

2017 年第 3 四半期（7 月～9 月） 決算 短 信

会社名 アメリカン・インターナショナル・グループ・インク
 決算期 本決算：年 1 回（12 月）
 中間決算：四半期毎
 問い合わせ先 東京都港区元赤坂一丁目 2 番 7 号 赤坂 K タワー
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1. 本国における決算発表日 2017 年 11 月 2 日

2. 業績（注 1：下記の数字は 2017 年 9 月 30 日現在の会計方法に従い算出したものである。）

	第 3 四半期（7 月～9 月の 3 ヶ月間）		
	当年度（2017 年）	前年度（2016 年）	増減率
売上高又は営業収入	11,751 百万ドル	12,854 百万ドル	△8.6%
純利益（税引後）	△1,739 百万ドル	462 百万ドル	-
1 株当たり純利益（注 2）	△1.91 ドル	0.42 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	36,885 百万ドル	39,357 百万ドル	△6.3%
純利益（税引後）	576 百万ドル	2,192 百万ドル	△73.7%
1 株当たり純利益（注 2）	0.60 ドル	1.92 ドル	△68.8%

	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	0.32 ドル	
第 3 四半期	0.32 ドル	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 11 月 2 日付けプレス・リリースおよび Quarterly Financial Supplement Third 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 Third Quarter 2017 を添付する。

AIG Reports Third Quarter 2017 Results

November 2, 2017 4:16 PM ET

NEW YORK--(BUSINESS WIRE)--Nov. 2, 2017-- American International Group, Inc. (NYSE:AIG) today reported a net loss of \$1.7 billion, or \$1.91 per share, for the third quarter of 2017, compared to net income of \$462 million, or \$0.42 per diluted share, in the prior-year quarter. After-tax operating loss was \$1.1 billion, or \$1.22 per share, for the third quarter of 2017, compared to after-tax operating income of \$1.1 billion, or \$1.01 per diluted share, in the prior-year quarter.

“In the third quarter, the insurance industry witnessed unprecedented catastrophic events. AIG’s resilience in the wake of these events reflects the strength of our balance sheet and capital position. I am extremely proud of our response and commitment to our customers, as well as the assistance our colleagues provided to the communities most affected by these events,” said Brian Duperreault, President and Chief Executive Officer. “We also strengthened reserves based on additional information that became available in the third quarter through our quarterly reserve review, which primarily related to the 2016 accident year. We are laser focused on commercial underwriting and taking actions to enhance underwriting tools and, more importantly, our talent base – so much so that I have declared 2018 the ‘Year of the Underwriter.’ With this increased focus on underwriting, and our recently announced changes to AIG’s operating structure and executive leadership, we will continue to execute on our strategy to better position AIG for long term profitable growth.”

NOTEWORTHY ITEMS

Catastrophe Losses – Third quarter results included aggregate pre-tax catastrophe losses of \$3.0 billion primarily from Hurricanes Harvey, Irma and Maria, which are in line with our previously disclosed preliminary loss estimates.

Loss Reserve Development, Primarily in Accident Year 2016 – Prior accident year loss reserves were strengthened by \$836 million, pre-tax (net of \$62 million for the amortization of the deferred gain attributable to the NICO reinsurance agreement) of which \$705 million related to accident year 2016 in reaction to early unfavorable loss emergence, primarily in Commercial long-tail lines. There was no overall development on the reserves subject to our reinsurance agreement with NICO. Additionally, the current year Commercial Insurance accident year loss ratio was increased by 4.9 points of which 3.3 points related to earlier quarters.

Consistent Consumer Insurance Results – Consumer pre-tax operating income was \$1.0 billion despite significant third quarter Personal Insurance catastrophe losses. The annual actuarial assumption review in the third quarter resulted in a benefit of \$284 million compared to \$230 million in the prior year quarter. The third quarter largely reflected lower assumed lapses and strong equity market performance, partially offset by a reduction in our long-term separate account return assumption in the Individual Retirement business.

Expense Reduction – General operating and other expenses (GOE) declined \$387 million or 15.3% to \$2.1 billion. GOE, operating basis, declined 11% on a constant dollar basis and excluding the GOE reductions from the 2016 sale of United Guaranty Corporation, due to organizational simplification.

Legacy Strategy Execution – On November 1, 2017 AIG closed on the sale of our remaining life settlements portfolio resulting in the remittance of \$1.1 billion of cash proceeds to AIG Parent in fourth quarter 2017 and fulfilling the \$9 billion return of Legacy capital.

Capital and Liquidity – In the third quarter, AIG repurchased 4.6 million common shares for \$275 million and an additional \$3 million of warrants. Approximately \$2.2 billion remains under our share repurchase authorization as of November 2, 2017. AIG Parent liquidity stood at \$6.7 billion. In the third quarter, AIG Parent received approximately \$500 million of distributions, including tax sharing payments, from insurance subsidiaries in the form of cash and fixed maturity securities.

Removal of Nonbank SIFI Designation – In September, the Financial Stability Oversight Council rescinded AIG’s designation as a nonbank Systemically Important Financial Institution.

THIRD QUARTER FINANCIAL SUMMARY*

(\$ in millions, except per share amounts)	Three Months Ended September 30,			
	2017		2016	
Net income (loss)	\$ (1,739)		\$ 462	
Net income (loss) per diluted share (a)	\$ (1.91)		\$ 0.42	
After-tax operating income (loss)	\$ (1,111)		\$ 1,115	
After-tax operating income (loss) per diluted share (a)	\$ (1.22)		\$ 1.01	
Return on equity	(9.5)	%	2.1	%
AIG Consolidated:				
Adjusted return on equity	(8.4)	%	6.9	%
Normalized return on equity	6.6	%	8.1	%
Core:				
Adjusted return on attributed equity - Core	(11.6)	%	9.0	%
Normalized return on attributed equity - Core	7.2	%	8.1	%
Book value per common share	\$ 80.62		\$ 85.02	
Book value per common share, excluding accumulated other comprehensive income	\$ 74.01		\$ 76.33	

*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.

All comparisons are against the third quarter of 2016, unless otherwise indicated. Refer to the AIG Third Quarter 2017 Financial Supplement which is posted on AIG's website in the Investor Information section for further information. In the fourth quarter of 2017, AIG expects to transition its Commercial Insurance and Consumer Insurance segments to General Insurance and Life and Retirement, respectively.

CORE INSURANCE

Commercial Insurance – In the third quarter, Commercial Insurance pre-tax operating income reflected an elevated loss ratio which included higher catastrophe-related losses, higher unfavorable prior year loss reserve development, and an elevated current accident year loss ratio, as adjusted, primarily in Property and U.S. Casualty, and lower net investment income as a result of funding the NICO reinsurance agreement. This was partially offset by lower expenses.

- The pre-tax operating loss included \$2.7 billion of catastrophe-related losses, net of reinsurance and \$837 million of unfavorable prior year loss reserve development of which \$697 million related to accident year 2016. The prior year loss development was largely in reaction to early unfavorable loss emergence in U.S. Casualty and Financial Lines in accident year 2016, and an increased number of large claims in European Casualty and Financial Lines primarily in accident year 2016. This was partially offset by favorable development in Commercial Property.
- The loss ratio of 168.4 increased by 91.1 points in the third quarter of 2017. Approximately 65.6 points of this increase relate to catastrophe-related losses. The accident year loss ratio, as adjusted, of 75.1 increased by 10.4 points. This increase reflected higher Property severe and attritional losses and higher U.S. Casualty current accident year losses in certain lines as a result of our detailed reserve valuation reviews.
- The expense ratio declined 1.5 points to 27.0 in the third quarter of 2017 primarily due to continued execution on our strategic actions to reduce operating expenses.
- Commercial Insurance net premiums written decreased by 13% on both a reported and constant dollar basis. About

4% of the decrease was related to divestitures. The remaining decrease was related to continued execution on our strategic portfolio actions throughout the third quarter of 2017.

(\$ in millions)	Three Months Ended September 30,		
	2017	2016	Change
Total Commercial Insurance			
Net premiums written	\$ 3,770	\$ 4,354	(13)%
Pre-tax operating income (loss)	\$ (2,862)	\$ 685	NM
Underwriting ratios:			
Loss ratio	168.4	77.3	91.1 pts
Expense ratio	27.0	28.5	(1.5)
Combined ratio	195.4	105.8	89.6

(\$ in millions)	Three Months Ended September 30,		
	2017	2016	Change
Liability and Financial Lines			
Net premiums written	\$ 2,175	\$ 2,389	(9)%
Pre-tax operating income (loss)	\$ (257)	\$ 948	NM
Underwriting ratios:			
Loss ratio	113.1	67.7	45.4 pts
Expense ratio	25.2	25.4	(0.2)
Combined ratio	138.3	93.1	45.2

Property and Special Risks

Net premiums written	\$ 1,595	\$ 1,965	(19)%
Pre-tax operating loss	\$ (2,605)	\$ (263)	NM
Underwriting ratios:			
Loss ratio	247.6	90.5	157.1 pts
Expense ratio	29.4	32.8	(3.4)
Combined ratio	277.0	123.3	153.7

Consumer Insurance – In the third quarter, Consumer Insurance continued to provide consistent underlying operating results across all segments as discussed below and delivered \$1.0 billion of pre-tax operating income.

- In Individual Retirement, a lower net positive adjustment from the actuarial assumptions review and a decline in alternative investment income, was partially offset by higher policy fee income from growth in assets under administration driven by improvements in equity markets and higher base net investment income spreads. Net flows declined to a negative \$718 million for Individual Retirement, primarily reflecting the uncertainties surrounding the impact and implementation of the DOL Fiduciary Rule.
- In Group Retirement, a net positive adjustment compared to a net negative adjustment in the prior year quarter from the actuarial assumptions review and higher policy fee income from growth in assets under administration, was partially offset by lower base net investment income spreads and a decline in alternative investment income. Group Retirement net flows continued to be negative but improved due to lower surrenders and higher premiums and deposits.
- In Life Insurance, a net positive adjustment compared to a net negative adjustment in the prior year quarter from the actuarial assumptions review, higher policy fee income from growth in universal life and lower general operating

expenses, was partially offset by lower net investment income. Life Insurance premiums and premiums and deposits increased primarily due to growth in term life, universal life, and international life and health.

- In Personal Insurance, higher catastrophe losses and lower net favorable prior year loss reserve development as compared to the prior year quarter was partially offset by improved current accident year losses and higher alternative investment income.

(\$ in millions)	Three Months Ended September 30,		
	2017	2016	Change
Total Consumer Insurance			
Premiums & Fees	\$ 3,883	\$ 3,886	- %
Net Investment Income	1,843	1,903	(3)
Operating Revenue	5,954	6,009	(1)
Benefits & Expenses	4,946	4,781	3
Pre-tax operating income	1,008	1,228	(18)
Individual Retirement			
Premiums & Fees	\$ 212	\$ 220	(4)%
Net Investment Income	973	1,009	(4)
Operating Revenue	1,343	1,380	(3)
Benefits & Expenses	625	460	36
Pre-tax operating income	718	920	(22)
Group Retirement			
Premiums & Fees	\$ 121	\$ 108	12 %
Net Investment Income	524	554	(5)
Operating Revenue	702	717	(2)
Benefits & Expenses	453	503	(10)
Pre-tax operating income	249	214	16
Life Insurance			
Premiums & Fees	\$ 727	\$ 640	14 %
Net Investment Income	260	267	(3)
Operating Revenue	1,000	921	9
Benefits & Expenses	888	975	(9)
Pre-tax operating income (loss)	112	(54)	NM
Personal Insurance			
Net premiums written	\$ 2,807	\$ 2,922	(4)%
Pre-tax operating income (loss)	\$(71)	\$ 148	NM
Underwriting ratios:			
Loss ratio	64.3	56.3	8.0 pts
Expense ratio	41.3	41.2	0.1
Combined ratio	105.6	97.5	8.1

CONFERENCE CALL

AIG will host a conference call tomorrow, Friday, November 3, 2017, at 8:00 a.m. ET to review these results. The call is open to the public and can be accessed via a live listen-only webcast in the Investor Relations section of www.aig.com. A replay will be available after the call at the same location.

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;
- actual and anticipated sales, monetizations and/or acquisitions of businesses or assets;
- 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 share;
- strategies to grow net investment income, efficiently manage capital, grow book value per common share, and reduce expenses;
- anticipated organizational, business and regulatory changes;
- strategies for customer retention, growth, product development, market position, financial results and reserves;
- management of the impact that innovation and technology changes may have on customer preferences, the frequency or severity of losses and/or the way AIG distributes and underwrites its products;
- segments’ revenues and combined ratios; and
- management succession and 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 regulatory framework to which AIG is subject, including 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, monetize and/or acquire 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 September 30, 2017 (which will be filed with the SEC), Part I, Item 2. MD&A in AIG's Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2017 and March 31, 2017 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.

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 Third 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) 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.

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:

a) Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)

b) Acquisition ratio = Total acquisition expenses ÷ NPE

c) General operating expense ratio = General operating expenses ÷ NPE

d) Expense ratio = Acquisition ratio + General operating expense ratio

e) Combined ratio = Loss ratio + Expense ratio

f) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums (RIPs) related to catastrophes +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]

g) Accident year 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 (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business] – Loss ratio

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

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 common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance www.twitter.com/AIGinsurance | LinkedIn: 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

Pre-tax income (loss)/net income (loss), including noncontrolling interests	\$ 591	\$ (18)	\$ 610	\$ 3,381	\$ 1,170	\$ 2,197
Noncontrolling interest	-	-	(34)	-	-	(5)
Pre-tax income (loss)/net income (loss) attributable to AIG	591	(18)	576	3,381	1,170	2,192
Adjustments:						
Uncertain tax positions and other tax adjustments	-	(27)	27	-	(184)	184
Deferred income tax valuation allowance releases	-	23	(23)	-	4	(4)
Changes in fair value of securities used to hedge guaranteed living benefits	(117)	(41)	(76)	(270)	(95)	(175)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(195)	(68)	(127)	91	32	59
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	258	91	167	(15)	(5)	(10)
(Gain) loss on extinguishment of debt	(4)	(1)	(3)	76	26	50
Net realized capital losses	1,106	401	705	829	217	612
Noncontrolling interest on net realized capital losses	-	-	6	-	-	(40)
(Income) loss from discontinued operations	-	-	(7)	-	-	54
(Income) loss from divested businesses	173	41	132	(351)	(123)	(228)
Non-operating litigation reserves and settlements	(86)	(30)	(56)	(43)	(15)	(28)
Net loss reserve discount (benefit) charge	283	101	182	323	113	210
Pension expense related to a one-time lump sum payment to former employees	50	17	33	-	-	-
Restructuring and other costs	259	90	169	488	171	317
Pre-tax operating income/After-tax operating income	\$ 2,318	\$ 579	\$ 1,705	\$ 4,509	\$ 1,311	\$ 3,193

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 September 30,		% Inc. (Dec.)	Nine Months Ended September 30,		% Inc. (Dec.)
	2017	2016		2017	2016	
Income (loss) per common share:						
Basic						
Income (loss) from continuing operations	\$ (1.91)	\$ 0.43	NM %	\$ 0.60	\$ 2.02	(70.3) %
Income (loss) from discontinued operations	-	-	NM	0.01	(0.05)	NM
Net income (loss) attributable to AIG	\$ (1.91)	\$ 0.43	NM	\$ 0.61	\$ 1.97	(69.0)

Diluted

Income (loss) from continuing operations	\$ (1.91)	\$ 0.42	NM	\$ 0.59	\$ 1.97	(70.1)
Income (loss) from discontinued operations	-	-	NM	0.01	(0.05)	NM
Net income (loss) attributable to AIG	\$ (1.91)	\$ 0.42	NM	\$ 0.60	\$ 1.92	(68.8)
After-tax operating income (loss) attributable to AIG per diluted share (a)	\$ (1.22)	\$ 1.01	NM %	\$ 1.77	\$ 2.79	(36.6)%

Weighted average shares outstanding:

Basic	908.7	1,071.3	938.1	1,113.7
Diluted (a)(b)	908.7	1,102.4	961.3	1,142.7

Return on equity (c)	(9.5)%	2.1 %	1.0 %	3.3 %
Adjusted return on equity (d)	(8.4)%	6.9 %	4.1 %	6.4 %

As of period end: September 30, 2017 September 30, 2016

Total AIG shareholders' equity	\$ 72,468	\$ 88,663
Accumulated other comprehensive income (AOCI)	5,939	9,057
Total AIG shareholders' equity, excluding AOCI	66,529	79,606

Deferred tax assets	14,897	15,567
Total adjusted AIG shareholders' equity	\$ 51,632	\$ 64,039

As of period end: September 30, 2017 September 30, 2016 % Inc. (Dec.)

Book value per common share (e)	\$ 80.62	\$ 85.02	(5.2) %
Book value per common share, excluding AOCI (f)	\$ 74.01	\$ 76.33	(3.0)
Adjusted book value per common share (g)	\$ 57.44	\$ 61.41	(6.5)

Total common shares outstanding	898.9	1,042.9
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Financial highlights - notes

For the quarter ended September 30, 2017, because we reported a net loss and an after-tax operating loss, all common (a) stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. The shares excluded from these calculations were 22,459,868 shares.

(b) Diluted shares in the diluted EPS calculation represent basic shares for the three months ended September 30, 2017 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.

American International Group, Inc.

Selected Financial Data and Non-GAAP Reconciliation (continued)

(\$ in millions, except per share amounts)

Reconciliations of General Operating and Other Expenses

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2017	2016	% Inc. (Dec.)	2017	2016	% Inc. (Dec.)
General operating and other expenses, GAAP basis	\$2,149	\$2,536	(15.3) %	\$6,774	\$8,125	(16.6) %
Restructuring and other costs	(31)	(210)	85.2	(259)	(488)	46.9
Other expense related to retroactive reinsurance agreement	-	(4)	NM	-	8	NM
Pension expense related to a one-time lump sum payment to former employees	(49)	-	NM	(50)	-	NM
Non-operating litigation reserves	-	2	NM	70	(1)	NM
Total general operating and other expenses included in pre-tax operating income	2,069	2,324	(11.0)	6,535	7,644	(14.5)
Loss adjustment expenses, reported as policyholder benefits and losses incurred	289	340	(15.0)	889	1,031	(13.8)
Advisory fee expenses	(84)	(76)	(10.5)	(238)	(566)	58.0
Non-deferrable insurance commissions and other	(148)	(107)	(38.3)	(410)	(350)	(17.1)
Direct marketing and acquisition expenses, net of deferrals, and other	(56)	(52)	(7.7)	(226)	(329)	31.3
Investment expenses reported as net investment income and other	32	15	113.3	49	45	8.9
Total general operating expenses, operating basis	2,102	2,444	(14.0)	6,599	7,475	(11.7)
Less: FX impact		19	NM		19	NM
Less: GOE of Advisor Group		-	NM		70	NM
Less: GOE of UGC		61	NM		166	NM
Total general operating expenses, Operating basis, Ex. FX & GOE of AIG Advisor Group and UGC	\$2,102	\$2,364	(11.1) %	\$6,599	\$7,220	(8.6) %

American International Group, Inc.

Selected Financial Data and Non-GAAP Reconciliation (continued)

(\$ in millions, except per share amounts)

Reconciliations of Normalized and Adjusted Return on Equity

	Three Months Ended				Three Months Ended			
	September 30, 2017				September 30, 2016			
	Pre-tax	Tax Effect	After-tax	ROE	Pre-tax	Tax Effect	After-tax	ROE
<i>Return on Equity</i>			\$ (1,739)	(9.5) %			\$ 462	2.1 %
<i>Adjusted Return on equity (a)</i>	\$ (1,856)	\$ (770)	\$ (1,111)	(8.4) %	\$ 1,644	\$ 526	\$ 1,115	6.9 %
<i>Adjustments to arrive at Normalized Return on</i>								

Equity:

Catastrophe losses above (below) expectations	2,654	928	1,726	13.0	(108)	(38)	(70)	(0.4)	
(Better) worse than expected alternative returns (b)	(103)	(35)	(68)	(0.5)	(70)	(25)	(45)	(0.3)	
(Better) worse than expected DIB & GCM returns	(42)	(15)	(27)	(0.2)	(104)	(36)	(68)	(0.4)	
Fair value changes on PICC investments	(30)	(10)	(20)	(0.1)	(47)	(16)	(31)	(0.2)	
Update of actuarial assumptions	(270)	(94)	(176)	(1.3)	384	134	250	1.5	
Life Insurance - IBNR death claims	-	-	-	-	-	-	-	-	
Unfavorable (favorable) prior year loss reserve development	845	296	549	4.1	262	92	170	1.0	
Normalized Return on Equity	\$ 1,198	\$ 300	\$ 873	6.6	% \$ 1,961	\$ 637	\$ 1,321	8.1	%

Average AIG

Shareholders' equity	\$ 73,100	\$ 89,305
Less: Average AOCI	5,451	8,658
Less: Average DTA	14,592	15,591
Average adjusted shareholders' equity	\$ 53,057	\$ 65,056

(a) After-tax operating income excludes Net income (loss) attributable to non-controlling interest of \$25 million and \$3 million for the three months ended September 30, 2017 and 2016, respectively.

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

	Nine Months Ended September 30, 2017				Nine Months Ended September 30, 2016				
	Pre-tax	Tax Effect	After-tax	ROE	Pre-tax	Tax Effect	After-tax	ROE	
Return on Equity			\$ 576	1.0			\$ 2,192	3.3	%
Adjusted Return on equity (a)	\$ 2,318	\$ 579	\$ 1,705	4.1	% \$ 4,509	\$ 1,311	\$ 3,193	6.4	%
Adjustments to arrive at Normalized Return on Equity:									
Catastrophe losses above (below) expectations	2,386	833	1,553	3.8	(218)	(76)	(142)	(0.3)	

(Better) worse than expected alternative returns (b)	(397)	(137)	(260)	(0.6)	650	227	423	0.8	
(Better) worse than expected DIB & GCM returns	(229)	(80)	(149)	(0.4)	248	87	161	0.3	
Fair value changes on PICC investments	(58)	(20)	(38)	(0.1)	140	49	91	0.2	
Update of actuarial assumptions	(270)	(94)	(176)	(0.4)	384	134	250	0.5	
Life Insurance - IBNR death claims	-	-	-	-	(25)	(9)	(16)	-	
Unfavorable (favorable) prior year loss reserve development	1,003	351	652	1.6	231	81	150	0.3	
Normalized Return on Equity	\$ 4,753	\$ 1,432	\$ 3,287	8.0	% \$ 5,919	\$ 1,804	\$ 4,110	8.2	%

Average AIG Shareholders' equity	\$ 74,142	\$ 89,196
Less: Average AOCI	4,477	6,344
Less: Average DTA	14,635	16,189
Average adjusted shareholders' equity	\$ 55,030	\$ 66,663

(a) After-tax operating income also excludes Net income (loss) attributable to non-controlling interest of \$34 million and \$5 million for the nine months ended September 30, 2017 and 2016, respectively.

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

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

Reconciliations of Core Normalized and Adjusted Return on Equity

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Pre-tax operating income (loss)	\$ (2,142)	\$ 1,743	\$ 1,259	\$ 4,603
Interest expense (benefit) on attributed financial debt	(42)	(32)	(128)	(77)
Operating income (loss) before taxes	(2,100)	1,775	1,387	4,680
Income tax expense (benefit)	(849)	599	268	1,385
After-tax operating income (loss)	(1,251)	1,176	1,119	3,295
Adjustments to arrive at Normalized Return on Equity:				
Catastrophe losses above (below) expectations	1,727	(69)	1,557	(138)

(Better) worse than expected alternative returns(a)	(49)	(33)	(226)	369
(Better) worse than expected DIB & GCM returns	-	1	(4)	4
Fair value changes on PICC investments	(20)	(31)	(38)	21
Update of actuarial assumptions	(185)	(149)	(185)	(149)
Unfavorable (favorable) prior year loss reserve development	550	166	664	130
Normalized after-tax operating income	\$ 772	\$ 1,061	\$ 2,887	\$ 3,532
Ending attributed equity	\$ 41,751	\$ 52,953	\$ 41,751	\$ 52,953
Average attributed equity	\$ 43,161	\$ 52,142	\$ 44,800	\$ 52,237
Adjusted return on attributed equity	(11.6) %	9.0 %	3.3 %	8.4 %
Normalized return on attributed equity(b)	7.2 %	8.1 %	8.6 %	9.0 %

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

(b) 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.

Selected Financial Data and Non-GAAP Reconciliation (continued)

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Commercial Insurance - Liability and Financial Lines				
Loss ratio	113.1	67.7	88.8	69.1
Catastrophe losses and reinstatement premiums	(0.9)	(0.2)	(0.3)	(0.1)
Prior year development, net of (additional) return premium on loss sensitive business	(34.1)	0.5	(13.5)	(1.0)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	-	(0.5)	-
Accident year loss ratio, as adjusted	78.1	68.0	74.5	68.0
Commercial Insurance - Property and Special Risks				
Loss ratio	247.6	90.5	127.5	75.2
Catastrophe losses and reinstatement premiums	(172.0)	(13.3)	(64.6)	(14.3)
Prior year development	(4.9)	(17.3)	(1.7)	(4.5)

Accident year loss ratio, as adjusted	70.7	59.9	61.2	56.4
Combined ratio	277.0	123.3	158.5	107.7
Catastrophe losses and reinstatement premiums	(172.0)	(13.3)	(64.6)	(14.3)
Prior year development	(4.9)	(17.3)	(1.7)	(4.5)
Accident year combined ratio, as adjusted	100.1	92.7	92.2	88.9
Total Commercial Insurance				
Loss ratio	168.4	77.3	105.2	71.5
Catastrophe losses and reinstatement premiums	(71.2)	(5.6)	(27.5)	(5.9)
Prior year development, net of (additional) return premium on loss sensitive business	(22.1)	(7.0)	(8.5)	(2.4)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	-	(0.3)	-
Accident year loss ratio, as adjusted	75.1	64.7	68.9	63.2
Combined ratio	195.4	105.8	133.9	100.3
Catastrophe losses and reinstatement premiums	(71.2)	(5.6)	(27.5)	(5.9)
Prior year development, net of (additional) return premium on loss sensitive business	(22.1)	(7.0)	(8.5)	(2.4)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	-	(0.3)	-
Accident year combined ratio, as adjusted	102.1	93.2	97.6	92.0
Consumer Insurance - Personal Insurance				
Loss ratio	64.3	56.3	57.0	54.9
Catastrophe losses and reinstatement premiums	(10.6)	(0.9)	(3.9)	(1.4)
Prior year development	-	1.1	-	1.5
Accident year loss ratio, as adjusted	53.7	56.5	53.1	55.0
Combined ratio	105.6	97.5	97.8	96.3
Catastrophe losses and reinstatement premiums	(10.6)	(0.9)	(3.9)	(1.4)
Prior year development	-	1.1	-	1.5
Accident year combined ratio, as adjusted	95.0	97.7	93.9	96.4

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Source: American International Group, Inc.

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

American International Group, Inc.

Quarterly Financial Supplement
Third 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 September 30, 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, monetizations and/or acquisitions of businesses or assets; 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 share; strategies to grow net investment income, efficiently manage capital, grow book value per common share, and reduce expenses; anticipated organizational, business and regulatory changes; strategies for customer retention, growth, product development, market position, financial results and reserves; management of the impact that innovation and technology changes may have on customer preferences, the frequency or severity of losses and/or the way AIG distributes and underwrites its products; segments’ revenues and combined ratios; and management succession and 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 regulatory framework to which AIG is subject, including 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, monetize and/or acquire 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 September 30, 2017 (which will be filed with the Securities and Exchange Commission), Part I, Item 2. MD&A in AIG’s Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2017 and March 31, 2017 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) are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share excluding AOCI, is derived by dividing Total AIG Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA (**Adjusted Shareholders’ Equity**), by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 50 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 50 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 50 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 52-59 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 52-59 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 52-59 herein. Attributed debt is included on page 62 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 52-59 herein. Attributed debt is included on pages 62 herein.



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

Normalized after-tax operating income (loss) per share is derived by dividing normalized after-tax operating income (loss) by diluted weighted average shares outstanding. We believe that the use of this measure is useful to investors because it presents our after-tax operating income on a per share basis without the impact of certain items that can experience volatility in our short-term results.

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 63 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 on loss sensitive business + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
- 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 (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business] – Loss ratio

Premiums and deposits: includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts 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 30, 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 Corporation 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					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30,	2016
Results of Operations Data (attributable to AIG)							
Net income (loss)	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ 462	\$ 576	\$ 2,192
Net income (loss) per share:							
Basic	\$ (1.91)	\$ 1.22	\$ 1.21	\$ (2.96)	\$ 0.43	\$ 0.61	\$ 1.97
Diluted (1)	\$ (1.91)	\$ 1.19	\$ 1.18	\$ (2.96)	\$ 0.42	\$ 0.60	\$ 1.92
Weighted average shares outstanding:							
Basic	908.7	925.8	980.8	1,023.9	1,071.3	938.1	1,113.7
Diluted (1)	908.7	948.2	1,005.3	1,023.9	1,102.4	961.3	1,142.7
Effective tax rate	38.9 %	33.4 %	29.9 %	28.5 %	41.2 %	NM	34.6 %
After-tax operating income (loss)	\$ (1,111)	\$ 1,449	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,705	\$ 3,193
After-tax operating income (loss) per diluted share (1)	\$ (1.22)	\$ 1.53	\$ 1.36	\$ (2.72)	\$ 1.01	\$ 1.77	\$ 2.79
Weighted average diluted shares - operating (1)	908.7	948.2	1,005.3	1,023.9	1,102.4	961.3	1,142.7
Operating effective tax rate	41.5 %	32.6 %	32.0 %	27.9 %	32.0 %	25.0 %	29.1 %
General operating and other expenses	\$ 2,149	\$ 2,182	\$ 2,443	\$ 2,864	\$ 2,536	\$ 6,774	\$ 8,125
General operating expenses, operating basis	2,102	2,248	2,249	2,477	2,444	6,599	7,475
Selected Balance Sheet data, at period end							
Total assets	\$ 503,073	\$ 499,762	\$ 500,162	\$ 498,264	\$ 514,568	\$ 503,073	\$ 514,568
Long-term debt	31,039	31,812	30,747	30,912	32,277	31,039	32,277
AIG shareholders' equity	72,468	73,732	74,069	76,300	88,663	72,468	88,663
Adjusted Shareholders' Equity	51,632	54,483	55,703	58,300	64,039	51,632	64,039
Return On Equity (ROE, attributable to AIG)							
ROE	(9.5)%	6.1 %	6.3 %	(14.7)%	2.1 %	1.0 %	3.3 %
Adjusted return on equity	(8.4)%	10.5 %	9.6 %	(18.2)%	6.9 %	4.1 %	6.4 %
Adjusted return on attributed equity - Core*	(11.6)%	10.5 %	10.2 %	(22.9)%	9.0 %	3.3 %	8.4 %
Adjusted return on attributed equity - Legacy Portfolio*	6.7 %	9.9 %	7.6 %	4.5 %	(1.8)%	8.1 %	(0.9)%
Normalized return on equity	6.6 %	9.1 %	8.1 %	4.8 %	8.1 %	8.0 %	8.2 %
Normalized return on attributed equity - Core*	7.2 %	9.9 %	8.7 %	3.8 %	8.1 %	8.6 %	9.0 %
Normalized return on attributed equity - Legacy Portfolio*	5.1 %	5.6 %	6.3 %	10.2 %	8.1 %	5.7 %	5.4 %

* Refer to pages 9, 10, and 11 for components of calculation.

See accompanying notes on page 15 and reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

AIG Capitalization

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Total equity	\$ 73,012	\$ 74,324	\$ 74,667	\$ 76,858	\$ 89,165	\$ 73,012	\$ 89,165
Hybrid debt securities (6)	836	865	847	843	861	836	861
Total equity and hybrid debt	73,848	75,189	75,514	77,701	90,026	73,848	90,026
Financial debt (6)	21,062	21,668	20,437	20,404	20,841	21,062	20,841
Total capital	\$ 94,910	\$ 96,857	\$ 95,951	\$ 98,105	\$ 110,867	\$ 94,910	\$ 110,867

Leverage Ratios

Hybrid debt securities / Total capital	0.9 %	0.9 %	0.9 %	0.9 %	0.8 %	0.9 %	0.8 %
Financial debt / Total capital	22.2	22.4	21.3	20.8	18.8	22.2	18.8
Total hybrids and financial debt / Total capital	23.1 %	23.3 %	22.2 %	21.7 %	19.6 %	23.1 %	19.6 %

Common Stock Repurchases

Aggregate repurchase of common stock	\$ 275	\$ 2,415	\$ 3,585	\$ 2,954	\$ 2,258	\$ 6,275	\$ 8,506
Number of common shares repurchased	4.6	39.1	56.0	47.5	39.8	99.7	153.1
Average price paid per share of common stock	\$ 60.49	\$ 61.72	\$ 64.02	\$ 62.10	\$ 56.67	\$ 62.95	\$ 55.57
Aggregate repurchases of warrants	\$ 3	\$ -	\$ -	\$ 46	\$ -	\$ 3	\$ 263
Number of warrants repurchased	0.2	-	-	2.4	-	0.2	15.0

Dividends

Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.96	\$ 0.96
Total dividends declared	\$ 287	\$ 290	\$ 307	\$ 321	\$ 338	\$ 884	\$ 1,051

Share Data (attributable to AIG, at period end)

Common shares outstanding	898.9	903.4	942.5	995.3	1,042.9	898.9	1,042.9
Closing share price	\$ 61.39	\$ 62.52	\$ 62.43	\$ 65.31	\$ 59.34	\$ 61.39	\$ 59.34
Book value per common share	80.62	81.62	78.59	76.66	85.02	80.62	85.02
Book value per common share, excluding AOCI	74.01	76.12	74.58	73.41	76.33	74.01	76.33
Adjusted book value per common share	57.44	60.31	59.10	58.57	61.41	57.44	61.41

See accompanying notes on page 15 and reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Consolidated Statement of Operations

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Revenues:							
Premiums	\$ 8,063	\$ 7,614	\$ 7,782	\$ 8,255	\$ 8,581	\$ 23,459	\$ 26,138
Policy fees	728	725	724	703	646	2,177	2,029
Net investment income:							
Interest and dividends	2,960	3,014	3,063	3,202	3,213	9,037	9,698
Alternative investments	355	371	448	384	365	1,174	309
Other investment income	237	356	301	115	320	894	810
Investment expenses	(136)	(128)	(126)	(115)	(115)	(390)	(338)
Total net investment income	3,416	3,613	3,686	3,586	3,783	10,715	10,479
Net realized capital gains (losses)	(922)	(69)	(115)	(1,115)	(765)	(1,106)	(829)
Other income (2)	466	619	555	1,581	609	1,640	1,540
Total revenues	11,751	12,502	12,632	13,010	12,854	36,885	39,357
Benefits, losses and expenses							
Policyholder benefits and losses incurred	10,322	6,284	6,047	11,689	7,489	22,653	20,748
Interest credited to policyholder account balances	867	906	910	907	887	2,683	2,798
Amortization of deferred policy acquisition costs	912	1,115	1,108	896	1,018	3,135	3,625
General operating and other expenses	2,149	2,182	2,443	2,864	2,536	6,774	8,125
Interest expense	290	292	298	305	329	880	955
(Gain) loss on extinguishment of debt	1	(4)	(1)	(2)	(14)	(4)	76
Net (gain) loss on sale of divested businesses (3)	13	60	100	(194)	(128)	173	(351)
Total benefits, losses and expenses	14,554	10,835	10,905	16,465	12,117	36,294	35,976
Income (loss) from continuing operations before income taxes	(2,803)	1,667	1,727	(3,455)	737	591	3,381
Income tax (benefit) expense	(1,091)	557	516	(985)	304	(18)	1,170
Income (loss) from continuing operations	(1,712)	1,110	1,211	(2,470)	433	609	2,211
Income (loss) from discontinued operations, net of income taxes	(1)	8	-	(36)	3	7	(54)
Net income (loss)	(1,713)	1,118	1,211	(2,506)	436	616	2,157
Net income (loss) attributable to noncontrolling interests (2)	26	(12)	26	535	(26)	40	(35)
Net income (loss) attributable to AIG	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ 462	\$ 576	\$ 2,192

See accompanying notes on page 15.



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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-Tax Operating Income (Loss)							
Commercial Insurance							
Liability and Financial Lines	\$ (257)	\$ 586	\$ 574	\$ (4,981)	\$ 948	\$ 903	\$ 2,332
Property and Special Risks	(2,605)	130	275	(42)	(263)	(2,200)	(44)
Total Commercial Insurance	(2,862)	716	849	(5,023)	685	(1,297)	2,288
Consumer Insurance							
Individual Retirement	718	558	539	542	920	1,815	1,727
Group Retirement	249	266	243	261	214	758	670
Life Insurance	112	106	54	(10)	(54)	272	(27)
Personal Insurance	(71)	330	212	176	148	471	510
Total Consumer Insurance	1,008	1,260	1,048	969	1,228	3,316	2,880
Other Operations	(287)	(302)	(246)	(183)	(164)	(835)	(565)
Consolidation, eliminations and other adjustments	(1)	28	48	42	(6)	75	-
Total Core	(2,142)	1,702	1,699	(4,195)	1,743	1,259	4,603
Legacy Portfolio	286	431	342	1,101	(99)	1,059	(94)
Total pre-tax operating income (loss)	\$ (1,856)	\$ 2,133	\$ 2,041	\$ (3,094)	\$ 1,644	\$ 2,318	\$ 4,509
After-Tax Operating Income (Loss)							
Commercial Insurance							
Liability and Financial Lines	\$ (206)	\$ 372	\$ 307	\$ (3,520)	\$ 679	\$ 473	\$ 1,581
Property and Special Risks	(1,738)	61	167	(56)	(192)	(1,510)	(83)
Total Commercial Insurance	(1,944)	433	474	(3,576)	487	(1,037)	1,498
Consumer Insurance							
Individual Retirement	487	370	363	363	596	1,220	1,126
Group Retirement	170	184	168	183	153	522	478
Life Insurance	71	65	30	(13)	(25)	166	(15)
Personal Insurance	(59)	200	130	102	79	271	283
Total Consumer Insurance	669	819	691	635	803	2,179	1,872
Other Operations	24	(68)	21	56	(114)	(23)	(75)
Total Core	(1,251)	1,184	1,186	(2,885)	1,176	1,119	3,295
Legacy Portfolio (4)	165	253	202	121	(58)	620	(97)
Net (income) loss attributable to NCI excluding income from Korea Fund	(25)	12	(21)	(23)	(3)	(34)	(5)
Total after-tax operating income	\$ (1,111)	\$ 1,449	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,705	\$ 3,193

See accompanying notes on page 15 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Normalized After-Tax Operating Income (Loss)							
Commercial Insurance							
Liability and Financial Lines	\$ 321	\$ 407	\$ 319	\$ (82)	\$ 645	\$ 1,047	\$ 1,794
Property and Special Risks	(111)	24	73	(73)	(40)	(14)	53
Total Commercial Insurance	210	431	392	(155)	605	1,033	1,847
Consumer Insurance							
Individual Retirement	318	359	343	345	346	1,020	960
Group Retirement	156	178	157	174	178	491	543
Life Insurance	49	62	26	(16)	33	137	61
Personal Insurance	87	157	85	85	41	329	202
Total Consumer Insurance	610	756	611	588	598	1,977	1,766
Other Operations	(48)	(81)	6	47	(142)	(123)	(81)
Total Core	772	1,106	1,009	480	1,061	2,887	3,532
Legacy Portfolio (4)	126	142	166	278	263	434	583
Net (income) loss attributable to NCI, excluding income from Korea Fund	(25)	12	(21)	(23)	(3)	(34)	(5)
Total normalized after-tax operating income (loss)	\$ 873	\$ 1,260	\$ 1,154	\$ 735	\$ 1,321	\$ 3,287	\$ 4,110
Average Adjusted Shareholders' Equity attributed by module							
Commercial Insurance							
Liability and Financial Lines	\$ 14,128	\$ 14,357	\$ 16,656	\$ 18,805	\$ 19,365	\$ 15,392	\$ 19,637
Property and Special Risks	8,037	8,179	8,271	8,494	8,796	8,154	8,854
Total Commercial Insurance	22,165	22,536	24,927	27,299	28,161	23,546	28,491
Consumer Insurance							
Individual Retirement	11,110	11,046	10,960	11,059	11,330	11,035	11,381
Group Retirement	6,092	6,057	6,010	6,064	6,193	6,051	6,211
Life Insurance	2,591	2,563	2,537	2,570	2,676	2,564	2,686
Personal Insurance	3,256	3,156	2,877	2,739	2,828	3,066	2,840
Total Consumer Insurance	23,049	22,822	22,384	22,432	23,027	22,716	23,118
Other Operations	(2,053)	(460)	(873)	571	954	(1,462)	628
Total Core	43,161	44,898	46,438	50,302	52,142	44,800	52,237
Legacy Portfolio	9,896	10,195	10,563	10,867	12,914	10,230	14,426
Total average adjusted shareholders' equity	\$ 53,057	\$ 55,093	\$ 57,001	\$ 61,169	\$ 65,056	\$ 55,030	\$ 66,663

See accompanying notes on page 15 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Adjusted Return on Attributed Equity							
Commercial Insurance							
Liability and Financial Lines	(5.8)%	10.4 %	7.4 %	(74.9)%	14.0 %	4.1 %	10.7 %
Property and Special Risks	(86.5)	3.0	8.1	(2.6)	(8.7)	(24.7)	(1.2)
Total Commercial Insurance	(35.1)	7.7	7.6	(52.4)	6.9	(5.9)	7.0
Consumer Insurance							
Individual Retirement	17.5	13.4	13.2	13.1	21.0	14.7	13.2
Group Retirement	11.2	12.2	11.2	12.1	9.9	11.5	10.3
Life Insurance	11.0	10.1	4.7	(2.0)	(3.7)	8.6	(0.7)
Personal Insurance	(7.2)	25.3	18.1	14.9	11.2	11.8	13.3
Total Consumer Insurance	11.6	14.4	12.3	11.3	13.9	12.8	10.8
Other Operations	NM	NM	NM	NM	NM	NM	NM
Total Core	(11.6)	10.5	10.2	(22.9)	9.0	3.3	8.4
Legacy Portfolio	6.7	9.9	7.6	4.5	(1.8)	8.1	(0.9)
Total adjusted return on attributed equity	(8.4)%	10.5 %	9.6 %	(18.2)%	6.9 %	4.1 %	6.4 %
Normalized Return on Attributed Equity							
Commercial Insurance							
Liability and Financial Lines	9.1 %	11.3 %	7.7 %	(1.7)%	13.3 %	9.1 %	12.2 %
Property and Special Risks	(5.5)	1.2	3.5	(3.4)	(1.8)	(0.2)	0.8
Total Commercial Insurance	3.8	7.6	6.3	(2.3)	8.6	5.8	8.6
Consumer Insurance							
Individual Retirement	11.4	13.0	12.5	12.5	12.2	12.3	11.2
Group Retirement	10.2	11.8	10.4	11.5	11.5	10.8	11.7
Life Insurance	7.6	9.7	4.1	(2.5)	4.9	7.1	3.0
Personal Insurance	10.7	19.9	11.8	12.4	5.8	14.3	9.5
Total Consumer Insurance	10.6	13.3	10.9	10.5	10.4	11.6	10.2
Other Operations	NM	NM	NM	NM	NM	NM	NM
Total Core	7.2	9.9	8.7	3.8	8.1	8.6	9.0
Legacy Portfolio (4)	5.1	5.6	6.3	10.2	8.1	5.7	5.4
Total normalized return on attributed equity	6.6 %	9.1 %	8.1 %	4.8 %	8.1 %	8.0 %	8.2 %

See accompanying notes on page 15 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
General Operating Expenses, Operating Basis							
Commercial Insurance							
Liability and Financial Lines	\$ 275	\$ 285	\$ 322	\$ 337	\$ 345	\$ 882	\$ 1,047
Property and Special Risks	201	219	219	281	247	639	765
Total Commercial Insurance	476	504	541	618	592	1,521	1,812
Consumer Insurance							
Individual Retirement (8)	103	108	110	107	99	321	381
Group Retirement (8)	88	66	102	93	92	256	267
Life Insurance (8)	135	141	161	164	152	437	504
Personal Insurance	441	386	402	488	431	1,229	1,317
Total Consumer Insurance	767	701	775	852	774	2,243	2,469
Other Operations	253	406	300	341	350	959	1,009
Consolidations, eliminations, and other (8)	(92)	(65)	(76)	(78)	(49)	(233)	(172)
Total Core	1,404	1,546	1,540	1,733	1,667	4,490	5,118
Legacy Portfolio (8)	98	115	121	125	106	334	359
Total general operating expenses	\$ 1,502	\$ 1,661	\$ 1,661	\$ 1,858	\$ 1,773	\$ 4,824	\$ 5,477
Other acquisition expenses							
Commercial Insurance							
Liability and Financial Lines	80	81	81	81	96	242	280
Property and Special Risks	70	73	68	73	75	211	224
Total Commercial Insurance	150	154	149	154	171	453	504
Consumer Insurance - Personal Insurance	129	128	127	139	145	384	418
Total other acquisition expenses	279	282	276	293	316	837	922
Loss adjustment expenses							
Commercial Insurance							
Liability and Financial Lines	147	144	158	157	175	449	551
Property and Special Risks	43	48	49	46	58	140	154
Total Commercial Insurance	190	192	207	203	233	589	705
Consumer Insurance - Personal Insurance	93	94	95	111	107	282	326
Legacy Portfolio - Legacy PC Runoff	6	10	2	-	-	18	-
Total loss adjustment expenses	289	296	304	314	340	889	1,031
Investment and other expenses	32	9	8	12	15	49	45
Total general operating expenses, operating basis	\$ 2,102	\$ 2,248	\$ 2,249	\$ 2,477	\$ 2,444	\$ 6,599	\$ 7,475

See accompanying notes on page 15, definition of General operating expenses, operating basis, on page 3 and reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)

Assets

Investments:

Fixed maturity securities

Bonds available for sale, at fair value

Other bond securities, at fair value

Equity securities

Common and preferred stock available for sale, at fair value

Other common and preferred stock, at fair value

Mortgage and other loans receivable, net of allowance

Other invested assets

Short-term investments

Total investments

Cash

Accrued investment income

Premiums and other receivables, net of allowance

Reinsurance assets, net of allowance

Deferred income taxes

Deferred policy acquisition costs

Other assets

Separate account assets, at fair value

Assets held for sale (5)

Total assets

Liabilities

Liability for unpaid losses and loss adjustment expenses

Unearned premiums

Future policy benefits for life and accident and health insurance contracts

Policyholder contract deposits

Other policyholder funds

Other liabilities

Long-term debt

Separate account liabilities

Liabilities held for sale (5)

Total liabilities

AIG shareholders' equity

Common stock

Treasury stock, at cost

Additional paid-in capital

Retained earnings

Accumulated other comprehensive income

Total AIG shareholders' equity

Non-redeemable noncontrolling interests

Total equity

Total liabilities and equity

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 237,771	\$ 235,289	\$ 230,698	\$ 241,537	\$ 260,649
Other bond securities, at fair value	12,653	13,478	13,605	13,998	14,772
Equity securities					
Common and preferred stock available for sale, at fair value	1,707	1,605	2,099	2,078	1,544
Other common and preferred stock, at fair value	538	506	500	482	498
Mortgage and other loans receivable, net of allowance	36,089	34,642	33,878	33,240	32,413
Other invested assets	22,590	23,132	23,652	24,538	25,747
Short-term investments	9,775	12,094	11,073	12,302	10,745
Total investments	321,123	320,746	315,505	328,175	346,368
Cash	2,433	2,517	1,918	1,868	2,498
Accrued investment income	2,416	2,337	2,386	2,495	2,608
Premiums and other receivables, net of allowance	11,156	10,921	11,130	10,465	11,606
Reinsurance assets, net of allowance	34,429	34,510	34,140	21,901	21,706
Deferred income taxes	20,954	20,171	20,881	21,332	18,412
Deferred policy acquisition costs	10,938	11,063	11,091	11,042	10,537
Other assets	10,324	9,852	10,606	10,815	11,546
Separate account assets, at fair value	89,300	87,090	85,917	82,972	82,626
Assets held for sale (5)	-	555	6,588	7,199	6,661
Total assets	\$ 503,073	\$ 499,762	\$ 500,162	\$ 498,264	\$ 514,568
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 80,087	\$ 76,422	\$ 76,050	\$ 77,077	\$ 72,487
Unearned premiums	20,135	19,992	19,840	19,634	21,047
Future policy benefits for life and accident and health insurance contracts	44,055	43,252	42,719	42,204	47,848
Policyholder contract deposits	134,514	133,295	132,639	132,216	132,808
Other policyholder funds	3,678	4,613	3,719	3,989	4,418
Other liabilities	27,253	28,135	28,093	26,296	27,983
Long-term debt	31,039	31,812	30,747	30,912	32,277
Separate account liabilities	89,300	87,090	85,917	82,972	82,626
Liabilities held for sale (5)	-	827	5,771	6,106	3,909
Total liabilities	430,061	425,438	425,495	421,406	425,403
AIG shareholders' equity					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(47,602)	(47,329)	(44,915)	(41,471)	(38,518)
Additional paid-in capital	80,976	80,913	80,846	81,064	81,281
Retained earnings	28,389	30,420	29,591	28,711	32,077
Accumulated other comprehensive income	5,939	4,962	3,781	3,230	9,057
Total AIG shareholders' equity	72,468	73,732	74,069	76,300	88,663
Non-redeemable noncontrolling interests	544	592	598	558	502
Total equity	73,012	74,324	74,667	76,858	89,165
Total liabilities and equity	\$ 503,073	\$ 499,762	\$ 500,162	\$ 498,264	\$ 514,568

See accompanying notes on page 15.



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

(in millions)	Debt and Hybrid Capital			Interest Expense			
	September 30, 2017	September 30, 2016	December 31, 2016	Three Months Ended September 30,		Nine Months Ended September 30,	
				2017	2016	2017	2016
Financial Debt							
AIG notes and bonds payable	\$ 20,078	\$ 19,836	\$ 19,432	\$ 218	\$ 220	\$ 651	\$ 648
AIG Japan Holdings Kabushiki Kaisha	342	364	330	-	1	1	1
AIG Life Holdings, Inc. notes and bonds payable	281	281	281	5	5	15	15
AIG Life Holdings, Inc. junior subordinated debt	361	360	361	7	8	22	24
Total	21,062	20,841	20,404	230	234	689	688
Operating Debt							
MIP notes payable	535	1,457	1,099	3	13	23	39
Series AIGFP matched notes and bonds payable	31	33	32	-	1	1	1
Other AIG borrowings supported by assets	2,998	3,664	3,428	-	-	-	-
Other subsidiaries	556	1,246	735	2	4	5	4
Borrowings of consolidated investments	5,021	4,175	4,371	43	62	123	170
Total	9,141	10,575	9,665	48	80	152	214
Hybrid - Debt Securities (6)							
Junior subordinated debt (7)	836	861	843	12	15	39	53
Total	31,039	32,277	30,912	290	329	880	955
AIG Capitalization							
Total equity	\$ 73,012	\$ 89,165	\$ 76,858				
Hybrid - debt securities (6) (7)	836	861	843				
Total equity and hybrid capital	73,848	90,026	77,701				
Financial debt	21,062	20,841	20,404				
Total capital	\$ 94,910	\$ 110,867	\$ 98,105				
Ratios							
Hybrid - debt securities / Total capital	0.9 %	0.8 %	0.9 %				
Financial debt / Total capital	22.2	18.8	20.8				
Total debt / Total capital	23.1 %	19.6 %	21.7 %				

See accompanying notes on page 15.



American International Group, Inc.

Consolidated Notes

- (1) For the quarter ended September 30, 2017 and December 31, 2016, because we reported a net loss and 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 sale of AIG's non-controlling interest in an AIG sponsored Fund (Korea Fund).
- (3) 2Q17 included held for sale impairment of Fuji Life and certain entities and operations being sold to Fairfax Financial Holdings Limited (Fairfax). 1Q17 included held for sale impairment of Fuji Life, United Guaranty Corporation (UGC), AIG Greece Representation of Insurance Enterprises S.A., and certain entities and operations being sold to Fairfax. 4Q16 included the sales of UGC, 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. The nine months ended September 30, 2016 included the sale of AIG Advisor Group in 2Q16.
- (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 AIG United Guaranty Insurance (Asia) Limited and certain entities and operations 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 62.
- (7) The junior subordinated debt securities receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings in the Condensed Consolidated Balance Sheets.
- (8) Prior to 2Q17, for presentation purposes, interest expense related to affordable housing partnership investments was included in general operating expenses, operating basis, with a corresponding offset in consolidations, eliminations and other since interest expense is excluded from general operating expenses, operating basis. Prior periods have been revised to conform with the current period presentation. This presentation change has no impact on general operating expenses, operating basis.

American International Group, Inc.
Commercial Insurance Operating Results

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Net premiums written	\$ 3,770	\$ 3,826	\$ 3,629	\$ 3,702	\$ 4,354	\$ 11,225	\$ 13,226
Net premiums earned	\$ 3,815	\$ 3,719	\$ 3,752	\$ 4,192	\$ 4,475	\$ 11,286	\$ 13,908
Losses and loss adjustment expenses incurred*	6,426	2,745	2,697	8,870	3,455	11,868	9,958
Acquisition expenses:							
Amortization of deferred policy acquisition costs	423	422	428	473	514	1,273	1,576
Other acquisition expenses	129	146	168	172	170	443	624
Total acquisition expenses	552	568	596	645	684	1,716	2,200
General operating expenses	476	504	541	618	592	1,521	1,812
Underwriting income (loss)	(3,639)	(98)	(82)	(5,941)	(256)	(3,819)	(62)
Net investment income (loss):							
Interest and dividends	606	615	651	775	790	1,872	2,380
Alternative investments	179	197	256	157	185	632	174
Other investment income (loss) (1)	26	32	51	8	(6)	109	(122)
Investment expenses	(34)	(30)	(27)	(22)	(28)	(91)	(82)
Total net investment income	777	814	931	918	941	2,522	2,350
Pre-tax operating income (loss)	\$ (2,862)	\$ 716	\$ 849	\$ (5,023)	\$ 685	\$ (1,297)	\$ 2,288
Underwriting Ratios							
Loss ratio*	168.4	73.8	71.9	211.5	77.3	105.2	71.5
Acquisition ratio	14.5	15.3	15.9	15.4	15.3	15.2	15.8
General operating expense ratio	12.5	13.6	14.4	14.7	13.2	13.5	13.0
Expense ratio	27.0	28.9	30.3	30.1	28.5	28.7	28.8
Combined ratio	195.4	102.7	102.2	241.6	105.8	133.9	100.3
Accident year loss ratio, as adjusted**	75.1	66.1	65.5	78.2	64.7	68.9	63.2
Accident year combined ratio, as adjusted**	102.1	95.0	95.8	108.3	93.2	97.6	92.0
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ 2,719	\$ 178	\$ 201	\$ 338	\$ 252	\$ 3,098	\$ 827
Reinstatement premiums related to catastrophes	-	-	-	1	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	(21)
Severe losses	232	125	40	72	95	397	333
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	837	62	23	5,240	317	922	337
(Additional) return premium related to prior year development on loss sensitive business	9	23	23	16	(11)	55	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	846	85	46	5,256	306	977	354
Net liability for unpaid losses and loss adjustment expenses (at period end)	42,596	39,109	39,246	51,540	47,585	42,596	47,585

* 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.

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

See accompanying notes on page 19 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

Results of Operations

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Net premiums written:							
U.S. Casualty (2)	\$ 811	\$ 708	\$ 754	\$ 776	\$ 941	\$ 2,273	\$ 2,696
International Casualty	332	340	447	309	379	1,119	1,303
Financial Lines	1,032	1,037	1,015	1,075	1,069	3,084	3,220
Total net premiums written	<u>\$ 2,175</u>	<u>\$ 2,085</u>	<u>\$ 2,216</u>	<u>\$ 2,160</u>	<u>\$ 2,389</u>	<u>\$ 6,476</u>	<u>\$ 7,219</u>
Net premiums earned	\$ 2,245	\$ 2,110	\$ 2,157	\$ 2,400	\$ 2,610	\$ 6,512	\$ 8,170
Losses and loss adjustment expenses incurred*	2,538	1,606	1,639	7,491	1,768	5,783	5,643
Acquisition expenses:							
Amortization of deferred policy acquisition costs	215	198	211	236	242	624	862
Other acquisition expenses	77	72	102	69	76	251	234
Total acquisition expenses	292	270	313	305	318	875	1,096
General operating expenses	275	285	322	337	345	882	1,047
Underwriting income (loss)	(860)	(51)	(117)	(5,733)	179	(1,028)	384
Net investment income (loss):							
Interest and dividends	496	499	519	648	659	1,514	1,962
Alternative investments	119	129	161	112	132	409	128
Other investment income (loss) (1)	13	33	32	7	(3)	78	(83)
Investment expenses	(25)	(24)	(21)	(15)	(19)	(70)	(59)
Total net investment income	603	637	691	752	769	1,931	1,948
Pre-tax operating income (loss)	\$ (257)	\$ 586	\$ 574	\$ (4,981)	\$ 948	\$ 903	\$ 2,332

Underwriting Ratios

Loss ratio*	113.1	76.1	76.0	312.0	67.7	88.8	69.1
Acquisition ratio	13.0	12.8	14.5	12.7	12.2	13.4	13.4
General operating expense ratio	12.2	13.5	14.9	14.0	13.2	13.5	12.8
Expense ratio	25.2	26.3	29.4	26.7	25.4	26.9	26.2
Combined ratio	<u>138.3</u>	<u>102.4</u>	<u>105.4</u>	<u>338.7</u>	<u>93.1</u>	<u>115.7</u>	<u>95.3</u>
Accident year loss ratio, as adjusted**	78.1	72.7	72.5	91.4	68.0	74.5	68.0
Accident year combined ratio, as adjusted**	103.3	99.0	101.9	118.1	93.4	101.4	94.2

Noteworthy Items (pre-tax)

Catastrophe-related losses	\$ 18	\$ -	\$ -	\$ -	\$ 4	\$ 18	\$ 4
Reinstatement premiums related to prior year catastrophes	-	-	-	-	1	-	1
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	760	21	58	5,283	(5)	839	69
(Additional) return premium related to prior year development on loss sensitive business	9	23	23	16	(11)	55	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	769	44	81	5,299	(16)	894	86
Net liability for unpaid losses and loss adjustment expenses (at period end)	33,177	32,453	32,941	44,209	39,977	33,177	39,977

* 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.

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

See accompanying notes on page 19 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Net premiums written:							
Property	\$ 926	\$ 1,087	\$ 621	\$ 802	\$ 1,151	\$ 2,634	\$ 3,472
Special Risks	669	654	792	740	814	2,115	2,535
Total net premiums written	<u>\$ 1,595</u>	<u>\$ 1,741</u>	<u>\$ 1,413</u>	<u>\$ 1,542</u>	<u>\$ 1,965</u>	<u>\$ 4,749</u>	<u>\$ 6,007</u>
Net premiums earned	\$ 1,570	\$ 1,609	\$ 1,595	\$ 1,792	\$ 1,865	\$ 4,774	\$ 5,738
Losses and loss adjustment expenses incurred*	3,888	1,139	1,058	1,379	1,687	6,085	4,315
Acquisition expenses:							
Amortization of deferred policy acquisition costs	208	224	217	237	272	649	714
Other acquisition expenses	52	74	66	103	94	192	390
Total acquisition expenses	260	298	283	340	366	841	1,104
General operating expenses	201	219	219	281	247	639	765
Underwriting income (loss)	(2,779)	(47)	35	(208)	(435)	(2,791)	(446)
Net investment income (loss):							
Interest and dividends	110	116	132	127	131	358	418
Alternative investments	61	67	95	45	53	223	46
Other investment income (loss) (1)	11	1	19	1	(3)	31	(39)
Investment expenses	(8)	(7)	(6)	(7)	(9)	(21)	(23)
Total net investment income	174	177	240	166	172	591	402
Pre-tax operating income (loss) (3)	<u>\$ (2,605)</u>	<u>\$ 130</u>	<u>\$ 275</u>	<u>\$ (42)</u>	<u>\$ (263)</u>	<u>\$ (2,200)</u>	<u>\$ (44)</u>
Underwriting Ratios							
Loss ratio*	247.6	70.8	66.3	77.0	90.5	127.5	75.2
Acquisition ratio	16.6	18.5	17.7	19.0	19.6	17.6	19.2
General operating expense ratio	12.8	13.6	13.7	15.7	13.2	13.4	13.3
Expense ratio	29.4	32.1	31.4	34.7	32.8	31.0	32.5
Combined ratio	277.0	102.9	97.7	111.7	123.3	158.5	107.7
Accident year loss ratio, as adjusted	70.7	57.2	55.9	60.5	59.9	61.2	56.4
Accident year combined ratio, as adjusted	100.1	89.3	87.3	95.2	92.7	92.2	88.9
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ 2,701	\$ 178	\$ 201	\$ 338	\$ 248	\$ 3,080	\$ 823
Reinstatement premiums related to catastrophes	-	-	-	1	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	-	-	(1)	-	(22)
Severe losses	232	125	40	72	95	397	333
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	77	41	(35)	(43)	322	83	268
Net liability for unpaid losses and loss adjustment expenses (at period end)	9,419	6,656	6,305	7,331	7,608	9,419	7,608

* 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 19 and reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Commercial Insurance Notes

- (1) Other investment income (loss) is comprised principally of real estate income, changes in market value of investments accounted for under the fair value option, and income (loss) from equity method investments.
- (2) U.S. Casualty net premiums written includes non-U.S. casualty exposures, primarily from intercompany reinsurance assumptions from International Casualty, of \$165 million, \$158 million, \$199 million, \$153 million, and \$145 million in 3Q17, 2Q17, 1Q17, 4Q16, and 3Q16, 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.

	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	September 30, 2016
Impact of UGC reinsurance treaty in Commercial							
Accident year loss ratio, as adjusted - before UGC reinsurance treaty	75.4	67.6	66.4	79.3	65.5	69.8	63.9
Impact of UGC reinsurance treaty	(0.3)	(1.5)	(0.9)	(1.1)	(0.8)	(0.9)	(0.7)
Accident year loss ratio, as adjusted - as reported - Commercial	75.1	66.1	65.5	78.2	64.7	68.9	63.2
Pre-tax operating income (loss) - before UGC reinsurance treaty	\$ (2,873)	\$ 658	\$ 812	\$ (5,063)	\$ 645	\$ (1,403)	\$ 2,182
Impact of UGC reinsurance treaty*	11	58	37	40	40	106	106
Pre-tax operating income (loss) - as reported - Commercial	\$ (2,862)	\$ 716	\$ 849	\$ (5,023)	\$ 685	\$ (1,297)	\$ 2,288
Impact of UGC reinsurance treaty in PSR							
Accident year loss ratio, as adjusted - before UGC reinsurance treaty	71.4	60.3	57.7	62.5	61.8	63.1	57.9
Impact of UGC reinsurance treaty	(0.7)	(3.1)	(1.8)	(2.0)	(1.9)	(1.9)	(1.5)
Accident year loss ratio, as adjusted - as reported - PSR	70.7	57.2	55.9	60.5	59.9	61.2	56.4
Pre-tax operating income (loss) - before UGC reinsurance treaty	\$ (2,616)	\$ 72	\$ 238	\$ (82)	\$ (303)	\$ (2,306)	\$ (150)
Impact of UGC reinsurance treaty*	11	58	37	40	40	106	106
Pre-tax operating income (loss) - as reported - PSR	\$ (2,605)	\$ 130	\$ 275	\$ (42)	\$ (263)	\$ (2,200)	\$ (44)

* 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)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Revenues:							
Premiums	\$ 3,237	\$ 3,223	\$ 3,141	\$ 3,261	\$ 3,313	\$ 9,601	\$ 9,754
Policy fees	646	650	644	619	573	1,940	1,792
Net investment income	1,843	1,882	1,940	1,918	1,903	5,665	5,427
Advisory fee and other income	228	225	217	219	220	670	1,059
Total operating revenues	5,954	5,980	5,942	6,017	6,009	17,876	18,032
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	2,426	2,069	2,174	2,157	2,367	6,669	6,701
Interest credited to policyholder account balances	742	789	788	807	755	2,319	2,398
Amortization of deferred policy acquisition costs	539	737	708	752	455	1,984	1,929
Non deferrable insurance commissions	142	123	130	119	116	395	347
Advisory fee expenses	83	79	76	79	76	238	566
General operating expenses*	982	905	995	1,111	989	2,882	3,146
Interest expense (15)	32	18	23	23	23	73	65
Total benefits, losses and expenses	4,946	4,720	4,894	5,048	4,781	14,560	15,152
Pre-tax operating income (1)	\$ 1,008	\$ 1,260	\$ 1,048	\$ 969	\$ 1,228	\$ 3,316	\$ 2,880

* General operating expenses include other acquisition expenses.

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Premiums and deposits	\$ 2,526	\$ 2,892	\$ 3,382	\$ 3,078	\$ 3,363	\$ 8,800	\$ 12,984
Revenues:							
Premiums	\$ 22	\$ 31	\$ 28	\$ 34	\$ 37	\$ 81	\$ 129
Policy fees	190	192	185	181	183	567	528
Net investment income (loss):							
Base portfolio (2)	869	878	888	873	887	2,635	2,658
Alternative investments	41	44	60	65	67	145	66
Other enhancements (3)	63	81	59	72	55	203	144
Total net investment income	973	1,003	1,007	1,010	1,009	2,983	2,868
Advisory fee and other income	158	157	153	151	151	468	857
Total operating revenues	1,343	1,383	1,373	1,376	1,380	4,099	4,382
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	15	36	37	40	(20)	88	133
Interest credited to policyholder account balances	366	412	415	425	370	1,193	1,259
Amortization of deferred policy acquisition costs	(20)	126	129	133	(119)	235	165
Non deferrable insurance commissions and other (14)	82	73	72	60	59	227	166
Advisory fee expenses	61	60	58	56	58	179	514
General operating expenses	103	108	110	107	99	321	381
Interest expense (15)	18	10	13	13	13	41	37
Total benefits, losses and expenses	625	825	834	834	460	2,284	2,655
Pre-tax operating income	\$ 718	\$ 558	\$ 539	\$ 542	\$ 920	\$ 1,815	\$ 1,727
Noteworthy Items (pre-tax)							
Actuarial assumption update income (loss)	\$ 242	\$ -	\$ -	\$ -	\$ 369	\$ 242	\$ 369

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Assets under management:							
General accounts	\$ 23,858	\$ 23,155	\$ 21,936	\$ 22,503	\$ 22,982	\$ 23,858	\$ 22,982
Separate accounts	47,548	46,273	45,224	43,463	43,247	47,548	43,247
Total assets under management	\$ 71,406	\$ 69,428	\$ 67,160	\$ 65,966	\$ 66,229	\$ 71,406	\$ 66,229
Net investment spreads:							
Total yield	5.08 %	5.20 %	5.24 %	5.13 %	5.04 %	5.17 %	4.61 %
Less: Alternative investments (5)	(0.23)	(0.25)	(0.41)	(0.35)	(0.36)	(0.29)	0.12
Less: Other enhancements (6)	(0.18)	(0.36)	(0.24)	(0.27)	(0.24)	(0.26)	(0.08)
Base yield (7)	4.67	4.59	4.59	4.51	4.44	4.62	4.65
Cost of funds (a)	1.25	1.29	1.28	1.28	1.42	1.27	1.50
Base net investment spread (b)	3.42 %	3.30 %	3.31 %	3.23 %	3.02 %	3.35 %	3.15 %
DAC rollforward:							
Balance at beginning of period	\$ 2,628	\$ 2,579	\$ 2,533	\$ 2,099	\$ 2,080	\$ 2,533	\$ 2,142
Deferrals	77	91	83	93	107	251	352
Operating amortization	(2)	(54)	(54)	(60)	(56)	(110)	(181)
Change from realized gains (losses)	80	55	57	267	(8)	192	(6)
Change from unrealized gains (losses)	(84)	(43)	(40)	134	(24)	(167)	(208)
Balance at end of period	\$ 2,699	\$ 2,628	\$ 2,579	\$ 2,533	\$ 2,099	\$ 2,699	\$ 2,099
Reserve rollforward:							
Balance at beginning of period, gross	\$ 65,104	\$ 63,155	\$ 61,026	\$ 61,332	\$ 59,369	\$ 61,026	\$ 55,307
Premiums and deposits	1,337	1,561	1,468	1,471	1,703	4,366	5,723
Surrenders and withdrawals	(920)	(988)	(935)	(864)	(779)	(2,843)	(2,168)
Death and other contract benefits	(210)	(208)	(210)	(197)	(206)	(628)	(609)
Subtotal	65,311	63,520	61,349	61,742	60,087	61,921	58,253
Change in fair value of underlying assets and reserve accretion, net of policy fees	1,822	1,467	1,730	(900)	1,254	5,019	2,900
Cost of funds (a)	53	52	49	49	52	154	155
Other reserve changes	(136)	65	27	135	(61)	(44)	24
Balance at end of period	67,050	65,104	63,155	61,026	61,332	67,050	61,332
Reinsurance ceded	(33)	(41)	(42)	(43)	(20)	(33)	(20)
Total insurance reserves	\$ 67,017	\$ 65,063	\$ 63,113	\$ 60,983	\$ 61,312	\$ 67,017	\$ 61,312

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

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

See accompanying notes on page 31.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Assets under management:							
General accounts	\$ 58,894	\$ 58,483	\$ 59,002	\$ 58,212	\$ 60,775	\$ 58,894	\$ 60,775
Separate accounts	32	32	32	31	31	32	31
Total assets under management	\$ 58,926	\$ 58,515	\$ 59,034	\$ 58,243	\$ 60,806	\$ 58,926	\$ 60,806
Net investment spreads (a):							
Total yield	5.00 %	5.28 %	5.26 %	5.27 %	5.21 %	5.17 %	5.02 %
Less: Alternative investments (5)	(0.11)	(0.11)	(0.16)	(0.15)	(0.12)	(0.12)	0.05
Less: Other enhancements (6)	(0.20)	(0.27)	(0.16)	(0.26)	(0.14)	(0.21)	(0.12)
Base yield (7)	4.69	4.90	4.94	4.86	4.95	4.84	4.95
Cost of funds (b)	2.65	2.64	2.67	2.69	2.74	2.65	2.76
Base net investment spread (c)	2.04 %	2.26 %	2.27 %	2.17 %	2.21 %	2.19 %	2.19 %
DAC rollforward:							
Balance at beginning of period	\$ 910	\$ 1,028	\$ 1,067	\$ 766	\$ 720	\$ 1,067	\$ 1,111
Deferrals	13	14	22	12	14	49	82
Operating amortization	22	(72)	(75)	(73)	175	(125)	16
Change from realized gains (losses)	(1)	(1)	(3)	(1)	-	(5)	13
Change from unrealized gains (losses)	(48)	(59)	17	363	(143)	(90)	(456)
Balance at end of period	\$ 896	\$ 910	\$ 1,028	\$ 1,067	\$ 766	\$ 896	\$ 766
Reserve rollforward:							
Balance at beginning of period, gross	\$ 51,353	\$ 51,912	\$ 52,285	\$ 52,910	\$ 53,433	\$ 52,285	\$ 52,955
Premiums and deposits	592	633	917	546	570	2,142	3,436
Surrenders and withdrawals	(751)	(902)	(901)	(970)	(946)	(2,554)	(2,999)
Death and other contract benefits	(535)	(613)	(593)	(508)	(527)	(1,741)	(1,677)
Subtotal	50,659	51,030	51,708	51,978	52,530	50,132	51,715
Change in fair value of underlying assets and reserve accretion, net of policy fees	46	49	59	6	68	154	151
Cost of funds (b)	331	329	333	345	355	993	1,065
Other reserve changes	(16)	(55)	(188)	(44)	(43)	(259)	(21)
Balance at end of period	51,020	51,353	51,912	52,285	52,910	51,020	52,910
Reinsurance ceded	(291)	(292)	(295)	(328)	(332)	(291)	(332)
Total insurance reserves	\$ 50,729	\$ 51,061	\$ 51,617	\$ 51,957	\$ 52,578	\$ 50,729	\$ 52,578

(a) Excludes immediate annuities.

(b) Excludes the amortization of deferred SIAs.

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

See accompanying notes on page 31.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Premiums and deposits:							
Fixed Annuities	\$ 592	\$ 633	\$ 917	\$ 546	\$ 570	\$ 2,142	\$ 3,436
Variable Annuities	736	841	862	923	1,092	2,439	3,584
Index Annuities	601	720	606	548	611	1,927	2,139
Retail Mutual Funds	597	698	997	1,061	1,090	2,292	3,825
Total premiums and deposits	2,526	2,892	3,382	3,078	3,363	8,800	12,984
Surrenders and withdrawals:							
Fixed Annuities	(751)	(902)	(901)	(970)	(946)	(2,554)	(2,999)
Variable Annuities	(843)	(916)	(858)	(796)	(723)	(2,617)	(2,015)
Index Annuities	(77)	(72)	(77)	(68)	(56)	(226)	(153)
Retail Mutual Funds	(828)	(872)	(1,038)	(860)	(676)	(2,738)	(2,166)
Total surrenders and withdrawals	(2,499)	(2,762)	(2,874)	(2,694)	(2,401)	(8,135)	(7,333)
Death and other contract benefits:							
Fixed Annuities	(535)	(613)	(593)	(508)	(527)	(1,741)	(1,677)
Variable Annuities	(194)	(192)	(196)	(189)	(198)	(582)	(581)
Index Annuities	(16)	(16)	(14)	(8)	(8)	(46)	(28)
Total death and other contract benefits	(745)	(821)	(803)	(705)	(733)	(2,369)	(2,286)
Net flows (4):							
Fixed Annuities	(694)	(882)	(577)	(932)	(903)	(2,153)	(1,240)
Variable Annuities	(301)	(267)	(192)	(62)	171	(760)	988
Index Annuities	508	632	515	472	547	1,655	1,958
Retail Mutual Funds	(231)	(174)	(41)	201	414	(446)	1,659
Total net flows	\$ (718)	\$ (691)	\$ (295)	\$ (321)	\$ 229	\$ (1,704)	\$ 3,365
Surrender rates (8):							
Fixed Annuities	5.9%	7.0%	7.0%	7.4%	7.2%	6.6%	7.6%
Variable and Index Annuities	5.6%	6.2%	6.0%	5.7%	5.2%	5.9%	5.0%

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Premiums and deposits	\$ 1,860	\$ 1,802	\$ 2,040	\$ 2,056	\$ 1,821	\$ 5,702	\$ 5,514
Revenues:							
Premiums	\$ 8	\$ 4	\$ 9	\$ 6	\$ 9	\$ 21	\$ 21
Policy fees	113	101	99	98	99	313	285
Net investment income (loss):							
Base portfolio (2)	479	473	481	485	493	1,433	1,477
Alternative investments	22	23	31	33	33	76	33
Other enhancements (3)	23	39	43	40	28	105	78
Total net investment income	524	535	555	558	554	1,614	1,588
Advisory fee and other income	57	56	55	54	55	168	159
Total operating revenues	702	696	718	716	717	2,116	2,053
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	10	5	21	(3)	14	36	31
Interest credited to policyholder account balances	283	284	278	286	289	845	849
Amortization of deferred policy acquisition costs	12	25	22	23	63	59	106
Non deferrable insurance commissions and other (14)	28	25	27	26	20	80	59
Advisory fee expenses	22	19	18	23	18	59	52
General operating expenses	88	66	102	93	92	256	267
Interest expense (15)	10	6	7	7	7	23	19
Total benefits, losses and expenses	453	430	475	455	503	1,358	1,383
Pre-tax operating income (loss)	\$ 249	\$ 266	\$ 243	\$ 261	\$ 214	\$ 758	\$ 670
Noteworthy items (pre-tax)							
Actuarial assumption update income (loss)	\$ 13	\$ -	\$ -	\$ -	\$ (47)	\$ 13	\$ (47)

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Assets under administration:							
General accounts	\$ 46,994	\$ 46,922	\$ 45,679	\$ 46,385	\$ 47,563	\$ 46,994	\$ 47,563
Separate accounts	35,196	34,304	33,649	32,470	32,307	35,196	32,307
Group Retirement mutual funds	19,135	17,994	17,188	16,310	16,206	19,135	16,206
Total assets under administration	\$ 101,325	\$ 99,220	\$ 96,516	\$ 95,165	\$ 96,076	\$ 101,325	\$ 96,076
Net investment spreads:							
Total yield	4.76 %	4.86 %	5.16 %	5.04 %	5.01 %	4.92 %	4.87 %
Less: Alternative investments (5)	(0.14)	(0.14)	(0.21)	(0.19)	(0.16)	(0.16)	0.06
Less: Other enhancements (6)	(0.10)	(0.25)	(0.26)	(0.25)	(0.14)	(0.20)	(0.11)
Base yield (7)	4.52	4.47	4.69	4.60	4.71	4.56	4.82
Cost of funds (a)	2.78	2.82	2.81	2.85	2.86	2.80	2.90
Base net investment spread (b)	1.74 %	1.65 %	1.88 %	1.75 %	1.85 %	1.76 %	1.92 %
Net flows:							
Premiums and deposits	\$ 1,860	\$ 1,802	\$ 2,040	\$ 2,056	\$ 1,821	\$ 5,702	\$ 5,514
Surrenders and withdrawals	(1,740)	(1,835)	(2,288)	(2,448)	(1,796)	(5,863)	(5,141)
Death and other contract benefits	(135)	(148)	(134)	(141)	(122)	(417)	(395)
Total net flows	\$ (15)	\$ (181)	\$ (382)	\$ (533)	\$ (97)	\$ (578)	\$ (22)
Surrender rates (8)	7.4 %	8.0 %	10.2 %	11.1 %	8.3 %	8.5 %	8.0 %
DAC rollforward:							
Balance at beginning of period	\$ 926	\$ 949	\$ 931	\$ 843	\$ 903	\$ 931	\$ 1,009
Deferrals	16	21	18	23	20	55	57
Operating amortization	(12)	(25)	(22)	(23)	(63)	(59)	(106)
Change from realized gains (losses)	1	(1)	(1)	6	(8)	(1)	(6)
Change from unrealized gains (losses)	(12)	(18)	23	82	(9)	(7)	(111)
Balance at end of period	\$ 919	\$ 926	\$ 949	\$ 931	\$ 843	\$ 919	\$ 843
Reserve rollforward:							
Balance at beginning of period, gross	\$ 92,649	\$ 90,958	\$ 88,622	\$ 88,200	\$ 85,943	\$ 88,622	\$ 84,145
Premiums and deposits	1,860	1,802	2,040	2,056	1,821	5,702	5,514
Surrenders and withdrawals	(1,740)	(1,835)	(2,288)	(2,448)	(1,796)	(5,863)	(5,141)
Death and other contract benefits	(135)	(148)	(134)	(141)	(122)	(417)	(395)
Subtotal	92,634	90,777	88,240	87,667	85,846	88,044	84,123
Change in fair value of underlying assets and reserve accretion, net of policy fees	2,078	1,593	2,444	676	2,074	6,115	3,247
Cost of funds (a)	280	279	274	279	280	833	830
Total insurance reserves and Group Retirement mutual funds	\$ 94,992	\$ 92,649	\$ 90,958	\$ 88,622	\$ 88,200	\$ 94,992	\$ 88,200

(a) Excludes the amortization of SIAs.

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

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly				
	3Q17	2Q17	1Q17	4Q16	3Q16
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 67,294	\$ 65,785	\$ 65,439	\$ 64,029	\$ 63,836
Guaranteed Minimum Income Benefits (GMIB) (c)	2,392	2,362	2,360	2,316	2,358
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	43,937	42,952	41,885	40,557	40,367
Liability by benefit type (a)					
GMDB (b)	\$ 303	\$ 377	\$ 378	\$ 392	\$ 393
GMIB (c)	10	11	9	10	11
GMWB (d)	2,104	1,917	1,671	1,777	2,793

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

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016*
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA	\$ 284	\$ (19)	\$ 591	\$ 2,501	\$ 25	\$ 856	\$ (2,502)
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	26	80	11	(150)	17	117	270
Interest rate derivative contracts	(20)	213	(183)	(1,605)	27	10	1,411
Equity derivative contracts	(310)	(259)	(409)	(269)	(350)	(978)	(650)
Change in fair value of variable annuity hedging portfolio	(304)	34	(581)	(2,024)	(306)	(851)	1,031
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	(20)	15	10	477	(281)	5	(1,471)
Change in fair value of embedded derivatives due to NPA spread	(82)	(218)	(185)	(341)	(68)	(485)	55
Change in fair value of embedded derivatives due to change in NPA volume	(114)	79	(203)	(1,048)	158	(238)	1,305
Change in fair value of embedded derivatives due to update of actuarial assumptions	(188)	-	-	-	(101)	(188)	(101)
Total change due to update of actuarial assumptions and NPA	(384)	(139)	(388)	(1,389)	(11)	(911)	1,259
Net impact on pre-tax income (loss)	\$ (404)	\$ (124)	\$ (378)	\$ (912)	\$ (292)	\$ (906)	\$ (212)

* The change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA includes revisions for the three-month periods ended March 31, 2016 from \$(1,116) million to \$(1,586) million and June 30, 2016 from \$(885) million to \$(941) million. The change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio includes revisions for the three-month periods ended March 31, 2016 from \$(270) million to \$(740) million and June 30, 2016 from \$(394) million to \$(450) million. The change in fair value of embedded derivatives due to change in NPA volume includes revisions for the three-month periods ended March 31, 2016 from \$203 million to \$673 million and June 30, 2016 from \$418 million to \$474 million. The total change due to update of actuarial assumptions and NPA includes revisions for the three-month periods ended March 31, 2016 from \$358 million to \$828 million and June 30, 2016 from \$386 million to \$442 million. These changes had no impact on pre-tax income (loss) and are not considered material to previously issued financial statements.

See accompanying notes on page 31.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Premiums and deposits	\$ 935	\$ 947	\$ 910	\$ 911	\$ 880	\$ 2,792	\$ 2,608
Revenues:							
Premiums	\$ 384	\$ 400	\$ 384	\$ 339	\$ 349	\$ 1,168	\$ 1,068
Policy fees	343	357	360	340	291	1,060	979
Net investment income (loss):							
Base portfolio (2)	239	235	237	234	235	711	712
Alternative investments	9	10	13	16	15	32	16
Other enhancements (3)	12	16	10	13	17	38	44
Total net investment income	260	261	260	263	267	781	772
Advisory fee and other income (10)	13	12	9	14	14	34	43
Total operating revenues	1,000	1,030	1,013	956	921	3,043	2,862
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	587	615	593	601	730	1,795	1,851
Interest credited to policyholder account balances	93	93	95	96	96	281	290
Amortization of deferred policy acquisition costs (16)	37	48	76	69	(43)	161	113
Non deferrable insurance commissions and other (14)	32	25	31	33	37	88	122
General operating expenses	135	141	161	164	152	437	504
Interest expense (15)	4	2	3	3	3	9	9
Total benefits, losses and expenses	888	924	959	966	975	2,771	2,889
Pre-tax operating income (loss)	\$ 112	\$ 106	\$ 54	\$ (10)	\$ (54)	\$ 272	\$ (27)
Noteworthy items (pre-tax)							
Actuarial assumption update income (loss)	\$ 29	\$ -	\$ -	\$ -	\$ (92)	\$ 29	\$ (92)
Pre-tax operating income (loss) Domestic Life	90	88	62	-	(43)	240	7
Pre-tax operating income (loss) International Life	22	18	(8)	(10)	(11)	32	(34)

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Gross life insurance in force, end of period:							
Domestic Life	\$ 857,445	\$ 852,679	\$ 847,182	\$ 842,021	\$ 836,476	\$ 857,445	\$ 836,476
International Life	92,877	84,764	76,772	72,478	73,735	92,877	73,735
Total	\$ 950,322	\$ 937,443	\$ 923,954	\$ 914,499	\$ 910,211	\$ 950,322	\$ 910,211
Life and A&H CPPE sales (11):							
Term	\$ 52	\$ 53	\$ 45	\$ 47	\$ 48	\$ 150	\$ 146
Universal life	40	37	28	30	18	105	54
Other life	9	8	5	1	1	22	1
Single premium and unscheduled deposits	3	2	2	1	2	7	5
A&H	6	6	7	7	6	19	29
Total	\$ 110	\$ 106	\$ 87	\$ 86	\$ 75	\$ 303	\$ 235
Surrender/lapse rates (12):							
Domestic Life:							
Independent distribution	4.82 %	5.07 %	5.08 %	5.30 %	6.74 %	4.99 %	6.60 %
Career distribution	6.70 %	6.40 %	6.94 %	7.32 %	7.65 %	6.68 %	7.44 %
DAC/VOBA rollforward:							
Balance at beginning of period	\$ 3,152	\$ 3,105	\$ 3,013	\$ 2,868	\$ 2,754	\$ 3,013	\$ 2,888
Deferrals	109	113	115	110	104	337	290
Operating amortization	(37)	(48)	(76)	(69)	43	(161)	(113)
Change from realized gains (losses)	2	2	-	(1)	(1)	4	4
Change from unrealized gains (losses)	(249)	(30)	49	117	(27)	(230)	(173)
Foreign exchange translation	35	10	4	(12)	(5)	49	(28)
Balance at end of period	\$ 3,012	\$ 3,152	\$ 3,105	\$ 3,013	\$ 2,868	\$ 3,012	\$ 2,868
Reserve rollforward:							
Balance at beginning of period, gross	\$ 18,694	\$ 18,533	\$ 18,397	\$ 18,306	\$ 18,050	\$ 18,397	\$ 18,006
Premiums and deposits	860	884	856	869	841	2,600	2,522
Surrenders and withdrawals	(143)	(136)	(158)	(169)	(149)	(437)	(481)
Death and other contract benefits	(151)	(159)	(131)	(128)	(144)	(441)	(394)
Subtotal	19,260	19,122	18,964	18,878	18,598	20,119	19,653
Change in fair value of underlying assets and reserve accretion, net of policy fees	(242)	(229)	(204)	(263)	(204)	(675)	(770)
Cost of funds	93	93	95	96	96	281	290
Other reserve changes	(287)	(305)	(326)	(300)	(178)	(918)	(833)
Foreign exchange translation	12	13	4	(14)	(6)	29	(34)
Balance at end of period	18,836	18,694	18,533	18,397	18,306	18,836	18,306
Reinsurance ceded	(1,049)	(1,075)	(1,074)	(1,085)	(1,079)	(1,049)	(1,079)
Total insurance reserves	\$ 17,787	\$ 17,619	\$ 17,459	\$ 17,312	\$ 17,227	\$ 17,787	\$ 17,227
Domestic Life	17,577	17,436	17,304	17,179	17,109	17,577	17,109
International Life	210	183	155	133	118	210	118
Total insurance reserves	\$ 17,787	\$ 17,619	\$ 17,459	\$ 17,312	\$ 17,227	\$ 17,787	\$ 17,227

See accompanying notes on page 31.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Net premiums written	\$ 2,807	\$ 2,846	\$ 2,668	\$ 2,810	\$ 2,922	\$ 8,321	\$ 8,655
Net premiums earned	\$ 2,823	\$ 2,788	\$ 2,720	\$ 2,882	\$ 2,918	\$ 8,331	\$ 8,536
Losses and loss adjustment expenses incurred	1,814	1,413	1,523	1,519	1,643	4,750	4,686
Acquisition expenses:	-						
Amortization of deferred policy acquisition costs	510	538	481	527	554	1,529	1,545
Other acquisition expenses	215	204	220	259	215	639	677
Total acquisition expenses	725	742	701	786	769	2,168	2,222
General operating expenses	441	386	402	488	431	1,229	1,317
Underwriting income (loss)	(157)	247	94	89	75	184	311
Net investment income	86	83	118	87	73	287	199
Pre-tax operating income (loss)	\$ (71)	\$ 330	\$ 212	\$ 176	\$ 148	\$ 471	\$ 510
Underwriting Ratios							
Loss ratio	64.3	50.7	56.0	52.7	56.3	57.0	54.9
Acquisition ratio	25.7	26.6	25.8	27.3	26.4	26.0	26.0
General operating expense ratio	15.6	13.8	14.8	16.9	14.8	14.8	15.4
Expense ratio	41.3	40.4	40.6	44.2	41.2	40.8	41.4
Combined ratio	105.6	91.1	96.6	96.9	97.5	97.8	96.3
Accident year loss ratio, as adjusted (13)	53.7	50.8	55.0	51.7	56.5	53.1	55.0
Accident year combined ratio, as adjusted	95.0	91.2	95.6	95.9	97.7	93.9	96.4
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ 297	\$ 2	\$ 27	\$ 45	\$ 27	\$ 326	\$ 115
Severe losses	11	-	17	12	-	28	16
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	-	(4)	1	(15)	(33)	(3)	(120)
Net liability for unpaid losses and loss adjustment expenses (at period end)	4,742	4,262	4,405	4,400	4,806	4,742	4,806

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.

Consumer Insurance Notes

- (1) Consumer Insurance Pre-tax operating income in 3Q16 and 3Q17 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, lapse rates, fees and separate account long-term asset growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees. Consolidated pre-tax income in these periods also included adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives, primarily due to updated assumptions for lapses, mortality, risk margins and utilization of withdrawal benefits. Changes in the fair value of such embedded derivatives are recorded in net realized capital gains (losses) and, together with related DAC adjustments, are excluded from 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>	Life Insurance		Individual Retirement - Fixed Annuities		Individual Retirement - Variable and Index Annuities		Group Retirement		Total Consumer	
	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16
Policy fees	\$ (9)	\$ (47)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9)	\$ (47)
Interest credited to policyholder account balances	-	-	36	79	11	(10)	2	(4)	49	65
Amortization of deferred policy acquisition costs	34	105	94	251	55	1	11	(43)	194	314
Policyholder benefits and claims incurred	4	(150)	-	-	46	48	-	-	50	(102)
Pre-tax operating income (loss)	\$ 29	\$ (92)	\$ 130	\$ 330	\$ 112	\$ 39	\$ 13	\$ (47)	\$ 284	\$ 230
Changes in DAC related to net realized capital gains (losses)	-	-	-	-	43	15	1	(2)	44	13
Net realized capital gains (losses)	-	-	-	-	(208)	(13)	(38)	(43)	(246)	(56)
Increase (decrease) to pre-tax income (loss)	\$ 29	\$ (92)	\$ 130	\$ 330	\$ (53)	\$ 41	\$ (24)	\$ (92)	\$ 82	\$ 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 nine months ended September 30, 2016 accident year loss ratio, as adjusted, includes a single large loss event in 2Q16 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.
- (15) Prior to 2Q17, for presentation purposes, interest expense related to affordable housing and other partnership investments was included in general operating expenses. Prior periods have been revised to conform with the current period presentation. This presentation change has no impact on pre-tax operating income.
- (16) 2Q17 includes lower international DAC amortization primarily due to new business and lapse assumptions.

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

(in millions)	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	2016
Results of Operations							
Revenues:							
Premiums	\$ 878	\$ 531	\$ 726	\$ 657	\$ 619	\$ 2,135	\$ 1,969
Policy fees	44	44	44	46	44	132	133
Net investment income	156	170	162	206	197	488	564
Other income (loss)	140	154	158	94	143	452	349
Total operating revenues	1,218	899	1,090	1,003	1,003	3,207	3,015
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	937	474	717	491	460	2,128	1,506
Interest credited to policyholder account balances	65	62	58	61	59	185	183
Acquisition expenses:							
Amortization of deferred policy acquisition costs	2	(2)	(5)	22	21	(5)	54
Other acquisition expenses	2	17	22	28	29	41	88
Total acquisition expenses	4	15	17	50	50	36	142
General operating expenses	253	406	300	341	350	959	1,009
Interest expense	246	244	244	243	248	734	740
Total benefits, losses and expenses	1,505	1,201	1,336	1,186	1,167	4,042	3,580
Pre-tax operating income (loss) before consolidation and eliminations	(287)	(302)	(246)	(183)	(164)	(835)	(565)
Consolidation, eliminations and other adjustments	(1)	28	48	42	(6)	75	-
Pre-tax operating income (loss)	\$ (288)	\$ (274)	\$ (198)	\$ (141)	\$ (170)	\$ (760)	\$ (565)
Pre-tax operating income (loss) by activities							
UGC (a)	\$ N/A	\$ N/A	\$ N/A	121	130	\$ N/A	401
Institutional Markets	79	63	62	73	69	204	190
Fuji Life (b)	N/A	27	16	11	7	43	3
Parent and Other:							
Corporate general operating expenses	(172)	(235)	(156)	(152)	(167)	(563)	(514)
Interest expense	(243)	(242)	(244)	(243)	(248)	(729)	(740)
Other income (expense), net	49	85	76	7	45	210	95
Total Parent and Other	(366)	(392)	(324)	(388)	(370)	(1,082)	(1,159)
Consolidation, eliminations and other adjustments	(1)	28	48	42	(6)	75	-
Pre-tax operating income (loss)	\$ (288)	\$ (274)	\$ (198)	\$ (141)	\$ (170)	\$ (760)	\$ (565)

(a) UGC was sold on December 31, 2016.

(b) 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 48.



American International Group, Inc.
Other Operations – Institutional Markets Operating Results

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Premiums and deposits	\$ 1,476	\$ 150	\$ 573	\$ 1,168	\$ 193	\$ 2,199	\$ 985
Revenues:							
Premiums	\$ 897	\$ 84	\$ 432	\$ 159	\$ 120	\$ 1,413	\$ 600
Policy fees	44	44	44	46	44	132	133
Net investment income:							
Base portfolio (2)	138	136	128	130	131	402	387
Alternative investments	4	4	6	15	11	14	9
Other enhancements (3)	8	5	6	7	5	19	15
Total net investment income	150	145	140	152	147	435	411
Total operating revenues	1,091	273	616	357	311	1,980	1,144
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	925	128	476	200	163	1,529	712
Interest credited to policyholder account balances	66	62	58	61	59	186	183
Acquisition expenses:							
Amortization of deferred policy acquisition costs	2	-	1	1	1	3	3
Other acquisition expenses	7	7	8	7	8	22	25
Total acquisition expenses	9	7	9	8	9	25	28
General operating expenses	10	12	10	14	10	32	27
Interest expense*	2	1	1	1	1	4	4
Total benefits, losses and expenses	1,012	210	554	284	242	1,776	954
Pre-tax operating income	\$ 79	\$ 63	\$ 62	\$ 73	\$ 69	\$ 204	\$ 190
General and separate account reserves							
Future policyholder benefits	\$ 4,871	\$ 4,014	\$ 3,962	\$ 3,565	\$ 3,435	\$ 4,871	\$ 3,435
Policyholder contract deposits	8,306	7,648	7,550	7,457	7,159	8,306	7,159
Separate account reserves	3,811	3,780	4,300	4,360	4,371	3,811	4,371
Total general and separate account reserves	\$ 16,988	\$ 15,442	\$ 15,812	\$ 15,382	\$ 14,965	\$ 16,988	\$ 14,965

*Prior to 2Q17, for presentation purposes, interest expense related to affordable housing and other partnership investments was included in general operating expenses. Prior periods have been revised to conform with the current period presentation. This presentation change has no impact on pre-tax operating income.

See accompanying notes on page 31 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
Other Operations – Institutional Markets Reserve Data

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Reserve rollforward:							
Balance at beginning of period, gross	\$ 15,445	\$ 15,815	\$ 15,384	\$ 14,968	\$ 14,921	\$ 15,384	\$ 14,216
Premiums and deposits	1,476	150	573	1,168	193	2,199	985
Surrenders and withdrawals	(37)	(564)	(199)	(979)	(208)	(800)	(304)
Death and other contract benefits	(72)	(108)	(95)	(117)	(93)	(275)	(500)
Subtotal	16,812	15,293	15,663	15,040	14,813	16,508	14,397
Change in fair value of underlying assets and reserve accretion, net of policy fees	86	47	56	41	54	189	215
Cost of funds	66	62	58	61	59	186	183
Other reserve changes	27	43	38	242	42	108	173
Balance at end of period	16,991	15,445	15,815	15,384	14,968	16,991	14,968
Reserves related to unrealized investment appreciation	-	-	-	1	-	-	-
Reinsurance ceded	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Total insurance reserves	\$ 16,988	\$ 15,442	\$ 15,812	\$ 15,382	\$ 14,965	\$ 16,988	\$ 14,965
Reserves by line of business:							
Structured settlements	\$ 2,774	\$ 2,714	\$ 2,635	\$ 2,525	\$ 2,418	\$ 2,774	\$ 2,418
Terminal funding annuities	2,700	1,880	1,889	1,578	1,575	2,700	1,575
Corporate and bank-owned life insurance	4,863	4,825	4,792	4,773	4,711	4,863	4,711
Guaranteed investments contracts	5,152	4,532	4,470	4,418	4,090	5,152	4,090
Stable value wrap - separate account liability	1,499	1,491	2,026	2,088	2,171	1,499	2,171
Total insurance reserves	\$ 16,988	\$ 15,442	\$ 15,812	\$ 15,382	\$ 14,965	\$ 16,988	\$ 14,965
Stable value wraps (401k and bank-owned life insurance) - Assets under management*	\$ 36,415	\$ 36,605	\$ 36,983	\$ 36,280	\$ 35,743	\$ 36,415	\$ 35,743

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

American International Group, Inc.
Legacy Portfolio Operating Results

(in millions)	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30,	September 30,
						2017	2016
Results of Operations							
Revenues:							
Premiums	\$ 136	\$ 146	\$ 167	\$ 148	\$ 180	\$ 449	\$ 526
Policy Fees	38	32	35	39	29	105	103
Net investment income	690	722	730	760	810	2,142	2,153
Other income (loss)	149	238	152	1,300	293	539	221
Total operating revenues	1,013	1,138	1,084	2,247	1,312	3,235	3,003
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	500	488	482	890	1,137	1,470	2,194
Interest credited to policyholder account balances	61	57	63	56	73	181	211
Acquisition expenses:							
Amortization of deferred policy acquisition costs	28	14	28	26	21	70	82
Other acquisition expenses	1	(1)	-	3	3	-	5
Total acquisition expenses	29	13	28	29	24	70	87
Non deferrable insurance commissions	6	6	6	1	1	18	9
General operating expenses	98	115	121	125	106	334	359
Interest expense (a)	33	28	42	45	70	103	237
Total benefits, losses and expenses	727	707	742	1,146	1,411	2,176	3,097
Pre-tax operating income (loss)	\$ 286	\$ 431	\$ 342	\$ 1,101	\$ (99)	\$ 1,059	\$ (94)
Pre-tax operating income (loss) by type							
Property and casualty run-off insurance lines	\$ 63	\$ 57	\$ 87	\$ (331)	\$ 68	\$ 207	\$ 94
Life insurance run-off lines	79	139	90	132	(510)	308	(356)
Legacy investments	144	235	165	1,300	343	544	168
Pre-tax operating income (loss)	\$ 286	\$ 431	\$ 342	\$ 1,101	\$ (99)	\$ 1,059	\$ (94)
Selected Balance Sheet Data							
Legacy investments, net of related debt	\$ 5,811	\$ 5,961	\$ 6,534	\$ 6,733	\$ 7,081	\$ 5,811	\$ 7,081
Legacy property and casualty run-off insurance reserves (b)	6,375	6,548	6,726	6,871	7,023	6,375	7,023
Legacy life run-off insurance reserves	38,489	38,740	38,442	38,359	39,974	38,489	39,974
Attributed equity	9,880	9,912	10,477	10,649	11,086	9,880	11,086

(a) Includes inter-module interest expenses. Prior to 2Q17, for presentation purposes, Legacy Life Runoff interest expense related to affordable housing partnership investments was included in general operating expenses. Prior periods have been revised to conform with the current period presentation. This presentation change has no impact on pre-tax operating income.

(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 48.



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

(in millions)	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	September 30, 2016
Results of Operations							
Net premiums earned	\$ 19	\$ 22	\$ 45	\$ 30	\$ 54	\$ 86	\$ 127
Losses and loss adjustment expenses incurred*	38	46	38	436	61	122	264
Total acquisition expenses	2	1	1	3	3	4	5
General operating expenses	6	9	7	4	4	22	17
Underwriting income (loss)	(27)	(34)	(1)	(413)	(14)	(62)	(159)
Net investment income	90	91	88	82	82	269	253
Pre-tax operating income (loss)	\$ 63	\$ 57	\$ 87	\$ (331)	\$ 68	\$ 207	\$ 94
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 5
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(1)	(2)	(14)	371	6	(17)	31
Net liability for unpaid losses and loss adjustment expenses (at period end)**	6,375	6,548	6,726	6,871	7,023	6,375	7,023

* 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 48.

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

(in millions)	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	September 30, 2016
Results of Operations							
Premiums and deposits	\$ 155	\$ 149	\$ 160	\$ 159	\$ 167	\$ 464	\$ 507
Revenues:							
Premiums	\$ 117	\$ 124	\$ 122	\$ 118	\$ 126	\$ 363	\$ 399
Policy fees	38	32	35	39	29	105	103
Net investment income:							
Base portfolio	424	423	441	455	459	1,288	1,385
Alternative investments	78	79	37	86	55	194	48
Other enhancements	35	40	44	34	43	119	96
Total net investment income	537	542	522	575	557	1,601	1,529
Other income	-	1	-	-	1	1	1
Total operating revenues	692	699	679	732	713	2,070	2,032
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	462	442	444	454	1,076	1,348	1,930
Interest credited to policyholder account balances	61	57	63	56	73	181	211
Amortization of deferred policy acquisition costs	27	12	27	26	21	66	82
Non deferrable insurance commissions	6	6	6	1	1	18	9
General operating expenses	48	38	43	57	46	129	139
Interest expense*	9	5	6	6	6	20	17
Total benefits, losses and expenses	613	560	589	600	1,223	1,762	2,388
Pre-tax operating income (loss)	\$ 79	\$ 139	\$ 90	\$ 132	\$ (510)	\$ 308	\$ (356)
Noteworthy items (pre-tax)							
Future policy benefits for life and A&H contracts (at period end)	\$ 30,845	\$ 30,996	\$ 30,607	\$ 30,442	\$ 32,016	\$ 30,845	\$ 32,016
Policyholder contract deposits	5,648	5,745	5,807	5,923	5,947	5,648	5,947
Separate account reserves	1,996	1,999	2,028	1,994	2,011	1,996	2,011
Total general and separate account reserves	38,489	38,740	38,442	38,359	39,974	38,489	39,974
Actuarial assumption update income (loss)	\$ (14)	\$ -	\$ -	\$ -	\$ (614)	\$ (14)	\$ (614)

* Prior to 2Q17, for presentation purposes, interest expense related to affordable housing and other partnership investments was included in general operating expenses. Prior periods have been revised to conform with the current period presentation. This presentation change has no impact on pre-tax operating income.

See reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)

	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	2016
Pre-Tax Operating Income (Loss)							
United States	\$ (1,464)	\$ 1,726	\$ 1,814	\$ (3,598)	\$ 1,832	\$ 2,076	\$ 4,780
Europe	(411)	64	28	(382)	66	(319)	377
Japan	50	125	115	92	36	290	164
Other	(317)	(213)	(258)	(307)	(191)	(788)	(718)
Total Core	(2,142)	1,702	1,699	(4,195)	1,743	1,259	4,603
Legacy Portfolio	286	431	342	1,101	(99)	1,059	(94)
Total pre-tax operating income	\$ (1,856)	\$ 2,133	\$ 2,041	\$ (3,094)	\$ 1,644	\$ 2,318	\$ 4,509
Normalized After-Tax Operating Income							
United States	\$ 741	\$ 1,045	\$ 1,013	\$ 729	\$ 1,265	\$ 2,799	\$ 3,669
Europe	59	68	62	(111)	16	189	171
Japan	16	78	44	10	28	138	99
Other	(44)	(85)	(110)	(148)	(248)	(239)	(407)
Total Core	772	1,106	1,009	480	1,061	2,887	3,532
Legacy Portfolio*	126	142	166	278	263	434	583
Net income (loss) from NCI excluding income related to Korea Fund	(25)	12	(21)	(23)	(3)	(34)	(5)
Total normalized after-tax operating income	\$ 873	\$ 1,260	\$ 1,154	\$ 735	\$ 1,321	\$ 3,287	\$ 4,110
Total Average Attributed Equity							
United States	\$ 40,030	\$ 40,251	\$ 42,303	\$ 44,510	\$ 45,915	\$ 41,166	\$ 46,405
Europe	3,370	3,474	3,424	3,429	3,362	3,397	3,312
Japan	1,378	1,177	960	950	1,030	1,169	1,028
Other	(1,617)	(4)	(249)	1,413	1,835	(932)	1,492
Total Core	43,161	44,898	46,438	50,302	52,142	44,800	52,237
Legacy Portfolio	9,896	10,195	10,563	10,867	12,914	10,230	14,426
Total average attributed equity	\$ 53,057	\$ 55,093	\$ 57,001	\$ 61,169	\$ 65,056	\$ 55,030	\$ 66,663
Normalized Return on Attributed Equity							
United States	7.4 %	10.4 %	9.6 %	6.6 %	11.0 %	9.1 %	10.5 %
Europe	7.0	7.8	7.2	(12.9)	1.9	7.4	6.9
Japan	4.6	26.5	18.3	4.2	10.9	15.7	12.8
Other	NM	NM	NM	NM	NM	NM	NM
Total Core	7.2	9.9	8.7	3.8	8.1	8.6	9.0
Legacy Portfolio	5.1	5.6	6.3	10.2	8.1	5.7	5.4
Normalized return on equity	6.6 %	9.1 %	8.1 %	4.8 %	8.1 %	8.0 %	8.2 %

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

See reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Operating Results - United States

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Revenues:							
Premiums	\$ 4,990	\$ 4,186	\$ 4,544	\$ 4,572	\$ 4,711	\$ 13,720	\$ 14,859
Policy fees	691	693	689	664	618	2,073	1,926
Net investment income	2,613	2,659	2,829	2,839	2,846	8,101	7,738
Advisory fee and other income	206	223	209	196	250	638	1,144
Total operating revenues	8,500	7,761	8,271	8,271	8,425	24,532	25,667
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	7,364	3,242	3,581	8,877	4,030	14,187	11,783
Interest credited to policyholder account balances	808	851	846	868	814	2,505	2,581
Amortization of deferred policy acquisition costs	665	905	865	841	592	2,435	2,424
Other acquisition expenses	314	278	310	349	267	902	966
Advisory fee expenses	84	77	77	78	76	238	567
General operating expenses	719	645	747	837	730	2,111	2,354
Interest expense*	10	37	31	19	84	78	212
Total benefits, losses and expenses	9,964	6,035	6,457	11,869	6,593	22,456	20,887
Pre-tax operating income (loss)	\$ (1,464)	\$ 1,726	\$ 1,814	\$ (3,598)	\$ 1,832	\$ 2,076	\$ 4,780
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ 2,688	\$ 172	\$ 188	\$ 336	\$ 240	\$ 3,048	\$ 723
Severe losses	175	51	36	22	54	262	189
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	506	33	(23)	4,827	286	516	397

* Prior to 2Q17, for presentation purposes, interest expense related to affordable housing partnership investments was included in general operating expenses. Prior periods have been revised to conform with the current period presentation. This presentation change has no impact on pre-tax operating income.

See reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Operating Results - Europe

(in millions)

Results of Operations

Revenues:

Premiums

Net investment income

Advisory fee and other 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

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
\$ 1,309	\$ 1,234	\$ 1,188	\$ 1,252	\$ 1,278	\$ 3,731	\$ 3,898	
48	52	60	65	69	160	215	
1	-	-	-	-	1	-	
1,358	1,286	1,248	1,317	1,347	3,892	4,113	
1,386	802	836	1,317	838	3,024	2,387	
207	202	183	210	223	592	619	
56	65	64	65	45	185	180	
120	153	137	107	175	410	550	
1,769	1,222	1,220	1,699	1,281	4,211	3,736	
\$ (411)	\$ 64	\$ 28	\$ (382)	\$ 66	\$ (319)	\$ 377	
\$ 208	\$ 4	\$ -	\$ 5	\$ -	\$ 212	\$ 80	
48	64	13	62	36	125	129	
331	58	120	345	20	509	(9)	

See reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Operating Results - Japan

(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

Interest expense

General operating expenses

Total benefits, losses and expenses

Pre-tax operating income (loss)

Noteworthy items (pre-tax)

Catastrophe-related losses

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

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Premiums	\$ 816	\$ 809	\$ 837	\$ 923	\$ 906	\$ 2,462	\$ 2,575
Net investment income	22	24	39	32	9	85	36
Total operating revenues	838	833	876	955	915	2,547	2,611
Policyholder benefits and losses incurred	441	448	460	482	523	1,349	1,445
Amortization of deferred policy acquisition costs	32	35	42	44	45	109	128
Other acquisition expenses	92	55	72	99	108	219	285
Interest expense	1	-	-	-	-	1	-
General operating expenses	222	170	187	238	203	579	589
Total benefits, losses and expenses	788	708	761	863	879	2,257	2,447
Pre-tax operating income (loss)	\$ 50	\$ 125	\$ 115	\$ 92	\$ 36	\$ 290	\$ 164
Catastrophe-related losses	\$ 20	\$ -	\$ -	\$ (8)	\$ 27	\$ 20	\$ 70
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(11)	8	(13)	(11)	(6)	(16)	(40)

See reconciliation of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Fixed Maturity Securities- AFS, ending carry value							
Yield (a)	4.58%	4.70%	4.63%	4.75%	4.69%	4.61%	4.70%
Investment income (b)	\$ 2,559	\$ 2,635	\$ 2,695	\$ 2,862	\$ 2,850	\$ 7,889	\$ 8,543
Net realized capital gains (losses)	(18)	111	96	(15)	66	189	(464)
Ending carrying value	237,771	235,289	230,698	241,537	260,649	237,771	260,649
Fixed Maturity Securities- Other (c)							
Total Return (a)	7.92%	11.44%	11.04%	-4.95%	9.82%	10.19%	6.54%
Investment income (loss) (b)	\$ 259	\$ 387	\$ 381	\$ (178)	\$ 369	\$ 1,027	\$ 763
Ending carrying value	12,653	13,478	13,605	13,998	14,772	12,653	14,772
Equity Securities- AFS, ending carry value							
Yield (a)	1.49%	3.40%	1.25%	3.96%	2.33%	2.00%	2.66%
Investment income (loss) (b)	\$ 5	\$ 12	\$ 5	\$ 14	\$ 7	\$ 22	\$ 26
Net realized capital gains (losses)	2	75	(1)	6	50	76	1,044
Ending carrying value (e)	1,707	1,605	2,099	2,078	1,544	1,707	1,544
Equity Securities- Other, ending carry value (c)(d)							
Investment income (b)	\$ 32	\$ 13	\$ 26	\$ (16)	\$ 48	\$ 71	\$ (133)
Ending carrying value	538	506	500	482	498	538	498
Loans							
Yield (a)	4.72%	4.70%	4.75%	4.74%	4.81%	4.71%	4.99%
Investment income (b)	\$ 417	\$ 402	\$ 399	\$ 389	\$ 383	\$ 1,218	\$ 1,159
Net realized capital gains (losses)	(36)	(24)	6	2	11	(54)	17
Ending carrying value	36,089	34,642	33,878	33,240	32,413	36,089	32,413
Short-term Investments							
Yield (a)	0.70%	0.67%	0.54%	0.33%	0.40%	0.64%	0.49%
Investment income (b)	\$ 19	\$ 19	\$ 16	\$ 9	\$ 11	\$ 54	\$ 41
Ending carrying value	9,775	12,094	11,073	12,302	10,745	9,775	10,745

(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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Other invested assets - Hedge Funds/Private Equity (c)							
Yield (a)	11.21%	11.96%	13.72%	10.10%	10.25%	12.30%	1.66%
Investment income (b)	\$ 309	\$ 338	\$ 404	\$ 314	\$ 336	\$ 1,051	\$ 179
Net realized capital gains (losses)	(14)	16	43	(11)	8	45	30
Ending carrying value	11,484	11,929	12,134	12,754	13,609	11,484	13,609
Other invested assets - Real Estate investments							
Yield (a)	4.76%	1.08%	2.44%	71.30%	7.26%	2.77%	7.20%
Investment income (b) (e)	\$ 87	\$ 20	\$ 42	\$ 1,194	\$ 126	\$ 149	\$ 372
Net realized capital gains (losses)	1	33	(9)	43	15	25	43
Ending carrying value	7,465	7,188	7,057	6,900	6,494	7,465	6,494
Other invested assets - All other (d)							
Investment income (b) (f)	\$ 98	\$ 135	\$ 171	\$ 179	\$ 197	\$ 404	\$ 531
Net realized capital gains (losses)	(321)	(56)	(128)	(336)	(115)	(505)	(286)
Ending carrying value	3,641	4,015	4,461	4,884	5,644	3,641	5,644
Total Other Invested Assets	\$ 22,590	\$ 23,132	\$ 23,652	\$ 24,538	\$ 25,747	\$ 22,590	\$ 25,747
Total AIG							
Total Investments	\$ 321,123	\$ 320,746	\$ 315,505	\$ 328,175	\$ 346,368	\$ 321,123	\$ 346,368
Total Investment Expenses	\$ 136	\$ 128	\$ 126	\$ 115	\$ 115	\$ 390	\$ 338
Total Investment Income (b)	\$ 3,785	\$ 3,961	\$ 4,139	\$ 4,768	\$ 4,327	\$ 11,885	\$ 11,481

(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 in 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					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	2016
Sales of fixed maturity securities	\$ 54	\$ 165	\$ 155	\$ 104	\$ 135	\$ 374	\$ (103)
Sales of equity securities	4	81	1	6	53	86	1,051
Other-than-temporary impairments:							
Severity	-	(2)	-	-	(10)	(2)	(15)
Change in intent	(1)	(7)	(1)	(11)	(2)	(9)	(35)
Foreign currency declines	(1)	-	(10)	(4)	(7)	(11)	(14)
Issuer-specific credit events	(85)	(55)	(57)	(130)	(77)	(197)	(303)
Adverse projected cash flows	(1)	(3)	-	-	(6)	(4)	(47)
Total other-than-temporary impairments	(88)	(67)	(68)	(145)	(102)	(223)	(414)
Provision for loan losses	(38)	(24)	6	2	8	(56)	8
Foreign exchange transactions	66	74	159	(29)	(639)	299	(1,197)
Variable annuity embedded derivatives, net of related hedges	(430)	(204)	(389)	(761)	(309)	(1,023)	(482)
All other derivatives and hedge accounting	(136)	(94)	13	(43)	83	(217)	353
Impairments on investments in life settlements	(273)	(46)	(41)	(68)	(80)	(360)	(329)
Other*	(81)	46	49	(181)	86	14	284
Total net realized capital gains (losses)	\$ (922)	\$ (69)	\$ (115)	\$ (1,115)	\$ (765)	\$ (1,106)	\$ (829)

*Included loss on sale of a portion of our Life Settlement Portfolio of \$34 million, \$89 million and \$253 million in 3Q17, 1Q17 and 4Q16, respectively.

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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Commercial Insurance							
Liability and Financial Lines	\$ 760	\$ 21	\$ 58	\$ 5,283	\$ (5)	\$ 839	\$ 69
Property and Special Risks	77	41	(35)	(43)	322	83	268
Total Commercial Insurance	837	62	23	5,240	317	922	337
Consumer Personal Insurance	-	(4)	1	(15)	(33)	(3)	(120)
Legacy Portfolio - Property and Casualty Run Off Insurance Lines	(1)	(2)	(14)	371	6	(17)	31
Other Operations*	-	-	-	(22)	(16)	-	(34)
Total prior year unfavorable (favorable) development**	\$ 836	\$ 56	\$ 10	\$ 5,574	\$ 274	\$ 902	\$ 214

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

** Consistent with our definition of PTOI, the three-month and nine-month periods ended September 30, 2017 exclude the portion of unfavorable prior year reserve development for which we have ceded the risk under the reinsurance agreements with National Indemnity Company (NICO), a subsidiary of Berkshire Hathaway Inc., of \$3 million and \$287 million, respectively, and related changes in amortization of the deferred gain of \$13 million and \$30 million, respectively. The amortization of the deferred gain includes \$6 million and \$11 million for the 2011 retroactive reinsurance agreement with NICO covering U.S. asbestos exposures for the three- and nine-month periods ended September 30, 2017, respectively.

Prior year development by accident year:

Accident Year	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
2016	\$ 705	\$ 58	\$ (19)	\$ -	\$ -	\$ 744	\$ -
2015	52	(21)	(3)	1,284	78	28	(56)
2014	12	(23)	11	724	122	-	54
2013	(9)	(29)	(7)	434	36	(45)	10
2012	(42)	(18)	2	387	(1)	(58)	68
2011	21	8	8	186	11	37	28
2010	13	2	(7)	239	13	8	16
2009	4	9	(5)	334	27	8	51
2008	(5)	17	(6)	170	(20)	6	19
2007	(2)	(8)	8	288	1	(2)	8
2006	8	22	(2)	239	(3)	28	(1)
2005 and prior	79	39	30	1,289	10	148	17
Total prior year unfavorable (favorable) development	\$ 836	\$ 56	\$ 10	\$ 5,574	\$ 274	\$ 902	\$ 214



American International Group, Inc.
Prior Year Development by Accident Year:
Liability and Financial Lines and Property and Special Risks

(in millions)

Liability and Financial Lines:

Accident Year

2016
2015
2014
2013
2012
2011
2010
2009
2008
2007
2006
2005 and prior
Total prior year unfavorable (favorable) development

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
\$ 666	\$ 3	\$ 12	\$ -	\$ -	\$ 681	\$ -	
47	(45)	10	1,209	1	12	\$ 20	
12	(8)	4	765	(1)	8	(5)	
(9)	(13)	4	467	(8)	(18)	(10)	
(44)	-	2	457	(25)	(42)	(47)	
15	16	1	193	(4)	32	1	
23	(3)	(5)	222	8	15	4	
1	8	(4)	353	30	5	53	
(7)	20	(8)	160	(7)	5	34	
(1)	5	4	275	4	8	8	
12	17	(2)	237	1	27	-	
45	21	40	945	(4)	106	11	
\$ 760	\$ 21	\$ 58	\$ 5,283	\$ (5)	\$ 839	\$ 69	

Property and Special Risks:

Accident Year

2016
2015
2014
2013
2012
2011
2010
2009
2008
2007
2006
2005 and prior
Total prior year unfavorable (favorable) development

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
\$ 31	\$ 34	\$ (16)	\$ -	\$ -	\$ 49	\$ -	
1	21	(23)	(9)	100	(1)	\$ (25)	
6	(8)	6	(12)	125	4	82	
1	(2)	(8)	(3)	55	(9)	55	
3	(8)	(1)	(33)	26	(6)	132	
8	(4)	6	(15)	17	10	40	
-	4	(3)	3	6	1	15	
4	2	-	3	(2)	6	3	
1	(3)	-	2	(10)	(2)	(14)	
1	(6)	4	3	(2)	(1)	(5)	
(1)	-	-	(4)	(4)	(1)	(8)	
22	11	-	22	11	33	(7)	
\$ 77	\$ 41	\$ (35)	\$ (43)	\$ 322	\$ 83	\$ 268	

American International Group, Inc.
Adverse Development Cover

The table below shows the calculation of the inception to date deferred gain and the effect of discounting of loss reserves and amortization of the deferred gain. The deferred gain is amortized over the settlement period of the reinsured losses.

(in millions)	At	Inception-To-Date			3Q17
	Inception	1Q17	2Q17	3Q17	Change
Gross Covered Losses					
Covered reserves before discount	\$ 33,510	\$ 31,614	\$ 30,399	28,778	\$ (1,621)
Losses paid	7,543	9,454	11,010	12,631	1,621
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	\$ 16,053	\$ 16,068	\$ 16,409	16,409	\$ -
Deferred Gain Development					
Covered losses above attachment ceded to NICO (80%)*	\$ 12,843	\$ 12,854	\$ 13,127	13,127	\$ -
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	2,655	2,666	2,939	2,939	-
Discount on ceded losses	(1,539)	(1,655)	(1,547)	(1,494)	53
Pre-tax deferred gain before amortization	1,116	1,011	1,392	1,445	53
Amortization attributed to deferred gain at inception	-	(41)	(103)	(165)	(62)
Amortization attributed to changes in deferred gain**	-	(2)	(12)	(19)	(7)
Deferred gain liability reflected in AIG's balance sheet	\$ 1,116	\$ 968	\$ 1,277	1,261	\$ (16)

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly			Nine Months Ended
	1Q17	2Q17	3Q17	September 30, 2017
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ 15	\$ 341	\$ -	\$ 356
Prior year development ceded to NICO*	(11)	(273)	-	(284)
Subtotal	4	68	-	72
Amortization attributed to deferred gain at inception	(41)	(62)	(62)	(165)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	(37)	6	(62)	(93)
Unfavorable (favorable) prior year development on non-covered reserves	47	50	898	995
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	\$ 10	\$ 56	\$ 836	\$ 902

* On January 20, 2017, we entered into an adverse development reinsurance agreement with NICO under which we transferred to NICO 80 percent of the reserve risk on substantially all of our U.S. Commercial long-tail exposures for accident years 2015 and prior.

** Excluded from our definition of PTOI.

Selected Balance Sheet data for ADC

	1Q17	2Q17	3Q17
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 11,199	\$ 11,580	11,633
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	11,199	11,580	11,633
Deferred gain reported in Other liabilities	968	1,277	1,261



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

(in millions)	Quarterly					Nine Months Ended September 30,	
<u>GAAP Basis:</u>	<u>3Q17</u>	<u>2Q17</u>	<u>1Q17</u>	<u>4Q16</u>	<u>3Q16</u>	<u>2017</u>	<u>2016</u>
Numerator for EPS:							
Income (loss) from continuing operations	\$ (1,712)	\$ 1,110	\$ 1,211	\$ (2,470)	\$ 433	\$ 609	\$ 2,211
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	26	(12)	26	535	(26)	40	(35)
Income (loss) attributable to AIG common shareholders from continuing operations	(1,738)	1,122	1,185	(3,005)	459	569	2,246
Income (loss) from discontinued operations, net of income tax expense	(1)	8	-	(36)	3	7	(54)
Net income (loss) attributable to AIG common shareholders	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ 462	\$ 576	\$ 2,192
Denominator for EPS:							
Weighted average shares outstanding - basic	908.7	925.8	980.8	1,023.9	1,071.3	938.1	1,113.7
Dilutive shares*	-	22.4	24.5	-	31.1	23.2	29.0
Weighted average shares outstanding - diluted*	908.7	948.2	1,005.3	1,023.9	1,102.4	961.3	1,142.7
Income per common share attributable to AIG:							
Basic:							
Income (loss) from continuing operations	\$ (1.91)	\$ 1.21	\$ 1.21	\$ (2.93)	\$ 0.43	\$ 0.60	\$ 2.02
Income (loss) from discontinued operations	-	0.01	-	(0.03)	-	0.01	(0.05)
Net income (loss) attributable to AIG	\$ (1.91)	\$ 1.22	\$ 1.21	\$ (2.96)	\$ 0.43	\$ 0.61	\$ 1.97
Diluted*:							
Income (loss) from continuing operations	\$ (1.91)	\$ 1.18	\$ 1.18	\$ (2.93)	\$ 0.42	\$ 0.59	\$ 1.97
Income (loss) from discontinued operations	-	0.01	-	(0.03)	-	0.01	(0.05)
Net income (loss) attributable to AIG	\$ (1.91)	\$ 1.19	\$ 1.18	\$ (2.96)	\$ 0.42	\$ 0.60	\$ 1.92

* 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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Book Value Per Share							
Total AIG shareholders' equity (a)	\$ 72,468	\$ 73,732	\$ 74,069	\$ 76,300	\$ 88,663	\$ 72,468	\$ 88,663
Less: Accumulated other comprehensive income (AOCI)	5,939	4,962	3,781	3,230	9,057	5,939	9,057
Total AIG shareholders' equity, excluding AOCI (b)	66,529	68,770	70,288	73,070	79,606	66,529	79,606
Less: Deferred tax assets (DTA)	14,897	14,287	14,585	14,770	15,567	14,897	15,567
Total adjusted shareholders' equity (c)	51,632	54,483	55,703	58,300	64,039	51,632	64,039
Total common shares outstanding (d)	898.9	903.4	942.5	995.3	1,042.9	898.9	1,042.9
Book value per common share (a÷d)	\$ 80.62	\$ 81.62	\$ 78.59	\$ 76.66	\$ 85.02	\$ 80.62	\$ 85.02
Book value per common share, excluding AOCI (b÷d)	74.01	76.12	74.58	73.41	76.33	74.01	76.33
Adjusted book value per common share (c÷d)	57.44	60.31	59.10	58.57	61.41	57.44	61.41
Return On Equity (ROE) Computations							
Actual or Annualized net income (loss) attributable to AIG (a)	\$ (6,956)	\$ 4,520	\$ 4,740	\$ (12,164)	\$ 1,848	\$ 768	\$ 2,923
Actual or Annualized after-tax operating income (loss) attributable to AIG (b)	\$ (4,444)	\$ 5,796	\$ 5,468	\$ (11,148)	\$ 4,460	\$ 2,273	\$ 4,257
Average AIG Shareholders' equity (c)	\$ 73,100	\$ 73,901	\$ 75,185	\$ 82,482	\$ 89,305	\$ 74,142	\$ 89,196
Less: Average AOCI	5,451	4,372	3,506	6,144	8,658	4,477	6,344
Less: Average DTA	14,592	14,436	14,678	15,169	15,591	14,635	16,189
Average adjusted shareholders' equity (d)	53,057	55,093	57,001	61,169	65,056	55,030	66,663
ROE (a÷c)	(9.5%)	6.1%	6.3%	(14.7%)	2.1%	1.0%	3.3%
After-tax operating income (loss) as reported (e)	\$ (1,111)	\$ 1,449	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,705	\$ 3,193
Adjustments to arrive at Normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	1,726	(101)	(72)	(1)	(70)	1,553	(142)
(Better) worse than expected alternative returns (1)	(68)	(73)	(119)	(67)	(45)	(260)	423
(Better) worse than expected DIB & GCM returns	(27)	(93)	(29)	(49)	(68)	(149)	161
Fair value changes on PICC investments	(20)	(4)	(14)	7	(31)	(38)	91
Update of actuarial assumptions	(176)	-	-	-	250	(176)	250
Life Insurance - IBNR death claims	-	-	-	-	-	-	(16)
Unfavorable (favorable) prior year loss reserve development	549	82	21	3,632	170	652	150
Normalized after-tax operating income (loss) (f)	\$ 873	\$ 1,260	\$ 1,154	\$ 735	\$ 1,321	\$ 3,287	\$ 4,110
Adjusted return on equity (b÷d)	(8.4%)	10.5%	9.6%	(18.2%)	6.9%	4.1%	6.4%
Normalized return on equity (f÷d) (2)	6.6%	9.1%	8.1%	4.8%	8.1%	8.0%	8.2%
Normalized after-tax operating income (loss) per share:							
Weighted average shares outstanding - diluted	931.2	948.2	1,005.3	1,058.0	1,102.4	961.3	1,142.7
Normalized after-tax operating income (loss) per share	\$ 0.94	\$ 1.33	\$ 1.15	\$ 0.69	\$ 1.20	\$ 3.42	\$ 3.60

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

(2) 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 Pre-tax and After-tax Operating Income - Consolidated

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax income (loss) from continuing operations	\$ (2,803)	\$ 1,667	\$ 1,727	\$ (3,455)	\$ 737	\$ 591	\$ 3,381
Adjustments to arrive at Pre-tax operating income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	(26)	(80)	(11)	150	(17)	(117)	(270)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(84)	(58)	(53)	(286)	67	(195)	91
Loss (gain) on extinguishment of debt	1	(4)	(1)	(2)	(14)	(4)	76
Net realized capital (gains) losses	922	69	115	1,115	765	1,106	829
(Income) loss from divested businesses	13	60	100	(194)	(128)	173	(351)
Non-operating litigation reserves and settlements	-	(80)	(6)	2	(5)	(86)	(43)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(7)	251	14	(27)	(3)	258	(15)
Net loss reserve discount (benefit) charge	48	260	(25)	(750)	32	283	323
Pension expense related to a one-time lump sum payment to former employees	49	1	-	147	-	50	-
Restructuring and other costs	31	47	181	206	210	259	488
Pre-tax operating income (loss)	\$ (1,856)	\$ 2,133	\$ 2,041	\$ (3,094)	\$ 1,644	\$ 2,318	\$ 4,509
Net income (loss) attributable to AIG	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ 462	\$ 576	\$ 2,192
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)	11	66	(50)	(247)	42	27	184
Deferred income tax valuation allowance (releases) charges (a)	(2)	(8)	(13)	87	(2)	(23)	(4)
Changes in fair value of securities used to hedge guaranteed living benefits	(17)	(52)	(7)	97	(11)	(76)	(175)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(55)	(38)	(34)	(186)	43	(127)	59
Loss (gain) on extinguishment of debt	-	(2)	(1)	(2)	(9)	(3)	50
Net realized capital (gains) losses (b)	607	31	73	750	526	711	572
(Income) loss from discontinued operations (a)	1	(8)	-	36	(3)	(7)	54
(Income) loss from divested businesses (c)	6	20	106	(8)	(83)	132	(228)
Non-operating litigation reserves and settlements	-	(52)	(4)	1	(3)	(56)	(28)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(5)	162	10	(17)	(2)	167	(10)
Net loss reserve discount (benefit) charge	28	170	(16)	(487)	18	182	210
Pension expense related to a one-time lump sum payment to former employees	33	-	-	96	-	33	-
Restructuring and other costs	21	30	118	134	137	169	317
After-tax operating income (loss)	\$ (1,111)	\$ 1,449	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,705	\$ 3,193
Calculation of Effective Tax Rates							
Pre-tax operating income (loss)	\$ (1,856)	\$ 2,133	\$ 2,041	\$ (3,094)	\$ 1,644	\$ 2,318	\$ 4,509
Income tax benefit (expense)	770	(696)	(653)	863	(526)	(579)	(1,311)
Net income (loss) attributable to noncontrolling interest	(25)	12	(21)	(556)	(3)	(34)	(5)
After-tax operating income (loss)	\$ (1,111)	\$ 1,449	\$ 1,367	\$ (2,787)	\$ 1,115	\$ 1,705	\$ 3,193
Effective tax rates on pre-tax operating income (loss)	41.5%	32.6%	32.0%	27.9%	32.0%	25.0%	29.1%

(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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ (2,862)	\$ 716	\$ 849	\$ (5,023)	\$ 685	\$ (1,297)	\$ 2,288
Interest expense on attributed financial debt	97	107	105	100	91	309	263
Operating income (loss) before taxes:	(2,959)	609	744	(5,123)	594	(1,606)	2,025
Income tax expense (benefit)	(1,015)	176	270	(1,547)	107	(569)	527
After-tax operating income (loss) (a)	\$ (1,944)	\$ 433	\$ 474	\$ (3,576)	\$ 487	\$ (1,037)	\$ 1,498
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	1,595	(60)	(42)	10	(47)	1,493	(96)
(Better) worse than expected alternative returns*	(24)	(33)	(70)	(3)	(23)	(127)	183
Fair value changes on PICC investments	-	-	-	(1)	(11)	-	31
Unfavorable (favorable) prior year loss reserve development	583	91	30	3,415	199	704	231
Normalized after-tax operating income (b)	\$ 210	\$ 431	\$ 392	\$ (155)	\$ 605	\$ 1,033	\$ 1,847
Ending attributed equity	21,764	22,566	22,506	27,346	27,251	21,764	27,251
Average attributed equity (c)	22,165	22,536	24,927	27,299	28,161	23,546	28,491
Adjusted return on attributed equity (a÷c)	(35.1) %	7.7 %	7.6 %	(52.4) %	6.9 %	(5.9) %	7.0 %
Normalized return on attributed equity** (b÷c)	3.8 %	7.6 %	6.3 %	(2.3) %	8.6 %	5.8 %	8.6 %

Commercial Insurance - Liability and Financial Lines

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ (257)	\$ 586	\$ 574	\$ (4,981)	\$ 948	\$ 903	\$ 2,332
Interest expense on attributed financial debt	64	73	71	63	55	208	157
Operating income (loss) before taxes:	(321)	513	503	(5,044)	893	695	2,175
Income tax expense (benefit)	(115)	141	196	(1,524)	214	222	594
After-tax operating income (loss) (a)	\$ (206)	\$ 372	\$ 307	\$ (3,520)	\$ 679	\$ 473	\$ 1,581
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	11	(1)	(1)	(2)	1	9	(3)
(Better) worse than expected alternative returns*	(16)	(23)	(40)	(2)	(17)	(79)	137
Fair value changes on PICC investments	-	-	-	(1)	(8)	-	22
Unfavorable (favorable) prior year loss reserve development	532	59	53	3,443	(10)	644	57
Normalized after-tax operating income (b)	\$ 321	\$ 407	\$ 319	\$ (82)	\$ 645	\$ 1,047	\$ 1,794
Ending attributed equity	13,880	14,376	14,338	18,973	18,636	13,880	18,636
Average attributed equity (c)	14,128	14,357	16,656	18,805	19,365	15,392	19,637
Adjusted return on attributed equity (a÷c)	(5.8) %	10.4 %	7.4 %	(74.9) %	14.0 %	4.1 %	10.7 %
Normalized return on attributed equity** (b÷c)	9.1 %	11.3 %	7.7 %	(1.7) %	13.3 %	9.1 %	12.2 %

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

** Normalizing adjustments are tax effected including the impact of non-U.S. tax rates (25% for Europe and 30% for Japan) applied to the normalizing adjustments attributable to the respective geography.

Normalized return on attributed equity is computed based on normalized after-tax operating income divided by 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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ (2,605)	\$ 130	\$ 275	\$ (42)	\$ (263)	\$ (2,200)	\$ (44)
Interest expense on attributed financial debt	33	34	34	37	36	101	106
Operating income (loss) before taxes:	(2,638)	96	241	(79)	(299)	(2,301)	(150)
Income tax expense (benefit)	(900)	35	74	(23)	(107)	(791)	(67)
After-tax operating income (loss) (a)	\$ (1,738)	\$ 61	\$ 167	\$ (56)	\$ (192)	(1,510)	(83)
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	1,584	(59)	(41)	12	(48)	1,484	(93)
(Better) worse than expected alternative returns*	(8)	(10)	(30)	(1)	(6)	(48)	46
Fair value changes on PICC investments	-	-	-	-	(3)	-	9
Unfavorable (favorable) prior year loss reserve development	51	32	(23)	(28)	209	60	174
Normalized after-tax operating income (b)	\$ (111)	\$ 24	\$ 73	\$ (73)	\$ (40)	\$ (14)	\$ 53
Ending attributed equity	\$ 7,884	\$ 8,190	\$ 8,168	\$ 8,373	\$ 8,615	\$ 7,884	\$ 8,615
Average attributed equity (c)	8,037	8,179	8,271	8,494	8,796	8,154	8,854
Adjusted return on attributed equity (a÷c)	(86.5) %	3.0 %	8.1 %	(2.6) %	(8.7) %	(24.7) %	(1.2) %
Normalized return on attributed equity** (b÷c)	(5.5) %	1.2 %	3.5 %	(3.4) %	(1.8) %	(0.2) %	0.8 %

Total Consumer Insurance

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ 1,008	\$ 1,260	\$ 1,048	\$ 969	\$ 1,228	\$ 3,316	\$ 2,880
Interest expense on attributed financial debt	32	31	29	30	42	92	152
Operating income (loss) before taxes:	976	1,229	1,019	939	1,186	3,224	2,728
Income tax expense (benefit)	307	410	328	304	383	1,045	856
After-tax operating income (loss) (a)	\$ 669	\$ 819	\$ 691	\$ 635	\$ 803	2,179	1,872
Adjustments to arrive at normalized after-tax operating income (loss):							
(Better) worse than expected alternative returns*	(24)	(20)	(53)	(28)	(11)	(97)	161
Update of actuarial assumptions	(185)	-	-	-	(150)	(185)	(150)
Catastrophe losses above (below) expectations	150	(43)	(28)	(8)	(22)	79	(42)
Fair value changes on PICC investments	-	-	-	-	(1)	-	2
Unfavorable (favorable) prior year loss reserve development	-	-	1	(11)	(21)	1	(77)
Normalized after-tax operating income (b)	\$ 610	\$ 756	\$ 611	\$ 588	\$ 598	\$ 1,977	\$ 1,766
Ending attributed equity	23,050	23,046	22,596	22,168	22,696	23,050	22,696
Average attributed equity (c)	23,049	22,822	22,384	22,432	23,027	22,716	23,118
Adjusted return on attributed equity (a÷c)	11.6 %	14.4 %	12.3 %	11.3 %	13.9 %	12.8 %	10.8 %
Normalized return on attributed equity** (b÷c)	10.6 %	13.3 %	10.9 %	10.5 %	10.4 %	11.6 %	10.2 %

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

** Normalizing adjustments are tax effected including the impact of non-U.S. tax rates (25% for Europe and 30% for Japan) applied to the normalizing adjustments attributable to the respective geography.

Normalized return on attributed equity is computed based on normalized after-tax operating income divided by 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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income	\$ 718	\$ 558	\$ 539	\$ 542	\$ 920	\$ 1,815	\$ 1,727
Interest expense on attributed financial debt	-	-	-	-	7	-	37
Operating income (loss) before taxes:	718	558	539	542	913	1,815	1,690
Income tax expense (benefit)	231	188	176	179	317	595	564
After-tax operating income (a)	\$ 487	\$ 370	\$ 363	\$ 363	\$ 596	1,220	1,126
Adjustments to arrive at normalized after-tax operating income (loss):							
(Better) worse than expected alternative returns*	(11)	(11)	(20)	(18)	(10)	(42)	74
Update of actuarial assumptions	(158)	-	-	-	(240)	(158)	(240)
Normalized after-tax operating income (b)	\$ 318	\$ 359	\$ 343	\$ 345	\$ 346	\$ 1,020	\$ 960
Ending attributed equity	11,134	11,085	11,006	10,913	11,205	\$ 11,134	\$ 11,205
Average attributed equity (c)	11,110	11,046	10,960	11,059	11,330	11,035	11,381
Adjusted return on attributed equity (a÷c)	17.5 %	13.4 %	13.2 %	13.1 %	21.0 %	14.7 %	13.2 %
Normalized return on attributed equity** (b÷c)	11.4 %	13.0 %	12.5 %	12.5 %	12.2 %	12.3 %	11.2 %

Consumer Insurance - Group Retirement

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ 249	\$ 266	\$ 243	\$ 261	\$ 214	\$ 758	\$ 670
Interest expense on attributed financial debt	-	-	-	-	4	-	20
Operating income (loss) before taxes:	249	266	243	261	210	758	650
Income tax expense (benefit)	79	82	75	78	57	236	172
After-tax operating income (a)	\$ 170	\$ 184	\$ 168	\$ 183	\$ 153	522	478
Adjustments to arrive at normalized after-tax operating income (loss):							
(Better) worse than expected alternative returns*	(6)	(6)	(11)	(9)	(5)	(23)	35
Update of actuarial assumptions	(8)	-	-	-	30	(8)	30
Normalized after-tax operating income (b)	\$ 156	\$ 178	\$ 157	\$ 174	\$ 178	\$ 491	\$ 543
Ending attributed equity	6,105	6,079	6,035	5,984	6,144	6,105	6,144
Average attributed equity (c)	6,092	6,057	6,010	6,064	6,193	6,051	6,211
Adjusted return on attributed equity (a÷c)	11.2 %	12.2 %	11.2 %	12.1 %	9.9 %	11.5 %	10.3 %
Normalized return on attributed equity** (b÷c)	10.2 %	11.8 %	10.4 %	11.5 %	11.5 %	10.8 %	11.7 %

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

**Normalizing adjustments are tax effected including the impact of non-U.S. tax rates (25% for Europe and 30% for Japan) applied to the normalizing adjustments attributable to the respective geography. Normalized return on attributed equity is computed based on normalized after-tax operating income divided by 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					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	2016
Pre-tax operating income (loss)	\$ 112	\$ 106	\$ 54	\$ (10)	\$ (54)	\$ 272	\$ (27)
Interest expense on attributed financial debt	5	6	6	6	8	17	25
Operating income (loss) before taxes:	107	100	48	(16)	(62)	255	(52)
Income tax expense (benefit)	36	35	18	(3)	(37)	89	(37)
After-tax operating income (loss) (a)	\$ 71	\$ 65	\$ 30	\$ (13)	\$ (25)	\$ 166	\$ (15)
Adjustments to arrive at normalized after-tax operating income (loss):							
(Better) worse than expected alternative returns*	(3)	(3)	(4)	(3)	(2)	(10)	16
Update of actuarial assumptions	(19)	-	-	-	60	(19)	60
Normalized after-tax operating income (b)	\$ 49	\$ 62	\$ 26	\$ (16)	\$ 33	\$ 137	\$ 61
Ending attributed equity	2,600	2,581	2,544	2,529	2,610	2,600	2,610
Average Attributed equity (c)	2,591	2,563	2,537	2,570	2,676	2,564	2,686
Adjusted return on attributed equity (a÷c)	11.0 %	10.1 %	4.7 %	(2.0) %	(3.7) %	8.6 %	(0.7) %
Normalized return on attributed equity** (b÷c)	7.6 %	9.7 %	4.1 %	(2.5) %	4.9 %	7.1 %	3.0 %

Consumer Insurance - Personal Insurance

(in millions)

	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	September 30, 2017	2016
Pre-tax operating income (loss)	\$ (71)	\$ 330	\$ 212	\$ 176	\$ 148	\$ 471	\$ 510
Interest expense on attributed financial debt	27	25	23	24	23	75	70
Operating income (loss) before taxes:	(98)	305	189	152	125	396	440
Income tax expense (benefit)	(39)	105	59	50	46	125	157
After-tax operating income (loss) (a)	\$ (59)	\$ 200	\$ 130	\$ 102	\$ 79	\$ 271	\$ 283
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	150	(43)	(28)	(8)	(22)	79	(42)
(Better) worse than expected alternative returns*	(4)	-	(18)	2	6	(22)	36
Fair value changes on PICC investments	-	-	-	-	(1)	-	2
Unfavorable (favorable) prior year loss reserve development	-	-	1	(11)	(21)	1	(77)
Normalized after-tax operating income (b)	\$ 87	\$ 157	\$ 85	\$ 85	\$ 41	\$ 329	\$ 202
Ending attributed equity	3,211	3,301	3,011	2,742	2,736	3,211	2,736
Average attributed equity (c)	3,256	3,156	2,877	2,739	2,828	3,066	2,840
Adjusted return on attributed equity (a÷c)	(7.2) %	25.3 %	18.1 %	14.9 %	11.2 %	11.8 %	13.3 %
Normalized return on attributed equity** (b÷c)	10.7 %	19.9 %	11.8 %	12.4 %	5.8 %	14.3 %	9.5 %

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

** Normalizing adjustments are tax effected including the impact of non-U.S. tax rates (25% for Europe and 30% for Japan) applied to the normalizing adjustments attributable to the respective geography.

Normalized return on attributed equity is computed based on normalized after-tax operating income divided by 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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ (288)	\$ (274)	\$ (198)	\$ (141)	\$ (170)	\$ (760)	\$ (565)
Interest expense (benefit) on attributed financial debt	(171)	(181)	(177)	(175)	(165)	(529)	(492)
Operating income (loss) before taxes:	(117)	(93)	(21)	34	(5)	(231)	(73)
Income tax expense (benefit)	(141)	(25)	(42)	(22)	109	(208)	2
After-tax operating income (loss) (a)	\$ 24	\$ (68)	\$ 21	\$ 56	\$ (114)	(23)	(75)
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	(18)	3	-	-	-	(15)	-
(Better) worse than expected alternative returns*	(1)	(1)	-	(6)	1	(2)	25
(Better) worse than expected DIB & GCM returns	-	(3)	(1)	2	1	(4)	4
Fair value changes on PICC investments	(20)	(4)	(14)	9	(19)	(38)	(12)
Update of actuarial assumptions	-	-	-	-	1	-	1
Unfavorable (favorable) prior year loss reserve development	(33)	(8)	-	(14)	(12)	(41)	(24)
Normalized after-tax operating income (loss) (b)	\$ (48)	\$ (81)	\$ 6	\$ 47	\$ (142)	\$ (123)	\$ (81)
Ending attributed equity	(3,063)	(1,041)	124	(1,863)	3,007	(3,063)	3,007
Average attributed equity (c)	(2,053)	(460)	(873)	571	954	(1,462)	628

Total Core

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ (2,142)	\$ 1,702	\$ 1,699	\$ (4,195)	\$ 1,743	\$ 1,259	\$ 4,603
Interest expense (benefit) on attributed financial debt	(42)	(43)	(43)	(45)	(32)	(128)	(77)
Operating income (loss) before taxes:	(2,100)	1,745	1,742	(4,150)	1,775	1,387	4,680
Income tax expense (benefit)	(849)	561	556	(1,265)	599	268	1,385
After-tax operating income (loss) (a)	\$ (1,251)	\$ 1,184	\$ 1,186	\$ (2,885)	\$ 1,176	\$ 1,119	\$ 3,295
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	1,727	(100)	(70)	2	(69)	1,557	(138)
(Better) worse than expected alternative returns*	(49)	(54)	(123)	(37)	(33)	(226)	369
(Better) worse than expected DIB & GCM returns	-	(3)	(1)	2	1	(4)	4
Fair value changes on PICC investments	(20)	(4)	(14)	8	(31)	(38)	21
Update of actuarial assumptions	(185)	-	-	-	(149)	(185)	(149)
Unfavorable (favorable) prior year loss reserve development	550	83	31	3,390	166	664	130
Normalized after-tax operating income (b)	\$ 772	\$ 1,106	\$ 1,009	\$ 480	\$ 1,061	\$ 2,887	\$ 3,532
Ending attributed equity	41,751	44,571	45,226	47,651	52,953	41,751	52,953
Average attributed equity (c)	43,161	44,898	46,438	50,302	52,142	44,800	52,237
Adjusted return on attributed equity (a÷c)	(11.6) %	10.5 %	10.2 %	(22.9) %	9.0 %	3.3 %	8.4 %
Normalized return on attributed equity** (b÷c)	7.2 %	9.9 %	8.7 %	3.8 %	8.1 %	8.6 %	9.0 %

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

** 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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Pre-tax operating income (loss)	\$ 286	\$ 431	\$ 342	\$ 1,101	\$ (99)	\$ 1,059	\$ (94)
Interest expense on attributed financial debt	42	43	43	43	32	128	77
Operating income (loss) before taxes:	244	388	299	1,058	(131)	931	(171)
Income tax expense (benefit)	79	135	97	404	(73)	311	(74)
After-tax Non-controlling interest (income) loss on Korea Fund	-	-	-	(533)	-	-	-
After-tax operating income (loss) (a)	\$ 165	\$ 253	\$ 202	\$ 121	\$ (58)	\$ 620	\$ (97)
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	(1)	(1)	(1)	(3)	(1)	(3)	(4)
(Better) worse than expected alternative returns*	(19)	(19)	3	(30)	(12)	(35)	54
(Better) worse than expected DIB & GCM returns	(27)	(90)	(28)	(50)	(69)	(145)	157
Fair value changes on PICC investments	-	-	-	(1)	-	-	70
Update of actuarial assumptions	9	-	-	-	399	9	399
Life Insurance - IBNR death claims	-	-	-	-	-	-	(16)
Unfavorable (favorable) prior year loss reserve development	(1)	(1)	(10)	241	4	(12)	20
Normalized after-tax operating income (b)	\$ 126	\$ 142	\$ 166	\$ 278	\$ 263	\$ 434	\$ 583
Ending attributed equity	9,880	9,912	10,477	10,649	11,086	9,880	11,086
Average attributed equity (c)	9,896	10,195	10,563	10,867	12,914	10,230	14,426
Adjusted return on attributed equity (a÷c)	6.7 %	9.9 %	7.6 %	4.5 %	(1.8) %	8.1 %	(0.9) %
Normalized return on attributed equity** (b÷c)	5.1 %	5.6 %	6.3 %	10.2 %	8.1 %	5.7 %	5.4 %

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

** 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)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations - United States							
Pre-tax operating income (loss)	\$ (1,464)	\$ 1,726	\$ 1,814	\$ (3,598)	\$ 1,832	\$ 2,076	\$ 4,780
Interest expense on attributed financial debt	53	62	59	48	47	174	147
Operating income (loss) before taxes:	(1,517)	1,664	1,755	(3,646)	1,785	1,902	4,633
Income tax expense (benefit)	(596)	550	580	(1,239)	475	534	1,322
After-tax operating income (loss) (a)	\$ (921)	\$ 1,114	\$ 1,175	\$ (2,407)	\$ 1,310	\$ 1,368	\$ 3,311
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	1,565	(63)	(36)	35	(29)	1,466	(83)
(Better) worse than expected alternative returns*	(47)	(58)	(111)	(37)	(41)	(216)	302
Fair value changes on PICC investments	-	-	-	-	(12)	-	30
Update of actuarial assumptions	(185)	-	-	-	(149)	(185)	(149)
Unfavorable (favorable) prior year loss reserve development	329	52	(15)	3,138	186	366	258
Normalized after-tax operating income (loss) (b)	\$ 741	\$ 1,045	\$ 1,013	\$ 729	\$ 1,265	\$ 2,799	\$ 3,669
Ending attributed equity	39,757	40,302	40,199	44,406	44,613	39,757	44,613
Average attributed equity (c)	40,030	40,251	42,303	44,510	45,915	41,166	46,405
Adjusted return on attributed equity (a÷c)	(9.2) %	11.1 %	11.1 %	(21.6) %	11.4 %	4.4 %	9.5 %
Normalized return on attributed equity*** (b÷c)	7.4 %	10.4 %	9.6 %	6.6 %	11.0 %	9.1 %	10.5 %

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations - Europe							
Pre-tax operating income (loss)	\$ (411)	\$ 64	\$ 28	\$ (382)	\$ 66	\$ (319)	\$ 377
Interest expense on attributed financial debt	12	12	11	13	16	35	54
Operating income (loss) before taxes:	(423)	52	17	(395)	50	(354)	323
Income tax expense (benefit)	(106)	13	(1)	(95)	9	(94)	87
After-tax operating income (loss) (a)	\$ (317)	\$ 39	\$ 18	\$ (300)	\$ 41	\$ (260)	\$ 236
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	128	(15)	(34)	(35)	(38)	79	(61)
(Better) worse than expected alternative returns*	-	-	-	-	-	-	2
Unfavorable (favorable) prior year loss reserve development	248	44	78	224	13	370	(6)
Normalized after-tax operating income (loss) (b)	\$ 59	\$ 68	\$ 62	\$ (111)	\$ 16	\$ 189	\$ 171
Ending attributed equity	3,192	3,547	3,401	3,447	3,410	3,192	3,410
Average attributed equity (c)	3,370	3,474	3,424	3,429	3,362	3,397	3,312
Adjusted return on attributed equity (a÷c)	(37.6) %	4.5 %	2.1 %	(35.0) %	4.9 %	(10.2) %	9.5 %
Normalized return on attributed equity*** (b÷c)	7.0 %	7.8 %	7.2 %	(12.9) %	1.9 %	7.4 %	6.9 %

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

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

*** Normalizing adjustments for Europe are tax effected using a 25% 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)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations - Japan							
Pre-tax operating income (loss)	\$ 50	\$ 125	\$ 115	\$ 92	\$ 36	\$ 290	\$ 164
Interest expense on attributed financial debt	19	17	15	17	17	51	53
Operating income (loss) before taxes:	31	108	100	75	19	239	111
Income tax expense (benefit)	9	31	29	48	8	69	42
After-tax operating income (losses) (a)	\$ 22	\$ 77	\$ 71	\$ 27	\$ 11	\$ 170	\$ 69
Adjustments to arrive at normalized after-tax operating income (loss):							
Catastrophe losses above (below) expectations	6	(8)	(8)	(14)	11	(10)	26
(Better) worse than expected alternative returns*	(4)	3	(11)	3	10	(12)	31
Unfavorable (favorable) prior year loss reserve development	(8)	6	(8)	(6)	(4)	(10)	(27)
Normalized after-tax operating income (loss) (b)	\$ 16	\$ 78	\$ 44	\$ 10	\$ 28	\$ 138	\$ 99
Ending attributed equity	1,382	1,374	979	941	959	1,382	959
Average attributed equity (c)	1,378	1,177	960	950	1,030	1,169	1,028
Adjusted return on attributed equity (a÷c)	6.4 %	26.2 %	29.6 %	11.4 %	4.3 %	19.4 %	8.9 %
Normalized return on attributed equity** (b÷c)	4.6 %	26.5 %	18.3 %	4.2 %	10.9 %	15.7 %	12.8 %

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

** Normalizing adjustments are tax effected using a 30% 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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Loss ratio	168.4	73.8	71.9	211.5	77.3	105.2	71.5
Catastrophe losses and reinstatement premiums	(71.2)	(4.8)	(5.4)	(8.1)	(5.6)	(27.5)	(5.9)
Prior year development, net of (additional) return premium on loss sensitive business	(22.1)	(2.1)	(1.0)	(125.2)	(7.0)	(8.5)	(2.4)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	(0.8)	-	-	-	(0.3)	-
Accident year loss ratio, as adjusted	75.1	66.1	65.5	78.2	64.7	68.9	63.2
Combined ratio	195.4	102.7	102.2	241.6	105.8	133.9	100.3
Catastrophe losses and reinstatement premiums	(71.2)	(4.8)	(5.4)	(8.1)	(5.6)	(27.5)	(5.9)
Prior year development, net of (additional) return premium on loss sensitive business	(22.1)	(2.1)	(1.0)	(125.2)	(7.0)	(8.5)	(2.4)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	(0.8)	-	-	-	(0.3)	-
Accident year combined ratio, as adjusted	102.1	95.0	95.8	108.3	93.2	97.6	92.0

Commercial Insurance - Liability and Financial Lines

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Loss ratio	113.1	76.1	76.0	312.0	67.7	88.8	69.1
Catastrophe losses and reinstatement premiums	(0.9)	-	-	-	(0.2)	(0.3)	(0.1)
Prior year development, net of (additional) return premium on loss sensitive business	(34.1)	(1.8)	(3.5)	(220.6)	0.5	(13.5)	(1.0)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	(1.6)	-	-	-	(0.5)	-
Accident year loss ratio, as adjusted	78.1	72.7	72.5	91.4	68.0	74.5	68.0
Combined ratio	138.3	102.4	105.4	338.7	93.1	115.7	95.3
Catastrophe losses and reinstatement premiums	(0.9)	-	-	-	(0.2)	(0.3)	(0.1)
Prior year development, net of (additional) return premium on loss sensitive business	(34.1)	(1.8)	(3.5)	(220.6)	0.5	(13.5)	(1.0)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	(1.6)	-	-	-	(0.5)	-
Accident year combined ratio, as adjusted	103.3	99.0	101.9	118.1	93.4	101.4	94.2

Commercial Insurance - Property and Special Risks

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Loss ratio	247.6	70.8	66.3	77.0	90.5	127.5	75.2
Catastrophe losses and reinstatement premiums	(172.0)	(11.1)	(12.6)	(18.9)	(13.3)	(64.6)	(14.3)
Prior year development	(4.9)	(2.5)	2.2	2.4	(17.3)	(1.7)	(4.5)
Accident year loss ratio, as adjusted	70.7	57.2	55.9	60.5	59.9	61.2	56.4
Combined ratio	277.0	102.9	97.7	111.7	123.3	158.5	107.7
Catastrophe losses and reinstatement premiums	(172.0)	(11.1)	(12.6)	(18.9)	(13.3)	(64.6)	(14.3)
Prior year development	(4.9)	(2.5)	2.2	2.4	(17.3)	(1.7)	(4.5)
Accident year combined ratio, as adjusted	100.1	89.3	87.3	95.2	92.7	92.2	88.9



American International Group, Inc.

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

Consumer Personal Insurance

	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Loss ratio	64.3	50.7	56.0	52.7	56.3	57.0	54.9
Catastrophe losses and reinstatement premiums	(10.6)	(0.1)	(1.0)	(1.6)	(0.9)	(3.9)	(1.4)
Prior year development	-	0.2	-	0.6	1.1	-	1.5
Accident year loss ratio, as adjusted	53.7	50.8	55.0	51.7	56.5	53.1	55.0
Combined ratio	105.6	91.1	96.6	96.9	97.5	97.8	96.3
Catastrophe losses and reinstatement premiums	(10.6)	(0.1)	(1.0)	(1.6)	(0.9)	(3.9)	(1.4)
Prior year development	-	0.2	-	0.6	1.1	-	1.5
Accident year combined ratio, as adjusted	95.0	91.2	95.6	95.9	97.7	93.9	96.4

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

(in millions)	Quarterly					Leverage Ratio as of September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Attributed Debt							
Commercial Insurance							
Liability and Financial Lines	\$ 5,007	\$ 6,619	\$ 6,417	\$ 5,869	\$ 5,231	26.5%	21.9%
Property and Special Risks	3,104	3,055	2,936	3,084	3,392	28.2%	28.3%
Total Commercial Insurance	8,111	9,674	9,353	8,953	8,623	27.1%	24.0%
Consumer Insurance							
Individual Retirement	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Group Retirement	-	-	-	-	-	0.0%	0.0%
Life Insurance	516	516	516	516	551	16.6%	17.4%
Personal Insurance	2,708	2,655	2,299	2,206	2,467	45.8%	47.4%
Total Consumer Insurance	3,224	3,171	2,815	2,722	3,018	12.3%	11.7%
Other Operations	6,799	5,921	5,352	5,827	6,324	NM	NM
Total Core	18,134	18,766	17,520	17,502	17,965	30.3%	25.3%
Legacy Portfolio	3,764	3,767	3,764	3,745	3,737	27.6%	25.2%
Total Attributed Debt	\$ 21,898	\$ 22,533	\$ 21,284	\$ 21,247	\$ 21,702	29.8%	25.3%
Attributed Debt by Geography							
United States	\$ 4,026	\$ 5,535	\$ 5,535	\$ 4,637	\$ 3,740	9.2%	7.7%
Europe	1,146	1,146	901	1,021	1,209	26.4%	26.2%
Japan	2,057	2,057	1,626	1,591	2,056	59.8%	68.2%
Other	10,905	10,028	9,458	10,253	10,960	NM	NM
Total Core	18,134	18,766	17,520	17,502	17,965	30.3%	25.3%
Legacy Portfolio	3,764	3,767	3,764	3,745	3,737	27.6%	25.2%
Total Attributed Debt	\$ 21,898	\$ 22,533	\$ 21,284	\$ 21,247	\$ 21,702	29.8%	25.3%
Consolidated Debt Attributed							
Total Financial debt	\$ 21,062	\$ 21,668	\$ 20,437	\$ 20,404	\$ 20,841		
Hybrid debt securities - junior subordinated debt	836	865	847	843	861		
Total Debt Attributed	\$ 21,898	\$ 22,533	\$ 21,284	\$ 21,247	\$ 21,702		

*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					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
General operating and other expenses, GAAP basis	\$ 2,149	\$ 2,182	\$ 2,443	\$ 2,864	\$ 2,536	\$ 6,774	\$ 8,125
Restructuring and other costs	(31)	(47)	(181)	(206)	(210)	(259)	(488)
Other expense related to retroactive reinsurance agreement	-	-	-	10	(4)	-	8
Pension expense related to a one-time lump sum payment to former employees	(49)	(1)	-	(147)	-	(50)	-
Non-operating litigation reserves	-	74	(4)	(2)	2	70	(1)
Total general operating and other expenses included in pre-tax operating income	2,069	2,208	2,258	2,519	2,324	6,535	7,644
Loss adjustment expenses, reported as policyholder benefits and losses incurred	289	296	304	314	340	889	1,031
Advisory fee expenses	(84)	(77)	(77)	(79)	(76)	(238)	(566)
Non-deferrable insurance commissions and other	(148)	(130)	(132)	(117)	(107)	(410)	(350)
Direct marketing and acquisition expenses, net of deferrals, and other	(56)	(58)	(112)	(172)	(52)	(226)	(329)
Investment expenses reported as net investment income and other	32	9	8	12	15	49	45
Total general operating expenses, operating basis	\$ 2,102	\$ 2,248	\$ 2,249	\$ 2,477	\$ 2,444	\$ 6,599	\$ 7,475



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Results of Operations							
Net premiums written	\$ 6,574	\$ 6,674	\$ 6,301	\$ 6,510	\$ 7,278	\$ 19,549	\$ 21,904
Net premiums earned	\$ 6,657	\$ 6,529	\$ 6,517	\$ 7,104	\$ 7,447	\$ 19,703	\$ 22,571
Loss and loss adjustment expenses incurred (2)	8,277	4,205	4,258	10,825	5,159	16,740	14,908
Acquisition expenses	1,279	1,311	1,298	1,434	1,456	3,888	4,427
General operating expenses	923	899	950	1,110	1,027	2,772	3,146
Underwriting income (loss)	(3,822)	114	11	(6,265)	(195)	(3,697)	90
Net investment income (loss):							
Interest and dividends	760	775	776	894	907	2,311	2,751
Alternative investments	200	214	303	167	188	717	156
Other investment income	35	39	93	52	34	167	(9)
Investment expenses	(42)	(40)	(35)	(26)	(33)	(117)	(96)
Total net investment income	953	988	1,137	1,087	1,096	3,078	2,802
Pre-tax operating income (loss)	\$ (2,869)	\$ 1,102	\$ 1,148	\$ (5,178)	\$ 901	\$ (619)	\$ 2,892
Underwriting Ratios							
Loss ratio (2)	124.3	64.4	65.3	152.4	69.3	85.0	66.1
Catastrophe losses and reinstatement premiums	(45.3)	(2.8)	(3.5)	(5.4)	(3.8)	(17.4)	(4.2)
Prior year development, net of (additional) return premium on loss sensitive business	(12.6)	(1.0)	(0.6)	(78.9)	(3.8)	(4.8)	(1.1)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	(0.5)	-	-	-	(0.1)	-
Accident year loss ratio, as adjusted	66.4	60.1	61.5	68.1	61.7	62.7	59.3
Acquisition ratio	19.2	20.1	19.9	20.2	19.6	19.7	19.6
General operating expense ratio	13.9	13.8	14.6	15.6	13.8	14.1	13.9
Expense ratio	33.1	33.9	34.5	35.8	33.4	33.8	33.5
Combined ratio	157.4	98.3	99.8	188.2	102.7	118.8	99.6
Catastrophe losses and reinstatement premiums	(45.3)	(2.8)	(3.5)	(5.4)	(3.8)	(17.4)	(4.2)
Prior year development, net of (additional) return premium on loss sensitive business	(12.6)	(1.0)	(0.6)	(78.9)	(3.8)	(4.8)	(1.1)
Adjustment for ceded premiums under reinsurance contracts related to prior accident years	-	(0.5)	-	-	-	(0.1)	-
Accident year combined ratio, as adjusted	99.5	94.0	96.0	103.9	95.1	96.5	94.3

(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.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Foreign Exchange Effect on Worldwide Premiums							
Change in net premiums written - Liability and Financial Lines							
Increase (decrease) in original currency	(9)%	(9)%	(10)%	(22)%	(23)%	(9)%	(25)%
Foreign exchange effect	-	(1)	(2)	(1)	(1)	(1)	(1)
Increase (decrease) as reported in U.S. dollars	(9)%	(10)%	(12)%	(23)%	(24)%	(10)%	(26)%
Change in net premiums written - Property and Special Risks							
Increase (decrease) in original currency	(19)%	(19)%	(23)%	(15)%	(6)%	(20)%	(1)%
Foreign exchange effect	-	(1)	(1)	(1)	(1)	(1)	(2)
Increase (decrease) as reported in U.S. dollars	(19)%	(20)%	(24)%	(16)%	(7)%	(21)%	(3)%
Change in net premiums written - Personal Insurance							
Increase (decrease) in original currency	(2)%	(2)%	(6)%	(1)%	(5)%	(3)%	(2)%
Foreign exchange effect	(2)	(1)	1	4	2	(1)	-
Increase (decrease) as reported in U.S. dollars	(4)%	(3)%	(5)%	3%	(3)%	(4)%	(2)%
Noteworthy Items (pre-tax):							
Catastrophe-related losses	\$ 3,016	\$ 180	\$ 228	\$ 383	\$ 282	\$ 3,424	\$ 947
Reinstatement premiums related to catastrophes	-	-	-	1	-	-	-
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	(21)
Severe losses	243	125	57	84	95	425	349
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	836	56	10	5,596	290	902	248
(Additional) return premium related to prior year development on loss sensitive business	9	23	23	16	(11)	55	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	\$ 845	\$ 79	\$ 33	\$ 5,612	\$ 279	\$ 957	\$ 265
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(9)	252	14	-	-	257	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance, (additional) return premium on loss sensitive business, and deferred retroactive reinsurance gains	836	331	47	5,612	279	1,214	265
Net reserve discount (benefit) charge							
Liability and Financial Lines	\$ 74	\$ 156	\$ (23)	\$ (589)	\$ 17	\$ 207	\$ 182
Legacy Property and Casualty Run-off Insurance Reserves	(26)	104	(2)	(162)	15	76	141
Total net reserve discount (benefit) charge	\$ 48	\$ 260	\$ (25)	\$ (751)	\$ 32	\$ 283	\$ 323
Net liability for unpaid losses and loss adjustment expenses (at period end)	\$ 53,713	\$ 49,919	\$ 50,377	\$ 62,811	\$ 59,414	\$ 53,713	\$ 59,414

(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.



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

<i>(in millions)</i>	Quarterly					Nine Months Ended	
	3Q17	2Q17	1Q17	4Q16	3Q16	2017	2016
Consumer Insurance:							
Premiums and deposits	\$ 5,321	\$ 5,641	\$ 6,332	\$ 6,045	\$ 6,064	\$ 17,294	\$ 21,106
Deposits	(4,726)	(5,042)	(5,756)	(5,463)	(5,495)	(15,524)	(19,397)
Other	(181)	(164)	(155)	(202)	(174)	(500)	(491)
Premiums	\$ 414	\$ 435	\$ 421	\$ 380	\$ 395	\$ 1,270	\$ 1,218
Consumer Insurance - Individual Retirement:							
Premiums and deposits	\$ 2,526	\$ 2,892	\$ 3,382	\$ 3,078	\$ 3,363	\$ 8,800	\$ 12,984
Deposits	(2,504)	(2,862)	(3,357)	(3,044)	(3,328)	(8,723)	(12,854)
Other	-	1	3	-	2	4	(1)
Premiums	\$ 22	\$ 31	\$ 28	\$ 34	\$ 37	\$ 81	\$ 129
Consumer Insurance - Individual Retirement (Fixed Annuities):							
Premiums and deposits	\$ 592	\$ 633	\$ 917	\$ 546	\$ 570	\$ 2,142	\$ 3,436
Deposits	(573)	(604)	(892)	(512)	(535)	(2,069)	(3,308)
Other	1	4	4	2	3	9	6
Premiums	\$ 20	\$ 33	\$ 29	\$ 36	\$ 38	\$ 82	\$ 134
Consumer Insurance - Individual Retirement (Variable Annuities):							
Premiums and deposits	\$ 736	\$ 841	\$ 862	\$ 923	\$ 1,092	\$ 2,439	\$ 3,584
Deposits	(733)	(841)	(862)	(923)	(1,092)	(2,436)	(3,584)
Other	(1)	(2)	(1)	(1)	(2)	(4)	(6)
Premiums	\$ 2	\$ (2)	\$ (1)	\$ (1)	\$ (2)	\$ (1)	\$ (6)
Consumer Insurance - Individual Retirement (Index Annuities):							
Premiums and deposits	\$ 601	\$ 720	\$ 606	\$ 548	\$ 611	\$ 1,927	\$ 2,139
Deposits	(601)	(720)	(606)	(548)	(611)	(1,927)	(2,139)
Other	-	-	-	-	-	-	-
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer Insurance - Individual Retirement (Retail Mutual Funds):							
Premiums and deposits	\$ 597	\$ 698	\$ 997	\$ 1,061	\$ 1,090	\$ 2,292	\$ 3,825
Deposits	(597)	(698)	(997)	(1,061)	(1,090)	(2,292)	(3,825)
Other	-	-	-	-	-	-	-
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer Insurance - Group Retirement:							
Premiums and deposits	\$ 1,860	\$ 1,802	\$ 2,040	\$ 2,056	\$ 1,821	\$ 5,702	\$ 5,514
Deposits	(1,852)	(1,798)	(2,031)	(2,050)	(1,812)	(5,681)	(5,493)
Other	-	-	-	-	-	-	-
Premiums	\$ 8	\$ 4	\$ 9	\$ 6	\$ 9	\$ 21	\$ 21
Consumer Insurance - Life Insurance:							
Premiums and deposits	\$ 935	\$ 947	\$ 910	\$ 911	\$ 880	\$ 2,792	\$ 2,608
Deposits	(371)	(381)	(368)	(369)	(355)	(1,120)	(1,050)
Other	(180)	(166)	(158)	(203)	(176)	(504)	(490)
Premiums	\$ 384	\$ 400	\$ 384	\$ 339	\$ 349	\$ 1,168	\$ 1,068
Institutional Markets:							
Premiums and deposits	\$ 1,476	\$ 150	\$ 573	\$ 1,168	\$ 193	\$ 2,199	\$ 985
Deposits	(573)	(76)	(150)	(1,019)	(84)	(799)	(415)
Other	(6)	10	9	10	11	13	30
Premiums	\$ 897	\$ 84	\$ 432	\$ 159	\$ 120	\$ 1,413	\$ 600
Legacy Life Insurance Run-off Lines:							
Premiums and deposits	\$ 155	\$ 149	\$ 160	\$ 159	\$ 167	\$ 464	\$ 507
Deposits	(27)	(18)	(30)	(27)	(32)	(75)	(89)
Other	(12)	(7)	(8)	(14)	(9)	(27)	(19)
Premiums	\$ 116	\$ 124	\$ 122	\$ 118	\$ 126	\$ 362	\$ 399





Bring on tomorrow

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