

## 2017 年 12 月期 年次決算短信

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 2018 年 2 月 8 日

2. 定時株主総会開催日 未定

3. 業績 (注 1：下記の数字は 2017 年 12 月 31 日現在の会計方法に従い算出したものである。)

	年 次 決 算		
	当年度 (2017 年)	前年度 (2016 年)	増減率 (%)
売上高又は営業収入	49,520 百万ドル	52,367 百万ドル	△5.4
純利益 (損失) (税引後)	△6,084 百万ドル	△849 百万ドル	-
1 株当たり純利益 (損失) (注 2)	△6.54 ドル	△0.78 ドル	-

	第 4 四半期 (10 月～12 月の 3 ヶ月間)		
	当期	前年同期	増減率 (%)
売上高又は営業収入	12,635 百万ドル	13,010 百万ドル	△2.9
純利益 (損失) (税引後)	△6,660 百万ドル	△3,041 百万ドル	-
1 株当たり純利益 (損失) (注 2)	△7.33 ドル	△2.96 ドル	-

	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	0.32 ドル	
合計	1.28 ドル	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。

## 4. 概況・特記事項・その他

上記 3. の各数値は、会社の 2018 年 2 月 8 日付けプレス・リリースおよび Quarterly Financial Supplement Fourth 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 Fourth Quarter 2017 を添付する。



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## AIG REPORTS FOURTH QUARTER 2017 RESULTS

NEW YORK, February 8, 2018 - American International Group, Inc. (NYSE: AIG) today reported a net loss of \$6.7 billion, or \$7.33 per share, for the fourth quarter of 2017, compared to a net loss of \$3.0 billion, or \$2.96 per share, in the prior-year quarter. The fourth quarter of 2017 net loss included a charge of \$6.7 billion related to the enactment of the Tax Cuts and Jobs Act (the Tax Act). Adjusted after-tax income was \$526 million, or \$0.57 per diluted share, for the fourth quarter of 2017, compared to an adjusted after-tax loss of \$2.8 billion, or \$2.72 per share, in the prior-year quarter.

“The fourth quarter was another important step forward in positioning AIG for the future. Since I joined the company in May, we’ve added to our talent base, assessed and initiated underwriting actions, and established a new operating structure. 2017 represents a starting point from which we expect to build and 2018 will be a year of execution. Our actions to diversify our business and pursue profitable growth were further reflected in our January announcement of the acquisition of Validus,” said Brian Duperreault, President and Chief Executive Officer.

“Our fourth quarter and full year 2017 results were significantly impacted by catastrophe losses. Despite full year record catastrophe losses of \$4.2 billion, we delivered approximately \$1.5 billion in pre-tax income and over \$3.0 billion in adjusted pre-tax income. Importantly, our fourth quarter reserve review resulted in modest net adverse development and our General Insurance North America Commercial business showed notable improvement and reserve stability. Personal Insurance and Life and Retirement operations continued to deliver solid performance and benefit from their diversified offerings.”

## FOURTH QUARTER AND FULL YEAR 2017 HIGHLIGHTS

*General Insurance Results* – Fourth quarter adjusted pre-tax income of \$13 million included \$762 million of catastrophe losses, of which \$572 million related to the wildfires in California. North America adjusted pre-tax income of \$412 million was offset by an International adjusted pre-tax loss of \$399 million. The fourth quarter reflected modest net prior year adverse loss reserve development of 1.4 points, driven by International Commercial lines. The fourth quarter and full year of 2017 loss ratios were 78.3 and 83.2, respectively. The accident year loss ratio, as adjusted was 65.2, a 2.3 point improvement compared to the prior year quarter. For the full year, the accident year loss ratio, as adjusted was 63.0, a 1.1 point increase from a year ago.



*Life and Retirement Results* – Fourth quarter adjusted pre-tax income of \$782 million included a charge of approximately \$90 million for adjustments, primarily within Individual Retirement and Group Retirement, due to the ongoing modernization of actuarial systems and related model refinements. The fourth quarter of 2017 reflected higher fee income for Individual Retirement and Group Retirement due to historically high assets under administration driven by equity market performance and higher base net investment spread in Variable and Index Annuities, as well as Group Retirement. Full year base net investment spread for Fixed Annuities remained essentially flat with the prior year despite the impact of spread compression from reinvesting at lower rates.

*Legacy* – Fourth quarter adjusted pre-tax income of \$411 million, compared to \$1.1 billion in the prior year quarter, included higher than expected investment returns. The fourth quarter of 2016 included a pre-tax gain of \$1.1 billion from the sale of commercial real estate in South Korea offset by unfavorable prior year loss reserve development.

AIG recently formed a Bermuda-domiciled legal entity named DSA Reinsurance Company, Ltd. (DSA Re) to act as AIG's main run-off reinsurer. DSA Re's primary purpose is to reinsure AIG's Legacy Life and Retirement and Legacy General Insurance run-off lines. DSA Re will allow AIG to derive operational efficiencies by consolidating its legacy books in one legal entity and under one management team, while continuing to honor all policyholder commitments and client relationships. The amount expected to be reinsured upon receipt of all regulatory approvals represents approximately \$37 billion or over 80% of Legacy total insurance reserves and will be backed with approximately \$40 billion of invested assets managed by AIG Investments.

Since its establishment, Legacy has returned \$10.0 billion of capital to AIG Parent, surpassing its original goal of \$9.0 billion. Total book value impairments and losses on sales from Legacy investments that were sold from September 1, 2015 through December 31, 2017 totaled \$1.0 billion.

*Capital and Liquidity* – In the fourth quarter of 2017, AIG Parent received approximately \$290 million in dividends in the form of cash and fixed maturity securities from its Life and Retirement companies, as well as \$2.0 billion associated with Legacy asset monetizations, including net proceeds of \$1.1 billion from the sale of AIG's remaining life settlements contracts. AIG Parent reimbursed \$1.2 billion in the quarter to its insurance companies as a result of adjustments made to tax sharing payments during the year. At the end of 2017, Parent liquidity stood at \$7.3 billion.

*Validus Holdings Ltd.* – On January 21, 2018 AIG entered into an agreement to acquire Validus Holdings Ltd., a leading provider of reinsurance, primary insurance and asset management services, for \$5.6 billion in cash. This transaction will strengthen AIG's global General Insurance business by expanding its current product portfolio through additional distribution channels and advancing the tools available for underwriting. The transaction is expected to close in mid-2018 and is subject to obtaining the relevant regulatory approvals and other customary closing conditions.



**FOURTH QUARTER FINANCIAL SUMMARY\***

	<b>Three Months Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
<i>(\$ in millions, except per share amounts)</i>		
Net income (loss)	\$ (6,660)	\$ (3,041)
Net income (loss) per diluted share (a)	\$ (7.33)	\$ (2.96)
Adjusted after-tax income (loss)	\$ 526	\$ (2,787)
Adjusted after-tax income (loss) per diluted share (a)	\$ 0.57	\$ (2.72)
Return on equity	(38.7)%	(14.7)%
Adjusted return on equity	4.2 %	(18.2)%
Adjusted return on attributed equity - Core	2.6 %	(22.9)%
Book value per common share	\$ 72.49	\$ 76.66
Book value per common share, excluding accumulated other comprehensive income	\$ 66.41	\$ 73.41

\*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 fourth quarter of 2016, unless otherwise indicated. Refer to the AIG Fourth Quarter 2017 Financial Supplement, which is posted on AIG's website in the Investor Information section, for further information.

**GENERAL INSURANCE**

	<b>Three Months Ended December 31,</b>		
	<b>2017</b>	<b>2016</b>	<b>Change</b>
<i>(\$ in millions)</i>			
<b>Total General Insurance</b>			
Net premiums written	\$ 5,892	\$ 6,512	(10) %
Underwriting income (loss)	\$ (846)	\$ (5,852)	86
Adjusted pre-tax income (loss)	\$ 13	\$ (4,847)	NM
Underwriting ratios:			
Loss ratio	78.3	146.7	(68.4) pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(11.7)	(5.4)	(6.3)
Prior year development	(1.4)	(73.8)	72.4
Accident year loss ratio, as adjusted	65.2	67.5	(2.3)
Expense ratio	35.0	35.8	(0.8)
Combined ratio	113.3	182.5	(69.2)
Accident year combined ratio, as adjusted	100.2	103.3	(3.1)



**General Insurance - North America**

(\$ in millions)	Three Months Ended December 31,		
	2017	2016	Change
<b>North America</b>			
Net premiums written	\$ 2,583	\$ 3,008	(14) %
Commercial Lines	1,808	2,236	(19)
Personal Insurance	775	772	-
Underwriting income (loss)	\$ (316)	\$ (5,288)	94
Commercial Lines	16	(5,294)	NM
Personal Insurance	(332)	6	NM
Adjusted pre-tax income (loss)	\$ 412	\$ (4,406)	NM
<u>Underwriting ratios:</u>			
<b>North America</b>			
Loss ratio	83.0	237.6	(154.6) pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(24.5)	(7.6)	(16.9)
Prior year development	3.3	(152.8)	156.1
Accident year loss ratio, as adjusted	61.8	77.2	(15.4)
Expense ratio	28.5	27.5	1.0
Combined ratio	111.5	265.1	(153.6)
Accident year combined ratio, as adjusted	90.3	104.7	(14.4)
<b>North America Commercial Lines</b>			
Loss ratio	73.9	294.8	(220.9) pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(12.0)	(8.2)	(3.8)
Prior year development	4.9	(202.3)	207.2
Accident year loss ratio, as adjusted	66.8	84.3	(17.5)
Expense ratio	25.3	23.9	1.4
Combined ratio	99.2	318.7	(219.5)
Accident year combined ratio, as adjusted	92.1	108.2	(16.1)
<b>North America Personal Insurance</b>			
Loss ratio	108.0	60.5	47.5 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(58.6)	(5.5)	(53.1)
Prior year development	(1.1)	-	(1.1)
Accident year loss ratio, as adjusted	48.3	55.0	(6.7)
Expense ratio	37.5	38.7	(1.2)
Combined ratio	145.5	99.2	46.3
Accident year combined ratio, as adjusted	85.8	93.7	(7.9)

- Net premiums written decreased by 14%, primarily due to continued execution of our strategic portfolio actions in North America Commercial Lines Casualty and Property lines of business.



- The reduction in the North America loss ratio was driven by the fourth quarter 2016 reserve additions. The 15.4 point improvement in the accident year loss ratio, as adjusted primarily reflects the impact of adjustments to the loss estimates that were made in the fourth quarter of 2016, as well as pricing and underwriting actions, and recoveries from reinsurance on severe losses.
- Adjusted pre-tax income of \$412 million included \$682 million of catastrophe-related losses, which were primarily related to the California wildfires and largely impacted Personal Insurance. Favorable loss reserve development of \$97 million was primarily due to improvement in North America Commercial Lines.

**General Insurance - International**

(\$ in millions)	Three Months Ended December 31,		
	2017	2016	Change
<b>International</b>			
Net premiums written	\$ 3,309	\$ 3,504	(6) %
Commercial Lines	1,422	1,466	(3)
Personal Insurance	1,887	2,038	(7)
Underwriting income (loss)	\$ (530)	\$ (564)	6
Commercial Lines	(603)	(647)	7
Personal Insurance	73	83	(12)
Adjusted pre-tax loss	\$ (399)	\$ (441)	10
<u>Underwriting ratios:</u>			
<b>International</b>			
Loss ratio	74.7	71.9	2.8 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(2.2)	(3.5)	1.3
Prior year development	(4.8)	(8.9)	4.1
Accident year loss ratio, as adjusted	67.7	59.5	8.2
Expense ratio	39.8	42.5	(2.7)
Combined ratio	114.5	114.4	0.1
Accident year combined ratio, as adjusted	107.5	102.0	5.5
<b>International Commercial Lines</b>			
Loss ratio	98.0	97.9	0.1 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(2.7)	(7.7)	5.0
Prior year development	(11.4)	(20.0)	8.6
Accident year loss ratio, as adjusted	83.9	70.2	13.7
Expense ratio	37.7	38.2	(0.5)
Combined ratio	135.7	136.1	(0.4)
Accident year combined ratio, as adjusted	121.6	108.4	13.2



(\$ in millions)	Three Months Ended December 31,		
	2017	2016	Change
<b>International Personal Insurance</b>			
Loss ratio	54.6	49.8	4.8 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(1.8)	(0.1)	(1.7)
Prior year development	0.8	0.7	0.1
Accident year loss ratio, as adjusted	53.6	50.4	3.2
Expense ratio	41.7	46.3	(4.6)
Combined ratio	96.3	96.1	0.2
Accident year combined ratio, as adjusted	95.3	96.7	(1.4)

- Net premiums written decreased 6% on a reported basis primarily driven by divestitures and risk selection strategy in Europe in International Commercial Lines and strategic country exits for Personal Insurance.
- The loss ratio increased 2.8 points to 74.7 in the fourth quarter of 2017. The accident year loss ratio, as adjusted increased 8.2 points to 67.7 primarily due to continued remediation efforts of International Commercial Lines in Europe.
- Adjusted pre-tax loss of \$399 million was largely due to the strengthening of reserves and loss estimates in International Commercial Lines.

**LIFE AND RETIREMENT**

(\$ in millions)	Three Months Ended December 31,		
	2017	2016	Change
<b>Life and Retirement</b>			
Premiums & Fees	\$ 2,123	\$ 1,186	79 %
Net Investment Income	2,003	1,983	1
Adjusted Revenue	4,382	3,388	29
Benefits, losses and expenses	3,600	2,522	43
Adjusted pre-tax income	782	866	(10)
<b>Individual Retirement</b>			
Premiums & Fees	\$ 210	\$ 215	(2) %
Net Investment Income	1,030	1,010	2
Adjusted Revenue	1,415	1,376	3
Benefits, losses and expenses	941	834	13
Adjusted pre-tax income	474	542	(13)
Net flows	(422)	(321)	(31)
<b>Group Retirement</b>			
Premiums & Fees	\$ 120	\$ 104	15 %
Net Investment Income	550	558	(1)
Adjusted Revenue	732	716	2
Benefits, losses and expenses	486	455	7
Adjusted pre-tax income	246	261	(6)
Net flows	(453)	(533)	15



(\$ in millions)	Three Months Ended December 31,		
	2017	2016	Change
<b>Life Insurance</b>			
Premiums & Fees	\$ 732	\$ 679	8 %
Net Investment Income	263	263	-
Adjusted Revenue	1,013	956	6
Benefits, losses and expenses	1,011	966	5
Adjusted pre-tax income (loss)	2	(10)	NM
<b>Institutional Markets</b>			
Premiums & Fees	\$ 1,061	\$ 188	464 %
Net Investment Income	160	152	5
Adjusted Revenue	1,222	340	259
Benefits, losses and expenses	1,162	267	335
Adjusted pre-tax income	60	73	(18)

- In Individual Retirement, premiums and policy fees remained constant and were partially offset by an increase in reserve adjustments. Spreads continued to see compression from lower reinvestment rates. Base net investment spreads benefited from unexpected accretion income for Fixed Annuities and growth in Index Annuities. Overall net flows continued to be negative reflecting the regulatory uncertainties and disruption in the industry, partially offset by inflows to Index Annuities.
- In Group Retirement, higher reserve adjustments for Index and Variable Annuities and lower alternative investment income from lower average assets were partially offset by higher fee income and base net investment spread. Spreads continued to see compression from the current investment environment. Base net investment spread benefitted from unexpected accretion income and a cumulative update to cost of funds. Group Retirement negative net flows improved slightly due to lower individual surrenders.
- In Life Insurance, strong growth in premiums, and premiums and deposits, in universal life and term life and were partially offset by elevated mortality.
- In Institutional Markets, strong growth in pension risk transfer contributed to higher assets under management and an increase in net investment spread.

**CONFERENCE CALL**

AIG will host a conference call tomorrow, Friday, February 9, 2018 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](http://www.aig.com). A replay will be available after the call at the same location.

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





The conference call (including the conference call presentation material), the earnings release and the financial supplement may include, and officers and representatives of AIG may from time to time make, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only AIG’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “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, including AIG’s ability to successfully consummate the purchase of Validus Holdings, Ltd.;
- 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, regulatory or governmental 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 including AIG's ability to successfully consummate the purchase of Validus Holdings, Ltd.;
- 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 Reports on Form 10-Q for the quarterly periods ended September 30, 2017, June 30, 2017 and March 31, 2017, 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 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, 2017 (which will be filed with the SEC).

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

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#### COMMENT ON REGULATION G

Throughout this press release, including the financial highlights, AIG presents its financial condition and results of operations in the way it believes will be most meaningful and representative of its business results. Some of the measurements AIG uses are "non-GAAP financial measures" under Securities and Exchange Commission rules and regulations. GAAP is the acronym for "generally accepted accounting principles" in the United States. The non-GAAP financial measures AIG presents may not be comparable to similarly-named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the Fourth Quarter 2017 Financial Supplement available in the Investor Information section of AIG's website, [www.aig.com](http://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 – Adjusted After-tax 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 adjusted after-tax income attributable to AIG by average Adjusted Shareholders' Equity.

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

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

**Adjusted After-tax Income Attributable to Core** is derived by subtracting attributed interest expense and income tax expense from adjusted pre-tax 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 segments conduct business, as well as the deductibility of expenses in those jurisdictions.

**Adjusted 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). Adjusted revenues is a GAAP measure for AIG's operating segments.

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.

**Adjusted Pre-tax Income (APTI)** is derived by excluding the following items from income from continuing operations before income tax. This definition is consistent across AIG's segments. 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. APTI is a GAAP measure for AIG's 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;
- 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;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify AIG's organization;
- the portion of favorable or unfavorable prior year reserve development for which AIG has ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain; and
- net loss reserve discount benefit (charge).

**Adjusted After-tax Income Attributable to AIG (AATI)** is derived by excluding the tax effected APTI adjustments described above and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges;
- changes in uncertain tax positions and other tax items related to legacy matters having no relevance to AIG's current businesses or operating performance; and
- net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act).

See page 12 for the reconciliation of Net income attributable to AIG to Adjusted After-tax 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 General 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 and man-made catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of \$10 million each and 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 ongoing 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.

# # #



**FOR IMMEDIATE RELEASE**

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](http://www.aig.com) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: [@AIGinsurance](https://twitter.com/AIGinsurance) [www.twitter.com/AIGinsurance](https://www.twitter.com/AIGinsurance) | LinkedIn: [www.linkedin.com/company/aig](http://www.linkedin.com/company/aig). These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

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

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

**Reconciliations of Adjusted Pre-tax and After-tax Income (Loss)**

	<b>Three Months Ended December 31,</b>					
	<b>2017</b>			<b>2016</b>		
	<b>Pre-tax</b>	<b>Tax Effect</b>	<b>After-tax</b>	<b>Pre-tax</b>	<b>Tax Effect</b>	<b>After-tax</b>
<b>Pre-tax income (loss)/net income (loss), including noncontrolling interests</b>	\$ 875	\$ 7,544	\$ (6,673)	\$ (3,455)	\$ (985)	\$ (2,485)
Noncontrolling interest	-	-	13	-	-	(556)
<b>Pre-tax income (loss)/net income (loss) attributable to AIG</b>	<b>875</b>	<b>7,544</b>	<b>(6,660)</b>	<b>(3,455)</b>	<b>(985)</b>	<b>(3,041)</b>
<b>Adjustments:</b>						
Changes in uncertain tax positions and other tax adjustments	-	(461)	461	-	247	(247)
Deferred income tax valuation allowance charges	-	(66)	66	-	(87)	87
Impact of Tax Act	-	(6,687)	6,687	-	-	-
Changes in fair value of securities used to hedge guaranteed living benefits	(29)	(10)	(19)	150	53	97
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(108)	(38)	(70)	(286)	(100)	(186)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	45	15	30	(27)	(10)	(17)
(Gain) loss on extinguishment of debt	(1)	(1)	-	(2)	-	(2)
Net realized capital losses	274	105	169	1,115	344	771
Noncontrolling interest on net realized capital losses	-	-	1	-	-	(21)
Loss from discontinued operations	-	-	3	-	-	36
Income from divested businesses	(241)	(82)	(159)	(194)	(186)	(8)
Non-operating litigation reserves and settlements	(43)	(15)	(28)	2	1	1
Net loss reserve discount (benefit) charge	(96)	(36)	(60)	(750)	(263)	(487)
Pension expense related to a one-time lump sum payment to former employees	10	4	6	147	51	96
Restructuring and other costs	154	55	99	206	72	134
<b>Adjusted pre-tax income (loss)/Adjusted after-tax income (loss)</b>	<b>\$ 840</b>	<b>\$ 327</b>	<b>\$ 526</b>	<b>\$ (3,094)</b>	<b>\$ (863)</b>	<b>\$ (2,787)</b>

	<b>Twelve Months Ended December 31,</b>					
	<b>2017</b>			<b>2016</b>		
	<b>Pre-tax</b>	<b>Tax Effect</b>	<b>After-tax</b>	<b>Pre-tax</b>	<b>Tax Effect</b>	<b>After-tax</b>
<b>Pre-tax income (loss)/net income (loss), including noncontrolling interests</b>	\$ 1,466	\$ 7,526	\$ (6,063)	\$ (74)	\$ 185	\$ (288)
Noncontrolling interest	-	-	(21)	-	-	(561)
<b>Pre-tax income (loss)/net income (loss) attributable to AIG</b>	<b>1,466</b>	<b>7,526</b>	<b>(6,084)</b>	<b>(74)</b>	<b>185</b>	<b>(849)</b>
<b>Adjustments:</b>						
Changes in uncertain tax positions and other tax adjustments	-	(488)	488	-	63	(63)
Deferred income tax valuation allowance charges	-	(43)	43	-	(83)	83
Impact of Tax Act	-	(6,687)	6,687	-	-	-
Changes in fair value of securities used to hedge guaranteed living benefits	(146)	(51)	(95)	(120)	(42)	(78)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(303)	(106)	(197)	(195)	(68)	(127)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	303	106	197	(42)	(15)	(27)
(Gain) loss on extinguishment of debt	(5)	(2)	(3)	74	26	48
Net realized capital losses	1,380	506	874	1,944	561	1,383
Noncontrolling interest on net realized capital losses	-	-	7	-	-	(61)
(Income) loss from discontinued operations	-	-	(4)	-	-	90
Income from divested businesses	(68)	(41)	(27)	(545)	(309)	(236)
Non-operating litigation reserves and settlements	(129)	(45)	(84)	(41)	(14)	(27)
Net loss reserve discount (benefit) charge	187	65	122	(427)	(150)	(277)
Pension expense related to a one-time lump sum payment to former employees	60	21	39	147	51	96
Restructuring and other costs	413	145	268	694	243	451
<b>Adjusted pre-tax income/Adjusted after-tax income</b>	<b>\$ 3,158</b>	<b>\$ 906</b>	<b>\$ 2,231</b>	<b>\$ 1,415</b>	<b>\$ 448</b>	<b>\$ 406</b>



**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 December 31,			Twelve Months Ended December 31,		
	2017	2016	% Inc. (Dec.)	2017	2016	% Inc. (Dec.)
<b><u>Income (loss) per common share:</u></b>						
<b>Basic</b>						
loss from continuing operations	\$ (7.33)	\$ (2.93)	(150.2)%	\$ (6.54)	\$ (0.70)	NM%
Loss from discontinued operations	-	(0.03)	NM	-	(0.08)	NM
<b>Net loss attributable to AIG</b>	\$ (7.33)	\$ (2.96)	(147.6)	\$ (6.54)	\$ (0.78)	NM
<b>Diluted</b>						
loss from continuing operations	\$ (7.33)	\$ (2.93)	(150.2)	\$ (6.54)	\$ (0.70)	NM
Loss from discontinued operations	-	(0.03)	NM	-	(0.08)	NM
<b>Net loss attributable to AIG</b>	\$ (7.33)	\$ (2.96)	(147.6)	\$ (6.54)	\$ (0.78)	NM
<b>Adjusted after-tax income (loss) attributable to AIG per diluted share (a)</b>	\$ 0.57	\$ (2.72)	NM%	\$ 2.34	\$ 0.36	NM%
<b>Weighted average shares outstanding:</b>						
Basic	908.1	1,023.9		930.6	1,091.1	
Diluted (a)(b)	908.1	1,023.9		930.6	1,091.1	
<b>Return on equity (c)</b>	(38.7)%	(14.7)%		(8.4)%	(1.0)%	
<b>Adjusted return on equity (d)</b>	4.2 %	(18.2)%		4.1 %	0.6 %	

**As of period end:**

	December 31, 2017	December 31, 2016
<b>Total AIG shareholders' equity</b>	\$ 65,171	\$ 76,300
Accumulated other comprehensive income (AOCI)	5,465	3,230
<b>Total AIG shareholders' equity, excluding AOCI</b>	59,706	73,070
Deferred tax assets	10,492	14,770
<b>Total adjusted AIG shareholders' equity</b>	\$ 49,214	\$ 58,300

**As of period end:**

	December 31, 2017	December 31, 2016	% Inc. (Dec.)
<b>Book value per common share (e)</b>	\$ 72.49	\$ 76.66	(5.4)%
<b>Book value per common share, excluding AOCI (f)</b>	\$ 66.41	\$ 73.41	(9.5)
<b>Adjusted book value per common share (g)</b>	\$ 54.74	\$ 58.57	(6.5)
<b>Total common shares outstanding</b>	899.0	995.3	

**Financial highlights - notes**

- (a) For the quarters ended December 31, 2017 and 2016, because we reported net losses and for the quarter ended December 31, 2016, because we reported an adjusted after-tax loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts, and for the twelve months ended December 31, 2017 and 2016, because we reported net losses, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. We reported an adjusted after-tax income for the three months ended December 31, 2017, and years ended December 31, 2017 and 2016; therefore, we reported earnings per share on diluted basis. For the three months ended December 31, 2017 and years ended December 31, 2017 and 2016, the weighted average outstanding shares - diluted includes 20,155,385, 22,412,682 and 30,326,772 dilutive shares, respectively.
- (b) Diluted shares in the diluted EPS calculation represent basic shares for the three months ended December 31, 2017 and 2016 and twelve months ended December 31, 2017 and 2016 due to the net loss in that period.
- (c) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.
- (d) Computed as Annualized Adjusted after-tax 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**  
(\$ in millions, except per share amounts)

**Reconciliations of Core Adjusted Return on Equity**

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Adjusted pre-tax income (loss)</b>	\$ 429	\$ (4,195)
Interest expense (benefit) on attributed financial debt	(31)	(45)
<b>Adjusted pre-tax income (loss) including attributed interest expenses</b>	460	(4,150)
Income tax expense (benefit)	198	(1,265)
<b>Adjusted after-tax income (loss)</b>	262	(2,885)
<b>Ending adjusted attributed equity</b>	\$ 39,931	\$ 47,651
<b>Average adjusted attributed equity</b>	\$ 40,841	\$ 50,302
<b>Adjusted return on attributed equity</b>	2.6 %	(22.9)%

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

	<b>Twelve Months Ended</b>	
	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Total General Insurance</u></b>		
Loss ratio	83.2	84.8
Catastrophe losses and reinstatement premiums	(16.1)	(4.4)
Prior year development	(4.0)	(18.5)
Adjustment for ceded premium under reinsurance contract	(0.1)	-
<b>Accident year loss ratio, as adjusted</b>	<u>63.0</u>	<u>61.9</u>
Combined ratio	117.3	118.9
Catastrophe losses and reinstatement premiums	(16.1)	(4.4)
Prior year development	(4.0)	(18.5)
Adjustment for ceded premium under reinsurance contract	(0.1)	-
<b>Accident year combined ratio, as adjusted</b>	<u>97.1</u>	<u>96.0</u>

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  
Fourth Quarter 2017

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Annual Report on Form 10-K for the year ended December 31, 2017, which will be filed with the Securities and Exchange Commission.

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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, including AIG’s ability to successfully consummate the purchase of Validus Holdings, Ltd.; 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, regulatory or governmental 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 including AIG’s ability to successfully consummate the purchase of Validus Holdings, Ltd.;
- 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 Reports on Form 10-Q for the quarterly periods ended September 30, 2017, June 30, 2017 and March 31, 2017, 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 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, 2017 (which will be filed with the Securities and Exchange Commission).

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.

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.

**Adjusted Pre-tax Income (APTI) (formerly known as 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 segments. 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. APTI 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;
- 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;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- 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; and
- net loss reserve discount benefit (charge).

**Adjusted After-tax Income attributable to AIG (AATI) (formerly known as After-tax operating income – ATOI)** is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges;
- changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
- net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act).

**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 47 herein.

**AIG Return on Equity – Adjusted After-tax 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 adjusted after-tax income attributable to AIG by average Adjusted Shareholders’ Equity. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 47 herein.

**Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Equity** is an attribution of total AIG Adjusted Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed equity represents our best estimates based on current facts and circumstances and will change over time.

**Core, General Insurance, Life and Retirement and Legacy Return on Equity – Adjusted After-tax Income (Adjusted Return on Attributed Equity)** is used to show the rate of return on Adjusted Attributed Equity. Adjusted Return on Attributed Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Equity. The reconciliations to Adjusted Return on Equity are presented on pages 13, 22 and 49 herein.

**Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy** is derived by subtracting attributed interest expense and income tax expense from APTI. 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 segments conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Adjusted pre-tax income to Adjusted after-tax income attributed to General Insurance, Life and Retirement, Core and Legacy are presented on pages 13, 22, 36 and 49 herein. Attributed debt is included on page 50 herein.



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

**Adjusted 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). Adjusted revenues is a GAAP measure for our operating segments.

**General Operating Expenses, Adjusted Basis** 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, adjusted 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 51 herein.

**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 General 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.

**Accident year loss and combined ratios, as adjusted and Accident year loss and combined ratios, as adjusted, including Average Annual Loss (AAL):** 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. 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. Accident year loss and combined ratios, as adjusted, including AAL is Accident year loss and combined ratios, as adjusted, including expected catastrophe loss per year, based on our catastrophe loss model. The expected catastrophe losses represents the probabilistic loss distribution that is calculated based on our catastrophe model. The mean of this distribution is the average annual loss, which is generally allocated evenly to each quarter. Average annual loss represents our best estimate based on current facts and circumstances and will change over time.

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 loss ratio, as adjusted (AYLR), including AAL = [Loss and loss adjustment expenses incurred – CATs – PYD+AAL] ÷ [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]
- h) Accident year combined ratio, as adjusted = AYLR + Expense ratio
- i) Accident year combined ratio, as adjusted, including AAL = AYLR, including AAL + Expense ratio
- j) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- RIPs related to catastrophes] – Loss ratio
- k) 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.

**Key Terms** - Throughout this Financial Supplement, we use the following terms:

**Natural and man-made 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.

**Average Annual Loss (AAL)** is the expected catastrophe loss per year based on our catastrophe loss model. The expected catastrophe losses represents the probabilistic loss distribution that is calculated based on our catastrophe model. The mean of this distribution is the average annual loss, which is generally allocated evenly to each quarter. Average annual loss represents our best estimate based on current facts and circumstances and will change over time.

**Severe losses** are defined as non-catastrophic individual first-party losses, surety and trade credit 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.



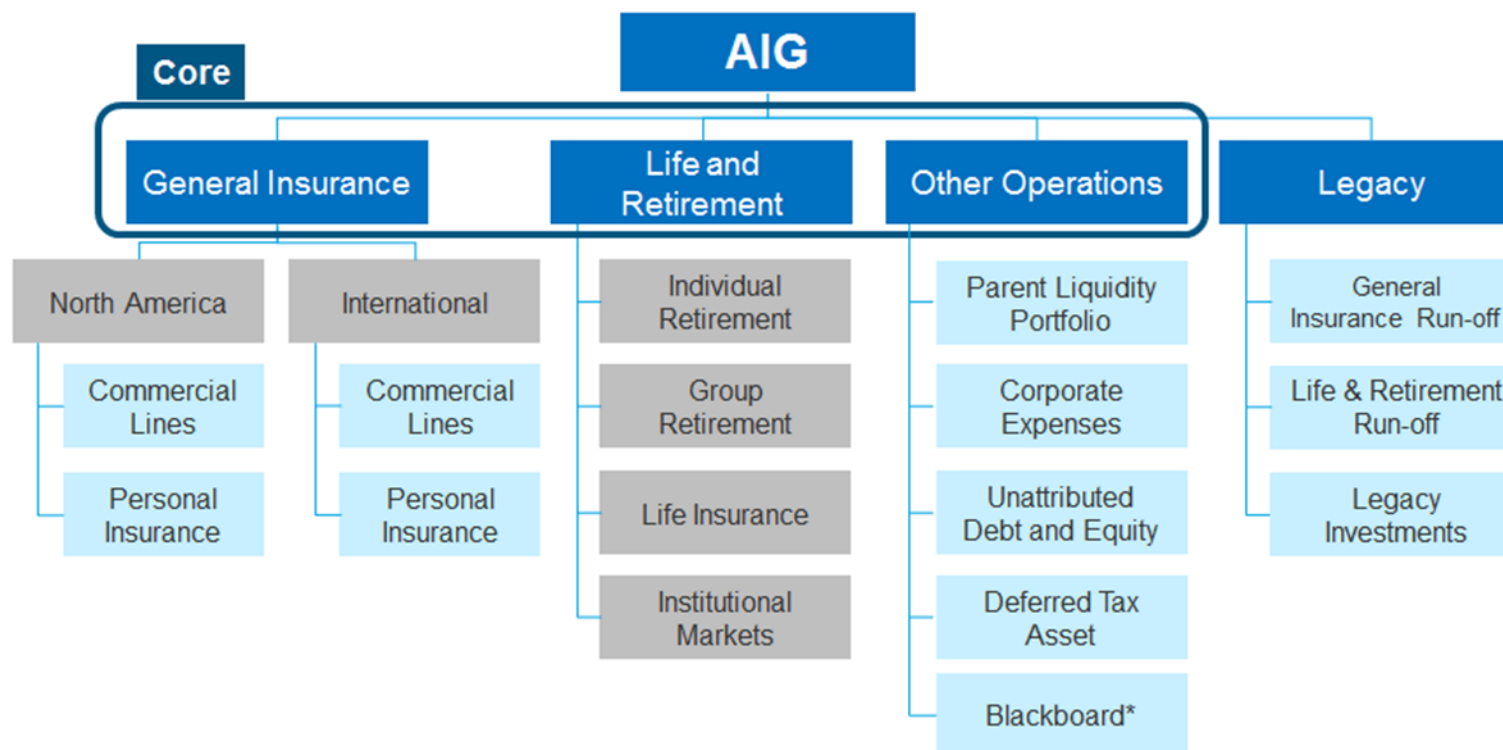


# American International Group, Inc.

## Overview

### Segment Reporting

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 re-organized our business units in the fourth quarter of 2017 into General Insurance and Life and Retirement as follows:



### General Insurance

- **Geography:** North America primarily includes insurance businesses in the United States, Canada and Bermuda. International includes insurance businesses in Japan, the United Kingdom, Europe, the Asia Pacific region, Puerto Rico, Australia and the Middle East. Geography results are presented before consideration of internal reinsurance agreements.
- **New Underwriting Ratio:** Accident year loss ratio, as adjusted, including AAL and accident year combined ratio, as adjusted, including AAL were added to the underwriting ratios for the General Insurance businesses. We believe this provides meaningful information to our ongoing General Insurance operations without the impact of the volatility of the natural and man-made catastrophe events from quarter to quarter.

### Life and Retirement Reclassifications

For our Life and Retirement businesses, for the quarters ended March 31, June 30 and September 30, 2017 and the quarter and year ended December 31, 2016, we revised our historical presentation of investment income to reclassify commercial mortgage loan prepayment income from Base portfolio investment income (and Base Yield) to other yield enhancement income. We believe this provides a clearer presentation of underlying base investment income for our Life and Retirement businesses. This reclassification had no effect on total net investment income or total investment yield for these businesses.

\* Blackboard U.S. Holdings, Inc., our technology enabled subsidiary, was acquired October 1, 2017.



**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions, except per share data)

	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31,	
						2017	2016
<b>Results of Operations Data (attributable to AIG)</b>							
Net income (loss)	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ (6,084)	\$ (849)
Net income (loss) per share:							
Basic	\$ (7.33)	\$ (1.91)	\$ 1.22	\$ 1.21	\$ (2.96)	\$ (6.54)	\$ (0.78)
Diluted (1)	\$ (7.33)	\$ (1.91)	\$ 1.19	\$ 1.18	\$ (2.96)	\$ (6.54)	\$ (0.78)
Weighted average shares outstanding:							
Basic	908.1	908.7	925.8	980.8	1,023.9	930.6	1,091.1
Diluted (1)	908.1	908.7	948.2	1,005.3	1,023.9	930.6	1,091.1
Effective tax rate	NM	38.9 %	33.4 %	29.9 %	28.5 %	NM	NM
Adjusted after-tax income (loss)	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,367	\$ (2,787)	\$ 2,231	\$ 406
Adjusted after-tax income (loss) per diluted share (1)	\$ 0.57	\$ (1.22)	\$ 1.53	\$ 1.36	\$ (2.72)	\$ 2.34	\$ 0.36
Weighted average diluted shares - operating (1)	928.3	908.7	948.2	1,005.3	1,023.9	953.0	1,121.4
Adjusted effective tax rate	38.9 %	41.5 %	32.6 %	32.0 %	27.9 %	28.7 %	31.7 %
General operating and other expenses, GAAP basis	\$ 2,333	\$ 2,149	\$ 2,182	\$ 2,443	\$ 2,864	\$ 9,107	\$ 10,989
General operating expenses, adjusted basis	2,272	2,102	2,248	2,249	2,477	8,871	9,952
<b>Selected Balance Sheet data, at period end</b>							
Total assets	\$ 498,301	\$ 503,073	\$ 499,762	\$ 500,162	\$ 498,264	\$ 498,301	\$ 498,264
Long-term debt	31,640	31,039	31,812	30,747	30,912	31,640	30,912
AIG shareholders' equity	65,171	72,468	73,732	74,069	76,300	65,171	76,300
Adjusted Shareholders' Equity	49,214	51,632	54,483	55,703	58,300	49,214	58,300
<b>Adjusted Attributed Equity *</b>							
General Insurance	\$ 25,244	\$ 24,979	\$ 25,867	\$ 25,517	\$ 30,088	\$ 25,244	\$ 30,088
Life and Retirement	20,304	20,983	20,884	20,716	20,547	20,304	20,547
Other Operations	(5,617)	(4,211)	(2,180)	(1,007)	(2,984)	(5,617)	(2,984)
<b>Total Core</b>	39,931	41,751	44,571	45,226	47,651	39,931	47,651
Legacy	9,283	9,880	9,912	10,477	10,649	9,283	10,649
<b>Total AIG adjusted attributed equity</b>	\$ 49,214	\$ 51,631	\$ 54,483	\$ 55,703	\$ 58,300	\$ 49,214	\$ 58,300
<b>Return On Equity (ROE, attributable to AIG)</b>							
ROE	(38.7)%	(9.5)%	6.1 %	6.3 %	(14.7)%	(8.4)%	(1.0)%
Adjusted return on equity	4.2 %	(8.4)%	10.5 %	9.6 %	(18.2)%	4.1 %	0.6 %
Adjusted return on attributed equity - Core**	2.6 %	(11.6)%	10.5 %	10.2 %	(22.9)%	3.2 %	0.8 %
Adjusted return on attributed equity - General Insurance**	(1.6)%	(31.5)%	9.8 %	8.7 %	(46.3)%	(3.3)%	(5.5)%
Adjusted return on attributed equity - Life and Retirement**	10.2 %	14.9 %	12.7 %	11.7 %	11.2 %	12.4 %	10.8 %
Adjusted return on attributed equity - Legacy Portfolio**	10.5 %	6.7 %	9.9 %	7.6 %	4.5 %	8.7 %	0.2 %

\* Attribution of adjusted equity is performed on an annual basis unless recalibration is needed. Adjusted attributed equity is based on our internal capital model and on the risk profile of each business.

\*\* Refer to pages 13, 22, 36 and 49 for components of calculation.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 45.





**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions, except per share data)

	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31, 2017	2016
<b>AIG Capitalization</b>							
Total equity	\$ 65,708	\$ 73,012	\$ 74,324	\$ 74,667	\$ 76,858	\$ 65,708	\$ 76,858
Hybrid debt securities (5)	841	836	865	847	843	841	843
Total equity and hybrid debt	66,549	73,848	75,189	75,514	77,701	66,549	77,701
Financial debt (5)	21,315	21,062	21,668	20,437	20,404	21,315	20,404
<b>Total capital</b>	<b>\$ 87,864</b>	<b>\$ 94,910</b>	<b>\$ 96,857</b>	<b>\$ 95,951</b>	<b>\$ 98,105</b>	<b>\$ 87,864</b>	<b>\$ 98,105</b>
<b>Leverage Ratios</b>							
Hybrid debt securities / Total capital	1.0 %	0.9 %	0.9 %	0.9 %	0.9 %	1.0 %	0.9 %
Financial debt / Total capital	24.3	22.2	22.4	21.3	20.8	24.3	20.8
<b>Total hybrids and financial debt / Total capital</b>	<b>25.3 %</b>	<b>23.1 %</b>	<b>23.3 %</b>	<b>22.2 %</b>	<b>21.7 %</b>	<b>25.3 %</b>	<b>21.7 %</b>
<b>Common Stock Repurchases</b>							
Aggregate repurchase of common stock	\$ -	\$ 275	\$ 2,415	\$ 3,585	\$ 2,954	\$ 6,275	\$ 11,460
Number of common shares repurchased	-	4.6	39.1	56.0	47.5	99.7	200.6
Average price paid per share of common stock	\$ -	\$ 60.49	\$ 61.72	\$ 64.02	\$ 62.10	\$ 62.95	\$ 57.12
Aggregate repurchases of warrants	\$ -	\$ 3	\$ -	\$ -	\$ 46	\$ 3	\$ 309
Number of warrants repurchased	-	0.2	-	-	2.4	0.2	17.4
<b>Dividends</b>							
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 1.28	\$ 1.28
Total dividends declared	\$ 288	\$ 287	\$ 290	\$ 307	\$ 321	\$ 1,172	\$ 1,372
<b>Share Data (attributable to AIG, at period end)</b>							
Common shares outstanding	899.0	898.9	903.4	942.5	995.3	899.0	995.3
Closing share price	\$ 59.58	\$ 61.39	\$ 62.52	\$ 62.43	\$ 65.31	\$ 59.58	\$ 65.31
Book value per common share	72.49	80.62	81.62	78.59	76.66	72.49	76.66
Book value per common share, excluding AOCI	66.41	74.01	76.12	74.58	73.41	66.41	73.41
Adjusted book value per common share	54.74	57.44	60.31	59.10	58.57	54.74	58.57

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 45.



**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions)

**Adjusted Pre-Tax Income (Loss)**

**General Insurance**

North America

International

Total General Insurance

**Life and Retirement**

Individual Retirement

Group Retirement

Life Insurance

Institutional Markets

Total Life and Retirement

Other Operations

Consolidation, eliminations and other adjustments

**Total Core**

**Legacy Portfolio**

**Total adjusted pre-tax income (loss)**

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
\$ 412	\$ (2,193)	\$ 721	\$ 828	\$ (4,406)	\$ (232)	\$ (2,399)	
(399)	(740)	325	233	(441)	(581)	348	
13	(2,933)	1,046	1,061	(4,847)	(813)	(2,051)	
474	718	558	539	542	2,289	2,269	
246	249	266	243	261	1,004	931	
2	112	106	54	(10)	274	(37)	
60	79	63	62	73	264	265	
782	1,158	993	898	866	3,831	3,428	
(366)	(366)	(365)	(308)	(256)	(1,405)	(1,011)	
-	(1)	28	48	42	75	42	
<b>429</b>	<b>(2,142)</b>	<b>1,702</b>	<b>1,699</b>	<b>(4,195)</b>	<b>1,688</b>	<b>408</b>	
411	286	431	342	1,101	1,470	1,007	
<b>\$ 840</b>	<b>\$ (1,856)</b>	<b>\$ 2,133</b>	<b>\$ 2,041</b>	<b>\$ (3,094)</b>	<b>\$ 3,158</b>	<b>\$ 1,415</b>	

**Noteworthy Profit and Loss Data**

**Revenue Items:**

Better (worse) than expected alternative returns\*

Better (worse) than expected DIB and GCM returns

Fair value changes on other securities accounted under fair value option (7)

**Expense Items:**

Catastrophe losses, net of reinsurance

Average annual loss

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

Severe losses, net of reinsurance

Update of actuarial assumptions (unlocking)

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
\$ 62	\$ 104	\$ 114	\$ 185	\$ 104	\$ 465	\$ (548)	
234	42	142	45	74	463	(174)	
524	258	365	337	(50)	1,484	295	
\$ 766	\$ 3,016	\$ 180	\$ 228	\$ 383	\$ 4,190	\$ 1,330	
362	362	337	337	387	1,398	1,548	
76	836	56	10	5,574	978	5,788	
51	243	125	57	84	476	433	
-	(270)	-	-	-	(270)	386	

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

See accompanying notes on page 12.



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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Revenues:</b>							
Premiums	\$ 7,915	\$ 8,063	\$ 7,614	\$ 7,782	\$ 8,255	\$ 31,374	\$ 34,393
Policy fees	758	728	725	724	703	2,935	2,732
Net investment income:							
Interest and dividends	3,072	2,960	3,014	3,063	3,202	12,109	12,900
Alternative investments	301	355	371	448	384	1,475	693
Other investment income	221	237	356	301	115	1,115	925
Investment expenses	(130)	(136)	(128)	(126)	(115)	(520)	(453)
Total net investment income	3,464	3,416	3,613	3,686	3,586	14,179	14,065
Net realized capital gains (losses)	(274)	(922)	(69)	(115)	(1,115)	(1,380)	(1,944)
Other income (2)	772	466	619	555	1,581	2,412	3,121
Total revenues	12,635	11,751	12,502	12,632	13,010	49,520	52,367
<b>Benefits, losses and expenses</b>							
Policyholder benefits and losses incurred	7,319	10,322	6,284	6,047	11,689	29,972	32,437
Interest credited to policyholder account balances	909	867	906	910	907	3,592	3,705
Amortization of deferred policy acquisition costs	1,153	912	1,115	1,108	896	4,288	4,521
General operating and other expenses	2,333	2,149	2,182	2,443	2,864	9,107	10,989
Interest expense	288	290	292	298	305	1,168	1,260
(Gain) loss on extinguishment of debt	(1)	1	(4)	(1)	(2)	(5)	74
Net (gain) loss on sale of divested businesses (3)	(241)	13	60	100	(194)	(68)	(545)
Total benefits, losses and expenses	11,760	14,554	10,835	10,905	16,465	48,054	52,441
<b>Income (loss) from continuing operations before income taxes</b>	875	(2,803)	1,667	1,727	(3,455)	1,466	(74)
<b>Income tax (benefit) expense</b>	7,544	(1,091)	557	516	(985)	7,526	185
<b>Income (loss) from continuing operations</b>	(6,669)	(1,712)	1,110	1,211	(2,470)	(6,060)	(259)
<b>Income (loss) from discontinued operations, net of income taxes</b>	(3)	(1)	8	-	(36)	4	(90)
<b>Net income (loss)</b>	(6,672)	(1,713)	1,118	1,211	(2,506)	(6,056)	(349)
<b>Net income (loss) attributable to noncontrolling interests (2)</b>	(12)	26	(12)	26	535	28	500
<b>Net income (loss) attributable to AIG</b>	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ (6,084)	\$ (849)

See accompanying notes on page 12.



**American International Group, Inc.**  
**General Operating Expenses by Segment**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>General Operating Expenses, Adjusted Basis</b>							
<b>General Insurance</b>							
North America	\$ 361	\$ 340	\$ 331	\$ 364	\$ 389	\$ 1,396	\$ 1,550
International	601	577	559	579	717	2,316	2,685
Total General Insurance	962	917	890	943	1,106	3,712	4,235
<b>Life and Retirement</b>							
Individual Retirement	105	103	108	110	107	426	488
Group Retirement	92	88	66	102	93	348	360
Life Insurance	164	135	141	161	164	601	668
Institutional Markets	12	10	12	10	14	44	41
Total Life and Retirement	373	336	327	383	378	1,419	1,557
Other Operations	310	243	394	290	327	1,237	1,309
Consolidations, eliminations, and other	(88)	(92)	(65)	(76)	(78)	(321)	(250)
<b>Total Core</b>	1,557	1,404	1,546	1,540	1,733	6,047	6,851
<b>Legacy Portfolio</b>	126	98	115	121	125	460	484
<b>Total general operating expenses</b>	<b>\$ 1,683</b>	<b>\$ 1,502</b>	<b>\$ 1,661</b>	<b>\$ 1,661</b>	<b>\$ 1,858</b>	<b>\$ 6,507</b>	<b>\$ 7,335</b>
<b>Other acquisition expenses - General Insurance</b>							
North America	71	84	87	85	82	327	356
International	199	195	195	191	211	780	859
<b>Total other acquisition expenses</b>	270	279	282	276	293	1,107	1,215
<b>Loss adjustment expenses</b>							
General Insurance							
North America	160	150	154	166	176	630	761
International	128	133	132	136	138	529	584
Total General Insurance	288	283	286	302	314	1,159	1,345
Legacy Portfolio - Legacy General Insurance Runoff	7	6	10	2	-	25	-
<b>Total loss adjustment expenses</b>	295	289	296	304	314	1,184	1,345
<b>Investment and other expenses</b>	24	32	9	8	12	73	57
<b>Total general operating expenses, adjusted basis</b>	<b>\$ 2,272</b>	<b>\$ 2,102</b>	<b>\$ 2,248</b>	<b>\$ 2,249</b>	<b>\$ 2,477</b>	<b>\$ 8,871</b>	<b>\$ 9,952</b>

See the definition of General operating expenses, adjusted basis, on page 3 and reconciliations of Non-GAAP financial measures beginning on page 45.

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

(in millions)	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
<b>Assets</b>					
<b>Investments:</b>					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 238,992	\$ 237,771	\$ 235,289	\$ 230,698	\$ 241,537
Other bond securities, at fair value	12,772	12,653	13,478	13,605	13,998
Equity securities					
Common and preferred stock available for sale, at fair value	1,708	1,707	1,605	2,099	2,078
Other common and preferred stock, at fair value	589	538	506	500	482
Mortgage and other loans receivable, net of allowance	37,023	36,089	34,642	33,878	33,240
Other invested assets	20,822	22,590	23,132	23,652	24,538
Short-term investments	10,386	9,775	12,094	11,073	12,302
<b>Total investments</b>	<b>322,292</b>	<b>321,123</b>	<b>320,746</b>	<b>315,505</b>	<b>328,175</b>
Cash	2,362	2,433	2,517	1,918	1,868
Accrued investment income	2,356	2,416	2,337	2,386	2,495
Premiums and other receivables, net of allowance	10,248	11,156	10,921	11,130	10,465
Reinsurance assets, net of allowance	33,024	34,429	34,510	34,140	21,901
Deferred income taxes	14,033	20,954	20,171	20,881	21,332
Deferred policy acquisition costs	10,994	10,938	11,063	11,091	11,042
Other assets	10,194	10,324	9,852	10,606	10,815
Separate account assets, at fair value	92,798	89,300	87,090	85,917	82,972
Assets held for sale (4)	-	-	555	6,588	7,199
<b>Total assets</b>	<b>\$ 498,301</b>	<b>\$ 503,073</b>	<b>\$ 499,762</b>	<b>\$ 500,162</b>	<b>\$ 498,264</b>
<b>Liabilities</b>					
Liability for unpaid losses and loss adjustment expenses	\$ 78,393	\$ 80,087	\$ 76,422	\$ 76,050	\$ 77,077
Unearned premiums	19,030	20,135	19,992	19,840	19,634
Future policy benefits for life and accident and health insurance contracts	45,432	44,055	43,252	42,719	42,204
Policyholder contract deposits	135,602	134,514	133,295	132,639	132,216
Other policyholder funds	3,648	3,678	4,613	3,719	3,989
Other liabilities	26,050	27,253	28,135	28,093	26,296
Long-term debt	31,640	31,039	31,812	30,747	30,912
Separate account liabilities	92,798	89,300	87,090	85,917	82,972
Liabilities held for sale (4)	-	-	827	5,771	6,106
<b>Total liabilities</b>	<b>432,593</b>	<b>430,061</b>	<b>425,438</b>	<b>425,495</b>	<b>421,406</b>
<b>AIG shareholders' equity</b>					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(47,595)	(47,602)	(47,329)	(44,915)	(41,471)
Additional paid-in capital	81,078	80,976	80,913	80,846	81,064
Retained earnings	21,457	28,389	30,420	29,591	28,711
Accumulated other comprehensive income	5,465	5,939	4,962	3,781	3,230
<b>Total AIG shareholders' equity</b>	<b>65,171</b>	<b>72,468</b>	<b>73,732</b>	<b>74,069</b>	<b>76,300</b>
<b>Non-redeemable noncontrolling interests</b>	<b>537</b>	<b>544</b>	<b>592</b>	<b>598</b>	<b>558</b>
<b>Total equity</b>	<b>65,708</b>	<b>73,012</b>	<b>74,324</b>	<b>74,667</b>	<b>76,858</b>
<b>Total liabilities and equity</b>	<b>\$ 498,301</b>	<b>\$ 503,073</b>	<b>\$ 499,762</b>	<b>\$ 500,162</b>	<b>\$ 498,264</b>

See accompanying notes on page 12.



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

(in millions)	Debt and Hybrid Capital		Interest Expense			
	December 31, 2017	December 31, 2016	Three Months Ended December 31,		Twelve Months Ended December 31,	
			2017	2016	2017	2016
<b>Financial Debt</b>						
AIG notes and bonds payable	\$ 20,339	\$ 19,432	\$ 214	\$ 216	\$ 865	\$ 864
AIG Japan Holdings Kabushiki Kaisha	334	330	-	-	1	1
AIG Life Holdings, Inc. notes and bonds payable	281	281	5	5	20	20
AIG Life Holdings, Inc. junior subordinated debt	361	361	8	7	30	31
<b>Total</b>	<b>21,315</b>	<b>20,404</b>	<b>227</b>	<b>228</b>	<b>916</b>	<b>916</b>
<b>Operating Debt</b>						
MIP notes payable	356	1,099	3	11	26	50
Series AIGFP matched notes and bonds payable	21	32	-	-	1	1
Other AIG borrowings supported by assets	2,888	3,428	-	-	-	-
Other subsidiaries	190	735	1	4	6	8
Borrowings of consolidated investments	6,029	4,371	45	47	168	217
<b>Total</b>	<b>9,484</b>	<b>9,665</b>	<b>49</b>	<b>62</b>	<b>201</b>	<b>276</b>
<b>Hybrid - Debt Securities (5)</b>						
Junior subordinated debt (6)	841	843	12	15	51	68
<b>Total</b>	<b>\$ 31,640</b>	<b>\$ 30,912</b>	<b>\$ 288</b>	<b>\$ 305</b>	<b>\$ 1,168</b>	<b>\$ 1,260</b>
<b>AIG Capitalization</b>						
Total equity	\$ 65,708	\$ 76,858				
Hybrid - debt securities (5) (6)	841	843				
<b>Total equity and hybrid capital</b>	<b>66,549</b>	<b>77,701</b>				
Financial debt	21,315	20,404				
<b>Total capital</b>	<b>\$ 87,864</b>	<b>\$ 98,105</b>				
<b>Ratios</b>						
Hybrid - debt securities / Total capital	1.0 %	0.9 %				
Financial debt / Total capital	24.3	20.8				
Total debt / Total capital	25.3 %	21.7 %				

See accompanying notes on page 12.



## American International Group, Inc.

### Consolidated Notes

- (1) For the quarters ended December 31, 2017, September 30, 2017 and December 31, 2016, because we reported a net loss, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. For the quarters ended September 30, 2017 and December 31, 2016, we also reported an adjusted after-tax loss, therefore, all common stock equivalents are anti-dilutive and are 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) 4Q17 included sale of certain group benefits business, primarily medical stop loss. 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 twelve months ended December 31, 2016 included the sale of AIG Advisor Group in 2Q16.
- (4) Assets and liabilities held for sale are comprised of UGC, Fuji Life, Ascot Corporate, AIG Taiwan Insurance Co., Ltd, NSM Insurance Group, AIG Advisor Group, AIG United Guaranty Insurance (Asia) Limited and certain entities and operations sold to Fairfax.
- (5) Hybrid debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 50.
- (6) 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.
- (7) Represents the impact of fair value changes on other securities accounted under the fair value option on APTI, rather than their impact on the income from continuing operations before tax expense.

**American International Group, Inc.**  
**General Insurance Results**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 5,892	\$ 6,577	\$ 6,672	\$ 6,297	\$ 6,512	\$ 25,438	\$ 28,393
Net premiums earned	\$ 6,375	\$ 6,638	\$ 6,524	\$ 6,489	\$ 7,091	\$ 26,026	\$ 29,586
Losses and loss adjustment expenses incurred (2)	4,990	8,240	4,175	4,237	10,406	21,642	25,103
Acquisition expenses:							
Amortization of deferred policy acquisition costs	963	933	960	909	1,000	3,765	4,121
Other acquisition expenses	306	344	350	388	431	1,388	1,732
Total acquisition expenses	1,269	1,277	1,310	1,297	1,431	5,153	5,853
General operating expenses	962	917	890	943	1,106	3,712	4,235
<b>Underwriting income (loss)</b>	<b>(846)</b>	<b>(3,796)</b>	<b>149</b>	<b>12</b>	<b>(5,852)</b>	<b>(4,481)</b>	<b>(5,605)</b>
Net investment income (loss):							
Interest and dividends	680	677	690	723	855	2,770	3,472
Alternative investments	185	201	212	297	168	895	325
Other investment income (loss) (1)	25	25	31	61	7	142	(125)
Investment expenses	(31)	(40)	(36)	(32)	(25)	(139)	(118)
Total net investment income	859	863	897	1,049	1,005	3,668	3,554
<b>Adjusted pre-tax income (loss)</b>	<b>13</b>	<b>(2,933)</b>	<b>1,046</b>	<b>1,061</b>	<b>(4,847)</b>	<b>(813)</b>	<b>(2,051)</b>
Interest expense on attributed financial debt	115	124	132	128	124	499	457
<b>Adjusted pre-tax income (loss) including attributed interest expense</b>	<b>(102)</b>	<b>(3,057)</b>	<b>914</b>	<b>933</b>	<b>(4,971)</b>	<b>(1,312)</b>	<b>(2,508)</b>
Income tax expense (benefit)	(2)	(1,054)	281	329	(1,497)	(446)	(813)
<b>Adjusted after-tax income (loss) (a)</b>	<b>\$ (100)</b>	<b>\$ (2,003)</b>	<b>\$ 633</b>	<b>\$ 604</b>	<b>\$ (3,474)</b>	<b>\$ (866)</b>	<b>\$ (1,695)</b>
Ending adjusted attributed equity	\$ 25,244	\$ 24,979	\$ 25,867	\$ 25,517	\$ 30,088	\$ 25,244	\$ 30,088
Average adjusted attributed equity (b)	25,112	25,423	25,692	27,803	30,038	26,339	31,082
Adjusted return on attributed equity (a÷b)	(1.6) %	(31.5) %	9.9 %	8.7 %	(46.3) %	(3.3) %	(5.5) %
<b>Underwriting Ratios</b>							
Loss ratio (2)	78.3	124.1	64.0	65.3	146.7	83.2	84.8
Catastrophe losses and reinstatement premiums	(11.7)	(45.4)	(2.8)	(3.5)	(5.4)	(16.1)	(4.4)
Prior year development	(1.4)	(12.7)	(1.1)	(0.6)	(73.8)	(4.0)	(18.5)
Adjustment for ceded premium under reinsurance contract	-	-	(0.4)	-	-	(0.1)	-
Accident year loss ratio, as adjusted (3) (4)	65.2	66.0	59.7	61.2	67.5	63.0	61.9
AAL ratio	5.6	5.4	5.1	5.1	5.3	5.3	5.2
Accident year loss ratio, as adjusted, including AAL	70.8	71.4	64.8	66.3	72.8	68.3	67.1
Acquisition ratio	19.9	19.2	20.1	20.0	20.2	19.8	19.8
General operating expense ratio	15.1	13.8	13.6	14.5	15.6	14.3	14.3
Expense ratio	35.0	33.0	33.7	34.5	35.8	34.1	34.1
Combined ratio (2)	113.3	157.1	97.7	99.8	182.5	117.3	118.9
Accident year combined ratio, as adjusted (3) (4)	100.2	99.0	93.4	95.7	103.3	97.1	96.0
Accident year combined ratio, as adjusted, including AAL	105.8	104.4	98.5	100.8	108.6	102.4	101.2

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.





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

(in millions)

Noteworthy Items (pre-tax)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
Catastrophe-related losses, net of reinsurance	\$ 762	\$ 3,016	\$ 180	\$ 228	\$ 383	\$ 4,186	\$ 1,325
Average annual loss	360	360	335	335	383	1,390	1,532
Reinstatement premiums related to catastrophes	(23)	-	-	-	1	(23)	1
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	(21)
Severe losses, net of reinsurance	51	243	125	57	84	476	433
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	80	837	58	24	5,225	999	5,442
(Additional) return premium related to prior year development on loss sensitive business	13	9	23	23	16	68	33
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	93	846	81	47	5,241	1,067	5,475
Better (worse) than expected alternative returns*	35	43	51	135	2	264	(335)
Fair value changes on other securities accounted under fair value option	24	34	43	43	21	144	10
Net liability for unpaid losses and loss adjustment expenses (at period end)	46,669	47,374	43,523	43,786	56,058	46,669	56,058

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

Net Premiums Written by product line	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>General Insurance:</b>							
Property	\$ 696	\$ 926	\$ 1,087	\$ 621	\$ 802	\$ 3,330	\$ 4,274
Special Risks	646	669	654	792	740	2,761	3,275
Liability	847	1,143	1,048	1,201	1,085	4,239	5,084
Financial Lines	1,041	1,032	1,037	1,015	1,075	4,125	4,295
<b>Total Commercial Lines</b>	3,230	3,770	3,826	3,629	3,702	14,455	16,928
Personal Lines	1,501	1,615	1,652	1,475	1,624	6,243	6,547
Accident and Health	1,161	1,192	1,194	1,193	1,186	4,740	4,918
<b>Total Personal Insurance</b>	2,662	2,807	2,846	2,668	2,810	10,983	11,465
<b>General Insurance net premiums written</b>	<b>\$ 5,892</b>	<b>\$ 6,577</b>	<b>\$ 6,672</b>	<b>\$ 6,297</b>	<b>\$ 6,512</b>	<b>\$ 25,438</b>	<b>\$ 28,393</b>
<b>Foreign exchange effect on worldwide premiums:</b>							
<b>Change in net premiums written</b>							
Increase (decrease) in original currency (5)	(9.0) %	(8.7) %	(9.0) %	(11.8) %	(12.5) %	(9.6) %	(11.2) %
Foreign exchange effect	(0.5)	(0.9)	(1.1)	(0.5)	0.9	(0.8)	(0.6)
Increase (decrease) as reported in U.S. dollars	(9.5) %	(9.6) %	(10.1) %	(12.3) %	(11.6) %	(10.4) %	(11.8) %

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



**American International Group, Inc.**  
**General Insurance - North America Results**

(in millions)

**Results of Operations**

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
Net premiums written	\$ 2,583	\$ 2,942	\$ 3,125	\$ 2,323	\$ 3,008	\$ 10,973	\$ 13,026
Net premiums earned	\$ 2,727	\$ 2,887	\$ 2,892	\$ 2,949	\$ 3,203	\$ 11,455	\$ 13,964
Losses and loss adjustment expenses incurred (2)	2,264	5,053	2,166	2,163	7,609	11,646	15,692
Acquisition expenses:							
Amortization of deferred policy acquisition costs	335	307	340	323	325	1,305	1,444
Other acquisition expenses	83	127	113	162	168	485	718
Total acquisition expenses	418	434	453	485	493	1,790	2,162
General operating expenses	361	340	331	364	389	1,396	1,550
<b>Underwriting income (loss)</b>	<b>(316)</b>	<b>(2,940)</b>	<b>(58)</b>	<b>(63)</b>	<b>(5,288)</b>	<b>(3,377)</b>	<b>(5,440)</b>
Net investment income (loss):							
Interest and dividends	554	563	564	598	718	2,279	2,915
Alternative investments	185	194	213	277	168	869	356
Other investment income (loss) (1)	14	18	28	39	15	99	(141)
Investment expenses	(25)	(28)	(26)	(23)	(19)	(102)	(89)
Total net investment income	728	747	779	891	882	3,145	3,041
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 412</b>	<b>\$ (2,193)</b>	<b>\$ 721</b>	<b>\$ 828</b>	<b>\$ (4,406)</b>	<b>\$ (232)</b>	<b>\$ (2,399)</b>
<b>Underwriting Ratios</b>							
Loss ratio (2)	83.0	175.0	74.9	73.3	237.6	101.7	112.4
Catastrophe losses and reinstatement premiums	(24.5)	(78.8)	(6.1)	(5.4)	(7.6)	(28.7)	(6.6)
Prior year development	3.3	(19.0)	(0.7)	2.1	(152.8)	(3.6)	(37.9)
Adjustment for ceded premium under reinsurance contract	-	-	(1.1)	-	-	(0.3)	-
Accident year loss ratio, as adjusted (3)(4)	61.8	77.2	67.0	70.0	77.2	69.1	67.9
AAL ratio	9.0	8.4	7.4	7.3	7.7	8.0	7.2
Accident year loss ratio, as adjusted, including AAL	70.8	85.6	74.4	77.3	84.9	77.1	75.1
Acquisition ratio	15.3	15.0	15.7	16.4	15.4	15.6	15.5
General operating expense ratio	13.2	11.8	11.4	12.3	12.1	12.2	11.1
Expense ratio	28.5	26.8	27.1	28.7	27.5	27.8	26.6
Combined ratio (2)	111.5	201.8	102.0	102.0	265.1	129.5	139.0
Accident year combined ratio, as adjusted (3)(4)	90.3	104.0	94.1	98.7	104.7	96.9	94.5
Accident year combined ratio, as adjusted, including AAL	99.3	112.4	101.5	106.0	112.4	104.9	101.7
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 682	\$ 2,275	\$ 176	\$ 162	\$ 246	\$ 3,295	\$ 919
Average annual loss	244	244	219	219	250	926	1,000
Reinstatement premiums related to catastrophes	(23)	-	-	-	(2)	(23)	(2)
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	(22)
Severe losses, net of reinsurance	(13)	111	61	44	22	203	110
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(97)	542	4	(78)	4,881	371	5,286
(Additional) return premium related to prior year development on loss sensitive business	13	9	23	23	16	68	33
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(84)	551	27	(55)	4,897	439	5,319

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



**American International Group, Inc.**  
**General Insurance – North America - Commercial Lines Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 1,808	\$ 2,118	\$ 2,312	\$ 1,611	\$ 2,236	\$ 7,849	\$ 9,765
Net premiums earned	\$ 1,998	\$ 2,091	\$ 2,105	\$ 2,172	\$ 2,421	\$ 8,366	\$ 10,741
Losses and loss adjustment expenses incurred (2)	1,477	4,286	1,766	1,697	7,136	9,226	13,843
Acquisition expenses:							
Amortization of deferred policy acquisition costs	198	187	227	224	218	836	1,018
Other acquisition expenses	36	48	24	70	87	178	350
Total acquisition expenses	234	235	251	294	305	1,014	1,368
General operating expenses	271	254	247	281	274	1,053	1,151
<b>Underwriting income (loss)</b>	<b>\$ 16</b>	<b>\$ (2,684)</b>	<b>\$ (159)</b>	<b>\$ (100)</b>	<b>\$ (5,294)</b>	<b>\$ (2,927)</b>	<b>\$ (5,621)</b>
<b>Underwriting Ratios</b>							
Loss ratio (2)	73.9	205.0	83.9	78.1	294.8	110.3	128.9
Catastrophe losses and reinstatement premiums	(12.0)	(95.7)	(8.3)	(6.4)	(8.2)	(30.5)	(7.7)
Prior year development	4.9	(25.6)	(1.5)	2.9	(202.3)	(4.9)	(49.7)
Adjustment for ceded premium under reinsurance contract	-	-	(1.6)	-	-	(0.4)	-
Accident year loss ratio, as adjusted (3)	66.8	83.7	72.5	74.6	84.3	74.5	71.5
AAL ratio	10.1	9.6	8.1	8.0	8.6	8.9	7.8
Accident year loss ratio, as adjusted, including AAL	76.9	93.3	80.6	82.6	92.9	83.4	79.3
Acquisition ratio	11.7	11.2	11.9	13.5	12.6	12.1	12.7
General operating expense ratio	13.6	12.1	11.7	12.9	11.3	12.6	10.7
Expense ratio	25.3	23.3	23.6	26.4	23.9	24.7	23.4
Combined ratio (2)	99.2	228.3	107.5	104.5	318.7	135.0	152.3
Accident year combined ratio, as adjusted (3)	92.1	107.0	96.1	101.0	108.2	99.2	94.9
Accident year combined ratio, as adjusted, including AAL	102.2	116.6	104.2	109.0	116.8	108.1	102.7
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 255	\$ 2,000	\$ 174	\$ 140	\$ 203	\$ 2,569	\$ 828
Average annual loss	201	201	176	176	209	754	836
Reinstatement premiums related to catastrophes	(23)	-	-	-	(2)	(23)	(2)
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	(22)
Severe losses, net of reinsurance	(13)	100	61	27	10	175	82
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(105)	528	15	(81)	4,881	357	5,325
(Additional) return premium related to prior year development on loss sensitive business	13	9	23	23	16	68	33
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(92)	537	38	(58)	4,897	425	5,358

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



**American International Group, Inc.**  
**General Insurance – North America - Personal Insurance Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 775	\$ 824	\$ 813	\$ 712	\$ 772	\$ 3,124	\$ 3,261
Net premiums earned	\$ 729	\$ 796	\$ 787	\$ 777	\$ 782	\$ 3,089	\$ 3,223
Losses and loss adjustment expenses incurred	787	767	400	466	473	2,420	1,849
Acquisition expenses:							
Amortization of deferred policy acquisition costs	137	120	113	99	107	469	426
Other acquisition expenses	47	79	89	92	81	307	368
Total acquisition expenses	184	199	202	191	188	776	794
General operating expenses	90	86	84	83	115	343	399
<b>Underwriting income (loss)</b>	<b>\$ (332)</b>	<b>\$ (256)</b>	<b>\$ 101</b>	<b>\$ 37</b>	<b>\$ 6</b>	<b>\$ (450)</b>	<b>\$ 181</b>
<b>Underwriting Ratios</b>							
Loss ratio	108.0	96.4	50.8	60.0	60.5	78.3	57.4
Catastrophe losses and reinstatement premiums	(58.6)	(34.6)	(0.2)	(2.9)	(5.5)	(23.5)	(2.9)
Prior year development	(1.1)	(1.7)	1.4	(0.3)	-	(0.4)	1.3
Accident year loss ratio, as adjusted (4)	48.3	60.1	52.0	56.8	55.0	54.4	55.8
AAL ratio	5.9	5.4	5.4	5.5	5.2	5.6	5.0
Accident year loss ratio, as adjusted, including AAL	54.2	65.5	57.4	62.3	60.2	60.0	60.8
Acquisition ratio	25.2	25.0	25.7	24.6	24.0	25.1	24.6
General operating expense ratio	12.3	10.8	10.7	10.7	14.7	11.1	12.4
Expense ratio	37.5	35.8	36.4	35.3	38.7	36.2	37.0
Combined ratio	145.5	132.2	87.2	95.3	99.2	114.5	94.4
Accident year combined ratio, as adjusted (4)	85.8	95.9	88.4	92.1	93.7	90.6	92.8
Accident year combined ratio, as adjusted, including AAL	91.7	101.3	93.8	97.6	98.9	96.2	97.8
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 427	\$ 275	\$ 2	\$ 22	\$ 43	\$ 726	\$ 91
Average annual loss	43	43	43	43	41	172	164
Severe losses, net of reinsurance	-	11	-	17	12	28	28
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	8	14	(11)	3	-	14	(39)

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.

**American International Group, Inc.**  
**General Insurance - International Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 3,309	\$ 3,635	\$ 3,547	\$ 3,974	\$ 3,504	\$ 14,465	\$ 15,367
Net premiums earned	\$ 3,648	\$ 3,751	\$ 3,632	\$ 3,540	\$ 3,888	\$ 14,571	\$ 15,622
Losses and loss adjustment expenses incurred (2)	2,726	3,187	2,009	2,074	2,797	9,996	9,411
Acquisition expenses:							
Amortization of deferred policy acquisition costs	628	626	620	586	675	2,460	2,677
Other acquisition expenses	223	217	237	226	263	903	1,014
Total acquisition expenses	851	843	857	812	938	3,363	3,691
General operating expenses	601	577	559	579	717	2,316	2,685
<b>Underwriting income (loss)</b>	(530)	(856)	207	75	(564)	(1,104)	(165)
Net investment income (loss):							
Interest and dividends	126	114	126	125	137	491	557
Alternative investments	-	7	(1)	20	-	26	(31)
Other investment income (loss) (1)	11	7	3	22	(8)	43	16
Investment expenses	(6)	(12)	(10)	(9)	(6)	(37)	(29)
Total net investment income	131	116	118	158	123	523	513
<b>Adjusted pre-tax income (loss)</b>	\$ (399)	\$ (740)	\$ 325	\$ 233	\$ (441)	\$ (581)	\$ 348
<b>Underwriting Ratios</b>							
Loss ratio (2)	74.7	85.0	55.3	58.6	71.9	68.6	60.2
Catastrophe losses and reinstatement premiums	(2.2)	(19.8)	(0.1)	(1.9)	(3.5)	(6.1)	(2.6)
Prior year development	(4.8)	(7.9)	(1.5)	(2.9)	(8.9)	(4.3)	(1.0)
Adjustment for ceded premium under reinsurance contract	-	-	-	-	-	-	-
Accident year loss ratio, as adjusted	67.7	57.3	53.7	53.8	59.5	58.2	56.6
AAL ratio	3.2	3.1	3.2	3.3	3.4	3.2	3.4
Accident year loss ratio, as adjusted, including AAL	70.9	60.4	56.9	57.1	62.9	61.4	60.0
Acquisition ratio	23.3	22.5	23.6	22.9	24.1	23.1	23.6
General operating expense ratio	16.5	15.4	15.4	16.4	18.4	15.9	17.2
Expense ratio	39.8	37.9	39.0	39.3	42.5	39.0	40.8
Combined ratio (2)	114.5	122.9	94.3	97.9	114.4	107.6	101.0
Accident year combined ratio, as adjusted	107.5	95.2	92.7	93.1	102.0	97.2	97.4
Accident year combined ratio, as adjusted, including AAL	110.7	98.3	95.9	96.4	105.4	100.4	100.8
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 80	\$ 741	\$ 4	\$ 66	\$ 137	\$ 891	\$ 406
Average annual loss	116	116	116	116	133	464	532
Reinstatement premiums related to catastrophes	-	-	-	-	3	-	3
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	1
Severe losses, net of reinsurance	64	132	64	13	62	273	323
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	177	295	54	102	344	628	156

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.



**American International Group, Inc.**  
**General Insurance – International - Commercial Lines Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 1,422	\$ 1,652	\$ 1,514	\$ 2,018	\$ 1,466	\$ 6,606	\$ 7,163
Net premiums earned	\$ 1,694	\$ 1,724	\$ 1,631	\$ 1,597	\$ 1,788	\$ 6,646	\$ 7,427
Losses and loss adjustment expenses incurred (2)	1,660	2,140	996	1,017	1,751	5,813	5,055
Acquisition expenses:							
Amortization of deferred policy acquisition costs	251	237	238	204	255	930	1,031
Other acquisition expenses	87	81	79	98	85	345	446
Total acquisition expenses	338	318	317	302	340	1,275	1,477
General operating expenses	299	222	257	260	344	1,038	1,279
<b>Underwriting income (loss)</b>	<b>\$ (603)</b>	<b>\$ (956)</b>	<b>\$ 61</b>	<b>\$ 18</b>	<b>\$ (647)</b>	<b>\$ (1,480)</b>	<b>\$ (384)</b>
<b>Underwriting Ratios</b>							
Loss ratio (2)	98.0	124.1	61.1	63.7	97.9	87.5	68.1
Catastrophe losses and reinstatement premiums	(2.7)	(41.7)	(0.3)	(3.8)	(7.7)	(12.5)	(4.6)
Prior year development	(11.4)	(17.9)	(2.9)	(6.5)	(20.0)	(9.8)	(3.4)
Accident year loss ratio, as adjusted	83.9	64.5	57.9	53.4	70.2	65.2	60.1
AAL ratio	5.5	5.3	5.7	5.7	6.4	5.5	6.2
Accident year loss ratio, as adjusted, including AAL	89.4	69.8	63.6	59.1	76.6	70.7	66.3
Acquisition ratio	20.0	18.4	19.4	18.9	19.0	19.2	19.9
General operating expense ratio	17.7	12.9	15.8	16.3	19.2	15.6	17.2
Expense ratio	37.7	31.3	35.2	35.2	38.2	34.8	37.1
Combined ratio (2)	135.7	155.4	96.3	98.9	136.1	122.3	105.2
Accident year combined ratio, as adjusted	121.6	95.8	93.1	88.6	108.4	100.0	97.2
Accident year combined ratio, as adjusted, including AAL	127.1	101.1	98.8	94.3	114.8	105.5	103.4
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 45	\$ 719	\$ 4	\$ 61	\$ 135	\$ 829	\$ 337
Average annual loss	92	92	92	92	115	368	460
Reinstatement premiums related to catastrophes	-	-	-	-	3	-	3
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	1
Severe losses, net of reinsurance	64	132	64	13	62	273	323
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	193	309	47	104	359	653	252

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.

**American International Group, Inc.**  
**General Insurance – International - Personal Insurance Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 1,887	\$ 1,983	\$ 2,033	\$ 1,956	\$ 2,038	\$ 7,859	\$ 8,204
Net premiums earned	\$ 1,953	\$ 2,028	\$ 2,001	\$ 1,943	\$ 2,100	\$ 7,925	\$ 8,195
Losses and loss adjustment expenses incurred	1,066	1,047	1,013	1,057	1,046	4,183	4,356
Acquisition expenses:							
Amortization of deferred policy acquisition costs	376	390	382	382	420	1,530	1,646
Other acquisition expenses	136	136	158	128	178	558	568
Total acquisition expenses	512	526	540	510	598	2,088	2,214
General operating expenses	302	355	302	319	373	1,278	1,406
<b>Underwriting income (loss)</b>	<b>\$ 73</b>	<b>\$ 100</b>	<b>\$ 146</b>	<b>\$ 57</b>	<b>\$ 83</b>	<b>\$ 376</b>	<b>\$ 219</b>
<b>Underwriting Ratios</b>							
Loss ratio	54.6	51.7	50.6	54.4	49.8	52.8	53.2
Catastrophe losses and reinstatement premiums	(1.8)	(1.1)	-	(0.3)	(0.1)	(0.8)	(0.9)
Prior year development	0.8	0.7	(0.3)	0.1	0.7	0.3	1.2
Accident year loss ratio, as adjusted	53.6	51.3	50.3	54.2	50.4	52.3	53.5
AAL ratio	1.2	1.1	1.2	1.3	0.9	1.2	0.9
Accident year loss ratio, as adjusted, including AAL	54.8	52.4	51.5	55.5	51.3	53.5	54.4
Acquisition ratio	26.2	25.9	27.0	26.2	28.5	26.3	27.0
General operating expense ratio	15.5	17.5	15.1	16.4	17.8	16.1	17.2
Expense ratio	41.7	43.4	42.1	42.6	46.3	42.4	44.2
Combined ratio	96.3	95.1	92.7	97.0	96.1	95.2	97.4
Accident year combined ratio, as adjusted	95.3	94.7	92.4	96.8	96.7	94.7	97.7
Accident year combined ratio, as adjusted, including AAL	96.5	95.8	93.6	98.1	97.6	95.9	98.6
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 35	\$ 22	\$ -	\$ 5	\$ 2	\$ 62	\$ 69
Average annual loss	24	24	24	24	18	96	72
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(16)	(14)	7	(2)	(15)	(25)	(96)

See accompanying notes on page 21 and reconciliations of Non-GAAP financial measures beginning on page 45.

**American International Group, Inc.**  
**General 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) Consistent with our definition of APTI, excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.
- (3) 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 twelve-month period ended December 31, 2017.
- (4) The twelve months ended December 31, 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.
- (5) Computed using current exchange rate for the corresponding periods in the prior year.



**American International Group, Inc.**  
**Life and Retirement Results**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
<b>Premiums and deposits:</b>	\$ 7,965	\$ 6,797	\$ 5,791	\$ 6,905	\$ 7,213	\$ 27,458	\$ 29,304
<b>Revenues:</b>							
Premiums	\$ 1,397	\$ 1,311	\$ 502	\$ 836	\$ 521	\$ 4,046	\$ 2,288
Policy fees	726	690	694	688	665	2,798	2,590
Net investment income (loss):							
Base portfolio (2)	1,750	1,713	1,716	1,731	1,716	6,910	6,893
Alternative investments	55	76	81	110	129	322	253
Other yield enhancements (3)	198	118	147	121	138	584	476
Total net investment income	2,003	1,907	1,944	1,962	1,983	7,816	7,622
Advisory fee and other income	256	228	225	217	219	926	1,278
<b>Total adjusted revenues</b>	<b>4,382</b>	<b>4,136</b>	<b>3,365</b>	<b>3,703</b>	<b>3,388</b>	<b>15,586</b>	<b>13,778</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	1,833	1,537	767	1,110	821	5,247	3,496
Interest credited to policyholder account balances	855	808	851	846	868	3,360	3,449
Amortization of deferred policy acquisition costs	285	31	199	228	226	743	613
Non deferrable insurance commissions	136	149	130	138	126	553	498
Advisory fee expenses	86	83	79	76	79	324	645
General operating expenses	373	336	327	383	378	1,419	1,557
Interest expense	32	34	19	24	24	109	92
Total benefits, losses and expenses	<b>3,600</b>	<b>2,978</b>	<b>2,372</b>	<b>2,805</b>	<b>2,522</b>	<b>11,755</b>	<b>10,350</b>
<b>Adjusted pre-tax income (1)</b>	<b>782</b>	<b>1,158</b>	<b>993</b>	<b>898</b>	<b>866</b>	<b>3,831</b>	<b>3,428</b>
Interest expense on attributed financial debt	6	5	6	6	6	23	92
<b>Adjusted pre-tax income (loss) including attributed interest expense</b>	<b>776</b>	<b>1,153</b>	<b>987</b>	<b>892</b>	<b>860</b>	<b>3,808</b>	<b>3,336</b>
Income tax expense	252	374	326	290	279	1,242	1,041
<b>Adjusted after-tax income (loss) (a)</b>	<b>\$ 524</b>	<b>\$ 779</b>	<b>\$ 661</b>	<b>\$ 602</b>	<b>\$ 581</b>	<b>\$ 2,566</b>	<b>\$ 2,295</b>
Ending adjusted attributed equity	\$ 20,304	\$ 20,983	\$ 20,884	\$ 20,716	\$ 20,547	\$ 20,304	\$ 20,547
Average adjusted attributed equity (b)	20,644	20,934	20,800	20,632	20,829	20,687	21,269
Adjusted return on attributed equity (a÷b)	10.2 %	14.9 %	12.7 %	11.7 %	11.2 %	12.4 %	10.8 %
<b>Noteworthy Items:</b>							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ 284	\$ -	\$ -	\$ -	\$ 284	\$ 230
Better (worse) than expected alternative returns*	12	31	33	55	54	131	(154)
Fair value changes on other securities accounted under fair value option	81	56	65	58	51	260	102

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.



**American International Group, Inc.**  
**Life and Retirement - Individual Retirement Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31,	December 31,
<b>Results of Operations</b>						2017	2016
<b>Premiums and deposits</b>	\$ <b>3,106</b>	\$ <b>2,526</b>	\$ <b>2,892</b>	\$ <b>3,382</b>	\$ <b>3,078</b>	\$ <b>11,906</b>	\$ <b>16,062</b>
<b>Revenues:</b>							
Premiums	\$ 10	\$ 22	\$ 31	\$ 28	\$ 34	\$ 91	\$ 163
Policy fees	200	190	192	185	181	767	709
Net investment income (loss):							
Base portfolio (2)	876	868	873	885	871	3,502	3,505
Alternative investments	29	41	44	60	65	174	131
Other yield enhancements (3)	125	64	86	62	74	337	242
Total net investment income	1,030	973	1,003	1,007	1,010	4,013	3,878
Advisory fee and other income	175	158	157	153	151	643	1,008
<b>Total adjusted revenues</b>	<b>1,415</b>	<b>1,343</b>	<b>1,383</b>	<b>1,373</b>	<b>1,376</b>	<b>5,514</b>	<b>5,758</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	73	15	36	37	40	161	173
Interest credited to policyholder account balances	423	366	412	415	425	1,616	1,684
Amortization of deferred policy acquisition costs	180	(20)	126	129	133	415	298
Non deferrable insurance commissions and other (13)	81	82	73	72	60	308	226
Advisory fee expenses	62	61	60	58	56	241	570
General operating expenses	105	103	108	110	107	426	488
Interest expense	17	18	10	13	13	58	50
<b>Total benefits, losses and expenses</b>	<b>941</b>	<b>625</b>	<b>825</b>	<b>834</b>	<b>834</b>	<b>3,225</b>	<b>3,489</b>
<b>Adjusted pre-tax income</b>	\$ <b>474</b>	\$ <b>718</b>	\$ <b>558</b>	\$ <b>539</b>	\$ <b>542</b>	\$ <b>2,289</b>	\$ <b>2,269</b>
<b>Noteworthy Items (pre-tax)</b>							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ 242	\$ -	\$ -	\$ -	\$ 242	\$ 369
Better (worse) than expected alternative returns*	7	17	18	30	25	72	(87)

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31,	December 31,
						2017	2016
<b>Assets under management:</b>							
General accounts	\$ 24,754	\$ 23,858	\$ 23,155	\$ 21,936	\$ 22,503	\$ 24,754	\$ 22,503
Separate accounts	49,188	47,548	46,273	45,224	43,463	49,188	43,463
<b>Total assets under management</b>	<b>\$ 73,942</b>	<b>\$ 71,406</b>	<b>\$ 69,428</b>	<b>\$ 67,160</b>	<b>\$ 65,966</b>	<b>\$ 73,942</b>	<b>\$ 65,966</b>
<b>Net investment spreads:</b>							
Total yield	5.70 %	5.08 %	5.20 %	5.24 %	5.13 %	5.32 %	4.74 %
Less: Alternative investments (5)	(0.11)	(0.23)	(0.25)	(0.41)	(0.35)	(0.25)	-
Less: Other yield enhancements (6)	(1.05)	(0.19)	(0.38)	(0.25)	(0.27)	(0.48)	(0.19)
<b>Base yield (7)</b>	<b>4.54</b>	<b>4.66</b>	<b>4.57</b>	<b>4.58</b>	<b>4.51</b>	<b>4.59</b>	<b>4.55</b>
Cost of funds (a)	1.23	1.25	1.29	1.28	1.28	1.26	1.44
<b>Base net investment spread (b)</b>	<b>3.31 %</b>	<b>3.41 %</b>	<b>3.28 %</b>	<b>3.30 %</b>	<b>3.23 %</b>	<b>3.33 %</b>	<b>3.11 %</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 2,699	\$ 2,628	\$ 2,579	\$ 2,533	\$ 2,099	\$ 2,533	\$ 2,142
Deferrals	91	77	91	83	93	342	445
Operating amortization	(86)	(2)	(54)	(54)	(60)	(196)	(241)
Change from realized gains (losses)	106	80	55	57	267	298	261
Change from unrealized gains (losses)	(21)	(84)	(43)	(40)	134	(188)	(74)
<b>Balance at end of period</b>	<b>\$ 2,789</b>	<b>\$ 2,699</b>	<b>\$ 2,628</b>	<b>\$ 2,579</b>	<b>\$ 2,533</b>	<b>\$ 2,789</b>	<b>\$ 2,533</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 67,050	\$ 65,104	\$ 63,155	\$ 61,026	\$ 61,332	\$ 61,026	\$ 55,307
Premiums and deposits	1,555	1,337	1,561	1,468	1,471	5,921	7,194
Surrenders and withdrawals	(1,069)	(920)	(988)	(935)	(864)	(3,912)	(3,032)
Death and other contract benefits	(221)	(210)	(208)	(210)	(197)	(849)	(806)
Subtotal	67,315	65,311	63,520	61,349	61,742	62,186	58,663
Change in fair value of underlying assets and reserve accretion, net of policy fees	2,118	1,822	1,467	1,730	(900)	7,137	2,000
Cost of funds (a)	54	53	52	49	49	208	204
Other reserve changes	63	(136)	65	27	135	19	159
Balance at end of period	69,550	67,050	65,104	63,155	61,026	69,550	61,026
Reinsurance ceded	(33)	(33)	(41)	(42)	(43)	(33)	(43)
<b>Total insurance reserves</b>	<b>\$ 69,517</b>	<b>\$ 67,017</b>	<b>\$ 65,063</b>	<b>\$ 63,113</b>	<b>\$ 60,983</b>	<b>\$ 69,517</b>	<b>\$ 60,983</b>

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

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

See accompanying notes on page 34.

**American International Group, Inc.**  
**Life and Retirement - Individual Retirement (Fixed Annuities) Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Assets under management:</b>							
General accounts	\$ 58,442	\$ 58,894	\$ 58,483	\$ 59,002	\$ 58,212	\$ 58,442	\$ 58,212
Separate accounts	33	32	32	32	31	33	31
<b>Total assets under management</b>	<b>\$ 58,475</b>	<b>\$ 58,926</b>	<b>\$ 58,515</b>	<b>\$ 59,034</b>	<b>\$ 58,243</b>	<b>\$ 58,475</b>	<b>\$ 58,243</b>
<b>Net investment spreads (a):</b>							
Total yield	5.09 %	5.00 %	5.28 %	5.26 %	5.27 %	5.16 %	5.08 %
Less: Alternative investments (5)	(0.06)	(0.11)	(0.11)	(0.16)	(0.15)	(0.11)	0.01
Less: Other yield enhancements (6)	(0.29)	(0.21)	(0.30)	(0.18)	(0.28)	(0.25)	(0.19)
<b>Base yield (7)</b>	<b>4.74</b>	<b>4.68</b>	<b>4.87</b>	<b>4.92</b>	<b>4.84</b>	<b>4.80</b>	<b>4.90</b>
Cost of funds (b)	2.64	2.65	2.64	2.67	2.69	2.65	2.74
<b>Base net investment spread (c)</b>	<b>2.10 %</b>	<b>2.03 %</b>	<b>2.23 %</b>	<b>2.25 %</b>	<b>2.15 %</b>	<b>2.15 %</b>	<b>2.16 %</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 896	\$ 910	\$ 1,028	\$ 1,067	\$ 766	\$ 1,067	\$ 1,111
Deferrals	19	13	14	22	12	68	94
Operating amortization	(94)	22	(72)	(75)	(73)	(219)	(57)
Change from realized gains (losses)	1	(1)	(1)	(3)	(1)	(4)	12
Change from unrealized gains (losses)	62	(48)	(59)	17	363	(28)	(93)
<b>Balance at end of period</b>	<b>\$ 884</b>	<b>\$ 896</b>	<b>\$ 910</b>	<b>\$ 1,028</b>	<b>\$ 1,067</b>	<b>\$ 884</b>	<b>\$ 1,067</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 51,020	\$ 51,353	\$ 51,912	\$ 52,285	\$ 52,910	\$ 52,285	\$ 52,955
Premiums and deposits	868	592	633	917	546	3,010	3,982
Surrenders and withdrawals	(905)	(751)	(902)	(901)	(970)	(3,459)	(3,969)
Death and other contract benefits	(499)	(535)	(613)	(593)	(508)	(2,240)	(2,185)
Subtotal	50,484	50,659	51,030	51,708	51,978	49,596	50,783
Change in fair value of underlying assets and reserve accretion, net of policy fees	45	46	49	59	6	199	157
Cost of funds (b)	327	331	329	333	345	1,320	1,410
Other reserve changes	(10)	(16)	(55)	(188)	(44)	(269)	(65)
Balance at end of period	50,846	51,020	51,353	51,912	52,285	50,846	52,285
Reinsurance ceded	(289)	(291)	(292)	(295)	(328)	(289)	(328)
<b>Total insurance reserves</b>	<b>\$ 50,557</b>	<b>\$ 50,729</b>	<b>\$ 51,061</b>	<b>\$ 51,617</b>	<b>\$ 51,957</b>	<b>\$ 50,557</b>	<b>\$ 51,957</b>

(a) Excludes immediate annuities.

(b) Excludes the amortization of deferred SIAs.

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

See accompanying notes on page 34.

**American International Group, Inc.**  
**Life and Retirement - Individual Retirement Investment Products Net Flows**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Premiums and deposits:</b>							
Fixed Annuities	\$ 868	\$ 592	\$ 633	\$ 917	\$ 546	\$ 3,010	\$ 3,982
Variable Annuities	769	736	841	862	923	3,208	4,507
Index Annuities	786	601	720	606	548	2,713	2,687
Retail Mutual Funds	683	597	698	997	1,061	2,975	4,886
<b>Total premiums and deposits</b>	<b>3,106</b>	<b>2,526</b>	<b>2,892</b>	<b>3,382</b>	<b>3,078</b>	<b>11,906</b>	<b>16,062</b>
<b>Surrenders and withdrawals:</b>							
Fixed Annuities	(905)	(751)	(902)	(901)	(970)	(3,459)	(3,969)
Variable Annuities	(974)	(843)	(916)	(858)	(796)	(3,591)	(2,811)
Index Annuities	(95)	(77)	(72)	(77)	(68)	(321)	(221)
Retail Mutual Funds	(834)	(828)	(872)	(1,038)	(860)	(3,572)	(3,026)
<b>Total surrenders and withdrawals</b>	<b>(2,808)</b>	<b>(2,499)</b>	<b>(2,762)</b>	<b>(2,874)</b>	<b>(2,694)</b>	<b>(10,943)</b>	<b>(10,027)</b>
<b>Death and other contract benefits:</b>							
Fixed Annuities	(499)	(535)	(613)	(593)	(508)	(2,240)	(2,185)
Variable Annuities	(199)	(194)	(192)	(196)	(189)	(781)	(770)
Index Annuities	(22)	(16)	(16)	(14)	(8)	(68)	(36)
<b>Total death and other contract benefits</b>	<b>(720)</b>	<b>(745)</b>	<b>(821)</b>	<b>(803)</b>	<b>(705)</b>	<b>(3,089)</b>	<b>(2,991)</b>
<b>Net flows (4):</b>							
Fixed Annuities	(536)	(694)	(882)	(577)	(932)	(2,689)	(2,172)
Variable Annuities	(404)	(301)	(267)	(192)	(62)	(1,164)	926
Index Annuities	669	508	632	515	472	2,324	2,430
Retail Mutual Funds	(151)	(231)	(174)	(41)	201	(597)	1,860
<b>Total net flows</b>	<b>\$ (422)</b>	<b>\$ (718)</b>	<b>\$ (691)</b>	<b>\$ (295)</b>	<b>\$ (321)</b>	<b>\$ (2,126)</b>	<b>\$ 3,044</b>
<b>Surrender rates (8):</b>							
<b>Fixed Annuities</b>	<b>7.1%</b>	<b>5.9%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.4%</b>	<b>6.7%</b>	<b>7.6%</b>
<b>Variable and Index Annuities</b>	<b>6.3%</b>	<b>5.6%</b>	<b>6.2%</b>	<b>6.0%</b>	<b>5.7%</b>	<b>6.0%</b>	<b>5.2%</b>

*See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.*

**American International Group, Inc.**  
**Life and Retirement - Group Retirement Results**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 1,848	\$ 1,860	\$ 1,802	\$ 2,040	\$ 2,056	\$ 7,550	\$ 7,570
<b>Revenues:</b>							
Premiums	\$ 6	\$ 8	\$ 4	\$ 9	\$ 6	\$ 27	\$ 27
Policy fees	114	113	101	99	98	427	383
Net investment income (loss):							
Base portfolio (2)	483	477	472	481	485	1,913	1,939
Alternative investments	16	22	23	31	33	92	66
Other yield enhancements (3)	51	25	40	43	40	159	141
Total net investment income	550	524	535	555	558	2,164	2,146
Advisory fee and other income	62	57	56	55	54	230	213
<b>Total adjusted revenues</b>	<b>732</b>	<b>702</b>	<b>696</b>	<b>718</b>	<b>716</b>	<b>2,848</b>	<b>2,769</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	38	10	5	21	(3)	74	28
Interest credited to policyholder account balances	270	283	284	278	286	1,115	1,135
Amortization of deferred policy acquisition costs	25	12	25	22	23	84	129
Non deferrable insurance commissions and other (13)	28	28	25	27	26	108	85
Advisory fee expenses	24	22	19	18	23	83	75
General operating expenses	92	88	66	102	93	348	360
Interest expense	9	10	6	7	7	32	26
<b>Total benefits, losses and expenses</b>	<b>486</b>	<b>453</b>	<b>430</b>	<b>475</b>	<b>455</b>	<b>1,844</b>	<b>1,838</b>
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 246</b>	<b>\$ 249</b>	<b>\$ 266</b>	<b>\$ 243</b>	<b>\$ 261</b>	<b>\$ 1,004</b>	<b>\$ 931</b>
<b>Noteworthy items (pre-tax)</b>							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ 13	\$ (47)
Better (worse) than expected alternative returns*	5	9	9	17	14	40	(41)

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

**American International Group, Inc.**  
**Life and Retirement - Group Retirement Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31, 2017	December 31, 2016
<b>Assets under administration:</b>							
General accounts	\$ 47,245	\$ 46,994	\$ 46,922	\$ 45,679	\$ 46,385	\$ 47,245	\$ 46,385
Separate accounts	36,419	35,196	34,304	33,649	32,470	36,419	32,470
Group Retirement mutual funds	20,160	19,135	17,994	17,188	16,310	20,160	16,310
<b>Total assets under administration</b>	<b>\$ 103,824</b>	<b>\$ 101,325</b>	<b>\$ 99,220</b>	<b>\$ 96,516</b>	<b>\$ 95,165</b>	<b>\$ 103,824</b>	<b>\$ 95,165</b>
<b>Net investment spreads:</b>							
Total yield	4.91 %	4.76 %	4.86 %	5.16 %	5.04 %	4.92 %	4.91 %
Less: Alternative investments (5)	(0.08)	(0.14)	(0.14)	(0.21)	(0.19)	(0.14)	-
Less: Other yield enhancements (6)	(0.34)	(0.12)	(0.25)	(0.27)	(0.25)	(0.25)	(0.20)
<b>Base yield (7)</b>	<b>4.49</b>	<b>4.50</b>	<b>4.47</b>	<b>4.68</b>	<b>4.60</b>	<b>4.53</b>	<b>4.71</b>
Cost of funds (a)	2.61	2.78	2.82	2.81	2.85	2.76	2.89
<b>Base net investment spread (b)</b>	<b>1.88 %</b>	<b>1.72 %</b>	<b>1.65 %</b>	<b>1.87 %</b>	<b>1.75 %</b>	<b>1.77 %</b>	<b>1.82 %</b>
<b>Net flows:</b>							
Premiums and deposits	\$ 1,848	\$ 1,860	\$ 1,802	\$ 2,040	\$ 2,056	\$ 7,550	\$ 7,570
Surrenders and withdrawals	(2,156)	(1,740)	(1,835)	(2,288)	(2,448)	(8,019)	(7,589)
Death and other contract benefits	(145)	(135)	(148)	(134)	(141)	(562)	(536)
<b>Total net flows</b>	<b>\$ (453)</b>	<b>\$ (15)</b>	<b>\$ (181)</b>	<b>\$ (382)</b>	<b>\$ (533)</b>	<b>\$ (1,031)</b>	<b>\$ (555)</b>
<b>Surrender rates (8)</b>	<b>9.0 %</b>	<b>7.4 %</b>	<b>8.0 %</b>	<b>10.2 %</b>	<b>11.1 %</b>	<b>8.6 %</b>	<b>8.8 %</b>
<b>DAC rollforward:</b>							
Balance at beginning of period	\$ 919	\$ 926	\$ 949	\$ 931	\$ 843	\$ 931	\$ 1,009
Deferrals	25	16	21	18	23	80	80
Operating amortization	(25)	(12)	(25)	(22)	(23)	(84)	(129)
Change from realized gains (losses)	(4)	1	(1)	(1)	6	(5)	-
Change from unrealized gains (losses)	13	(12)	(18)	23	82	6	(29)
<b>Balance at end of period</b>	<b>\$ 928</b>	<b>\$ 919</b>	<b>\$ 926</b>	<b>\$ 949</b>	<b>\$ 931</b>	<b>\$ 928</b>	<b>\$ 931</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 94,992	\$ 92,649	\$ 90,958	\$ 88,622	\$ 88,200	\$ 88,622	\$ 84,145
Premiums and deposits	1,848	1,860	1,802	2,040	2,056	7,550	7,570
Surrenders and withdrawals	(2,156)	(1,740)	(1,835)	(2,288)	(2,448)	(8,019)	(7,589)
Death and other contract benefits	(145)	(135)	(148)	(134)	(141)	(562)	(536)
Subtotal	94,539	92,634	90,777	88,240	87,667	87,591	83,590
Change in fair value of underlying assets and reserve accretion, net of policy fees	2,502	2,078	1,593	2,444	676	8,617	3,923
Cost of funds (a)	265	280	279	274	279	1,098	1,109
<b>Total insurance reserves and Group Retirement mutual funds</b>	<b>\$ 97,306</b>	<b>\$ 94,992</b>	<b>\$ 92,649</b>	<b>\$ 90,958</b>	<b>\$ 88,622</b>	<b>\$ 97,306</b>	<b>\$ 88,622</b>

(a) Excludes the amortization of SIAs.

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.



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

(in millions)

	Quarterly				
	4Q17	3Q17	2Q17	1Q17	4Q16
<b>Account value by benefit type (a)</b>					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 68,608	\$ 67,294	\$ 65,785	\$ 65,439	\$ 64,029
Guaranteed Minimum Income Benefits (GMIB) (c)	2,419	2,392	2,362	2,360	2,316
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	45,289	43,937	42,952	41,885	40,557
<b>Liability by benefit type (a)</b>					
GMDB (b)	\$ 341	\$ 303	\$ 377	\$ 378	\$ 392
GMIB (c)	11	10	11	9	10
GMWB (d)	1,994	2,104	1,917	1,671	1,777

(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					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ 567	\$ 284	\$ (19)	\$ 591	\$ 2,501	\$ 1,423	\$ -
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	29	26	80	11	(150)	146	120
Interest rate derivative contracts	(80)	(20)	213	(183)	(1,605)	(70)	(194)
Equity derivative contracts	(369)	(310)	(259)	(409)	(269)	(1,347)	(919)
Change in fair value of variable annuity hedging portfolio	(420)	(304)	34	(581)	(2,024)	(1,271)	(993)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	147	(20)	15	10	477	152	(993)
Change in fair value of embedded derivatives due to NPA spread	(355)	(82)	(218)	(185)	(341)	(840)	(286)
Change in fair value of embedded derivatives due to change in NPA volume	(114)	(114)	79	(203)	(1,048)	(352)	257
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	(188)	-	-	-	(188)	(101)
Total change due to update of actuarial assumptions and NPA	(469)	(384)	(139)	(388)	(1,389)	(1,380)	(130)
<b>Net impact on pre-tax income (loss)</b>	<b>\$ (322)</b>	<b>\$ (404)</b>	<b>\$ (124)</b>	<b>\$ (378)</b>	<b>\$ (912)</b>	<b>\$ (1,228)</b>	<b>\$ (1,123)</b>

See accompanying notes on page 34.





**American International Group, Inc.**  
**Life and Retirement – Life Insurance Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31,	December 31,
						2017	2016
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 963	\$ 935	\$ 947	\$ 910	\$ 911	\$ 3,755	\$ 3,519
<b>Revenues:</b>							
Premiums	\$ 362	\$ 384	\$ 400	\$ 384	\$ 339	\$ 1,530	\$ 1,407
Policy fees	370	343	357	360	340	1,430	1,319
Net investment income (loss):							
Base portfolio (2)	242	233	235	237	234	947	940
Alternative investments	7	9	10	13	16	39	32
Other yield enhancements (3)	14	18	16	10	13	58	63
Total net investment income	263	260	261	260	263	1,044	1,035
Advisory fee and other income (10)	18	13	12	9	14	52	57
<b>Total adjusted revenues</b>	<b>1,013</b>	<b>1,000</b>	<b>1,030</b>	<b>1,013</b>	<b>956</b>	<b>4,056</b>	<b>3,818</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	649	587	615	593	601	2,444	2,452
Interest credited to policyholder account balances	95	93	93	95	96	376	386
Amortization of deferred policy acquisition costs (14)	78	37	48	76	69	239	182
Non deferrable insurance commissions and other (13)	21	32	25	31	33	109	155
General operating expenses	164	135	141	161	164	601	668
Interest expense	4	4	2	3	3	13	12
<b>Total benefits, losses and expenses</b>	<b>1,011</b>	<b>888</b>	<b>924</b>	<b>959</b>	<b>966</b>	<b>3,782</b>	<b>3,855</b>
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 2</b>	<b>\$ 112</b>	<b>\$ 106</b>	<b>\$ 54</b>	<b>\$ (10)</b>	<b>\$ 274</b>	<b>\$ (37)</b>
<b>Noteworthy items (pre-tax)</b>							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ 29	\$ -	\$ -	\$ -	\$ 29	\$ (92)
Better (worse) than expected alternative returns*	1	4	4	7	7	16	(18)
Adjusted pre-tax income (loss) Domestic Life	12	90	88	62	-	252	7
Adjusted pre-tax income (loss) International Life	(10)	22	18	(8)	(10)	22	(44)

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

**American International Group, Inc.**  
**Life and Retirement – Life Insurance Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Gross life insurance in force, end of period:</b>							
Domestic Life	\$ 857,577	\$ 857,445	\$ 852,679	\$ 847,182	\$ 842,021	\$ 857,577	\$ 842,021
International Life	99,212	92,877	84,764	76,772	72,478	99,212	72,478
<b>Total</b>	<b>\$ 956,789</b>	<b>\$ 950,322</b>	<b>\$ 937,443</b>	<b>\$ 923,954</b>	<b>\$ 914,499</b>	<b>\$ 956,789</b>	<b>\$ 914,499</b>
<b>Life and A&amp;H CPPE sales (11):</b>							
Term	\$ 54	\$ 52	\$ 53	\$ 45	\$ 47	\$ 204	\$ 193
Universal life	43	40	37	28	30	148	84
Other life	11	9	8	5	1	33	2
Single premium and unscheduled deposits	3	3	2	2	1	10	6
A&H	6	6	6	7	7	25	36
<b>Total</b>	<b>\$ 117</b>	<b>\$ 110</b>	<b>\$ 106</b>	<b>\$ 87</b>	<b>\$ 86</b>	<b>\$ 420</b>	<b>\$ 321</b>
<b>Surrender/lapse rates (12):</b>							
Domestic Life:							
Independent distribution	3.87 %	4.82 %	5.07 %	5.08 %	5.30 %	4.71 %	6.27 %
Career distribution	5.98 %	6.70 %	6.40 %	6.94 %	7.32 %	6.51 %	7.41 %
<b>DAC/VOBA rollforward:</b>							
Balance at beginning of period	\$ 3,012	\$ 3,152	\$ 3,105	\$ 3,013	\$ 2,868	\$ 3,013	\$ 2,888
Deferrals	137	109	113	115	110	474	400
Operating amortization	(78)	(37)	(48)	(76)	(69)	(239)	(182)
Change from realized gains (losses)	-	2	2	-	(1)	4	3
Change from unrealized gains (losses)	(39)	(249)	(30)	49	117	(269)	(56)
Foreign exchange translation	(23)	35	10	4	(12)	26	(40)
<b>Balance at end of period</b>	<b>\$ 3,009</b>	<b>\$ 3,012</b>	<b>\$ 3,152</b>	<b>\$ 3,105</b>	<b>\$ 3,013</b>	<b>\$ 3,009</b>	<b>\$ 3,013</b>
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 18,836	\$ 18,694	\$ 18,533	\$ 18,397	\$ 18,306	\$ 18,397	\$ 18,006
Premiums and deposits	884	860	884	856	869	3,484	3,391
Surrenders and withdrawals	(132)	(143)	(136)	(158)	(169)	(569)	(650)
Death and other contract benefits	(134)	(151)	(159)	(131)	(128)	(575)	(522)
Subtotal	19,454	19,260	19,122	18,964	18,878	20,737	20,225
Change in fair value of underlying assets and reserve accretion, net of policy fees	(214)	(242)	(229)	(204)	(263)	(889)	(1,033)
Cost of funds	95	93	93	95	96	376	386
Other reserve changes	85	(287)	(305)	(326)	(300)	(833)	(1,133)
Foreign exchange translation	4	12	13	4	(14)	33	(48)
Balance at end of period	19,424	18,836	18,694	18,533	18,397	19,424	18,397
Reinsurance ceded	(1,055)	(1,049)	(1,075)	(1,074)	(1,085)	(1,055)	(1,085)
<b>Total insurance reserves</b>	<b>\$ 18,369</b>	<b>\$ 17,787</b>	<b>\$ 17,619</b>	<b>\$ 17,459</b>	<b>\$ 17,312</b>	<b>\$ 18,369</b>	<b>\$ 17,312</b>
Domestic Life	18,134	17,577	17,436	17,304	17,179	18,134	17,179
International Life	235	210	183	155	133	235	133
<b>Total insurance reserves</b>	<b>\$ 18,369</b>	<b>\$ 17,787</b>	<b>\$ 17,619</b>	<b>\$ 17,459</b>	<b>\$ 17,312</b>	<b>\$ 18,369</b>	<b>\$ 17,312</b>

See accompanying notes on page 34.



**American International Group, Inc.**  
**Life and Retirement - Institutional Markets Results**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31,	December 31,
						2017	2016
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 2,048	\$ 1,476	\$ 150	\$ 573	\$ 1,168	\$ 4,247	\$ 2,153
<b>Revenues:</b>							
Premiums	\$ 1,019	\$ 897	\$ 67	\$ 415	\$ 142	\$ 2,398	\$ 691
Policy fees	42	44	44	44	46	174	179
Net investment income:							
Base portfolio (2)	149	135	136	128	126	548	509
Alternative investments	3	4	4	6	15	17	24
Other yield enhancements (3)	8	11	5	6	11	30	30
Total net investment income	160	150	145	140	152	595	563
Advisory fee and other income	1	-	-	-	-	1	-
<b>Total adjusted revenues</b>	<b>1,222</b>	<b>1,091</b>	<b>256</b>	<b>599</b>	<b>340</b>	<b>3,168</b>	<b>1,433</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	1,073	925	111	459	183	2,568	843
Interest credited to policyholder account balances	67	66	62	58	61	253	244
Amortization of deferred policy acquisition costs	2	2	-	1	1	5	4
Non deferrable insurance commissions	6	7	7	8	7	28	32
General operating expenses	12	10	12	10	14	44	41
Interest expense	2	2	1	1	1	6	4
<b>Total benefits, losses and expenses</b>	<b>1,162</b>	<b>1,012</b>	<b>193</b>	<b>537</b>	<b>267</b>	<b>2,904</b>	<b>1,168</b>
<b>Adjusted pre-tax income</b>	<b>\$ 60</b>	<b>\$ 79</b>	<b>\$ 63</b>	<b>\$ 62</b>	<b>\$ 73</b>	<b>\$ 264</b>	<b>\$ 265</b>
<b>General and separate account reserves</b>							
Future policyholder benefits	\$ 5,867	\$ 4,871	\$ 4,014	\$ 3,962	\$ 3,565	\$ 5,867	\$ 3,565
Policyholder contract deposits	8,267	8,306	7,648	7,550	7,457	8,267	7,457
Separate account reserves	4,443	3,811	3,780	4,300	4,360	4,443	4,360
<b>Total general and separate account reserves</b>	<b>\$ 18,577</b>	<b>\$ 16,988</b>	<b>\$ 15,442</b>	<b>\$ 15,812</b>	<b>\$ 15,382</b>	<b>\$ 18,577</b>	<b>\$ 15,382</b>
<b>Noteworthy Items (pre-tax)</b>							
Better (worse) than expected alternative returns*	\$ (1)	\$ 1	\$ 2	\$ 1	\$ 8	\$ 3	\$ (8)

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

See accompanying notes on page 34 and reconciliations of Non-GAAP financial measures beginning on page 45.

**American International Group, Inc.**  
**Life and Retirement – Institutional Markets Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Reserve rollforward:</b>							
Balance at beginning of period, gross	\$ 16,991	\$ 15,445	\$ 15,815	\$ 15,384	\$ 14,968	\$ 15,384	\$ 14,216
Premiums and deposits	2,048	1,476	150	573	1,168	4,247	2,153
Surrenders and withdrawals	(491)	(37)	(564)	(199)	(979)	(1,291)	(1,283)
Death and other contract benefits	(68)	(72)	(108)	(95)	(117)	(343)	(617)
Subtotal	18,480	16,812	15,293	15,663	15,040	17,997	14,469
Change in fair value of underlying assets and reserve accretion, net of policy fees	56	86	47	56	41	245	256
Cost of funds	67	66	62	58	61	253	244
Other reserve changes	(23)	27	43	38	242	85	415
Balance at end of period	18,580	16,991	15,445	15,815	15,384	18,580	15,384
Reserves related to unrealized investment appreciation	-	-	-	-	1	-	1
Reinsurance ceded	(3)	(3)	(3)	(3)	(3)	(3)	(3)
<b>Total insurance reserves</b>	<b>\$ 18,577</b>	<b>\$ 16,988</b>	<b>\$ 15,442</b>	<b>\$ 15,812</b>	<b>\$ 15,382</b>	<b>\$ 18,577</b>	<b>\$ 15,382</b>
<b>Reserves by line of business:</b>							
Structured settlements	\$ 2,830	\$ 2,774	\$ 2,714	\$ 2,635	\$ 2,525	\$ 2,830	\$ 2,525
Pension risk transfer	3,671	2,700	1,880	1,889	1,578	3,671	1,578
Corporate and Bank-owned life insurance	4,889	4,863	4,825	4,792	4,773	4,889	4,773
Stable value wrap - separate account liability	2,097	1,499	1,491	2,026	2,088	2,097	2,088
Guaranteed investment contracts	5,090	5,152	4,532	4,470	4,418	5,090	4,418
<b>Total insurance reserves</b>	<b>\$ 18,577</b>	<b>\$ 16,988</b>	<b>\$ 15,442</b>	<b>\$ 15,812</b>	<b>\$ 15,382</b>	<b>\$ 18,577</b>	<b>\$ 15,382</b>
<b>Premiums and deposits by line of business:</b>							
Structured settlements	\$ 74	\$ 84	\$ 98	\$ 128	\$ 122	\$ 384	\$ 688
Pension risk transfer	974	842	-	321	48	2,137	213
Corporate and Bank-owned life insurance	1	-	-	-	73	1	74
Stable value wrap - separate account liability	599	-	-	-	-	599	-
Guaranteed investment contracts	400	550	52	124	925	1,126	1,178
<b>Total premiums and deposits</b>	<b>\$ 2,048</b>	<b>\$ 1,476</b>	<b>\$ 150</b>	<b>\$ 573</b>	<b>\$ 1,168</b>	<b>\$ 4,247</b>	<b>\$ 2,153</b>
<b>Stable value wraps (401k and bank-owned life insurance) - Assets under management*</b>	<b>\$ 37,616</b>	<b>\$ 36,415</b>	<b>\$ 36,605</b>	<b>\$ 36,983</b>	<b>\$ 36,280</b>	<b>\$ 37,616</b>	<b>\$ 36,280</b>

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

**American International Group, Inc.**  
**Life and Retirement Notes**

- (1) Life and Retirement Adjusted pre-tax income in 3Q16 and 3Q17 included the net effect of adjustments to reflect the annual review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, 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 APTI. In the aggregate, the net effect of adjustments to reflect the review and update of actuarial assumptions for Life and Retirement products increased (decreased) APTI 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 Life and Retirement	
	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)
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 29</b>	<b>\$ (92)</b>	<b>\$ 130</b>	<b>\$ 330</b>	<b>\$ 112</b>	<b>\$ 39</b>	<b>\$ 13</b>	<b>\$ (47)</b>	<b>\$ 284</b>	<b>\$ 230</b>
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)
<b>Increase (decrease) to pre-tax income (loss)</b>	<b>\$ 29</b>	<b>\$ (92)</b>	<b>\$ 130</b>	<b>\$ 330</b>	<b>\$ (53)</b>	<b>\$ 41</b>	<b>\$ (24)</b>	<b>\$ (92)</b>	<b>\$ 82</b>	<b>\$ 187</b>

- (2) Base portfolio investment income includes interest, dividends and foreclosed real estate income, net of investment expenses.
- (3) Net investment income - other yield enhancements includes call and tender income, commercial mortgage loan prepayments, 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 yield 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 other withdrawals as a percentage of average annuity reserves and Group Retirement mutual funds.
- (9) Life and Retirement 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, 2017 (which will be filed with the SEC) 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) 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 Life and Retirement segments on the basis of attributed equity, consistent with the benefit from the reduced capital requirement.
- (14) 2Q17 includes lower international DAC amortization primarily due to new business and lapse assumptions.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
<b>Revenues:</b>							
Premiums	\$ 4	\$ (19)	\$ 447	\$ 294	\$ 498	\$ 726	\$ 1,867
Net investment income	-	6	25	22	54	53	207
Other income (loss)	182	140	154	158	94	634	443
Total adjusted revenues	186	127	626	474	646	1,413	2,517
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	5	11	346	241	291	603	1,085
<b>Acquisition expenses:</b>							
Amortization of deferred policy acquisition costs	(1)	-	(2)	(6)	21	(9)	72
Other acquisition expenses	-	(5)	10	14	21	19	84
Total acquisition expenses	(1)	(5)	8	8	42	10	156
General operating expenses	310	243	394	290	327	1,237	1,309
Interest expense	238	244	243	243	242	968	978
Total benefits, losses and expenses	552	493	991	782	902	2,818	3,528
<b>Adjusted pre-tax income (loss) before consolidation and eliminations</b>	<b>(366)</b>	<b>(366)</b>	<b>(365)</b>	<b>(308)</b>	<b>(256)</b>	<b>(1,405)</b>	<b>(1,011)</b>
Consolidation, eliminations and other adjustments	-	(1)	28	48	42	75	42
<b>Adjusted pre-tax income (loss)</b>	<b>\$ (366)</b>	<b>\$ (367)</b>	<b>\$ (337)</b>	<b>\$ (260)</b>	<b>\$ (214)</b>	<b>\$ (1,330)</b>	<b>\$ (969)</b>
<b>Adjusted Pre-tax income (loss) by activities</b>							
UGC (a)	\$ N/A	\$ N/A	\$ N/A	\$ N/A	121	\$ N/A	522
Fuji Life (b)	N/A	N/A	27	16	11	43	14
<b>Parent and Other:</b>							
Corporate general operating expenses	(206)	(172)	(235)	(156)	(152)	(769)	(666)
Interest expense	(239)	(243)	(242)	(244)	(243)	(968)	(983)
Other income (expense), net	79	49	85	76	7	289	102
Total Parent and Other	(366)	(366)	(392)	(324)	(388)	(1,448)	(1,547)
Consolidation, eliminations and other adjustments	-	(1)	28	48	42	75	42
<b>Adjusted pre-tax income (loss)</b>	<b>\$ (366)</b>	<b>\$ (367)</b>	<b>\$ (337)</b>	<b>\$ (260)</b>	<b>\$ (214)</b>	<b>\$ (1,330)</b>	<b>\$ (969)</b>
Interest expense on attributed financial debt	(152)	(171)	(181)	(177)	(173)	(681)	(669)
<b>Adjusted pre-tax income (loss) including attributed interest expense</b>	<b>(214)</b>	<b>(196)</b>	<b>(156)</b>	<b>(83)</b>	<b>(41)</b>	<b>(649)</b>	<b>(300)</b>
Income tax expense (benefit)	(50)	(169)	(47)	(64)	(48)	(330)	(111)
<b>Adjusted after-tax income (loss)</b>	<b>\$ (164)</b>	<b>\$ (27)</b>	<b>\$ (109)</b>	<b>\$ (19)</b>	<b>\$ 7</b>	<b>\$ (319)</b>	<b>\$ (189)</b>
<b>Noteworthy Items (pre-tax):</b>							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ -	\$ -	\$ -	\$ -	(22)	\$ -	\$ (56)
Update of actuarial assumptions (unlocking)	-	-	-	-	-	-	2
Better (worse) than expected alternative returns (c)	-	1	1	-	2	2	(21)
Better (worse) than expected DIB and GCM returns	1	-	4	2	(3)	7	(10)
Fair value changes on other securities accounted under fair value option	51	30	11	22	(14)	114	22
<b>Parent Liquidity Portfolio Information:</b>							
Earnings on Parent liquidity portfolio	\$ 33	\$ 30	\$ 38	\$ 39	\$ 36	\$ 140	\$ 110
Interest expense, net of portion allocated to segments	(86)	(72)	(61)	(67)	(70)	(286)	(314)
Net interest expense on Parent liquidity portfolio	\$ (53)	\$ (42)	\$ (23)	\$ (28)	\$ (34)	\$ (146)	\$ (204)

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

(b) Fuji Life was sold on April 30, 2017.

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

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



**American International Group, Inc.**  
**Legacy Portfolio Results**

(in millions)

**Results of Operations**

**Revenues:**

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
Premiums	\$ 141	\$ 136	\$ 146	\$ 167	\$ 148	\$ 590	\$ 674
Policy Fees	32	38	32	35	39	137	142
Net investment income	634	690	722	730	760	2,776	2,913
Other income (loss)	349	149	238	152	1,300	888	1,521
Total adjusted revenues	1,156	1,013	1,138	1,084	2,247	4,391	5,250

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred	528	500	488	482	890	1,998	3,084
Interest credited to policyholder account balances	60	61	57	63	56	241	267
Acquisition expenses:							
Amortization of deferred policy acquisition costs	6	28	14	28	26	76	108
Other acquisition expenses	-	1	(1)	-	3	-	8
Total acquisition expenses	6	29	13	28	29	76	116
Non deferrable insurance commissions	6	6	6	6	1	24	10
General operating expenses	126	98	115	121	125	460	484
Interest expense *	19	33	28	42	45	122	282
Total benefits, losses and expenses	745	727	707	742	1,146	2,921	4,243

**Adjusted pre-tax income (loss)**

**Adjusted pre-tax income (loss) by type**

General Insurance run-off lines	\$ 14	\$ 63	\$ 57	\$ 87	\$ (331)	\$ 221	\$ (237)
Life and Retirement run-off lines	98	79	139	90	132	406	(224)
Legacy investments	299	144	235	165	1,300	843	1,468

**Adjusted pre-tax income (loss)**

Interest expense on attributed financial debt	31	42	43	43	43	159	120
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**Adjusted pre-tax income (loss) including attributed interest expense**

Income tax expense (benefit)	129	79	135	97	404	440	330
Adjusted after-tax Non-controlling interest (income) loss on Korea Fund	-	-	-	-	(533)	-	(533)

**Adjusted after-tax income (loss) (a)**

Ending adjusted attributed equity	\$ 9,283	\$ 9,880	\$ 9,912	\$ 10,477	\$ 10,649	\$ 9,283	\$ 10,649
Average adjusted attributed equity (b)	9,582	9,896	10,195	10,563	10,868	10,040	13,671
Adjusted return on attributed equity (a÷b)	10.5 %	6.7 %	9.9 %	7.6 %	4.5 %	8.7 %	0.2 %

\* Includes inter-segment interest expenses.

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



**American International Group, Inc.  
Legacy Portfolio Results (continued)**

(in millions)

**Noteworthy Items (pre-tax)**

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
Catastrophe losses, net of reinsurance	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 5
Average annual loss	2	2	2	2	4	8	16
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(4)	(1)	(2)	(14)	371	(21)	402
Update of actuarial assumptions (unlocking)	-	(14)	-	-	-	(14)	614
Better (worse) than expected alternative returns*	15	29	29	(5)	46	68	(38)
Better (worse) than expected DIB and GCM returns	233	42	138	43	77	456	(164)
Fair value changes on other securities accounted under fair value option	368	138	246	214	(108)	966	161
<b>Selected Balance Sheet Data</b>							
Legacy investments, net of related debt	\$ 3,670	\$ 5,811	\$ 5,961	\$ 6,534	\$ 6,733	\$ 3,670	\$ 6,733
Legacy General Insurance run-off reserves **	6,178	6,375	6,548	6,726	6,871	6,178	6,871
Legacy Life and Retirement run-off reserves	38,608	38,489	38,740	38,442	38,359	38,608	38,359
Adjusted attributed equity	9,283	9,880	9,912	10,477	10,649	9,283	10,649

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

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

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





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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums earned	\$ 21	\$ 19	\$ 22	\$ 45	\$ 30	\$ 107	\$ 157
Losses and loss adjustment expenses incurred*	70	38	46	38	436	192	700
Total acquisition expenses	2	2	1	1	3	6	8
General operating expenses	9	6	9	7	4	31	21
Underwriting income (loss)	(60)	(27)	(34)	(1)	(413)	(122)	(572)
Net investment income	74	90	91	88	82	343	335
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 14</b>	<b>\$ 63</b>	<b>\$ 57</b>	<b>\$ 87</b>	<b>\$ (331)</b>	<b>\$ 221</b>	<b>\$ (237)</b>
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses, net of reinsurance	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 5
Average annual loss	2	2	2	2	4	8	16
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(4)	(1)	(2)	(14)	371	(21)	402
Net liability for unpaid losses and loss adjustment expenses (at period end)**	6,178	6,375	6,548	6,726	6,871	6,178	6,871

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

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

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

**American International Group, Inc.**  
**Legacy Life and Retirement Run-off Lines**

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
<b>Premiums and deposits</b>	\$ 156	\$ 155	\$ 149	\$ 160	\$ 159	\$ 620	\$ 666
<b>Revenues:</b>							
Premiums	\$ 120	\$ 117	\$ 124	\$ 122	\$ 118	\$ 483	\$ 517
Policy fees	32	38	32	35	39	137	142
Net investment income:							
Base portfolio	443	424	423	441	455	1,731	1,840
Alternative investments	64	78	79	37	86	258	134
Other yield enhancements	44	35	40	44	34	163	130
Total net investment income	551	537	542	522	575	2,152	2,104
Other income	2	-	1	-	-	3	1
<b>Total adjusted revenues</b>	<b>705</b>	<b>692</b>	<b>699</b>	<b>679</b>	<b>732</b>	<b>2,775</b>	<b>2,764</b>
<b>Benefits, losses and expenses:</b>							
Policyholder benefits and losses incurred	458	462	442	444	454	1,806	2,384
Interest credited to policyholder account balances	60	61	57	63	56	241	267
Amortization of deferred policy acquisition costs	4	27	12	27	26	70	108
Non deferrable insurance commissions	6	6	6	6	1	24	10
General operating expenses	71	48	38	43	57	200	196
Interest expense	8	9	5	6	6	28	23
<b>Total benefits, losses and expenses</b>	<b>607</b>	<b>613</b>	<b>560</b>	<b>589</b>	<b>600</b>	<b>2,369</b>	<b>2,988</b>
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 98</b>	<b>\$ 79</b>	<b>\$ 139</b>	<b>\$ 90</b>	<b>\$ 132</b>	<b>\$ 406</b>	<b>\$ (224)</b>
<b>Noteworthy items (pre-tax)</b>							
Future policy benefits for life and A&H contracts (at period end)	\$ 31,005	\$ 30,845	\$ 30,996	\$ 30,607	\$ 30,442	\$ 31,005	\$ 30,442
Policyholder contract deposits	5,624	5,648	5,745	5,807	5,923	5,624	5,923
Separate account reserves	1,979	1,996	1,999	2,028	1,994	1,979	1,994
Total general and separate account reserves	\$ 38,608	\$ 38,489	\$ 38,740	\$ 38,442	\$ 38,359	\$ 38,608	\$ 38,359
Update of actuarial assumptions (unlocking)	\$ -	\$ (14)	\$ -	\$ -	\$ -	\$ (14)	\$ (614)

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

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Fixed Maturity Securities- AFS, ending carry value</b>							
Yield (a)	4.66%	4.58%	4.70%	4.63%	4.75%	4.62%	4.72%
Investment income (b)	\$ 2,618	\$ 2,559	\$ 2,635	\$ 2,695	\$ 2,862	\$ 10,507	\$ 11,405
Net realized capital gains (losses)	20	(18)	111	96	(15)	209	(479)
Ending carrying value	238,992	237,771	235,289	230,698	241,537	238,992	241,537
<b>Fixed Maturity Securities- Other (c)</b>							
Total Return (a) (f)	15.95%	7.92%	12.95%	9.55%	(4.95%)	11.53%	3.84%
Investment income (loss) (b) (f)	\$ 507	\$ 259	\$ 439	\$ 329	\$ (178)	\$ 1,534	\$ 585
Ending carrying value	12,772	12,653	13,478	13,605	13,998	12,772	13,998
<b>Equity Securities- AFS, ending carry value</b>							
Yield (a)	3.76%	1.49%	3.40%	1.25%	3.96%	2.38%	2.91%
Investment income (loss) (b)	\$ 12	\$ 5	\$ 12	\$ 5	\$ 14	\$ 34	\$ 40
Net realized capital gains (losses)	1	2	75	(1)	6	77	1,050
Ending carrying value (e)	1,708	1,707	1,605	2,099	2,078	1,708	2,078
<b>Equity Securities- Other, ending carry value (c)(d)</b>							
Investment income (b)	\$ 52	\$ 32	\$ 13	\$ 26	\$ (16)	\$ 123	\$ (149)
Ending carrying value	589	538	506	500	482	589	482
<b>Loans</b>							
Yield (a)	4.99%	4.72%	4.70%	4.75%	4.74%	4.79%	4.93%
Investment income (b)	\$ 456	\$ 417	\$ 402	\$ 399	\$ 389	\$ 1,674	\$ 1,548
Net realized capital gains (losses)	10	(36)	(24)	6	2	(44)	19
Ending carrying value	37,023	36,089	34,642	33,878	33,240	37,023	33,240
<b>Short-term Investments</b>							
Yield (a)	1.26%	0.70%	0.67%	0.54%	0.33%	0.77%	0.45%
Investment income (b)	\$ 32	\$ 19	\$ 19	\$ 16	\$ 9	\$ 86	\$ 50
Ending carrying value	10,386	9,775	12,094	11,073	12,302	10,386	12,302

(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.

(f) Includes an adjustment to decrease 1Q17 Investment income (loss) by \$52 million with a corresponding increase in 2Q17 resulting in a corresponding impact to Total Return for each period.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Other invested assets - Hedge Funds/Private Equity (c)</b>							
Yield (a)	9.94%	11.21%	11.96%	13.72%	10.10%	11.77%	3.55%
Investment income (b)	\$ 260	\$ 309	\$ 338	\$ 404	\$ 314	\$ 1,311	\$ 493
Net realized capital gains (losses)	(5)	(14)	16	43	(11)	40	19
Ending carrying value	10,764	11,484	11,929	12,134	12,754	10,764	12,754
<b>Other invested assets - Real Estate investments</b>							
Yield (a)	1.82%	4.76%	1.08%	2.44%	71.30%	2.50%	22.75%
Investment income (b) (e)	\$ 36	\$ 87	\$ 20	\$ 42	\$ 1,194	\$ 185	\$ 1,566
Net realized capital gains (losses)	3	1	33	(9)	43	28	86
Ending carrying value	8,258	7,465	7,188	7,057	6,900	8,258	6,900
<b>Other invested assets - All other (d)</b>							
Investment income (b) (f)	\$ 73	\$ 98	\$ 135	\$ 171	\$ 179	\$ 477	\$ 710
Net realized capital gains (losses)	(14)	(321)	(56)	(128)	(336)	(519)	(622)
Ending carrying value	1,800	3,641	4,015	4,461	4,884	1,800	4,884
<b>Total Other Invested Assets</b>	<b>\$ 20,822</b>	<b>\$ 22,590</b>	<b>\$ 23,132</b>	<b>\$ 23,652</b>	<b>\$ 24,538</b>	<b>\$ 20,822</b>	<b>\$ 24,538</b>
<b>Total AIG</b>							
<b>Total Investments</b>	<b>\$ 322,292</b>	<b>\$ 321,123</b>	<b>\$ 320,746</b>	<b>\$ 315,505</b>	<b>\$ 328,175</b>	<b>\$ 322,292</b>	<b>\$ 328,175</b>
<b>Total Investment Expenses</b>	<b>\$ 130</b>	<b>\$ 136</b>	<b>\$ 128</b>	<b>\$ 126</b>	<b>\$ 115</b>	<b>\$ 520</b>	<b>\$ 453</b>
<b>Total Investment Income (b)</b>	<b>\$ 4,046</b>	<b>\$ 3,785</b>	<b>\$ 3,961</b>	<b>\$ 4,139</b>	<b>\$ 4,768</b>	<b>\$ 15,931</b>	<b>\$ 16,249</b>

(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 for both the twelve-month ended December 31, 2016 and 1Q17.

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	December 31, 2017	2016
Sales of fixed maturity securities	\$ 51	\$ 54	\$ 165	\$ 155	\$ 104	\$ 425	\$ 1
Sales of equity securities	2	4	81	1	6	88	1,057
<b>Other-than-temporary impairments:</b>							
Severity	-	-	(2)	-	-	(2)	(15)
Change in intent	-	(1)	(7)	(1)	(11)	(9)	(46)
Foreign currency declines	-	(1)	-	(10)	(4)	(11)	(18)
Issuer-specific credit events	(37)	(85)	(55)	(57)	(130)	(234)	(433)
Adverse projected cash flows	-	(1)	(3)	-	-	(4)	(47)
Total other-than-temporary impairments	(37)	(88)	(67)	(68)	(145)	(260)	(559)
Provision for loan losses	6	(38)	(24)	6	2	(50)	10
Foreign exchange transactions	190	66	74	159	(29)	489	(1,226)
Variable annuity embedded derivatives, net of related hedges	(351)	(430)	(204)	(389)	(761)	(1,374)	(1,243)
All other derivatives and hedge accounting	(151)	(136)	(94)	13	(54)	(368)	299
Impairments on investments in life settlements	-	(273)	(46)	(41)	(68)	(360)	(397)
Other*	16	(81)	46	49	(170)	30	114
<b>Total net realized capital gains (losses)</b>	<b>\$ (274)</b>	<b>\$ (922)</b>	<b>\$ (69)</b>	<b>\$ (115)</b>	<b>\$ (1,115)</b>	<b>\$ (1,380)</b>	<b>\$ (1,944)</b>

\* Included loss on sale of a portion of our Life Settlement Portfolio of \$11 million, \$34 million, \$5 million, \$89 million and \$253 million in 4Q17, 3Q17, 2Q17, 1Q17 and 4Q16, respectively. The aggregate amount of loss on sale plus impairments of our Life Settlement Portfolio was \$11 million, \$307 million, \$51 million, \$130 million and \$321 million in 4Q17, 3Q17, 2Q17, 1Q17 and 4Q16, respectively.

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>General Insurance</b>							
North America							
Commercial Lines	\$ (105)	\$ 528	\$ 15	(81)	4,881	\$ 357	\$ 5,325
Personal Insurance	8	14	(11)	3	-	14	(39)
Total North America	(97)	542	4	(78)	4,881	371	5,286
International							
Commercial Lines	193	309	47	104	359	653	252
Personal Insurance	(16)	(14)	7	(2)	(15)	(25)	(96)
Total International	177	295	54	102	344	628	156
<b>Total General Insurance</b>	<b>80</b>	<b>837</b>	<b>58</b>	<b>24</b>	<b>5,225</b>	<b>999</b>	<b>5,442</b>
<b>Legacy Portfolio - General Insurance Run Off Lines</b>	<b>(4)</b>	<b>(1)</b>	<b>(2)</b>	<b>(14)</b>	<b>371</b>	<b>(21)</b>	<b>402</b>
<b>Other Operations*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>(56)</b>
<b>Total prior year unfavorable (favorable) development**</b>	<b>\$ 76</b>	<b>\$ 836</b>	<b>\$ 56</b>	<b>\$ 10</b>	<b>\$ 5,574</b>	<b>\$ 978</b>	<b>\$ 5,788</b>
(Additional) return premium related to prior year development on loss sensitive business	\$ 13	\$ 9	\$ 23	\$ 23	\$ 16	\$ 68	\$ 33

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

\*\* Consistent with our definition of APTI, the three- and twelve- month periods ended December 31, 2017 exclude the portion of unfavorable prior year reserve development for which we have ceded the risk under the retroactive reinsurance agreements with National Indemnity Company (NICO), a subsidiary of Berkshire Hathaway Inc., of \$73 million and \$359 million, respectively, and related amortization of the deferred gain of \$26 million and \$56 million, respectively. The amortization of the deferred gain includes \$14 million and \$25 million for the 2011 retroactive reinsurance agreement with NICO covering U.S. asbestos exposures for the three- and twelve-month periods ended December 31, 2017, respectively.

**Prior year development by accident year:**

Accident Year	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
2016	\$ 76	\$ 705	\$ 58	(19)	\$ -	\$ 820	\$ -
2015	20	52	(21)	(3)	1,284	48	1,228
2014	(6)	12	(23)	11	724	(6)	778
2013	(54)	(9)	(29)	(7)	434	(99)	444
2012	36	(42)	(18)	2	387	(22)	455
2011	(19)	21	8	8	186	18	214
2010	8	13	2	(7)	239	16	255
2009	60	4	9	(5)	334	68	385
2008	(12)	(5)	17	(6)	170	(6)	189
2007 and prior	(33)	85	53	36	1,816	141	1,840
<b>Total prior year unfavorable (favorable) development</b>	<b>\$ 76</b>	<b>\$ 836</b>	<b>\$ 56</b>	<b>\$ 10</b>	<b>\$ 5,574</b>	<b>\$ 978</b>	<b>\$ 5,788</b>

**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				4Q17 Change
	Inception	1Q17	2Q17	3Q17	4Q17	
<b>Gross Covered Losses</b>						
Covered reserves before discount	\$ 33,510	\$ 31,614	\$ 30,399	\$ 28,778	\$ 26,654	\$ (2,124)
Losses paid	7,543	9,454	11,010	12,631	14,788	2,157
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
<b>Covered losses above attachment point</b>	<b>\$ 16,053</b>	<b>\$ 16,068</b>	<b>\$ 16,409</b>	<b>\$ 16,409</b>	<b>\$ 16,442</b>	<b>\$ 33</b>
<b>Deferred Gain Development</b>						
Covered losses above attachment ceded to NICO (80%)*	\$ 12,843	\$ 12,854	\$ 13,127	\$ 13,127	\$ 13,153	\$ 26
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
<b>Pre-tax deferred gain before discount and amortization</b>	<b>2,655</b>	<b>2,666</b>	<b>2,939</b>	<b>2,939</b>	<b>2,965</b>	<b>26</b>
Discount on ceded losses	(1,539)	(1,655)	(1,547)	(1,494)	(1,539)	(45)
Pre-tax deferred gain before amortization	1,116	1,011	1,392	1,445	1,426	(19)
Amortization attributed to deferred gain at inception	-	(41)	(103)	(165)	(228)	(63)
Amortization attributed to changes in deferred gain**	-	(2)	(12)	(19)	(31)	(12)
<b>Deferred gain liability reflected in AIG's balance sheet</b>	<b>\$ 1,116</b>	<b>\$ 968</b>	<b>\$ 1,277</b>	<b>\$ 1,261</b>	<b>\$ 1,167</b>	<b>\$ (94)</b>

**Prior Year Development, Net of Reinsurance and Deferred Gain Amortization**

	Quarterly				Twelve Months Ended December 31, 2017
	1Q17	2Q17	3Q17	4Q17	
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ 15	\$ 341	\$ -	\$ 33	\$ 389
Prior year development ceded to NICO*	(11)	(273)	-	(26)	(310)
<b>Subtotal</b>	<b>4</b>	<b>68</b>	<b>-</b>	<b>7</b>	<b>79</b>
Amortization attributed to deferred gain at inception	(41)	(62)	(62)	(63)	(228)
<b>Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization</b>	<b>(37)</b>	<b>6</b>	<b>(62)</b>	<b>(56)</b>	<b>(149)</b>
Unfavorable (favorable) prior year development on non-covered reserves	47	50	898	132	1,127
<b>Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization</b>	<b>\$ 10</b>	<b>\$ 56</b>	<b>\$ 836</b>	<b>\$ 76</b>	<b>\$ 978</b>

\* 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 APTI.

**Selected Balance Sheet data for ADC**

	1Q17	2Q17	3Q17	4Q17
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 11,199	\$ 11,580	\$ 11,633	\$ 11,614
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	11,199	11,580	11,633	11,614
Deferred gain reported in Other liabilities	968	1,277	1,261	1,167



**American International Group, Inc.**  
**Supplemental Information Table of Contents**

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

(in millions)	Quarterly					Twelve Months Ended	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>GAAP Basis:</b>							
<b>Numerator for EPS:</b>							
Income (loss) from continuing operations	\$ (6,669)	\$ (1,712)	\$ 1,110	\$ 1,211	\$ (2,470)	\$ (6,060)	\$ (259)
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	(12)	26	(12)	26	535	28	500
Income (loss) attributable to AIG common shareholders from continuing operations	(6,657)	(1,738)	1,122	1,185	(3,005)	(6,088)	(759)
Income (loss) from discontinued operations, net of income tax expense	(3)	(1)	8	-	(36)	4	(90)
Net income (loss) attributable to AIG common shareholders	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,185	\$ (3,041)	\$ (6,084)	\$ (849)
<b>Denominator for EPS:</b>							
Weighted average shares outstanding - basic*	908.1	908.7	925.8	980.8	1,023.9	930.6	1,091.1
Dilutive shares**	-	-	22.4	24.5	-	-	-
Weighted average shares outstanding - diluted**	908.1	908.7	948.2	1,005.3	1,023.9	930.6	1,091.1
<b>Income per common share attributable to AIG:</b>							
Basic:							
Income (loss) from continuing operations	\$ (7.33)	\$ (1.91)	\$ 1.21	\$ 1.21	\$ (2.93)	\$ (6.54)	\$ (0.70)
Income (loss) from discontinued operations	-	-	0.01	-	(0.03)	-	(0.08)
Net income (loss) attributable to AIG	\$ (7.33)	\$ (1.91)	\$ 1.22	\$ 1.21	\$ (2.96)	\$ (6.54)	\$ (0.78)
Diluted**:							
Income (loss) from continuing operations	\$ (7.33)	\$ (1.91)	\$ 1.18	\$ 1.18	\$ (2.93)	\$ (6.54)	\$ (0.70)
Income (loss) from discontinued operations	-	-	0.01	-	(0.03)	-	(0.08)
Net income (loss) attributable to AIG	\$ (7.33)	\$ (1.91)	\$ 1.19	\$ 1.18	\$ (2.96)	\$ (6.54)	\$ (0.78)

\* Includes vested shares under our share-based employee compensation plans.

\*\* 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					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Book Value Per Share</b>							
Total AIG shareholders' equity (a)	\$ 65,171	\$ 72,468	\$ 73,732	\$ 74,069	\$ 76,300	\$ 65,171	\$ 76,300
Less: Accumulated other comprehensive income (AOCI)	5,465	5,939	4,962	3,781	3,230	5,465	3,230
Total AIG shareholders' equity, excluding AOCI (b)	59,706	66,529	68,770	70,288	73,070	59,706	73,070
Less: Deferred tax assets (DTA)	10,492	14,897	14,287	14,585	14,770	10,492	14,770
Total adjusted shareholders' equity (c)	49,214	51,632	54,483	55,703	58,300	49,214	58,300
Total common shares outstanding (d)	899.0	898.9	903.4	942.5	995.3	899.0	995.3
Book value per common share (a÷d)	\$ 72.49	\$ 80.62	\$ 81.62	\$ 78.59	\$ 76.66	\$ 72.49	\$ 76.66
Book value per common share, excluding AOCI (b÷d)	66.41	74.01	76.12	74.58	73.41	66.41	73.41
Adjusted book value per common share (c÷d)	54.74	57.44	60.31	59.10	58.57	54.74	58.57
<b>Return On Equity (ROE) Computations</b>							
Actual or Annualized net income (loss) attributable to AIG (a)	\$ (26,640)	\$ (6,956)	\$ 4,520	\$ 4,740	\$ (12,164)	\$ (6,084)	\$ (849)
Actual or Annualized adjusted after-tax income (loss) attributable to AIG (b)	\$ 2,104	\$ (4,444)	\$ 5,796	\$ 5,468	\$ (11,148)	\$ 2,231	\$ 406
Average AIG Shareholders' equity (c)	\$ 68,820	\$ 73,100	\$ 73,901	\$ 75,185	\$ 82,482	\$ 72,348	\$ 86,617
Less: Average AOCI	5,702	5,451	4,372	3,506	6,144	4,675	5,722
Less: Average DTA	12,695	14,592	14,436	14,678	15,169	13,806	15,905
<b>Average adjusted shareholders' equity (d)</b>	<b>\$ 50,423</b>	<b>\$ 53,057</b>	<b>\$ 55,093</b>	<b>\$ 57,001</b>	<b>\$ 61,169</b>	<b>\$ 53,867</b>	<b>\$ 64,990</b>
ROE (a÷c)	(38.7%)	(9.5%)	6.1%	6.3%	(14.7%)	(8.4%)	(1.0%)
Adjusted return on equity (b÷d)	4.2%	8.4%	10.5%	9.6%	(18.2%)	4.1%	0.6%

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

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Pre-tax income (loss) from continuing operations</b>	\$ 875	\$ (2,803)	\$ 1,667	\$ 1,727	\$ (3,455)	\$ 1,466	\$ (74)
<b>Adjustments to arrive at Adjusted pre-tax income (loss)</b>							
Changes in fair value of securities used to hedge guaranteed living benefits	(29)	(26)	(80)	(11)	150	(146)	(120)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(108)	(84)	(58)	(53)	(286)	(303)	(195)
Loss (gain) on extinguishment of debt	(1)	1	(4)	(1)	(2)	(5)	74
Net realized capital (gains) losses	274	922	69	115	1,115	1,380	1,944
(Income) loss from divested businesses	(241)	13	60	100	(194)	(68)	(545)
Non-operating litigation reserves and settlements	(43)	-	(80)	(6)	2	(129)	(41)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	45	(7)	251	14	(27)	303	(42)
Net loss reserve discount (benefit) charge	(96)	48	260	(25)	(750)	187	(427)
Pension expense related to a one-time lump sum payment to former employees	10	49	1	-	147	60	147
Restructuring and other costs	154	31	47	181	206	413	694
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 840</b>	<b>\$ (1,856)</b>	<b>\$ 2,133</b>	<b>\$ 2,041</b>	<b>\$ (3,094)</b>	<b>\$ 3,158</b>	<b>\$ 1,415</b>
<b>Net income (loss) attributable to AIG</b>	<b>\$ (6,660)</b>	<b>\$ (1,739)</b>	<b>\$ 1,130</b>	<b>\$ 1,185</b>	<b>\$ (3,041)</b>	<b>\$ (6,084)</b>	<b>\$ (849)</b>
<b>Adjustments to arrive at Adjusted after-tax income (loss)</b>							
<b>(amounts net of tax, at a rate of 35%, except where noted):</b>							
Changes in uncertain tax positions and other tax adjustments (a)	461	11	66	(50)	(247)	488	(63)
Deferred income tax valuation allowance (releases) charges (a)	66	(2)	(8)	(13)	87	43	83
Impact of Tax Act	6,687	-	-	-	-	6,687	-
Changes in fair value of securities used to hedge guaranteed living benefits	(19)	(17)	(52)	(7)	97	(95)	(78)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(70)	(55)	(38)	(34)	(186)	(197)	(127)
Loss (gain) on extinguishment of debt	-	-	(2)	(1)	(2)	(3)	48
Net realized capital (gains) losses (b)	170	607	31	73	750	881	1,322
(Income) loss from discontinued operations and divested businesses (a)	(156)	7	12	106	28	(31)	(146)
Non-operating litigation reserves and settlements	(28)	-	(52)	(4)	1	(84)	(27)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	30	(5)	162	10	(17)	197	(27)
Net loss reserve discount (benefit) charge	(60)	28	170	(16)	(487)	122	(277)
Pension expense related to a one-time lump sum payment to former employees	6	33	-	-	96	39	96
Restructuring and other costs	99	21	30	118	134	268	451
<b>Adjusted after-tax income (loss)</b>	<b>\$ 526</b>	<b>\$ (1,111)</b>	<b>\$ 1,449</b>	<b>\$ 1,367</b>	<b>\$ (2,787)</b>	<b>\$ 2,231</b>	<b>\$ 406</b>
<b>Calculation of Effective Tax Rates</b>							
Adjusted pre-tax income (loss)	\$ 840	\$ (1,856)	\$ 2,133	\$ 2,041	\$ (3,094)	\$ 3,158	\$ 1,415
Income tax benefit (expense)	(327)	770	(696)	(653)	863	(906)	(448)
Net income (loss) attributable to noncontrolling interest	13	(25)	12	(21)	(556)	(21)	(561)
<b>Adjusted after-tax income (loss)</b>	<b>\$ 526</b>	<b>\$ (1,111)</b>	<b>\$ 1,449</b>	<b>\$ 1,367</b>	<b>\$ (2,787)</b>	<b>\$ 2,231</b>	<b>\$ 406</b>
<b>Effective tax rates on adjusted pre-tax income (loss)</b>	<b>38.9%</b>	<b>41.5%</b>	<b>32.6%</b>	<b>32.0%</b>	<b>27.9%</b>	<b>28.7%</b>	<b>31.7%</b>

(a) Includes the impact of tax only adjustments and 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.

(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.



**American International Group, Inc.**  
**Reconciliation of Adjusted Pre-tax and After-tax Income – Core Portfolio**

**Total Core**

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Adjusted pre-tax income (loss)</b>	\$ 429	\$ (2,142)	\$ 1,702	\$ 1,699	\$ (4,195)	\$ 1,688	\$ 408
Interest expense (benefit) on attributed financial debt	(31)	(42)	(43)	(43)	(45)	(159)	(122)
<b>Adjusted pre-tax income (loss) including attributed interest expenses:</b>	460	(2,100)	1,745	1,742	(4,150)	1,847	530
Income tax expense (benefit)	198	(849)	561	556	(1,265)	466	120
<b>Adjusted after-tax income (loss) (a)</b>	\$ 262	\$ (1,251)	\$ 1,184	\$ 1,186	\$ (2,885)	\$ 1,381	\$ 410
<b>Ending adjusted attributed equity</b>	39,931	41,751	44,571	45,226	47,651	39,931	47,651
<b>Average adjusted attributed equity (b)</b>	40,841	43,161	44,898	46,438	50,302	43,826	51,319
<b>Adjusted return on attributed equity (a÷b)</b>	2.6 %	(11.6)%	10.5 %	10.2 %	(22.9)%	3.2 %	0.8 %

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

(in millions)	Quarterly					Leverage Ratio as of December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Attributed Debt</b>							
General Insurance	\$ 10,819	\$ 10,819	\$ 12,329	\$ 11,652	\$ 11,159	30.0%	27.1%
Life and Retirement	516	516	516	516	516	2.5%	2.4%
Other Operations	8,785	6,799	5,921	5,352	5,827	NM	NM
<b>Total Core</b>	<b>20,120</b>	<b>18,134</b>	<b>18,766</b>	<b>17,520</b>	<b>17,502</b>	<b>33.5%</b>	<b>26.9%</b>
Legacy Portfolio	2,036	3,764	3,767	3,764	3,745	18.0%	26.0%
<b>Total Attributed Debt</b>	<b>\$ 22,156</b>	<b>\$ 21,898</b>	<b>\$ 22,533</b>	<b>\$ 21,284</b>	<b>\$ 21,247</b>	<b>31.0%</b>	<b>26.7%</b>
<b>Consolidated Attributed Debt</b>							
Total Financial debt	\$ 21,315	\$ 21,062	\$ 21,668	\$ 20,437	\$ 20,404		
Hybrid debt securities - junior subordinated debt	841	836	865	847	843		
<b>Total Attributed Debt</b>	<b>\$ 22,156</b>	<b>\$ 21,898</b>	<b>\$ 22,533</b>	<b>\$ 21,284</b>	<b>\$ 21,247</b>		

\*Attribution of debt is performed on an annual basis unless recalibration is needed. Attributed debt is based on our internal capital model. Attributed debt is attributed based on "frictional" capital requirements beyond internal capital. Leverage ratio for the segment is calculated as: Attributed debt/ [Attributed debt + Adjusted attributed equity].

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

(in millions)

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>General operating and other expenses, GAAP basis</b>	\$ 2,333	\$ 2,149	\$ 2,182	\$ 2,443	\$ 2,864	\$ 9,107	\$ 10,989
Restructuring and other costs	(154)	(31)	(47)	(181)	(206)	(413)	(694)
Other expense related to retroactive reinsurance agreement	-	-	-	-	10	-	18
Pension expense related to a one-time lump sum payment to former employees	(10)	(49)	(1)	-	(147)	(60)	(147)
Non-operating litigation reserves	32	-	74	(4)	(2)	102	(3)
<b>Total general operating and other expenses included in adjusted pre-tax income</b>	<b>2,201</b>	<b>2,069</b>	<b>2,208</b>	<b>2,258</b>	<b>2,519</b>	<b>8,736</b>	<b>10,163</b>
Loss adjustment expenses, reported as policyholder benefits and losses incurred	295	289	296	304	314	1,184	1,345
Advisory fee expenses	(86)	(84)	(77)	(77)	(79)	(324)	(645)
Non-deferrable insurance commissions and other*	(144)	(155)	(136)	(144)	(127)	(579)	(508)
Direct marketing and acquisition expenses, net of deferrals, and other*	(18)	(49)	(52)	(100)	(162)	(219)	(460)
Investment expenses reported as net investment income and other	24	32	9	8	12	73	57
<b>Total general operating expenses, adjusted basis</b>	<b>\$ 2,272</b>	<b>\$ 2,102</b>	<b>\$ 2,248</b>	<b>\$ 2,249</b>	<b>\$ 2,477</b>	<b>\$ 8,871</b>	<b>\$ 9,952</b>

\* Includes a reclassification of \$7 million, \$6 million, and \$12 million for the three-month periods ended March 31, June 30, and September 30, 2017 and \$10 million and \$41 million for the three- and twelve- month periods ended December 31, 2016, respectively, from Direct marketing and acquisition expenses, net of deferrals, and other to Non-deferrable insurance commissions and other.

**American International Group, Inc.**  
**Supplemental General Insurance Information**  
**Commercial Lines Operating Statistics**

(in millions)	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Results of Operations</b>							
Net premiums written	\$ 3,230	\$ 3,770	\$ 3,826	\$ 3,629	\$ 3,702	\$ 14,455	\$ 16,928
Net premiums earned	\$ 3,692	\$ 3,815	\$ 3,736	\$ 3,769	\$ 4,209	\$ 15,012	\$ 18,168
Losses and loss adjustment expenses incurred (a)	3,137	6,426	2,762	2,714	8,887	15,039	18,898
Acquisition expenses:							
Amortization of deferred policy acquisition costs (b)	449	424	465	428	473	1,766	2,049
Other acquisition expenses (b)	123	129	103	168	172	523	796
Total acquisition expenses	572	553	568	596	645	2,289	2,845
General operating expenses	570	476	504	541	618	2,091	2,430
<b>Underwriting income (loss)</b>	<b>\$ (587)</b>	<b>\$ (3,640)</b>	<b>\$ (98)</b>	<b>\$ (82)</b>	<b>\$ (5,941)</b>	<b>\$ (4,407)</b>	<b>\$ (6,005)</b>
<b>Underwriting Ratios</b>							
Loss ratio (a)	85.0	168.4	73.9	72.0	211.1	100.2	104.0
Catastrophe losses and reinstatement premiums	(7.7)	(71.2)	(4.7)	(5.3)	(8.0)	(22.5)	(6.4)
Prior year development	(2.6)	(22.1)	(2.1)	(1.0)	(124.8)	(7.1)	(30.7)
Adjustment for ceded premium under reinsurance contract	-	-	(0.8)	-	-	(0.2)	-
Accident year loss ratio, as adjusted (c)	74.7	75.1	66.3	65.7	78.3	70.4	66.9
AAL ratio	7.9	7.6	7.0	7.0	7.7	7.4	7.1
Accident year loss ratio, as adjusted, including AAL	82.6	82.7	73.3	72.7	86.0	77.8	74.0
Acquisition ratio	15.5	14.5	15.2	15.8	15.3	15.2	15.7
General operating expense ratio	15.4	12.5	13.5	14.4	14.7	13.9	13.4
Expense ratio	30.9	27.0	28.7	30.2	30.0	29.1	29.1
Combined ratio (a)	115.9	195.4	102.6	102.2	241.1	129.3	133.1
Accident year combined ratio, as adjusted (c)	105.6	102.1	95.0	95.9	108.3	99.5	96.0
Accident year combined ratio, as adjusted, including AAL	113.5	109.7	102.0	102.9	116.0	106.9	103.1
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses	\$ 300	\$ 2,719	\$ 178	\$ 201	\$ 338	\$ 3,398	\$ 1,165
Average annual loss	293	293	268	268	324	1,122	1,296
Reinstatement premiums related to catastrophes	(23)	-	-	-	1	(23)	1
Reinstatement premiums related to prior year catastrophes	-	-	-	-	-	-	(21)
Severe losses	51	232	125	40	72	448	405
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	88	837	62	23	5,240	1,010	5,577
(Additional) return premium related to prior year development on loss sensitive business	13	9	23	23	16	68	33
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	101	846	85	46	5,256	1,078	5,610

(a) Consistent with our definition of APTI, 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.

(b) Amortization of deferred policy acquisition costs includes an increase of \$43 million in 2Q17 with a corresponding decrease in Other acquisition expenses for a reclassification of certain amortization costs.

(c) 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 twelve-month period ended December 31, 2017.

**American International Group, Inc.**  
**Supplemental General Insurance Information**  
**Personal Insurance Operating Statistics**

(in millions)

**Results of Operations**

	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
Net premiums written	\$ 2,662	\$ 2,807	\$ 2,846	\$ 2,668	\$ 2,810	\$ 10,983	\$ 11,465
Net premiums earned	\$ 2,683	\$ 2,823	\$ 2,788	\$ 2,720	\$ 2,882	\$ 11,014	\$ 11,418
Losses and loss adjustment expenses incurred	1,853	1,814	1,413	1,523	1,519	6,603	6,205
Acquisition expenses:							
Amortization of deferred policy acquisition costs (a)	513	510	495	481	527	1,999	2,072
Other acquisition expenses (a)	183	215	247	220	259	865	936
Total acquisition expenses	696	725	742	701	786	2,864	3,008
General operating expenses	392	441	386	402	488	1,621	1,805
<b>Underwriting income (loss)</b>	<b>\$ (258)</b>	<b>\$ (157)</b>	<b>\$ 247</b>	<b>\$ 94</b>	<b>\$ 89</b>	<b>\$ (74)</b>	<b>\$ 400</b>
<b>Underwriting Ratios</b>							
Loss ratio	69.1	64.3	50.7	56.0	52.7	60.0	54.3
Catastrophe losses and reinstatement premiums	(17.3)	(10.6)	(0.1)	(1.0)	(1.6)	(7.2)	(1.4)
Prior year development	0.3	-	0.2	-	0.6	0.1	1.2
Accident year loss ratio, as adjusted (b)	52.1	53.7	50.8	55.0	51.7	52.9	54.1
AAL ratio	2.5	2.4	2.4	2.4	2.0	2.4	2.1
Accident year loss ratio, as adjusted, including AAL	54.6	56.1	53.2	57.4	53.7	55.3	56.2
Acquisition ratio	25.9	25.7	26.6	25.8	27.3	26.0	26.3
General operating expense ratio	14.6	15.6	13.8	14.8	16.9	14.7	15.8
Expense ratio	40.5	41.3	40.4	40.6	44.2	40.7	42.1
Combined ratio	109.6	105.6	91.1	96.6	96.9	100.7	96.4
Accident year combined ratio, as adjusted (b)	92.6	95.0	91.2	95.6	95.9	93.6	96.2
Accident year combined ratio, as adjusted, including AAL	95.1	97.4	93.6	98.0	97.9	96.0	98.3
<b>Noteworthy Items (pre-tax)</b>							
Catastrophe-related losses	\$ 462	\$ 297	\$ 2	\$ 27	\$ 45	\$ 788	\$ 160
Average annual loss	67	67	67	67	59	268	236
Severe losses	-	11	-	17	12	28	28
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(8)	-	(4)	1	(15)	(11)	(135)

(a) Amortization of deferred policy acquisition costs includes a decrease of \$43 million in 2Q17 with a corresponding increase in Other acquisition expenses for a reclassification of certain amortization costs.

(b) The twelve months ended December 31, 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.



**American International Group, Inc.**  
**Non-GAAP Reconciliation – Premiums to Premiums and Deposits**

<i>(in millions)</i>	Quarterly					Twelve Months Ended December 31,	
	4Q17	3Q17	2Q17	1Q17	4Q16	2017	2016
<b>Individual Retirement:</b>							
Premiums	\$ 10	\$ 22	\$ 31	\$ 28	\$ 34	\$ 91	\$ 163
Deposits	3,096	2,504	2,862	3,357	3,044	11,819	15,898
Other	-	-	(1)	(3)	-	(4)	1
<b>Premiums and deposits</b>	<b>\$ 3,106</b>	<b>\$ 2,526</b>	<b>\$ 2,892</b>	<b>\$ 3,382</b>	<b>\$ 3,078</b>	<b>\$ 11,906</b>	<b>\$ 16,062</b>
<b>Individual Retirement (Fixed Annuities):</b>							
Premiums	\$ 14	\$ 20	\$ 33	\$ 29	\$ 36	\$ 96	\$ 170
Deposits	856	573	604	892	512	2,925	3,820
Other	(2)	(1)	(4)	(4)	(2)	(11)	(8)
<b>Premiums and deposits</b>	<b>\$ 868</b>	<b>\$ 592</b>	<b>\$ 633</b>	<b>\$ 917</b>	<b>\$ 546</b>	<b>\$ 3,010</b>	<b>\$ 3,982</b>
<b>Individual Retirement (Variable Annuities):</b>							
Premiums	\$ (4)	\$ 2	\$ (2)	\$ (1)	\$ (1)	\$ (5)	\$ (7)
Deposits	771	733	841	862	923	3,207	4,507
Other	2	1	2	1	1	6	7
<b>Premiums and deposits</b>	<b>\$ 769</b>	<b>\$ 736</b>	<b>\$ 841</b>	<b>\$ 862</b>	<b>\$ 923</b>	<b>\$ 3,208</b>	<b>\$ 4,507</b>
<b>Individual Retirement (Index Annuities):</b>							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	786	601	720	606	548	2,713	2,687
Other	-	-	-	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 786</b>	<b>\$ 601</b>	<b>\$ 720</b>	<b>\$ 606</b>	<b>\$ 548</b>	<b>\$ 2,713</b>	<b>\$ 2,687</b>
<b>Individual Retirement (Retail Mutual Funds):</b>							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	683	597	698	997	1,061	2,975	4,886
Other	-	-	-	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 683</b>	<b>\$ 597</b>	<b>\$ 698</b>	<b>\$ 997</b>	<b>\$ 1,061</b>	<b>\$ 2,975</b>	<b>\$ 4,886</b>
<b>Group Retirement:</b>							
Premiums	\$ 6	\$ 8	\$ 4	\$ 9	\$ 6	\$ 27	\$ 27
Deposits	1,842	1,852	1,798	2,031	2,050	7,523	7,543
Other	-	-	-	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 1,848</b>	<b>\$ 1,860</b>	<b>\$ 1,802</b>	<b>\$ 2,040</b>	<b>\$ 2,056</b>	<b>\$ 7,550</b>	<b>\$ 7,570</b>
<b>Life Insurance:</b>							
Premiums	\$ 362	\$ 384	\$ 400	\$ 384	\$ 339	\$ 1,530	\$ 1,407
Deposits	398	371	381	368	369	1,518	1,419
Other	203	180	166	158	203	707	693
<b>Premiums and deposits</b>	<b>\$ 963</b>	<b>\$ 935</b>	<b>\$ 947</b>	<b>\$ 910</b>	<b>\$ 911</b>	<b>\$ 3,755</b>	<b>\$ 3,519</b>
<b>Institutional Markets:</b>							
Premiums	\$ 1,019	\$ 897	\$ 67	\$ 415	\$ 142	\$ 2,398	\$ 691
Deposits	1,022	573	76	150	1,019	1,821	1,434
Other	7	6	7	8	7	28	28
<b>Premiums and deposits</b>	<b>\$ 2,048</b>	<b>\$ 1,476</b>	<b>\$ 150</b>	<b>\$ 573</b>	<b>\$ 1,168</b>	<b>\$ 4,247</b>	<b>\$ 2,153</b>
<b>Total Life and Retirement:</b>							
Premiums	\$ 1,397	\$ 1,311	\$ 502	\$ 836	\$ 521	\$ 4,046	\$ 2,288
Deposits	6,358	5,300	5,117	5,906	6,482	22,681	26,294
Other	210	186	172	163	210	731	722
<b>Premiums and deposits</b>	<b>\$ 7,965</b>	<b>\$ 6,797</b>	<b>\$ 5,791</b>	<b>\$ 6,905</b>	<b>\$ 7,213</b>	<b>\$ 27,458</b>	<b>\$ 29,304</b>
<b>Legacy Life and Retirement Run-off Lines:</b>							
Premiums	\$ 120	\$ 117	\$ 124	\$ 122	\$ 118	\$ 483	\$ 517
Deposits	30	27	18	30	27	105	116
Other	6	11	7	8	14	32	33
<b>Premiums and deposits</b>	<b>\$ 156</b>	<b>\$ 155</b>	<b>\$ 149</b>	<b>\$ 160</b>	<b>\$ 159</b>	<b>\$ 620</b>	<b>\$ 666</b>



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

Additional information about AIG can be found at [www.aig.com](http://www.aig.com) and [www.aig.com/strategyupdate](http://www.aig.com/strategyupdate) | YouTube: [www.youtube.com/aig](http://www.youtube.com/aig) | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this presentation.

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