



American International Group, Inc.

Quarterly Financial Supplement
First Quarter 2015

All financial information in this document is unaudited. This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, which will be filed with the Securities and Exchange Commission.

American International Group, Inc. Quarterly Financial Supplement

Contacts: Investors

Liz Werner: (212) 770-7074; elizabeth.werner@aig.com

Fernando Melon: (212) 770-4630; fernando.melon@aig.com

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American International Group, Inc.
Cautionary Statement Regarding Forward-Looking Information

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only AIG’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “view,” “target” or “estimate.” These projections, goals, assumptions and statements may address, among other things, AIG’s: exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers, sovereign bond issuers, the energy sector and currency exchange rates; exposure to European governments and European financial institutions; strategy for risk management; generation of deployable capital; return on equity and earnings per share; strategies to grow net investment income, efficiently manage capital and reduce expenses; strategies for customer retention, growth, product development, market position, financial results and reserves; and subsidiaries’ revenues and combined ratios.

It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- changes in market conditions;
- the occurrence of catastrophic events, both natural and man-made;
- significant legal proceedings;
- the timing and applicable requirements of any new regulatory framework to which AIG is subject as a nonbank systemically important financial institution and as a global systemically important insurer;
- concentrations in AIG’s investment portfolios;
- actions by credit rating agencies;
- judgments concerning casualty insurance underwriting and insurance liabilities;
- judgments concerning the recognition of deferred tax assets; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (which will be filed with the Securities and Exchange Commission), and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission.

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

American International Group, Inc. Non-GAAP Financial Measures

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

Book Value Per Share Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value Per Share Excluding AOCI and Deferred Tax Assets (DTA) are used to show the amount of our net worth on a per-share basis. We believe these measures are useful to investors because they eliminate the effect of non-cash 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. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full-year attribute utilization. Book Value Per Share Excluding AOCI is derived by dividing Total AIG shareholders’ equity, excluding AOCI, by Total common shares outstanding. Book Value Per Share Excluding AOCI and DTA is derived by dividing Total AIG shareholders’ equity, excluding AOCI and DTA, by Total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 7 herein.

Return on Equity – After-tax Operating Income Excluding AOCI and Return on Equity – After-tax Operating Income Excluding AOCI and DTA are used to show the rate of return on shareholders’ equity. We believe these measures are useful to investors because they eliminate the effect of non-cash 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. Deferred tax assets represent U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full-year attribute utilization. Return on Equity – After-tax Operating Income Excluding AOCI is derived by dividing actual or annualized after-tax operating income attributable to AIG by average AIG shareholders’ equity, excluding average AOCI. Return on Equity – After-tax Operating Income Excluding AOCI and DTA is derived by dividing actual or annualized after-tax operating income attributable to AIG, by average AIG shareholders’ equity, excluding average AOCI and DTA. The reconciliation to return on equity, the most comparable GAAP measure, is presented on page 7 herein.

We use the following operating performance measures because we believe they enhance the understanding of the underlying profitability of continuing operations and trends of our business segments. We believe they also allow for more meaningful comparisons with our insurance competitors. When we use these measures, reconciliations to the most comparable GAAP measure are provided, on a consolidated basis.

After-tax operating income attributable to AIG is derived by excluding the following items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges
- changes in fair value of fixed maturity securities designated to hedge living benefit liabilities (net of interest expense)
- 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
- other income and expense — net, related to Corporate and Other run-off insurance lines
- loss on extinguishment of debt
- net realized capital gains and losses
- non-qualifying derivative hedging activities, excluding net realized capital gains and losses
- income or loss from discontinued operations
- income and loss from divested businesses, including:
 - gain on the sale of International Lease Finance Corporation (ILFC)
 - certain post-acquisition transaction expenses incurred by AerCap Holdings N.V. (AerCap) in connection with its acquisition of ILFC and the difference between expensing AerCap’s maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and related tax effects
- legacy tax adjustments primarily related to certain changes in uncertain tax positions and other tax adjustments
- legal reserves and settlements related to legacy crisis matters, which include favorable and unfavorable settlements related to events leading up to and resulting from our September 2008 liquidity crisis and legal fees incurred as the plaintiff in connection with such legal matters

Operating revenue excludes Net realized capital gains (losses), Aircraft leasing revenues, income from legal settlements (included in Other income from GAAP purposes) and changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense (included in Net investment income for GAAP purposes).

General operating expenses, operating basis, is derived by making the following adjustments to general operating and other expenses: include (i) loss adjustment expenses, reported as policyholder benefits and losses incurred and (ii) investment expenses reported as net investment income, and exclude (i) advisory fee expenses, (ii) non-deferrable insurance commissions, (iii) direct marketing and acquisition expenses, net of deferrals, (iv) legal reserves related to legacy crisis matters and (v) other expense related to retroactive reinsurance agreement. We use general operating expenses, operating basis, because we believe it provides a more meaningful indication of our ordinary course of business operating costs.

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

We use the following operating performance measures within our Commercial Insurance and Consumer Insurance reportable segments as well as Corporate and Other.

Commercial Insurance: Property Casualty and Mortgage Guaranty; Consumer Insurance: Personal Insurance

- **Pre-tax operating income:** includes both underwriting income and loss and net investment income, but excludes net realized capital gains and losses, other income and expense — net and legal settlements related to legacy crisis matters described above. Underwriting income and loss is derived by reducing net premiums earned by losses and loss adjustment expenses incurred, acquisition expenses and general operating expenses.
- **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, 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. 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. Catastrophe losses are generally weather or seismic events having a net impact in excess of \$10 million each.

Commercial Insurance: Institutional Markets; Consumer Insurance: Retirement and Life

- **Pre-tax operating income** is derived by excluding the following items from pre-tax income:
 - changes in fair values of fixed maturity securities designated to hedge living benefit liabilities (net of interest expense)
 - net realized capital gains and losses
 - changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses
 - legal settlements related to legacy crisis matters described above
- **Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.

Corporate and Other — Pre-tax operating income and loss is derived by excluding the following items from pre-tax income and loss:

- loss on extinguishment of debt
- net realized capital gains and losses
- changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains and losses
- income and loss from divested businesses, including Aircraft Leasing
- net gain or loss on sale of divested businesses, including
 - gain on the sale of ILFC and
 - certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes
- certain legal reserves (settlements) related to legacy crisis matters described above

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

American International Group, Inc.
Consolidated Statement of Operations

Consolidated Results

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Revenues:					
Premiums	\$ 8,822	\$ 9,208	\$ 9,486	\$ 9,485	\$ 9,075
Policy fees	677	667	677	640	631
Net investment income:					
Interest and dividends	3,187	3,283	3,352	3,307	3,304
Alternative investments	689	516	636	547	925
Other investment income (1)	114	291	173	163	99
Investment expenses	(152)	(119)	(133)	(133)	(132)
Total net investment income	3,838	3,971	4,028	3,884	4,196
Net realized capital gains (losses) (page 50)	1,341	193	536	162	(152)
Aircraft leasing revenue (2)	-	-	-	489	1,113
Other income	1,297	1,371	1,970	1,476	1,300
Total revenues	15,975	15,410	16,697	16,136	16,163
Benefits, claims and expenses:					
Policyholder benefits and losses incurred	6,551	7,510	7,203	6,771	6,797
Interest credited to policyholder account balances	935	968	882	963	955
Amortization of deferred policy acquisition costs	1,350	1,341	1,288	1,396	1,305
General operating and other expenses (page 9)	2,949	3,249	3,151	3,714	3,024
Interest expense	340	346	430	463	479
Loss on extinguishment of debt	68	1,268	742	34	238
Aircraft leasing expenses (2)	-	-	-	489	1,096
Net (gain) loss on sale of divested businesses	6	(1)	(18)	(2,174)	(4)
Total benefits, claims and expenses	12,199	14,681	13,678	11,656	13,890
Income from continuing operations before income tax expense	3,776	729	3,019	4,480	2,273
Income tax expense	1,300	19	820	1,474	614
Income from continuing operations	2,476	710	2,199	3,006	1,659
Income (loss) from discontinued operations, net of income tax expense (benefit)	1	(35)	2	30	(47)
Net income	2,477	675	2,201	3,036	1,612
Net income (loss) from continuing operations attributable to noncontrolling interests	9	20	9	(37)	3
Net income attributable to AIG	\$ 2,468	\$ 655	\$ 2,192	\$ 3,073	\$ 1,609
Effective tax rates (3)	34.4%	2.6%	27.2%	32.9%	27.0%

See Page 5 for the related earnings per share computations and Page 14 for Accompanying Notes.



American International Group, Inc.
Earnings Per Share Computations

Consolidated Results

(in millions, except share data)

GAAP Basis:

Numerator for EPS:

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Income from continuing operations	\$ 2,476	\$ 710	\$ 2,199	\$ 3,006	\$ 1,659
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	9	20	9	(37)	3
Income attributable to AIG common shareholders from continuing operations	2,467	690	2,190	3,043	1,656
Income (loss) from discontinued operations, net of income tax expense	1	(35)	2	30	(47)
Net income attributable to AIG common shareholders	\$ 2,468	\$ 655	\$ 2,192	\$ 3,073	\$ 1,609

Denominator for EPS:

Weighted average shares outstanding - basic	1,365,951,690	1,391,790,420	1,419,239,774	1,442,397,111	1,459,249,393
Dilutive shares	20,311,859	20,372,036	22,828,068	22,279,219	13,261,420
Weighted average shares outstanding - diluted (4)	1,386,263,549	1,412,162,456	1,442,067,842	1,464,676,330	1,472,510,813

Income per common share attributable to AIG:

Basic:

Income from continuing operations	\$ 1.81	\$ 0.50	\$ 1.54	\$ 2.11	\$ 1.13
Income (loss) from discontinued operations	-	(0.03)	-	0.02	(0.03)
Net income attributable to AIG	\$ 1.81	\$ 0.47	\$ 1.54	\$ 2.13	\$ 1.10

Diluted:

Income from continuing operations	\$ 1.78	\$ 0.49	\$ 1.52	\$ 2.08	\$ 1.12
Income (loss) from discontinued operations	-	(0.03)	-	0.02	(0.03)
Net income attributable to AIG	\$ 1.78	\$ 0.46	\$ 1.52	\$ 2.10	\$ 1.09

See Page 7 for the related operating earnings per share and Page 14 for Accompanying Notes.



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

Consolidated Results

(in millions, except share data)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Pre-tax income from continuing operations	\$ 3,776	\$ 729	\$ 3,019	\$ 4,480	\$ 2,273
Adjustments to arrive at Pre-tax operating income					
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(44)	(98)	(32)	(54)	(76)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	54	127	45	52	(7)
Loss on extinguishment of debt	68	1,268	742	34	238
Net realized capital (gains) losses	(1,341)	(193)	(536)	(162)	152
(Income) loss from divested businesses (5)	21	20	(17)	(2,151)	(21)
Legal settlements related to legacy crisis matters	(15)	(113)	(653)	(12)	(26)
Legal reserves related to legacy crisis matters	8	-	17	506	23
Pre-tax operating income	<u>\$ 2,527</u>	<u>\$ 1,740</u>	<u>\$ 2,585</u>	<u>\$ 2,693</u>	<u>\$ 2,556</u>
Net income attributable to AIG	\$ 2,468	\$ 655	\$ 2,192	\$ 3,073	\$ 1,609
Adjustments to arrive at After-tax operating income (amounts net of tax):					
Uncertain tax positions and other tax adjustments	(42)	73	(25)	39	(28)
Deferred income tax valuation allowance (releases) charges (6)	93	(20)	(21)	(75)	(65)
Changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense	(29)	(64)	(21)	(35)	(49)
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	35	82	29	35	(5)
Loss on extinguishment of debt	44	824	482	22	155
Net realized capital (gains) losses	(874)	(105)	(301)	(155)	91
(Income) loss from discontinued operations	(1)	35	(2)	(30)	47
(Income) loss from divested businesses (5)	2	(9)	(42)	(1,399)	(12)
Legal reserves (settlements) related to legacy crisis matters	(5)	(100)	(569)	321	(2)
After-tax operating income	<u>\$ 1,691</u>	<u>\$ 1,371</u>	<u>\$ 1,722</u>	<u>\$ 1,796</u>	<u>\$ 1,741</u>
After-tax operating income per diluted share	<u>\$ 1.22</u>	<u>\$ 0.97</u>	<u>\$ 1.19</u>	<u>\$ 1.23</u>	<u>\$ 1.18</u>
Calculation of Effective tax rates:					
Pre-tax operating income	\$ 2,527	\$ 1,740	\$ 2,585	\$ 2,693	\$ 2,556
Income tax expense	(825)	(369)	(869)	(904)	(817)
Net income (loss) attributable to non-controlling interest	(11)	-	6	7	2
After-tax operating income	<u>\$ 1,691</u>	<u>\$ 1,371</u>	<u>\$ 1,722</u>	<u>\$ 1,796</u>	<u>\$ 1,741</u>
Effective tax rates on pre-tax operating income (7)	<u>32.6%</u>	<u>21.2%</u>	<u>33.6%</u>	<u>33.6%</u>	<u>32.0%</u>

See Accompanying Notes on Page 14.



American International Group, Inc.
Return On Equity and Per Share Data

Consolidated Results

(in millions, except per share data)

Common Equity and Book Value Per Share Computations:

(as of period end)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Total AIG shareholders' equity (a)	\$ 107,979	\$ 106,898	\$ 108,581	\$ 108,161	\$ 103,833
Less: Accumulated other comprehensive income (AOCI)	10,657	10,617	11,331	11,511	9,085
Total AIG Shareholders' equity, excluding AOCI (b)	97,322	96,281	97,250	96,650	94,748
Less: Deferred tax assets (DTA)*	15,566	16,158	15,682	15,899	17,518
Total AIG Shareholders' equity, excluding AOCI and DTA (c)	\$ 81,756	\$ 80,123	\$ 81,568	\$ 80,751	\$ 77,230
Total common shares outstanding (d)	1,347.1	1,375.9	1,403.8	1,428.6	1,446.6
Book Value Per Share (a÷d)	\$ 80.16	\$ 77.69	\$ 77.35	\$ 75.71	\$ 71.77
Book Value Per Share, excluding AOCI (b÷d)	72.25	69.98	69.28	67.65	65.49
Book Value Per Share, excluding AOCI and DTA (c÷d)	\$ 60.69	\$ 58.23	\$ 58.11	\$ 56.53	\$ 53.39

Return On Equity (ROE) Computations:

Annualized Net income attributable to AIG (a)	\$ 9,872	\$ 2,620	\$ 8,768	\$ 12,292	\$ 6,436
Annualized After-tax operating income attributable to AIG (b)	\$ 6,764	\$ 5,484	\$ 6,888	\$ 7,184	\$ 6,964
Average AIG Shareholders' equity (c)	\$ 107,439	\$ 107,740	\$ 108,371	\$ 105,997	\$ 102,152
Less: Average AOCI	10,637	10,974	11,421	10,298	7,723
Average AIG Shareholders' equity, excluding average AOCI (d)	96,802	96,766	96,950	95,699	94,429
Less: Average DTA	15,862	15,920	15,790	16,709	17,658
Average AIG Shareholders' equity, excluding average AOCI and DTA (e)	\$ 80,940	\$ 80,846	\$ 81,160	\$ 78,990	\$ 76,771
ROE (a÷c)	9.2%	2.4%	8.1%	11.6%	6.3%
ROE - After-tax operating income, excluding AOCI (b÷d)	7.0%	5.7%	7.1%	7.5%	7.4%
ROE - After-tax operating income, excluding AOCI and DTA (b÷e)	8.4%	6.8%	8.5%	9.1%	9.1%

Common Stock Repurchase:

Aggregate repurchase of common stock**	\$ 1,398	\$ 1,500	\$ 1,466	\$ 1,070	\$ 867
Total number of common shares repurchased	28.9	27.9	24.8	18.1	17.4
Average price paid per share of common stock	\$ 55.14	\$ 54.48	\$ 54.32	\$ 54.08	\$ 49.73
Dividends Declared Per Common Share	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125

* Represents U.S. tax attributes related to net operating loss carryforwards and foreign tax credits. Amounts are estimates based on projections of full year attribute utilization.

** 1Q15 excludes approximately 3.5 million shares of AIG Common Stock received in January 2015 upon the settlement of an ASR agreement executed in the fourth quarter of 2014.

See Accompanying Notes on Page 14.



American International Group, Inc.
Selected Segment Data

Consolidated Results - Operating basis

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Total operating revenues: (8)					
Commercial Insurance					
Property Casualty	\$ 5,956	\$ 6,315	\$ 6,425	\$ 6,331	\$ 6,112
Mortgage Guaranty	264	273	262	259	248
Institutional Markets	624	548	626	707	695
Total Commercial Insurance	6,844	7,136	7,313	7,297	7,055
Consumer Insurance					
Retirement	2,388	2,417	2,472	2,410	2,485
Life	1,613	1,576	1,575	1,560	1,610
Personal Insurance	2,862	3,008	3,163	3,129	3,064
Total Consumer Insurance	6,863	7,001	7,210	7,099	7,159
Corporate and Other	1,010	1,049	1,062	1,118	968
Consolidation, eliminations and other adjustments	(127)	(180)	(109)	(95)	(82)
Total operating revenues	<u>\$ 14,590</u>	<u>\$ 15,006</u>	<u>\$ 15,476</u>	<u>\$ 15,419</u>	<u>\$ 15,100</u>
Total pre-tax operating income:					
Commercial Insurance					
Property Casualty	\$ 1,170	\$ 935	\$ 952	\$ 1,245	\$ 1,116
Mortgage Guaranty	145	171	135	210	76
Institutional Markets	147	118	153	170	229
Total Commercial Insurance	1,462	1,224	1,240	1,625	1,421
Consumer Insurance					
Retirement	800	722	1,094	764	915
Life	171	80	50	215	235
Personal Insurance	(26)	121	120	140	18
Total Consumer Insurance	945	923	1,264	1,119	1,168
Corporate and Other	138	(357)	90	(53)	(68)
Consolidation, eliminations and other adjustments	(18)	(50)	(9)	2	35
Total pre-tax operating income	<u>\$ 2,527</u>	<u>\$ 1,740</u>	<u>\$ 2,585</u>	<u>\$ 2,693</u>	<u>\$ 2,556</u>

See Accompanying Notes on Page 14.



American International Group, Inc.
General Operating and Other Expenses

Consolidated Results

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
General operating expenses					
Commercial Insurance					
Property Casualty	\$ 629	\$ 644	\$ 676	\$ 706	\$ 671
Mortgage Guaranty	39	36	46	37	37
Institutional Markets	18	19	15	14	18
Total Commercial Insurance	686	699	737	757	726
Consumer Insurance					
Retirement	244	279	233	236	232
Life (9)	231	229	233	213	210
Personal Insurance	478	550	607	558	505
Total Consumer Insurance	953	1,058	1,073	1,007	947
Corporate and Other	425	532	455	530	472
Consolidations and eliminations	(92)	(83)	(59)	(56)	(74)
Total general operating expenses	1,972	2,206	2,206	2,238	2,071
Other acquisition expenses					
Commercial Insurance					
Property Casualty	187	190	195	198	206
Mortgage Guaranty	15	11	13	11	14
Institutional Markets	7	5	8	9	8
Total Commercial Insurance	209	206	216	218	228
Consumer Insurance					
Personal Insurance	160	159	139	150	148
Total Consumer Insurance	160	159	139	150	148
Total other acquisition expenses	369	365	355	368	376
Loss adjustment expenses					
Commercial Insurance - Property Casualty	304	314	302	303	298
Consumer Insurance - Personal Insurance	119	120	106	115	109
Total loss adjustment expenses	423	434	408	418	407
Investment and other expenses	20	11	24	28	25
Total general operating expenses, Operating basis (10)	2,784	3,016	2,993	3,052	2,879
Reconciliation to general operating and other expenses, GAAP basis					
Loss adjustment expenses, reported as policyholder benefits and losses incurred	(423)	(434)	(408)	(418)	(407)
Advisory fee expenses	332	329	338	337	311
Non-deferrable insurance commissions	128	146	130	119	127
Direct marketing and acquisition expenses, net of deferrals	140	203	105	146	116
Investment expenses reported as net investment income and other	(20)	(11)	(24)	(28)	(25)
Total general operating and other expenses included in pre-tax operating income	2,941	3,249	3,134	3,208	3,001
Legal reserves related to legacy crisis matters	8	-	17	506	23
Total general operating and other expenses, GAAP basis	\$ 2,949	\$ 3,249	\$ 3,151	\$ 3,714	\$ 3,024

See Accompanying Notes on Page 14.



American International Group, Inc.
Condensed Consolidated Balance Sheets

Consolidated Results

(in millions)	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Assets:					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 260,822	\$ 259,859	\$ 265,786	\$ 266,304	\$ 262,937
Other bond securities, at fair value	19,013	19,712	20,381	21,430	21,718
Equity securities					
Common and preferred stock available for sale, at fair value	3,766	4,395	4,344	4,048	3,878
Other common and preferred stock, at fair value	1,100	1,049	766	724	725
Mortgage and other loans receivable, net of allowance	25,313	24,990	23,397	22,937	21,569
Other invested assets (page 48)	34,838	34,518	33,908	33,645	29,050
Short-term investments	11,961	11,243	17,852	20,888	17,658
Total investments	356,813	355,766	366,434	369,976	357,535
Cash	1,823	1,758	1,933	1,827	2,490
Accrued investment income	2,726	2,712	2,877	2,846	2,924
Premiums and other receivables, net of allowance	13,450	12,031	13,236	14,077	14,269
Reinsurance assets, net of allowance	22,208	21,959	23,864	24,631	25,346
Deferred income taxes	18,010	19,339	19,606	19,912	21,631
Deferred policy acquisition costs	9,708	9,827	9,603	9,106	9,217
Derivative assets, at fair value	1,621	1,604	1,588	1,617	1,601
Other assets	12,203	10,549	10,239	9,399	8,738
Separate account assets, at fair value	82,139	80,036	77,810	75,718	72,593
Assets held for sale (11)	-	-	-	-	30,767
Total assets	\$ 520,701	\$ 515,581	\$ 527,190	\$ 529,109	\$ 547,111
Liabilities:					
Liability for unpaid losses and loss adjustment expenses	\$ 74,490	\$ 77,260	\$ 78,674	\$ 79,977	\$ 81,155
Unearned premiums	22,437	21,324	23,695	23,694	23,383
Future policy benefits for life and accident and health insurance contracts	43,244	42,749	42,431	42,536	41,419
Policyholder contract deposits	124,935	124,613	123,744	123,354	122,839
Other policyholder funds	4,415	4,669	4,718	4,809	4,802
Derivative liabilities, at fair value	2,651	2,273	2,502	2,416	3,039
Other liabilities	26,024	24,168	28,410	29,610	28,138
Long-term debt (page 13)	31,999	31,217	36,223	38,414	39,508
Separate account liabilities	82,139	80,036	77,810	75,718	72,593
Liabilities held for sale (11)	-	-	-	-	25,815
Total liabilities	412,334	408,309	418,207	420,528	442,691
Redeemable noncontrolling interests	-	-	-	-	27
AIG shareholders' equity:					
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(20,820)	(19,218)	(17,720)	(16,369)	(15,386)
Additional paid-in capital	81,303	80,958	80,904	80,967	80,975
Retained earnings	32,073	29,775	29,300	27,286	24,393
Accumulated other comprehensive income	10,657	10,617	11,331	11,511	9,085
Total AIG shareholders' equity	107,979	106,898	108,581	108,161	103,833
Non-redeemable noncontrolling interests	388	374	402	420	560
Total equity	108,367	107,272	108,983	108,581	104,393
Total liabilities and equity	\$ 520,701	\$ 515,581	\$ 527,190	\$ 529,109	\$ 547,111

See Accompanying Notes on Page 14.



American International Group, Inc.
Condensed Consolidating Balance Sheet

Consolidated Results

	March 31, 2015			
(in millions)	Life Insurance Companies (12)	Non - Life Insurance Companies (13)	Corporate and Other (14)	AIG Inc.
Assets:				
Investments:				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 164,842	\$ 92,979	\$ 3,001	\$ 260,822
Other bond securities, at fair value	2,956	1,678	14,379	19,013
Equity securities				
Common and preferred stock available for sale, at fair value	96	3,455	215	3,766
Other common and preferred stock, at fair value	-	352	748	1,100
Mortgage and other loans receivable, net of allowance	21,183	6,573	(2,443)	25,313
Other invested assets (page 48)	12,321	9,730	12,787	34,838
Short-term investments	1,710	3,698	6,553	11,961
Total investments	<u>203,108</u>	<u>118,465</u>	<u>35,240</u>	<u>356,813</u>
Cash	401	1,266	156	1,823
Accrued investment income	1,829	871	26	2,726
Premiums and other receivables, net of allowance	1,827	11,429	194	13,450
Reinsurance assets, net of allowance	1,907	20,290	11	22,208
Deferred income taxes	-	3,918	14,092	18,010
Deferred policy acquisition costs	7,133	2,557	18	9,708
Derivative assets, at fair value	1,176	366	79	1,621
Other assets	1,826	6,512	3,865	12,203
Separate account assets, at fair value	82,129	-	10	82,139
Total assets	<u>\$ 301,336</u>	<u>\$ 165,674</u>	<u>\$ 53,691</u>	<u>\$ 520,701</u>
Liabilities:				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 74,490	\$ -	\$ 74,490
Unearned premiums	-	22,437	-	22,437
Future policy benefits for life and accident and health insurance contracts	42,353	736	155	43,244
Policyholder contract deposits	125,071	-	(136)	124,935
Other policyholder funds	2,660	1,745	10	4,415
Derivative liabilities, at fair value	584	212	1,855	2,651
Other liabilities	8,612	14,900	2,512	26,024
Long-term debt (page 13)	1,586	333	30,080	31,999
Separate account liabilities	82,129	-	10	82,139
Total liabilities	<u>262,995</u>	<u>114,853</u>	<u>34,486</u>	<u>412,334</u>
AIG shareholders' equity:				
Accumulated other comprehensive income	7,299	3,694	(336)	10,657
Other AIG shareholders' equity	31,020	47,000	19,302	97,322
Total AIG shareholders' equity	<u>38,319</u>	<u>50,694</u>	<u>18,966</u>	<u>107,979</u>
Non-redeemable noncontrolling interests	<u>22</u>	<u>127</u>	<u>239</u>	<u>388</u>
Total equity	<u>38,341</u>	<u>50,821</u>	<u>19,205</u>	<u>108,367</u>
Total liabilities and equity	<u>\$ 301,336</u>	<u>\$ 165,674</u>	<u>\$ 53,691</u>	<u>\$ 520,701</u>

See Accompanying Notes on Page 14.



American International Group, Inc.
Condensed Consolidating Balance Sheet

Consolidated Results

	December 31, 2014			
	Life Insurance Companies (12)	Non - Life Insurance Companies (13)	Corporate and Other (14)	AIG Inc.
(in millions)				
Assets:				
Investments:				
Fixed maturity securities				
Bonds available for sale, at fair value	\$ 164,527	\$ 92,942	\$ 2,390	\$ 259,859
Other bond securities, at fair value	2,785	1,733	15,194	19,712
Equity securities				
Common and preferred stock available for sale, at fair value	150	4,241	4	4,395
Other common and preferred stock, at fair value	-	495	554	1,049
Mortgage and other loans receivable, net of allowance	20,874	6,686	(2,570)	24,990
Other invested assets (page 48)	11,916	10,372	12,230	34,518
Short-term investments	2,131	4,154	4,958	11,243
Total investments	<u>202,383</u>	<u>120,623</u>	<u>32,760</u>	<u>355,766</u>
Cash	451	1,191	116	1,758
Accrued investment income	1,781	907	24	2,712
Premiums and other receivables, net of allowance	1,810	9,970	251	12,031
Reinsurance assets, net of allowance	1,921	20,025	13	21,959
Deferred income taxes	-	4,040	15,299	19,339
Deferred policy acquisition costs	7,258	2,551	18	9,827
Derivative assets, at fair value	902	340	362	1,604
Other assets	4,764	4,652	1,133	10,549
Separate account assets, at fair value	80,025	-	11	80,036
Total assets	<u>\$ 301,295</u>	<u>\$ 164,299</u>	<u>\$ 49,987</u>	<u>\$ 515,581</u>
Liabilities:				
Liability for unpaid losses and loss adjustment expenses	\$ -	\$ 77,260	\$ -	\$ 77,260
Unearned premiums	-	21,325	(1)	21,324
Future policy benefits for life and accident and health insurance contracts	42,004	579	166	42,749
Policyholder contract deposits	124,716	-	(103)	124,613
Other policyholder funds	2,656	2,003	10	4,669
Derivative liabilities, at fair value	555	208	1,510	2,273
Other liabilities	12,237	11,849	82	24,168
Long-term debt (page 13)	1,574	136	29,507	31,217
Separate account liabilities	80,025	-	11	80,036
Total liabilities	<u>263,767</u>	<u>113,360</u>	<u>31,182</u>	<u>408,309</u>
AIG shareholders' equity:				
Accumulated other comprehensive income	6,545	3,951	121	10,617
Other AIG shareholders' equity	30,980	46,918	18,383	96,281
Total AIG shareholders' equity	<u>37,525</u>	<u>50,869</u>	<u>18,504</u>	<u>106,898</u>
Non-redeemable noncontrolling interests	<u>3</u>	<u>70</u>	<u>301</u>	<u>374</u>
Total equity	<u>37,528</u>	<u>50,939</u>	<u>18,805</u>	<u>107,272</u>
Total liabilities and equity	<u>\$ 301,295</u>	<u>\$ 164,299</u>	<u>\$ 49,987</u>	<u>\$ 515,581</u>

See Accompanying Notes on Page 14.



American International Group, Inc.
Debt and Capital

Consolidated Results

(in millions)	Debt and Hybrid Capital			Interest Expense	
	March 31, 2015	March 31, 2014	Dec. 31, 2014	Three Months Ended	
				March 31, 2015	March 31, 2014
Financial debt:					
AIG notes and bonds payable	\$ 17,743	\$ 14,077	\$ 15,570	\$ 215	\$ 192
AIG subordinated debt	250	250	250	2	2
AIG Life Holdings, Inc. notes and bonds payable	284	299	284	5	5
AIG Life Holdings, Inc. junior subordinated debt	536	1,054	536	11	21
Total	18,813	15,680	16,640	233	220
Operating debt:					
MIP notes payable	1,711	6,763	2,870	29	74
Series AIGFP matched notes and bonds payable	38	2,163	34	-	48
Other AIG borrowings supported by assets (16)	4,844	6,019	5,466	-	-
Other subsidiaries	41	626	58	1	10
Borrowings of consolidated investments	4,151	2,720	3,683	34	22
Total	10,785	18,291	12,111	64	154
Hybrid - debt securities:					
Junior subordinated debt (17)	2,401	5,537	2,466	43	105
Total (18)	\$ 31,999	\$ 39,508	\$ 31,217	\$ 340	\$ 479
AIG capitalization:					
Total equity	\$ 108,367	\$ 104,393	\$ 107,272		
Hybrid - debt securities (17)	2,401	5,537	2,466		
Total equity and hybrid capital	110,768	109,930	109,738		
Financial debt	18,813	15,680	16,640		
Total capital	\$ 129,581	\$ 125,610	\$ 126,378		
Ratios:					
Hybrid - debt securities / Total capital	1.9%	4.4%	1.9%		
Financial debt / Total capital	14.5%	12.5%	13.2%		
Total debt / Total capital	16.4%	16.9%	15.1%		

See accompanying notes on Page 14.

American International Group, Inc.
Notes

Consolidated Results

- (1) Includes changes in market value of investments accounted for under the fair value option, real estate income and income (loss) from equity method investments (excluding AerCap which is reported in Other income).
- (2) The 2014 periods include the results of ILFC, which was sold on May 14, 2014.
- (3) Effective tax rates are calculated based on Income from continuing operations before tax.
- (4) Dilutive shares are calculated using the treasury stock method and include dilutive shares from share-based employee compensation plans, a weighted average portion of the warrants issued to AIG shareholders as part of the recapitalization in January 2011 and a weighted average portion of the warrants issued to the Department of the Treasury in 2009 that we repurchased in the first quarter of 2013. The number of shares excluded from diluted shares outstanding was 0.6 million, 0.4 million, 0.3 million, 0.3 million and 0.3 million for each of 1Q15, 4Q14, 3Q14, 2Q14 and 1Q14, respectively, because the effect of including those shares in the calculation would have been anti-dilutive.
- (5) 2Q14 includes the gain on sale of ILFC. 1Q15 and the 2014 periods also include certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights assets over the remaining lease term as compared to the remaining economic life of the related aircraft and our share of AerCap's income taxes.
- (6) Excludes valuation allowance (charge) releases of \$(49) million, \$184 million, \$582 million and \$892 million in 4Q14, 3Q14, 2Q14 and 1Q14, respectively, recorded in AOCI.
- (7) Effective tax rates are calculated based on Pre-tax operating income.
- (8) Operating revenues exclude Net realized capital gains (losses), Aircraft leasing revenues, income from legal settlements (included in Other income for GAAP purposes) and changes in fair values of fixed maturity securities designated to hedge living benefit liabilities, net of interest expense (included in Net investment income for GAAP purposes).
- (9) Includes \$9 million in 1Q15 of general operating expenses from AIG Life Limited (formerly Ageas Protect Limited), which was acquired on December 31, 2014.
- (10) Includes unallocated loss adjustment expenses, investment expenses and certain acquisition expenses (including the portion deferred for GAAP reporting). Excludes charges for legal reserves related to legacy crisis matters.
- (11) Includes the assets and liabilities of ILFC, which was sold on May 14, 2014.
- (12) Includes Fuji Life and Ageas Protect Limited, which was acquired on December 31, 2014, and Laya Healthcare, which was acquired on March 31, 2015.
- (13) Includes the Property Casualty insurance runoff businesses, as well as Mortgage Guaranty.
- (14) Includes AIG Parent, Global Capital Markets, Direct Investment book, AIG Life Holdings, Inc. (a non-operating holding company), Consolidations and eliminations.
- (15) Consists primarily of 3rd Party debt related to other subsidiaries and consolidated investments in affordable housing partnerships.
- (16) Borrowings are carried at fair value with fair value adjustments reported in Other income on the Consolidated Statement of Operations. Contractual interest payments amounted to \$13 million and \$48 million for the three months ended March 31, 2015 and 2014, respectively.
- (17) The junior subordinated debentures receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings on the Condensed Consolidated Balance Sheets.
- (18) ILFC was sold on May 14, 2014. March 31, 2014 excludes ILFC's interest expense which is reflected within Aircraft leasing expense on the Consolidated Statement of Operations.

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

Commercial Insurance

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Revenues:					
Premiums	\$ 5,257	\$ 5,509	\$ 5,692	\$ 5,656	\$ 5,364
Policy fees	49	49	49	45	44
Net investment income	1,538	1,578	1,572	1,596	1,647
Total operating revenues	6,844	7,136	7,313	7,297	7,055
Benefits and expenses:					
Policyholder benefits and losses incurred	3,767	4,255	4,385	3,970	3,965
Interest credited to policyholder account balances	102	102	105	103	100
Amortization of deferred policy acquisition costs	596	612	648	633	619
General operating and other expenses*	917	943	935	966	950
Total benefits and expenses	5,382	5,912	6,073	5,672	5,634
Pre-tax operating income	\$ 1,462	\$ 1,224	\$ 1,240	\$ 1,625	\$ 1,421

* Includes general operating expenses, commissions and other acquisition expenses.

See Accompanying Notes on Page 24.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 5,047	\$ 4,692	\$ 5,509	\$ 5,813	\$ 5,006
Net premiums earned	\$ 4,931	\$ 5,207	\$ 5,357	\$ 5,269	\$ 5,052
Losses and loss adjustment expenses incurred	3,360	3,904	3,977	3,567	3,508
Acquisition expenses:					
Amortization of deferred policy acquisition costs	588	604	643	624	615
Other acquisition expenses	209	228	177	189	202
Total acquisition expenses	797	832	820	813	817
General operating expenses	629	644	676	706	671
Underwriting income (loss)	145	(173)	(116)	183	56
Net investment income:					
Interest and dividends	837	830	857	838	813
Alternative investments (1)	243	111	176	171	242
Other investment income (2)	(6)	189	70	91	50
Investment expenses	(49)	(22)	(35)	(38)	(45)
Total net investment income	1,025	1,108	1,068	1,062	1,060
Pre-tax operating income	\$ 1,170	\$ 935	\$ 952	\$ 1,245	\$ 1,116
Underwriting ratios:					
Loss ratio	68.1	75.0	74.2	67.7	69.4
Catastrophe losses and reinstatement premiums	(1.4)	(0.7)	(4.8)	(2.3)	(3.6)
Prior year development net of premium adjustments	(0.4)	(4.0)	(4.9)	0.7	(3.1)
Net reserve discount	(1.9)	(4.4)	0.3	0.4	2.5
Accident year loss ratio, as adjusted	64.4	65.9	64.8	66.5	65.2
Acquisition ratio	16.2	16.0	15.3	15.4	16.2
General operating expense ratio	12.8	12.4	12.6	13.4	13.3
Expense ratio	29.0	28.4	27.9	28.8	29.5
Combined ratio	97.1	103.4	102.1	96.5	98.9
Catastrophe losses and reinstatement premiums	(1.4)	(0.7)	(4.8)	(2.3)	(3.6)
Prior year development net of premium adjustments	(0.4)	(4.0)	(4.9)	0.7	(3.1)
Net reserve discount	(1.9)	(4.4)	0.3	0.4	2.5
Accident year combined ratio, as adjusted	93.4	94.3	92.7	95.3	94.7
Noteworthy items (pre-tax):					
Catastrophe-related losses (3)	\$ 71	\$ 35	\$ 260	\$ 121	\$ 184
Reinstatement premiums related to catastrophes	-	-	2	-	-
Reinstatement premiums related to prior year catastrophes	(7)	(2)	(1)	1	-
Severe losses (4)	134	66	188	193	145
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	17	175	319	5	156
(Additional) returned premium related to prior year development	11	52	(93)	(68)	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	28	227	226	(63)	160
Net reserve discount (benefit) charge	93	229	(16)	(16)	(126)
Net loss and loss expense reserve by line of business (at end of period):					
Casualty	32,658	33,065	33,730	34,216	34,182
Financial Lines	9,275	9,538	9,644	9,855	9,938
Specialty	5,750	5,786	5,660	5,665	5,655
Property	3,693	4,079	4,157	4,052	4,145
Total	\$ 51,376	\$ 52,468	\$ 53,191	\$ 53,788	\$ 53,920

See Accompanying Notes on Page 24.



American International Group, Inc.
Net Premiums Written by Line of Business and Region

Commercial Insurance - Property Casualty

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
By Line of Business:					
Casualty	\$ 1,882	\$ 1,659	\$ 1,968	\$ 2,007	\$ 2,015
Property	1,007	992	1,482	1,732	930
Specialty	954	909	911	898	996
Financial lines	1,204	1,132	1,148	1,176	1,065
Total net premiums written	\$ 5,047	\$ 4,692	\$ 5,509	\$ 5,813	\$ 5,006
By Region:					
Americas	\$ 2,949	\$ 3,251	\$ 3,643	\$ 4,013	\$ 2,892
EMEA	1,616	962	1,276	1,303	1,651
Asia Pacific	482	479	590	497	463
Total net premiums written	\$ 5,047	\$ 4,692	\$ 5,509	\$ 5,813	\$ 5,006
Foreign exchange effect on worldwide premiums:					
Change in net premiums written					
Increase (decrease) in original currency over prior year period (5)	5.9 %	(2.2) %	5.2 %	(1.4) %	2.9 %
Foreign exchange effect	(5.1)	(1.1)	0.3	0.1	(1.0)
Increase (decrease) as reported in U.S. dollars	0.8 %	(3.3) %	5.5 %	(1.3) %	1.9 %

See Accompanying Notes on Page 24.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty North America

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 2,828	\$ 3,087	\$ 3,503	\$ 3,864	\$ 2,765
Net premiums earned	\$ 3,197	\$ 3,308	\$ 3,426	\$ 3,336	\$ 3,262
Losses and loss adjustment expenses incurred	2,482	2,790	2,786	2,497	2,409
Acquisition expenses:					
Amortization of deferred policy acquisition costs	325	334	361	352	346
Other acquisition expenses	120	130	103	96	113
Total acquisition expenses	445	464	464	448	459
General operating expenses	296	322	328	339	339
Underwriting income (loss)	(26)	(268)	(152)	52	55
Net investment income:					
Interest and dividends	719	702	725	705	691
Alternative investments (1)	237	107	177	165	239
Other investment income (2)	(12)	176	56	73	28
Investment expenses	(38)	(10)	(28)	(27)	(37)
Total net investment income	906	975	930	916	921
Pre-tax operating income	\$ 880	\$ 707	\$ 778	\$ 968	\$ 976
Underwriting ratios:					
Loss ratio	77.6	84.3	81.3	74.9	73.9
Catastrophe losses and reinstatement premiums	(2.2)	(0.8)	(5.0)	(3.5)	(3.8)
Prior year development net of premium adjustments	(2.1)	(8.3)	(7.8)	(1.3)	(2.5)
Net reserve discount	(2.9)	(6.8)	0.4	0.5	3.8
Accident year loss ratio, as adjusted	70.4	68.4	68.9	70.6	71.4
Acquisition ratio	13.9	14.0	13.5	13.4	14.1
General operating expense ratio	9.3	9.7	9.6	10.2	10.4
Expense ratio	23.2	23.7	23.1	23.6	24.5
Combined ratio	100.8	108.0	104.4	98.5	98.4
Catastrophe losses and reinstatement premiums	(2.2)	(0.8)	(5.0)	(3.5)	(3.8)
Prior year development net of premium adjustments	(2.1)	(8.3)	(7.8)	(1.3)	(2.5)
Net reserve discount	(2.9)	(6.8)	0.4	0.5	3.8
Accident year combined ratio, as adjusted	93.6	92.1	92.0	94.2	95.9
Noteworthy items (pre-tax):					
Catastrophe-related losses (3)	\$ 70	\$ 27	\$ 173	\$ 116	\$ 123
Reinstatement premiums related to prior year catastrophes	(7)	-	-	1	-
Severe losses (4)	87	(1)	62	62	46
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	66	235	331	88	79
(Additional) returned premium related to prior year development	11	52	(93)	(68)	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	77	287	238	20	83
Net reserve discount (benefit) charge	\$ 93	\$ 229	\$ (16)	\$ (16)	\$ (126)

See Accompanying Notes on Page 24.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Property Casualty International

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 2,219	\$ 1,605	\$ 2,006	\$ 1,949	\$ 2,241
Net premiums earned	\$ 1,734	\$ 1,899	\$ 1,931	\$ 1,933	\$ 1,790
Losses and loss adjustment expenses incurred	878	1,114	1,191	1,070	1,099
Acquisition expenses:					
Amortization of deferred policy acquisition costs	263	270	282	272	269
Other acquisition expenses	89	98	74	93	89
Total acquisition expenses	352	368	356	365	358
General operating expenses	333	322	348	367	332
Underwriting income (loss)	171	95	36	131	1
Net investment income:					
Interest and dividends	118	128	132	133	122
Alternative investments (1)	6	4	(1)	6	3
Other investment income (2)	6	13	14	18	22
Investment expenses	(11)	(12)	(7)	(11)	(8)
Total net investment income	119	133	138	146	139
Pre-tax operating income	\$ 290	\$ 228	\$ 174	\$ 277	\$ 140
Underwriting ratios:					
Loss ratio	50.6	58.7	61.7	55.4	61.4
Catastrophe losses and reinstatement premiums	-	(0.5)	(4.6)	(0.3)	(3.4)
Prior year development net of premium adjustments	2.8	3.3	0.7	4.3	(4.3)
Accident year loss ratio, as adjusted	53.4	61.5	57.8	59.4	53.7
Acquisition ratio	20.3	19.4	18.4	18.9	20.0
General operating expense ratio	19.2	17.0	18.0	19.0	18.5
Expense ratio	39.5	36.4	36.4	37.9	38.5
Combined ratio	90.1	95.1	98.1	93.3	99.9
Catastrophe losses and reinstatement premiums	-	(0.5)	(4.6)	(0.3)	(3.4)
Prior year development net of premium adjustments	2.8	3.3	0.7	4.3	(4.3)
Accident year combined ratio, as adjusted	92.9	97.9	94.2	97.3	92.2
Noteworthy items (pre-tax):					
Catastrophe-related losses (3)	\$ 1	\$ 8	\$ 87	\$ 5	\$ 61
Reinstatement premiums related to catastrophes	-	-	2	-	-
Reinstatement premiums related to prior year catastrophes	-	(2)	(1)	-	-
Severe losses (4)	47	67	126	131	99
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	\$ (49)	\$ (60)	\$ (12)	\$ (83)	\$ 77

See Accompanying Notes on Page 24.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Mortgage Guaranty

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 258	\$ 273	\$ 271	\$ 249	\$ 231
Net premiums earned	\$ 230	\$ 238	\$ 227	\$ 226	\$ 213
Losses and loss adjustment expenses incurred	58	49	63	(7)	118
Acquisition expenses:					
Amortization of deferred policy acquisition costs	7	6	5	8	3
Other acquisition expenses	15	11	13	11	14
Total acquisition expenses	22	17	18	19	17
General operating expenses	39	36	46	37	37
Underwriting income	111	136	100	177	41
Net investment income	34	35	35	33	35
Pre-tax operating income	\$ 145	\$ 171	\$ 135	\$ 210	\$ 76
Underwriting ratios:					
Loss ratio	25.2	20.6	27.8	(3.1)	55.4
Prior year loss development	-	12.6	5.2	39.4	(12.7)
Accident year loss ratio, as adjusted	25.2	33.2	33.0	36.3	42.7
Acquisition ratio	9.6	7.1	7.9	8.4	8.0
General operating expense ratio	16.9	15.1	20.3	16.4	17.4
Expense ratio	26.5	22.2	28.2	24.8	25.4
Combined ratio	51.7	42.8	56.0	21.7	80.8
Prior year loss development	-	12.6	5.2	39.4	(12.7)
Accident year combined ratio, as adjusted	51.7	55.4	61.2	61.1	68.1
Noteworthy Items (pre-tax):					
Prior year loss reserve development (favorable) unfavorable	\$ -	\$ (30)	\$ (12)	\$ (89)	\$ 27
New insurance written	10,854	11,023	12,881	11,195	7,745
Net loss and loss expense reserve (at period end)	922	977	1,068	1,131	1,273
Shareholders' equity (at period end)	3,178	3,070	2,601	2,529	2,361
Shareholders' equity, excluding AOCI (at period end)	3,100	3,011	2,548	2,460	2,320
Domestic first liens:					
Number of primary paid claims	2,454	2,818	2,711	3,015	3,057
Gross paid claims	\$ 110	\$ 124	\$ 119	\$ 126	\$ 140

See Accompanying Notes on 24.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Mortgage Guaranty Domestic First-Lien, Delinquencies and Gross Risk in Force by Vintage

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
First-lien new insurance written	\$ 10,542	\$ 10,733	\$ 12,643	\$ 11,057	\$ 7,605
First-lien persistency (twelve months)	82.3%	84.1%	84.2%	83.5%	82.1%
First-lien insurance in force	\$ 169,880	\$ 167,180	\$ 162,533	\$ 156,050	\$ 150,874
Total first-lien primary risk in force - net of reinsurance and stop loss	\$ 42,839	\$ 42,106	\$ 40,782	\$ 38,917	\$ 37,352
Number of ending primary delinquent loans	34,372	38,357	39,222	39,801	42,781
In force count	877,076	867,120	850,578	826,158	808,392
Delinquency data:					
Primary delinquency ratio	3.9%	4.4%	4.6%	4.8%	5.3%
Aging of primary delinquent inventory:					
3 or fewer payments missed	29.7%	32.9%	32.0%	29.2%	27.9%
4-11 payments missed	27.9%	26.5%	25.0%	25.8%	27.6%
12-23 payments missed	16.4%	15.6%	16.9%	18.0%	18.2%
24-35 payments missed	8.8%	8.7%	9.6%	10.5%	11.1%
More than 35 payments missed	17.2%	16.3%	16.5%	16.5%	15.2%
	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Risk in Force by Vintage year:					
2006 and prior	9%	10%	11%	13%	13%
2007	8%	8%	9%	9%	10%
2008	4%	5%	5%	5%	6%
2009	2%	2%	2%	2%	2%
2010	2%	2%	2%	3%	3%
2011	5%	6%	6%	7%	8%
2012	16%	17%	19%	20%	22%
2013	25%	26%	28%	30%	32%
2014	24%	24%	18%	11%	4%
2015	5%	0%	0%	0%	0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

See Accompanying Notes on Page 24.



American International Group, Inc.
Operating Statistics

Commercial Insurance - Institutional Markets

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Premiums and deposits	\$ 146	\$ 615	\$ 2,840	\$ 195	\$ 147
Revenues:					
Premiums	\$ 96	\$ 64	\$ 108	\$ 161	\$ 99
Policy fees	49	49	49	45	44
Net investment income:					
Base portfolio (6)	354	353	363	358	361
Alternative investments (1)	120	77	89	101	196
Other enhancements (7)	5	5	17	42	(5)
Total net investment income	479	435	469	501	552
Total operating revenues	624	548	626	707	695
Benefits and expenses:					
Policyholder benefits and losses incurred	349	302	345	410	339
Interest credited to policyholder account balances	102	102	105	103	100
Acquisition expenses:					
Amortization of deferred policy acquisition costs	1	2	-	1	1
Other acquisition expenses	7	5	8	9	8
Total acquisition expenses	8	7	8	10	9
General operating expenses	18	19	15	14	18
Total benefits and expenses	477	430	473	537	466
Pre-tax operating income	\$ 147	\$ 118	\$ 153	\$ 170	\$ 229
General and separate account reserves:					
Future policyholder benefits	\$ 19,723	\$ 19,343	\$ 19,040	\$ 19,310	\$ 18,636
Policyholder contract deposits	9,802	9,854	9,401	9,560	9,560
Separate account reserves	6,978	6,932	7,070	4,576	4,549
Total general and separate account reserves	\$ 36,503	\$ 36,129	\$ 35,511	\$ 33,446	\$ 32,745

See Accompanying Notes on Page 24.

American International Group, Inc.
Operating Statistics

Commercial Insurance - Institutional Markets

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Reserve rollforward:					
Balance at beginning of period, gross	\$ 35,080	\$ 34,765	\$ 32,386	\$ 32,239	\$ 32,100
Premiums and deposits	146	615	2,840	195	147
Surrenders and withdrawals	(29)	(338)	(343)	(15)	(70)
Death and other contract benefits	(379)	(413)	(365)	(399)	(353)
Subtotal	(262)	(136)	2,132	(219)	(276)
Change in fair value of underlying assets and reserve accretion, net of policy fees	258	297	184	293	356
Cost of funds	102	102	105	103	100
Other reserve changes (including loss recognition)	(58)	52	(42)	(30)	(41)
Balance at end of period	35,120	35,080	34,765	32,386	32,239
Reserves related to unrealized investment appreciation	1,388	1,054	752	1,065	511
Reinsurance ceded	(5)	(5)	(6)	(5)	(5)
Total insurance reserves	\$ 36,503	\$ 36,129	\$ 35,511	\$ 33,446	\$ 32,745
Reserves by line of business:					
Structured settlements	\$ 19,701	\$ 19,343	\$ 19,072	\$ 19,312	\$ 18,763
Terminal funding annuities	3,108	3,090	3,068	3,112	2,993
Corporate and bank-owned life insurance	4,810	4,816	4,803	4,789	4,765
High net worth products	2,359	2,312	2,230	2,283	2,277
Guaranteed investments contracts	4,179	4,247	3,795	3,950	3,947
Stable value wrap - separate account liability	2,346	2,321	2,543	-	-
Total insurance reserves	\$ 36,503	\$ 36,129	\$ 35,511	\$ 33,446	\$ 32,745
Stable value wraps (401k and bank-owned life insurance) - Assets under management (8)	\$ 32,422	\$ 32,320	\$ 27,656	\$ 26,108	\$ 25,411

See Accompanying Notes on Page 24.

American International Group, Inc.

Notes

Commercial Insurance

Basis of Presentation

Commercial Insurance manages its business in three operating segments - Property Casualty, Mortgage Guaranty and Institutional Markets - and operates in three major geographic areas: the Americas (which includes the United States, Canada, Latin America, the Caribbean and Bermuda), Asia Pacific (which includes Japan and other Asia Pacific nations, including China, Korea, Singapore, Vietnam, Thailand, Australia and Indonesia), and EMEA (which includes the United Kingdom, Continental Europe, Russian Federation, India, the Middle East and Africa). Commercial Insurance products for large and small businesses are primarily distributed through a network of independent retail and wholesale brokers, and through an independent agency network in the Asia Pacific and EMEA regions. Major lines of business include Casualty, Property, Specialty and Financial Lines.

Net investment income is attributed to the operating segments of Commercial Insurance and Consumer Insurance based on internal models consistent with the nature of the underlying businesses.

For Commercial Insurance - Property Casualty, we estimate investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each operating segment. The net investment income allocation is calculated based on the estimated investable funds and risk-free yields (plus a liquidity premium) consistent with the approximate duration of the liabilities, and excludes net investment income associated with the runoff insurance lines reported in Corporate and Other. The remaining excess is attributed to Commercial Insurance - Property Casualty and Consumer Insurance - Personal Insurance based on the relative net investment income previously allocated.

For Commercial Insurance - Institutional Markets, net investment income is attributed based on invested assets from segregated product line portfolios. The fundamental investment strategy for these operating segments is to maintain primarily a diversified, high quality portfolio of fixed maturity securities and, as is practicable, to match established duration targets based on characteristics of the underlying liabilities. Invested assets in excess of liabilities are allocated to product lines based on internal capital estimates.

Net investment income for Commercial Insurance - Mortgage Guaranty is attributed based on legal entity invested assets.

Notes

- (1) Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships and is reported on a lag basis. Hedge funds are generally on a one-month lag, while private equity funds are generally on a one-quarter lag.
- (2) Other investment income is comprised principally of real estate income, changes in market value of investments accounted for under the fair value option, and income (loss) from equity method investments. 4Q14 included \$142 million of income related to the PICC P&C rights offering.
- (3) Catastrophes (CATs) are generally weather or seismic events having a net impact in excess of \$10 million each.
- (4) Severe losses are defined as non-catastrophic individual first party losses and surety losses greater than \$10 million, net of related reinsurance and salvage and subrogation.
- (5) Computed using a constant exchange rate for each period.
- (6) Includes interest, dividends and real estate income, net of investment expenses.
- (7) Includes call and tender income, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments and other miscellaneous income.
- (8) Comprises the notional value of (i) new stable value wrap contracts and (ii) stable value wraps novated from AIG Global Capital Markets and rewritten as group annuity contracts. Excludes the portion of stable value wraps included in Total insurance reserves.

American International Group, Inc.
Operating Results

Consumer Insurance

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Revenues:					
Premiums	\$ 3,553	\$ 3,667	\$ 3,781	\$ 3,799	\$ 3,689
Policy fees	627	624	635	601	593
Net investment income	2,175	2,199	2,283	2,197	2,403
Other income	508	511	511	502	474
Total operating revenues	6,863	7,001	7,210	7,099	7,159
Benefits and expenses:					
Policyholder benefits and losses incurred	2,679	2,630	2,763	2,646	2,757
Interest credited to policyholder account balances	833	865	776	859	853
Amortization of deferred policy acquisition cost	715	726	597	718	718
General operating and other expenses*	1,691	1,857	1,810	1,757	1,663
Total benefits and expenses	5,918	6,078	5,946	5,980	5,991
Pre-tax operating income	\$ 945	\$ 923	\$ 1,264	\$ 1,119	\$ 1,168

* Includes general operating expenses, non deferrable commissions, other acquisition expenses and advisory fees and other expenses.

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Results

Consumer Insurance - Retirement

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Premiums and deposits (1)	\$ 5,522	\$ 6,003	\$ 5,876	\$ 6,182	\$ 6,016
Revenues:					
Premiums	\$ 46	\$ 66	\$ 67	\$ 97	\$ 57
Policy fees	264	259	265	248	238
Net investment income:					
Base portfolio (2)	1,351	1,378	1,397	1,410	1,438
Alternative investments (3)	165	125	155	118	269
Other enhancements (4)	54	78	77	35	9
Total net investment income	1,570	1,581	1,629	1,563	1,716
Advisory fee and other income	508	511	511	502	474
Total operating revenues	2,388	2,417	2,472	2,410	2,485
Benefits and expenses:					
Policyholder benefits and losses incurred	92	127	137	160	113
Interest credited to policyholder account balances	709	738	648	733	727
Amortization of deferred policy acquisition costs	142	148	(46)	118	126
Non deferrable insurance commissions	69	74	68	62	61
Advisory fee expenses	332	329	338	337	311
General operating expenses	244	279	233	236	232
Total benefits and expenses	1,588	1,695	1,378	1,646	1,570
Pre-tax operating income	\$ 800	\$ 722	\$ 1,094	\$ 764	\$ 915
Assets under management:					
General accounts	\$ 124,460	\$ 124,755	\$ 127,178	\$ 128,325	\$ 126,422
Separate accounts	74,434	72,381	70,024	70,400	67,315
Group retirement and retail mutual funds	27,706	27,052	27,739	28,632	27,488
Total assets under management	\$ 226,600	\$ 224,188	\$ 224,941	\$ 227,357	\$ 221,225

See Accompanying Notes on Pages 41 to 42.



American International Group, Inc.
Net Flows

Consumer Insurance - Retirement

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Investment Products Net Flows:					
Premiums and deposits: (1)					
Fixed Annuities	\$ 684	\$ 865	\$ 692	\$ 1,061	\$ 960
Retirement Income Solutions	2,457	2,695	2,887	2,570	2,173
Retail Mutual Funds	857	721	598	896	1,162
Group Retirement	1,511	1,709	1,686	1,640	1,708
Total premiums and deposits	5,509	5,990	5,863	6,167	6,003
Surrenders and withdrawals:					
Fixed Annuities	(883)	(1,059)	(834)	(880)	(873)
Retirement Income Solutions	(751)	(781)	(770)	(797)	(758)
Retail Mutual Funds	(714)	(800)	(913)	(743)	(922)
Group Retirement	(2,012)	(3,839)	(2,615)	(1,902)	(1,647)
Total surrenders and withdrawals	(4,360)	(6,479)	(5,132)	(4,322)	(4,200)
Death and other contract benefits:					
Fixed Annuities	(547)	(547)	(591)	(605)	(502)
Retirement Income Solutions	(181)	(174)	(165)	(168)	(146)
Group Retirement	(139)	(133)	(132)	(133)	(139)
Total death and other contract benefits	(867)	(854)	(888)	(906)	(787)
Net flows: (5)					
Fixed Annuities	(746)	(741)	(733)	(424)	(415)
Retirement Income Solutions	1,525	1,740	1,952	1,605	1,269
Retail Mutual Funds	143	(79)	(315)	153	240
Group Retirement	(640)	(2,263)	(1,061)	(395)	(78)
Total net flows	\$ 282	\$ (1,343)	\$ (157)	\$ 939	\$ 1,016

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Fixed Annuities)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Premiums and deposits (1)	\$ 695	\$ 875	\$ 703	\$ 1,074	\$ 971
Revenues:					
Premiums	\$ 41	\$ 61	\$ 50	\$ 91	\$ 51
Policy fees	4	5	3	6	7
Net investment income:					
Base portfolio (2)	733	755	772	782	807
Alternative investments (3)	84	60	72	56	142
Other enhancements (4)	30	50	41	19	10
Total net investment income	847	865	885	857	959
Total operating revenues	892	931	938	954	1,017
Benefits and expenses:					
Policyholder benefits and losses incurred	64	90	78	128	90
Interest credited to policyholder account balances	386	407	332	408	406
Amortization of deferred policy acquisition costs	70	76	(60)	71	72
Non deferrable insurance commissions	5	7	6	6	7
General operating expenses	40	43	37	37	37
Total benefits and expenses	565	623	393	650	612
Pre-tax operating income	\$ 327	\$ 308	\$ 545	\$ 304	\$ 405
General and separate account reserves:					
Future policyholder benefits	\$ 3,070	\$ 3,054	\$ 3,029	\$ 3,151	\$ 3,025
Policyholder contract deposits and separate account reserves	52,718	53,138	53,577	54,004	54,152
Total general and separate account reserves	\$ 55,788	\$ 56,192	\$ 56,606	\$ 57,155	\$ 57,177

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Fixed Annuities)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net investment spreads: (a)					
Base yield (6)	4.99%	5.03%	5.06%	5.11%	5.25%
Alternative investments (7)	0.22%	0.14%	0.21%	0.13%	0.51%
Other enhancements (8)	0.12%	0.27%	0.20%	0.04%	0.02%
Total yield	5.33%	5.44%	5.47%	5.28%	5.78%
Cost of funds (b)	2.78%	2.80%	2.81%	2.83%	2.85%
Net spread rate, as reported	2.55%	2.64%	2.66%	2.45%	2.93%
Base net investment spread (c)	2.21%	2.23%	2.25%	2.28%	2.40%
Surrender rates (9)	6.7%	8.0%	6.3%	6.7%	6.8%
DAC rollforward:					
Balance at beginning of period	\$ 817	\$ 855	\$ 645	\$ 800	\$ 1,017
Deferrals	16	20	17	26	23
Operating amortization	(70)	(77)	60	(70)	(72)
Change from realized gains (losses)	2	2	(8)	(7)	(23)
Change from unrealized gains (losses)	(42)	17	141	(104)	(145)
Balance at end of period	\$ 723	\$ 817	\$ 855	\$ 645	\$ 800
Reserve rollforward:					
Balance at beginning of period, gross	\$ 56,445	\$ 56,877	\$ 57,303	\$ 57,414	\$ 57,531
Premiums and deposits	695	875	703	1,074	971
Surrenders and withdrawals	(933)	(1,125)	(896)	(954)	(967)
Death and other contract benefits	(600)	(601)	(650)	(670)	(552)
Subtotal	(838)	(851)	(843)	(550)	(548)
Change in fair value of underlying assets and reserve accretion, net of policy fees	30	28	28	47	43
Cost of funds (b)	356	373	377	380	378
Other reserve changes (including loss recognition)	20	18	12	12	10
Balance at end of period	56,013	56,445	56,877	57,303	57,414
Reserves related to unrealized investment appreciation	139	100	85	210	124
Reinsurance ceded	(364)	(353)	(356)	(358)	(361)
Total insurance reserves	\$ 55,788	\$ 56,192	\$ 56,606	\$ 57,155	\$ 57,177

(a) Excludes immediate annuities.

(b) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 41 to 42.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Retirement Income Solutions)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Premiums and deposits (1)	\$ 2,459	\$ 2,698	\$ 2,889	\$ 2,573	\$ 2,174
Revenues:					
Premiums	\$ (3)	\$ (2)	\$ (8)	\$ -	\$ -
Policy fees	158	154	155	140	131
Net investment income:					
Base portfolio (2)	117	109	110	104	100
Alternative investments (3)	27	20	30	19	42
Other enhancements (4)	4	5	6	3	(4)
Total net investment income	148	134	146	126	138
Advisory fee and other income	63	66	58	54	51
Total operating revenues	366	352	351	320	320
Benefits and expenses:					
Policyholder benefits and losses incurred	15	20	17	18	2
Interest credited to policyholder account balances	45	43	40	37	37
Amortization of deferred policy acquisition costs	50	51	38	31	36
Non deferrable insurance commissions	47	47	41	37	37
Advisory fee expenses	4	3	3	2	3
General operating expenses	58	63	48	53	52
Total benefits and expenses	219	227	187	178	167
Pre-tax operating income	\$ 147	\$ 125	\$ 164	\$ 142	\$ 153
General and separate account reserves:					
Policyholder contract deposits and future policy benefits	\$ 11,424	\$ 10,567	\$ 9,507	\$ 8,588	\$ 7,947
Separate account reserves	40,365	38,944	37,303	36,712	34,632
Total general and separate account reserves	\$ 51,789	\$ 49,511	\$ 46,810	\$ 45,300	\$ 42,579

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Retirement Income Solutions)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net investment spreads:					
Base yield (6)	4.75%	4.68%	5.11%	5.09%	5.11%
Alternative investments (7)	0.53%	0.32%	0.69%	0.30%	1.38%
Other enhancements (8)	0.04%	0.05%	0.12%	(0.01)%	(0.31)%
Total yield	5.32%	5.05%	5.92%	5.38%	6.18%
Cost of funds (a)	1.82%	1.74%	1.83%	1.87%	1.83%
Net spread rate, as reported	3.50%	3.31%	4.09%	3.51%	4.35%
Base net investment spread (b)	2.93%	2.94%	3.28%	3.22%	3.28%
Surrender rates (9)	6.0%	6.6%	6.8%	7.4%	7.5%
DAC rollforward:					
Balance at beginning of period	\$ 1,529	\$ 1,433	\$ 1,286	\$ 1,260	\$ 1,174
Deferrals	144	154	163	144	119
Operating amortization	(50)	(51)	(38)	(31)	(36)
Change from realized gains (losses)	(37)	(4)	(31)	(29)	54
Change from unrealized gains (losses)	(41)	(3)	53	(58)	(51)
Balance at end of period	\$ 1,545	\$ 1,529	\$ 1,433	\$ 1,286	\$ 1,260
Reserve rollforward:					
Balance at beginning of period, gross	\$ 49,511	\$ 46,810	\$ 45,302	\$ 42,582	\$ 40,748
Premiums and deposits	2,459	2,698	2,889	2,573	2,174
Surrenders and withdrawals	(766)	(799)	(786)	(817)	(780)
Death and other contract benefits	(188)	(181)	(171)	(175)	(153)
Subtotal	1,505	1,718	1,932	1,581	1,241
Change in fair value of underlying assets and reserve accretion, net of policy fees	705	943	(470)	1,089	559
Cost of funds (a)	43	39	37	35	31
Other reserve changes	24	1	9	15	3
Balance at end of period	51,788	49,511	46,810	45,302	42,582
Reinsurance ceded	1	-	-	(2)	(3)
Total insurance reserves	\$ 51,789	\$ 49,511	\$ 46,810	\$ 45,300	\$ 42,579

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 41 to 42.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Group Retirement)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Premiums and deposits (1)	\$ 1,511	\$ 1,709	\$ 1,686	\$ 1,640	\$ 1,708
Revenues:					
Premiums	\$ 8	\$ 7	\$ 24	\$ 7	\$ 6
Policy fees	101	100	105	101	99
Net investment income:					
Base portfolio (2)	500	514	515	524	531
Alternative investments (3)	54	44	55	43	84
Other enhancements (4)	20	24	30	12	3
Total net investment income	574	582	600	579	618
Advisory fee and other income	55	55	55	48	49
Total operating revenues	738	744	784	735	772
Benefits and expenses:					
Policyholder benefits and losses incurred	13	17	43	14	20
Interest credited to policyholder account balances	278	288	276	288	284
Amortization of deferred policy acquisition costs	22	20	(23)	16	18
Non deferrable insurance commissions	17	21	20	19	18
Advisory fee expenses	16	16	17	8	15
General operating expenses	90	113	87	89	85
Total benefits and expenses	436	475	420	434	440
Pre-tax operating income	\$ 302	\$ 269	\$ 364	\$ 301	\$ 332
General and separate account reserves:					
Future policy benefits	\$ 483	\$ 484	\$ 485	\$ 456	\$ 458
Policyholder contract deposits	37,677	37,734	37,963	37,918	37,943
Separate account reserves	34,034	33,401	32,687	33,653	32,649
Total general and separate account reserves	72,194	71,619	71,135	72,027	71,050
Group Retirement mutual funds	14,900	14,557	15,471	16,270	15,579
Total reserves and Group Retirement mutual funds	\$ 87,094	\$ 86,176	\$ 86,606	\$ 88,297	\$ 86,629

See Accompanying Notes on Page 41 to 42.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Retirement (Group Retirement)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net investment spreads:					
Base yield (6)	4.92%	4.96%	4.92%	5.00%	5.11%
Alternative investments (7)	0.26%	0.17%	0.25%	0.15%	0.55%
Other enhancements (8)	0.13%	0.15%	0.20%	0.02%	(0.03)%
Total yield	5.31%	5.28%	5.37%	5.17%	5.63%
Cost of funds (a)	2.97%	2.98%	2.99%	3.03%	3.02%
Net spread rate, as reported	2.34%	2.30%	2.38%	2.14%	2.61%
Base net investment spread (b)	1.95%	1.98%	1.93%	1.97%	2.09%
Surrender rates (9)	9.3%	17.8%	12.0%	8.7%	7.7%
DAC rollforward:					
Balance at beginning of period	\$ 839	\$ 845	\$ 758	\$ 833	\$ 900
Deferrals	15	17	16	14	19
Operating amortization	(22)	(20)	23	(16)	(18)
Change from realized gains (losses)	1	1	(1)	(5)	-
Change from unrealized gains (losses)	(20)	(4)	49	(68)	(68)
Balance at end of period	\$ 813	\$ 839	\$ 845	\$ 758	\$ 833
Reserve rollforward:					
Balance at beginning of period, gross	\$ 86,176	\$ 86,606	\$ 88,297	\$ 86,629	\$ 85,597
Premiums and deposits	1,511	1,709	1,686	1,640	1,708
Surrenders and withdrawals	(2,012)	(3,839)	(2,615)	(1,902)	(1,647)
Death and other contract benefits	(139)	(133)	(132)	(133)	(139)
Subtotal	(640)	(2,263)	(1,061)	(395)	(78)
Change in fair value of underlying assets and reserve accretion, net of policy fees	1,284	1,551	(914)	1,778	830
Cost of funds	274	282	284	285	280
Total reserves and Group Retirement mutual funds	\$ 87,094	\$ 86,176	\$ 86,606	\$ 88,297	\$ 86,629

(a) Excludes the amortization of sales inducement assets.

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

See Accompanying Notes on Pages 41 to 42.



American International Group, Inc. Variable Annuity Guaranteed Benefits (10)

Consumer Insurance - Retirement

(in millions)

Account value by benefit type (a)

- Guaranteed Minimum Death Benefits (GMDB) only (b)
- Guaranteed Minimum Income Benefits (GMIB) (c)
- Guaranteed Minimum Account Value (GMAV) (d)
- Guaranteed Minimum Withdrawal Benefits (GMWB) (e)

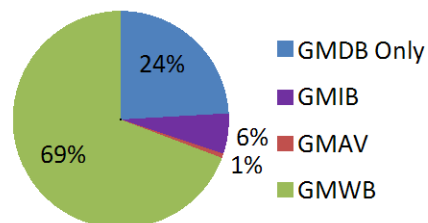
Liability by benefit type (a)

- Guaranteed Minimum Death Benefits (GMDB) (b)
- Guaranteed Minimum Income Benefits (GMIB) (c)
- Guaranteed Minimum Account Value (GMAV) (d)
- Guaranteed Minimum Withdrawal Benefits (GMWB) (e) (f) (g)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
\$	65,144	64,386	63,709	64,604	63,358
	2,759	2,799	2,844	2,971	2,996
	252	298	359	441	523
	36,307	34,745	32,913	31,709	29,424
\$	393	401	395	359	356
	17	23	23	37	39
	4	5	5	5	6
	1,180	952	540	388	393

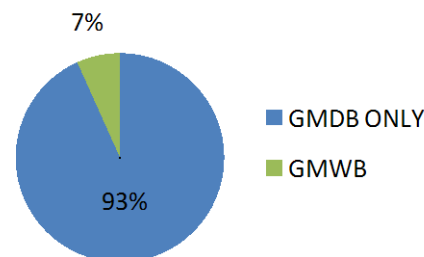
- (a) Excludes assumed reinsurance business.
- (b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. Each of these benefits may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit.
- (c) A guaranteed minimum income benefit establishes a minimum amount available to be annuitized regardless of actual performance in the product. The benefit is not available until a set number of years after contract issue.
- (d) A guaranteed minimum account value ensures a return of premium invested at the end of 10 years. The amount is based on premium in a defined period.
- (e) A guaranteed minimum withdrawal benefit establishes an amount that can be taken as withdrawals over a fixed period or for life, regardless of market performance, even if the account value drops to zero.
- (f) 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 increase in the fair value of the GMWB liability in 1Q15 is primarily due to decreasing interest rates, partially offset by widening non-performance adjustment (NPA) spreads.
- (g) 4Q14 has been updated to conform with 4Q2014 10-K.

Retirement Income Solutions



Type of Benefit	Account Value (\$B)
GMDB Only	11.1
GMIB	2.8
GMAV	0.3
GMWB	32.4
Total	46.6

Group Retirement



Type of Benefit	Account Value (\$B)
GMDB ONLY	54.1
GMWB	3.9
Total	58.0

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Life

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Premiums and deposits (1)	\$ 1,223	\$ 1,249	\$ 1,163	\$ 1,207	\$ 1,187
Revenues:					
Premiums	\$ 708	\$ 675	\$ 655	\$ 676	\$ 673
Policy fees	363	365	370	353	355
Net investment income:					
Base portfolio (2)	481	488	480	485	515
Alternative investments (3)	44	38	46	34	75
Other enhancements (4)	17	10	24	12	(8)
Total net investment income	542	536	550	531	582
Total operating revenues	1,613	1,576	1,575	1,560	1,610
Benefits and expenses:					
Policyholder benefits and losses incurred	942	1,005	1,005	868	893
Interest credited to policyholder account balances	124	127	128	126	126
Amortization of deferred policy acquisition costs	86	63	97	81	80
Non deferrable insurance commissions	59	72	62	57	66
General operating expenses	231	229	233	213	210
Total benefits and expenses	1,442	1,496	1,525	1,345	1,375
Pre-tax operating income	\$ 171	\$ 80	\$ 50	\$ 215	\$ 235
Gross life insurance in force, end of period:					
Domestic Life	\$ 910,413	\$ 906,232	\$ 901,393	\$ 895,407	\$ 892,003
International Life	92,609	94,471	28,612	27,120	25,248
Total	\$ 1,003,022	\$ 1,000,703	\$ 930,005	\$ 922,527	\$ 917,251

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Life

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Life Insurance and A&H CPPE sales: (11)					
Term	\$ 43	\$ 31	\$ 32	\$ 28	\$ 26
Whole Life	11	15	19	36	38
Universal life	23	30	26	30	30
Other life	30	5	2	4	6
Single premium and unscheduled deposits	3	3	2	4	4
A&H	12	23	28	19	20
Total	\$ 122	\$ 107	\$ 109	\$ 121	\$ 124
Life and A&H sales by distribution channel:					
Retail - Independent	\$ 102	\$ 84	\$ 84	\$ 92	\$ 97
Retail - Affiliated (Career and AIG Direct)	20	23	25	29	27
Total	\$ 122	\$ 107	\$ 109	\$ 121	\$ 124
Life and A&H sales by region:					
Domestic Life	\$ 55	\$ 64	\$ 60	\$ 62	\$ 61
International Life	67	43	49	59	63
Total	\$ 122	\$ 107	\$ 109	\$ 121	\$ 124
Surrender rates: (12)					
Domestic Life:					
Independent distribution	4.8%	4.7%	5.1%	5.1%	4.6%
Career distribution	7.5%	7.5%	7.6%	8.4%	8.4%
International Life	2.9%	3.0%	3.3%	3.4%	3.3%
DAC/VOBA rollforward:					
Balance at beginning of period	\$ 4,051	\$ 3,712	\$ 3,710	\$ 3,748	\$ 3,805
Deferrals	104	96	89	102	88
Operating amortization	(86)	(63)	(97)	(81)	(80)
Change from realized gains (losses)	-	-	(1)	-	1
Change from unrealized gains (losses)	(7)	(11)	7	(63)	(52)
Other changes	-	336	-	-	-
Foreign exchange translation	(30)	(19)	4	4	(14)
Balance at end of period	\$ 4,032	\$ 4,051	\$ 3,712	\$ 3,710	\$ 3,748
Reserve rollforward:					
Balance at beginning of period, gross	\$ 33,536	\$ 33,418	\$ 33,086	\$ 32,817	\$ 32,810
Premiums and deposits	1,223	1,249	1,163	1,207	1,187
Surrenders and withdrawals	(222)	(215)	(211)	(211)	(216)
Death and other contract benefits	(247)	(204)	(224)	(194)	(190)
Subtotal	754	830	728	802	781
Change in fair value of underlying assets and reserve accretion, net of policy fees	(142)	(161)	(195)	(163)	(172)
Cost of funds	124	129	126	126	126
Other reserve changes	(496)	(409)	(391)	(558)	(505)
Foreign exchange translation	(294)	(271)	64	62	(223)
Balance at end of period	33,482	33,536	33,418	33,086	32,817
Reinsurance ceded	(1,440)	(1,315)	(1,315)	(1,332)	(1,341)
Total insurance reserves	\$ 32,042	\$ 32,221	\$ 32,103	\$ 31,754	\$ 31,476
Domestic Life	28,879	28,761	28,647	28,459	28,361
International Life	3,163	3,460	3,456	3,295	3,115
Total insurance reserves	\$ 32,042	\$ 32,221	\$ 32,103	\$ 31,754	\$ 31,476

See Accompanying Notes on Pages 41 to 42.



American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 2,915	\$ 2,866	\$ 3,241	\$ 3,177	\$ 3,128
Net premiums earned	\$ 2,799	\$ 2,926	\$ 3,059	\$ 3,026	\$ 2,959
Losses and loss adjustment expenses incurred	1,645	1,498	1,621	1,618	1,751
Acquisition expenses:					
Amortization of deferred policy acquisition costs	487	514	546	520	512
Other acquisition expenses	278	325	269	293	278
Total acquisition expenses	765	839	815	813	790
General operating expenses	478	550	607	558	505
Underwriting income (loss)	(89)	39	16	37	(87)
Net investment income:					
Interest and dividends	56	70	91	88	86
Alternative investments	9	5	9	10	13
Other investment income	2	11	8	11	10
Investment expenses	(4)	(4)	(4)	(6)	(4)
Total net investment income (13)	63	82	104	103	105
Pre-tax operating income (loss)	\$ (26)	\$ 121	\$ 120	\$ 140	\$ 18
Underwriting ratios:					
Loss ratio	58.8	51.2	53.0	53.5	59.2
Catastrophe losses and reinstatement premiums	(2.2)	(0.3)	(0.7)	(0.6)	(2.7)
Prior year development net of premium adjustments	(0.2)	1.2	0.4	0.5	0.5
Accident year loss ratio, as adjusted	56.4	52.1	52.7	53.4	57.0
Acquisition ratio	27.3	28.7	26.6	26.9	26.7
General operating expense ratio	17.1	18.8	19.8	18.4	17.1
Expense ratio	44.4	47.5	46.4	45.3	43.8
Combined ratio	103.2	98.7	99.4	98.8	103.0
Catastrophe losses and reinstatement premiums	(2.2)	(0.3)	(0.7)	(0.6)	(2.7)
Prior year development net of premium adjustments	(0.2)	1.2	0.4	0.5	0.5
Accident year combined ratio, as adjusted	100.8	99.6	99.1	98.7	100.8
Noteworthy items (pre-tax):					
Catastrophe-related losses (14)	\$ 61	\$ 8	\$ 22	\$ 18	\$ 78
Severe losses (15)	12	13	-	-	41
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	4	(35)	(12)	(16)	(14)
Net loss and loss expense reserve by line of business (at period end):					
Personal Lines	2,836	2,763	2,994	3,072	3,330
Accident and Health	1,669	1,878	2,016	1,943	2,162
Total	\$ 4,505	\$ 4,641	\$ 5,010	\$ 5,015	\$ 5,492

See Accompanying Notes on Pages 41 to 42.



American International Group, Inc.
Net Premiums Written by Line of Business and Region

Consumer Insurance - Personal Insurance

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
By Line of Business:					
Personal Lines	\$ 1,567	\$ 1,673	\$ 1,815	\$ 1,793	\$ 1,690
Accident and Health	1,348	1,193	1,426	1,384	1,438
Total net premiums written	\$ 2,915	\$ 2,866	\$ 3,241	\$ 3,177	\$ 3,128
By Region:					
Americas	\$ 912	\$ 905	\$ 1,004	\$ 945	\$ 970
EMEA	573	456	488	511	617
Asia Pacific	1,430	1,505	1,749	1,721	1,541
Total net premiums written	\$ 2,915	\$ 2,866	\$ 3,241	\$ 3,177	\$ 3,128
Foreign exchange effect on worldwide premiums:					
Change in net premiums written					
Increase (decrease) in original currency over prior year period (16)	1.4 %	1.7 %	1.9 %	2.2 %	1.2 %
Foreign exchange effect	(8.2)	(4.9)	(1.9)	(2.4)	(6.8)
Increase (decrease) as reported in U.S. dollars	(6.8) %	(3.2) %	- %	(0.2) %	(5.6) %

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance North America

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 772	\$ 749	\$ 865	\$ 795	\$ 833
Net premiums earned	\$ 780	\$ 776	\$ 817	\$ 821	\$ 810
Losses and loss adjustment expenses incurred	546	434	467	466	567
Acquisition expenses:					
Amortization of deferred policy acquisition costs	101	109	116	111	112
Other acquisition expenses	95	90	44	60	51
Total acquisition expenses	196	199	160	171	163
General operating expenses	88	120	120	111	115
Underwriting income (loss)	(50)	23	70	73	(35)
Net investment income:					
Interest and dividends	21	26	41	34	36
Alternative investments	7	4	10	8	12
Other investment income	-	6	3	4	1
Investment expenses	(1)	-	(2)	(2)	(1)
Total net investment income	27	36	52	44	48
Pre-tax operating income	\$ (23)	\$ 59	\$ 122	\$ 117	\$ 13
Underwriting ratios:					
Loss ratio	70.0	55.9	57.2	56.8	70.0
Catastrophe losses and reinstatement premiums	(7.8)	-	(0.2)	(1.3)	(5.1)
Prior year development net of premium adjustments	2.3	3.1	0.6	(0.6)	3.5
Accident year loss ratio, as adjusted	64.5	59.0	57.6	54.9	68.4
Acquisition ratio	25.1	25.6	19.6	20.8	20.1
General operating expense ratio	11.3	15.5	14.7	13.5	14.2
Expense ratio	36.4	41.1	34.3	34.3	34.3
Combined ratio	106.4	97.0	91.5	91.1	104.3
Catastrophe losses and reinstatement premiums	(7.8)	-	(0.2)	(1.3)	(5.1)
Prior year development net of premium adjustments	2.3	3.1	0.6	(0.6)	3.5
Accident year combined ratio, as adjusted	100.9	100.1	91.9	89.2	102.7
Noteworthy items (pre-tax):					
Catastrophe-related losses (14)	\$ 61	\$ -	\$ 1	\$ 10	\$ 41
Severe losses (15)	12	13	-	-	37
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ (18)	\$ (24)	\$ (5)	\$ 5	\$ (28)

See Accompanying Notes on Pages 41 to 42.

American International Group, Inc.
Operating Statistics

Consumer Insurance - Personal Insurance International

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 2,143	\$ 2,117	\$ 2,376	\$ 2,382	\$ 2,295
Net premiums earned	\$ 2,019	\$ 2,150	\$ 2,242	\$ 2,205	\$ 2,149
Losses and loss adjustment expenses incurred	1,099	1,064	1,154	1,152	1,184
Acquisition expenses:					
Amortization of deferred policy acquisition costs	386	405	430	409	400
Other acquisition expenses	183	235	225	233	227
Total acquisition expenses	569	640	655	642	627
General operating expenses	390	430	487	447	390
Underwriting income (loss)	(39)	16	(54)	(36)	(52)
Net investment income:					
Interest and dividends	35	44	50	54	50
Alternative investments	2	1	(1)	2	1
Other investment income	2	5	5	7	9
Investment expenses	(3)	(4)	(2)	(4)	(3)
Total net investment income	36	46	52	59	57
Pre-tax operating income (loss)	\$ (3)	\$ 62	\$ (2)	\$ 23	\$ 5
Underwriting ratios:					
Loss ratio	54.4	49.5	51.5	52.2	55.1
Catastrophe losses and reinstatement premiums	-	(0.4)	(1.0)	(0.3)	(1.7)
Prior year development net of premium adjustments	(1.1)	0.5	0.3	0.9	(0.7)
Accident year loss ratio, as adjusted	53.3	49.6	50.8	52.8	52.7
Acquisition ratio	28.2	29.8	29.2	29.1	29.2
General operating expense ratio	19.3	20.0	21.7	20.3	18.1
Expense ratio	47.5	49.8	50.9	49.4	47.3
Combined ratio	101.9	99.3	102.4	101.6	102.4
Catastrophe losses and reinstatement premiums	-	(0.4)	(1.0)	(0.3)	(1.7)
Prior year development net of premium adjustments	(1.1)	0.5	0.3	0.9	(0.7)
Accident year combined ratio, as adjusted	100.8	99.4	101.7	102.2	100.0
Noteworthy items (pre-tax):					
Catastrophe-related losses (14)	\$ -	\$ 8	\$ 21	\$ 8	\$ 37
Severe losses (15)	-	-	-	-	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	\$ 22	\$ (11)	\$ (7)	\$ (21)	\$ 14

See Accompanying Notes on Pages 41 to 42.

Consumer Insurance

Basis of Presentation:

Consumer Insurance presents its results in the following operating segments:

Retirement: product lines include Fixed Annuities, with products including deferred fixed annuities and immediate annuities; Retirement Income Solutions, with products including variable and index annuities; Group Retirement, with products including retirement plans, annuity and investment products for employees of education, healthcare and other sponsoring companies, and Retail Mutual Funds and Advisory Services.

Life: includes the following product lines: Traditional Life, Universal Life, International Life, Accident & Health (A&H), Endowments and Group Benefits of the Life Insurance Companies.

Personal Insurance: Personal Insurance - North America and Personal Insurance - International include the following product lines: Automobile, Property, Service Products, and A&H and Group Benefits of the Non-Life Insurance Companies.

Selected operating statistics are provided for the Fixed Annuities, Retirement Income Solutions, and Group Retirement product lines in the Retirement operating segment, as well as the Personal Insurance - North America and Personal Insurance - International in the Personal Insurance operating segment. Operating statistics are not separately presented for Advisory Services and Retail Mutual Funds, which are included in the Retirement operating segment.

Consumer Insurance operations are conducted through the Life Insurance Companies as well as the Non-Life Insurance Companies.

Consumer Insurance operates in three major geographic areas: the Americas (which includes the United States, Canada, Latin America, the Caribbean and Bermuda), Asia Pacific (which includes Japan, China, Korea, Singapore, Vietnam, Thailand, Australia, Indonesia and other Asia Pacific nations), and EMEA (which includes the United Kingdom, Ireland, Continental Europe, Russian Federation, India, the Middle East and Africa).

Consumer Insurance products are distributed primarily to individual consumers or groups of consumers through strategic relationships with banks, broker-dealers, insurance agents and independent marketing organizations, as well as through affiliated distribution channels, direct marketing and the internet.

Net investment income is attributed to the operating segments of Commercial Insurance and Consumer Insurance based on internal models consistent with the nature of the underlying businesses.

For Consumer Insurance - Personal Insurance, we estimate investable funds based primarily on loss reserves, unearned premiums and a capital allocation for each operating segment. The net investment income allocation is calculated based on the estimated investable funds and risk-free yields (plus a liquidity premium) consistent with the approximate duration of the liabilities, and excludes net investment income associated with the runoff insurance lines reported in Corporate and Other. The remaining excess is attributed to Commercial Insurance - Property Casualty and Consumer Insurance - Personal Insurance based on the relative net investment income previously allocated.

American International Group, Inc.
Notes (continued)

Consumer Insurance

For Consumer Insurance - Retirement and Consumer Insurance - Life, net investment income is attributed based on invested assets from segregated product line portfolios. The fundamental investment strategy for these operating segments is to maintain primarily a diversified, high quality portfolio of fixed maturity securities and, as is practicable, to match established duration targets based on characteristics of the underlying liabilities. Invested assets in excess of liabilities are allocated to product lines based on internal capital estimates.

Notes:

- (1) Premiums and deposits is a non-GAAP measure. Premiums and deposits for the Consumer Insurance segments includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts and mutual funds.
- (2) Includes interest, dividends and real estate income, net of investment expenses.
- (3) Includes income on hedge funds, private equity funds and affordable housing partnerships. Alternative investment income is reported on a lag basis. Hedge funds are generally on a one-month lag, while private equity funds are generally on a one-quarter lag.
- (4) Includes call and tender income, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments and other miscellaneous investment income.
- (5) Net flows are provided for Fixed Annuities, Retirement Income Solutions, Retail Mutual Funds and Group Retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawals benefits. Net flows related to mutual funds represent deposits less withdrawals. Life Insurance, Advisory Services, Group Benefits and Personal Insurance are not included in net flows. Net flows exclude activity related to closed blocks of fixed and variable annuities.
- (6) Includes return on base portfolio. Quarterly results are annualized.
- (7) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (8) Includes incremental effect on base yield of other enhancements. Quarterly results are annualized.
- (9) Annuity surrender rates represent annualized surrenders and withdrawals as a percentage of average account value.
- (10) Consumer Insurance uses reinsurance and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. Certain GMDB benefits written before 2004 are reinsured. The majority of GMIB benefits, which are no longer offered, are reinsured. GMWB liabilities and GMAV liabilities (GMAV is no longer offered) are included in Consumer Insurance's dynamic hedging program. The hedging program is focused on mitigating economic risk fluctuations. The program manages equity market risk (delta), interest rate risk (rho), volatility risk (vega) within specified levels. The hedge portfolio is regularly rebalanced to maintain delta neutrality and to maintain rho and vega within exposure limits established by Consumer Insurance and AIG Enterprise Risk Management. The net rho exposure is essentially fully hedged currently while vega is not fully hedged; however, product features, such as the VIX index rider fees and the volatility control mechanism in the funds, reduce the overall net vega exposure.
- (11) Life and A&H 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 A&H 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. International lapse rates represent Fuji Life (Japan).
- (13) 2015 net investment income reflects lower yields on the overall investment portfolio and lower capital required for Personal Insurance based on AIG's internal capital allocation model coupled with the refinement of the allocation model for excess net investment income.
- (14) CATS are generally weather or seismic events having a net impact in excess of \$10 million each.
- (15) Severe losses are defined as non-catastrophic individual first party losses greater than \$10 million, net of related reinsurance and salvage and subrogation.
- (16) Computed using a constant exchange rate for each period.

American International Group, Inc.
Operating Results

Corporate and Other

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Revenues:					
Premiums	\$ 17	\$ 21	\$ 15	\$ 29	\$ 13
Net investment income	164	181	223	136	160
Other income	829	847	824	953	795
Total operating revenues	1,010	1,049	1,062	1,118	968
Benefits and expenses:					
Policyholder benefits and losses incurred	95	510	61	155	65
General operating expenses	425	532	455	530	472
Interest expense	352	364	456	486	499
Total benefits and expenses	872	1,406	972	1,171	1,036
Pre-tax operating income (loss)	\$ 138	\$ (357)	\$ 90	\$ (53)	\$ (68)

See Accompanying Notes on Page 46.

American International Group, Inc.
Operating Results

Corporate and Other

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Pre-tax operating income (loss):					
Direct Investment book	\$ 145	\$ 174	\$ 314	\$ 313	\$ 440
Global Capital Markets	114	27	58	245	29
Runoff insurance lines (page 45) (1)	(19)	(422)	25	(53)	5
Other businesses (2)	235	119	123	(6)	-
AIG Parent and Other (3):					
Equity in pre-tax operating earnings of AerCap (4)	128	185	196	53	-
Fair value of PICC investments (5)	47	67	(30)	-	-
Corporate expenses, net:					
Other income (expense), net	9	52	32	27	17
General operating expenses	(244)	(288)	(317)	(306)	(235)
Total Corporate expenses, net	(235)	(236)	(285)	(279)	(218)
Interest expense	(276)	(271)	(310)	(327)	(325)
Total AIG Parent and Other	(336)	(255)	(429)	(553)	(543)
Consolidation and elimination	(1)	-	(1)	1	1
Pre-tax operating income (loss)	\$ 138	\$ (357)	\$ 90	\$ (53)	\$ (68)

See Accompanying Notes on Page 46.

American International Group, Inc.
Operating Statistics

Corporate and Other - Runoff Insurance Lines

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Property Casualty runoff business:					
Net premiums earned	\$ 15	\$ 19	\$ 12	\$ 18	\$ 17
Losses and loss adjustment expenses incurred	93	514	50	122	62
General operating expenses	(1)	1	-	1	1
Underwriting income (loss)	(77)	(496)	(38)	(105)	(46)
Net investment income	58	58	59	56	58
Property Casualty runoff businesses	(19)	(438)	21	(49)	12
Life insurance runoff businesses, net	-	16	4	(4)	(7)
Pre-tax operating income (loss)	\$ (19)	\$ (422)	\$ 25	\$ (53)	\$ 5
Noteworthy items (pre-tax):					
Property Casualty runoff business:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	\$ 3	\$ 135	\$ 13	\$ 65	\$ 16
Net reserve discount (benefit) charge	72	339	16	31	21
Net loss and loss expense reserve (at period end)	3,340	3,526	3,095	3,156	3,271
Future policy benefits for life and A&H contracts (at period end)	\$ 1,324	\$ 1,346	\$ 1,255	\$ 1,303	\$ 1,249

American International Group, Inc.
Notes

Corporate and Other

- (1) Property Casualty runoff insurance lines consists primarily of excess workers' compensation, asbestos and legacy environmental (1986 and prior); certain environmental liability businesses written prior to 2004; and long-duration business in Japan and the U.S. Life Insurance runoff insurance lines include American Security Life Insurance Company Limited, AIG Life Insurance Company (Switzerland) Ltd. and a reinsurance transaction of American International Reinsurance Company, Ltd.
- (2) Includes results from AIG's real estate investment operations, investments in life settlements and other minor subsidiaries. 3Q14 includes higher earnings from life settlements and gains from real estate sales transactions of \$47 million. 1Q15 includes \$174 million of gains recognized on legacy real estate portfolio investments.
- (3) Includes results from AIG Parent and other minor corporate subsidiaries.
- (4) Represents AIG's share of AerCap's pre-tax operating income, which excludes certain post-acquisition transaction expenses incurred by AerCap in connection with its acquisition of ILFC and the difference between expensing AerCap's maintenance rights asset over the remaining lease term as compared to the remaining economic life of the aircraft and our share of AerCap's income taxes.
- (5) During 3Q14, Consumer Insurance sold its investment in PICC Group to AIG Parent. During 1Q15, Commercial Insurance sold a portion of its investment in PICC P&C to AIG Parent.

American International Group, Inc.

Investments - Cash and Investments

(in millions)	March 31, 2015			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other	AIG Inc.
Bonds available for sale, at fair value:				
U.S. government and government sponsored entities	\$ 814	\$ 1,642	\$ 318	\$ 2,774
Obligations of states, municipalities and political subdivisions	5,339	21,950	546	27,835
Non-U.S. governments	7,461	12,101	327	19,889
Corporate debt	106,326	35,658	2,158	144,142
Mortgage-backed, asset-backed and collateralized:			-	
RMBS	23,583	11,938	2,211	37,732
CMBS	10,377	2,930	136	13,443
CDO/ABS	10,942	6,760	(2,695)	15,007
Total mortgage-backed, asset-backed and collateralized	44,902	21,628	(348)	66,182
Total bonds available for sale, at fair value	164,842	92,979	3,001	260,822
Other bond securities, at fair value	2,956	1,678	14,379	19,013
Equity securities available for sale, at fair value	96	3,455	215	3,766
Other equity securities trading, at fair value	-	352	748	1,100
Mortgage and other loans receivable, net of allowance	21,183	6,573	(2,443)	25,313
Other invested assets	12,321	9,730	12,787	34,838
Cash and short-term investments	2,111	4,964	6,709	13,784
Total cash and investments	\$ 203,509	\$ 119,731	\$ 35,396	\$ 358,636

(in millions)	December 31, 2014			
	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other	AIG Inc.
Bonds available for sale, at fair value:				
U.S. government and government sponsored entities	\$ 794	\$ 1,812	\$ 386	\$ 2,992
Obligations of states, municipalities and political subdivisions	5,249	22,014	396	27,659
Non-U.S. governments	7,475	13,301	319	21,095
Corporate debt	107,048	35,349	2,036	144,433
Mortgage-backed, asset-backed and collateralized:			-	
RMBS	23,389	11,801	2,330	37,520
CMBS	10,042	2,712	131	12,885
CDO/ABS	10,530	5,953	(3,208)	13,275
Total mortgage-backed, asset-backed and collateralized	43,961	20,466	(747)	63,680
Total bonds available for sale, at fair value	164,527	92,942	2,390	259,859
Other bond securities, at fair value	2,785	1,733	15,194	19,712
Equity securities available for sale, at fair value	150	4,241	4	4,395
Other equity securities trading, at fair value	-	495	554	1,049
Mortgage and other loans receivable, net of allowance	20,874	6,686	(2,570)	24,990
Other invested assets	11,916	10,372	12,230	34,518
Cash and short-term investments	2,582	5,345	5,074	13,001
Total cash and investments	\$ 202,834	\$ 121,814	\$ 32,876	\$ 357,524

Note:

(1) Includes Mortgage Guaranty.



American International Group, Inc

Investments - Other Invested Assets

March 31, 2015				
(in millions)	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other	AIG Inc.
Alternative investments (2)	\$ 11,147	\$ 8,128	\$ 239	\$ 19,514
Investments in life settlements	-	-	3,771	3,771
Investment real estate	1,108	530	2,900	4,538
Aircraft assets	-	-	632	632
Investment in AerCap	-	-	5,125	5,125
All other investments (3)	66	1,072	120	1,258
	\$ 12,321	\$ 9,730	\$ 12,787	\$ 34,838

December 31, 2014				
(in millions)	Life Insurance Companies	Non-Life Insurance Companies (1)	Corporate and Other	AIG Inc.
Alternative investments (2)	\$ 11,012	\$ 8,249	\$ 395	\$ 19,656
Investments in life settlements	-	-	3,753	3,753
Investment real estate	840	446	2,326	3,612
Aircraft assets	-	-	651	651
Investment in AerCap	-	-	4,972	4,972
All other investments (3)	64	1,677	133	1,874
	\$ 11,916	\$ 10,372	\$ 12,230	\$ 34,518

Notes:

- (1) Includes Mortgage Guaranty.
- (2) Includes hedge funds, private equity funds and other investment partnerships.
- (3) Consists primarily of direct private equity investments.

American International Group, Inc.

Investments - Returns On Alternative Investments (1)

(in millions)	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Alternative investment income (2)					
Private equity	\$ 278	\$ 206	\$ 213	\$ 277	\$ 368
Hedge funds	246	86	215	99	357
Total private equity and hedge funds	524	292	428	376	725
Affordable housing partnerships	51	72	58	68	61
Total alternative investment income	\$ 575	\$ 364	\$ 486	\$ 444	\$ 786
Average alternative investment assets					
Private equity	\$ 7,252	\$ 7,449	\$ 7,622	\$ 7,679	\$ 7,701
Hedge funds	10,853	10,664	10,405	10,296	10,095
Total private equity and hedge funds	18,105	18,113	18,027	17,975	17,796
Affordable housing partnerships	1,163	1,228	1,316	1,394	1,467
Total average alternative investment assets	\$ 19,268	\$ 19,341	\$ 19,343	\$ 19,369	\$ 19,263
Annualized yields on carrying value					
Private equity	15.33 %	11.06 %	11.18 %	14.43 %	19.11 %
Hedge funds	9.08	3.23	8.27	3.85	14.15
Total private equity and hedge funds	11.58	6.45	9.50	8.37	16.30
Affordable housing partnerships	17.47	23.45	17.63	19.51	16.63
Total annualized yield	11.94 %	7.53 %	10.05 %	9.17 %	16.32 %
Average alternative investment assets					
Life Insurance Companies	\$ 11,080	\$ 11,165	\$ 11,331	\$ 11,404	\$ 11,335
Non-Life Insurance Companies	8,188	8,176	8,012	7,965	7,928
Total average alternative investment assets	\$ 19,268	\$ 19,341	\$ 19,343	\$ 19,369	\$ 19,263

Notes:

(1) Alternative investments includes hedge funds, private equity funds and other investment partnerships.

(2) Alternative investment income is reported on a lag basis. Hedge funds are generally reported on a one-month lag, while private equity funds are generally reported on a one-quarter lag.

American International Group, Inc.

Investments - Net Realized Capital Gains (Losses)

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Life Insurance Companies					
Bonds available for sale	\$ (8)	\$ 35	\$ 53	\$ 78	\$ 97
Stocks available for sale	1	2	2	-	2
Other transactions	105	11	90	4	(4)
Other than temporary impairments	(84)	(51)	(32)	(35)	(44)
Foreign exchange transactions	(22)	18	48	18	6
Derivative instruments (1)	171	(127)	10	40	(318)
Total pre-tax net realized capital gains (losses)	163	(112)	171	105	(261)
Non-Life Insurance Companies					
Bonds available for sale	38	58	47	42	87
Stocks available for sale	663	17	27	35	26
Other transactions	428	(2)	(13)	9	6
Other than temporary impairments	(44)	(32)	(18)	(20)	(15)
Foreign exchange transactions	66	21	10	37	29
Derivative instruments	98	21	39	25	11
Total pre-tax net realized capital gains	1,249	83	92	128	144
Corporate and Other					
Bonds available for sale	1	29	(3)	61	1
Stocks available for sale	(173)	-	-	-	-
Other transactions (2)	(48)	(80)	(69)	(38)	(45)
Other than temporary impairments	-	-	-	-	-
Foreign exchange transactions	210	230	292	(102)	(9)
Derivative instruments	(61)	43	53	8	18
Total pre-tax net realized capital gains (losses)	(71)	222	273	(71)	(35)
Total AIG					
Bonds available for sale	31	122	97	181	185
Stocks available for sale	491	19	29	35	28
Other transactions (2)	485	(71)	8	(25)	(43)
Other than temporary impairments	(128)	(83)	(50)	(55)	(59)
Foreign exchange transactions	254	269	350	(47)	26
Derivative instruments	208	(63)	102	73	(289)
Total pre-tax net realized capital gains (losses)	\$ 1,341	\$ 193	\$ 536	\$ 162	\$ (152)
Total net realized gains (losses), net of tax	\$ 874	\$ 105	\$ 301	\$ 155	\$ (91)

Notes:

- (1) Includes changes in the fair value of embedded derivatives and a portion of associated fees for variable annuity living benefit features (primarily GMWB) and changes in fair value of hedging instruments purchased to fund the liabilities.
- (2) Includes impairments on investments in life settlements.



American International Group, Inc.

Investment in People's Insurance Company of China (PICC)

(in millions)

	PICC Fair Value Option Assets								
	PICC Group (Ticker: 1339.HK)			PICC Property & Casualty (Ticker: 2328.HK)					
	Corporate and Other			Commercial Insurance - Property Casualty			Corporate and Other		
	1Q15	4Q14	3Q14	1Q15	4Q14	3Q14	1Q15	4Q14	3Q14
Number of shares	1,113	1,113	1,113	178	255	133	76	-	-
Net investment income	\$ -	\$ -	\$ -	\$ 7	\$ 143	\$ 34	\$ -	\$ -	\$ -
Other income	45	67	(30)	-	-	-	2	-	-
Dividend income	-	-	-	-	-	3	-	-	-

(in millions)

	PICC Available For Sale Assets					
	PICC Property & Casualty (Ticker: 2328.HK)					
	Commercial Insurance - Property Casualty			Corporate and Other		
	1Q15	4Q14	3Q14	1Q15	4Q14	3Q14
Number of shares	849	1,213	1,213	108	-	-
Other comprehensive income	\$ 22	\$ 209	\$ 312	\$ 9	\$ -	\$ -
Dividend income	\$ -	\$ -	\$ 31	\$ -	\$ -	\$ -

American International Group, Inc.

Supplemental Property Casualty Information*

(in millions)

	Quarterly				
	1Q15	4Q14	3Q14	2Q14	1Q14
Net premiums written	\$ 7,962	\$ 7,558	\$ 8,750	\$ 8,990	\$ 8,134
Net premiums earned	\$ 7,745	\$ 8,152	\$ 8,428	\$ 8,313	\$ 8,028
Loss and loss adjustment expenses incurred	5,098	5,916	5,648	5,307	5,321
Acquisition expenses	1,562	1,671	1,635	1,626	1,607
General operating expenses	1,106	1,195	1,283	1,265	1,177
Underwriting income (loss)	(21)	(630)	(138)	115	(77)
Net investment income	1,146	1,248	1,231	1,221	1,223
Pre-tax operating income	\$ 1,125	\$ 618	\$ 1,093	\$ 1,336	\$ 1,146
Underwriting ratios:					
Loss ratio	65.8	72.6	67.0	63.8	66.3
Catastrophe losses and reinstatement premiums	(1.7)	(0.6)	(3.3)	(1.6)	(3.3)
Prior year development net of premium adjustments	(0.3)	(3.7)	(3.2)	(0.2)	(2.0)
Net reserve discount	(2.2)	(7.0)	-	(0.2)	1.3
Accident year loss ratio, as adjusted	61.6	61.3	60.5	61.8	62.3
Acquisition ratio	20.2	20.5	19.4	19.6	20.0
General operating expense ratio	14.3	14.7	15.2	15.2	14.7
Expense ratio	34.5	35.2	34.6	34.8	34.7
Combined ratio	100.3	107.8	101.6	98.6	101.0
Catastrophe losses and reinstatement premiums	(1.7)	(0.6)	(3.3)	(1.6)	(3.3)
Prior year development net of premium adjustments	(0.3)	(3.7)	(3.2)	(0.2)	(2.0)
Net reserve discount	(2.2)	(7.0)	-	(0.2)	1.3
Accident year combined ratio, as adjusted	96.1	96.5	95.1	96.6	97.0
Noteworthy items (pre-tax):					
Catastrophe-related losses	\$ 132	\$ 43	\$ 282	\$ 139	\$ 262
Reinstatement premiums related to catastrophes	-	-	2	-	-
Reinstatement premiums related to prior year catastrophes	(7)	(2)	(1)	1	-
Severe losses	146	79	188	193	186
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	24	275	320	54	158
(Additional) returned premium related to prior year development	11	52	(93)	(68)	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	35	327	227	(14)	162
Net reserve discount (benefit) charge	165	568	-	15	(105)
Net loss and loss expense reserve (at period end)	\$ 59,221	\$ 60,504	\$ 61,296	\$ 61,959	\$ 62,683

* Represents the aggregate operating results of Commercial Insurance - Property Casualty, Consumer Insurance - Personal Insurance and Property Casualty runoff businesses reported in Corporate and Other.



American International Group, Inc. Acronyms

ABS	Asset-Backed Securities
A&H	Accident and Health Insurance
AOCI	Accumulated Other Comprehensive Income
CPPE	Continuous Payment Premium Equivalent
CDO	Collateralized Debt Obligations
CMBS	Commercial Mortgage-Backed Securities
DAC	Deferred Acquisition Costs
DTA	Deferred Tax Assets
GAAP	Accounting principles generally accepted in the United States of America
GMAV	Guaranteed Minimum Account Value Benefits
GMDB	Guaranteed Minimum Death Benefits
GMIB	Guaranteed Minimum Income Benefits
RMBS	Residential Mortgage-Backed Securities
ROE	Return on Equity
SIA	Sales Inducement Assets
URR	Unearned Revenue Reserve
VOBA	Value of Business Acquired