 38	\$ 47	\$ 48
Consumer Insurance - Individual Retirement (Variable Annuities):					
Premiums and deposits	\$ 862	\$ 923	\$ 1,092	\$ 1,225	\$ 1,267
Deposits	(862)	(923)	(1,092)	(1,225)	(1,267)
Other	(1)	(1)	(2)	(2)	(2)
Premiums	\$ (1)	\$ (1)	\$ (2)	\$ (2)	\$ (2)
Consumer Insurance - Individual Retirement (Index Annuities):					
Premiums and deposits	\$ 606	\$ 548	\$ 611	\$ 755	\$ 773
Deposits	(606)	(548)	(611)	(755)	(773)
Other	-	-	-	-	-
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer Insurance - Individual Retirement (Retail Mutual Funds):					
Premiums and deposits	\$ 997	\$ 1,061	\$ 1,090	\$ 1,410	\$ 1,325
Deposits	(997)	(1,061)	(1,090)	(1,410)	(1,325)
Other	-	-	-	-	-
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer Insurance - Group Retirement:					
Premiums and deposits	\$ 2,040	\$ 2,056	\$ 1,821	\$ 1,837	\$ 1,856
Deposits	(2,031)	(2,050)	(1,812)	(1,832)	(1,849)
Other	-	-	-	-	-
Premiums	\$ 9	\$ 6	\$ 9	\$ 5	\$ 7
Consumer Insurance - Life Insurance:					
Premiums and deposits	\$ 910	\$ 911	\$ 880	\$ 879	\$ 849
Deposits	(368)	(369)	(355)	(353)	(342)
Other	(158)	(203)	(176)	(166)	(148)
Premiums	\$ 384	\$ 339	\$ 349	\$ 360	\$ 359
Legacy Life Insurance Run-off Lines:					
Premiums and deposits	\$ 160	\$ 159	\$ 167	\$ 162	\$ 178
Deposits	(30)	(27)	(32)	(22)	(35)
Other	(8)	(14)	(9)	(8)	(2)
Premiums	\$ 122	\$ 118	\$ 126	\$ 132	\$ 141



American International Group, Inc.
Supplemental Property Casualty Information (1)

(in millions)

Results of Operations

Net premiums written
Net premiums earned
Loss and loss adjustment expenses incurred (2)
Acquisition expenses
General operating expenses
Underwriting income (loss)
Net investment income (loss):
 Interest and dividends
 Alternative investments
 Other investment income
 Investment expenses
 Total net investment income

Pre-tax operating income (loss)

Underwriting Ratios

Loss ratio (2)
Loss ratio, GAAP Basis (3)
Catastrophe losses and reinstatement premiums
Prior year development
Net reserve discount benefit (charge)
 Accident year loss ratio, as adjusted
 Acquisition ratio
 General operating expense ratio
Expense ratio
Combined ratio
Combined ratio, GAAP basis
Catastrophe losses and reinstatement premiums
Prior year development
Net reserve discount benefit (charge)
 Accident year combined ratio, as adjusted
Excluded from accident year loss ratio, as adjusted
and accident year combined ratio, as adjusted:
 Catastrophe losses and reinstatement premiums
 Prior year development
 Net reserve discount

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
	\$ 6,301	\$ 6,510	\$ 7,278	\$ 7,422	\$ 7,204
	\$ 6,517	\$ 7,104	\$ 7,447	\$ 7,532	\$ 7,592
	4,258	10,825	5,159	4,969	4,780
	1,298	1,434	1,456	1,472	1,499
	950	1,110	1,027	1,039	1,080
	11	(6,265)	(195)	52	233
	776	894	907	945	899
	303	167	188	116	(148)
	93	52	34	(27)	(16)
	(35)	(26)	(33)	(28)	(35)
	1,137	1,087	1,096	1,006	700
	\$ 1,148	\$ (5,178)	\$ 901	\$ 1,058	\$ 933
	65.3	152.4	69.3	66.0	62.9
	65.2	141.8	69.7	70.0	62.8
	(3.5)	(5.4)	(3.8)	(5.5)	(3.3)
	(0.6)	(78.9)	(3.8)	(0.4)	0.9
	0.4	10.6	(0.4)	(4.0)	0.1
	61.5	68.1	61.7	60.1	60.5
	19.9	20.2	19.6	19.5	19.7
	14.6	15.6	13.8	13.8	14.2
	34.5	35.8	33.4	33.3	33.9
	99.8	188.2	102.7	99.3	96.8
	99.7	177.6	103.1	103.3	96.7
	(3.5)	(5.4)	(3.8)	(5.5)	(3.3)
	(0.6)	(78.9)	(3.8)	(0.4)	0.9
	0.4	10.6	(0.4)	(4.0)	0.1
	96.0	103.9	95.1	93.4	94.4
	3.5	5.4	3.8	5.5	3.3
	0.6	78.9	3.8	0.4	(0.9)
	(0.4)	(10.6)	0.4	4.0	(0.1)

(1) Represents the aggregate operating results of Commercial Insurance - Property and Special Risks, Liability and Financial Lines, Consumer Insurance - Personal Insurance, and Property Casualty Run-off businesses reported in Legacy.

(2) excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.

(3) Loss ratio, GAAP Basis, is computed as [Loss and loss adjustment expenses incurred + Net reserve discount (benefit) charges + Deferred retroactive reinsurance recoveries]/ Net premiums earned.



American International Group, Inc.
Supplemental Property Casualty Information Continued (1)

(in millions)

	Quarterly				
	1Q17	4Q16	3Q16	2Q16	1Q16
Foreign Exchange Effect on Worldwide Premiums					
Change in net premiums written - Liability and Financial Lines					
Increase (decrease) in original currency	(10)%	(22)%	(23)%	(29)%	(23)%
Foreign exchange effect	(2)	(1)	(1)	-	(2)
Increase (decrease) as reported in U.S. dollars	(12)%	(23)%	(24)%	(29)%	(25)%
Change in net premiums written - Property and Special Risks					
Increase (decrease) in original currency	(23)%	(15)%	(6)%	(11)%	20 %
Foreign exchange effect	(1)	(1)	(1)	-	(6)
Increase (decrease) as reported in U.S. dollars	(24)%	(16)%	(7)%	(11)%	14 %
Change in net premiums written - Personal Insurance					
Increase (decrease) in original currency	(6)%	(1)%	(5)%	(1)%	1 %
Foreign exchange effect	1	4	2	-	(4)
Increase (decrease) as reported in U.S. dollars	(5)%	3 %	(3)%	(1)%	(3)%
Noteworthy Items (pre-tax):					
Catastrophe-related losses	\$ 228	\$ 383	\$ 282	\$ 414	\$ 251
Reinstatement premiums related to catastrophes	-	1	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	-	(11)	(10)
Severe losses	57	84	95	145	109
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	10	5,596	290	19	(61)
(Additional) returned premium related to prior year development	23	16	(11)	22	6
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ 33	\$ 5,612	\$ 279	\$ 41	\$ (55)
Deferred net recoveries and amortization of deferred gains related to retroactive reinsurance agreements	14	-	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance, premium adjustments, and deferred retroactive reinsurance gains	47	5,612	279	41	(55)
Net reserve discount (benefit) charge					
Liability and Financial Lines	\$ (23)	\$ (589)	\$ 17	\$ 191	\$ (26)
Legacy Property and Casualty Run-off Insurance Reserves	(2)	(162)	15	109	17
Total net reserve discount (benefit) charge	\$ (25)	\$ (751)	\$ 32	\$ 300	\$ (9)
Net liability for unpaid losses and loss adjustment expenses (at period end)					
	\$ 50,377	\$ 62,811	\$ 59,414	\$ 60,417	\$ 60,514

(1) Represents the aggregate operating results of Commercial Insurance - Property and Special Risks, Liability and Financial Lines, Consumer Insurance - Personal Insurance, and Property Casualty Run-off businesses reported in Legacy.



Bring on tomorrow

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products and other financial services to customers in more than 80 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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