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American International Group, Inc.

Quarterly Financial Supplement
Third Quarter 2019

All financial information in this document is unaudited. This supplement should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, which will be filed with the Securities and Exchange Commission.

American International Group, Inc.
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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;
- the occurrence of catastrophic events, both natural and man-made;
- AIG’s ability to successfully reorganize its businesses and execute on its initiatives to improve its underwriting capabilities and reinsurance programs, 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 potential cost saving opportunities;
- actions by credit rating agencies;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- 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;
- the effectiveness of AIG’s strategies to recruit and retain key personnel and its ability to implement effective succession plans;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject;
- negative impacts on customers, business partners and other stakeholders;
- AIG’s ability to successfully manage Legacy portfolios;
- significant legal, regulatory or governmental proceedings;
- concentrations in AIG’s investment portfolios;
- changes in judgments concerning the recognition of deferred tax assets and goodwill impairment; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 (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 June 30, 2019, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, 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, 2018.

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;
- changes in the fair value of equity securities;
- 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;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- 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;
- integration and transaction costs associated with acquired businesses;
- losses from the impairment of goodwill; and
- non-recurring external costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles.

Adjusted After-tax Income attributable to AIG common shareholders (AATI) is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above, dividends on preferred stock, 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);

and by excluding the net realized capital gains (losses) from noncontrolling interests.

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-common 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 Common Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders’ equity, excluding AOCI and DTA (**Adjusted Common Shareholders’ Equity**), by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 50 herein.

AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Common Equity) is used to show the rate of return on common 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 Common Equity. Adjusted Return on Common Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted Common Shareholders’ Equity. The reconciliation to return on common equity, the most comparable GAAP measure, is presented on page 50 herein.

Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Common Equity is an attribution of total AIG Adjusted Common Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed common 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 Common Equity – Adjusted After-tax Income (Adjusted Return on Attributed Common Equity) is used to show the rate of return on Adjusted Attributed Common Equity. Adjusted Return on Attributed Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Common Equity. The reconciliations to Adjusted Return on Common Equity are presented on pages 14, 24, 39 and 52 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, income tax expense and attributed dividends on preferred stock from APTI. Attributed debt and the related interest expense and dividends on preferred stock are 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 14, 24, 39 and 52 herein. Attributed debt is included on page 53 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 that 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 related to catastrophes (CYRIPs) +/- RIPs related to prior year catastrophes (PYRIPs) + (Additional) returned premium related to PYD on loss sensitive business ((AP)RP) + 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 +/- CYRIPs] – Loss ratio
- i) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- CYRIPs +/- PYRIPs + (AP)RP] – Loss ratio – CAT 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 exceed the \$10 million threshold.

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. 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.

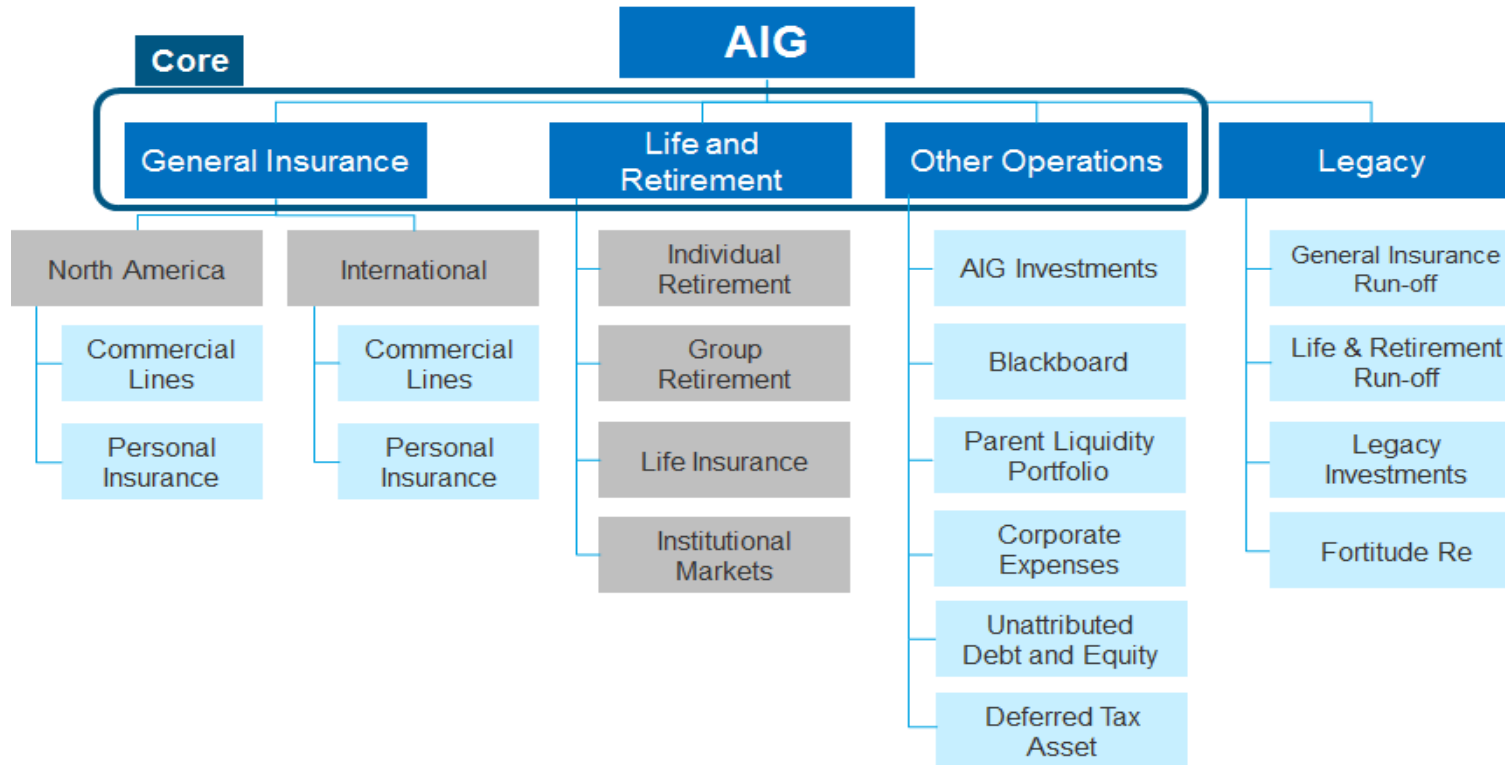


American International Group, Inc.

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, Latin America, Puerto Rico, Australia, the Middle East and Africa. General insurance results are presented before consideration of internal reinsurance agreements.

American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations Data (attributable to AIG common shareholders)							
Net income (loss)	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ (1,259)	\$ 2,404	\$ 616
Net income (loss) per share:							
Basic	\$ 0.74	\$ 1.26	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 2.74	\$ 0.68
Diluted (1)	\$ 0.72	\$ 1.24	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 2.71	\$ 0.67
Weighted average shares outstanding:							
Basic	877.0	876.4	875.4	887.5	895.2	876.3	902.1
Diluted (1)	895.8	888.3	877.5	887.5	895.2	887.2	916.8
Effective tax rate	22.8 %	24.3 %	18.8 %	19.7 %	20.1 %	22.3 %	30.6 %
Adjusted after-tax income (loss)	\$ 505	\$ 1,272	\$ 1,388	\$ (559)	\$ (301)	\$ 3,165	\$ 1,623
Adjusted after-tax income (loss) per diluted share (1)	\$ 0.56	\$ 1.43	\$ 1.58	\$ (0.63)	\$ (0.34)	\$ 3.57	\$ 1.77
Weighted average diluted shares - operating (1)	895.8	888.3	877.5	887.5	895.2	887.2	916.8
Adjusted effective tax rate	25.3 %	21.8 %	22.9 %	18.5 %	27.9 %	22.9 %	21.6 %
Selected Balance Sheet data, at period end							
Total assets	\$ 525,122	\$ 522,269	\$ 512,922	\$ 491,984	\$ 504,860	\$ 525,122	\$ 504,860
Long-term debt	35,262	36,291	35,776	34,540	34,594	35,262	34,594
Preferred equity	485	485	485	-	-	485	-
AIG common shareholders' equity	65,118	64,054	60,302	56,361	58,586	65,118	58,586
AIG shareholders' total equity	65,603	64,539	60,787	56,361	58,586	65,603	58,586
Adjusted common shareholders' equity	50,110	49,486	48,248	47,621	49,169	50,110	49,169
Adjusted Attributed Common Equity *							
General Insurance	\$ 25,076	\$ 25,282	\$ 24,826	\$ 25,066	\$ 26,910	\$ 25,076	\$ 26,910
Life and Retirement	19,235	18,820	18,280	19,695	19,254	19,235	19,254
Other Operations	(976)	(1,408)	(2,308)	(6,026)	(5,806)	(976)	(5,806)
Total Core	43,335	42,694	40,798	38,735	40,358	43,335	40,358
Legacy	6,775	6,792	7,450	8,886	8,811	6,775	8,811
Total AIG adjusted attributed common equity	\$ 50,110	\$ 49,486	\$ 48,248	\$ 47,621	\$ 49,169	\$ 50,110	\$ 49,169
Return On Common Equity (ROCE, attributable to AIG common shareholders)							
ROCE	4.0 %	7.1 %	4.5 %	(4.3)%	(8.4)%	5.2 %	1.3 %
Adjusted return on common equity	4.1 %	10.4 %	11.6 %	(4.6)%	(2.4)%	8.6 %	4.3 %
Adjusted return on attributed common equity - Core**	4.4 %	11.6 %	13.4 %	(4.3)%	(3.6)%	9.7 %	4.4 %
Adjusted return on attributed common equity - General Insurance**	4.3 %	10.3 %	14.0 %	(11.8)%	(11.9)%	9.5 %	(0.7)%
Adjusted return on attributed common equity - Life and Retirement**	10.1 %	17.3 %	15.0 %	9.8 %	11.2 %	14.0 %	13.5 %
Adjusted return on attributed common equity - Legacy Portfolio**	4.4 %	5.2 %	4.4 %	(5.4)%	2.9 %	4.6 %	4.1 %

* Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed (refer to page 53). Adjusted attributed common equity is based on our internal capital model and on the risk profile of each business.

** Refer to pages 14, 24, 39 and 52 for components of calculation.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
AIG Capitalization							
Total equity	\$ 67,445	\$ 66,105	\$ 62,093	\$ 57,309	\$ 59,177	\$ 67,445	\$ 59,177
Hybrid - debt securities (2)	1,531	1,541	1,545	1,548	1,552	1,531	1,552
Total equity and hybrid debt	68,976	67,646	63,638	58,857	60,729	68,976	60,729
Financial debt (2)	21,706	22,795	22,765	22,186	22,768	21,706	22,768
Total capital	\$ 90,682	\$ 90,441	\$ 86,403	\$ 81,043	\$ 83,497	\$ 90,682	\$ 83,497
Ratios							
Hybrid - debt securities / Total capital	1.7 %	1.7 %	1.8 %	1.9 %	1.9 %	1.7 %	1.9 %
Financial debt / Total capital	23.9	25.2	26.3	27.4	27.3	23.9	27.3
Total debt / Total capital	25.6	26.9	28.1	29.3	29.2	25.6	29.2
Preferred stock / Total capital	0.5	0.5	0.6	0.0	0.0	0.5	0.0
Total debt and preferred stock / Total capital	26.1 %	27.4 %	28.7 %	29.3 %	29.2 %	26.1 %	29.2 %
Common Stock Repurchases							
Aggregate repurchase of common stock	\$ -	\$ -	\$ -	\$ 745	\$ 348	\$ -	\$ 994
Number of common shares repurchased	-	-	-	18.0	6.6	-	18.5
Average price paid per share of common stock	\$ -	\$ -	\$ -	\$ 41.22	\$ 53.05	\$ -	\$ 53.88
Aggregate repurchase of warrants	\$ -	\$ -	\$ -	\$ 5	\$ 2	\$ -	\$ 6
Number of warrants repurchased	-	-	-	0.7	0.1	-	0.4
Dividends							
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.96	\$ 0.96
Total dividends declared on common stock	\$ 278	\$ 279	\$ 278	\$ 280	\$ 283	\$ 835	\$ 858
Dividends declared per preferred share	\$ 365.63	\$ 369.70	\$ -	\$ -	\$ -	\$ 735.33	\$ -
Total dividends declared on preferred stock	\$ 8	\$ 7	\$ -	\$ -	\$ -	\$ 15	\$ -
Share Data (attributable to AIG, at period end)							
Common shares outstanding	869.9	869.9	869.7	866.6	884.6	869.9	884.6
Closing share price	\$ 55.70	\$ 53.28	\$ 43.06	\$ 39.41	\$ 53.24	\$ 55.70	\$ 53.24
Book value per common share	74.85	73.63	69.33	65.04	66.23	74.85	66.23
Book value per common share, excluding AOCI	68.40	67.90	66.89	66.67	66.83	68.40	66.83
Adjusted book value per common share	57.60	56.89	55.47	54.95	55.58	57.60	55.58

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Adjusted Pre-Tax Income (Loss)							
General Insurance							
North America	\$ 435	\$ 718	\$ 934	\$ (575)	\$ (160)	\$ 2,087	\$ 567
International	72	262	334	(147)	(665)	668	(314)
Total General Insurance	507	980	1,268	(722)	(825)	2,755	253
Life and Retirement							
Individual Retirement	387	588	508	327	393	1,483	1,354
Group Retirement	203	293	232	159	242	728	774
Life Insurance	(7)	86	116	87	16	195	243
Institutional Markets	63	82	68	50	62	213	196
Total Life and Retirement	646	1,049	924	623	713	2,619	2,567
Other Operations	(454)	(415)	(387)	(451)	(417)	(1,256)	(1,133)
Consolidation, eliminations and other adjustments	(46)	(56)	(70)	31	29	(172)	28
Total Core	653	1,558	1,735	(519)	(500)	3,946	1,715
Total Legacy Portfolio	93	119	112	(150)	84	324	363
Total adjusted pre-tax income (loss)	\$ 746	\$ 1,677	\$ 1,847	\$ (669)	\$ (416)	\$ 4,270	\$ 2,078

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Noteworthy Profit and Loss Data							
Revenue Items:							
Better (worse) than expected alternative returns	\$ (43)	\$ 199	\$ 236	\$ (340)	\$ 117	\$ 392	\$ 172
Better (worse) than expected DIB and GCM returns*	(9)	14	(5)	(31)	15	-	33
Better (worse) than expected fair value changes on Fixed Maturity Securities - Other accounted under fair value option** (3)	8	(32)	15	50	(32)	(9)	(116)
Changes in the fair value of Equity Securities - Other (4)	-	-	-	(143)	(13)	-	(41)
Expense Items:							
Catastrophe losses, net of reinsurance	\$ 511	\$ 174	\$ 175	\$ 798	\$ 1,624	\$ 860	\$ 2,150
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(4)	(63)	(74)	365	170	(141)	(3)
Annual actuarial assumption update	173	-	-	105	103	173	103

* 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 48.



American International Group, Inc.
Consolidated Statements of Operations

(in millions)

	Quarterly					Nine Months Ended	
	3Q19	2Q19	1Q19	4Q18	3Q18	September 30,	
						2019	2018
Revenues:							
Premiums	\$ 7,617	\$ 7,430	\$ 8,070	\$ 8,464	\$ 7,668	\$ 23,117	\$ 22,150
Policy fees	733	769	735	734	530	2,237	2,057
Net investment income:							
Interest and dividends	3,192	3,210	3,161	3,075	3,084	9,563	9,129
Alternative investments	115	345	419	(182)	329	879	837
Other investment income (loss) (14)	236	322	413	(11)	98	971	121
Investment expenses	(135)	(132)	(114)	(128)	(115)	(381)	(365)
Total net investment income	3,408	3,745	3,879	2,754	3,396	11,032	9,722
Net realized capital gains (losses)	929	404	(446)	235	(511)	887	(365)
Other income	227	213	218	373	403	658	1,265
Total revenues	12,914	12,561	12,456	12,560	11,486	37,931	34,829
Benefits, losses and expenses							
Policyholder benefits and losses incurred	6,892	5,802	6,679	7,928	8,312	19,373	19,484
Interest credited to policyholder account balances	966	967	940	970	933	2,873	2,784
Amortization of deferred policy acquisition costs	1,252	1,439	1,289	1,573	1,118	3,980	3,813
General operating and other expenses	2,187	2,140	2,053	2,383	2,325	6,380	6,919
Interest expense	348	360	349	407	326	1,057	902
(Gain) loss on extinguishment of debt	-	15	(2)	(3)	1	13	10
Net (gain) loss on sale of divested businesses	9	1	(6)	(3)	(2)	4	(35)
Total benefits, losses and expenses	11,654	10,724	11,302	13,255	13,013	33,680	33,877
Income (loss) from continuing operations before income taxes	1,260	1,837	1,154	(695)	(1,527)	4,251	952
Income tax (benefit) expense	287	446	217	(137)	(307)	950	291
Income (loss) from continuing operations	973	1,391	937	(558)	(1,220)	3,301	661
Income (loss) from discontinued operations, net of income taxes	-	(1)	-	(2)	(39)	(1)	(40)
Net income (loss)	973	1,390	937	(560)	(1,259)	3,300	621
Net income (loss) attributable to noncontrolling interests (5)	317	281	283	62	-	881	5
Net income (loss) attributable to AIG	656	1,109	654	(622)	(1,259)	2,419	616
Less: Dividends on preferred stock	8	7	-	-	-	15	-
Net income (loss) attributable to AIG common shareholders	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ (1,259)	\$ 2,404	\$ 616

See accompanying notes on page 12.



American International Group, Inc.
Consolidated Balance Sheets

(in millions)	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 253,221	\$ 245,561	\$ 238,201	\$ 229,391	\$ 232,720
Other bond securities, at fair value	8,327	10,461	11,511	11,415	11,420
Equity securities					
Other common and preferred stock, at fair value	771	880	841	1,253	1,443
Mortgage and other loans receivable, net of allowance	45,075	43,556	43,834	43,135	41,878
Other invested assets	19,486	19,454	19,343	19,341	19,739
Short-term investments	14,113	15,016	11,133	9,674	8,863
Total investments	340,993	334,928	324,863	314,209	316,063
Cash	3,361	2,935	2,565	2,873	2,741
Accrued investment income	2,391	2,359	2,482	2,389	2,524
Premiums and other receivables, net of allowance	11,786	12,614	12,655	11,011	12,238
Reinsurance assets, net of allowance	39,483	40,520	40,558	38,172	37,178
Deferred income taxes	13,054	13,337	14,545	15,221	15,088
Deferred policy acquisition costs (6)	11,000	11,386	12,128	12,694	12,683
Other assets (6)	13,929	13,879	14,308	13,568	13,300
Separate account assets, at fair value	89,125	90,311	88,818	81,847	93,045
Total assets	\$ 525,122	\$ 522,269	\$ 512,922	\$ 491,984	\$ 504,860
Liabilities					
Liability for unpaid losses and loss adjustment expenses	\$ 79,883	\$ 81,057	\$ 82,496	\$ 83,639	\$ 81,959
Unearned premiums	19,959	20,621	20,812	19,248	20,829
Future policy benefits for life and accident and health insurance contracts	50,747	47,539	46,508	44,935	44,374
Policyholder contract deposits	151,964	148,521	145,380	142,262	140,491
Other policyholder funds	3,440	3,488	3,493	3,568	3,738
Other liabilities	27,297	28,336	27,546	24,636	26,653
Long-term debt	35,262	36,291	35,776	34,540	34,594
Separate account liabilities	89,125	90,311	88,818	81,847	93,045
Total liabilities	457,677	456,164	450,829	434,675	445,683
AIG shareholders' equity					
Preferred stock (7)	485	485	485	-	-
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(48,989)	(48,991)	(48,999)	(49,144)	(48,401)
Additional paid-in capital	81,287	81,211	81,148	81,268	81,008
Retained earnings	22,439	22,077	21,259	20,884	21,749
Accumulated other comprehensive income (loss)	5,615	4,991	2,128	(1,413)	(536)
Total AIG shareholders' equity	65,603	64,539	60,787	56,361	58,586
Non-redeemable noncontrolling interests	1,842	1,566	1,306	948	591
Total equity	67,445	66,105	62,093	57,309	59,177
Total liabilities and equity	\$ 525,122	\$ 522,269	\$ 512,922	\$ 491,984	\$ 504,860

See accompanying notes on page 12.



American International Group, Inc.
Segment Balance Sheets

September 30, 2019

(in millions)	General Insurance	Life & Retirement	Other Operations (8)	Total Core	Legacy Portfolio (9) (10)	AOCI and DTA**	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 58,287	\$ 134,895	\$ 5,812	\$ 198,994	\$ 43,040	\$ 11,187	\$ 253,221
Other bond securities, at fair value	1,854	1,232	1,449	4,535	3,792	-	8,327
Equity securities							
Other common and preferred stock, at fair value	500	236	9	745	26	-	771
Mortgage and other loans receivable, net of allowance	10,242	31,463	(689)	41,016	4,059	-	45,075
Other invested assets	7,333	6,577	3,154	17,064	2,422	-	19,486
Short-term investments	4,689	5,955	2,615	13,259	854	-	14,113
Total investments	82,905	180,358	12,350	275,613	54,193	11,187	340,993
Cash	2,489	453	128	3,070	291	-	3,361
Accrued investment income	702	1,935	(332)	2,305	86	-	2,391
Premiums and other receivables, net of allowance	10,640	836	(801)	10,675	1,111	-	11,786
Reinsurance assets, net of allowance	33,723	1,541	431	35,695	3,788	-	39,483
Deferred income taxes	3,250	3,559	(1,546)	5,263	-	7,791	13,054
Deferred policy acquisition costs (6)	2,770	7,669	10	10,449	551	-	11,000
Other assets (6)	12,977	3,443	(3,038)	13,382	2,891	(2,344)	13,929
Separate account assets, at fair value	-	87,097	-	87,097	2,028	-	89,125
Total assets	\$ 149,456	\$ 286,891	\$ 7,202	\$ 443,549	\$ 64,939	\$ 16,634	\$ 525,122
Liabilities:							
Liability for unpaid losses and loss adjustment expenses	\$ 71,441	\$ -	\$ 150	\$ 71,591	\$ 8,292	\$ -	\$ 79,883
Unearned premiums	19,706	-	6	19,712	247	-	19,959
Future policy benefits for life and accident and health insurance contracts	1,105	17,415	(8)	18,512	32,235	-	50,747
Policyholder contract deposits	-	147,689	(212)	147,477	4,487	-	151,964
Other policyholder funds	-	268	-	268	3,172	-	3,440
Other liabilities	15,522	6,895	(1,563)	20,854	4,817	1,626	27,297
Long-term debt:							
Operating debt	2,599	3,596	3,031	9,226	2,799	-	12,025
Attributed debt	13,654	4,122	5,461	23,237	-	-	23,237
Total Long-term debt	16,253	7,718	8,492	32,463	2,799	-	35,262
Separate account liabilities	-	87,097	-	87,097	2,028	-	89,125
Total liabilities	124,027	267,082	6,865	397,974	58,077	1,626	457,677
AIG Shareholders' equity							
Attributed preferred equity* (7)	282	196	-	478	7	-	485
Adjusted attributed common equity**	25,076	19,235	(976)	43,335	6,775	15,008	65,118
Non-redeemable noncontrolling interests	71	378	1,313	1,762	80	-	1,842
Total Equity	25,429	19,809	337	45,575	6,862	15,008	67,445
Total liabilities and equity	\$ 149,456	\$ 286,891	\$ 7,202	\$ 443,549	\$ 64,939	\$ 16,634	\$ 525,122

* The segment balance sheets have been prepared consistent with our internal capital model.

** The segment balance sheets have been prepared consistent with our internal capital model and are based on Adjusted Attributed Common Equity (which excludes AOCI and DTA). Adjustments to bonds available for sale, at fair value represents unrealized gains and losses on investments. See page 53 for further discussion.
See accompanying notes on page 12.



American International Group, Inc.
Debt and Capital

(in millions)	Debt and Hybrid Capital			Interest Expense/ Preferred Dividends			
	September 30, 2019	September 30, 2018	December 31, 2018	Three Months Ended September 30,		Nine Months Ended September 30,	
				2019	2018	2019	2018
Financial Debt							
AIG notes and bonds payable (11)	\$ 20,354	\$ 20,887	\$ 20,853	\$ 218	\$ 218	\$ 661	\$ 638
AIG Japan Holdings Kabushiki Kaisha	354	339	331	-	-	1	1
AIG Life Holdings, Inc. notes and bonds payable	282	282	282	5	5	15	15
AIG Life Holdings, Inc. junior subordinated debt	361	361	361	7	7	22	22
Validus notes and bonds payable	355	360	359	6	6	17	6
Validus junior subordinated debt	-	539	-	-	8	-	8
Total	21,706	22,768	22,186	236	244	716	690
Operating Debt							
MIP notes payable	-	-	-	-	1	-	4
Series AIGFP matched notes and bonds payable	21	21	21	-	-	-	-
Other AIG borrowings supported by assets	2,287	2,311	2,213	-	-	-	-
Other subsidiaries	51	230	168	-	1	2	1
Borrowings of consolidated investments	9,666	7,712	8,404	89	57	271	148
Total	12,025	10,274	10,806	89	59	273	153
Hybrid - Debt Securities (2)							
Junior subordinated debt (12)	1,531	1,552	1,548	23	23	68	59
Total debt	\$ 35,262	\$ 34,594	\$ 34,540	\$ 348	\$ 326	\$ 1,057	\$ 902
Preferred Shares Issuance (7)							
Preferred stock	485	-	-	8	-	15	-
Total debt and preferred stock	\$ 35,747	\$ 34,594	\$ 34,540	\$ 356	\$ 326	\$ 1,072	\$ 902
AIG Capitalization							
Total equity	\$ 67,445	\$ 59,177	\$ 57,309				
Hybrid - debt securities (2) (12)	1,531	1,552	1,548				
Total equity and hybrid capital	68,976	60,729	58,857				
Financial debt (2)	21,706	22,768	22,186				
Total capital	\$ 90,682	\$ 83,497	\$ 81,043				
Ratios							
Hybrid - debt securities / Total capital	1.7 %	1.9 %	1.9 %				
Financial debt / Total capital	23.9	27.3	27.4				
Total debt / Total capital	25.6	29.2	29.3				
Preferred stock / Total capital	0.5	-	-				
Total debt and preferred stock / Total capital	26.1 %	29.2 %	29.3 %				

See accompanying notes on page 12.



American International Group, Inc.
Consolidated Notes

- (1) For the third and fourth quarters of 2018, because we reported a net loss and an adjusted after-tax loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.
- (2) Hybrid - debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 53.
- (3) 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.
- (4) Beginning in the first quarter of 2019, on a prospective basis, changes in the fair value of equity securities are excluded from APTI. The following table provides the changes in the fair value of equity securities for all periods presented (on a pre-tax basis):

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
General Insurance	\$ 9	\$ (12)	\$ 53	\$ (108)	\$ (30)	\$ 50	\$ (67)
Life & Retirement	(34)	9	-	(16)	7	(25)	4
Other Operations	(21)	(11)	12	(14)	9	(20)	21
Total Core	(46)	(14)	65	(138)	(14)	5	(42)
Legacy	(5)	(8)	14	(5)	1	1	1
Changes in the fair value of Equity Securities	\$ (51)	\$ (22)	\$ 79	\$ (143)	\$ (13)	\$ 6	\$ (41)

- (5) Noncontrolling interests is primarily due to the 19.9 percent investment in Fortitude Group Holdings, LLC (Fortitude Holdings) by an affiliate of The Carlyle Group L.P. (Carlyle), which occurred in the fourth quarter of 2018. Carlyle is allocated 19.9 percent of Fortitude Holdings' standalone financial results. Fortitude Holdings' results are mostly eliminated in AIG's consolidated income from continuing operations given that its results arise from intercompany transactions. Noncontrolling interests is calculated based on the standalone financial results of Fortitude Holdings. The most significant component of Fortitude Holdings' standalone results concerns gains related to the change in fair value of embedded derivatives, which moved materially in the quarters presented in the table below due to lower rates and tightening credit spreads, and which are recorded in net realized capital gains and losses of Fortitude Holdings. In accordance with AIG's adjusted after-tax income definition, realized capital gains and losses are excluded from noncontrolling interests. Fortitude Holdings' summarized financial information (standalone results) is presented below:

(in millions)

	Quarterly				Nine Months Ended September 30,			
	3Q19		2Q19		1Q19		2019	
	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI
Revenues	\$ 617	\$ 123	\$ 565	\$ 112	\$ 606	\$ 121	\$ 1,788	\$ 356
Expenses	559	111	449	89	472	94	1,480	294
Adjusted pre-tax income	58	12	116	23	134	27	308	62
Taxes on APTI	12	2	24	5	28	6	64	13
Adjusted after-tax income	46	10	92	18	106	21	244	49
Net realized capital gains	1,744	347	1,599	318	1,573	313	4,916	978
Taxes on realized capital gains	367	73	336	67	330	66	1,033	206
Net realized capital gains - after-tax	1,377	274	1,263	251	1,243	247	3,883	772
Net income	\$ 1,423	\$ 284	\$ 1,355	\$ 269	\$ 1,349	\$ 268	\$ 4,127	\$ 821

- (6) As of December 31, 2018, Other assets includes \$4.1 billion of Goodwill and \$1.4 billion of other intangible assets primarily relating to the acquisitions of Validus, Glatfelter Insurance Group and Ellipse.



American International Group, Inc.
Consolidated Notes (Cont.)

- (7) In March 2019, we issued 20,000 shares of Series A 5.85% Non-Cumulative Preferred Stock, with a par value of \$5.00 per share and a liquidation preference of \$25,000 per share, for net proceeds of \$485 million.
- (8) Other Operations includes inter segment eliminations for Core.
- (9) Fortitude Re was established during the first quarter of 2018 in connection with a series of affiliated reinsurance transactions related to our Legacy Portfolio. Those reinsurance transactions were designed to consolidate most of our Legacy Insurance Run-Off Lines into a single legal entity. As of September 30, 2019, the affiliated transactions included the cession of approximately \$31 billion of reserves from our Legacy Life and Retirement Run-Off Lines and approximately \$4 billion of reserves from our Legacy General Insurance Run-Off Lines related to business written by multiple wholly-owned AIG subsidiaries. In the second quarter of 2018, we formed Fortitude Holdings to act as a holding company for Fortitude Re. On November 13, 2018, we completed the sale of a 19.9 percent ownership interest in Fortitude Holdings to TCG, an affiliate of The Carlyle Group L.P. Fortitude Holdings owns 100 percent of the outstanding common shares of Fortitude Re and AIG has an 80.1 percent ownership interest in Fortitude Holdings.
- (10) The affiliated reinsurance transactions executed in the first quarter of 2018 with Fortitude Re resulted in prepaid insurance assets on the ceding subsidiaries' balance sheets of approximately \$2.5 billion (after-tax) and related deferred acquisition costs of \$0.5 billion (after-tax) at inception of the contract. The prepaid insurance 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 Holdings, our Legacy Portfolio would recognize a loss for the portion of the unamortized balance of these assets that are not recoverable, if any, when we are no longer a controlling shareholder in Fortitude Holdings. As of September 30, 2019, the unamortized balances of the aforementioned prepaid insurance assets and related deferred acquisition costs were \$2.4 billion (after-tax) and \$0.4 billion (after-tax), respectively. This combined loss of \$2.8 billion would be incremental to any gain or loss recognized on the sale of our controlling interest in Fortitude Holdings. The incremental gain or loss we will recognize on the sale of our controlling interest in Fortitude Holdings would be impacted, perhaps significantly, by market conditions existing at that time.
- (11) In March 2019, we issued \$600 million aggregate principal amount of 4.250% Notes Due 2029.
- (12) 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.
- (13) Beginning in the first quarter of 2019, on a prospective basis, within Legacy and Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification (including intercompany eliminations) for all periods presented (on a pre-tax basis):

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Net investment income	\$ 121	\$ 184	\$ 116	\$ 160	\$ 164	\$ 421	\$ 534
Net realized capital gain (loss)	-	-	-	(2)	(2)	-	(9)
Other income	(121)	(184)	(116)	(158)	(162)	(421)	(525)

- (14) On February 27, 2019, we sold our remaining interest in People's Insurance Company (Group) of China Limited (PICC). The total fair value on the date of sale was \$511 million, however the purchase price reflected a discount to fair market value and we received proceeds of \$479 million. In the first quarter of 2019, we recorded \$31 million of net investment income related to the change in fair value of PICC through the date of sale.
- (15) The following table reflects the combined impact to Net investment income, on APTI basis, of the two presentation changes described in Note 4 and Note 13 above to provide pro forma results for prior periods:

(in millions)

	Quarterly				Full Year
	4Q18	3Q18	2Q18	1Q18	2018
Net investment income	\$ 303	\$ 177	\$ 177	\$ 221	\$ 878
APTI	145	15	2	33	195



American International Group, Inc.
General Insurance Results

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations (1) (2)							
Gross premiums written	\$ 8,583	\$ 8,654	\$ 10,195	\$ 7,699	\$ 8,668	\$ 27,432	\$ 26,526
Ceded premiums written	(1,935)	(2,073)	(4,162)	(1,275)	(1,833)	(8,170)	(6,543)
Net premiums written	\$ 6,648	\$ 6,581	\$ 6,033	\$ 6,424	\$ 6,835	\$ 19,262	\$ 19,983
Net premiums earned	\$ 6,659	\$ 6,694	\$ 6,713	\$ 7,171	\$ 7,081	\$ 20,066	\$ 20,334
Losses and loss adjustment expenses incurred (3)	4,618	4,215	4,233	5,743	6,276	13,066	15,081
Acquisition expenses:							
Amortization of deferred policy acquisition costs	1,123	1,154	1,159	1,215	1,223	3,436	3,381
Other acquisition expenses	339	334	303	390	313	976	995
Total acquisition expenses	1,462	1,488	1,462	1,605	1,536	4,412	4,376
General operating expenses	828	844	839	894	995	2,511	2,943
Underwriting income (loss)	(249)	147	179	(1,071)	(1,726)	77	(2,066)
Net investment income (loss):							
Interest and dividends	679	715	768	672	697	2,162	1,989
Alternative investments	76	170	327	(180)	206	573	427
Other investment income (loss)	54	(6)	45	(109)	32	93	6
Investment expenses	(53)	(46)	(51)	(34)	(34)	(150)	(103)
Total net investment income	756	833	1,089	349	901	2,678	2,319
Adjusted pre-tax income (loss)	507	980	1,268	(722)	(825)	2,755	253
Interest expense on attributed financial debt	147	147	144	142	141	438	402
Adjusted pre-tax income (loss) including attributed interest expense	360	833	1,124	(864)	(966)	2,317	(149)
Income tax expense (benefit)	86	184	252	(100)	(206)	522	(20)
Adjusted after-tax income (loss)	\$ 274	\$ 649	\$ 872	\$ (764)	\$ (760)	\$ 1,795	\$ (129)
Dividends declared on preferred stock	5	4	-	-	-	9	-
Adjusted after-tax income (loss) attributable to common shareholders (a)	\$ 269	\$ 645	\$ 872	\$ (764)	\$ (760)	\$ 1,786	\$ (129)
Ending adjusted attributed common equity	\$ 25,076	\$ 25,282	\$ 24,826	\$ 25,066	\$ 26,910	\$ 25,076	\$ 26,910
Average adjusted attributed common equity (b)*	25,179	25,054	24,946	25,988	25,528	25,063	24,469
Adjusted return on attributed common equity (a÷b)	4.3 %	10.3 %	14.0 %	(11.8) %	(11.9) %	9.5 %	(0.7) %
Underwriting Ratios							
Loss ratio (3)	69.3	63.0	63.1	80.1	88.6	65.1	74.2
Catastrophe losses and reinstatement premiums	(7.5)	(2.6)	(2.7)	(11.3)	(22.0)	(4.2)	(10.3)
Prior year development	-	0.9	1.0	(5.3)	(2.7)	0.6	(0.2)
Adjustments for ceded premium under reinsurance contracts and other	(0.3)	-	0.4	0.4	(0.3)	0.1	0.3
Accident year loss ratio, as adjusted	61.5	61.3	61.8	63.9	63.6	61.6	64.0
Acquisition ratio	22.0	22.2	21.8	22.4	21.7	22.0	21.5
General operating expense ratio	12.4	12.6	12.5	12.5	14.1	12.5	14.5
Expense ratio	34.4	34.8	34.3	34.9	35.8	34.5	36.0
Combined ratio (3)	103.7	97.8	97.4	115.0	124.4	99.6	110.2
Accident year combined ratio, as adjusted	95.9	96.1	96.1	98.8	99.4	96.1	100.0

* See accompanying notes to Adjusted Attributed Common Equity on page 53.

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.



American International Group, Inc.
General Insurance Operating Statistics

(in millions)

Noteworthy Items (pre-tax)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Catastrophe-related losses, net of reinsurance	\$ 497	\$ 174	\$ 175	\$ 826	\$ 1,567	\$ 846	\$ 2,093
Reinstatement premiums related to catastrophes	12	(5)	6	(24)	(10)	13	(10)
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(3)	(66)	(72)	363	172	(141)	3
(Additional) return premium related to prior year development on loss sensitive business	7	9	10	13	32	26	47
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	4	(57)	(62)	376	204	(115)	50
Reinstatement premiums related to prior year catastrophes	(3)	(3)	(8)	11	2	(14)	2
Other premium adjustments related to prior year	26	-	(43)	(46)	24	(17)	(91)
Better (worse) than expected alternative returns	(42)	45	202	(311)	67	205	-
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	23	43	23	6	45	89	54
Changes in the fair value of Equity Securities - Other	-	-	-	(108)	(30)	-	(67)
Net liability for unpaid losses and loss adjustment expenses (at period end)	44,099	45,307	46,370	47,543	48,177	44,099	48,177

Net Premiums Written by product line

General Insurance:

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Property	\$ 773	\$ 1,004	\$ 299	\$ 691	\$ 901	\$ 2,076	\$ 2,065
Special Risks	1,231	1,012	1,481	970	911	3,724	2,305
Liability	1,060	910	997	1,006	1,204	2,967	3,708
Financial Lines	967	954	1,001	1,054	1,023	2,922	3,141
Total Commercial Lines	4,031	3,880	3,778	3,721	4,039	11,689	11,219
Personal Lines	1,527	1,574	1,057	1,441	1,537	4,158	4,807
Accident and Health	1,090	1,127	1,198	1,262	1,259	3,415	3,957
Total Personal Insurance	2,617	2,701	2,255	2,703	2,796	7,573	8,764
General Insurance net premiums written	\$ 6,648	\$ 6,581	\$ 6,033	\$ 6,424	\$ 6,835	\$ 19,262	\$ 19,983
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency (4)	(2.0) %	(3.7) %	0.1 %	10.3 %	4.5 %	(1.9) %	0.3 %
Foreign exchange effect	(0.8)	(2.0)	(2.4)	(1.2)	(0.6)	(1.7)	2.0
Increase (decrease) as reported in U.S. dollars	(2.8) %	(5.7) %	(2.3) %	9.1 %	3.9 %	(3.6) %	2.3 %

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Prior year development by segment:							
North America							
Commercial Lines	\$ (42)	\$ (81)	\$ (69)	\$ 326	\$ (14)	\$ (192)	\$ (245)
Personal Insurance	25	20	9	-	148	54	247
Total North America	(17)	(61)	(60)	326	134	(138)	2
International							
Commercial Lines	34	(6)	41	74	68	69	59
Personal Insurance	(20)	1	(53)	(37)	(30)	(72)	(58)
Total International	14	(5)	(12)	37	38	(3)	1
Total General Insurance prior year unfavorable (favorable) development*	(3)	(66)	(72)	363	172	(141)	3
(Additional) return premium related to prior year development on loss sensitive business	\$ 7	\$ 9	\$ 10	\$ 13	\$ 32	\$ 26	\$ 47

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreements of \$58 million, \$58 million, \$58 million, \$57 million, and \$57 million for the three months ended September 30, June 30 and March 31, 2019, and December 31 and September 30, 2018, 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 \$(129) million, \$(126) million, \$2 million, \$122 million, and \$722 million for the three months ended September 30, June 30 and March 31, 2019, and December 31 and September 30, 2018, respectively, and related changes in amortization of the deferred gain of \$(71) million, \$(2) million, \$28 million, \$54 million, and \$118 million for those same periods.

Accident Year	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
2018	\$ 89	\$ 84	\$ (78)	\$ -	\$ -	\$ 95	\$ -
2017	48	30	5	102	(9)	83	(30)
2016	16	(19)	5	201	69	2	4
2015	(25)	(42)	50	25	(48)	(17)	(47)
2014	(42)	(28)	(17)	18	(26)	(87)	(58)
2013	14	(4)	-	(47)	(7)	10	(16)
2012	(16)	(24)	(11)	7	34	(51)	(1)
2011	(19)	(9)	(2)	26	20	(30)	-
2010	(6)	(9)	(2)	(15)	(9)	(17)	(16)
2009 and prior	(62)	(45)	(22)	46	148	(129)	167
Total General Insurance prior year unfavorable (favorable) development*	(3)	(66)	(72)	363	172	(141)	3

* Favorable prior year development during the three months ended September 30, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development from North America Workers Compensation, Europe Property and Special Risks and Europe and Japan Personal Insurance offset by net adverse prior year loss reserve development from North America Financial Lines and Europe Casualty and Financial Lines. Favorable prior year development during the three months ended June 30, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development from North America Commercial Lines partially offset by net adverse prior year loss reserve development from North America Personal Insurance. Favorable prior year development during the three months ended March 31, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development in Property, Specialty and International Personal lines partially offset by Excess Casualty.



American International Group, Inc.
General Insurance – North America Results

(in millions)

Results of Operations (2)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Net premiums written	\$ 3,404	\$ 3,307	\$ 2,578	\$ 2,944	\$ 3,164	\$ 9,289	\$ 8,439
Net premiums earned	\$ 3,258	\$ 3,302	\$ 3,153	\$ 3,428	\$ 3,302	\$ 9,713	\$ 8,886
Losses and loss adjustment expenses incurred (3)	2,499	2,286	2,189	3,244	3,264	6,974	7,532
Acquisition expenses:							
Amortization of deferred policy acquisition costs	509	527	508	537	534	1,544	1,322
Other acquisition expenses	122	143	106	167	92	371	348
Total acquisition expenses	631	670	614	704	626	1,915	1,670
General operating expenses	313	351	361	351	399	1,025	1,126
Underwriting income (loss)	(185)	(5)	(11)	(871)	(987)	(201)	(1,442)
Net investment income (loss):							
Interest and dividends	562	625	624	572	575	1,811	1,642
Alternative investments	71	150	327	(181)	206	548	425
Other investment income (loss)	33	(12)	37	(70)	68	58	22
Investment expenses	(46)	(40)	(43)	(25)	(22)	(129)	(80)
Total net investment income	620	723	945	296	827	2,288	2,009
Adjusted pre-tax income (loss)	\$ 435	\$ 718	\$ 934	\$ (575)	\$ (160)	\$ 2,087	\$ 567
Underwriting Ratios							
Loss ratio (3)	76.7	69.2	69.4	94.6	98.8	71.8	84.8
Catastrophe losses and reinstatement premiums	(7.1)	(5.0)	(5.1)	(19.6)	(23.7)	(5.8)	(13.4)
Prior year development	0.5	1.7	1.8	(10.0)	(4.8)	1.4	(0.5)
Adjustments for ceded premium under reinsurance contracts and other	(0.6)	-	1.0	0.9	(0.5)	0.1	0.8
Accident year loss ratio, as adjusted	69.5	65.9	67.1	65.9	69.8	67.5	71.7
Acquisition ratio	19.4	20.3	19.5	20.5	19.0	19.7	18.8
General operating expense ratio	9.6	10.6	11.4	10.2	12.1	10.6	12.7
Expense ratio	29.0	30.9	30.9	30.7	31.1	30.3	31.5
Combined ratio (3)	105.7	100.1	100.3	125.3	129.9	102.1	116.3
Accident year combined ratio, as adjusted	98.5	96.8	98.0	96.6	100.9	97.8	103.2
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 230	\$ 170	\$ 158	\$ 689	\$ 791	\$ 558	\$ 1,197
Reinstatement premiums related to catastrophes	-	(5)	6	(23)	(10)	1	(10)
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(17)	(61)	(60)	326	134	(138)	2
(Additional) return premium related to prior year development on loss sensitive business	7	9	10	13	32	26	47
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(10)	(52)	(50)	339	166	(112)	49
Reinstatement premiums related to prior year catastrophes	(2)	(3)	(8)	9	5	(13)	5
Other premium adjustments related to prior year	26	-	(43)	(46)	24	(17)	(91)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations (2)							
Net premiums written	\$ 2,502	\$ 2,364	\$ 1,998	\$ 2,161	\$ 2,229	\$ 6,864	\$ 5,864
Net premiums earned	\$ 2,435	\$ 2,457	\$ 2,375	\$ 2,594	\$ 2,425	\$ 7,267	\$ 6,412
Losses and loss adjustment expenses incurred (3)	1,971	1,838	1,680	2,427	2,389	5,489	5,461
Acquisition expenses:							
Amortization of deferred policy acquisition costs	276	289	301	319	294	866	686
Other acquisition expenses	73	89	60	110	44	222	204
Total acquisition expenses	349	378	361	429	338	1,088	890
General operating expenses	238	277	280	279	307	795	850
Underwriting income (loss)	\$ (123)	\$ (36)	\$ 54	\$ (541)	\$ (609)	\$ (105)	\$ (789)
Underwriting Ratios							
Loss ratio (3)	80.9	74.8	70.7	93.6	98.5	75.5	85.2
Catastrophe losses and reinstatement premiums	(6.4)	(5.4)	(5.1)	(9.8)	(21.6)	(5.6)	(11.0)
Prior year development	1.6	3.1	2.8	(13.3)	(0.6)	2.5	3.2
Adjustments for ceded premium under reinsurance contracts and other	(0.8)	-	1.0	1.2	(0.7)	-	1.1
Accident year loss ratio, as adjusted	75.3	72.5	69.4	71.7	75.6	72.4	78.5
Acquisition ratio	14.3	15.4	15.2	16.5	13.9	15.0	13.9
General operating expense ratio	9.8	11.3	11.8	10.8	12.7	10.9	13.3
Expense ratio	24.1	26.7	27.0	27.3	26.6	25.9	27.2
Combined ratio (3)	105.0	101.5	97.7	120.9	125.1	101.4	112.4
Accident year combined ratio, as adjusted	99.4	99.2	96.4	99.0	102.2	98.3	105.7
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 156	\$ 137	\$ 120	\$ 275	\$ 531	\$ 413	\$ 713
Reinstatement premiums related to catastrophes	-	(5)	4	(25)	(10)	(1)	(10)
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(42)	(81)	(69)	326	(14)	(192)	(245)
(Additional) return premium related to prior year development on loss sensitive business	8	9	9	13	32	26	47
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(34)	(72)	(60)	339	18	(166)	(198)
Reinstatement premiums related to prior year catastrophes	(2)	(3)	(8)	9	5	(13)	5
Other premium adjustments related to prior year	25	-	(32)	(46)	24	(7)	(91)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Net premiums written	\$ 902	\$ 943	\$ 580	\$ 783	\$ 935	\$ 2,425	\$ 2,575
Net premiums earned	\$ 823	\$ 845	\$ 778	\$ 834	\$ 877	\$ 2,446	\$ 2,474
Losses and loss adjustment expenses incurred	528	448	509	817	875	1,485	2,071
Acquisition expenses:							
Amortization of deferred policy acquisition costs	233	238	207	218	240	678	636
Other acquisition expenses	49	54	46	57	48	149	144
Total acquisition expenses	282	292	253	275	288	827	780
General operating expenses	75	74	81	72	92	230	276
Underwriting income (loss)	\$ (62)	\$ 31	\$ (65)	\$ (330)	\$ (378)	\$ (96)	\$ (653)
Underwriting Ratios							
Loss ratio	64.2	53.0	65.4	98.0	99.8	60.7	83.7
Catastrophe losses and reinstatement premiums	(9.0)	(3.9)	(5.0)	(49.8)	(29.7)	(6.0)	(19.6)
Prior year development	(3.0)	(2.4)	(1.2)	-	(16.9)	(2.2)	(9.9)
Adjustment for ceded premium under reinsurance contract	(0.1)	-	0.9	-	-	0.2	-
Accident year loss ratio, as adjusted	52.1	46.7	60.1	48.2	53.2	52.7	54.2
Acquisition ratio	34.3	34.6	32.5	33.0	32.8	33.8	31.5
General operating expense ratio	9.1	8.8	10.4	8.6	10.5	9.4	11.2
Expense ratio	43.4	43.4	42.9	41.6	43.3	43.2	42.7
Combined ratio	107.6	96.4	108.3	139.6	143.1	103.9	126.4
Accident year combined ratio, as adjusted	95.5	90.1	103.0	89.8	96.5	95.9	96.9
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 74	\$ 33	\$ 38	\$ 414	\$ 260	\$ 145	\$ 484
Reinstatement premiums related to catastrophes	-	-	2	2	-	2	-
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	25	20	9	-	148	54	247
(Additional) return premium related to prior year development on loss sensitive business	(1)	-	1	-	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	24	20	10	-	148	54	247
Other premium adjustments related to prior year	1	-	(11)	-	-	(10)	-

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
General Insurance – International Results

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations (1)							
Net premiums written	\$ 3,244	\$ 3,274	\$ 3,455	\$ 3,480	\$ 3,671	\$ 9,973	\$ 11,544
Net premiums earned	\$ 3,401	\$ 3,392	\$ 3,560	\$ 3,743	\$ 3,779	\$ 10,353	\$ 11,448
Losses and loss adjustment expenses incurred	2,119	1,929	2,044	2,499	3,012	6,092	7,549
Acquisition expenses:							
Amortization of deferred policy acquisition costs	614	627	651	678	689	1,892	2,059
Other acquisition expenses	217	191	197	223	221	605	647
Total acquisition expenses	831	818	848	901	910	2,497	2,706
General operating expenses	515	493	478	543	596	1,486	1,817
Underwriting income (loss)	(64)	152	190	(200)	(739)	278	(624)
Net investment income (loss):							
Interest and dividends	117	90	144	100	122	351	347
Alternative investments	5	20	-	1	-	25	2
Other investment income (loss)	21	6	8	(39)	(36)	35	(16)
Investment expenses	(7)	(6)	(8)	(9)	(12)	(21)	(23)
Total net investment income	136	110	144	53	74	390	310
Adjusted pre-tax income (loss)	\$ 72	\$ 262	\$ 334	\$ (147)	\$ (665)	\$ 668	\$ (314)
Underwriting Ratios							
Loss ratio	62.3	56.9	57.4	66.8	79.7	58.8	65.9
Catastrophe losses and reinstatement premiums	(8.0)	(0.1)	(0.5)	(3.7)	(20.5)	(2.8)	(7.8)
Prior year development	(0.4)	0.1	0.4	(1.0)	(1.0)	-	-
Accident year loss ratio, as adjusted	53.9	56.9	57.3	62.1	58.2	56.0	58.1
Acquisition ratio	24.4	24.1	23.8	24.1	24.1	24.1	23.6
General operating expense ratio	15.1	14.5	13.4	14.5	15.8	14.4	15.9
Expense ratio	39.5	38.6	37.2	38.6	39.9	38.5	39.5
Combined ratio	101.8	95.5	94.6	105.4	119.6	97.3	105.4
Accident year combined ratio, as adjusted	93.4	95.5	94.5	100.7	98.1	94.5	97.6
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 267	\$ 4	\$ 17	\$ 137	\$ 776	\$ 288	\$ 896
Reinstatement premiums related to catastrophes	12	-	-	(1)	-	12	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	14	(5)	(12)	37	38	(3)	1
Reinstatement premiums related to prior year catastrophes	(1)	-	-	2	(3)	(1)	(3)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Net premiums written	\$ 1,528	\$ 1,516	\$ 1,780	\$ 1,561	\$ 1,810	\$ 4,824	\$ 5,355
Net premiums earned	\$ 1,578	\$ 1,574	\$ 1,684	\$ 1,852	\$ 1,826	\$ 4,836	\$ 5,216
Losses and loss adjustment expenses incurred	1,072	968	1,061	1,490	1,599	3,101	3,847
Acquisition expenses:							
Amortization of deferred policy acquisition costs	255	266	255	284	297	776	808
Other acquisition expenses	94	66	70	83	82	230	255
Total acquisition expenses	349	332	325	367	379	1,006	1,063
General operating expenses	222	223	230	246	271	675	819
Underwriting income (loss)	\$ (65)	\$ 51	\$ 68	\$ (251)	\$ (423)	\$ 54	\$ (513)
Underwriting Ratios							
Loss ratio	67.9	61.5	63.0	80.5	87.6	64.1	73.8
Catastrophe losses and reinstatement premiums	(8.0)	(0.3)	(1.0)	(7.2)	(20.6)	(3.0)	(9.2)
Prior year development	(2.1)	0.4	(2.4)	(4.1)	(3.6)	(1.5)	(1.1)
Accident year loss ratio, as adjusted	57.8	61.6	59.6	69.2	63.4	59.6	63.5
Acquisition ratio	22.1	21.1	19.3	19.8	20.8	20.8	20.4
General operating expense ratio	14.1	14.2	13.7	13.3	14.8	14.0	15.7
Expense ratio	36.2	35.3	33.0	33.1	35.6	34.8	36.1
Combined ratio	104.1	96.8	96.0	113.6	123.2	98.9	109.9
Accident year combined ratio, as adjusted	94.0	96.9	92.6	102.3	99.0	94.4	99.6
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 124	\$ 4	\$ 17	\$ 134	\$ 376	\$ 145	\$ 480
Reinstatement premiums related to catastrophes	5	-	-	(1)	-	5	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	34	(6)	41	74	68	69	59
Reinstatement premiums related to prior year catastrophes	(1)	-	-	2	(3)	(1)	(3)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Net premiums written	\$ 1,716	\$ 1,758	\$ 1,675	\$ 1,919	\$ 1,861	\$ 5,149	\$ 6,189
Net premiums earned	\$ 1,823	\$ 1,818	\$ 1,876	\$ 1,891	\$ 1,953	\$ 5,517	\$ 6,232
Losses and loss adjustment expenses incurred	1,047	961	983	1,009	1,413	2,991	3,702
Acquisition expenses:							
Amortization of deferred policy acquisition costs	359	361	396	394	392	1,116	1,251
Other acquisition expenses	123	125	127	140	139	375	392
Total acquisition expenses	482	486	523	534	531	1,491	1,643
General operating expenses	293	270	248	297	325	811	998
Underwriting income (loss)	\$ 1	\$ 101	\$ 122	\$ 51	\$ (316)	\$ 224	\$ (111)
Underwriting Ratios							
Loss ratio	57.4	52.9	52.4	53.4	72.4	54.2	59.4
Catastrophe losses and reinstatement premiums	(8.0)	-	-	(0.2)	(20.5)	(2.6)	(6.7)
Prior year development	1.1	(0.1)	2.8	2.0	1.5	1.3	1.0
Accident year loss ratio, as adjusted	50.5	52.8	55.2	55.2	53.4	52.9	53.7
Acquisition ratio	26.4	26.7	27.9	28.2	27.2	27.0	26.4
General operating expense ratio	16.1	14.9	13.2	15.7	16.6	14.7	16.0
Expense ratio	42.5	41.6	41.1	43.9	43.8	41.7	42.4
Combined ratio	99.9	94.5	93.5	97.3	116.2	95.9	101.8
Accident year combined ratio, as adjusted	93.0	94.4	96.3	99.1	97.2	94.6	96.1
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 143	\$ -	\$ -	\$ 3	\$ 400	\$ 143	\$ 416
Reinstatement premiums related to catastrophes	7	-	-	-	-	7	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(20)	1	(53)	(37)	(30)	(72)	(58)

See accompanying notes on page 23 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
General Insurance Notes

- (1) 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 AIUI Japan. The nine-month period ended September 30, 2018 Results of Operations include 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.
- (2) AIG participates in the market for insurance-linked securities (ILS) primarily through AlphaCat Managers, Ltd. (AlphaCat). AlphaCat is an asset manager of various funds, managed accounts and sidecars capitalized by third party investors and Validus. Total assets under management by AlphaCat is \$4.3 billion at September 30, 2019, of which \$4.2 billion relates to third party assets. ILS are financial instruments for which the values are determined based on insurance risk primarily related to natural catastrophes such as earthquakes and hurricanes. We report the investment in the vehicles managed by AlphaCat as Other Invested Assets. We recognized approximately \$8 million, \$(1) million, \$1 million, \$(12) million and \$5 million of Net Investment Income (Loss), as well as \$8 million, \$8 million, \$8 million, \$5 million and \$6 million of Miscellaneous Income (reported as a component of Net Premiums Earned), respectively, in the three-month periods ended September 30, June 30 and March 31, 2019, and December 31 and September 30, 2018, respectively.
- (3) 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.
- (4) Computed using current exchange rate for the corresponding periods in the prior year.

American International Group, Inc.
Life and Retirement Results

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Premiums and deposits:	\$ 7,461	\$ 7,212	\$ 8,356	\$ 8,166	\$ 6,779	\$ 23,029	\$ 23,040
Revenues:							
Premiums	\$ 826	\$ 598	\$ 1,229	\$ 1,213	\$ 443	\$ 2,653	\$ 1,379
Policy fees	703	735	707	704	500	2,145	1,965
Net investment income (loss):							
Base portfolio (2)	1,912	1,873	1,853	1,775	1,779	5,638	5,332
Alternative investments	46	193	66	61	72	305	283
Other yield enhancements (3)	120	204	123	85	109	447	386
Total net investment income	2,078	2,270	2,042	1,921	1,960	6,390	6,001
Advisory fee and other income	226	225	226	227	243	677	726
Total adjusted revenues	3,833	3,828	4,204	4,065	3,146	11,865	10,071
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	1,576	1,021	1,566	1,617	962	4,163	2,562
Interest credited to policyholder account balances	909	900	887	913	877	2,696	2,600
Amortization of deferred policy acquisition costs	42	200	200	269	(60)	442	411
Non deferrable insurance commissions	141	140	125	139	145	406	419
Advisory fee expenses	81	80	77	79	88	238	250
General operating expenses	397	399	385	388	374	1,181	1,137
Interest expense	41	39	40	37	47	120	125
Total benefits, losses and expenses	3,187	2,779	3,280	3,442	2,433	9,246	7,504
Adjusted pre-tax income (1)	646	1,049	924	623	713	2,619	2,567
Interest expense on attributed financial debt	45	44	37	31	30	126	76
Adjusted pre-tax income including attributed interest expense	601	1,005	887	592	683	2,493	2,491
Income tax expense	117	201	176	116	134	494	494
Adjusted after-tax income	\$ 484	\$ 804	\$ 711	\$ 476	\$ 549	\$ 1,999	\$ 1,997
Dividends declared on preferred stock	3	3	-	-	-	6	-
Adjusted after-tax income attributable to common shareholders (a)	\$ 481	\$ 801	\$ 711	\$ 476	\$ 549	\$ 1,993	\$ 1,997
Ending adjusted attributed common equity	\$ 19,235	\$ 18,820	\$ 18,280	\$ 19,695	\$ 19,254	\$ 19,235	\$ 19,254
Average adjusted attributed common equity (b)*	19,028	18,550	18,988	19,475	19,613	19,008	19,656
Adjusted return on attributed common equity (a÷b)	10.1 %	17.3 %	15.0 %	9.8 %	11.2 %	14.0 %	13.5 %
Noteworthy Items:							
Annual actuarial assumption update (1)	\$ (143)	\$ -	\$ -	\$ -	\$ (98)	\$ (143)	\$ (98)
Better (worse) than expected alternative returns	(1)	149	23	21	31	171	157
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	32	77	64	(14)	25	173	72
Changes in the fair value of Equity Securities - Other	-	-	-	(16)	7	-	4

* See accompanying notes to Adjusted Attributed Common Equity on page 53.

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 3,692	\$ 3,865	\$ 4,186	\$ 4,225	\$ 3,616	\$ 11,743	\$ 11,396
Revenues:							
Premiums	\$ 38	\$ 16	\$ 11	\$ 15	\$ 9	\$ 65	\$ 37
Policy fees	204	205	193	194	204	602	610
Net investment income (loss):							
Base portfolio (2)	942	906	897	849	865	2,745	2,595
Alternative investments	22	92	32	31	36	146	142
Other yield enhancements (3)	57	96	70	32	55	223	178
Total net investment income	1,021	1,094	999	912	956	3,114	2,915
Advisory fee and other income	153	151	148	155	166	452	500
Total adjusted revenues	1,416	1,466	1,351	1,276	1,335	4,233	4,062
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	237	51	31	77	52	319	184
Interest credited to policyholder account balances	429	436	424	432	420	1,289	1,247
Amortization of deferred policy acquisition costs	95	119	120	170	196	334	460
Non deferrable insurance commissions and other (13)	78	78	77	82	81	233	242
Advisory fee expenses	55	56	54	55	62	165	183
General operating expenses	115	119	118	114	107	352	329
Interest expense	20	19	19	19	24	58	63
Total benefits, losses and expenses	1,029	878	843	949	942	2,750	2,708
Adjusted pre-tax income (1)	\$ 387	\$ 588	\$ 508	\$ 327	\$ 393	\$ 1,483	\$ 1,354
Noteworthy Items (pre-tax)							
Annual actuarial assumption update (1)	\$ (63)	\$ -	\$ -	\$ -	\$ (52)	\$ (63)	\$ (52)
Better than expected alternative returns	1	71	11	11	15	83	78

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Assets under management:							
General accounts	\$ 34,491	\$ 32,145	\$ 29,176	\$ 27,517	\$ 26,525	\$ 34,491	\$ 26,525
Separate accounts	47,529	48,043	47,238	43,660	49,288	47,529	49,288
Total assets under management	\$ 82,020	\$ 80,188	\$ 76,414	\$ 71,177	\$ 75,813	\$ 82,020	\$ 75,813
Net investment spreads:							
Total yield	4.67 %	5.41 %	5.16 %	4.49 %	4.85 %	5.07 %	4.79 %
Less: Alternative investments (5)	(0.05)	(0.45)	(0.13)	(0.13)	(0.16)	(0.21)	(0.24)
Less: Other yield enhancements (6)	(0.09)	(0.49)	(0.48)	0.15	(0.04)	(0.35)	0.04
Base yield (7)	4.53	4.47	4.55	4.51	4.65	4.51	4.59
Cost of funds (a)	1.38	1.39	1.36	1.29	1.24	1.38	1.22
Base net investment spread (b)	3.15 %	3.08 %	3.19 %	3.22 %	3.41 %	3.13 %	3.37 %
DAC rollforward:							
Balance at beginning of period	\$ 2,826	\$ 3,046	\$ 3,121	\$ 3,119	\$ 3,088	\$ 3,121	\$ 2,789
Deferrals	122	109	104	112	109	335	296
Operating amortization	(101)	(61)	(59)	(111)	(164)	(221)	(285)
Change from realized gains (losses)	(71)	(63)	84	(41)	69	(50)	45
Change from unrealized gains (losses)	(205)	(205)	(204)	42	17	(614)	274
Balance at end of period	\$ 2,571	\$ 2,826	\$ 3,046	\$ 3,121	\$ 3,119	\$ 2,571	\$ 3,119
Reserve rollforward:							
Balance at beginning of period, gross	\$ 76,809	\$ 73,990	\$ 68,794	\$ 72,535	\$ 70,260	\$ 68,794	\$ 69,550
Premiums and deposits	2,220	1,998	1,920	2,098	2,009	6,138	6,397
Surrenders and withdrawals	(1,196)	(1,207)	(1,069)	(1,153)	(1,129)	(3,472)	(3,345)
Death and other contract benefits	(261)	(243)	(245)	(247)	(239)	(749)	(741)
Subtotal	77,572	74,538	69,400	73,233	70,901	70,711	71,861
Change in fair value of underlying assets and reserve accretion, net of policy fees	712	2,103	4,439	(4,470)	1,604	7,254	642
Cost of funds (a)	87	81	74	68	62	242	174
Other reserve changes	260	87	77	(37)	(32)	424	(142)
Balance at end of period	78,631	76,809	73,990	68,794	72,535	78,631	72,535
Reinsurance ceded	(30)	(28)	(28)	(30)	(29)	(30)	(29)
Total insurance reserves	\$ 78,601	\$ 76,781	\$ 73,962	\$ 68,764	\$ 72,506	\$ 78,601	\$ 72,506

(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 36.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Assets under management:							
General accounts	\$ 58,873	\$ 58,072	\$ 56,305	\$ 54,521	\$ 54,725	\$ 58,873	\$ 54,725
Separate accounts	29	30	29	27	32	29	32
Total assets under management	\$ 58,902	\$ 58,102	\$ 56,334	\$ 54,548	\$ 54,757	\$ 58,902	\$ 54,757
Net investment spreads (a):							
Total yield	4.75 %	5.14 %	4.82 %	4.64 %	4.83 %	4.90 %	5.00 %
Less: Alternative investments (5)	(0.04)	(0.35)	(0.08)	(0.08)	(0.10)	(0.15)	(0.15)
Less: Other yield enhancements (6)	(0.14)	(0.22)	(0.06)	(0.06)	(0.16)	(0.15)	(0.22)
Base yield (7)	4.57	4.57	4.68	4.50	4.57	4.60	4.63
Cost of funds (b)	2.67	2.68	2.71	2.67	2.64	2.69	2.65
Base net investment spread (c)	1.90 %	1.89 %	1.97 %	1.83 %	1.93 %	1.91 %	1.98 %
DAC rollforward:							
Balance at beginning of period	\$ 526	\$ 788	\$ 1,112	\$ 1,057	\$ 1,062	\$ 1,112	\$ 884
Deferrals	39	45	48	45	30	132	77
Operating amortization	6	(58)	(61)	(59)	(32)	(113)	(175)
Change from realized gains (losses)	-	-	1	2	1	1	1
Change from unrealized gains (losses)	(67)	(249)	(312)	67	(4)	(628)	270
Balance at end of period	\$ 504	\$ 526	\$ 788	\$ 1,112	\$ 1,057	\$ 504	\$ 1,057
Reserve rollforward:							
Balance at beginning of period, gross	\$ 51,467	\$ 51,185	\$ 50,615	\$ 50,235	\$ 50,303	\$ 50,615	\$ 50,846
Premiums and deposits	1,203	1,502	1,821	1,678	1,165	4,526	3,087
Surrenders and withdrawals	(778)	(1,006)	(1,024)	(1,146)	(1,022)	(2,808)	(2,966)
Death and other contract benefits	(545)	(575)	(586)	(513)	(553)	(1,706)	(1,815)
Subtotal	51,347	51,106	50,826	50,254	49,893	50,627	49,152
Change in fair value of underlying assets and reserve accretion, net of policy fees	1	12	52	74	12	65	197
Cost of funds (b)	338	333	329	331	324	1,000	967
Other reserve changes	54	16	(22)	(44)	6	48	(81)
Balance at end of period	51,740	51,467	51,185	50,615	50,235	51,740	50,235
Reinsurance ceded	(282)	(287)	(288)	(288)	(290)	(282)	(290)
Total insurance reserves	\$ 51,458	\$ 51,180	\$ 50,897	\$ 50,327	\$ 49,945	\$ 51,458	\$ 49,945

(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 36.

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

(in millions)	Quarterly					Nine Months Ended	
	3Q19	2Q19	1Q19	4Q18	3Q18	September 30, 2019	2018
Premiums and deposits:							
Fixed Annuities	\$ 1,203	\$ 1,502	\$ 1,821	\$ 1,678	\$ 1,165	\$ 4,526	\$ 3,087
Variable Annuities	820	656	558	715	838	2,034	2,382
Index Annuities	1,400	1,342	1,362	1,383	1,171	4,104	2,867
Retail Mutual Funds	269	365	445	449	442	1,079	1,912
Total premiums and deposits (4)	3,692	3,865	4,186	4,225	3,616	11,743	10,248
Surrenders and withdrawals:							
Fixed Annuities	(778)	(1,006)	(1,024)	(1,146)	(1,022)	(2,808)	(2,966)
Variable Annuities	(1,032)	(1,042)	(918)	(1,022)	(1,006)	(2,992)	(3,002)
Index Annuities	(164)	(165)	(151)	(131)	(123)	(480)	(343)
Retail Mutual Funds	(1,242)	(1,140)	(1,129)	(1,676)	(1,218)	(3,511)	(3,795)
Total surrenders and withdrawals	(3,216)	(3,353)	(3,222)	(3,975)	(3,369)	(9,791)	(10,106)
Death and other contract benefits:							
Fixed Annuities	(545)	(575)	(586)	(513)	(553)	(1,706)	(1,815)
Variable Annuities	(223)	(208)	(216)	(221)	(215)	(647)	(668)
Index Annuities	(38)	(35)	(29)	(26)	(24)	(102)	(73)
Total death and other contract benefits	(806)	(818)	(831)	(760)	(792)	(2,455)	(2,556)
Net flows (4):							
Fixed Annuities	(120)	(79)	211	19	(410)	12	(1,694)
Variable Annuities	(435)	(594)	(576)	(528)	(383)	(1,605)	(1,288)
Index Annuities	1,198	1,142	1,182	1,226	1,024	3,522	2,451
Retail Mutual Funds	(973)	(775)	(684)	(1,227)	(776)	(2,432)	(1,883)
Total net flows	\$ (330)	\$ (306)	\$ 133	\$ (510)	\$ (545)	\$ (503)	\$ (2,414)
Surrender rates (8):							
Fixed Annuities	6.1%	7.9%	8.1%	9.1%	8.2%	7.4%	7.9%
Variable and Index Annuities	6.2%	6.4%	6.0%	6.5%	6.3%	6.3%	6.3%

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 1,924	\$ 2,047	\$ 2,063	\$ 2,106	\$ 2,116	\$ 6,034	\$ 6,533
Revenues:							
Premiums	\$ 5	\$ 5	\$ 4	\$ 4	\$ 9	\$ 14	\$ 30
Policy fees	111	106	100	107	115	317	339
Net investment income (loss):							
Base portfolio (2)	498	505	497	473	478	1,500	1,446
Alternative investments	12	54	18	16	19	84	74
Other yield enhancements (3)	34	59	26	28	34	119	135
Total net investment income	544	618	541	517	531	1,703	1,655
Advisory fee and other income	66	61	64	54	63	191	185
Total adjusted revenues	726	790	709	682	718	2,225	2,209
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	20	17	10	22	25	47	63
Interest credited to policyholder account balances	292	285	282	296	275	859	826
Amortization of deferred policy acquisition costs	31	22	12	37	7	65	58
Non deferrable insurance commissions and other (13)	30	27	28	30	30	85	87
Advisory fee expenses	26	24	23	24	26	73	67
General operating expenses	112	111	111	105	101	334	301
Interest expense	12	11	11	9	12	34	33
Total benefits, losses and expenses	523	497	477	523	476	1,497	1,435
Adjusted pre-tax income (1)	\$ 203	\$ 293	\$ 232	\$ 159	\$ 242	\$ 728	\$ 774
Noteworthy items (pre-tax)							
Annual actuarial assumption update (1)	\$ (17)	\$ -	\$ -	\$ -	\$ 17	\$ (17)	\$ 17
Better than expected alternative returns	-	42	6	5	8	48	41

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Assets under administration:							
General accounts	\$ 49,959	\$ 49,233	\$ 47,080	\$ 45,193	\$ 45,162	\$ 49,959	\$ 45,162
Separate accounts	35,659	36,232	35,542	32,209	37,284	35,659	37,284
Group Retirement mutual funds	20,307	20,375	19,474	17,941	20,214	20,307	20,214
Total assets under administration	\$ 105,925	\$ 105,840	\$ 102,096	\$ 95,343	\$ 102,660	\$ 105,925	\$ 102,660
Net investment spreads:							
Total yield	4.71 %	5.36 %	4.79 %	4.62 %	4.77 %	4.96 %	4.96 %
Less: Alternative investments (5)	(0.05)	(0.40)	(0.10)	(0.09)	(0.11)	(0.18)	(0.16)
Less: Other yield enhancements (6)	(0.15)	(0.36)	(0.10)	(0.12)	(0.17)	(0.21)	(0.27)
Base yield (7)	4.51	4.60	4.59	4.41	4.49	4.57	4.53
Cost of funds (a)	2.72	2.72	2.76	2.82	2.68	2.73	2.70
Base net investment spread (b)	1.79 %	1.88 %	1.83 %	1.59 %	1.81 %	1.84 %	1.83 %
Net flows: (4)							
Premiums and deposits	\$ 1,924	\$ 2,047	\$ 2,063	\$ 2,106	\$ 2,116	\$ 6,034	\$ 6,324
Surrenders and withdrawals	(2,535)	(2,061)	(2,781)	(2,590)	(2,957)	(7,377)	(8,062)
Death and other contract benefits	(177)	(160)	(157)	(144)	(145)	(494)	(462)
Total net flows	\$ (788)	\$ (174)	\$ (875)	\$ (628)	\$ (986)	\$ (1,837)	\$ (2,200)
Surrender rates (8)	10.3 %	8.4 %	11.8 %	10.9 %	12.0 %	10.3 %	11.0 %
DAC rollforward:							
Balance at beginning of period	\$ 762	\$ 893	\$ 1,030	\$ 1,033	\$ 998	\$ 1,030	\$ 928
Deferrals	20	20	19	27	23	59	59
Operating amortization	(31)	(22)	(12)	(37)	(7)	(65)	(58)
Change from realized gains (losses)	-	-	-	1	1	-	1
Change from unrealized gains (losses)	(103)	(129)	(144)	6	18	(376)	103
Balance at end of period	\$ 648	\$ 762	\$ 893	\$ 1,030	\$ 1,033	\$ 648	\$ 1,033
Reserve rollforward:							
Balance at beginning of period, gross	\$ 98,923	\$ 96,906	\$ 91,685	\$ 98,970	\$ 97,548	\$ 91,685	\$ 97,306
Premiums and deposits	1,924	2,047	2,063	2,106	2,116	6,034	6,533
Surrenders and withdrawals	(2,535)	(2,061)	(2,781)	(2,590)	(2,957)	(7,377)	(8,062)
Death and other contract benefits	(177)	(160)	(157)	(144)	(145)	(494)	(462)
Subtotal	98,135	96,732	90,810	98,342	96,562	89,848	95,315
Change in fair value of underlying assets and reserve accretion, net of policy fees	213	1,919	5,807	(6,947)	2,129	7,939	2,841
Cost of funds (a)	286	280	278	290	275	844	816
Other reserve changes	(10)	(8)	11	-	4	(7)	(2)
Total insurance reserves and Group Retirement mutual funds	\$ 98,624	\$ 98,923	\$ 96,906	\$ 91,685	\$ 98,970	\$ 98,624	\$ 98,970

(a) Excludes the amortization of SIAs.

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

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

	Quarterly				
	3Q19	2Q19	1Q19	4Q18	3Q18
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 66,978	\$ 67,651	\$ 66,921	\$ 63,071	\$ 69,364
Guaranteed Minimum Income Benefits (GMIB) (c)	2,110	2,179	2,181	2,024	2,339
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	43,637	43,996	43,441	40,753	45,150
Liability by benefit type (a)					
GMDB (b)	\$ 383	\$ 351	\$ 357	\$ 384	\$ 364
GMIB (c)	12	12	12	13	13
GMWB (d)	3,263	2,659	2,120	2,041	1,144

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

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ (1,481)	\$ (675)	\$ 215	\$ (1,721)	\$ 553	\$ (1,941)	\$ 1,477
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	15	76	96	(27)	(13)	187	(127)
Interest rate derivative contracts	826	542	293	377	(257)	1,661	(847)
Equity derivative contracts	(15)	(179)	(593)	724	(332)	(787)	(412)
Change in fair value of variable annuity hedging portfolio	826	439	(204)	1,074	(602)	1,061	(1,386)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	(655)	(236)	11	(647)	(49)	(880)	91
Change in fair value of embedded derivatives due to NPA spread	306	37	(163)	384	(168)	180	4
Change in fair value of embedded derivatives due to change in NPA volume	457	235	(13)	542	(19)	679	(262)
Change in fair value of embedded derivatives due to update of actuarial assumptions	219	-	-	-	38	219	38
Total change due to update of actuarial assumptions and NPA	982	272	(176)	926	(149)	1,078	(220)
Net impact on pre-tax income (loss)	\$ 327	\$ 36	\$ (165)	\$ 279	\$ (198)	\$ 198	\$ (129)

See accompanying notes on page 36.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 1,012	\$ 1,032	\$ 995	\$ 987	\$ 978	\$ 3,039	\$ 2,927
Revenues:							
Premiums	\$ 394	\$ 425	\$ 395	\$ 378	\$ 379	\$ 1,214	\$ 1,176
Policy fees	348	381	373	363	141	1,102	895
Net investment income (loss):							
Base portfolio (2)	264	266	262	262	252	792	760
Alternative investments	9	32	11	9	11	52	44
Other yield enhancements (3)	16	37	18	16	12	71	46
Total net investment income	289	335	291	287	275	915	850
Advisory fee and other income (10)	6	13	14	17	14	33	41
Total adjusted revenues	1,037	1,154	1,073	1,045	809	3,264	2,962
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	848	731	638	622	780	2,217	1,997
Interest credited to policyholder account balances	93	92	92	93	92	277	281
Amortization of deferred policy acquisition costs	(86)	58	67	61	(265)	39	(111)
Non deferrable insurance commissions and other (13)	27	28	12	20	27	67	69
General operating expenses	155	153	141	156	152	449	464
Interest expense	7	6	7	6	7	20	19
Total benefits, losses and expenses	1,044	1,068	957	958	793	3,069	2,719
Adjusted pre-tax income (1)	\$ (7)	\$ 86	\$ 116	\$ 87	\$ 16	\$ 195	\$ 243
Noteworthy items (pre-tax)							
Annual actuarial assumption update (1)	\$ (63)	\$ -	\$ -	\$ -	\$ (63)	\$ (63)	\$ (63)
Better than expected alternative returns	-	25	4	3	5	29	25
Adjusted pre-tax income Domestic Life	5	84	96	88	10	185	239
Adjusted pre-tax income (loss) International Life	(12)	2	20	(1)	6	10	4

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Gross life insurance in force, end of period:							
Domestic Life	\$ 909,389	\$ 896,193	\$ 881,286	\$ 867,460	\$ 858,203	\$ 909,389	\$ 858,203
International Life	147,807	144,384	138,915	125,835	120,428	147,807	120,428
Total	\$ 1,057,196	\$ 1,040,577	\$ 1,020,201	\$ 993,295	\$ 978,631	\$ 1,057,196	\$ 978,631
Life and A&H CPPE sales (11):							
Term	\$ 62	\$ 65	\$ 65	\$ 59	\$ 62	\$ 192	\$ 183
Universal life	33	31	29	36	41	93	125
Group and other life	33	36	28	10	13	97	41
Single premium and unscheduled deposits	2	3	3	4	4	8	10
A&H	-	-	-	2	3	-	8
Total	\$ 130	\$ 135	\$ 125	\$ 111	\$ 123	\$ 390	\$ 367
Surrender/lapse rates (12):							
Domestic Life:							
Independent distribution	4.69 %	4.17 %	4.21 %	4.12 %	4.55 %	4.36 %	4.07 %
Career distribution	4.69 %	4.51 %	5.01 %	5.16 %	5.33 %	4.74 %	5.44 %
DAC/VOBA rollforward:							
Balance at beginning of period	\$ 3,810	\$ 3,841	\$ 3,843	\$ 3,746	\$ 3,331	\$ 3,843	\$ 3,009
Deferrals	115	123	163	129	140	401	414
Operating amortization	86	(58)	(67)	(61)	265	(39)	111
Change from realized gains (losses)	6	(5)	8	(4)	3	9	-
Change from unrealized gains (losses)	(79)	(80)	(113)	41	11	(272)	226
Foreign exchange translation	(14)	(11)	7	(8)	(4)	(18)	(14)
Balance at end of period	\$ 3,924	\$ 3,810	\$ 3,841	\$ 3,843	\$ 3,746	\$ 3,924	\$ 3,746
Reserve rollforward:							
Balance at beginning of period, gross	\$ 20,699	\$ 20,211	\$ 19,719	\$ 20,058	\$ 19,647	\$ 19,719	\$ 19,424
Premiums and deposits	922	942	908	896	887	2,772	2,663
Surrenders and withdrawals	(157)	(119)	(173)	(343)	(286)	(449)	(600)
Death and other contract benefits	(121)	(121)	(143)	(119)	(140)	(385)	(346)
Subtotal	21,343	20,913	20,311	20,492	20,108	21,657	21,141
Change in fair value of underlying assets and reserve accretion, net of policy fees	(305)	(289)	(262)	(353)	(229)	(856)	(771)
Cost of funds	92	92	93	93	92	277	281
Other reserve changes	916	(4)	58	(501)	93	970	(573)
Foreign exchange translation	(22)	(13)	11	(12)	(6)	(24)	(20)
Balance at end of period	22,024	20,699	20,211	19,719	20,058	22,024	20,058
Reinsurance ceded	(1,122)	(1,223)	(1,238)	(1,216)	(1,232)	(1,122)	(1,232)
Total insurance reserves	\$ 20,902	\$ 19,476	\$ 18,973	\$ 18,503	\$ 18,826	\$ 20,902	\$ 18,826
Domestic Life	20,487	19,068	18,597	18,174	18,514	20,487	18,514
International Life	415	408	376	329	312	415	312
Total insurance reserves	\$ 20,902	\$ 19,476	\$ 18,973	\$ 18,503	\$ 18,826	\$ 20,902	\$ 18,826

See accompanying notes on page 36.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Premiums and deposits (14)	\$ 833	\$ 268	\$ 1,112	\$ 848	\$ 69	\$ 2,213	\$ 2,184
Revenues:							
Premiums	\$ 389	\$ 152	\$ 819	\$ 816	\$ 46	\$ 1,360	\$ 136
Policy fees	40	43	41	40	40	124	121
Net investment income:							
Base portfolio (2)	208	196	197	191	184	601	531
Alternative investments	3	15	5	5	6	23	23
Other yield enhancements (3)	13	12	9	9	8	34	27
Total net investment income	224	223	211	205	198	658	581
Advisory fee and other income	1	-	-	1	-	1	-
Total adjusted revenues	654	418	1,071	1,062	284	2,143	838
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	471	222	887	896	105	1,580	318
Interest credited to policyholder account balances	95	87	89	92	90	271	246
Amortization of deferred policy acquisition costs	2	1	1	1	2	4	4
Non deferrable insurance commissions	6	7	8	7	7	21	21
General operating expenses	15	16	15	13	14	46	43
Interest expense	2	3	3	3	4	8	10
Total benefits, losses and expenses	591	336	1,003	1,012	222	1,930	642
Adjusted pre-tax income	\$ 63	\$ 82	\$ 68	\$ 50	\$ 62	\$ 213	\$ 196
General and separate account reserves							
Future policyholder benefits	\$ 7,909	\$ 7,562	\$ 7,468	\$ 6,694	\$ 5,899	\$ 7,909	\$ 5,899
Policyholder contract deposits	10,652	10,149	9,997	9,685	10,079	10,652	10,079
Separate account reserves	3,153	3,266	3,325	3,417	3,681	3,153	3,681
Total general and separate account reserves	\$ 21,714	\$ 20,977	\$ 20,790	\$ 19,796	\$ 19,659	\$ 21,714	\$ 19,659
Noteworthy Items (pre-tax)							
Better than expected alternative returns	\$ (2)	\$ 11	\$ 2	\$ 2	\$ 3	\$ 11	\$ 13

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Reserve rollforward:							
Balance at beginning of period, gross	\$ 21,022	\$ 20,833	\$ 19,839	\$ 19,702	\$ 19,694	\$ 19,839	\$ 18,580
Premiums and deposits (14)	833	268	1,112	848	69	2,213	2,184
Surrenders and withdrawals	(187)	(150)	(246)	(556)	(183)	(583)	(1,189)
Death and other contract benefits	(154)	(166)	(158)	(268)	(112)	(478)	(387)
Subtotal	21,514	20,785	20,547	19,726	19,468	20,991	19,188
Change in fair value of underlying assets and reserve accretion, net of policy fees	118	122	205	21	81	445	158
Cost of funds	95	87	89	92	90	271	246
Other reserve changes	30	28	(8)	-	63	50	110
Balance at end of period	21,757	21,022	20,833	19,839	19,702	21,757	19,702
Reinsurance ceded	(43)	(45)	(43)	(43)	(43)	(43)	(43)
Total insurance reserves	\$ 21,714	\$ 20,977	\$ 20,790	\$ 19,796	\$ 19,659	\$ 21,714	\$ 19,659
Reserves by line of business:							
Structured settlements	\$ 3,164	\$ 3,135	\$ 3,112	\$ 3,020	\$ 2,953	\$ 3,164	\$ 2,953
Pension risk transfer	5,477	5,162	5,081	4,363	3,608	5,477	3,608
Corporate and Bank-owned life insurance	4,981	4,962	4,911	4,823	4,895	4,981	4,895
Stable value wrap	881	943	1,013	1,181	1,376	881	1,376
Guaranteed investment contracts	7,211	6,775	6,673	6,409	6,827	7,211	6,827
Total insurance reserves	\$ 21,714	\$ 20,977	\$ 20,790	\$ 19,796	\$ 19,659	\$ 21,714	\$ 19,659
Premiums and deposits by line of business:							
Structured settlements	\$ 55	\$ 58	\$ 116	\$ 87	\$ 68	\$ 229	\$ 198
Pension risk transfer	353	116	746	761	1	1,215	40
Stable value wrap	52	-	-	-	-	52	-
Guaranteed investment contracts (14)	373	94	250	-	-	717	1,946
Total premiums and deposits	\$ 833	\$ 268	\$ 1,112	\$ 848	\$ 69	\$ 2,213	\$ 2,184
Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)	\$ 39,903	\$ 39,616	\$ 38,045	\$ 37,834	\$ 36,855	\$ 39,903	\$ 36,855

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

See accompanying notes on page 36 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
Life and Retirement Notes

- (1) Life and Retirement Adjusted pre-tax income in 3Q19 and 3Q18 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	
	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q18
Policy fees	\$ (32)	\$ (238)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32)	\$ (238)
Interest credited to policyholder account balances	-	-	25	9	(5)	(14)	(1)	5	19	-
Amortization of deferred policy acquisition costs	155	337	58	32	(6)	(78)	(4)	16	203	307
Policyholder benefits and claims incurred	(186)	(162)	(1)	(1)	(134)	-	(12)	(4)	(333)	(167)
Adjusted pre-tax income (loss)	\$ (63)	\$ (63)	\$ 82	\$ 40	\$ (145)	\$ (92)	\$ (17)	\$ 17	\$ (143)	\$ (98)
Changes in DAC related to net realized capital gains (losses)	7	-	-	-	(23)	33	(1)	2	(17)	35
Net realized capital gains (losses)	8	28	-	-	143	(87)	29	4	180	(55)
Increase (decrease) to pre-tax income (loss)	\$ (48)	\$ (35)	\$ 82	\$ 40	\$ (25)	\$ (146)	\$ 11	\$ 23	\$ 20	\$ (118)

- (2) Net investment income - base portfolio includes interest, dividends, and 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. Two large FHLB funding agreements were issued within Individual Retirement and Group Retirement totaling \$1.3 billion in the nine-month period ended September 30, 2018. 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 fund assets under administration.
- (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, 2018 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 common equity, consistent with the benefit from the reduced capital requirement.
- (14) Nine-month period ended September 30, 2018 includes deposits of \$1.4 billion from FHLB funding agreements.

American International Group, Inc.
Other Operations Results

(in millions)	Quarterly					Nine Months Ended	
	3Q19	2Q19	1Q19	4Q18	3Q18	September 30, 2019	2018
Results of Operations							
Revenues:							
Premiums	\$ 12	\$ 13	\$ 12	\$ 10	\$ 10	\$ 37	\$ 29
Net investment income (1)	91	96	91	43	9	278	2
Other income (1)	108	102	100	129	116	310	423
Total adjusted revenues	211	211	203	182	135	625	454
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	13	10	4	15	12	27	24
Acquisition expenses:	-	-	-	-	-	-	-
Amortization of deferred policy acquisition costs	4	4	4	4	3	12	6
Other acquisition expenses	1	-	1	1	-	2	-
Total acquisition expenses	5	4	5	5	3	14	6
General operating expenses	341	292	278	332	248	911	772
Interest expense	306	320	303	281	289	929	785
Total benefits, losses and expenses	665	626	590	633	552	1,881	1,587
Adjusted pre-tax loss before consolidation and eliminations	(454)	(415)	(387)	(451)	(417)	(1,256)	(1,133)
Consolidation, eliminations and other adjustments	(46)	(56)	(70)	31	29	(172)	28
Adjusted pre-tax loss	\$ (500)	\$ (471)	\$ (457)	\$ (420)	\$ (388)	\$ (1,428)	\$ (1,105)
Adjusted Pre-tax income (loss) by activities							
Parent and Other:							
Corporate general operating expenses	(244)	(198)	(183)	(207)	(182)	(625)	(519)
Interest expense	(306)	(320)	(303)	(281)	(289)	(929)	(785)
All other income (expense), net	96	103	99	37	54	298	171
Total Parent and Other	(454)	(415)	(387)	(451)	(417)	(1,256)	(1,133)
Consolidation, eliminations and other adjustments	(46)	(56)	(70)	31	29	(172)	28
Adjusted pre-tax loss	\$ (500)	\$ (471)	\$ (457)	\$ (420)	\$ (388)	\$ (1,428)	\$ (1,105)
Interest expense on attributed financial debt	(192)	(191)	(181)	(173)	(171)	(564)	(488)
Adjusted pre-tax loss including attributed interest expense	(308)	(280)	(276)	(247)	(217)	(864)	(617)
Income tax expense (benefit)	(33)	(45)	(28)	(109)	(62)	(106)	(100)
Adjusted after-tax loss attributable to common shareholders	\$ (275)	\$ (235)	\$ (248)	\$ (138)	\$ (155)	\$ (758)	\$ (517)
Noteworthy Items (pre-tax):							
Better (worse) than expected DIB and GCM returns	1	-	-	-	-	1	-
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	\$ 24	\$ 53	\$ 31	\$ 99	\$ 9	\$ 108	\$ 97
Changes in the fair value of Equity Securities - Other	-	-	-	(14)	9	-	21
Parent Liquidity Portfolio Information:							
Earnings on Parent liquidity portfolio	\$ 34	\$ 46	\$ 24	\$ 20	\$ 29	\$ 104	\$ 101
Interest expense, net of portion allocated to segments	(114)	(129)	(122)	(108)	(118)	(365)	(296)
Net interest expense on Parent liquidity portfolio	\$ (80)	\$ (83)	\$ (98)	\$ (88)	\$ (89)	\$ (261)	\$ (195)

See accompanying notes on page 38 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
Other Operations Notes

- (1) Beginning in the first quarter of 2019, on a prospective basis, within Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification for all prior periods (on a pre-tax basis):

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Net investment income	\$ 61	\$ 80	\$ 48	\$ 42	\$ 26	\$ 189	\$ 123
Other income	(61)	(80)	(48)	(42)	(26)	(189)	(123)

American International Group, Inc.
Legacy Portfolio Results

(in millions)

Results of Operations

Revenues:

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Premiums	\$ 122	\$ 127	\$ 118	\$ 74	\$ 131	\$ 367	\$ 406
Policy Fees	30	32	30	28	30	92	92
Net investment income (1)	614	603	575	527	610	1,792	1,798
Other income (loss) (1)	(15)	(22)	(17)	(21)	43	(54)	135
Total adjusted revenues	751	740	706	608	814	2,197	2,431

Benefits, losses and expenses:

Policyholder benefits and losses incurred	516	474	432	553	545	1,422	1,504
Interest credited to policyholder account balances	53	54	54	57	57	161	179
Acquisition expenses:							
Amortization of deferred policy acquisition costs	19	14	18	43	25	51	62
Other acquisition expenses	(2)	-	3	(1)	1	1	2
Total acquisition expenses	17	14	21	42	26	52	64
Non deferrable insurance commissions	6	4	4	5	4	14	13
General operating expenses	62	70	78	94	91	210	285
Interest expense (2)	4	5	5	7	7	14	23
Total benefits, losses and expenses	658	621	594	758	730	1,873	2,068

Adjusted pre-tax income (loss)

Adjusted pre-tax income (loss) by type

General Insurance run-off lines	27	43	15	7	(37)	85	69
Life and Retirement run-off lines	16	38	87	(137)	68	141	154
Legacy investments	50	38	10	(20)	53	98	140

Adjusted pre-tax income (loss)

Interest expense on attributed financial debt

Adjusted pre-tax income (loss) including attributed interest expense

Income tax expense (benefit)	19	26	23	(31)	18	68	74
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Adjusted after-tax income (loss) attributable to common shareholders (a)

Ending adjusted attributed common equity	\$ 6,775	\$ 6,792	\$ 7,450	\$ 8,886	\$ 8,811	\$ 6,775	\$ 8,811
Average adjusted attributed common equity (b)*	6,784	7,121	8,168	8,849	9,039	7,476	9,152
Adjusted return on attributed common equity (a÷b)	4.4 %	5.2 %	4.4 %	(5.4)%	2.9 %	4.6 %	4.1 %

* See accompanying notes to Adjusted Attributed Common Equity on page 53.

See accompanying notes on page 43 and reconciliations of Non-GAAP financial measures beginning on page 48.



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

(in millions)

Noteworthy Items (pre-tax)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Catastrophe losses, net of reinsurance	\$ 14	\$ -	\$ -	(28)\$	57	\$ 14	\$ 57
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(1)	3	(2)	2	(2)	-	(6)
Annual actuarial assumption update (3)	(30)	-	-	(105)	(5)	(30)	(5)
Better (worse) than expected alternative returns	-	5	11	(49)	19	16	15
Better (worse) than expected DIB and GCM returns	(10)	14	(5)	(31)	15	(1)	33
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option (4)	58	(63)	48	109	41	43	138
Changes in the fair value of Equity Securities - Other	-	-	-	(5)	1	-	1
Selected Balance Sheet Data							
Legacy investments, net of related debt	\$ 2,074	\$ 2,008	\$ 2,548	\$ 2,529	\$ 2,512	\$ 2,074	\$ 2,512
Legacy General Insurance run-off reserves (5)	5,624	5,498	5,432	5,498	5,738	5,624	5,738
Legacy Life and Retirement run-off reserves	39,441	38,010	37,262	36,614	36,929	39,441	36,929

See accompanying notes on page 43 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Net premiums earned	\$ 17	\$ 17	\$ 4	\$ (34)	\$ 24	\$ 38	\$ 63
Losses and loss adjustment expenses incurred (6)	33	25	15	(2)	103	73	154
Total acquisition expenses	1	-	3	-	3	4	7
General operating expenses	7	11	15	18	10	33	30
Underwriting loss	(24)	(19)	(29)	(50)	(92)	(72)	(128)
Net investment income	51	62	44	57	55	157	197
Adjusted pre-tax income (loss)	\$ 27	\$ 43	\$ 15	\$ 7	\$ (37)	\$ 85	\$ 69
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	\$ 14	\$ -	\$ -	\$ (28)	\$ 57	\$ 14	\$ 57
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(1)	3	(2)	2	(2)	-	(6)
Net liability for unpaid losses and loss adjustment expenses (at period end) (5)	5,624	5,498	5,432	5,498	5,738	5,624	5,738

Prior year development by accident year:	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Accident Year							
2018	\$ -	\$ 47	\$ 2	\$ -	\$ -	\$ 49	\$ -
2017	-	(8)	-	1	-	(8)	43
2016	-	(4)	-	1	4	(4)	(6)
2015	(1)	5	-	1	(11)	4	(52)
2014	1	(9)	-	1	(2)	(8)	(82)
2013	(1)	(4)	-	1	-	(5)	(21)
2012	-	(10)	-	(2)	(3)	(10)	(51)
2011	3	5	-	(1)	(2)	8	(13)
2010	14	(10)	-	1	2	4	(8)
2009 and prior	(17)	(9)	(4)	(1)	10	(30)	184
Total Legacy General Insurance run-off prior year unfavorable (favorable) development	\$ (1)	\$ 3	\$ (2)	\$ 2	\$ (2)	\$ -	\$ (6)

See accompanying notes on page 43 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Results of Operations							
Premiums and deposits	\$ 151	\$ 133	\$ 166	\$ 145	\$ 205	\$ 450	\$ 583
Revenues:							
Premiums	\$ 106	\$ 110	\$ 113	\$ 107	\$ 107	\$ 329	\$ 344
Policy fees	30	32	30	28	30	92	92
Net investment income:							
Base portfolio	404	414	406	410	432	1,224	1,266
Alternative investments	34	38	45	(14)	61	117	145
Other yield enhancements	43	20	35	36	14	98	59
Total net investment income	482	471	486	432	507	1,439	1,470
Other income	4	(4)	1	-	-	1	1
Total adjusted revenues	622	609	630	567	644	1,861	1,907
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	483	448	418	555	441	1,349	1,350
Interest credited to policyholder account balances	53	54	54	57	57	161	179
Amortization of deferred policy acquisition costs	18	14	18	42	24	50	59
Non deferrable insurance commissions	6	4	4	5	4	14	13
General operating expenses	44	51	47	43	48	142	145
Interest expense	2	-	2	2	2	4	7
Total benefits, losses and expenses	606	571	543	704	576	1,720	1,753
Adjusted pre-tax income (loss)	\$ 16	\$ 38	\$ 87	\$ (137)	\$ 68	\$ 141	\$ 154
Noteworthy items (pre-tax)							
Future policy benefits for life and A&H contracts (at period end)	\$ 32,367	\$ 30,867	\$ 30,090	\$ 29,465	\$ 29,604	\$ 32,367	\$ 29,604
Policyholder contract deposits	5,046	5,135	5,205	5,262	5,321	5,046	5,321
Separate account reserves	2,028	2,008	1,967	1,887	2,004	2,028	2,004
Total general and separate account reserves	\$ 39,441	\$ 38,010	\$ 37,262	\$ 36,614	\$ 36,929	\$ 39,441	\$ 36,929
Annual actuarial assumption update	\$ (30)	\$ -	\$ -	\$ (105)	\$ (5)	\$ (30)	\$ (5)

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

American International Group, Inc.
Legacy Portfolio Notes

- (1) Beginning in the first quarter of 2019, on a prospective basis, within Legacy, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification for all prior periods (on a pre-tax basis):

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Net investment income	\$ (2)	\$ 24	\$ 23	\$ (6)	\$ 57	\$ 45	\$ 169
Net realized capital gain (loss)	-	-	-	(2)	(2)	-	(9)
Other income	2	(24)	(23)	8	(55)	(45)	(160)

- (2) Includes inter-segment interest expenses.
- (3) In addition to the third quarter annual assumption update, the life companies refined assumptions and models on the Legacy Life and Retirement Run-Off Lines during the fourth quarter of 2018 resulting in loss recognition of \$105 million.
- (4) Includes the fair value changes on DIB and GCM asset portfolios.
- (5) 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.
- (6) 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.

American International Group, Inc.
Investments Portfolio Results

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Fixed Maturity Securities- AFS, at fair value							
Yield (1)	4.53%	4.71%	4.57%	4.49%	4.70%	4.60%	4.62%
Investment income (2)	\$ 2,623	\$ 2,701	\$ 2,594	\$ 2,546	\$ 2,650	\$ 7,918	\$ 7,806
Net realized capital gains (losses)	104	57	(114)	(247)	(23)	47	(149)
Ending carrying value (3)	253,221	245,561	238,201	229,391	232,720	253,221	232,720
Amortized cost	233,345	230,062	228,608	225,780	228,047	233,345	228,047
Fixed Maturity Securities- Other, at fair value (4)							
Total Return (1)	6.21%	4.61%	6.61%	8.01%	4.47%	5.84%	4.55%
Investment income (loss) (2)	\$ 137	\$ 110	\$ 166	\$ 200	\$ 121	\$ 413	\$ 362
Ending carrying value (5) (6)	8,327	8,919	10,060	10,026	9,996	8,327	9,996
Equity Securities- AFS, at fair value							
Net realized capital gains (losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16
Equity Securities- Other, at fair value (4)							
Investment income (2)	\$ -	\$ -	\$ -	\$ (143)	\$ (13)	\$ -	\$ (41)
Ending carrying value	-	-	-	1,254	1,443	-	1,443
Mortgage and other loans receivable							
Yield (1)	4.47%	4.74%	4.58%	4.95%	4.46%	4.59%	4.60%
Investment income (2)	\$ 495	\$ 518	\$ 498	\$ 526	\$ 456	\$ 1,511	\$ 1,357
Net realized capital gains (losses)	(25)	14	(32)	(40)	(99)	(43)	(151)
Ending carrying value	45,075	43,556	43,834	43,135	41,878	45,075	41,878
Other Invested Assets:							
Other invested assets - Hedge Funds/Private Equity (7)							
Yield (1)	4.24%	16.36%	18.64%	(10.99)%	12.48%	13.12%	9.74%
Investment income (2)	\$ 88	\$ 342	\$ 393	\$ (245)	\$ 301	\$ 823	\$ 731
Net realized capital gains (losses)	16	11	(1)	24	(231)	26	(231)
Ending carrying value	8,195	8,417	8,319	8,528	9,221	8,195	9,221
Other invested assets - Real Estate investments							
Yield (1)	4.07%	2.68%	3.05%	5.81%	4.33%	3.27%	2.60%
Investment income (2)	\$ 96	\$ 62	\$ 69	\$ 129	\$ 96	\$ 227	\$ 169
Net realized capital gains (losses)	69	64	(19)	(4)	48	114	(12)
Ending carrying value	9,491	9,287	9,204	8,935	8,819	9,491	8,819
Other invested assets - All other (8)							
Investment income (2)	\$ 56	\$ 18	\$ 41	\$ 64	\$ 17	\$ 115	\$ 114
Net realized capital gains (losses)	-	-	-	8	-	-	97
Ending carrying value	1,800	1,750	1,820	1,878	1,699	1,800	1,699
Other Invested Assets - Total	\$ 19,486	\$ 19,454	\$ 19,343	\$ 19,341	\$ 19,739	\$ 19,486	\$ 19,739
Short-term Investments							
Yield (1)	2.07%	1.98%	1.85%	1.21%	0.77%	2.01%	0.83%
Investment income (2)	\$ 75	\$ 64	\$ 48	\$ 28	\$ 25	\$ 187	\$ 80
Ending carrying value	14,113	15,016	11,133	9,674	8,863	14,113	8,863
Total AIG							
Total Investments (5)	\$ 340,222	\$ 332,506	\$ 322,571	\$ 312,821	\$ 314,639	\$ 340,222	\$ 314,639
Total Investment Expenses	\$ 135	\$ 132	\$ 114	\$ 128	\$ 115	\$ 381	\$ 361
Total Gross Investment Income (2)	\$ 3,570	\$ 3,815	\$ 3,809	\$ 3,105	\$ 3,653	\$ 11,194	\$ 10,578

See accompanying notes on page 45.



**American International Group, Inc.
Investments Portfolio Results (Cont.)**

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Total Gross Investment Income - APTI basis	\$ 3,570	\$ 3,815	\$ 3,809	\$ 3,105	\$ 3,653	\$ 11,194	\$ 10,578
Subtract: Investment expenses	135	132	114	128	115	381	361
Subtract: Investment income from non-insurance subsidiaries reported in other income and other (9) (10)	(40)	(52)	(23)	164	100	(115)	302
Total Net Investment Income - APTI Basis (11)	\$ 3,475	\$ 3,735	\$ 3,718	\$ 2,813	\$ 3,438	\$ 10,928	\$ 9,915
Breakdown by Segment:							
General Insurance	756	833	1,089	349	901	2,678	2,319
Life and Retirement	2,078	2,270	2,042	1,921	1,960	6,390	6,001
Legacy Portfolio	614	603	575	527	610	1,792	1,798
Other Operations	91	96	91	43	9	278	2
Consolidations and Eliminations (9)	(64)	(67)	(79)	(27)	(42)	(210)	(205)
Total Net Investment Income - APTI Basis (11)	\$ 3,475	\$ 3,735	\$ 3,718	\$ 2,813	\$ 3,438	\$ 10,928	\$ 9,915
Reconciliation to GAAP Net Investment Income:							
Add: Changes in fair value of securities used to hedge guaranteed living benefits (9)	24	84	105	(1)	(14)	213	(127)
Add: Changes in the fair value of equity securities	(51)	(22)	79	-	-	6	-
Subtract: Net realized capital gains related to economic hedges and other	40	52	23	58	28	115	66
Net Investment Income per Consolidated Statements of Operations	\$ 3,408	\$ 3,745	\$ 3,879	\$ 2,754	\$ 3,396	\$ 11,032	\$ 9,722

Notes to Investments Portfolio Results

- (1) Yields/Total Return are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods.
- (2) For 4Q18 and prior periods, investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.
- (3) As of September 30, 2019, our Fixed Maturity Securities - AFS portfolio was approximately 80% fixed rate and 20% variable rate.
- (4) 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. Beginning 1Q19, changes in the fair value of equity securities are excluded from APTI.
- (5) Excludes the carrying value of securities used to hedge guaranteed living benefits.
- (6) As of September 30, 2019, our Fixed Maturity Securities - Other portfolio was approximately 28% fixed rate and 72% variable rate.
- (7) 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.
- (8) Other Invested Assets - All Other includes long term time deposits, private common stock, and affordable housing partnerships. 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.
- (9) 4Q18 includes an adjustment totaling \$17 million of which \$9 million and \$8 million related to 3Q18 and 2Q18, respectively.
- (10) Beginning 1Q19, on a prospective basis, we began reporting investment income from our non-insurance subsidiaries in Net Investment income in Other Operations. Therefore, starting 1Q19, this disclosure represents only the net realized capital (gains) related to economic hedges and other that is not included in Gross Investment Income - APTI.
- (11) For 4Q18 and prior periods, our non-insurance subsidiaries recorded investment income in other income. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.

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

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Sales of fixed maturity securities	\$ 128	\$ 87	\$ (31)	\$ (153)	\$ 11	\$ 184	\$ 8
Sales of equity securities	-	-	-	-	-	-	16
Other-than-temporary impairments:							
Change in intent	-	-	(3)	(35)	(3)	(3)	(52)
Foreign currency declines	(6)	(3)	(6)	(2)	(1)	(15)	(13)
Issuer-specific credit events	(17)	(25)	(71)	(55)	(30)	(113)	(92)
Adverse projected cash flows	(1)	(2)	(3)	(1)	(1)	(6)	(1)
Total other-than-temporary impairments	(24)	(30)	(83)	(93)	(35)	(137)	(158)
Provision for loan losses	(25)	14	(24)	(19)	(23)	(35)	(73)
Foreign exchange transactions	(203)	(2)	(37)	(27)	(21)	(242)	(155)
Variable annuity embedded derivatives, net of related hedges	311	(40)	(261)	306	(185)	10	(2)
All other derivatives and hedge accounting	466	207	(72)	189	(1)	601	149
Loss on sale of private equity funds	-	-	-	(10)	(311)	-	(311)
Other	276	168	62	42	54	506	161
Total net realized capital gains (losses)	\$ 929	\$ 404	\$ (446)	\$ 235	\$ (511)	\$ 887	\$ (365)

American International Group, Inc. Adverse Development Cover

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.

The table below shows the calculation of the gain on the NICO 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)	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	3Q19 Change
Gross Covered Losses						
Covered reserves before discount	\$ 19,944	\$ 20,989	\$ 22,071	\$ 23,033	\$ 24,102	\$ (1,045)
Inception to date losses paid	22,103	21,220	20,295	19,331	18,234	883
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	\$ 17,047	\$ 17,209	\$ 17,366	\$ 17,364	\$ 17,336	\$ (162)
Deferred Gain Development						
Covered losses above attachment ceded to NICO (80%)	\$ 13,638	\$ 13,767	\$ 13,893	\$ 13,891	\$ 13,869	\$ (129)
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	3,450	3,579	3,705	3,703	3,681	(129)
Discount on ceded losses	(1,246)	(1,287)	(1,412)	(1,719)	(1,693)	41
Pre-tax deferred gain before amortization	2,204	2,292	2,293	1,984	1,988	(88)
Inception to date amortization attributed to deferred gain at inception	(635)	(577)	(519)	(461)	(404)	(58)
Inception to date amortization attributed to changes in deferred gain*	(76)	(153)	(161)	(141)	(116)	77
Deferred gain liability reflected in AIG's balance sheet	\$ 1,493	\$ 1,562	\$ 1,613	\$ 1,382	\$ 1,468	\$ (69)

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly				
	3Q19	2Q19	1Q19	4Q18	3Q18
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ (162)	\$ (157)	\$ 2	\$ 28	\$ 904
Prior year development ceded to NICO	129	126	(2)	(22)	(723)
Subtotal	(33)	(31)	-	6	181
Amortization attributed to deferred gain at inception	(58)	(58)	(58)	(57)	(57)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	(91)	(89)	(58)	(51)	124
Unfavorable (favorable) prior year development on non-covered reserves	87	26	(16)	416	46
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	\$ (4)	\$ (63)	\$ (74)	\$ 365	\$ 170

* Excluded from our definition of APTI.

Selected Balance Sheet data for ADC

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 12,392	\$ 12,480	\$ 12,481	\$ 12,172	\$ 12,176
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	12,392	12,480	12,481	12,172	12,176
Deferred gain reported in Other liabilities	1,493	1,562	1,613	1,382	1,468



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American International Group, Inc.
Earnings Per Share Computations

(in millions)	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
GAAP Basis:							
Numerator for EPS:							
Income (loss) from continuing operations	\$ 973	\$ 1,391	\$ 937	\$ (558)	\$ (1,220)	\$ 3,301	\$ 661
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	317	281	283	62	-	881	5
Less: Dividends declared on preferred stock	8	7	-	-	-	15	-
Income (loss) attributable to AIG common shareholders from continuing operations	648	1,103	654	(620)	(1,220)	2,405	656
Income (loss) from discontinued operations, net of income tax expense	-	(1)	-	(2)	(39)	(1)	(40)
Net income (loss) attributable to AIG common shareholders	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ (1,259)	\$ 2,404	\$ 616
Denominator for EPS:							
Weighted average common shares outstanding - basic*	877.0	876.4	875.4	887.5	895.2	876.3	902.1
Dilutive shares**	18.8	11.9	2.1	-	-	10.9	14.7
Weighted average common shares outstanding - diluted**	895.8	888.3	877.5	887.5	895.2	887.2	916.8
Income per common share attributable to AIG common shareholders:							
Basic:							
Income (loss) from continuing operations	\$ 0.74	\$ 1.26	\$ 0.75	\$ (0.70)	\$ (1.37)	\$ 2.74	\$ 0.72
Income (loss) from discontinued operations	-	-	-	-	(0.04)	-	(0.04)
Net income (loss) attributable to AIG common shareholders	\$ 0.74	\$ 1.26	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 2.74	\$ 0.68
Diluted**:							
Income (loss) from continuing operations	\$ 0.72	\$ 1.24	\$ 0.75	\$ (0.70)	\$ (1.37)	\$ 2.71	\$ 0.71
Income (loss) from discontinued operations	-	-	-	-	(0.04)	-	(0.04)
Net income (loss) attributable to AIG common shareholders	\$ 0.72	\$ 1.24	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 2.71	\$ 0.67

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

** For the periods where we reported a net loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. The shares excluded from the diluted EPS calculation were 2,732,679 shares and 13,538,168 shares in 4Q18 and 3Q18, respectively.

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

(in millions, except per common share data)

	Quarterly					As of September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Book Value Per Common Share							
Total AIG shareholders' equity	\$ 65,603	\$ 64,539	\$ 60,787	\$ 56,361	\$ 58,586	\$ 65,603	\$ 58,586
Less: Preferred equity	485	485	485	-	-	485	-
Total AIG common shareholders' equity (a)	65,118	64,054	60,302	56,361	58,586	65,118	58,586
Less: Accumulated other comprehensive income (AOCI)	5,615	4,991	2,128	(1,413)	(536)	5,615	(536)
Total AIG common shareholders' equity, excluding AOCI (b)	59,503	59,063	58,174	57,774	59,122	59,503	59,122
Less: Deferred tax assets (DTA)*	9,393	9,577	9,926	10,153	9,953	9,393	9,953
Total adjusted common shareholders' equity (c)	50,110	49,486	48,248	47,621	49,169	50,110	49,169
Total common shares outstanding (d)	869.9	869.9	869.7	866.6	884.6	869.9	884.6
Book value per common share (a÷d)	\$ 74.85	\$ 73.63	\$ 69.33	\$ 65.04	\$ 66.23	\$ 74.85	\$ 66.23
Book value per common share, excluding AOCI (b÷d)	68.40	67.90	66.89	66.67	66.83	68.40	66.83
Adjusted book value per common share (c÷d)	57.60	56.89	55.47	54.95	55.58	57.60	55.58

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Return On Common Equity (ROCE) Computations							
Actual or Annualized net income (loss) attributable to AIG common shareholders (a)	\$ 2,592	\$ 4,408	\$ 2,616	\$ (2,488)	\$ (5,036)	\$ 3,205	\$ 821
Actual or Annualized adjusted after-tax income attributable to AIG common shareholders (b)	\$ 2,020	\$ 5,088	\$ 5,552	\$ (2,236)	\$ (1,204)	\$ 4,220	\$ 2,164
Average AIG Common Shareholders' equity (c)	\$ 64,586	\$ 62,178	\$ 58,332	\$ 57,474	\$ 59,886	\$ 61,459	\$ 61,934
Less: Average AOCI	5,303	3,560	358	(975)	(153)	2,831	1,845
Less: Average DTA	9,485	9,752	10,040	10,053	9,903	9,762	10,128
Average adjusted common shareholders' equity (d)	\$ 49,798	\$ 48,866	\$ 47,934	\$ 48,396	\$ 50,136	\$ 48,866	\$ 49,961
ROCE (a÷c)	4.0%	7.1%	4.5%	(4.3%)	(8.4%)	5.2%	1.3%
Adjusted return on common equity (b÷d)	4.1%	10.4%	11.6%	(4.6%)	(2.4%)	8.6%	4.3%

* 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					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Pre-tax income (loss) from continuing operations	\$ 1,260	\$ 1,837	\$ 1,154	\$ (695)	\$ (1,527)	\$ 4,251	\$ 952
Adjustments to arrive at Adjusted pre-tax income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	(12)	(75)	(96)	27	14	(183)	127
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	65	73	(99)	40	(76)	39	(46)
Changes in the fair value of equity securities	51	22	(79)	-	-	(6)	-
Loss (gain) on extinguishment of debt	-	15	(2)	(3)	1	13	10
Net realized capital (gains) losses (a)	(881)	(351)	474	(195)	524	(758)	388
(Income) loss from divested businesses	9	1	(6)	(3)	(2)	4	(35)
Non-operating litigation reserves and settlements	5	-	1	(11)	5	6	30
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(59)	(125)	(27)	68	605	(211)	607
Net loss reserve discount (benefit) charge	235	212	473	(66)	(86)	920	(305)
Integration and transaction costs associated with acquired businesses	3	6	7	33	91	16	91
Restructuring and other costs	67	60	47	136	35	174	259
Professional fees related to regulatory or accounting changes	3	2	-	-	-	5	-
Adjusted pre-tax income (loss)	\$ 746	\$ 1,677	\$ 1,847	\$ (669)	\$ (416)	\$ 4,270	\$ 2,078
After-tax net income (loss), including noncontrolling interests	\$ 973	\$ 1,390	\$ 937	\$ (560)	\$ (1,259)	\$ 3,300	\$ 621
Noncontrolling interests (income) loss	(317)	(281)	(283)	(62)	-	(881)	(5)
Net income (loss) attributable to AIG	\$ 656	\$ 1,109	\$ 654	\$ (622)	\$ (1,259)	\$ 2,419	\$ 616
Dividends on preferred stock	8	7	-	-	-	15	-
Net income (loss) attributable to AIG common shareholders	\$ 648	\$ 1,102	\$ 654	\$ (622)	\$ (1,259)	\$ 2,404	\$ 616
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	8	27	(12)	(5)	54	23	53
Deferred income tax valuation allowance (releases) charges	(9)	7	(38)	(21)	5	(40)	42
Changes in fair value of securities used to hedge guaranteed living benefits	(10)	(59)	(76)	22	11	(145)	100
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	52	57	(78)	33	(60)	31	(36)
Changes in the fair value of equity securities	40	17	(62)	-	-	(5)	-
Loss (gain) on extinguishment of debt	-	11	(1)	(2)	1	10	8
Net realized capital (gains) losses (a)(b)	(705)	(265)	365	(139)	397	(605)	291
(Income) loss from discontinued operations and divested businesses (b)	7	2	(5)	(1)	38	4	13
Non-operating litigation reserves and settlements	4	1	-	(8)	3	5	23
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(46)	(98)	(22)	54	477	(166)	479
Net loss reserve discount (benefit) charge	185	167	374	(51)	(68)	726	(241)
Integration and transaction costs associated with acquired businesses	3	5	5	26	72	13	72
Restructuring and other costs	53	47	37	107	29	137	205
Professional fees related to regulatory or accounting changes	2	2	-	-	-	4	-
Noncontrolling interests primarily related to net realized capital gains (losses) of Fortitude Holdings' standalone results (c)	273	249	247	48	(1)	769	(2)
Adjusted after-tax income (loss) attributable to AIG common shareholders	\$ 505	\$ 1,272	\$ 1,388	\$ (559)	\$ (301)	\$ 3,165	\$ 1,623
Calculation of Effective Tax Rates							
Adjusted pre-tax income (loss)	\$ 746	\$ 1,677	\$ 1,847	\$ (669)	\$ (416)	\$ 4,270	\$ 2,078
Income tax benefit (expense)	(189)	(366)	(423)	124	116	(978)	(448)
Dividends on preferred stock	(8)	(7)	-	-	-	(15)	-
Noncontrolling interests	(44)	(32)	(36)	(14)	(1)	(112)	(7)
Adjusted after-tax income (loss) attributable to AIG common shareholders	\$ 505	\$ 1,272	\$ 1,388	\$ (559)	\$ (301)	\$ 3,165	\$ 1,623
Effective tax rates on adjusted pre-tax income (loss)	25.3%	21.8%	22.9%	18.5%	27.9%	22.9%	21.6%

(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.

(c) See accompanying notes on page 12.



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

Total Core

(in millions)

	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Adjusted pre-tax income (loss)	\$ 653	\$ 1,558	\$ 1,735	\$ (519)	\$ (500)	\$ 3,946	\$ 1,715
Interest expense (benefit) on attributed financial debt	-	-	-	-	-	-	(10)
Adjusted pre-tax income (loss) including attributed interest expense	653	1,558	1,735	(519)	(500)	3,946	1,725
Income tax expense (benefit)	170	340	400	(93)	(134)	910	374
Adjusted after-tax income (loss)	\$ 483	\$ 1,218	\$ 1,335	\$ (426)	\$ (366)	\$ 3,036	\$ 1,351
Dividends declared on preferred stock	8	7	-	-	-	15	-
Adjusted after-tax income (loss) attributable to common shareholders (a)	\$ 475	\$ 1,211	\$ 1,335	\$ (426)	\$ (366)	\$ 3,021	\$ 1,351
Ending adjusted attributed common equity	\$ 43,335	\$ 42,694	\$ 40,798	\$ 38,735	\$ 40,358	\$ 43,335	\$ 40,358
Average adjusted attributed common equity (b)*	43,015	41,746	39,767	39,547	41,097	41,391	40,809
Adjusted return on attributed common equity (a÷b)	4.4 %	11.6 %	13.4 %	(4.3) %	(3.6) %	9.7 %	4.4 %

* See accompanying notes to Adjusted Attributed Common Equity on page 53.

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

(in millions)

	Quarterly				
	3Q19	2Q19	1Q19	4Q18	3Q18
Attributed Debt (a)					
General Insurance	\$ 13,654	\$ 13,765	\$ 13,519	\$ 13,498	\$ 14,322
Life and Retirement	4,122	4,033	3,918	2,830	2,830
Other Operations	5,461	6,538	6,873	7,406	7,168
Total Core	23,237	24,336	24,310	23,734	24,320
Total Attributed Debt	\$ 23,237	\$ 24,336	\$ 24,310	\$ 23,734	\$ 24,320
Consolidated Attributed Debt					
Total Financial debt	\$ 21,706	\$ 22,795	\$ 22,765	\$ 22,186	\$ 22,768
Hybrid debt securities - junior subordinated debt	1,531	1,541	1,545	1,548	1,552
Total Attributed Debt	\$ 23,237	\$ 24,336	\$ 24,310	\$ 23,734	\$ 24,320
Adjusted Attributed Common Equity (b)					
General Insurance	\$ 25,076	\$ 25,282	\$ 24,826	\$ 25,066	\$ 26,910
Life and Retirement	19,235	18,820	18,280	19,695	19,254
Other Operations	(976)	(1,408)	(2,308)	(6,026)	(5,806)
Total Core	43,335	42,694	40,798	38,735	40,358
Legacy	6,775	6,792	7,450	8,886	8,811
Total Adjusted Attributed Common Equity	\$ 50,110	\$ 49,486	\$ 48,248	\$ 47,621	\$ 49,169

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

(a) Attribution of debt is performed on an annual basis unless recalibration is needed. Attributed debt is determined by management, informed by our internal capital model. Attributed debt is attributed on "frictional" capital requirements beyond attributed equity.

(b) Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed. Adjusted attributed common equity is determined by management, informed by our internal capital model and on the model's risk profile of each business. The recalibrated adjusted attributed common equity balances as of January 1, 2018 were \$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 common equity for quarters subsequent to the recalibration is calculated using the recalibrated adjusted attributed common equity as of January 1, 2018.

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

<i>(in millions)</i>	Quarterly					Nine Months Ended September 30,	
	3Q19	2Q19	1Q19	4Q18	3Q18	2019	2018
Individual Retirement:							
Premiums	\$ 38	\$ 16	\$ 11	\$ 15	\$ 9	\$ 65	\$ 37
Deposits	3,656	3,852	4,175	4,213	3,609	11,683	11,364
Other	(2)	(3)	-	(3)	(2)	(5)	(5)
Premiums and deposits	\$ 3,692	\$ 3,865	\$ 4,186	\$ 4,225	\$ 3,616	\$ 11,743	\$ 11,396
Individual Retirement (Fixed Annuities):							
Premiums	\$ 19	\$ 16	\$ 12	\$ 16	\$ 10	\$ 47	\$ 40
Deposits	1,187	1,489	1,811	1,666	1,158	4,487	3,056
Other	(3)	(3)	(2)	(4)	(3)	(8)	(9)
Premiums and deposits	\$ 1,203	\$ 1,502	\$ 1,821	\$ 1,678	\$ 1,165	\$ 4,526	\$ 3,087
Individual Retirement (Variable Annuities):							
Premiums	\$ 19	\$ -	\$ (1)	\$ (1)	\$ (1)	\$ 18	\$ (3)
Deposits	800	656	557	715	838	2,013	3,530
Other	1	-	2	1	1	3	3
Premiums and deposits	\$ 820	\$ 656	\$ 558	\$ 715	\$ 838	\$ 2,034	\$ 3,530
Individual Retirement (Index Annuities):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	1,400	1,342	1,362	1,383	1,171	4,104	2,867
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 1,400	\$ 1,342	\$ 1,362	\$ 1,383	\$ 1,171	\$ 4,104	\$ 2,867
Individual Retirement (Retail Mutual Funds):							
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	269	365	445	449	441	1,079	1,912
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 269	\$ 365	\$ 445	\$ 449	\$ 441	\$ 1,079	\$ 1,912
Group Retirement:							
Premiums	\$ 5	\$ 5	\$ 4	\$ 4	\$ 9	\$ 14	\$ 30
Deposits	1,919	2,042	2,059	2,102	2,107	6,020	6,503
Other	-	-	-	-	-	-	-
Premiums and deposits	\$ 1,924	\$ 2,047	\$ 2,063	\$ 2,106	\$ 2,116	\$ 6,034	\$ 6,533
Life Insurance:							
Premiums	\$ 394	\$ 425	\$ 395	\$ 378	\$ 379	\$ 1,214	\$ 1,176
Deposits	404	413	406	417	410	1,223	1,232
Other	214	194	194	192	189	602	519
Premiums and deposits	\$ 1,012	\$ 1,032	\$ 995	\$ 987	\$ 978	\$ 3,039	\$ 2,927
Institutional Markets:							
Premiums	\$ 389	\$ 152	\$ 819	\$ 816	\$ 46	\$ 1,360	\$ 136
Deposits	437	108	286	25	17	831	1,990
Other	7	8	7	7	6	22	58
Premiums and deposits	\$ 833	\$ 268	\$ 1,112	\$ 848	\$ 69	\$ 2,213	\$ 2,184
Total Life and Retirement:							
Premiums	\$ 826	\$ 598	\$ 1,229	\$ 1,213	\$ 443	\$ 2,653	\$ 1,379
Deposits	6,416	6,415	6,926	6,757	6,143	19,757	21,089
Other	219	199	201	196	193	619	572
Premiums and deposits	\$ 7,461	\$ 7,212	\$ 8,356	\$ 8,166	\$ 6,779	\$ 23,029	\$ 23,040

* The nine-month period ended September 30, 2018 includes deposits in Individual Retirement (\$1.1 billion), Group Retirement (\$0.2 billion) and Institutional Markets (\$1.4 billion) of FHLB funding



American International Group, Inc. (AIG) is a leading global insurance organization. Building on 100 years of experience, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement solutions, 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.

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