

2018 年第 2 四半期（4 月～6 月） 決算 短 信

会社名 アメリカン・インターナショナル・グループ・インク
 決算期 本決算：年 1 回（12 月）
 中間決算：四半期毎
 問い合わせ先 東京都千代田区大手町一丁目 1 番 1 号 大手町パークビルディング
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1. 本国における決算発表日 2018 年 8 月 2 日

2. 業績（注 1：下記の数字は 2018 年 6 月 30 日現在の会計方法に従い算出したものである。）

	第 2 四半期（4 月～6 月の 3 ヶ月間）		
	当年度（2018 年）	前年度（2017 年）	増減率
売上高又は営業収入	11,631 百万ドル	12,502 百万ドル	△7.0%
純利益（税引後）	937 百万ドル	1,130 百万ドル	△17.1%
1 株当たり純利益（注 2）	1.02 ドル	1.19 ドル	△14.3%

	今期累計額		
	当期	前年同期	増減率
売上高又は営業収入	23,343 百万ドル	25,134 百万ドル	△7.1%
純利益（税引後）	1,875 百万ドル	2,315 百万ドル	△19.0%
1 株当たり純利益（注 2）	2.04 ドル	2.37 ドル	△13.9%

	配当金の推移（注 3）		
	当年度（2018 年）	前年度（2017 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	
第 4 四半期		0.32 ドル	
合計		1.28 ドル	

（注 2） 1 株当たり純利益は、希薄化後である。

（注 3） 配当金は、各四半期に設定された基準日に基づき記載されている。

3. 概況・特記事項・その他

上記 2. の各数値は、会社の 2018 年 8 月 2 日付けプレス・リリースおよび Quarterly Financial Supplement Second Quarter 2018 から抜粋したものである。当該プレス・リリースおよび Quarterly Financial Supplement Second Quarter 2018 を添付する。



Press Release
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AIG REPORTS SECOND QUARTER 2018 RESULTS

NEW YORK, August 2, 2018 - American International Group, Inc. (NYSE: AIG) today reported net income of \$937 million, or \$1.02 per diluted share, for the second quarter of 2018, compared to net income of \$1.1 billion, or \$1.19 per diluted share, in the prior-year quarter. Adjusted after-tax income was \$961 million, or \$1.05 per diluted share, for the second quarter of 2018, compared to adjusted after-tax income of \$1.4 billion, or \$1.53 per diluted share, in the prior-year quarter.

SECOND QUARTER FINANCIAL SUMMARY*

	Three Months Ended June 30,	
	2018	2017
<i>(\$ in millions, except per share amounts)</i>		
Net income	\$ 937	\$ 1,130
Net income per diluted share	\$ 1.02	\$ 1.19
Adjusted after-tax income	\$ 961	\$ 1,449
Adjusted after-tax income per diluted share	\$ 1.05	\$ 1.53
Return on equity	6.0 %	6.1 %
Adjusted return on equity	7.6 %	10.5 %
Adjusted return on attributed equity - Core	8.2 %	10.5 %
Book value per common share	\$ 68.65	\$ 81.62
Book value per common share, excluding accumulated other comprehensive income	68.40	76.12
Adjusted book value per common share	57.34	60.31

*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.

“We remain diligently focused on pursuing long-term, sustainable and profitable growth across AIG, and our diversified businesses provide flexibility and strength to execute on our strategy,” said Brian Duperreault, President and Chief Executive Officer. “In the second quarter, we continued to take actions across General Insurance to establish a culture of underwriting excellence and added stellar talent. Our efforts are taking hold and we remain committed to achieving an underwriting profit as we exit 2018. Solid results in Life & Retirement reflect an ongoing strategy to leverage our broad product expertise and distribution strengths.” Mr. Duperreault continued, “With the closing of the Validus acquisition in July, we have further enhanced our underwriting expertise and expanded our offerings. We also took actions to efficiently manage our Legacy liabilities with the partial sale of DSA Re, providing a path



towards a standalone platform for managing run-off business. Moving forward, we will continue to look for opportunities to grow AIG and create long-term shareholder value.”

SECOND QUARTER 2018 HIGHLIGHTS

General Insurance Results – General Insurance has continued to execute its strategy to improve core underwriting performance. Second quarter adjusted pre-tax income of \$568 million reflected lower net investment income, primarily driven by lower income from alternative investments. Underwriting results included catastrophe losses that were lower than expected and slightly favorable prior year loss reserve development. The loss ratio included a high frequency of severe losses that totaled \$293 million (4.5 pts) which is more than double the long-term average, resulting in a second quarter loss ratio of 65.7, and an accident year loss ratio, as adjusted, of 65.4. Excluding the increase in severe losses, the second quarter accident year loss ratio, as adjusted, was in line with full year 2017 results. The second quarter expense ratio of 35.6 primarily reflected an increase in the North America acquisition ratio due to changes in Personal Insurance business mix towards lower loss ratio and higher commission businesses and an increase in general operating expenses related to strategic initiatives.

Life and Retirement Results – Life and Retirement produced solid results, reporting second quarter adjusted pre-tax income of \$962 million. High levels of assets under administration in Individual Retirement and Group Retirement, due to strong equity market performance, drove growth in fee income. Growth of assets under management for Institutional Markets reflected the execution of opportunistic transactions over the last twelve months. Total net investment income increased due to higher invested assets, partially offset by lower alternative and other yield enhancement income. Total Individual Retirement net flows improved, excluding Retail Mutual Funds. Adjusted pre-tax income benefited from net actuarial adjustments of \$51 million in Life and Individual Retirement.

Legacy – Second quarter adjusted pre-tax income of \$134 million, compared to \$431 million in the prior-year quarter reflected lower net investment income and lower income from fair value option assets, as well as the sale of the Life Settlement portfolio in 2017. On August 1, 2018 AIG announced the sale of 19.9% of DSA Re, which positions DSA Re to be a platform to provide solutions for insurance liabilities globally.

Net Investment Income – Second quarter net investment income from our insurance companies, including the Legacy insurance portfolios, decreased 12% from the prior-year quarter to \$3.1 billion. The decline was primarily driven by lower investment returns on alternative investments, primarily driven by less robust private equity and hedge fund performance compared to last year, and a decline in income from securities for which the fair value option was elected as a result of credit spread widening and rising interest rates. Net investment income from our insurance companies including the Legacy insurance portfolios totaled \$6.5 billion for the first six months of 2018, and is on track with our \$13 billion full year guidance previously provided.

Restructuring Charge – In the second quarter, AIG recorded pre-tax non-operating restructuring costs of \$200 million, primarily related to efficiency initiatives.



Liquidity and Capital – As of June 30, 2018, AIG Parent liquidity stood at approximately \$9.3 billion. In the second quarter, AIG Parent received approximately \$1.8 billion of distributions from insurance subsidiaries in the form of cash and fixed maturity securities, including tax sharing payments.

On July 18, 2018 AIG completed its acquisition of Validus Holdings, Ltd. for approximately \$5.5 billion in cash.

In the second quarter, AIG repurchased 6.5 million common shares for \$348 million and warrants for \$2 million. From July 1 through August 2, 2018 AIG repurchased \$149 million of additional common shares and \$1 million of additional warrants. As of August 2, 2018, approximately \$1.5 billion remained under the share repurchase authorization.

Book Value per Common Share – As of June 30, 2018, book value per common share was \$68.65 compared to \$72.49 at December 31, 2017. Book value per common share excluding accumulated other comprehensive income and deferred tax assets (Adjusted book value per common share) increased 2.2% to \$57.34 in the second quarter.

GENERAL INSURANCE

(\$ in millions)	Three Months Ended June 30,		
	2018	2017	Change
Total General Insurance			
Gross premiums written	\$ 8,653	\$ 8,311	4 %
Net premiums written	\$ 6,977	\$ 6,672	5
Underwriting income (loss)	\$ (89)	\$ 149	NM
Adjusted pre-tax income	\$ 568	\$ 1,046	(46)
Underwriting ratios:			
Loss ratio	65.7	64.0	1.7 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(2.3)	(2.8)	0.5
Prior year development	0.8	(1.1)	1.9
Adjustments for ceded premium under reinsurance contracts and other	1.2	(0.4)	1.6
Accident year loss ratio, as adjusted	65.4	59.7	5.7
Expense ratio	35.6	33.7	1.9
Combined ratio	101.3	97.7	3.6
Accident year combined ratio, as adjusted	101.0	93.4	7.6



General Insurance - North America

(\$ in millions)	Three Months Ended June 30,		
	2018	2017	Change
North America			
Net premiums written	\$ 3,236	\$ 3,125	4 %
Commercial Lines	2,321	2,312	-
Personal Insurance	915	813	13
Underwriting income (loss)	\$ (127)	\$ (58)	(119)
Commercial Lines	(91)	(159)	43
Personal Insurance	(36)	101	NM
Adjusted pre-tax income	\$ 407	\$ 721	(44)
<u>Underwriting ratios:</u>			
North America			
Loss ratio	73.1	74.9	(1.8) pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(3.7)	(6.1)	2.4
Prior year development	1.6	(0.7)	2.3
Adjustments for ceded premium under reinsurance contracts and other	3.0	(1.1)	4.1
Accident year loss ratio, as adjusted	74.0	67.0	7.0
Expense ratio	31.3	27.1	4.2
Combined ratio	104.4	102.0	2.4
Accident year combined ratio, as adjusted	105.3	94.1	11.2
North America Commercial Lines			
Loss ratio	78.1	83.9	(5.8) pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(4.6)	(8.3)	3.7
Prior year development	4.2	(1.5)	5.7
Adjustments for ceded premium under reinsurance contracts and other	4.5	(1.6)	6.1
Accident year loss ratio, as adjusted	82.2	72.5	9.7
Expense ratio	26.3	23.6	2.7
Combined ratio	104.4	107.5	(3.1)
Accident year combined ratio, as adjusted	108.5	96.1	12.4
North America Personal Insurance			
Loss ratio	60.6	50.8	9.8 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(1.4)	(0.2)	(1.2)
Prior year development	(5.0)	1.4	(6.4)
Accident year loss ratio, as adjusted	54.2	52.0	2.2
Expense ratio	43.7	36.4	7.3
Combined ratio	104.3	87.2	17.1
Accident year combined ratio, as adjusted	97.9	88.4	9.5



All comparisons are against the second quarter of 2017, unless otherwise indicated. Refer to the AIG Second Quarter 2018 Financial Supplement, which is posted on AIG's website in the Investors section, for further information.

- Adjusted pre-tax income of \$407 million included \$160 million of severe losses and \$107 million of catastrophe-related losses. Net favorable prior year loss reserve development of \$54 million included \$95 million of favorable prior year loss development from Commercial Lines which included the amortization of the deferred gain from the adverse development reinsurance coverage with National Indemnity Company, partially offset by \$41 million of unfavorable prior year loss development in Personal Insurance primarily related to development from 2017 catastrophe losses. Net investment income decreased by \$245 million primarily driven by lower alternative investment income.
- Net premiums written increased by 4%, largely due to lower ceded premiums driven by changes in the 2018 reinsurance programs and growth in the Travel business in Personal Insurance. Net premiums earned included a favorable adjustment of \$115 million for multi-year policies related to earlier accident years.
- The decrease in the North America loss ratio was driven by lower catastrophe losses and favorable prior year loss reserve development. The accident year loss ratio, as adjusted, increased 7.0 points, reflecting the impact of higher severe losses (3.4 pts) and the impact of changes in our reinsurance program. Also, the second quarter of 2017 did not reflect the increased loss estimates which occurred in the second half of 2017.
- The increase in the expense ratio reflected a higher acquisition expense ratio driven by changes in Personal Insurance's portfolio mix and an increase in general operating expenses related to strategic initiatives.

General Insurance - International

(\$ in millions)	Three Months Ended June 30,		
	2018	2017	Change
International			
Net premiums written	\$ 3,741	\$ 3,547	5 %
Commercial Lines	1,590	1,514	5
Personal Insurance	2,151	2,033	6
Underwriting income (loss)	\$ 38	\$ 207	(82)
Commercial Lines	(76)	61	NM
Personal Insurance	114	146	(22)
Adjusted pre-tax income	\$ 161	\$ 325	(50)



(\$ in millions)	Three Months Ended June 30,		
	2018	2017	Change
Underwriting ratios:			
International			
Loss ratio	59.9	55.3	4.6 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(1.2)	(0.1)	(1.1)
Prior year development	0.2	(1.5)	1.7
Accident year loss ratio, as adjusted	58.9	53.7	5.2
Expense ratio	39.1	39.0	0.1
Combined ratio	99.0	94.3	4.7
Accident year combined ratio, as adjusted	98.0	92.7	5.3
International Commercial Lines			
Loss ratio	68.2	61.1	7.1 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(1.6)	(0.3)	(1.3)
Prior year development	0.5	(2.9)	3.4
Accident year loss ratio, as adjusted	67.1	57.9	9.2
Expense ratio	36.3	35.2	1.1
Combined ratio	104.5	96.3	8.2
Accident year combined ratio, as adjusted	103.4	93.1	10.3
International Personal Insurance			
Loss ratio	52.9	50.6	2.3 pts
<i>Impact on loss ratio:</i>			
Catastrophe losses and reinstatement premiums	(0.8)	-	(0.8)
Prior year development	-	(0.3)	0.3
Accident year loss ratio, as adjusted	52.1	50.3	1.8
Expense ratio	41.4	42.1	(0.7)
Combined ratio	94.3	92.7	1.6
Accident year combined ratio, as adjusted	93.5	92.4	1.1

All comparisons are against the second quarter of 2017, unless otherwise indicated. Refer to the AIG Second Quarter 2018 Financial Supplement, which is posted on AIG's website in the Investors section, for further information.

- Adjusted pre-tax income of \$161 million included severe losses of \$133 million and catastrophe-related losses of \$43 million, partially offset by favorable prior year loss reserve development of \$7 million compared to unfavorable loss reserve development of \$54 million in the prior-year quarter.
- Net premiums written increased 5% on a reported basis and slightly increased on a constant dollar basis. The increase in net premiums written was primarily driven by growth in our Accident & Health business in Asia Pacific and growth in our European Financial Lines business, partially offset by the impact of divested businesses.
- The second quarter loss ratio was 59.9. The accident year loss ratio, as adjusted, increased 5.2 points to 58.9, driven by higher severe losses (1.8 pts) compared to the prior-year quarter and higher attritional losses in Commercial Lines.



- The expense ratio was relatively flat compared to the prior-year quarter.

LIFE AND RETIREMENT

(\$ in millions)	Three Months Ended June 30,		
	2018	2017	Change
Life and Retirement			
Premiums & Fees	\$ 1,221	\$ 1,196	2 %
Net Investment Income	1,995	1,944	3
Adjusted Revenue	3,465	3,365	3
Benefits, losses and expenses	2,503	2,372	6
Adjusted pre-tax income	962	993	(3)
Premiums and deposits	7,399	5,791	28
Individual Retirement			
Premiums & Fees	\$ 218	\$ 223	(2) %
Net Investment Income	975	1,003	(3)
Adjusted Revenue	1,366	1,383	(1)
Benefits, losses and expenses	904	825	10
Adjusted pre-tax income	462	558	(17)
Premiums and deposits	3,422	2,892	18
Net flows	(1,049)	(691)	(52)
Group Retirement			
Premiums & Fees	\$ 127	\$ 105	21 %
Net Investment Income	542	535	1
Adjusted Revenue	730	696	5
Benefits, losses and expenses	480	430	12
Adjusted pre-tax income	250	266	(6)
Premiums and deposits	2,345	1,802	30
Net flows	(459)	(181)	(154)
Life Insurance			
Premiums & Fees	\$ 795	\$ 757	5 %
Net Investment Income	282	261	8
Adjusted Revenue	1,092	1,030	6
Benefits, losses and expenses	917	924	(1)
Adjusted pre-tax income	175	106	65
Premiums and deposits	980	947	3
Institutional Markets			
Premiums & Fees	\$ 81	\$ 111	(27) %
Net Investment Income	196	145	35
Adjusted Revenue	277	256	8
Benefits, losses and expenses	202	193	5
Adjusted pre-tax income	75	63	19
Premiums and deposits	652	150	335

All comparisons are against the second quarter of 2017, unless otherwise indicated. Refer to the AIG Second Quarter 2018 Financial Supplement, which is posted on AIG's website in the Investors section, for further information.



- In Individual Retirement, adjusted pre-tax income reflected unfavorable actuarial adjustments to Variable Annuities of \$47 million compared to favorable adjustments to immediate annuities in the prior-year quarter. Fee income increased primarily from growth in assets under management. Net investment income decreased due to lower alternative and other yield enhancement income. Base portfolio income increased primarily due to growth in Index Annuities invested assets. Base yields, excluding accretion and other investment income, declined consistent with expectations, while related base spreads increased slightly for Variable and Index Annuities and declined for Fixed Annuities. Overall net flows reflected improvement from the prior-year quarter in Fixed Annuities and Index Annuities sales, which was more than offset by increases in Retail Mutual Funds outflows.
- In Group Retirement, fee income increased primarily from growth in assets under administration. Base portfolio income increased primarily due to accretion and other investment income. Base spreads, excluding accretion and other investment income, were in line with the prior-year quarter. Group Retirement net flows reflect outflows due to higher surrenders, partially offset by increased deposits primarily from new group plan acquisitions.
- In Life Insurance, adjusted pre-tax income reflected favorable actuarial adjustments of \$98 million and higher net investment income driven by growth in invested assets. Mortality was within pricing expectations.
- In Institutional Markets, adjusted pre-tax income was driven by continued growth in the in-force business and higher net investment income.

CONFERENCE CALL

AIG will host a conference call tomorrow, Friday, August 3, 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 Investors section of www.aig.com. A replay will be available after the call at the same location.

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Additional supplementary financial data is available in the Investors section at www.aig.com.

The conference call (including the conference call presentation material), the earnings release and the financial supplement may include, and officers and representatives of AIG may from time to time make and discuss, 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 a 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 relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets, or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

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 and industry conditions;
- negative impacts on customers, business partners and other stakeholders;
- the occurrence of catastrophic events, both natural and man-made;
- AIG’s ability to successfully reorganize its businesses, as well as improve profitability, without negatively impacting client relationships or its competitive position;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets, or successfully integrate acquired businesses;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- changes in judgments concerning potential cost saving opportunities;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities;
- disruptions in the availability of AIG’s electronic data systems or those of third parties;
- AIG’s ability to successfully manage Legacy portfolios;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject, including as a global systemically important insurer;
- significant legal, regulatory or governmental proceedings;
- changes in judgments concerning the recognition of deferred tax assets; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (which will be filed with the SEC), Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 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.

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 Second Quarter 2018 Financial Supplement available in the Investor Information section of AIG’s website, www.aig.com.

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

AIG Return on Equity – 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 items set forth below 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 segments. Excluded items include the following:

- 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;
- all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized capital gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
- 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 15 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 excludes prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

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

Premiums and deposits: includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts, Federal Home Loan Bank (FHLB) funding agreements and mutual funds.

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



FOR IMMEDIATE RELEASE

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

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

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

	Three Months Ended June 30,					
	2018			2017		
	Pre-tax	Tax Effect	After-tax	Pre-tax	Tax Effect	After-tax
Pre-tax income/net income, including noncontrolling interests	\$ 1,252	\$ 321	\$ 933	\$ 1,667	\$ 557	\$ 1,118
Noncontrolling interest	-	-	4	-	-	12
Pre-tax income/net income attributable to AIG	1,252	321	937	1,667	557	1,130
Adjustments:						
Changes in uncertain tax positions and other tax adjustments	-	(3)	3	-	(66)	66
Deferred income tax valuation allowance (releases) charges	-	(7)	7	-	8	(8)
Changes in fair value of securities used to hedge guaranteed living benefits	36	8	28	(80)	(28)	(52)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(1)	-	(1)	(58)	(20)	(38)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(32)	(7)	(25)	251	89	162
(Gain) loss on extinguishment of debt	5	1	4	(4)	(2)	(2)
Net realized capital (gains) losses*	(155)	(29)	(126)	69	38	31
Noncontrolling interest on net realized capital (gains) losses	-	-	(2)	-	-	-
Income from discontinued operations	-	-	-	-	-	(8)
(Income) loss from divested businesses	(25)	(5)	(20)	60	40	20
Non-operating litigation reserves and settlements	12	2	10	(80)	(28)	(52)
Net loss reserve discount (benefit) charge	(14)	(3)	(11)	260	90	170
Pension expense related to a one-time lump sum payment to former employees	-	-	-	1	1	-
Restructuring and other costs	200	43	157	47	17	30
Adjusted pre-tax income/Adjusted after-tax income	<u>\$ 1,278</u>	<u>\$ 321</u>	<u>\$ 961</u>	<u>\$ 2,133</u>	<u>\$ 696</u>	<u>\$ 1,449</u>

	Six Months Ended June 30,					
	2018			2017		
	Pre-tax	Tax Effect	After-tax	Pre-tax	Tax Effect	After-tax
Pre-tax income/net income, including noncontrolling interests	\$ 2,479	\$ 598	\$ 1,881	\$ 3,394	\$ 1,073	\$ 2,324
Noncontrolling interest	-	-	(6)	-	-	(9)
Pre-tax income/net income attributable to AIG	2,479	598	1,875	3,394	1,073	2,315
Adjustments:						
Changes in uncertain tax positions and other tax adjustments	-	1	(1)	-	(16)	16
Deferred income tax valuation allowance (releases) charges	-	(37)	37	-	21	(21)
Changes in fair value of securities used to hedge guaranteed living benefits	113	24	89	(91)	(32)	(59)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	30	6	24	(111)	(39)	(72)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	2	-	2	265	93	172
(Gain) loss on extinguishment of debt	9	2	7	(5)	(2)	(3)
Net realized capital (gains) losses*	(136)	(30)	(106)	184	85	99
Noncontrolling interest on net realized capital (gains) losses	-	-	(1)	-	-	5
(Income) loss from discontinued operations	-	-	1	-	-	(8)
(Income) loss from divested businesses	(33)	(7)	(26)	160	34	126
Non-operating litigation reserves and settlements	25	5	20	(86)	(30)	(56)
Net loss reserve discount (benefit) charge	(219)	(46)	(173)	235	81	154
Pension expense related to a one-time lump sum payment to former employees	-	-	-	1	1	-
Restructuring and other costs	224	48	176	228	80	148
Adjusted pre-tax income/Adjusted after-tax income	<u>\$ 2,494</u>	<u>\$ 564</u>	<u>\$ 1,924</u>	<u>\$ 4,174</u>	<u>\$ 1,349</u>	<u>\$ 2,816</u>

* Includes all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication.

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 June 30,			Six Months Ended June 30,		
	2018	2017	% Inc. (Dec.)	2018	2017	% Inc. (Dec.)
<u>Earnings per common share:</u>						
Basic						
Income from continuing operations	\$ 1.04	\$ 1.21	(14.0)%	\$ 2.07	\$ 2.42	(14.5)%
Income from discontinued operations	-	0.01	NM	-	0.01	NM
Net income attributable to AIG	\$ 1.04	\$ 1.22	(14.8)	\$ 2.07	\$ 2.43	(14.8)
Diluted						
Income from continuing operations	\$ 1.02	\$ 1.18	(13.6)	\$ 2.04	\$ 2.36	(13.6)
Income from discontinued operations	-	0.01	NM	-	0.01	NM
Net income attributable to AIG	\$ 1.02	\$ 1.19	(14.3)	\$ 2.04	\$ 2.37	(13.9)
Adjusted after-tax income attributable to AIG per diluted share	\$ 1.05	\$ 1.53	(31.4)%	\$ 2.09	\$ 2.88	(27.4)%
Weighted average shares outstanding:						
Basic	903.2	925.8		905.6	953.1	
Diluted	916.6	948.2		920.9	976.6	
Return on equity (a)	6.0 %	6.1 %		5.9 %	6.2 %	
Adjusted return on equity (b)	7.6 %	10.5 %		7.7 %	10.0 %	

<u>As of period end:</u>	June 30, 2018	March 31, 2018	June 30, 2017	December 31, 2017
Total AIG shareholders' equity	\$ 61,186	\$ 62,792	\$ 73,732	\$ 65,171
Accumulated other comprehensive income (AOCI)	230	2,220	4,962	5,465
Total AIG shareholders' equity, excluding AOCI	60,956	60,572	68,770	59,706
Deferred tax assets (c)	9,853	10,214	14,287	10,492
Total adjusted AIG shareholders' equity	\$ 51,103	\$ 50,358	\$ 54,483	\$ 49,214

<u>As of period end:</u>	June 30, 2018	March 31, 2018	% Inc. (Dec.)	June 30, 2017	% Inc. (Dec.)	December 31, 2017	% Inc. (Dec.)
Book value per common share (d)	\$ 68.65	\$ 69.95	(1.9)%	\$ 81.62	(15.9)%	\$ 72.49	(5.3)%
Book value per common share, excluding AOCI (e)	\$ 68.40	\$ 67.48	1.4	\$ 76.12	(10.1)	\$ 66.41	3.0
Adjusted book value per common share (f)	\$ 57.34	\$ 56.10	2.2	\$ 60.31	(4.9)	\$ 54.74	4.7
Total common shares outstanding	891.2	897.7		903.4		899.0	

Financial highlights - notes

- (a) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.
- (b) Computed as Annualized Adjusted after-tax income attributable to AIG divided by Adjusted Shareholders' Equity.
- (c) Represents deferred tax assets only related to U.S. net operating loss and foreign tax credit carryforwards on a U.S. GAAP basis and excludes other balance sheet deferred tax assets and liabilities.
- (d) Represents total AIG shareholders' equity divided by Total common shares outstanding.
- (e) Represents total AIG shareholders' equity, excluding AOCI, divided by Total common shares outstanding.
- (f) 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

	Three Months Ended June 30,	
	2018	2017
Adjusted pre-tax income	\$ 1,144	\$ 1,702
Interest expense (benefit) on attributed financial debt	-	(43)
Adjusted pre-tax income including attributed interest expenses	1,144	1,745
Income tax expense	294	561
Adjusted after-tax income	850	1,184
Ending adjusted attributed equity	\$ 41,836	\$ 44,571
Average adjusted attributed equity	\$ 41,474	\$ 44,898
Adjusted return on attributed equity	8.2 %	10.5 %

Net Premiums Written - Change in Constant Dollar

	Three Months Ended June 30, 2018
General Insurance - International	
Foreign exchange effect on worldwide premiums:	
Change in net premiums written	
Increase (decrease) in original currency	0.4 %
Foreign exchange effect	5.1
Increase (decrease) as reported in U.S. dollars	5.5 %

Reconciliation of Insurance Company Net Investment Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net investment income per Consolidated Statement of Operations	\$ 3,065	\$ 3,613	\$ 6,326	\$ 7,299
Changes in fair value of securities used to hedge guaranteed living benefits	27	(80)	104	(91)
Net realized capital gains related to non-qualifying hedges	28	-	38	-
Total Insurance Company Net investment income	\$ 3,120	\$ 3,533	\$ 6,468	\$ 7,208

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

Reconciliations of Premiums and Deposits

	Three Months Ended	
	June 30,	
	2018	2017
<u>Individual Retirement:</u>		
Premiums	\$ 16	\$ 31
Deposits	3,408	2,862
Other	(2)	(1)
Total premiums and deposits	\$ 3,422	\$ 2,892
<u>Group Retirement:</u>		
Premiums	\$ 15	\$ 4
Deposits	2,330	1,798
Other	-	-
Total premiums and deposits	\$ 2,345	\$ 1,802
<u>Life Insurance:</u>		
Premiums	\$ 418	\$ 400
Deposits	410	381
Other	152	166
Total premiums and deposits	\$ 980	\$ 947
<u>Institutional Markets:</u>		
Premiums	\$ 41	\$ 67
Deposits	565	76
Other	46	7
Total premiums and deposits	\$ 652	\$ 150
<u>Total Life and Retirement:</u>		
Premiums	\$ 490	\$ 502
Deposits	6,713	5,117
Other	196	172
Total premiums and deposits	\$ 7,399	\$ 5,791

A large, white, sans-serif 'AIG' logo is mounted on a dark, curved building facade. The background of the entire page is a blue-tinted photograph of a modern building entrance with glass doors and a revolving door.

American International Group, Inc.

Quarterly Financial Supplement
Second Quarter 2018

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, 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 and discuss, 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 a 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 relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

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 and industry conditions;
- negative impacts on customers, business partners and other stakeholders;
- the occurrence of catastrophic events, both natural and man-made;
- AIG’s ability to successfully reorganize its businesses, as well as improve profitability, without negatively impacting client relationships or its competitive position;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- changes in judgments concerning potential cost saving opportunities;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities;
- disruptions in the availability of AIG’s electronic data systems or those of third parties;
- AIG’s ability to successfully manage Legacy portfolios;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject, including as a global systemically important insurer;
- significant legal, regulatory or governmental proceedings;
- changes in judgments concerning the recognition of deferred tax assets; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (which will be filed with the Securities and Exchange Commission), Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 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.

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) is derived by excluding the items set forth below 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 segments. Excluded items include the following:

- 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;
- all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized capital gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
- 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) 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.



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

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.

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.

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: 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.

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, as adjusted = AYLR + Expense ratio
- h) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/- RIPs related to catastrophes] – Loss ratio
- i) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – Prior year loss reserve development unfavorable (favorable) (PYD), net of reinsurance] ÷ [NPE +/- RIPs related to prior year catastrophes + (Additional) returned premium related to PYD on loss sensitive business] – Loss ratio

Premiums and deposits: includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts, Federal Home Loan Bank (FHLB) funding agreements 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 and also include certain man-made events, such as terrorism and civil disorders that meet the \$10 million threshold.

Severe losses are defined as non-catastrophic individual first-party losses, 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. We use an 8% expected rate of return for the better (worse) than expected alternative investments line item for all periods presented herein.

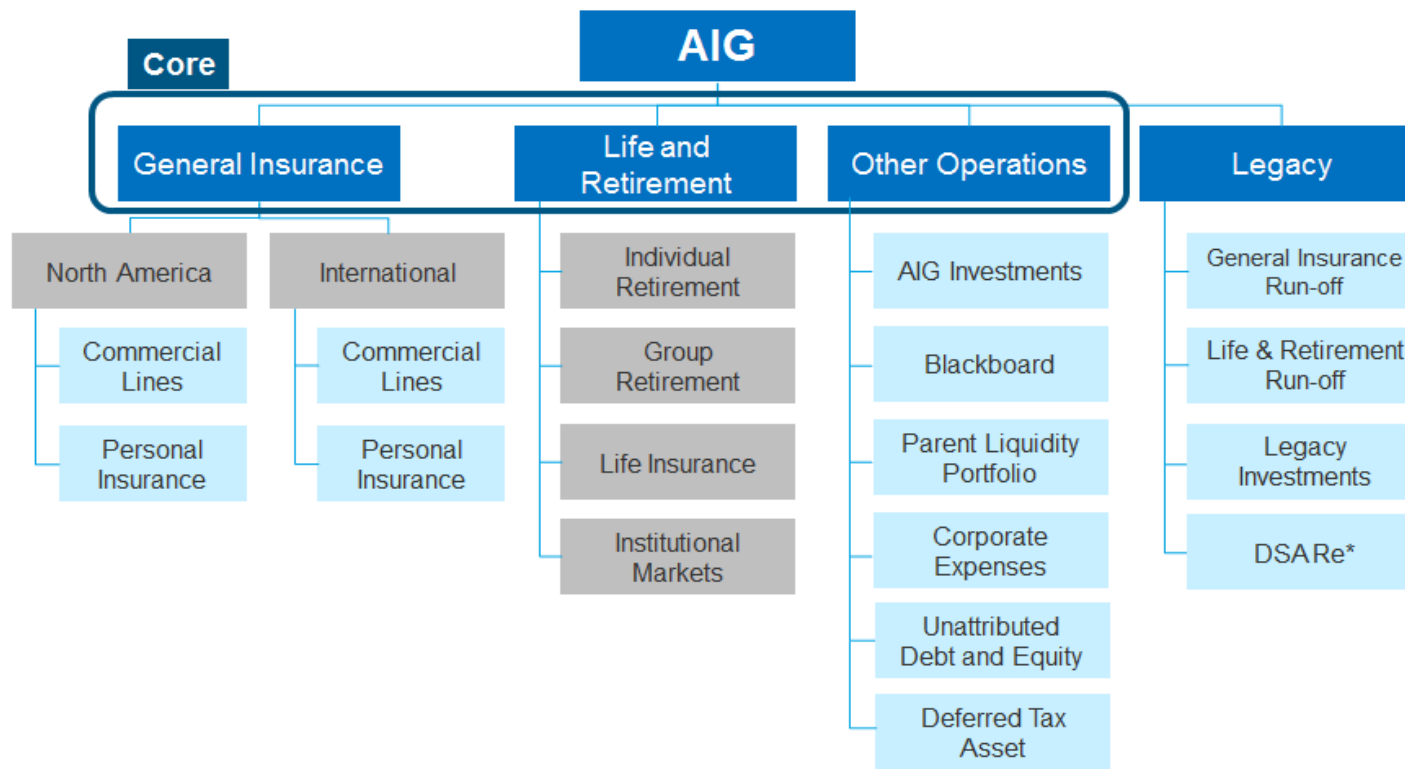


American International Group, Inc.

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 organize our business units 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.

Acquisition of Validus Holdings, Ltd. (Validus)

On July 18, 2018, we completed our acquisition of Validus, a leading provider of reinsurance, primary insurance, and asset management services. The results of Validus will be included in our General Insurance segment starting in 3Q 2018. North America Commercial Lines will include Validus Re, Alpha Cat, Western World and Crop Risk Services. International Commercial Lines will include Talbot Holdings Ltd.

* DSA Reinsurance Company, Ltd. (DSA Re), our Bermuda domiciled composite reinsurer, commenced operations in February 2018.

American International Group, Inc.
Consolidated Financial Highlights

	Quarterly					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
(in millions, except per share data)							
Results of Operations Data (attributable to AIG)							
Net income (loss)	\$ 937	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,875	\$ 2,315
Net income (loss) per share:							
Basic	\$ 1.04	\$ 1.03	\$ (7.33)	\$ (1.91)	\$ 1.22	\$ 2.07	\$ 2.43
Diluted (1)	\$ 1.02	\$ 1.01	\$ (7.33)	\$ (1.91)	\$ 1.19	\$ 2.04	\$ 2.37
Weighted average shares outstanding:							
Basic	903.2	908.0	908.1	908.7	925.8	905.6	953.1
Diluted (1)	916.6	925.3	908.1	908.7	948.2	920.9	976.6
Effective tax rate	25.6 %	22.6 %	NM	38.9 %	33.4 %	24.1 %	31.6 %
Adjusted after-tax income (loss)	\$ 961	\$ 963	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,924	\$ 2,816
Adjusted after-tax income (loss) per diluted share (1)	\$ 1.05	\$ 1.04	\$ 0.57	\$ (1.22)	\$ 1.53	\$ 2.09	\$ 2.88
Weighted average diluted shares - operating (1)	916.6	925.3	928.3	908.7	948.2	920.9	976.6
Adjusted effective tax rate	25.1 %	20.0 %	38.9 %	41.5 %	32.6 %	22.6 %	32.3 %
Selected Balance Sheet data, at period end							
Total assets	\$ 496,829	\$ 499,143	\$ 498,301	\$ 503,073	\$ 499,762	\$ 496,829	\$ 499,762
Long-term debt	33,784	33,619	31,640	31,039	31,812	33,784	31,812
AIG shareholders' equity	61,186	62,792	65,171	72,468	73,732	61,186	73,732
Adjusted Shareholders' Equity	51,103	50,358	49,214	51,632	54,483	51,103	54,483
Adjusted Attributed Equity *							
General Insurance	\$ 24,146	\$ 23,887	\$ 25,244	\$ 24,979	\$ 25,867	\$ 24,146	\$ 25,867
Life and Retirement	19,972	19,931	20,304	20,983	20,884	19,972	20,884
Other Operations	(2,282)	(2,706)	(5,617)	(4,211)	(2,180)	(2,282)	(2,180)
Total Core	41,836	41,112	39,931	41,751	44,571	41,836	44,571
Legacy	9,267	9,246	9,283	9,880	9,912	9,267	9,912
Total AIG adjusted attributed equity	\$ 51,103	\$ 50,358	\$ 49,214	\$ 51,631	\$ 54,483	\$ 51,103	\$ 54,483
Return On Equity (ROE, attributable to AIG)							
ROE	6.0 %	5.9 %	(38.7)%	(9.5)%	6.1 %	5.9 %	6.2 %
Adjusted return on equity	7.6 %	7.7 %	4.2 %	(8.4)%	10.5 %	7.7 %	10.0 %
Adjusted return on attributed equity - Core**	8.2 %	8.6 %	2.6 %	(11.6)%	10.5 %	8.4 %	10.3 %
Adjusted return on attributed equity - General Insurance**	5.6 %	5.1 %	(1.6)%	(31.5)%	9.9 %	5.3 %	9.1 %
Adjusted return on attributed equity - Life and Retirement**	15.0 %	14.3 %	10.2 %	14.9 %	12.7 %	14.6 %	12.2 %
Adjusted return on attributed equity - Legacy Portfolio**	4.6 %	4.6 %	10.5 %	6.7 %	9.9 %	4.6 %	8.8 %

* Attribution of adjusted equity is performed on an annual basis unless recalibration is needed (refer to page 50). 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					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
AIG Capitalization							
Total equity	\$ 61,797	\$ 63,357	\$ 65,708	\$ 73,012	\$ 74,324	\$ 61,797	\$ 74,324
Hybrid debt securities (4)	1,554	1,592	841	836	865	1,554	865
Total equity and hybrid debt	63,351	64,949	66,549	73,848	75,189	63,351	75,189
Financial debt (4)	21,886	22,043	21,315	21,062	21,668	21,886	21,668
Total capital	\$ 85,237	\$ 86,992	\$ 87,864	\$ 94,910	\$ 96,857	\$ 85,237	\$ 96,857
Leverage Ratios							
Hybrid debt securities / Total capital	1.8 %	1.8 %	1.0 %	0.9 %	0.9 %	1.8 %	0.9 %
Financial debt / Total capital	25.7	25.3	24.3	22.2	22.4	25.7	22.4
Total hybrids and financial debt / Total capital	27.5 %	27.1 %	25.3 %	23.1 %	23.3 %	27.5 %	23.3 %
Common Stock Repurchases							
Aggregate repurchase of common stock	\$ 348	\$ 298	\$ -	\$ 275	\$ 2,415	\$ 646	\$ 6,000
Number of common shares repurchased	6.5	5.4	-	4.6	39.1	11.9	95.1
Average price paid per share of common stock	\$ 53.47	\$ 55.41	\$ -	\$ 60.49	\$ 61.72	\$ 54.35	\$ 63.07
Aggregate repurchase of warrants	\$ 2	\$ 2	\$ -	\$ 3	\$ -	\$ 4	\$ -
Number of warrants repurchased	0.2	0.1	-	0.2	-	0.3	-
Dividends							
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.64	\$ 0.64
Total dividends declared	\$ 286	\$ 289	\$ 288	\$ 287	\$ 290	\$ 575	\$ 597
Share Data (attributable to AIG, at period end)							
Common shares outstanding	891.2	897.7	899.0	898.9	903.4	891.2	903.4
Closing share price	\$ 53.02	\$ 54.42	\$ 59.58	\$ 61.39	\$ 62.52	\$ 53.02	\$ 62.52
Book value per common share	68.65	69.95	72.49	80.62	81.62	68.65	81.62
Book value per common share, excluding AOCI	68.40	67.48	66.41	74.01	76.12	68.40	76.12
Adjusted book value per common share	57.34	56.10	54.74	57.44	60.31	57.34	60.31

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) (6)

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

Total Legacy Portfolio

Total adjusted pre-tax income (loss)

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
\$ 407	\$ 320	\$ 412	\$ (2,193)	\$ 721	\$ 727	\$ 1,549	
161	190	(399)	(740)	325	351	558	
568	510	13	(2,933)	1,046	1,078	2,107	
462	499	474	718	558	961	1,097	
250	282	246	249	266	532	509	
175	52	2	112	106	227	160	
75	59	60	79	63	134	125	
962	892	782	1,158	993	1,854	1,891	
(374)	(342)	(366)	(366)	(365)	(716)	(673)	
(12)	11	-	(1)	28	(1)	76	
1,144	1,071	429	(2,142)	1,702	2,215	3,401	
134	145	411	286	431	279	773	
\$ 1,278	\$ 1,216	\$ 840	\$ (1,856)	\$ 2,133	\$ 2,494	\$ 4,174	

Noteworthy Profit and Loss Data

Revenue Items:

Better (worse) than expected alternative returns
 Better (worse) than expected DIB and GCM returns*
 Better (worse) than expected fair value changes on Fixed Maturity Securities -
 Other accounted under fair value option** (7)
 Fair value changes on Equity Securities - Other (8)

Expense Items:

Catastrophe losses, net of reinsurance
 Prior year loss reserve development (favorable) unfavorable, net of reinsurance
 Severe losses, net of reinsurance
 Update of actuarial assumptions (unlocking)

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
\$ (48)	\$ 103	\$ 62	\$ 104	\$ 114	\$ 55	\$ 299	
(19)	37	234	42	142	18	187	
(64)	(65)	280	29	149	(129)	253	
3	(31)	52	32	13	(28)	39	
\$ 150	\$ 376	\$ 766	\$ 3,016	\$ 180	\$ 526	\$ 408	
(63)	(110)	76	836	56	(173)	66	
293	135	51	243	125	428	182	
-	-	-	(270)	-	-	-	

* DIB refers to Direct Investment Book and GCM refers to Global Capital Markets.

** Includes the fair value changes on the DIB and GCM asset portfolios.

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



American International Group, Inc.
Consolidated Statement of Operations

(in millions)

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Revenues:							
Premiums	\$ 7,207	\$ 7,275	\$ 7,915	\$ 8,063	\$ 7,614	\$ 14,482	\$ 15,396
Policy fees	763	764	758	728	725	1,527	1,449
Net investment income:							
Interest and dividends	2,985	3,060	3,072	2,960	3,014	6,045	6,077
Alternative investments	171	337	301	355	371	508	819
Other investment income (loss)	35	(12)	221	237	356	23	657
Investment expenses	(126)	(124)	(130)	(136)	(128)	(250)	(254)
Total net investment income	3,065	3,261	3,464	3,416	3,613	6,326	7,299
Net realized capital gains (losses)	165	(19)	(274)	(922)	(69)	146	(184)
Other income	431	431	772	466	619	862	1,174
Total revenues	11,631	11,712	12,635	11,751	12,502	23,343	25,134
Benefits, losses and expenses							
Policyholder benefits and losses incurred	5,505	5,667	7,319	10,322	6,284	11,172	12,331
Interest credited to policyholder account balances	935	916	909	867	906	1,851	1,816
Amortization of deferred policy acquisition costs	1,337	1,358	1,153	912	1,115	2,695	2,223
General operating and other expenses	2,323	2,271	2,333	2,149	2,182	4,594	4,625
Interest expense	299	277	288	290	292	576	590
(Gain) loss on extinguishment of debt	5	4	(1)	1	(4)	9	(5)
Net (gain) loss on sale of divested businesses (2)	(25)	(8)	(241)	13	60	(33)	160
Total benefits, losses and expenses	10,379	10,485	11,760	14,554	10,835	20,864	21,740
Income (loss) from continuing operations before income taxes	1,252	1,227	875	(2,803)	1,667	2,479	3,394
Income tax (benefit) expense	321	277	7,544	(1,091)	557	598	1,073
Income (loss) from continuing operations	931	950	(6,669)	(1,712)	1,110	1,881	2,321
Income (loss) from discontinued operations, net of income taxes	-	(1)	(3)	(1)	8	(1)	8
Net income (loss)	931	949	(6,672)	(1,713)	1,118	1,880	2,329
Net income (loss) attributable to noncontrolling interests	(6)	11	(12)	26	(12)	5	14
Net income (loss) attributable to AIG	\$ 937	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,875	\$ 2,315

See accompanying notes on page 12.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 228,673	\$ 233,914	\$ 238,992	\$ 237,771	\$ 235,289
Other bond securities, at fair value	11,774	12,397	12,772	12,653	13,478
Equity securities					
Common and preferred stock available for sale, at fair value (9)	-	-	1,708	1,707	1,605
Other common and preferred stock, at fair value	1,675	1,725	589	538	506
Mortgage and other loans receivable, net of allowance	39,978	38,540	37,023	36,089	34,642
Other invested assets	20,648	21,183	20,822	22,590	23,132
Short-term investments	17,010	14,616	10,386	9,775	12,094
Total investments	319,758	322,375	322,292	321,123	320,746
Cash	2,135	2,103	2,362	2,433	2,517
Accrued investment income	2,449	2,390	2,356	2,416	2,337
Premiums and other receivables, net of allowance	10,860	11,107	10,248	11,156	10,921
Reinsurance assets, net of allowance	34,497	34,744	33,024	34,429	34,510
Deferred income taxes	14,753	14,558	14,033	20,954	20,171
Deferred policy acquisition costs	11,997	11,631	10,994	10,938	11,063
Other assets	9,634	9,646	10,194	10,324	9,852
Separate account assets, at fair value	90,746	90,589	92,798	89,300	87,090
Assets held for sale (3)	-	-	-	-	555
Total assets	\$ 496,829	\$ 499,143	\$ 498,301	\$ 503,073	\$ 499,762
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 76,713	\$ 78,098	\$ 78,393	\$ 80,087	\$ 76,422
Unearned premiums	19,676	20,038	19,030	20,135	19,992
Future policy benefits for life and accident and health insurance contracts	44,608	44,895	45,432	44,055	43,252
Policyholder contract deposits	138,964	138,153	135,602	134,514	133,295
Other policyholder funds	3,482	3,473	3,648	3,678	4,613
Other liabilities	27,059	26,921	26,050	27,253	28,135
Long-term debt	33,784	33,619	31,640	31,039	31,812
Separate account liabilities	90,746	90,589	92,798	89,300	87,090
Liabilities held for sale (3)	-	-	-	-	827
Total liabilities	435,032	435,786	432,593	430,061	425,438
AIG shareholders' equity					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(48,052)	(47,706)	(47,595)	(47,602)	(47,329)
Additional paid-in capital	80,924	80,841	81,078	80,976	80,913
Retained earnings	23,318	22,671	21,457	28,389	30,420
Accumulated other comprehensive income	230	2,220	5,465	5,939	4,962
Total AIG shareholders' equity	61,186	62,792	65,171	72,468	73,732
Non-redeemable noncontrolling interests	611	565	537	544	592
Total equity	61,797	63,357	65,708	73,012	74,324
Total liabilities and equity	\$ 496,829	\$ 499,143	\$ 498,301	\$ 503,073	\$ 499,762

See accompanying notes on page 12.



American International Group, Inc.
Segment Balance Sheets

June 30, 2018

(in millions)	General Insurance	Life & Retirement	Other Operations (10)	Total Core	Legacy Portfolio (11) (12)	AOCI and DTA*	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 60,876	\$ 119,245	\$ 3,210	\$ 183,331	\$ 41,615	\$ 3,727	\$ 228,673
Other bond securities, at fair value	1,068	3,391	3,025	7,484	4,290	-	11,774
Equity securities							
Common and preferred stock available for sale, at fair value (9)	-	-	-	-	-	-	-
Other common and preferred stock, at fair value	1,486	128	54	1,668	7	-	1,675
Mortgage and other loans receivable, net of allowance	8,885	27,787	(470)	36,202	3,776	-	39,978
Other invested assets	10,575	6,452	736	17,763	2,885	-	20,648
Short-term investments	3,237	4,486	7,430	15,153	1,857	-	17,010
Total investments	86,127	161,489	13,985	261,601	54,430	3,727	319,758
Cash	1,297	481	130	1,908	227	-	2,135
Accrued investment income	789	1,962	(334)	2,417	32	-	2,449
Premiums and other receivables, net of allowance	10,708	615	(677)	10,646	214	-	10,860
Reinsurance assets, net of allowance	24,755	1,415	(414)	25,756	8,741	-	34,497
Deferred income taxes	4,271	2,854	(2,473)	4,652	297	9,804	14,753
Deferred policy acquisition costs	2,770	8,504	(1)	11,273	724	-	11,997
Other assets	6,646	3,755	(2,332)	8,069	3,524	(1,959)	9,634
Separate account assets, at fair value	-	88,814	-	88,814	1,932	-	90,746
Total assets	\$ 137,363	\$ 269,889	\$ 7,884	\$ 415,136	\$ 70,121	\$ 11,572	\$ 496,829
Liabilities:							
Liability for unpaid losses and loss adjustment expenses	\$ 67,960	\$ -	\$ 178	\$ 68,138	\$ 8,575	\$ -	\$ 76,713
Unearned premiums	19,438	-	10	19,448	228	-	19,676
Future policy benefits for life and accident and health insurance contracts	961	13,847	-	14,808	29,800	-	44,608
Policyholder contract deposits	-	134,273	(86)	134,187	4,777	-	138,964
Other policyholder funds	51	452	-	503	2,979	-	3,482
Other liabilities	8,561	5,715	2,039	16,315	9,255	1,489	27,059
Long-term debt:							
Operating debt	3,097	3,632	399	7,128	3,216	-	10,344
Attributed debt	12,862	2,830	7,748	23,440	-	-	23,440
Total Long-term debt	15,959	6,462	8,147	30,568	3,216	-	33,784
Separate account liabilities	-	88,814	-	88,814	1,932	-	90,746
Total liabilities	112,930	249,563	10,288	372,781	60,762	1,489	435,032
AIG Shareholders' equity							
Adjusted attributed equity/Shareholders' equity	24,146	19,972	(2,282)	41,836	9,267	10,083	61,186
Non-redeemable noncontrolling interests	287	354	(122)	519	92	-	611
Total Equity	24,433	20,326	(2,404)	42,355	9,359	10,083	61,797
Total liabilities and equity	\$ 137,363	\$ 269,889	\$ 7,884	\$ 415,136	\$ 70,121	\$ 11,572	\$ 496,829

* The segment balance sheets have been prepared consistent with our internal capital model and are based on Adjusted Attributed Equity (which excludes AOCI and DTA). See page 50 for further discussion.

See accompanying notes on page 12.



American International Group, Inc.
Debt and Capital

(in millions)	Debt and Hybrid Capital			Interest Expense			
	June 30, 2018	June 30, 2017	December 31, 2017	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2017	2018	2017	2018	2017
Financial Debt							
AIG notes and bonds payable	\$ 20,898	\$ 20,686	\$ 20,339	\$ 218	\$ 218	\$ 420	\$ 433
AIG Japan Holdings Kabushiki Kaisha	346	340	334	1	1	1	1
AIG Life Holdings, Inc. notes and bonds payable	281	281	281	5	5	10	10
AIG Life Holdings, Inc. junior subordinated debt	361	361	361	8	8	15	15
Total	21,886	21,668	21,315	232	232	446	459
Operating Debt							
MIP notes payable	181	536	356	1	9	3	20
Series AIGFP matched notes and bonds payable	21	31	21	-	1	-	1
Other AIG borrowings supported by assets	2,615	3,085	2,888	-	-	-	-
Other subsidiaries	-	636	190	-	-	-	3
Borrowings of consolidated investments	7,527	4,991	6,029	43	38	91	80
Total	10,344	9,279	9,484	44	48	94	104
Hybrid - Debt Securities (4)							
Junior subordinated debt (5)	1,554	865	841	23	12	36	27
Total	33,784	31,812	31,640	299	292	576	590
AIG Capitalization							
Total equity	\$ 61,797	\$ 74,324	\$ 65,708				
Hybrid - debt securities (4) (5)	1,554	865	841				
Total equity and hybrid capital	63,351	75,189	66,549				
Financial debt	21,886	21,668	21,315				
Total capital	\$ 85,237	\$ 96,857	\$ 87,864				
Ratios							
Hybrid - debt securities / Total capital	1.8 %	0.9 %	1.0 %				
Financial debt / Total capital	25.7	22.4	24.3				
Total debt / Total capital	27.5 %	23.3 %	25.3 %				

See accompanying notes on page 12.



American International Group, Inc.

Consolidated Notes

- (1) For the quarters ended December 31, 2017 and September 30, 2017, 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 quarter ended September 30, 2017, we also reported an adjusted after-tax loss, and therefore, all common stock equivalents are anti-dilutive and are excluded from the calculation of diluted shares and diluted per share amounts.
- (2) 4Q17 included the sale of certain group benefits business, primarily medical stop loss. 2Q17 included the held-for-sale impairment of Fuji Life and the sale of certain entities and operations to Fairfax Financial Holdings Limited (Fairfax). 1Q17 included the held-for-sale impairment of Fuji Life, United Guaranty Corporation (UGC), AIG Greece Representation of Insurance Enterprises S.A., and the sale of certain entities and operations to Fairfax.
- (3) Assets and liabilities held for sale are comprised of Fuji Life, Ascot Corporate Name Limited, AIG United Guaranty Insurance (Asia) Limited and certain entities and operations sold to Fairfax.
- (4) Hybrid debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 50.
- (5) 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 Consolidated Balance Sheets.
- (6) Non-qualifying (economic) hedges or replications of investment assets included in APTI. Beginning in the first quarter of 2018, to align with the economic risk being hedged, Net realized capital gains (losses) related to non-qualifying hedges or replications of investment assets have been included in APTI within net investment income, interest credited to policyholder account balances, interest expense and other income. The impact to prior periods was immaterial. This has no impact on our consolidated statement of operations.
- (7) Represents the impact of fair value changes included in APTI on the Fixed Maturity Securities – Other accounted under the fair value option, rather than their impact on the income from continuing operations before tax expense. We use a 6% expected rate of return to calculate the better (worse) than expected fair value changes on the Fixed Maturity Securities – Other line item for all periods presented.
- (8) Represents the impact of fair value changes included in APTI on Equity Securities- Other, rather than their impact on the income from continuing operations before tax expense.
- (9) As a result of the adoption of the Financial Instruments Recognition and Measurement Standard on January 1, 2018, equity securities are no longer classified and accounted for as available-for-sale securities. Investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries.
- (10) Other Operations includes inter segment eliminations for Core.
- (11) In February of 2018, we closed a series of affiliated reinsurance transactions impacting the Legacy Portfolio (the affiliated transactions). These affiliated transactions were designed to consolidate most of the Legacy Insurance Run-Off Lines into a single legal entity, DSA Re, a composite reinsurer domiciled in Bermuda, wholly owned by AIG. As of June 30, 2018, the affiliated transactions included the cession of approximately \$31 billion of reserves from the Legacy Life and Retirement Run-off Lines and approximately \$5 billion of reserves from the Legacy General Insurance Run-off Lines relating to business written by multiple wholly owned AIG subsidiaries. We used \$2.6 billion of existing Legacy Portfolio cash and investment assets to capitalize DSA Re in order to enable it to assume insurance risk and other economic risk from our affiliated U.S. and Bermuda domiciled insurance companies. These assets included approximately \$1.6 billion of capital release from Eaglestone Reinsurance Company, an affiliated entity, to AIG as a result of the commutation of certain property and casualty risks from other AIG subsidiaries which were subsequently ceded to DSA Re. In the second quarter of 2018, we formed Fortitude Group Holdings, LLC (Fortitude), a wholly-owned subsidiary of AIG to serve as a holding company for DSA Re.
- (12) The affiliated reinsurance transactions executed in the first quarter of 2018 with DSA Re resulted in prepaid insurance assets on the ceding subsidiaries' balance sheets of approximately \$2.5 billion (after-tax). These assets have been eliminated in AIG's consolidated financial statements since the counterparties were wholly-owned. In the event of a sale of a controlling interest in Fortitude, our Legacy Portfolio may recognize a loss for the portion of the unamortized balance of these assets and related deferred acquisition costs of \$0.5 billion (after-tax) that are not recoverable, if any, in the period in which our interest in Fortitude becomes non-controlling. This loss would be incremental to any gain or loss recognized on the sale of our controlling interest in Fortitude.

American International Group, Inc.
General Insurance Results

(in millions)

Results of Operations (4)

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Gross premiums written	\$ 8,653	\$ 9,205	\$ 7,278	\$ 8,426	\$ 8,311	\$ 17,858	\$ 17,355
Ceded premiums written	(1,676)	(3,034)	(1,386)	(1,849)	(1,639)	(4,710)	(4,386)
Net premiums written	\$ 6,977	\$ 6,171	\$ 5,892	\$ 6,577	\$ 6,672	\$ 13,148	\$ 12,969
Net premiums earned (1)	\$ 6,570	\$ 6,683	\$ 6,375	\$ 6,638	\$ 6,524	\$ 13,253	\$ 13,013
Losses and loss adjustment expenses incurred (2)	4,317	4,488	4,990	8,240	4,175	8,805	8,412
Acquisition expenses:							
Amortization of deferred policy acquisition costs	1,092	1,066	963	933	960	2,158	1,869
Other acquisition expenses	297	385	306	344	350	682	738
Total acquisition expenses	1,389	1,451	1,269	1,277	1,310	2,840	2,607
General operating expenses	953	995	962	917	890	1,948	1,833
Underwriting income (loss) (1)	(89)	(251)	(846)	(3,796)	149	(340)	161
Net investment income (loss):							
Interest and dividends	632	660	680	677	690	1,292	1,413
Alternative investments	68	153	185	201	212	221	509
Other investment income (loss)	(5)	(21)	25	25	31	(26)	92
Investment expenses	(38)	(31)	(31)	(40)	(36)	(69)	(68)
Total net investment income	657	761	859	863	897	1,418	1,946
Adjusted pre-tax income (loss)	568	510	13	(2,933)	1,046	1,078	2,107
Interest expense on attributed financial debt	137	124	115	124	132	261	260
Adjusted pre-tax income (loss) including attributed interest expense	431	386	(102)	(3,057)	914	817	1,847
Income tax expense (benefit)	97	89	(2)	(1,054)	281	186	610
Adjusted after-tax income (loss) (a)	\$ 334	\$ 297	\$ (100)	\$ (2,003)	\$ 633	\$ 631	\$ 1,237
Ending adjusted attributed equity	\$ 24,146	\$ 23,887	\$ 25,244	\$ 24,979	\$ 25,867	\$ 24,146	\$ 25,867
Average adjusted attributed equity (b)*	24,017	23,410	25,112	25,423	25,692	23,655	27,157
Adjusted return on attributed equity (a÷b)	5.6 %	5.1 %	(1.6) %	(31.5) %	9.9 %	5.3 %	9.1 %
Underwriting Ratios							
Loss ratio (2)	65.7	67.2	78.3	124.1	64.0	66.4	64.6
Catastrophe losses and reinstatement premiums	(2.3)	(5.7)	(11.7)	(45.4)	(2.8)	(3.9)	(3.1)
Prior year development	0.8	1.6	(1.4)	(12.7)	(1.1)	1.2	(0.8)
Adjustments for ceded premium under reinsurance contracts and other (1) (3)	1.2	-	-	-	(0.4)	0.5	(0.3)
Accident year loss ratio, as adjusted	65.4	63.1	65.2	66.0	59.7	64.2	60.4
Acquisition ratio	21.1	21.7	19.9	19.2	20.1	21.4	20.0
General operating expense ratio	14.5	14.9	15.1	13.8	13.6	14.7	14.1
Expense ratio	35.6	36.6	35.0	33.0	33.7	36.1	34.1
Combined ratio (2)	101.3	103.8	113.3	157.1	97.7	102.5	98.7
Accident year combined ratio, as adjusted (1) (3)	101.0	99.7	100.2	99.0	93.4	100.3	94.5

* See accompanying notes to Adjusted Attributed Equity on page 50.

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Catastrophe-related losses, net of reinsurance	\$ 150	\$ 376	\$ 762	\$ 3,016	\$ 180	\$ 526	\$ 408
Reinstatement premiums related to catastrophes	-	-	(23)	-	-	-	-
Severe losses, net of reinsurance	293	135	51	243	125	428	182
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(61)	(108)	80	837	58	(169)	82
(Additional) return premium related to prior year development on loss sensitive business	11	4	13	9	23	15	46
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(50)	(104)	93	846	81	(154)	128
Better (worse) than expected alternative returns	(75)	8	35	43	51	(67)	186
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	(17)	26	24	34	43	9	86
Fair value changes on Equity Securities - Other	9	(46)	-	-	-	(37)	-
Net liability for unpaid losses and loss adjustment expenses (at period end)	44,605	46,032	46,669	47,374	43,523	44,605	43,523

Net Premiums Written by product line

General Insurance:

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Property	\$ 989	\$ 175	\$ 696	\$ 926	\$ 1,087	\$ 1,164	\$ 1,708
Special Risks	660	734	646	669	654	1,394	1,446
Liability	1,165	1,339	847	1,143	1,048	2,504	2,249
Financial Lines	1,097	1,021	1,041	1,032	1,037	2,118	2,052
Total Commercial Lines	3,911	3,269	3,230	3,770	3,826	7,180	7,455
Personal Lines	1,712	1,558	1,501	1,615	1,652	3,270	3,127
Accident and Health	1,354	1,344	1,161	1,192	1,194	2,698	2,387
Total Personal Insurance	3,066	2,902	2,662	2,807	2,846	5,968	5,514
General Insurance net premiums written	\$ 6,977	\$ 6,171	\$ 5,892	\$ 6,577	\$ 6,672	\$ 13,148	\$ 12,969
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency (5)	2.2 %	(6.1) %	(9.0) %	(8.7) %	(9.0) %	(1.8) %	(10.4) %
Foreign exchange effect	2.4	4.1	(0.5)	(0.9)	(1.1)	3.2	(0.8)
Increase (decrease) as reported in U.S. dollars	4.6 %	(2.0) %	(9.5) %	(9.6) %	(10.1) %	1.4 %	(11.2) %

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Net premiums written	\$ 3,236	\$ 2,039	\$ 2,583	\$ 2,942	\$ 3,125	\$ 5,275	\$ 5,448
Net premiums earned (1)	\$ 2,892	\$ 2,692	\$ 2,727	\$ 2,887	\$ 2,892	\$ 5,584	\$ 5,841
Losses and loss adjustment expenses incurred (2)	2,115	2,153	2,264	5,053	2,166	4,268	4,329
Acquisition expenses:							
Amortization of deferred policy acquisition costs	430	358	335	307	340	788	663
Other acquisition expenses	102	154	83	127	113	256	275
Total acquisition expenses	532	512	418	434	453	1,044	938
General operating expenses	372	355	361	340	331	727	695
Underwriting income (loss) (1)	(127)	(328)	(316)	(2,940)	(58)	(455)	(121)
Net investment income (loss):							
Interest and dividends	520	547	554	563	564	1,067	1,162
Alternative investments	68	151	185	194	213	219	490
Other investment income (loss)	(22)	(24)	14	18	28	(46)	67
Investment expenses	(32)	(26)	(25)	(28)	(26)	(58)	(49)
Total net investment income	534	648	728	747	779	1,182	1,670
Adjusted pre-tax income (loss)	\$ 407	\$ 320	\$ 412	\$ (2,193)	\$ 721	\$ 727	\$ 1,549

Underwriting Ratios

Loss ratio (2)	73.1	80.0	83.0	175.0	74.9	76.4	74.1
Catastrophe losses and reinstatement premiums	(3.7)	(11.1)	(24.5)	(78.8)	(6.1)	(7.2)	(5.8)
Prior year development	1.6	2.8	3.3	(19.0)	(0.7)	2.1	0.8
Adjustments for ceded premium under reinsurance contracts and other (1) (3)	3.0	-	-	-	(1.1)	1.5	(0.6)
Accident year loss ratio, as adjusted	74.0	71.7	61.8	77.2	67.0	72.8	68.5
Acquisition ratio	18.4	19.0	15.3	15.0	15.7	18.7	16.1
General operating expense ratio	12.9	13.2	13.2	11.8	11.4	13.0	11.9
Expense ratio	31.3	32.2	28.5	26.8	27.1	31.7	28.0
Combined ratio (2)	104.4	112.2	111.5	201.8	102.0	108.1	102.1
Accident year combined ratio, as adjusted (1) (3)	105.3	103.9	90.3	104.0	94.1	104.5	96.5

Noteworthy Items (pre-tax)

Catastrophe-related losses, net of reinsurance	\$ 107	\$ 299	\$ 682	\$ 2,275	\$ 176	\$ 406	\$ 338
Reinstatement premiums related to catastrophes	-	-	(23)	-	-	-	-
Severe losses, net of reinsurance	160	36	(13)	111	61	196	105
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(54)	(78)	(97)	542	4	(132)	(74)
(Additional) return premium related to prior year development on loss sensitive business	11	4	13	9	23	15	46
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(43)	(74)	(84)	551	27	(117)	(28)

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Net premiums written	\$ 2,321	\$ 1,314	\$ 1,808	\$ 2,118	\$ 2,312	\$ 3,635	\$ 3,923
Net premiums earned (1)	\$ 2,069	\$ 1,918	\$ 1,998	\$ 2,091	\$ 2,105	\$ 3,987	\$ 4,277
Losses and loss adjustment expenses incurred (2)	1,616	1,456	1,477	4,286	1,766	3,072	3,463
Acquisition expenses:							
Amortization of deferred policy acquisition costs	206	186	198	187	227	392	451
Other acquisition expenses	59	101	36	48	24	160	94
Total acquisition expenses	265	287	234	235	251	552	545
General operating expenses	279	264	271	254	247	543	528
Underwriting income (loss) (1)	\$ (91)	\$ (89)	\$ 16	\$ (2,684)	\$ (159)	\$ (180)	\$ (259)
Underwriting Ratios							
Loss ratio (2)	78.1	75.9	73.9	205.0	83.9	77.1	81.0
Catastrophe losses and reinstatement premiums	(4.6)	(4.5)	(12.0)	(95.7)	(8.3)	(4.6)	(7.4)
Prior year development	4.2	6.9	4.9	(25.6)	(1.5)	5.5	0.8
Adjustments for ceded premium under reinsurance contracts and other (1) (3)	4.5	-	-	-	(1.6)	2.3	(0.8)
Accident year loss ratio, as adjusted	82.2	78.3	66.8	83.7	72.5	80.3	73.6
Acquisition ratio	12.8	15.0	11.7	11.2	11.9	13.8	12.7
General operating expense ratio	13.5	13.8	13.6	12.1	11.7	13.6	12.3
Expense ratio	26.3	28.8	25.3	23.3	23.6	27.4	25.0
Combined ratio (2)	104.4	104.7	99.2	228.3	107.5	104.5	106.0
Accident year combined ratio, as adjusted (1) (3)	108.5	107.1	92.1	107.0	96.1	107.7	98.6
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 95	\$ 87	\$ 255	\$ 2,000	\$ 174	\$ 182	\$ 314
Reinstatement premiums related to catastrophes	-	-	(23)	-	-	-	-
Severe losses, net of reinsurance	143	36	(13)	100	61	179	88
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(95)	(136)	(105)	528	15	(231)	(66)
(Additional) return premium related to prior year development on loss sensitive business	11	4	13	9	23	15	46
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(84)	(132)	(92)	537	38	(216)	(20)

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Net premiums written	\$ 915	\$ 725	\$ 775	\$ 824	\$ 813	\$ 1,640	\$ 1,525
Net premiums earned	\$ 823	\$ 774	\$ 729	\$ 796	\$ 787	\$ 1,597	\$ 1,564
Losses and loss adjustment expenses incurred	499	697	787	767	400	1,196	866
Acquisition expenses:							
Amortization of deferred policy acquisition costs	224	172	137	120	113	396	212
Other acquisition expenses	43	53	47	79	89	96	181
Total acquisition expenses	267	225	184	199	202	492	393
General operating expenses	93	91	90	86	84	184	167
Underwriting income (loss)	\$ (36)	\$ (239)	\$ (332)	\$ (256)	\$ 101	\$ (275)	\$ 138
Underwriting Ratios							
Loss ratio	60.6	90.1	108.0	96.4	50.8	74.9	55.4
Catastrophe losses and reinstatement premiums	(1.4)	(27.4)	(58.6)	(34.6)	(0.2)	(14.0)	(1.6)
Prior year development	(5.0)	(7.5)	(1.1)	(1.7)	1.4	(6.2)	0.5
Accident year loss ratio, as adjusted	54.2	55.2	48.3	60.1	52.0	54.7	54.3
Acquisition ratio	32.4	29.1	25.2	25.0	25.7	30.8	25.1
General operating expense ratio	11.3	11.8	12.3	10.8	10.7	11.5	10.7
Expense ratio	43.7	40.9	37.5	35.8	36.4	42.3	35.8
Combined ratio	104.3	131.0	145.5	132.2	87.2	117.2	91.2
Accident year combined ratio, as adjusted	97.9	96.1	85.8	95.9	88.4	97.0	90.1
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 12	\$ 212	\$ 427	\$ 275	\$ 2	\$ 224	\$ 24
Severe losses, net of reinsurance	17	-	-	11	-	17	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	41	58	8	14	(11)	99	(8)

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations (4)							
Net premiums written	\$ 3,741	\$ 4,132	\$ 3,309	\$ 3,635	\$ 3,547	\$ 7,873	\$ 7,521
Net premiums earned	\$ 3,678	\$ 3,991	\$ 3,648	\$ 3,751	\$ 3,632	\$ 7,669	\$ 7,172
Losses and loss adjustment expenses incurred	2,202	2,335	2,726	3,187	2,009	4,537	4,083
Acquisition expenses:							
Amortization of deferred policy acquisition costs	662	708	628	626	620	1,370	1,206
Other acquisition expenses	195	231	223	217	237	426	463
Total acquisition expenses	857	939	851	843	857	1,796	1,669
General operating expenses	581	640	601	577	559	1,221	1,138
Underwriting income (loss)	38	77	(530)	(856)	207	115	282
Net investment income (loss):							
Interest and dividends	112	113	126	114	126	225	251
Alternative investments	-	2	-	7	(1)	2	19
Other investment income (loss)	17	3	11	7	3	20	25
Investment expenses	(6)	(5)	(6)	(12)	(10)	(11)	(19)
Total net investment income	123	113	131	116	118	236	276
Adjusted pre-tax income (loss)	\$ 161	\$ 190	\$ (399)	\$ (740)	\$ 325	\$ 351	\$ 558
Underwriting Ratios							
Loss ratio	59.9	58.5	74.7	85.0	55.3	59.2	56.9
Catastrophe losses and reinstatement premiums	(1.2)	(1.9)	(2.2)	(19.8)	(0.1)	(1.6)	(0.9)
Prior year development	0.2	0.7	(4.8)	(7.9)	(1.5)	0.5	(2.2)
Accident year loss ratio, as adjusted	58.9	57.3	67.7	57.3	53.7	58.1	53.8
Acquisition ratio	23.3	23.5	23.3	22.5	23.6	23.4	23.3
General operating expense ratio	15.8	16.0	16.5	15.4	15.4	15.9	15.9
Expense ratio	39.1	39.5	39.8	37.9	39.0	39.3	39.2
Combined ratio	99.0	98.0	114.5	122.9	94.3	98.5	96.1
Accident year combined ratio, as adjusted	98.0	96.8	107.5	95.2	92.7	97.4	93.0
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 43	\$ 77	\$ 80	\$ 741	\$ 4	\$ 120	\$ 70
Severe losses, net of reinsurance	133	99	64	132	64	232	77
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(7)	(30)	177	295	54	(37)	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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Net premiums written	\$ 1,590	\$ 1,955	\$ 1,422	\$ 1,652	\$ 1,514	\$ 3,545	\$ 3,532
Net premiums earned	\$ 1,668	\$ 1,722	\$ 1,694	\$ 1,724	\$ 1,631	\$ 3,390	\$ 3,228
Losses and loss adjustment expenses incurred	1,138	1,110	1,660	2,140	996	2,248	2,013
Acquisition expenses:							
Amortization of deferred policy acquisition costs	248	263	251	237	238	511	442
Other acquisition expenses	92	81	87	81	79	173	177
Total acquisition expenses	340	344	338	318	317	684	619
General operating expenses	266	282	299	222	257	548	517
Underwriting income (loss)	\$ (76)	\$ (14)	\$ (603)	\$ (956)	\$ 61	\$ (90)	\$ 79
Underwriting Ratios							
Loss ratio	68.2	64.5	98.0	124.1	61.1	66.3	62.4
Catastrophe losses and reinstatement premiums	(1.6)	(4.5)	(2.7)	(41.7)	(0.3)	(3.1)	(2.1)
Prior year development	0.5	-	(11.4)	(17.9)	(2.9)	0.3	(4.6)
Accident year loss ratio, as adjusted	67.1	60.0	83.9	64.5	57.9	63.5	55.7
Acquisition ratio	20.4	20.0	20.0	18.4	19.4	20.2	19.2
General operating expense ratio	15.9	16.4	17.7	12.9	15.8	16.2	16.0
Expense ratio	36.3	36.4	37.7	31.3	35.2	36.4	35.2
Combined ratio	104.5	100.9	135.7	155.4	96.3	102.7	97.6
Accident year combined ratio, as adjusted	103.4	96.4	121.6	95.8	93.1	99.9	90.9
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 27	\$ 77	\$ 45	\$ 719	\$ 4	\$ 104	\$ 65
Severe losses, net of reinsurance	133	99	64	132	64	232	77
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(8)	(1)	193	309	47	(9)	151

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Net premiums written	\$ 2,151	\$ 2,177	\$ 1,887	\$ 1,983	\$ 2,033	\$ 4,328	\$ 3,989
Net premiums earned	\$ 2,010	\$ 2,269	\$ 1,953	\$ 2,028	\$ 2,001	\$ 4,279	\$ 3,944
Losses and loss adjustment expenses incurred	1,064	1,225	1,066	1,047	1,013	2,289	2,070
Acquisition expenses:							
Amortization of deferred policy acquisition costs	414	445	376	390	382	859	764
Other acquisition expenses	103	150	136	136	158	253	286
Total acquisition expenses	517	595	512	526	540	1,112	1,050
General operating expenses	315	358	302	355	302	673	621
Underwriting income (loss)	\$ 114	\$ 91	\$ 73	\$ 100	\$ 146	\$ 205	\$ 203
Underwriting Ratios							
Loss ratio	52.9	54.0	54.6	51.7	50.6	53.5	52.5
Catastrophe losses and reinstatement premiums	(0.8)	-	(1.8)	(1.1)	-	(0.4)	(0.1)
Prior year development	-	1.3	0.8	0.7	(0.3)	0.7	(0.2)
Accident year loss ratio, as adjusted	52.1	55.3	53.6	51.3	50.3	53.8	52.2
Acquisition ratio	25.7	26.2	26.2	25.9	27.0	26.0	26.6
General operating expense ratio	15.7	15.8	15.5	17.5	15.1	15.7	15.7
Expense ratio	41.4	42.0	41.7	43.4	42.1	41.7	42.3
Combined ratio	94.3	96.0	96.3	95.1	92.7	95.2	94.8
Accident year combined ratio, as adjusted	93.5	97.3	95.3	94.7	92.4	95.5	94.5
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 16	\$ -	\$ 35	\$ 22	\$ -	\$ 16	\$ 5
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	1	(29)	(16)	(14)	7	(28)	5

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) Includes an additional \$115 million of net premiums earned for multi-year policies related to earlier accident years in both the three- and six-month periods ended June 30, 2018.
- (2) Consistent with our definition of APTI, excluded 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 both the three- and six-month periods ended June 30, 2017.
- (4) As a result of the merger of AIUI Japan and Fuji Fire and Marine Insurance Company (Fuji), Fuji's fiscal reporting period was conformed to that of AIU Japan. The three-month period ended March 31, 2018 and the six-month period ended June 30, 2018 Results of Operations includes two additional months of Net premiums written, Net premiums earned, Losses and loss adjustment expenses incurred, and Adjusted pre-tax income of approximately \$300 million, \$300 million, \$200 million, and \$15 million, respectively.
- (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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Premiums and deposits:	\$ 7,399	\$ 8,862	\$ 7,965	\$ 6,797	\$ 5,791	\$ 16,261	\$ 12,696
Revenues:							
Premiums	\$ 490	\$ 446	\$ 1,397	\$ 1,311	\$ 502	\$ 936	\$ 1,338
Policy fees	731	734	726	690	694	1,465	1,382
Net investment income (loss):							
Base portfolio (2)	1,795	1,758	1,750	1,713	1,716	3,553	3,447
Alternative investments	75	136	55	76	81	211	191
Other yield enhancements (3)	125	152	198	118	147	277	268
Total net investment income	1,995	2,046	2,003	1,907	1,944	4,041	3,906
Advisory fee and other income	249	234	256	228	225	483	442
Total adjusted revenues	3,465	3,460	4,382	4,136	3,365	6,925	7,068
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	770	830	1,833	1,537	767	1,600	1,877
Interest credited to policyholder account balances	869	854	855	808	851	1,723	1,697
Amortization of deferred policy acquisition costs	225	246	285	31	199	471	427
Non deferrable insurance commissions	135	139	136	149	130	274	268
Advisory fee expenses	86	76	86	83	79	162	155
General operating expenses	378	385	373	336	327	763	710
Interest expense	40	38	32	34	19	78	43
Total benefits, losses and expenses	2,503	2,568	3,600	2,978	2,372	5,071	5,177
Adjusted pre-tax income (1)	962	892	782	1,158	993	1,854	1,891
Interest expense on attributed financial debt	30	16	6	5	6	46	12
Adjusted pre-tax income (loss) including attributed interest expense	932	876	776	1,153	987	1,808	1,879
Income tax expense	186	174	252	374	326	360	616
Adjusted after-tax income (loss) (a)	\$ 746	\$ 702	\$ 524	\$ 779	\$ 661	\$ 1,448	\$ 1,263
Ending adjusted attributed equity	\$ 19,972	\$ 19,931	\$ 20,304	\$ 20,983	\$ 20,884	\$ 19,972	\$ 20,884
Average adjusted attributed equity (b)*	19,952	19,699	20,644	20,934	20,800	19,790	20,716
Adjusted return on attributed equity (a÷b)	15.0 %	14.3 %	10.2 %	14.9 %	12.7 %	14.6 %	12.2 %
Noteworthy Items:							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ -	\$ 284	\$ -	\$ -	\$ -
Better (worse) than expected alternative returns	31	95	12	31	33	126	88
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	29	18	81	56	65	47	123
Fair value changes on Equity Securities - Other	(5)	2	-	-	-	(3)	-

* See accompanying notes to Adjusted Attributed Equity on page 50.

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Premiums and deposits	\$ 3,422	\$ 4,358	\$ 3,106	\$ 2,526	\$ 2,892	\$ 7,780	\$ 6,274
Revenues:							
Premiums	\$ 16	\$ 12	\$ 10	\$ 22	\$ 31	\$ 28	\$ 59
Policy fees	202	204	200	190	192	406	377
Net investment income (loss):							
Base portfolio (2)	878	852	876	868	873	1,730	1,758
Alternative investments	38	68	29	41	44	106	104
Other yield enhancements (3)	59	64	125	64	86	123	148
Total net investment income	975	984	1,030	973	1,003	1,959	2,010
Advisory fee and other income	173	161	175	158	157	334	310
Total adjusted revenues	1,366	1,361	1,415	1,343	1,383	2,727	2,756
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	85	47	73	15	36	132	73
Interest credited to policyholder account balances	415	412	423	366	412	827	827
Amortization of deferred policy acquisition costs	130	134	180	(20)	126	264	255
Non deferrable insurance commissions and other (13)	80	81	81	82	73	161	145
Advisory fee expenses	67	54	62	61	60	121	118
General operating expenses	107	115	105	103	108	222	218
Interest expense	20	19	17	18	10	39	23
Total benefits, losses and expenses	904	862	941	625	825	1,766	1,659
Adjusted pre-tax income	\$ 462	\$ 499	\$ 474	\$ 718	\$ 558	\$ 961	\$ 1,097
Noteworthy Items (pre-tax)							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ -	\$ 242	\$ -	\$ -	\$ -
Better (worse) than expected alternative returns	16	47	7	17	18	63	48

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					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Assets under management:							
General accounts	\$ 26,288	\$ 26,115	\$ 24,754	\$ 23,858	\$ 23,155	\$ 26,288	\$ 23,155
Separate accounts	47,980	48,000	49,188	47,548	46,273	47,980	46,273
Total assets under management	\$ 74,268	\$ 74,115	\$ 73,942	\$ 71,406	\$ 69,428	\$ 74,268	\$ 69,428
Net investment spreads:							
Total yield	4.81 %	4.71 %	5.70 %	5.08 %	5.20 %	4.76 %	5.22 %
Less: Alternative investments (5)	(0.17)	(0.39)	(0.11)	(0.23)	(0.25)	(0.28)	(0.33)
Less: Other yield enhancements (6)	0.02	0.15	(1.05)	(0.19)	(0.38)	0.09	(0.31)
Base yield (7)	4.66	4.47	4.54	4.66	4.57	4.57	4.58
Cost of funds (a)	1.17	1.25	1.23	1.25	1.29	1.21	1.28
Base net investment spread (b)	3.49 %	3.22 %	3.31 %	3.41 %	3.28 %	3.36 %	3.30 %
DAC rollforward:							
Balance at beginning of period	\$ 2,954	\$ 2,789	\$ 2,699	\$ 2,628	\$ 2,579	\$ 2,789	\$ 2,533
Deferrals	101	86	91	77	91	187	174
Operating amortization	(60)	(61)	(86)	(2)	(54)	(121)	(108)
Change from realized gains (losses)	7	(31)	106	80	55	(24)	112
Change from unrealized gains (losses)	86	171	(21)	(84)	(43)	257	(83)
Balance at end of period	\$ 3,088	\$ 2,954	\$ 2,789	\$ 2,699	\$ 2,628	\$ 3,088	\$ 2,628
Reserve rollforward:							
Balance at beginning of period, gross	\$ 69,660	\$ 69,550	\$ 67,050	\$ 65,104	\$ 63,155	\$ 69,550	\$ 61,026
Premiums and deposits	1,728	2,660	1,555	1,337	1,561	4,388	3,029
Surrenders and withdrawals	(1,096)	(1,120)	(1,069)	(920)	(988)	(2,216)	(1,923)
Death and other contract benefits	(248)	(254)	(221)	(210)	(208)	(502)	(418)
Subtotal	70,044	70,836	67,315	65,311	63,520	71,220	61,714
Change in fair value of underlying assets and reserve accretion, net of policy fees	205	(1,167)	2,118	1,822	1,467	(962)	3,197
Cost of funds (a)	55	57	54	53	52	112	101
Other reserve changes	(44)	(66)	63	(136)	65	(110)	92
Balance at end of period	70,260	69,660	69,550	67,050	65,104	70,260	65,104
Reinsurance ceded	(31)	(32)	(33)	(33)	(41)	(31)	(41)
Total insurance reserves	\$ 70,229	\$ 69,628	\$ 69,517	\$ 67,017	\$ 65,063	\$ 70,229	\$ 65,063

(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					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Assets under management:							
General accounts	\$ 54,783	\$ 56,663	\$ 58,442	\$ 58,894	\$ 58,483	\$ 54,783	\$ 58,483
Separate accounts	31	32	33	32	32	31	32
Total assets under management	\$ 54,814	\$ 56,695	\$ 58,475	\$ 58,926	\$ 58,515	\$ 54,814	\$ 58,515
Net investment spreads (a):							
Total yield	5.03 %	5.15 %	5.09 %	5.00 %	5.28 %	5.09 %	5.26 %
Less: Alternative investments (5)	(0.10)	(0.24)	(0.06)	(0.11)	(0.11)	(0.17)	(0.13)
Less: Other yield enhancements (6)	(0.21)	(0.31)	(0.29)	(0.21)	(0.30)	(0.26)	(0.24)
Base yield (7)	4.72	4.60	4.74	4.68	4.87	4.66	4.89
Cost of funds (b)	2.64	2.65	2.64	2.65	2.64	2.65	2.66
Base net investment spread (c)	2.08 %	1.95 %	2.10 %	2.03 %	2.23 %	2.01 %	2.23 %
DAC rollforward:							
Balance at beginning of period	\$ 1,007	\$ 884	\$ 896	\$ 910	\$ 1,028	\$ 884	\$ 1,067
Deferrals	28	19	19	13	14	47	36
Operating amortization	(70)	(73)	(94)	22	(72)	(143)	(147)
Change from realized gains (losses)	(1)	1	1	(1)	(1)	-	(4)
Change from unrealized gains (losses)	98	176	62	(48)	(59)	274	(42)
Balance at end of period	\$ 1,062	\$ 1,007	\$ 884	\$ 896	\$ 910	\$ 1,062	\$ 910
Reserve rollforward:							
Balance at beginning of period, gross	\$ 50,424	\$ 50,846	\$ 51,020	\$ 51,353	\$ 51,912	\$ 50,846	\$ 52,285
Premiums and deposits	1,125	797	868	592	633	1,922	1,550
Surrenders and withdrawals	(1,012)	(932)	(905)	(751)	(902)	(1,944)	(1,803)
Death and other contract benefits	(616)	(646)	(499)	(535)	(613)	(1,262)	(1,206)
Subtotal	49,921	50,065	50,484	50,659	51,030	49,562	50,826
Change in fair value of underlying assets and reserve accretion, net of policy fees	118	67	45	46	49	185	108
Cost of funds (b)	322	321	327	331	329	643	662
Other reserve changes	(58)	(29)	(10)	(16)	(55)	(87)	(243)
Balance at end of period	50,303	50,424	50,846	51,020	51,353	50,303	51,353
Reinsurance ceded	(291)	(292)	(289)	(291)	(292)	(291)	(292)
Total insurance reserves	\$ 50,012	\$ 50,132	\$ 50,557	\$ 50,729	\$ 51,061	\$ 50,012	\$ 51,061

(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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Premiums and deposits:							
Fixed Annuities	\$ 1,125	\$ 797	\$ 868	\$ 592	\$ 633	\$ 1,922	\$ 1,550
Variable Annuities	771	773	769	736	841	1,544	1,703
Index Annuities	957	739	786	601	720	1,696	1,326
Retail Mutual Funds	569	901	683	597	698	1,470	1,695
Total premiums and deposits (4)	3,422	3,210	3,106	2,526	2,892	6,632	6,274
Surrenders and withdrawals:							
Fixed Annuities	(1,012)	(932)	(905)	(751)	(902)	(1,944)	(1,803)
Variable Annuities	(977)	(1,019)	(974)	(843)	(916)	(1,996)	(1,774)
Index Annuities	(119)	(101)	(95)	(77)	(72)	(220)	(149)
Retail Mutual Funds	(1,499)	(1,078)	(834)	(828)	(872)	(2,577)	(1,910)
Total surrenders and withdrawals	(3,607)	(3,130)	(2,808)	(2,499)	(2,762)	(6,737)	(5,636)
Death and other contract benefits:							
Fixed Annuities	(616)	(646)	(499)	(535)	(613)	(1,262)	(1,206)
Variable Annuities	(222)	(231)	(199)	(194)	(192)	(453)	(388)
Index Annuities	(26)	(23)	(22)	(16)	(16)	(49)	(30)
Total death and other contract benefits	(864)	(900)	(720)	(745)	(821)	(1,764)	(1,624)
Net flows (4):							
Fixed Annuities	(503)	(781)	(536)	(694)	(882)	(1,284)	(1,459)
Variable Annuities	(428)	(477)	(404)	(301)	(267)	(905)	(459)
Index Annuities	812	615	669	508	632	1,427	1,147
Retail Mutual Funds	(930)	(177)	(151)	(231)	(174)	(1,107)	(215)
Total net flows	\$ (1,049)	\$ (820)	\$ (422)	\$ (718)	\$ (691)	\$ (1,869)	\$ (986)
Surrender rates (8):							
Fixed Annuities	8.1%	7.4%	7.1%	5.9%	7.0%	7.7%	7.0%
Variable and Index Annuities	6.3%	6.4%	6.3%	5.6%	6.2%	6.3%	6.1%

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)

Results of Operations

Premiums and deposits

Revenues:

Premiums
 Policy fees
 Net investment income (loss):
 Base portfolio (2)
 Alternative investments
 Other yield enhancements (3)
 Total net investment income
 Advisory fee and other income

Total adjusted revenues

Benefits, losses and expenses:

Policyholder benefits and losses incurred
 Interest credited to policyholder account balances
 Amortization of deferred policy acquisition costs
 Non deferrable insurance commissions and other (13)
 Advisory fee expenses
 General operating expenses
 Interest expense

Total benefits, losses and expenses

Adjusted pre-tax income (loss)

Noteworthy items (pre-tax)

Update of actuarial assumptions (unlocking) (1)
 Better (worse) than expected alternative returns

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Premiums and deposits	\$ 2,345	\$ 2,072	\$ 1,848	\$ 1,860	\$ 1,802	\$ 4,417	\$ 3,842
Revenues:							
Premiums	\$ 15	\$ 6	\$ 6	\$ 8	\$ 4	\$ 21	\$ 13
Policy fees	112	112	114	113	101	224	200
Net investment income (loss):							
Base portfolio (2)	483	485	483	477	472	968	953
Alternative investments	19	36	16	22	23	55	54
Other yield enhancements (3)	40	61	51	25	40	101	83
Total net investment income	542	582	550	524	535	1,124	1,090
Advisory fee and other income	61	61	62	57	56	122	111
Total adjusted revenues	730	761	732	702	696	1,491	1,414
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	22	16	38	10	5	38	26
Interest credited to policyholder account balances	276	275	270	283	284	551	562
Amortization of deferred policy acquisition costs	26	25	25	12	25	51	47
Non deferrable insurance commissions and other (13)	28	29	28	28	25	57	52
Advisory fee expenses	19	22	24	22	19	41	37
General operating expenses	98	102	92	88	66	200	168
Interest expense	11	10	9	10	6	21	13
Total benefits, losses and expenses	480	479	486	453	430	959	905
Adjusted pre-tax income (loss)	\$ 250	\$ 282	\$ 246	\$ 249	\$ 266	\$ 532	\$ 509
Noteworthy items (pre-tax)							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ -	\$ 13	\$ -	\$ -	\$ -
Better (worse) than expected alternative returns	8	25	5	9	9	33	26

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Assets under administration:							
General accounts	\$ 45,077	\$ 46,172	\$ 47,245	\$ 46,994	\$ 46,922	\$ 45,077	\$ 46,922
Separate accounts	36,325	35,847	36,419	35,196	34,304	36,325	34,304
Group Retirement mutual funds	20,065	19,952	20,160	19,135	17,994	20,065	17,994
Total assets under administration	\$ 101,467	\$ 101,971	\$ 103,824	\$ 101,325	\$ 99,220	\$ 101,467	\$ 99,220
Net investment spreads:							
Total yield	4.88 %	5.22 %	4.91 %	4.76 %	4.86 %	5.05 %	5.02 %
Less: Alternative investments (5)	(0.11)	(0.26)	(0.08)	(0.14)	(0.14)	(0.19)	(0.18)
Less: Other yield enhancements (6)	(0.21)	(0.43)	(0.34)	(0.12)	(0.25)	(0.32)	(0.26)
Base yield (7)	4.56	4.53	4.49	4.50	4.47	4.54	4.58
Cost of funds (a)	2.69	2.72	2.61	2.78	2.82	2.70	2.82
Base net investment spread (b)	1.87 %	1.81 %	1.88 %	1.72 %	1.65 %	1.84 %	1.76 %
Net flows: (4)							
Premiums and deposits	\$ 2,345	\$ 1,863	\$ 1,848	\$ 1,860	\$ 1,802	\$ 4,208	\$ 3,842
Surrenders and withdrawals	(2,638)	(2,467)	(2,156)	(1,740)	(1,835)	(5,105)	(4,123)
Death and other contract benefits	(166)	(151)	(145)	(135)	(148)	(317)	(282)
Total net flows	\$ (459)	\$ (755)	\$ (453)	\$ (15)	\$ (181)	\$ (1,214)	\$ (563)
Surrender rates (8)	10.9 %	10.2 %	9.0 %	7.4 %	8.0 %	10.5 %	9.1 %
DAC rollforward:							
Balance at beginning of period	\$ 980	\$ 928	\$ 919	\$ 926	\$ 949	\$ 928	\$ 931
Deferrals	19	17	25	16	21	36	39
Operating amortization	(26)	(25)	(25)	(12)	(25)	(51)	(47)
Change from realized gains (losses)	(1)	1	(4)	1	(1)	-	(2)
Change from unrealized gains (losses)	26	59	13	(12)	(18)	85	5
Balance at end of period	\$ 998	\$ 980	\$ 928	\$ 919	\$ 926	\$ 998	\$ 926
Reserve rollforward:							
Balance at beginning of period, gross	\$ 96,754	\$ 97,306	\$ 94,992	\$ 92,649	\$ 90,958	\$ 97,306	\$ 88,622
Premiums and deposits	2,345	2,072	1,848	1,860	1,802	4,417	3,842
Surrenders and withdrawals	(2,638)	(2,467)	(2,156)	(1,740)	(1,835)	(5,105)	(4,123)
Death and other contract benefits	(166)	(151)	(145)	(135)	(148)	(317)	(282)
Subtotal	96,295	96,760	94,539	92,634	90,777	96,301	88,059
Change in fair value of underlying assets and reserve accretion, net of policy fees	982	(270)	2,502	2,078	1,593	712	4,037
Cost of funds (a)	271	270	265	280	279	541	553
Other reserve changes	-	(6)	-	-	-	(6)	-
Total insurance reserves and Group Retirement mutual funds	\$ 97,548	\$ 96,754	\$ 97,306	\$ 94,992	\$ 92,649	\$ 97,548	\$ 92,649

(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				
	2Q18	1Q18	4Q17	3Q17	2Q17
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 68,232	\$ 67,822	\$ 68,608	\$ 67,294	\$ 65,785
Guaranteed Minimum Income Benefits (GMIB) (c)	2,317	2,338	2,419	2,392	2,362
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	44,113	44,267	45,289	43,937	42,952
Liability by benefit type (a)					
GMDB (b)	\$ 358	\$ 333	\$ 341	\$ 303	\$ 377
GMIB (c)	12	12	11	10	11
GMWB (d)	1,430	1,601	1,994	2,104	1,917

(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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ 373	\$ 551	\$ 567	\$ 284	\$ (19)	\$ 924	\$ 572
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	(37)	(77)	29	26	80	(114)	91
Interest rate derivative contracts	(184)	(406)	(80)	(20)	213	(590)	30
Equity derivative contracts	(154)	74	(369)	(310)	(259)	(80)	(668)
Change in fair value of variable annuity hedging portfolio	(375)	(409)	(420)	(304)	34	(784)	(547)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	(2)	142	147	(20)	15	140	25
Change in fair value of embedded derivatives due to NPA spread	100	72	(355)	(82)	(218)	172	(403)
Change in fair value of embedded derivatives due to change in NPA volume	(99)	(144)	(114)	(114)	79	(243)	(124)
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	-	-	(188)	-	-	-
Total change due to update of actuarial assumptions and NPA	1	(72)	(469)	(384)	(139)	(71)	(527)
Net impact on pre-tax income (loss)	\$ (1)	\$ 70	\$ (322)	\$ (404)	\$ (124)	\$ 69	\$ (502)

See accompanying notes on page 34.



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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Premiums and deposits	\$ 980	\$ 969	\$ 963	\$ 935	\$ 947	\$ 1,949	\$ 1,857
Revenues:							
Premiums	\$ 418	\$ 379	\$ 362	\$ 384	\$ 400	\$ 797	\$ 784
Policy fees	377	377	370	343	357	754	717
Net investment income (loss):							
Base portfolio (2)	255	253	242	233	235	508	472
Alternative investments	12	21	7	9	10	33	23
Other yield enhancements (3)	15	19	14	18	16	34	26
Total net investment income	282	293	263	260	261	575	521
Advisory fee and other income (10)	15	12	18	13	12	27	21
Total adjusted revenues	1,092	1,061	1,013	1,000	1,030	2,153	2,043
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	571	646	649	587	615	1,217	1,208
Interest credited to policyholder account balances	94	95	95	93	93	189	188
Amortization of deferred policy acquisition costs (14)	68	86	78	37	48	154	124
Non deferrable insurance commissions and other (13)	20	22	21	32	25	42	56
General operating expenses	158	154	164	135	141	312	302
Interest expense	6	6	4	4	2	12	5
Total benefits, losses and expenses	917	1,009	1,011	888	924	1,926	1,883
Adjusted pre-tax income (loss)	\$ 175	\$ 52	\$ 2	\$ 112	\$ 106	\$ 227	\$ 160
Noteworthy items (pre-tax)							
Update of actuarial assumptions (unlocking) (1)	\$ -	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ -
Better (worse) than expected alternative returns	5	15	1	4	4	20	11
Adjusted pre-tax income (loss) Domestic Life	172	57	12	90	88	229	150
Adjusted pre-tax income (loss) International Life	3	(5)	(10)	22	18	(2)	10

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Gross life insurance in force, end of period:							
Domestic Life	\$ 869,270	\$ 865,395	\$ 857,577	\$ 857,445	\$ 852,679	\$ 869,270	\$ 852,679
International Life	113,303	111,259	99,212	92,877	84,764	113,303	84,764
Total	\$ 982,573	\$ 976,654	\$ 956,789	\$ 950,322	\$ 937,443	\$ 982,573	\$ 937,443
Life and A&H CPPE sales (11):							
Term	\$ 63	\$ 58	\$ 54	\$ 52	\$ 53	\$ 121	\$ 98
Universal life	42	42	43	40	37	84	65
Other life	16	12	11	9	8	28	13
Single premium and unscheduled deposits	3	3	3	3	2	6	4
A&H	2	3	6	6	6	5	13
Total	\$ 126	\$ 118	\$ 117	\$ 110	\$ 106	\$ 244	\$ 193
Surrender/lapse rates (12):							
Domestic Life:							
Independent distribution	3.66 %	3.98 %	3.87 %	4.82 %	5.07 %	3.82 %	5.08 %
Career distribution	5.24 %	5.75 %	5.98 %	6.70 %	6.40 %	5.50 %	6.67 %
DAC/VOBA rollforward:							
Balance at beginning of period	\$ 3,224	\$ 3,009	\$ 3,012	\$ 3,152	\$ 3,105	\$ 3,009	\$ 3,013
Deferrals	147	127	137	109	113	274	228
Operating amortization	(68)	(86)	(78)	(37)	(48)	(154)	(124)
Change from realized gains (losses)	(5)	2	-	2	2	(3)	2
Change from unrealized gains (losses)	55	160	(39)	(249)	(30)	215	19
Foreign exchange translation	(22)	12	(23)	35	10	(10)	14
Balance at end of period	\$ 3,331	\$ 3,224	\$ 3,009	\$ 3,012	\$ 3,152	\$ 3,331	\$ 3,152
Reserve rollforward:							
Balance at beginning of period, gross	\$ 19,706	\$ 19,424	\$ 18,836	\$ 18,694	\$ 18,533	\$ 19,424	\$ 18,397
Premiums and deposits	892	884	884	860	884	1,776	1,740
Surrenders and withdrawals	(140)	(174)	(132)	(143)	(136)	(314)	(294)
Death and other contract benefits	(110)	(96)	(134)	(151)	(159)	(206)	(290)
Subtotal	20,348	20,038	19,454	19,260	19,122	20,680	19,553
Change in fair value of underlying assets and reserve accretion, net of policy fees	(295)	(247)	(214)	(242)	(229)	(542)	(433)
Cost of funds	94	95	95	93	93	189	188
Other reserve changes	(469)	(197)	85	(287)	(305)	(666)	(631)
Foreign exchange translation	(31)	17	4	12	13	(14)	17
Balance at end of period	19,647	19,706	19,424	18,836	18,694	19,647	18,694
Reinsurance ceded	(1,050)	(1,061)	(1,055)	(1,049)	(1,075)	(1,050)	(1,075)
Total insurance reserves	\$ 18,597	\$ 18,645	\$ 18,369	\$ 17,787	\$ 17,619	\$ 18,597	\$ 17,619
Domestic Life	18,322	18,377	18,134	17,577	17,436	18,322	17,436
International Life	275	268	235	210	183	275	183
Total insurance reserves	\$ 18,597	\$ 18,645	\$ 18,369	\$ 17,787	\$ 17,619	\$ 18,597	\$ 17,619

See accompanying notes on page 34.



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

(in millions)	Quarterly					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	June 30, 2018	2017
Results of Operations							
Premiums and deposits (15)	\$ 652	\$ 1,463	\$ 2,048	\$ 1,476	\$ 150	\$ 2,115	\$ 723
Revenues:							
Premiums	\$ 41	\$ 49	\$ 1,019	\$ 897	\$ 67	\$ 90	\$ 482
Policy fees	40	41	42	44	44	81	88
Net investment income:							
Base portfolio (2)	179	168	149	135	136	347	264
Alternative investments	6	11	3	4	4	17	10
Other yield enhancements (3)	11	8	8	11	5	19	11
Total net investment income	196	187	160	150	145	383	285
Advisory fee and other income	-	-	1	-	-	-	-
Total adjusted revenues	277	277	1,222	1,091	256	554	855
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	92	121	1,073	925	111	213	570
Interest credited to policyholder account balances	84	72	67	66	62	156	120
Amortization of deferred policy acquisition costs	1	1	2	2	-	2	1
Non deferrable insurance commissions	7	7	6	7	7	14	15
General operating expenses	15	14	12	10	12	29	22
Interest expense	3	3	2	2	1	6	2
Total benefits, losses and expenses	202	218	1,162	1,012	193	420	730
Adjusted pre-tax income	\$ 75	\$ 59	\$ 60	\$ 79	\$ 63	\$ 134	\$ 125
General and separate account reserves							
Future policyholder benefits	\$ 5,887	\$ 5,890	\$ 5,867	\$ 4,871	\$ 4,014	\$ 5,887	\$ 4,014
Policyholder contract deposits	10,016	9,653	8,267	8,306	7,648	10,016	7,648
Separate account reserves	3,748	4,033	4,443	3,811	3,780	3,748	3,780
Total general and separate account reserves	\$ 19,651	\$ 19,576	\$ 18,577	\$ 16,988	\$ 15,442	\$ 19,651	\$ 15,442
Noteworthy Items (pre-tax)							
Better (worse) than expected alternative returns	\$ 2	\$ 8	\$ (1)	\$ 1	\$ 2	\$ 10	\$ 3

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Reserve rollforward:							
Balance at beginning of period, gross	\$ 19,579	\$ 18,580	\$ 16,991	\$ 15,445	\$ 15,815	\$ 18,580	\$ 15,384
Premiums and deposits (15)	652	1,463	2,048	1,476	150	2,115	723
Surrenders and withdrawals	(484)	(522)	(491)	(37)	(564)	(1,006)	(763)
Death and other contract benefits	(168)	(107)	(68)	(72)	(108)	(275)	(203)
Subtotal	19,579	19,414	18,480	16,812	15,293	19,414	15,141
Change in fair value of underlying assets and reserve accretion, net of policy fees	16	61	56	86	47	77	103
Cost of funds	84	72	67	66	62	156	120
Other reserve changes	15	32	(23)	27	43	47	81
Balance at end of period	19,694	19,579	18,580	16,991	15,445	19,694	15,445
Reinsurance ceded	(43)	(3)	(3)	(3)	(3)	(43)	(3)
Total insurance reserves	\$ 19,651	\$ 19,576	\$ 18,577	\$ 16,988	\$ 15,442	\$ 19,651	\$ 15,442
Reserves by line of business:							
Structured settlements	\$ 2,907	\$ 2,877	\$ 2,830	\$ 2,774	\$ 2,714	\$ 2,907	\$ 2,714
Pension risk transfer	3,634	3,659	3,671	2,700	1,880	3,634	1,880
Corporate and Bank-owned life insurance	4,863	4,856	4,889	4,863	4,825	4,863	4,825
Stable value wrap - separate account liability	1,458	1,734	2,097	1,499	1,491	1,458	1,491
Guaranteed investment contracts	6,789	6,450	5,090	5,152	4,532	6,789	4,532
Total insurance reserves	\$ 19,651	\$ 19,576	\$ 18,577	\$ 16,988	\$ 15,442	\$ 19,651	\$ 15,442
Premiums and deposits by line of business:							
Structured settlements	\$ 58	\$ 72	\$ 74	\$ 84	\$ 98	\$ 130	\$ 226
Pension risk transfer	43	(4)	974	842	-	39	321
Corporate and Bank-owned life insurance	-	-	1	-	-	-	-
Stable value wrap - separate account liability	-	-	599	-	-	-	-
Guaranteed investment contracts (15)	551	1,395	400	550	52	1,946	176
Total premiums and deposits	\$ 652	\$ 1,463	\$ 2,048	\$ 1,476	\$ 150	\$ 2,115	\$ 723
Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)	\$ 36,740	\$ 36,638	\$ 37,616	\$ 36,415	\$ 36,605	\$ 36,740	\$ 36,605

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

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

American International Group, Inc.
Life and Retirement Notes

- (1) Life and Retirement Adjusted pre-tax income in 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	3Q17	3Q17	3Q17	3Q17
Policy fees	\$ (9)	\$ -	\$ -	\$ -	\$ (9)
Interest credited to policyholder account balances	-	36	11	2	49
Amortization of deferred policy acquisition costs	34	94	55	11	194
Policyholder benefits and claims incurred	4	-	46	-	50
Adjusted pre-tax income (loss)	\$ 29	\$ 130	\$ 112	\$ 13	\$ 284
Changes in DAC related to net realized capital gains (losses)	-	-	43	1	44
Net realized capital gains (losses)	-	-	(208)	(38)	(246)
Increase (decrease) to pre-tax income (loss)	\$ 29	\$ 130	\$ (53)	\$ (24)	\$ 82

- (2) Base portfolio investment income includes interest, dividends, foreclosed real estate income, net of investment expenses and non-qualifying (economic) hedges.
- (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 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. In 1Q18, two large FHLB funding agreements were issued within Individual Retirement and Group Retirement totaling \$1.3 billion. The deposits from these agreements were excluded from the net flows of Individual Retirement (\$1.1 billion) and Group Retirement (\$0.2 billion), as net flows from these funding agreements are not considered part of the metric to measure core recurring performance.
- (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 and Retirement Companies’ Key Risks – Variable Annuity Risk Management and Hedging Programs in our Annual Report on Form 10-K for the year ended December 31, 2017 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) 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.
- (15) 1Q18 includes deposits of \$1.4 billion of FHLB funding agreements. 2Q18 includes \$0.6 billion GIC issuance.

American International Group, Inc.
Other Operations Results

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Revenues:							
Premiums	\$ 13	\$ 6	\$ 4	\$ (19)	\$ 447	\$ 19	\$ 741
Net investment income	(6)	(1)	-	6	25	(7)	47
Other income (loss)	162	145	182	140	154	307	312
Total adjusted revenues	169	150	186	127	626	319	1,100
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	6	6	5	11	346	12	587
Acquisition expenses:							
Amortization of deferred policy acquisition costs	2	1	(1)	-	(2)	3	(8)
Other acquisition expenses	(1)	1	-	(5)	10	-	24
Total acquisition expenses	1	2	(1)	(5)	8	3	16
General operating expenses	278	246	310	243	394	524	684
Interest expense	258	238	238	244	243	496	486
Total benefits, losses and expenses	543	492	552	493	991	1,035	1,773
Adjusted pre-tax income (loss) before consolidation and eliminations	(374)	(342)	(366)	(366)	(365)	(716)	(673)
Consolidation, eliminations and other adjustments	(12)	11	-	(1)	28	(1)	76
Adjusted pre-tax income (loss)	\$ (386)	\$ (331)	\$ (366)	\$ (367)	\$ (337)	\$ (717)	\$ (597)
Adjusted Pre-tax income (loss) by activities							
Fuji Life (a)	N/A	N/A	N/A	N/A	\$ 27	N/A	43
Parent and Other:							
Corporate general operating expenses	(184)	(153)	(206)	(172)	(235)	(337)	(391)
Interest expense	(258)	(238)	(239)	(243)	(242)	(496)	(486)
Other income (expense), net	68	49	79	49	85	117	161
Total Parent and Other	(374)	(342)	(366)	(366)	(392)	(716)	(716)
Consolidation, eliminations and other adjustments	(12)	11	-	(1)	28	(1)	76
Adjusted pre-tax income (loss)	\$ (386)	\$ (331)	\$ (366)	\$ (367)	\$ (337)	\$ (717)	\$ (597)
Interest expense on attributed financial debt	(167)	(150)	(152)	(171)	(181)	(317)	(358)
Adjusted pre-tax income (loss) including attributed interest expense	(219)	(181)	(214)	(196)	(156)	(400)	(239)
Income tax expense (benefit)	11	(49)	(50)	(169)	(47)	(38)	(111)
Adjusted after-tax income (loss)	\$ (230)	\$ (132)	\$ (164)	\$ (27)	\$ (109)	\$ (362)	\$ (128)
Noteworthy Items (pre-tax):							
Better (worse) than expected alternative returns	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ 1
Better (worse) than expected DIB and GCM returns	-	-	1	-	4	-	6
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option (b)	42	46	69	47	83	88	186
Fair value changes on Equity Securities - Other	1	11	52	32	13	12	39
Parent Liquidity Portfolio Information:							
Earnings on Parent liquidity portfolio	\$ 41	\$ 31	\$ 33	\$ 30	\$ 38	\$ 72	\$ 77
Interest expense, net of portion allocated to segments	(90)	(88)	(86)	(72)	(61)	(178)	(128)
Net interest expense on Parent liquidity portfolio	\$ (49)	\$ (57)	\$ (53)	\$ (42)	\$ (23)	\$ (106)	\$ (51)

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

(b) Includes the fair value changes on the DIB and GCM asset portfolios.

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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Premiums	\$ 134	\$ 141	\$ 141	\$ 136	\$ 146	\$ 275	\$ 313
Policy Fees	32	30	32	38	32	62	67
Net investment income	623	565	634	690	722	1,188	1,452
Other income (loss)	(8)	100	349	149	238	92	390
Total adjusted revenues	781	836	1,156	1,013	1,138	1,617	2,222

Benefits, losses and expenses:

Policyholder benefits and losses incurred	453	506	528	500	488	959	970
Interest credited to policyholder account balances	63	59	60	61	57	122	120
Acquisition expenses:							
Amortization of deferred policy acquisition costs	19	18	6	28	14	37	42
Other acquisition expenses	-	1	-	1	(1)	1	(1)
Total acquisition expenses	19	19	6	29	13	38	41
Non deferrable insurance commissions	4	5	6	6	6	9	12
General operating expenses	100	94	126	98	115	194	236
Interest expense*	8	8	19	33	28	16	70
Total benefits, losses and expenses	647	691	745	727	707	1,338	1,449

Adjusted pre-tax income (loss)

Adjusted pre-tax income (loss) by type

General Insurance run-off lines	44	62	14	63	57	106	144
Life and Retirement run-off lines	58	28	98	79	139	86	229
Legacy investments	32	55	299	144	235	87	400

Adjusted pre-tax income (loss)

Interest expense on attributed financial debt	-	10	31	42	43	10	86
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Adjusted pre-tax income (loss) including attributed interest expense

Income tax expense (benefit)	27	29	129	79	135	56	232
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Adjusted after-tax income (loss) (a)

Ending adjusted attributed equity	\$ 9,267	\$ 9,246	\$ 9,283	\$ 9,880	\$ 9,912	\$ 9,267	\$ 9,912
Average adjusted attributed equity (b)**	9,257	9,265	9,582	9,896	10,195	9,265	10,346
Adjusted return on attributed equity (a÷b)	4.6 %	4.6 %	10.5 %	6.7 %	9.9 %	4.6 %	8.8 %

* Includes inter-segment interest expenses.

** See accompanying notes to Adjusted Attributed Equity on page 50.



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

(in millions)

Noteworthy Items (pre-tax)

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Catastrophe losses, net of reinsurance	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(2)	(2)	(4)	(1)	(2)	(4)	(16)
Update of actuarial assumptions (unlocking)	-	-	-	(14)	-	-	-
Better (worse) than expected alternative returns	(4)	-	15	29	29	(4)	24
Better (worse) than expected DIB and GCM returns	(19)	37	233	42	138	18	181
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option*	63	34	298	89	161	97	268
Fair value changes on Equity Securities - Other	(2)	2	-	-	-	-	-
Selected Balance Sheet Data							
Legacy investments, net of related debt	\$ 2,834	\$ 2,779	\$ 3,670	\$ 5,811	\$ 5,961	\$ 2,834	\$ 5,961
Legacy General Insurance run-off reserves **	5,806	5,926	6,178	6,375	6,548	5,806	6,548
Legacy Life and Retirement run-off reserves	37,348	37,793	38,608	38,489	38,740	37,348	38,740

* Includes the fair value changes on DIB and GCM asset portfolios.

** 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					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Net premiums earned	\$ 21	\$ 18	\$ 21	\$ 19	\$ 22	\$ 39	\$ 67
Losses and loss adjustment expenses incurred*	34	17	70	38	46	51	84
Total acquisition expenses	1	3	2	2	1	4	2
General operating expenses	12	8	9	6	9	20	16
Underwriting income (loss)	(26)	(10)	(60)	(27)	(34)	(36)	(35)
Net investment income	70	72	74	90	91	142	179
Adjusted pre-tax income (loss)	\$ 44	\$ 62	\$ 14	\$ 63	\$ 57	\$ 106	\$ 144
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(2)	(2)	(4)	(1)	(2)	(4)	(16)
Net liability for unpaid losses and loss adjustment expenses (at period end)**	5,806	5,926	6,178	6,375	6,548	5,806	6,548

* 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					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Premiums and deposits	\$ 153	\$ 225	\$ 156	\$ 155	\$ 149	\$ 378	\$ 309
Revenues:							
Premiums	\$ 115	\$ 122	\$ 120	\$ 117	\$ 124	\$ 237	\$ 246
Policy fees	32	30	32	38	32	62	67
Net investment income:							
Base portfolio	413	421	443	424	423	834	864
Alternative investments	37	47	64	78	79	84	116
Other yield enhancements	23	22	44	35	40	45	84
Total net investment income	473	490	551	537	542	963	1,064
Other income	1	-	2	-	1	1	1
Total adjusted revenues	621	642	705	692	699	1,263	1,378
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	427	482	458	462	442	909	886
Interest credited to policyholder account balances	63	59	60	61	57	122	120
Amortization of deferred policy acquisition costs	18	17	4	27	12	35	39
Non deferrable insurance commissions	4	5	6	6	6	9	12
General operating expenses	48	49	71	48	38	97	81
Interest expense	3	2	8	9	5	5	11
Total benefits, losses and expenses	563	614	607	613	560	1,177	1,149
Adjusted pre-tax income (loss)	\$ 58	\$ 28	\$ 98	\$ 79	\$ 139	\$ 86	\$ 229
Noteworthy items (pre-tax)							
Future policy benefits for life and A&H contracts (at period end)	\$ 30,018	\$ 30,355	\$ 31,005	\$ 30,845	\$ 30,996	\$ 30,018	\$ 30,996
Policyholder contract deposits	5,399	5,483	5,624	5,648	5,745	5,399	5,745
Separate account reserves	1,931	1,955	1,979	1,996	1,999	1,931	1,999
Total general and separate account reserves	\$ 37,348	\$ 37,793	\$ 38,608	\$ 38,489	\$ 38,740	\$ 37,348	\$ 38,740
Update of actuarial assumptions (unlocking)	\$ -	\$ -	\$ -	\$ (14)	\$ -	\$ -	\$ -

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

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

(in millions)

	Quarterly					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	June 30,	
						2018	2017
Fixed Maturity Securities- AFS, at fair value							
Yield (a)	4.54%	4.63%	4.67%	4.55%	4.69%	4.59%	4.63%
Investment income (b)	\$ 2,547	\$ 2,609	\$ 2,625	\$ 2,543	\$ 2,626	\$ 5,156	\$ 5,309
Net realized capital gains (losses)	(50)	(76)	20	(18)	111	(126)	207
Ending carrying value	228,673	233,914	238,992	237,771	235,289	228,673	235,289
Fixed Maturity Securities- Other, at fair value (c)							
Total Return (a)	3.86%	3.95%	14.83%	6.90%	10.39%	3.91%	9.66%
Investment income (loss) (b)	\$ 117	\$ 124	\$ 472	\$ 226	\$ 352	\$ 241	\$ 663
Ending carrying value	11,774	12,397	12,772	12,653	13,477	11,774	13,477
Equity Securities- AFS, at fair value							
Yield (a)	0.00%	0.00%	3.76%	1.49%	3.40%	0.00%	2.27%
Investment income (loss) (b)	\$ -	\$ -	\$ 12	\$ 5	\$ 12	\$ -	\$ 17
Net realized capital gains (losses)	-	16	1	2	75	16	74
Ending carrying value (d)	-	-	1,708	1,707	1,605	-	1,605
Equity Securities- Other, at fair value (c)							
Investment income (b)	\$ 3	\$ (31)	\$ 52	\$ 32	\$ 13	\$ (28)	\$ 39
Ending carrying value	1,675	1,725	589	538	506	1,675	506
Mortgage and other loans receivable							
Yield (a)	4.58%	4.79%	4.99%	4.72%	4.70%	4.68%	4.72%
Investment income (b)	\$ 449	\$ 452	\$ 456	\$ 417	\$ 402	\$ 901	\$ 801
Net realized capital gains (losses)	(28)	(24)	10	(36)	(24)	(52)	(18)
Ending carrying value	39,978	38,540	37,023	36,089	34,642	39,978	34,642
Other Invested Assets:							
Other invested assets - Hedge Funds/Private Equity (e)							
Yield (a)	5.08%	11.51%	9.94%	11.21%	11.96%	8.38%	12.81%
Investment income (b)	\$ 131	\$ 299	\$ 260	\$ 309	\$ 338	\$ 430	\$ 742
Net realized capital gains (losses)	-	-	(5)	(14)	15	-	58
Ending carrying value	10,029	10,642	10,764	11,484	11,929	10,029	11,929
Other invested assets - Real Estate investments							
Yield (a)	1.73%	1.67%	1.82%	4.76%	1.08%	1.70%	1.75%
Investment income (b)	\$ 38	\$ 35	\$ 36	\$ 87	\$ 19	\$ 73	\$ 61
Net realized capital gains (losses)	(54)	(6)	3	1	33	(60)	24
Ending carrying value	8,879	8,636	8,258	7,465	7,188	8,879	7,188
Other invested assets - All other (f)							
Investment income (b) (d)	\$ 43	\$ 54	\$ 73	\$ 98	\$ 135	\$ 97	\$ 306
Net realized capital gains (losses)	-	97	(14)	(321)	(56)	97	(184)
Ending carrying value	1,739	1,094	1,800	3,641	4,015	1,739	4,015
Other Invested Assets - Total	\$ 20,648	\$ 21,183	\$ 20,822	\$ 22,590	\$ 23,132	\$ 20,648	\$ 23,132
Short-term Investments							
Yield (a)	0.67%	0.91%	1.26%	0.70%	0.67%	0.78%	0.59%
Investment income (b)	\$ 27	\$ 28	\$ 32	\$ 19	\$ 19	\$ 55	\$ 35
Ending carrying value	17,010	14,616	10,386	9,775	12,094	17,010	12,094
Total AIG							
Total Investments	\$ 319,758	\$ 322,375	\$ 322,292	\$ 321,123	\$ 320,746	\$ 319,758	\$ 320,745
Total Investment Expenses	\$ 126	\$ 120	\$ 123	\$ 128	\$ 122	\$ 246	\$ 241
Total Gross Investment Income (b)	\$ 3,355	\$ 3,570	\$ 4,018	\$ 3,736	\$ 3,916	\$ 6,925	\$ 7,973

See accompanying notes on page 41.



**American International Group, Inc.
Investments Portfolio Results (Con't)**

(in millions)	Quarterly					Six Months Ended	
						June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Total Gross Investment Income - APTI basis	\$ 3,355	\$ 3,570	\$ 4,018	\$ 3,736	\$ 3,916	\$ 6,925	\$ 7,973
Investment expenses	126	120	123	128	122	246	241
Investment income from non-insurance subsidiaries reported in other	109	102	460	218	261	211	524
Total Insurance Company Net Investment Income	\$ 3,120	\$ 3,348	\$ 3,435	\$ 3,390	\$ 3,533	\$ 6,468	\$ 7,208
Breakdown by Segment:							
General Insurance	657	761	859	863	897	1,418	1,946
Life and Retirement	1,995	2,046	2,003	1,907	1,944	4,041	3,906
Legacy Portfolio	623	565	634	690	722	1,188	1,452
Other Operations	(6)	(1)	-	6	25	(7)	47
Consolidations and Eliminations	(149)	(23)	(61)	(76)	(55)	(172)	(143)
Total Insurance Company Net Investment Income	\$ 3,120	\$ 3,348	\$ 3,435	\$ 3,390	\$ 3,533	\$ 6,468	\$ 7,208
Items Excluded from GAAP Net Investment Income:							
Changes in fair value of securities used to hedge guaranteed living benefits	27	77	(29)	(26)	(80)	104	(91)
Net realized capital gains (losses) related to non-qualifying hedges	28	10	-	-	-	38	-
Net Investment Income per Consolidated Statement of Operations	\$ 3,065	\$ 3,261	\$ 3,464	\$ 3,416	\$ 3,613	\$ 6,326	\$ 7,299

Presentation Change to Investments Portfolio Results

Beginning in the second quarter of 2018, investment income presented in the Investment Portfolio Results has been changed to an APTI basis. Prior periods presented have been revised to conform to the current period presentation.

Notes to Investments Portfolio Results

- (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) Fixed Maturity Securities - Other are securities for which we elected the fair value option. For Fixed Maturity Securities - Other and Equity Securities - Other, changes in the fair value of these securities are reported through investment income, which can result in significant fluctuation in the total return.
- (d) Includes Arch convertible non-voting common-equivalent preferred shares, which were fully sold in 1Q18.
- (e) 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.
- (f) Other Invested Assets - All Other includes long term time deposits, private common stock, affordable housing partnerships, aircraft assets, and our life settlement portfolio, of which we sold the remaining portion during 4Q17. 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.

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

(in millions)	Quarterly					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	June 30, 2018	2017
Sales of fixed maturity securities	\$ (13)	\$ 10	\$ 51	\$ 54	\$ 165	\$ (3)	\$ 320
Sales of equity securities	-	16	2	4	81	16	82
Other-than-temporary impairments:							
Severity	-	-	-	-	(2)	-	(2)
Change in intent	-	(49)	-	(1)	(7)	(49)	(8)
Foreign currency declines	(6)	(6)	-	(1)	-	(12)	(10)
Issuer-specific credit events	(30)	(32)	(37)	(85)	(55)	(62)	(112)
Adverse projected cash flows	-	-	-	(1)	(3)	-	(3)
Total other-than-temporary impairments	(36)	(87)	(37)	(88)	(67)	(123)	(135)
Provision for loan losses	(26)	(24)	6	(38)	(24)	(50)	(18)
Foreign exchange transactions	(187)	53	190	66	74	(134)	233
Variable annuity embedded derivatives, net of related hedges	36	147	(351)	(430)	(204)	183	(593)
All other derivatives and hedge accounting	375	(225)	(151)	(136)	(94)	150	(81)
Impairments on investments in life settlements	-	-	-	(273)	(46)	-	(87)
Other*	16	91	16	(81)	46	107	95
Total net realized capital gains (losses)	\$ 165	\$ (19)	\$ (274)	\$ (922)	\$ (69)	\$ 146	\$ (184)

*In 2Q18, includes a \$48 million gain on sale of our investment in Castle Holdings' aircraft assets. In 4Q17, we sold the remaining portion of our life settlement portfolio. Included loss on sale of a portion of our Life Settlement Portfolio of \$11 million, \$34 million, and \$5 million in 4Q17, 3Q17, and 2Q17, respectively. The aggregate amount of loss on sale plus impairments of our Life Settlement Portfolio was \$11 million, \$307 million, and \$51 million in 4Q17, 3Q17, and 2Q17, respectively.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
General Insurance							
North America							
Commercial Lines	\$ (95)	\$ (136)	\$ (105)	\$ 528	\$ 15	\$ (231)	\$ (66)
Personal Insurance	41	58	8	14	(11)	99	(8)
Total North America	(54)	(78)	(97)	542	4	(132)	(74)
International							
Commercial Lines	(8)	(1)	193	309	47	(9)	151
Personal Insurance	1	(29)	(16)	(14)	7	(28)	5
Total International	(7)	(30)	177	295	54	(37)	156
Total General Insurance	(61)	(108)	80	837	58	(169)	82
Legacy Portfolio	(2)	(2)	(4)	(1)	(2)	(4)	(16)
Total prior year unfavorable (favorable) development*	\$ (63)	\$ (110)	\$ 76	\$ 836	\$ 56	\$ (173)	\$ 66
(Additional) return premium related to prior year development on loss sensitive business	\$ 11	\$ 4	\$ 13	\$ 9	\$ 23	\$ 15	\$ 46

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreement of \$57 million, \$62 million, \$63 million, \$62 million and \$62 million for the three months ended June 30 and March 31, 2018, and December 31, September 30, and June 30, 2017, respectively. Consistent with our definition of APTI, prior year development excludes the portion of (favorable)/unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of (\$19 million), \$9 million, \$72 million, \$3 million and \$273 million for the three months ended June 30 and March 31, 2018, and December 31, September 30 and June 30, 2017, respectively, and related changes in amortization of the deferred gain of \$13 million, (\$23 million), \$26 million, \$13 million, and \$20 million over those same periods.

Prior year development by accident year:	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Accident Year							
2017	\$ 39	\$ (17)	\$ -	\$ -	\$ -	\$ 22	\$ -
2016	(15)	(60)	76	705	58	(75)	39
2015	(36)	(4)	20	52	(21)	(40)	(24)
2014	(98)	(14)	(6)	12	(23)	(112)	(12)
2013	(27)	(3)	(54)	(9)	(29)	(30)	(36)
2012	(74)	(9)	36	(42)	(18)	(83)	(16)
2011	(23)	(8)	(19)	21	8	(31)	16
2010	(14)	(3)	8	13	2	(17)	(5)
2009	-	(1)	60	4	9	(1)	4
2008 and prior*	185	9	(45)	80	70	194	100
Total prior year unfavorable (favorable) development	\$ (63)	\$ (110)	\$ 76	\$ 836	\$ 56	\$ (173)	\$ 66

* Increase in prior year development for 2008 and prior is primarily related to pre-1986 environmental liability driven by increasing severity of claims from excess casualty policies.



American International Group, Inc.
Adverse Development Cover

The table below shows the calculation of the gain on the adverse development reinsurance agreement showing 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)	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	2Q18 Change
Gross Covered Losses						
Covered reserves before discount	\$ 24,374	\$ 25,700	\$ 26,654	\$ 28,778	\$ 30,399	\$ (1,326)
Inception to date losses paid	17,058	15,751	14,788	12,631	11,010	1,307
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	\$ 16,432	\$ 16,451	\$ 16,442	\$ 16,409	\$ 16,409	\$ (19)
Deferred Gain Development						
Covered losses above attachment ceded to NICO (80%)*	\$ 13,146	\$ 13,161	\$ 13,153	\$ 13,127	\$ 13,127	\$ (15)
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	2,958	2,973	2,965	2,939	2,939	(15)
Discount on ceded losses	(1,647)	(1,667)	(1,539)	(1,494)	(1,547)	20
Pre-tax deferred gain before amortization	1,311	1,306	1,426	1,445	1,392	5
Inception to date amortization attributed to deferred gain at inception	(347)	(290)	(228)	(165)	(103)	(57)
Inception to date amortization attributed to changes in deferred gain**	(7)	(3)	(31)	(19)	(12)	(4)
Deferred gain liability reflected in AIG's balance sheet	\$ 957	\$ 1,013	\$ 1,167	\$ 1,261	\$ 1,277	\$ (56)

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly				
	2Q18	1Q18	4Q17	3Q17	2Q17
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ (19)	\$ 9	\$ 33	\$ -	\$ 341
Prior year development ceded to NICO*	15	(8)	(26)	-	(273)
Subtotal	(4)	1	7	-	68
Amortization attributed to deferred gain at inception	(57)	(62)	(63)	(62)	(62)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	(61)	(61)	(56)	(62)	6
Unfavorable (favorable) prior year development on non-covered reserves	(2)	(49)	132	898	50
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	\$ (63)	\$ (110)	\$ 76	\$ 836	\$ 56

* 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

	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 11,499	\$ 11,494	\$ 11,614	\$ 11,633	\$ 11,580
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	11,499	11,494	11,614	11,633	11,580
Deferred gain reported in Other liabilities	957	1,013	1,167	1,261	1,277



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

(in millions)	Quarterly					Six Months Ended	
	2Q18	1Q18	4Q17	3Q17	2Q17	June 30, 2018	2017
GAAP Basis:							
Numerator for EPS:							
Income (loss) from continuing operations	\$ 931	\$ 950	\$ (6,669)	\$ (1,712)	\$ 1,110	\$ 1,881	\$ 2,321
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	(6)	11	(12)	26	(12)	5	14
Income (loss) attributable to AIG common shareholders from continuing operations	937	939	(6,657)	(1,738)	1,122	1,876	2,307
Income (loss) from discontinued operations, net of income tax expense	-	(1)	(3)	(1)	8	(1)	8
Net income (loss) attributable to AIG common shareholders	\$ 937	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,875	\$ 2,315
Denominator for EPS:							
Weighted average shares outstanding - basic*	903.2	908.0	908.1	908.7	925.8	905.6	953.1
Dilutive shares**	13.4	17.3	-	-	22.4	15.3	23.5
Weighted average shares outstanding - diluted**	916.6	925.3	908.1	908.7	948.2	920.9	976.6
Income per common share attributable to AIG:							
Basic:							
Income (loss) from continuing operations	\$ 1.04	\$ 1.03	\$ (7.33)	\$ (1.91)	\$ 1.21	\$ 2.07	\$ 2.42
Income (loss) from discontinued operations	-	-	-	-	0.01	-	0.01
Net income (loss) attributable to AIG	\$ 1.04	\$ 1.03	\$ (7.33)	\$ (1.91)	\$ 1.22	\$ 2.07	\$ 2.43
Diluted**:							
Income (loss) from continuing operations	\$ 1.02	\$ 1.01	\$ (7.33)	\$ (1.91)	\$ 1.18	\$ 2.04	\$ 2.36
Income (loss) from discontinued operations	-	-	-	-	0.01	-	0.01
Net income (loss) attributable to AIG	\$ 1.02	\$ 1.01	\$ (7.33)	\$ (1.91)	\$ 1.19	\$ 2.04	\$ 2.37

* 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					As of June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Book Value Per Share							
Total AIG shareholders' equity (a)	\$ 61,186	\$ 62,792	\$ 65,171	\$ 72,468	\$ 73,732	\$ 61,186	\$ 73,732
Less: Accumulated other comprehensive income (AOCI)	230	2,220	5,465	5,939	4,962	230	4,962
Total AIG shareholders' equity, excluding AOCI (b)	60,956	60,572	59,706	66,529	68,770	60,956	68,770
Less: Deferred tax assets (DTA)*	9,853	10,214	10,492	14,897	14,287	9,853	14,287
Total adjusted shareholders' equity (c)	51,103	50,358	49,214	51,632	54,483	51,103	54,483
Total common shares outstanding (d)	891.2	897.7	899.0	898.9	903.4	891.2	903.4
Book value per common share (a÷d)	\$ 68.65	\$ 69.95	\$ 72.49	\$ 80.62	\$ 81.62	\$ 68.65	\$ 81.62
Book value per common share, excluding AOCI (b÷d)	68.40	67.48	66.41	74.01	76.12	68.40	76.12
Adjusted book value per common share (c÷d)	57.34	56.10	54.74	57.44	60.31	57.34	60.31

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Return On Equity (ROE) Computations							
Actual or Annualized net income (loss) attributable to AIG (a)	\$ 3,748	\$ 3,752	\$ (26,640)	\$ (6,956)	\$ 4,520	\$ 3,750	\$ 4,630
Actual or Annualized adjusted after-tax income (loss) attributable to AIG (b)	\$ 3,844	\$ 3,852	\$ 2,104	\$ (4,444)	\$ 5,796	\$ 3,848	\$ 5,632
Average AIG Shareholders' equity (c)	\$ 61,989	\$ 63,982	\$ 68,820	\$ 73,100	\$ 73,901	\$ 63,050	\$ 74,700
Less: Average AOCI	1,225	3,843	5,702	5,451	4,372	2,639	3,991
Less: Average DTA	10,034	10,353	12,695	14,592	14,436	10,186	14,547
Average adjusted shareholders' equity (d)	\$ 50,730	\$ 49,786	\$ 50,423	\$ 53,057	\$ 55,093	\$ 50,225	\$ 56,162
ROE (a÷c)	6.0%	5.9%	(38.7%)	(9.5%)	6.1%	5.9%	6.2%
Adjusted return on equity (b÷d)	7.6%	7.7%	4.2%	8.4%	10.5%	7.7%	10.0%

* Represents deferred tax assets only related to U.S. net operating loss and foreign tax credit carryforwards on a U.S. GAAP basis and excludes other balance sheet deferred tax assets and liabilities.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Pre-tax income (loss) from continuing operations	\$ 1,252	\$ 1,227	\$ 875	\$ (2,803)	\$ 1,667	\$ 2,479	\$ 3,394
Adjustments to arrive at Adjusted pre-tax income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	36	77	(29)	(26)	(80)	113	(91)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(1)	31	(108)	(84)	(58)	30	(111)
Loss (gain) on extinguishment of debt	5	4	(1)	1	(4)	9	(5)
Net realized capital (gains) losses (a)	(155)	19	274	922	69	(136)	184
(Income) loss from divested businesses	(25)	(8)	(241)	13	60	(33)	160
Non-operating litigation reserves and settlements	12	13	(43)	-	(80)	25	(86)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(32)	34	45	(7)	251	2	265
Net loss reserve discount (benefit) charge	(14)	(205)	(96)	48	260	(219)	235
Pension expense related to a one-time lump sum payment to former employees	-	-	10	49	1	-	1
Restructuring and other costs	200	24	154	31	47	224	228
Adjusted pre-tax income (loss)	\$ 1,278	\$ 1,216	\$ 840	\$ (1,856)	\$ 2,133	\$ 2,494	\$ 4,174
Net income (loss) attributable to AIG	\$ 937	\$ 938	\$ (6,660)	\$ (1,739)	\$ 1,130	\$ 1,875	\$ 2,315
Adjustments to arrive at Adjusted after-tax income (loss) (amounts net of tax, at U.S. statutory tax rate for each respective period, except where noted):							
Changes in uncertain tax positions and other tax adjustments	3	(4)	461	11	66	(1)	16
Deferred income tax valuation allowance (releases) charges	7	30	66	(2)	(8)	37	(21)
Impact of Tax Act	-	-	6,687	-	-	-	-
Changes in fair value of securities used to hedge guaranteed living benefits	28	61	(19)	(17)	(52)	89	(59)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(1)	25	(70)	(55)	(38)	24	(72)
Loss (gain) on extinguishment of debt	4	3	-	-	(2)	7	(3)
Net realized capital (gains) losses (a)(b)	(128)	21	170	607	31	(107)	104
(Income) loss from discontinued operations and divested businesses (b)	(20)	(5)	(156)	7	12	(25)	118
Non-operating litigation reserves and settlements	10	10	(28)	-	(52)	20	(56)
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(25)	27	30	(5)	162	2	172
Net loss reserve discount (benefit) charge	(11)	(162)	(60)	28	170	(173)	154
Pension expense related to a one-time lump sum payment to former employees	-	-	6	33	-	-	-
Restructuring and other costs	157	19	99	21	30	176	148
Adjusted after-tax income (loss)	\$ 961	\$ 963	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,924	\$ 2,816
Calculation of Effective Tax Rates							
Adjusted pre-tax income (loss)	\$ 1,278	\$ 1,216	\$ 840	\$ (1,856)	\$ 2,133	\$ 2,494	\$ 4,174
Income tax benefit (expense)	(321)	(243)	(327)	770	(696)	(564)	(1,349)
Net income (loss) attributable to noncontrolling interest	4	(10)	13	(25)	12	(6)	(9)
Adjusted after-tax income (loss)	\$ 961	\$ 963	\$ 526	\$ (1,111)	\$ 1,449	\$ 1,924	\$ 2,816
Effective tax rates on adjusted pre-tax income (loss)	25.1%	20.0%	38.9%	41.5%	32.6%	22.6%	32.3%

(a) Includes all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication.

(b) Includes the impact of non-U.S. tax rates which differ from the applicable U.S. statutory tax rate and tax-only adjustments.



American International Group, Inc.

Reconciliation of Adjusted Pre-tax and After-tax Income – Core Portfolio

Total Core

(in millions)

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Adjusted pre-tax income (loss)	\$ 1,144	\$ 1,071	\$ 429	\$ (2,142)	\$ 1,702	\$ 2,215	\$ 3,401
Interest expense (benefit) on attributed financial debt	-	(10)	(31)	(42)	(43)	(10)	(86)
Adjusted pre-tax income (loss) including attributed interest expenses:	1,144	1,081	460	(2,100)	1,745	2,225	3,487
Income tax expense (benefit)	294	214	198	(849)	561	508	1,117
Adjusted after-tax income (loss) (a)	\$ 850	\$ 867	\$ 262	\$ (1,251)	\$ 1,184	\$ 1,717	\$ 2,370
Ending adjusted attributed equity	41,836	41,112	39,931	41,751	44,571	41,836	44,571
Average adjusted attributed equity (b)*	41,474	40,522	40,841	43,161	44,898	40,960	45,816
Adjusted return on attributed equity (a÷b)	8.2 %	8.6 %	2.6 %	(11.6)%	10.5 %	8.4 %	10.3 %

* See accompanying notes to Adjusted Attributed Equity on page 50.

American International Group, Inc.
Attributed Debt and Adjusted Attributed Equity by Segment*

(in millions)

	Quarterly				
	2Q18	1Q18	4Q17	3Q17	2Q17
<u>Attributed Debt (a)</u>					
General Insurance	\$ 12,862	\$ 12,862	\$ 10,819	\$ 10,819	\$ 12,329
Life and Retirement	2,830	2,830	516	516	516
Other Operations	7,748	7,943	8,785	6,799	5,921
Total Core	23,440	23,635	20,120	18,134	18,766
Legacy	-	-	2,036	3,764	3,767
Total Attributed Debt	\$ 23,440	\$ 23,635	\$ 22,156	\$ 21,898	\$ 22,533
<u>Consolidated Attributed Debt</u>					
Total Financial debt	\$ 21,886	\$ 22,043	\$ 21,315	\$ 21,062	\$ 21,668
Hybrid debt securities - junior subordinated debt	1,554	1,592	841	836	865
Total Attributed Debt	\$ 23,440	\$ 23,635	\$ 22,156	\$ 21,898	\$ 22,533
<u>Adjusted Attributed Equity (b)</u>					
General Insurance	\$ 24,146	\$ 23,887	\$ 25,244	\$ 24,979	\$ 25,867
Life and Retirement	19,972	19,931	20,304	20,983	20,884
Other Operations	(2,282)	(2,706)	(5,617)	(4,211)	(2,180)
Total Core	41,836	41,112	39,931	41,751	44,571
Legacy	9,267	9,246	9,283	9,880	9,912
Total Adjusted Attributed Equity	\$ 51,103	\$ 50,358	\$ 49,214	\$ 51,631	\$ 54,483

* In accordance with our annual process, the opening balances (i.e. January 1, 2018) of attributed debt and attributed equity have been recalibrated based on our internal model.

(a) 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 on "frictional" capital requirements beyond internal capital.

(b) 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 model's risk profile of each business. The recalibrated adjusted attributed equity balances as of January 1, 2018 was \$22,933 million, \$19,467 million, (\$2,469) million and \$39,931 million for General Insurance, Life and Retirement, Other Operations and Core, respectively. There was no change for Legacy Portfolio. The calculation of average adjusted attributed equity for the three-month period ended March 31, 2018 and six-month period ended June 30, 2018 is calculated using the recalibrated adjusted attributed equity as of January 1, 2018.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Results of Operations							
Net premiums written	\$ 3,911	\$ 3,269	\$ 3,230	\$ 3,770	\$ 3,826	\$ 7,180	\$ 7,455
Net premiums earned (a)	\$ 3,737	\$ 3,640	\$ 3,692	\$ 3,815	\$ 3,736	\$ 7,377	\$ 7,505
Losses and loss adjustment expenses incurred (b)	2,754	2,566	3,137	6,426	2,762	5,320	5,476
Acquisition expenses:							
Amortization of deferred policy acquisition costs	454	449	449	424	465	903	893
Other acquisition expenses	151	182	123	129	103	333	271
Total acquisition expenses	605	631	572	553	568	1,236	1,164
General operating expenses	545	546	570	476	504	1,091	1,045
Underwriting income (loss) (a)	\$ (167)	\$ (103)	\$ (587)	\$ (3,640)	\$ (98)	\$ (270)	\$ (180)
Underwriting Ratios							
Loss ratio (b)	73.7	70.5	85.0	168.4	73.9	72.1	73.0
Catastrophe losses and reinstatement premiums	(3.3)	(4.5)	(7.7)	(71.2)	(4.7)	(3.9)	(5.1)
Prior year development	2.6	3.7	(2.6)	(22.1)	(2.1)	3.1	(1.5)
Adjustments for ceded premium under reinsurance contracts and other (a) (c)	2.3	-	-	-	(0.8)	1.2	(0.4)
Accident year loss ratio, as adjusted	75.3	69.7	74.7	75.1	66.3	72.5	66.0
Acquisition ratio	16.2	17.3	15.5	14.5	15.2	16.8	15.5
General operating expense ratio	14.6	15.0	15.4	12.5	13.5	14.8	13.9
Expense ratio	30.8	32.3	30.9	27.0	28.7	31.6	29.4
Combined ratio (b)	104.5	102.8	115.9	195.4	102.6	103.7	102.4
Accident year combined ratio, as adjusted (c)	106.1	102.0	105.6	102.1	95.0	104.1	95.4
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ 122	\$ 164	\$ 300	\$ 2,719	\$ 178	\$ 286	\$ 379
Reinstatement premiums related to catastrophes	-	-	(23)	-	-	-	-
Severe losses	276	135	51	232	125	411	165
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(103)	(137)	88	837	62	(240)	85
(Additional) return premium related to prior year development on loss sensitive business	11	4	13	9	23	15	46
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(92)	(133)	101	846	85	(225)	131

(a) Includes an additional \$115 million of net premium earned for multi-year policies related to earlier accident years in the three- and six-month periods ended June 30, 2018.

(b) 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.

(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 both the three- and six-month periods ended June 30, 2017.

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

(in millions)

Results of Operations

	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Net premiums written	\$ 3,066	\$ 2,902	\$ 2,662	\$ 2,807	\$ 2,846	\$ 5,968	\$ 5,514
Net premiums earned	\$ 2,833	\$ 3,043	\$ 2,683	\$ 2,823	\$ 2,788	\$ 5,876	\$ 5,508
Losses and loss adjustment expenses incurred	1,563	1,922	1,853	1,814	1,413	3,485	2,936
Acquisition expenses:							
Amortization of deferred policy acquisition costs	638	617	513	510	495	1,255	976
Other acquisition expenses	146	203	183	215	247	349	467
Total acquisition expenses	784	820	696	725	742	1,604	1,443
General operating expenses	408	449	392	441	386	857	788
Underwriting income (loss)	\$ 78	\$ (148)	\$ (258)	\$ (157)	\$ 247	\$ (70)	\$ 341
Underwriting Ratios							
Loss ratio*	55.2	63.2	69.1	64.3	50.7	59.3	53.3
Catastrophe losses and reinstatement premiums	(1.0)	(7.0)	(17.3)	(10.6)	(0.1)	(4.1)	(0.5)
Prior year development	(1.5)	(1.0)	0.3	-	0.2	(1.2)	-
Accident year loss ratio, as adjusted	52.7	55.2	52.1	53.7	50.8	54.0	52.8
Acquisition ratio	27.7	26.9	25.9	25.7	26.6	27.3	26.2
General operating expense ratio	14.4	14.8	14.6	15.6	13.8	14.6	14.3
Expense ratio	42.1	41.7	40.5	41.3	40.4	41.9	40.5
Combined ratio*	97.3	104.9	109.6	105.6	91.1	101.2	93.8
Accident year combined ratio, as adjusted	94.8	96.9	92.6	95.0	91.2	95.9	93.3
Noteworthy Items (pre-tax)							
Catastrophe-related losses	\$ 28	\$ 212	\$ 462	\$ 297	\$ 2	\$ 240	\$ 29
Severe losses	17	-	-	11	-	17	17
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	42	29	(8)	-	(4)	71	(3)

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

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

<i>(in millions)</i>	Quarterly					Six Months Ended June 30,	
	2Q18	1Q18	4Q17	3Q17	2Q17	2018	2017
Individual Retirement:							
Premiums	\$ 16	\$ 12	\$ 10	\$ 22	\$ 31	\$ 28	\$ 59
Deposits	3,408	4,347	3,096	2,504	2,862	7,755	6,219
Other	(2)	(1)	-	-	(1)	(3)	(4)
Premiums and deposits	\$ 3,422	\$ 4,358	\$ 3,106	\$ 2,526	\$ 2,892	\$ 7,780	\$ 6,274
Individual Retirement (Fixed Annuities):							
Premiums	\$ 17	\$ 13	\$ 14	\$ 20	\$ 33	\$ 30	\$ 62
Deposits	1,112	786	856	573	604	1,898	1,496
Other	(4)	(2)	(2)	(1)	(4)	(6)	(8)
Premiums and deposits	\$ 1,125	\$ 797	\$ 868	\$ 592	\$ 633	\$ 1,922	\$ 1,550
Individual Retirement (Variable Annuities):							
Premiums	\$ (1)	\$ (1)	\$ (4)	\$ 2	\$ (2)	\$ (2)	\$ (3)
Deposits	771	1,921	771	733	841	2,692	1,703
Other	1	1	2	1	2	2	3
Premiums and deposits	\$ 771	\$ 1,921	\$ 769	\$ 736	\$ 841	\$ 2,692	\$ 1,703
Individual Retirement (Index Annuities):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	957	739	786	601	720	1,696	1,326
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 957	\$ 739	\$ 786	\$ 601	\$ 720	\$ 1,696	\$ 1,326
Individual Retirement (Retail Mutual Funds):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	570	901	683	597	698	1,471	1,695
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 570	\$ 901	\$ 683	\$ 597	\$ 698	\$ 1,471	\$ 1,695
Group Retirement:							
Premiums	\$ 15	\$ 6	\$ 6	\$ 8	\$ 4	\$ 21	\$ 13
Deposits	2,330	2,066	1,842	1,852	1,798	4,396	3,829
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 2,345	\$ 2,072	\$ 1,848	\$ 1,860	\$ 1,802	\$ 4,417	\$ 3,842
Life Insurance:							
Premiums	\$ 418	\$ 379	\$ 362	\$ 384	\$ 400	\$ 797	\$ 784
Deposits	410	412	398	371	381	822	749
Other	152	178	203	180	166	330	324
Premiums and deposits	\$ 980	\$ 969	\$ 963	\$ 935	\$ 947	\$ 1,949	\$ 1,857
Institutional Markets:							
Premiums	\$ 41	\$ 49	\$ 1,019	\$ 897	\$ 67	\$ 90	\$ 482
Deposits	565	1,408	1,022	573	76	1,973	226
Other	46	6	7	6	7	52	15
Premiums and deposits	\$ 652	\$ 1,463	\$ 2,048	\$ 1,476	\$ 150	\$ 2,115	\$ 723
Total Life and Retirement:							
Premiums	\$ 490	\$ 446	\$ 1,397	\$ 1,311	\$ 502	\$ 936	\$ 1,338
Deposits	6,713	8,233	6,358	5,300	5,117	14,946	11,023
Other	196	183	210	186	172	379	335
Premiums and deposits	\$ 7,399	\$ 8,862	\$ 7,965	\$ 6,797	\$ 5,791	\$ 16,261	\$ 12,696

* 1Q18 includes deposits in Individual Retirement (\$1.1 billion), Group Retirement (\$0.2 billion) and Institutional Markets (\$1.4 billion) of FHLB funding agreements.



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

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