



**American International Group, Inc.**

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**Financial Supplement**

**First Quarter 2011**

This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 filed with the Securities and Exchange Commission.

**American International Group, Inc.**  
**Financial Supplement**  
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**American International Group, Inc.**

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**American International Group, Inc.**  
**Consolidated Statement of Income (Loss)**  
(in millions, except per share data)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Revenues:</b>					
Premiums	\$ 9,482	\$ 11,366	\$ 11,966	\$ 11,073	\$ 10,914
Policy fees	684	732	673	657	648
Net investment income	5,569	5,462	5,231	5,041	5,200
Net realized capital gains (losses): (1)					
Total other-than-temporary impairments on available for sale securities	(218)	(315)	(459)	(738)	(200)
Portion of other-than-temporary impairments on available for sale fixed maturity securities recognized in Accumulated other comprehensive income (loss)	3	(217)	(345)	209	(459)
Net other-than-temporary impairments on available for sale securities recognized in net income (loss)	(215)	(532)	(804)	(529)	(659)
Other realized capital gains (losses)	(436)	1,839	143	42	325
Total net realized capital gains (losses) (page 46)	(651)	1,307	(661)	(487)	(334)
Aircraft leasing revenue	1,156	1,140	1,186	1,180	1,243
Other income (1)	1,196	1,195	1,060	850	884
Total revenues (1)	17,436	21,202	19,455	18,314	18,555
<b>Benefits, claims and expenses:</b>					
Policyholder benefits and claims incurred	8,959	14,008	10,050	8,743	8,593
Interest credited to policyholder account balances	1,105	1,119	1,125	1,127	1,109
Amortization of deferred acquisition costs	1,716	1,838	3,307	1,967	2,022
Other acquisition and other insurance expenses	1,551	2,841	620	1,704	1,610
Interest expense	1,061	2,186	2,310	1,734	1,751
Aircraft leasing expenses	670	1,379	1,031	636	1,004
Loss on extinguishment of debt (2)	3,313	104	-	-	-
Net loss (gain) on sale of properties and divested businesses (3)	72	(17,641)	(4)	(198)	76
Other expenses	369	880	710	1,100	749
Total benefits, claims and expenses	18,816	6,714	19,149	16,813	16,914
<b>Income (loss) from continuing operations before income tax expense (benefit)</b>	(1,380)	14,488	306	1,501	1,641
<b>Income tax expense (benefit)</b>	(200)	4,815	486	1,005	(447)
<b>Income (loss) from continuing operations</b>	(1,180)	9,673	(180)	496	2,088
<b>Income (loss) from discontinued operations, net of income tax expense (benefit)</b>	1,653	2,037	(1,833)	(2,611)	343
<b>Net income (loss)</b>	473	11,710	(2,013)	(2,115)	2,431
<b>Less:</b>					
<b>Net income (loss) from continuing operations attributable to noncontrolling interests:</b>					
Noncontrolling nonvoting, callable, junior and senior preferred interests	252	403	388	508	519
Other	(55)	112	104	20	119
<b>Total net income from continuing operations attributable to noncontrolling interests</b>	197	515	492	528	638
<b>Net income from discontinued operations attributable to noncontrolling interests</b>	7	19	12	13	10
<b>Total net income attributable to noncontrolling interests</b>	204	534	504	541	648
<b>Net income (loss) attributable to AIG</b>	\$ 269	\$ 11,176	\$ (2,517)	\$ (2,656)	\$ 1,783
<b>Net income (loss) attributable to AIG common shareholders</b>	\$ (543)	\$ 2,297	\$ (2,517)	\$ (2,656)	\$ 359
<b>Income (loss) per common share attributable to AIG (page 5):</b>					
Basic:					
Income (loss) from continued operations	\$ (1.41)	\$ 13.60	\$ (4.95)	\$ (0.25)	\$ 2.16
Income (loss) from discontinued operations	\$ 1.06	\$ 3.00	\$ (13.58)	\$ (19.32)	\$ 0.50
Diluted:					
Income (loss) from continued operations	\$ (1.41)	\$ 13.60	\$ (4.95)	\$ (0.25)	\$ 2.16
Income (loss) from discontinued operations	\$ 1.06	\$ 3.00	\$ (13.58)	\$ (19.32)	\$ 0.50

(See Accompanying Notes on Page 2)

**American International Group, Inc.**  
**Consolidated Statement of Income (Loss)**  
**Notes**

- (1) Includes gains (losses) from hedging activities that did not qualify for hedge accounting, including the related foreign exchange gains and losses (Refer to page 6) and other-than-temporary impairment charges.
- (2) Represents a \$3.3 billion charge, primarily consisting of the accelerated amortization of the prepaid commitment fee asset resulting from the termination of the FRBNY Credit Facility on January 14, 2011.
- (3) Includes the net loss (gain) on sales of divested businesses that did not qualify as discontinued operations and gains (losses) on sales of properties in connection with AIG's restructuring program.

**American International Group, Inc.**  
**Consolidated Statement of Segment Operations**  
(in millions, except share data)

Quarterly

	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Chartis</b>					
Net premiums written	\$ 9,166	\$ 7,578	\$ 8,598	\$ 7,792	\$ 7,644
Net premiums earned	8,651	8,550	8,597	7,733	7,641
Claims and claims adjustment expenses incurred	7,756	10,724	6,109	5,575	5,459
Underwriting expenses	2,537	3,001	2,423	2,316	2,374
Underwriting profit (loss)	(1,642)	(5,175)	65	(158)	(192)
Net investment income	1,179	1,201	1,007	1,113	1,071
Operating income (loss)	(463)	(3,974)	1,072	955	879
Net realized capital gains (losses)	47	(37)	(207)	58	137
Bargain purchase gain (1)	-	-	-	-	332
Gain on sale of properties (1)	-	669	-	-	-
Pre-tax income (loss)	(416)	(3,342)	865	1,013	1,348
<b>SunAmerica Financial Group</b>					
Premiums	621	600	595	658	667
Policy fees	684	732	673	657	648
Deposits and other considerations not included in revenues under GAAP	4,921	3,611	3,170	3,653	3,422
Premiums, deposits and other considerations	6,226	4,943	4,438	4,968	4,737
Net investment income	2,754	2,777	2,656	2,628	2,707
Operating income	1,143	1,043	1,028	858	1,119
Amortization (expense) benefit of DAC, VOBA and SIA related to net realized gains (losses)	17	(235)	(50)	196	4
Net realized capital gains (losses)	(220)	491	20	(966)	(796)
Pre-tax income	940	1,299	998	88	327
<b>Financial Services</b>					
Operating income (loss) (2)	319	(326)	(81)	25	(171)
Net realized capital gains (losses)	6	(43)	(8)	(1)	(31)
Pre-tax income (loss)	325	(369)	(89)	24	(202)
Other operations, before net realized capital gains (losses)	(1,767)	16,197	(1,354)	(131)	38
Other operations, net realized capital gains (losses)	(438)	861	(461)	395	165
Consolidation and elimination adjustments (3)	(24)	(158)	347	112	(35)
<b>Income (loss) from continuing operations before income tax expense (benefit)</b>	(1,380)	14,488	306	1,501	1,641
Income tax expense (benefit) (4)	(200)	4,815	486	1,005	(447)
<b>Income (loss) from continuing operations</b>	(1,180)	9,673	(180)	496	2,088
<b>Income (loss) from discontinued operations, net of tax</b>	1,653	2,037	(1,833)	(2,611)	343
<b>Net income (loss)</b>	473	11,710	(2,013)	(2,115)	2,431
Less:					
Net income (loss) from continuing operations attributable to noncontrolling interests:					
Noncontrolling nonvoting, callable, junior and senior preferred interests	252	403	388	508	519
Other	(55)	112	104	20	119
Total net income from continuing operations attributable to noncontrolling interests	197	515	492	528	638
Net income from discontinued operations attributable to noncontrolling interests	7	19	12	13	10
Total net income attributable to noncontrolling interests	204	534	504	541	648
<b>Net income (loss) attributable to AIG</b>	\$ 269	\$ 11,176	\$ (2,517)	\$ (2,656)	\$ 1,783
<b>Adjustments to arrive at After-tax operating income (loss) attributable to AIG (amounts net of tax) :</b>					
Net income (loss) from discontinued operations	1,646	2,018	(1,845)	(2,624)	333
Net gain (loss) on sale of divested businesses	(47)	13,506	4	93	(76)
Net income (loss) from divested businesses	6	259	447	467	484
Deferred income tax valuation allowance (charge)/release	(563)	(1,902)	140	(576)	821
Amortization of FRBNY prepaid commitment fee asset	(2,358)	(708)	(779)	(353)	(415)
Net realized capital gains (losses)	(387)	317	(461)	(487)	(229)
SunAmerica DAC offset related to net realized capital gains (losses)	11	(152)	(33)	127	3
Non-qualifying derivative hedging activities, excluding net realized capital gains (losses)	(69)	52	124	(96)	(107)
Bargain purchase gain	-	-	-	-	332
<b>After-tax operating income (loss) attributable to AIG</b>	\$ 2,030	\$ (2,214)	\$ (114)	\$ 793	\$ 637
<b>Income (loss) per common share attributable to AIG - diluted:</b>					
Income (loss) from continuing operations	\$ (1.41)	\$ 13.60	\$ (4.95)	\$ (0.25)	\$ 2.16
Income (loss) from discontinued operations	1.06	3.00	(13.58)	(19.32)	0.50
After-tax operating income (loss)	\$ 1.30	\$ (15.99)	\$ (0.84)	\$ 1.18	\$ 0.95
<b>Effective tax rates (5):</b>					
Income (loss) from continuing operations	14.5%	33.2%	158.8%	67.0%	(27.2)%
Net income (loss) attributable to AIG	12.7%	34.5%	(261.3)%	103.3%	(44.6)%
After-tax operating income	27.1%	51.5%	75.9%	19.9%	32.8%
<b>Return on equity</b>	1.3%	53.8%	-	-	9.8%
<b>Return on equity - After-tax operating income (6)</b>	10.4%	-	-	4.7%	3.9%

(See Accompanying Notes on Page 4)

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

- (1) Represents a bargain purchase gain related to the purchase of additional voting shares of Fuji and the gain on sale of divested assets realized on the sale of an office building in Japan. (See Notes (1) and (4) on Page 20 for additional information).
- (2) Includes unrealized market valuation gains and losses on Capital Markets super senior credit default swap portfolio and the pre-tax effect of changes in credit spreads on the valuation of Capital Markets' derivatives.
- (3) Includes income from certain AIG managed partnerships, private equity and real estate funds that are consolidated. Such income is offset in net income (loss) attributable to noncontrolling interests, which is not a component of operating income.
- (4) Includes the tax benefits associated with AIG's investment in subsidiaries and partnerships, principally the AIA SPV, which is treated as a partnership for U.S. tax purposes, and tax exempt interest, partially offset by an increase in the valuation allowance attributable to continuing operations.
- (5) The reconciliation of income attributable to AIG to After-tax operating income (loss) and calculation of the effective tax rates is presented below (gains are negative and losses are positive).

(dollars in millions)	Three Months Ended March 31, 2011					
	Income (loss)	Income Tax	Net	Noncontrolling	Net Income (Loss)	Effective
	Before Tax	(Expense) Benefit	Income (loss)	Interests	attributable to AIG	Tax Rate *
<b>Income (loss) from continuing operations</b>	<b>\$ (1,380)</b>	<b>\$ 200</b>	<b>\$ (1,180)</b>	<b>\$ (197)</b>	<b>(1,377)</b>	<b>14.5%</b>
Net gains / losses on sale of divested business	72	(25)	47		47	
Net income from divested businesses (mainly AIA)	(6)	-	(6)		(6)	
Deferred income tax valuation allowance charge	-	563	563		563	
Amortization of FRBNY prepaid commitment fee asset	3,627	(1,269)	2,358		2,358	
Net realized capital gains / losses net of SunAmerica DAC offset	634	(259) **	375	1	376	
Non-qualifying derivative hedging gains / losses	106	(37)	69		69	
<b>After-tax operating income (loss)</b>	<b>\$ 3,053</b>	<b>\$ (827)</b>	<b>\$ 2,226</b>	<b>\$ (196)</b>	<b>2,030</b>	<b>27.1%</b>

\* Effective tax rates are calculated based on Income (loss) from continuing operations.

\*\* Includes tax effect of pre-tax losses that are not deductible for tax purposes.

- (6) Computed using adjusted shareholders' equity, which excludes Accumulated other comprehensive income.

**American International Group, Inc.**  
**Earnings (Loss) Per Share (EPS)**

Earnings (loss) per share is computed as follows:

<i>(in millions, except share data)</i>	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Numerator for EPS:</b>					
Income (loss) from continuing operations	\$ (1,180)	\$ 9,673	\$ (180)	\$ 496	\$ 2,088
Net income from continuing operations attributable to noncontrolling interests:					
Noncontrolling nonvoting, callable, junior and senior preferred interests	252	403	388	508	519
Other	(55)	112	104	20	119
Total net income from continuing operations attributable to noncontrolling interests	197	515	492	528	638
Net income (loss) attributable to AIG from continuing operations	(1,377)	9,158	(672)	(32)	1,450
Income (loss) from discontinued operations	1,653	2,037	(1,833)	(2,611)	343
Income (loss) from discontinued operations attributable to noncontrolling interests	7	19	12	13	10
Net income (loss) attributable to AIG from discontinued operations	1,646	2,018	(1,845)	(2,624)	333
Deemed dividends	(812)	-	-	-	-
(Income) loss allocated to the Series C Preferred Stock – continuing operations	-	(7,276)	-	-	(1,158)
Net income (loss) attributable to AIG from continuing operations, applicable to common stock for EPS	(2,189)	1,882	(672)	(32)	292
(Income) loss allocated to the Series C Preferred Stock – discontinued operations	-	(1,603)	-	-	(266)
Net income (loss) attributable to AIG from discontinued operations, applicable to common stock for EPS	\$ 1,646	\$ 415	\$ (1,845)	\$ (2,624)	\$ 67
<b>Denominator for EPS:</b>					
Weighted average shares outstanding — basic	1,557,748,353	138,395,856	135,879,125	135,813,034	135,658,680
Dilutive shares	-	51,919	-	-	66,259
Weighted average shares outstanding — diluted	1,557,748,353	138,447,775	135,879,125	135,813,034	135,724,939
<b>EPS attributable to AIG:</b>					
Basic:					
Income (loss) from continuing operations	\$ (1.41)	\$ 13.60	\$ (4.95)	\$ (0.25)	\$ 2.16
Income (loss) from discontinued operations	\$ 1.06	\$ 3.00	\$ (13.58)	\$ (19.32)	\$ 0.50
Diluted:					
Income (loss) from continuing operations	\$ (1.41)	\$ 13.60	\$ (4.95)	\$ (0.25)	\$ 2.16
Income (loss) from discontinued operations	\$ 1.06	\$ 3.00	\$ (13.58)	\$ (19.32)	\$ 0.50

After-tax operating income (loss) per share is computed as follows:

<i>(in millions, except share data)</i>	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
After-tax operating income (loss)	\$ 2,030	\$ (2,214)	\$ (114)	\$ 793	\$ 637
After-tax operating income allocated to Series C Preferred Stock	-	-	-	(632)	(508)
After-tax operating income (loss), applicable to common stock	\$ 2,030	* \$ (2,214)	\$ (114)	\$ 161	\$ 129
Weighted average shares outstanding	1,557,863,729	138,447,775	135,879,125	135,869,594	135,724,939
After-tax operating income (loss) per share	\$ 1.30	\$ (15.99)	\$ (0.84)	\$ 1.18	\$ 0.95

\* Excludes Allocation to Series C Preferred Stock and deemed dividends recorded of \$812 million in the first quarter of 2011 as a result of the Recapitalization.

**American International Group, Inc.**  
**Summary of Non-Qualifying Derivative Hedging Activities (1)**  
**Continuing Operations**  
(in millions)

	Net Realized Capital Gains (Losses)			Other Line Items (2)		
	Three Months Ended			Three Months Ended		
	March 31, 2011	March 31, 2010	Dec. 31, 2010	March 31, 2011	March 31, 2010	Dec. 31, 2010
<b>Changes in Fair Values of Hedges of Assets and Liabilities, including Hedges of Embedded Derivatives:</b>						
<b>Reported in Segment Results:</b>						
Financial Services	\$ 3	\$ (33)	\$ 6	\$ (103)	\$ 159	\$ (43)
Chartis	(25)	(35)	(51)	-	-	-
SunAmerica Financial Group (3)	(70)	(475)	(305)	-	-	-
Other (4)	74	(254)	597	1	78	174
<b>Consolidation Adjustments:</b>						
Elimination of Capital Markets Internal Trades (5)	(24)	395	34	24	(395)	(34)
Other Eliminations (6)	77	(243)	(18)	(28)	(6)	(17)
Consolidated Pre-Tax Effect	35	(645)	263	(106)	(164)	80
Consolidated After-Tax Effect	23	(419)	171	(69)	(107)	52
<b>Changes in Fair Values of Embedded Derivatives whose Hedges are a Component of the Above:</b>						
Financial Services	\$ -	\$ 1	\$ -	\$ -	\$ (1)	\$ -
Chartis	-	-	-	-	-	-
SunAmerica Financial Group (7)	82	127	1,029	25	19	13
Other	(1)	2	(4)	-	-	-
Intercompany Transactions and Reclassifications	-	(1)	-	-	1	-
Consolidated Pre-Tax Effect	81	129	1,025	25	19	13
Consolidated After-Tax Effect	53	84	666	16	12	8
<b>Total Pre-Tax Effect</b>	116	(516)	1,288	(81)	(145)	93
<b>Total After-Tax Effect</b>	\$ 76	\$ (335)	\$ 837	\$ (53)	\$ (95)	\$ 60

- (1) This schedule provides a decomposition of the Derivative Instrument effects on the financial statements. These results are not adjusted to reflect situations where there is a natural offset between the exposure and derivative; or, in situations where the hedged item is also recorded into earnings as part of a hedge relationship.
- (2) Primarily Other income. These amounts are subtracted from Net Income (Loss) attributable to AIG to arrive at After-Tax Operating Income.
- (3) Primarily equity and interest rate hedges of embedded derivatives.
- (4) Primarily hedges of interest rate risk at Parent, the Matched Investment Program (MIP), AIA, AIG Markets Inc., and includes MetLife Warrants received in connection of the sale of Alico to MetLife.
- (5) Capital Markets has acted as an intermediary between the segments and third parties. This item eliminates the internal arrangements, so that only the third party trade is reported in consolidation.
- (6) This item primarily eliminates the differences associated between hedge accounting treatment at the segment level versus the consolidated level.
- (7) Primarily derivatives embedded in variable annuity life products whose payoff is indexed to movements in the S&P index and interest rates.



**American International Group, Inc.**  
**Condensed Consolidating Balance Sheet (1)**  
**March 31, 2011**  
(in millions)

	Chartis	SunAmerica Financial Group	ILFC	UGC	Other Businesses (4)	AIG Inc.
<b>Assets:</b>						
<b>Investments:</b>						
Fixed maturity securities						
Bonds available for sale, at fair value	\$ 92,620	\$ 139,530	\$ -	\$ 3,050	\$ 3,115	\$ 238,315
Bonds trading securities, at fair value (2)	-	1,584	-	-	25,725	27,309
Equity securities						
Common and preferred stock available for sale, at fair value	2,989	213	1	-	670	3,873
Common and preferred stock trading, at fair value	-	1	-	-	162	163
Mortgage and other loans receivable, net of allowance	2,899	21,367	91	3	(4,669)	19,691
Flight equipment primarily under operating leases, net of accumulated depreciation	-	-	38,100	-	-	38,100
Other invested assets (3) (page 47)	13,182	13,385	-	1	16,332	42,900
Short-term investments	14,083	12,755	2,148	1,149	8,737	38,872
<b>Total investments</b>	<b>125,773</b>	<b>188,835</b>	<b>40,340</b>	<b>4,203</b>	<b>50,072</b>	<b>409,223</b>
Cash	726	327	8	70	670	1,801
Premiums and other receivables, net of allowance	13,965	1,207	239	29	2,069	17,509
Reinsurance assets, net of allowance	28,138	1,541	-	478	20	30,177
Deferred policy acquisition costs	5,213	9,336	-	46	41	14,636
Other assets	9,272	11,365	1,070	199	745	22,651
Separate account assets, at fair value	-	56,464	-	-	6	56,470
Assets held for sale	-	-	27	-	58,753	58,780
<b>Total assets</b>	<b>\$ 183,087</b>	<b>\$ 269,075</b>	<b>\$ 41,684</b>	<b>\$ 5,025</b>	<b>\$ 112,376</b>	<b>\$ 611,247</b>
<b>Liabilities:</b>						
Liability for unpaid claims and claims adjustment expense	\$ 91,517	\$ -	\$ -	\$ 2,141	\$ 1,320	\$ 94,978
Unearned premiums	26,109	-	-	180	-	26,337
Future policy benefits for life and accident and health insurance contracts	3,031	28,220	-	-	242	31,493
Policyholder contract deposits	-	122,747	-	-	28	122,775
Other policyholder funds	4,191	2,567	-	-	11	6,769
Other liabilities	9,673	20,776	7,043	415	669	38,576
Long-term debt (page 9)	192	2,234 (6)	26,316	-	53,424	82,166
Separate account liabilities	-	56,464	-	-	6	56,470
Liabilities held for sale	-	-	-	-	54,236	54,236
<b>Total liabilities</b>	<b>\$ 134,713</b>	<b>\$ 233,008</b>	<b>\$ 33,359</b>	<b>\$ 2,736</b>	<b>\$ 109,984</b>	<b>\$ 513,800</b>
Redeemable noncontrolling nonvoting, callable, junior preferred interests held by Department of Treasury	-	-	-	-	11,324	11,324
Other redeemable noncontrolling interests	75	-	-	-	203	278
<b>AIG shareholders' equity:</b>						
Common stock	147	102	1,053	4	3,202	4,508
Treasury stock, at cost	-	-	-	-	(873)	(873)
Additional paid-in capital	19,725	40,491	1,242	1,504	14,735	77,697
Accumulated earnings (deficit)	25,775	(8,609)	5,974	729	(27,071)	(3,202)
Accumulated other comprehensive income (loss) (5)	2,544	4,074	(44)	52	270	6,896
<b>Total AIG shareholders' equity</b>	<b>48,191</b>	<b>36,058</b>	<b>8,225</b>	<b>2,289</b>	<b>(9,737)</b>	<b>85,026</b>
<b>Non-redeemable noncontrolling interests</b>	<b>108</b>	<b>9</b>	<b>100</b>	<b>-</b>	<b>602</b>	<b>819</b>
<b>Total equity</b>	<b>48,299</b>	<b>36,067</b>	<b>8,325</b>	<b>2,289</b>	<b>(9,135)</b>	<b>85,845</b>
<b>Total liabilities and equity</b>	<b>\$ 183,087</b>	<b>\$ 269,075</b>	<b>\$ 41,684</b>	<b>\$ 5,025</b>	<b>\$ 112,376</b>	<b>\$ 611,247</b>

(1) Segment amounts are presented on an AIG stand alone basis and therefore do not reflect intercompany eliminations.

(2) Includes interests in Maiden Lane II and Maiden Lane III of \$1.5 billion and \$7.1 billion, respectively, as of March 31, 2011.

(3) Includes AIG's remaining 33% interest in AIA with a total carrying value of \$12.2 billion and reported in Parent & Other.

(4) Primarily represents Parent Company (Including the tax valuation allowance), Capital Markets, Asset Management, SAFG, Inc. (a non-operating holding company), ALICO and AIA SPVs and held for sale businesses.

(5) For U.S. tax purposes, SunAmerica Financial Group has approximately \$6.8 billion of gross unrealized gains in its available for sale portfolio which, if realized, can be used to reduce a portion of capital loss deferred tax asset totaling \$21.2 billion.

(6) Consists primarily of intercompany debt which is eliminated in consolidation.

**American International Group, Inc.**  
**Condensed Consolidating Balance Sheet (1)**  
**December 31, 2010**  
(in millions)

	Chartis	SunAmerica Financial Group	ILFC	UGC	Other Businesses (5)	AIG Inc.
<b>Assets:</b>						
<b>Investments:</b>						
Fixed maturity securities						
Bonds available for sale, at fair value	\$ 88,904	\$ 128,347	\$ -	\$ 3,214	\$ 7,837	\$ 228,302
Bonds trading securities, at fair value (2)	-	1,307	-	-	24,875	26,182
Equity securities						
Common and preferred stock available for sale, at fair value	3,827	218	2	-	534	4,581
Common and preferred stock trading, at fair value (3)	-	1	-	-	6,651	6,652
Mortgage and other loans receivable, net of allowance	2,892	21,482	134	3	(4,274)	20,237
Flight equipment primarily under operating leases, net of accumulated depreciation	-	-	38,510	-	-	38,510
Other invested assets (4) (page 47)	15,250	12,991	(1)	1	13,969	42,210
Short-term investments	11,799	19,144	3,059	1,024	8,712	43,738
<b>Total investments</b>	<u>122,672</u>	<u>183,490</u>	<u>41,704</u>	<u>4,242</u>	<u>58,304</u>	<u>410,412</u>
Cash	572	270	9	244	463	1,558
Premiums and other receivables, net of allowance	11,864	1,154	270	88	2,337	15,713
Reinsurance assets, net of allowance	24,047	1,100	-	647	16	25,810
Deferred policy acquisition costs	4,972	9,606	-	47	43	14,668
Other assets	8,581	11,458	920	202	32,236	53,397
Separate account assets, at fair value	-	54,427	-	-	5	54,432
Assets held for sale	-	-	255	-	107,198	107,453
<b>Total assets</b>	<u>\$ 172,708</u>	<u>\$ 261,505</u>	<u>\$ 43,158</u>	<u>\$ 5,470</u>	<u>\$ 200,602</u>	<u>\$ 683,443</u>
<b>Liabilities:</b>						
Liability for unpaid claims and claims adjustment expense	\$ 87,455	\$ -	\$ -	\$ 2,438	\$ 1,258	\$ 91,151
Unearned premiums	23,574	-	-	176	53	23,803
Future policy benefits for life and accident and health insurance contracts	2,867	28,192	-	-	209	31,268
Policyholder contract deposits	-	121,346	-	-	27	121,373
Other policyholder funds	4,176	2,572	-	-	10	6,758
Other liabilities	8,694	17,802	7,201	609	2,906	37,212
Federal Reserve Bank of New York credit facility (page 9)	-	-	-	-	20,985	20,985
Other long-term debt (page 9)	193	2,235 (7)	27,720	-	55,328	85,476
Separate account liabilities	-	54,427	-	-	5	54,432
Liabilities held for sale	-	-	-	-	97,312	97,312
<b>Total liabilities</b>	<u>\$ 126,959</u>	<u>\$ 226,574</u>	<u>\$ 34,921</u>	<u>\$ 3,223</u>	<u>\$ 178,093</u>	<u>\$ 569,770</u>
Commitments, contingencies and guarantees						
Redeemable noncontrolling interests	195	-	-	-	239	434
<b>AIG shareholders' equity:</b>						
Preferred stock	-	-	-	-	71,983	71,983
Common stock	147	102	1,054	4	(939)	368
Treasury stock, at cost	-	-	-	-	(873)	(873)
Additional paid-in capital	16,755	40,479	1,240	1,505	(50,296)	9,683
Accumulated earnings (deficit)	25,866	(8,963)	5,898	686	(26,953)	(3,466)
Accumulated other comprehensive income (loss) (6)	2,095	3,304	(55)	52	2,228	7,624
<b>Total AIG shareholders' equity</b>	<u>44,863</u>	<u>34,922</u>	<u>8,137</u>	<u>2,247</u>	<u>(4,850)</u>	<u>85,319</u>
<b>Non-redeemable noncontrolling interests</b>	<u>691</u>	<u>9</u>	<u>100</u>	<u>-</u>	<u>27,120</u>	<u>27,920</u>
<b>Total equity</b>	<u>45,554</u>	<u>34,931</u>	<u>8,237</u>	<u>2,247</u>	<u>22,270</u>	<u>113,239</u>
<b>Total liabilities and equity</b>	<u>\$ 172,708</u>	<u>\$ 261,505</u>	<u>\$ 43,158</u>	<u>\$ 5,470</u>	<u>\$ 200,602</u>	<u>\$ 683,443</u>

(1) Segment amounts are presented on an AIG stand alone basis and therefore do not reflect intercompany eliminations.

(2) Includes interests in Maiden Lane II and Maiden Lane III of \$1.3 billion and \$6.3 billion, respectively, as of December 31, 2010.

(3) Includes MetLife, Inc. (MetLife) securities received as consideration for ALICO sale of \$6.5 billion at December 31, 2010 reported in Parent & Other.

(4) Includes AIG's remaining 33% interest in AIA with a total carrying value of \$11.1 billion and reported in Parent & Other.

(5) Primarily represents Parent Company (including the tax valuation allowance), Capital Markets, Asset Management, SAFG, Inc. (a non-operating holding company), ALICO and AIA SPVs and held for sale businesses.

(6) For U.S. tax purposes, SunAmerica Financial Group has approximately \$6.4 billion of gross unrealized gains in its available for sale portfolio which, if realized, can be used to reduce a portion of capital loss deferred tax assets totaling \$23.1 billion.

(7) Consists primarily of intercompany debt which is eliminated in consolidation.

**American International Group, Inc.**  
**Debt and Capital**  
(dollars in millions)

	<b>Debt and Hybrid Capital</b>			<b>Interest Expense</b>	
	<b>March 31, 2011</b>	<b>Dec. 31, 2010</b>	<b>Inc. (Dec.)</b>	<b>Three Months Ended</b>	
				<b>March 31, 2011</b>	<b>March 31, 2010</b>
<b>Financial debt:</b>					
FRBNY Credit Facility (a)	\$ -	\$ 20,985	NM%	\$ 72	\$ 834
AIG notes and bonds payable	11,583	11,511	0.6	151	124
AIG loans and mortgage payable	73	218	(66.5)	1	-
SAFG, Inc. notes and bonds payable	298	298	-	6	15
Liabilities connected to trust preferred stock	1,339	1,339	-	27	27
AIG Funding loans to financial services subsidiaries- net	(505)	(376)	NM	-	-
<b>Total</b>	<b>12,788</b>	<b>33,975</b>	<b>(62.4)</b>	<b>257</b>	<b>1,000</b>
<b>Operating debt:</b>					
AIG Funding commercial paper	-	-	NM	-	3
MIP notes payable	11,498	11,318	1.6	89	98
Series AIGFP matched notes and bonds payable	3,959	3,981	(0.6)	75	76
Other AIG borrowings supported by assets (c)	11,604	12,143	(4.4)	-	-
ILFC borrowings	26,296	27,699	(5.1)	368	235
AIGCFG borrowings	-	-	NM	-	15
Other subsidiaries	432	446	(3.1)	6	4
Borrowings of consolidated investments	2,394	2,614	(8.4)	27	37
AIG Funding loans to financial services subsidiaries- net	505	376	34.3	-	-
<b>Total</b>	<b>56,688</b>	<b>58,577</b>	<b>(3.2)</b>	<b>565</b>	<b>468</b>
<b>Hybrid - debt securities:</b>					
Junior subordinated debt	11,967	11,740	1.9	219	217
<b>Hybrid - mandatorily convertible units:</b>					
Junior subordinated debt attributable to equity units	723	2,169	(66.7)	22	85
<b>Total</b>	<b>\$ 82,166</b>	<b>\$ 106,461</b>	<b>(22.8)%</b>	<b>\$ 1,063</b>	<b>\$ 1,770</b>
<b>Interest Expense reported in discontinued operations</b>				<b>(2)</b>	<b>(19)</b>
<b>Interest Expense on consolidated income statement</b>				<b>\$ 1,061</b>	<b>\$ 1,751</b>
<b>AIG capitalization:</b>					
Total equity	\$ 85,845	(d) \$ 113,239	(24.2)%		
Hybrid - debt securities	11,967	11,740 (e)	1.9		
Hybrid - mandatorily convertible units	723	2,169 (e)	(66.7)		
<b>Total consolidated equity and hybrid capital</b>	<b>98,535</b>	<b>127,148</b>	<b>(22.5)</b>		
Financial debt	12,788	33,975	(62.4)		
<b>Total capital</b>	<b>\$ 111,323</b>	<b>\$ 161,123</b>	<b>(30.9)%</b>		
<b>Ratios:</b>					
Total equity / Total capital	77.1%	70.3%			
Hybrid - debt securities / Total capital	10.7%	7.3%			
Hybrid - mandatorily convertible units / Total capital	0.6%	1.3%			
Financial debt / Total capital	11.5%	21.1%			

(a) Repaid in full on January 14, 2011 following AIG's recapitalization. See page 10.

(b) Amounts are eliminated in consolidation.

(c) Borrowings are carried at fair value with fair value adjustments reported in Other income (loss) on the Consolidated Statement of Income (Loss).

(c) Contractual interest payments amounted to \$74 million for the three months ended March 31, 2011 and \$424 million for the twelve months ended December 31, 2010.

(d) As a result of the closing of the Recapitalization on January 14, 2011, the SPV non-controlling interests are no longer considered permanent equity on AIG's Consolidated Balance Sheet, and are classified as redeemable noncontrolling interest.

(e) The equity units and junior subordinated debentures receive hybrid equity treatment from the major rating agencies under their current policies but are recorded as long-term borrowings on the consolidated balance sheet.



# Understanding AIG's Relationship with the U.S. Government

AIG executed its recapitalization plan with the U.S. Government on January 14, 2011 when it repaid in full the Federal Reserve Bank of New York (FRBNY) revolving credit facility; repaid and retired a portion of the preferred interests in the AIA and ALICO SPVs and transferred the balance to the Treasury Department; and exchanged the AIG Preferred Shares held by the Treasury Department and the AIG Credit Facility Trust for AIG common stock, setting a path for the Treasury Department to monetize and exit its equity ownership over time.

## DEBT FRBNY Revolving Credit Facility *(Repaid and terminated)*

AIG repaid approximately \$21 billion principal and accrued interest and fees owed under the FRBNY credit facility, which is now terminated.

## EQUITY Treasury Department TARP Series E and Series F Preferred Shares and AIG Credit Facility Trust Series C Preferred Shares *(Exchanged for AIG common stock)*

AIG exchanged the Preferred Shares previously held by the Treasury Department together with the Series C Preferred Shares previously held by the AIG Credit Facility Trust for the benefit of the United States Treasury for, among other things, approximately 1.655 billion shares of AIG common stock. The Treasury Department now holds approximately 92% of the total outstanding AIG common stock, and, over time, is expected to sell these shares subject to market conditions.

## EQUITY Treasury Department TARP Series G Shares *(\$2 billion authorized)*

A new Series G Preferred Shares was issued to the Treasury Department, and functions as a \$2 billion commitment to provide funding that AIG will have the discretion and option to use, for a period of time.

## EQUITY Redeemable Non-Controlling Interests in the AIA and ALICO SPVs held by the Treasury Department *(Repaid and retired in part)*

AIG paid down and retired approximately \$6.1 billion of the FRBNY's preferred interests in the AIA and ALICO SPVs, using cash proceeds from the AIA IPO and the ALICO sale. AIG purchased the remainder of the FRBNY preferred interests using the undrawn balance of the TARP Series F Preferred Shares and transferred those interests, totaling \$20.3 billion, to the Treasury Department in consideration for retiring an equal amount of liquidation preference of the Series F Preferred Shares. Since January 14, 2011, AIG reduced the SPV balances further in February when AIG paid the Treasury Department approximately \$2.2 billion from the sale of AIG Star Life Insurance Co., Ltd. and AIG Edison Life Insurance Company; and in March when AIG paid the Treasury Department approximately \$6.9 billion from proceeds of the sales of MetLife securities received in the ALICO sale. The ALICO SPV liquidation preference has been fully repaid. The Treasury Department is expected to be repaid in full over time from the proceeds of asset sales.

## FRBNY Investment in AIG-related RMBS Maiden Lane II SPV *(\$22.5 billion authorized)*

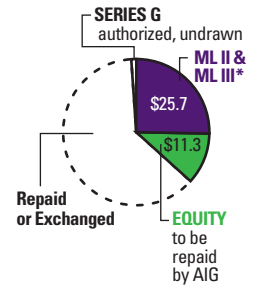
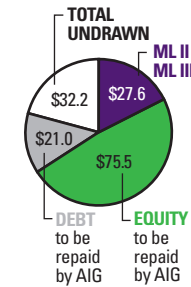
In November 2008, FRBNY created this SPV to provide AIG liquidity by purchasing residential mortgage-backed securities from AIG life insurance and retirement services companies. FRBNY provided a loan to Maiden Lane II for the purchases. It also terminated a previously established securities lending arrangement with AIG. The original amount funded by the FRBNY was \$19.5 billion. Loans to ML II are being repaid with the proceeds from the interest and principal payments and/or from the liquidation of the assets in the facility. The FRBNY is disposing of the securities in the ML II portfolio, individually, and in segments, over time.

## FRBNY Investment in AIG-related CDOs Maiden Lane III SPV *(\$30 billion authorized)*

In November 2008, FRBNY created this SPV to provide AIG liquidity by purchasing collateralized debt obligations (CDOs) from AIG Financial Products Corp. counterparties in connection with the termination of credit default swaps (CDSs) and surrender of the collateral by AIGFP. FRBNY provided a loan to the SPV for the purchases. The original amount funded by the FRBNY was \$24.3 billion. Loans to ML III are being repaid with the proceeds from the interest and principal payments and/or from the liquidation of the assets in the facility.

as of  
12/31/2010

as of  
3/31/2011



	as of 12/31/2010	as of 3/31/2011
<b>Total outstanding assistance, excluding common stock</b>	<b>\$124.1 billion</b>	<b>\$37.0 billion</b>
<b>Common stock owned by U.S. Treasury Department</b>	—	<b>1.655 billion shares</b>
<b>Outstanding debt and SPV equity to be repaid by AIG</b>	<b>\$96.5 billion</b>	<b>\$11.3 billion</b>

*The difference between the government assistance outstanding and the balance to be repaid is attributable to the outstanding on the Maiden Lane II and III loans. The Maiden Lane II and III loans are non-recourse to AIG.*

\$6.4 bn interest

\$14.6 billion principal

Repaid and terminated

\$49.1 billion

Exchanged for common stock

\$2 billion (undrawn)

\$26.4 billion

\$11.3 billion

\$13.5 billion

\$12.8 billion\*

\$14.1 billion

\$12.9 billion\*

**American International Group, Inc.**  
**Book Value per Common Share**  
(dollars in millions, except per share amounts)

	(1÷3) Book Value Per Share		(2÷3) Book Value Per Share, Excluding Accumulated Other Comprehensive Income (Loss)	Pro Forma Book Value Per Share (a)	(1) Total AIG Shareholders' Equity	(2) Total AIG Shareholders' Equity, Excluding Accumulated Other Comprehensive Income (Loss)	(3) Total Common Shares Outstanding
December 31, 2010	\$ 607.41	(b)	\$ 553.14	\$ 46.80	\$ 85,319	\$ 77,695	\$ 140,463,159
March 31, 2011	47.32	(b)	43.49	47.66	85,026	78,130	1,796,719,943 (b)

(a) At March 31, 2011, pro forma book value per share is computed as follows:

\$85,026	+	\$723	
Total AIG Shareholders' equity + Conversion of equity units			=\$ 47.66
Total common shares outstanding + common shares issued on conversion of equity units			
1,796,719,943	+	2,404,279	

Note: Pro forma book value calculation assumes no dilution from 75 million warrants distributed to AIG common shareholders in connection with Recapitalization.

(b) On January 14, 2011, the Series C Preferred Stock, the Series E Preferred Stock and Series F Preferred Stock were exchanged for AIG Common Stock and retired in connection with the Recapitalization.

**American International Group, Inc.**  
**Chartis Operating Statistics**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written (1)	\$ 9,166	\$ 7,578	\$ 8,598	\$ 7,792	\$ 7,644
Net premiums earned	8,651	8,550	8,597	7,733	7,641
Claims and claims adjustment expenses incurred (2)	7,756	10,724	6,109	5,575	5,459
Underwriting expenses	2,537	3,001	2,423	2,316	2,374
Underwriting profit (loss)	(1,642)	(5,175)	65	(158)	(192)
Net investment income					
Interest and dividends	863	882	873	850	845
Partnership income	241	257	16	220	147
Mutual funds	45	58	(13)	(25)	(1)
Other investment income (3)	92	78	117	142	108
Investment expense	(62)	(74)	14	(74)	(28)
Total	1,179	1,201	1,007	1,113	1,071
<b>Operating income (loss) before net realized capital gains (losses), bargain purchase gain and gain on sale of properties</b>	<b>(463)</b>	<b>(3,974)</b>	<b>1,072</b>	<b>955</b>	<b>879</b>
Net realized capital gains (losses)	47	(37)	(207)	58	137
Bargain purchase gain (1)	-	-	-	-	332
Gain on sale of properties (4)	-	669	-	-	-
<b>Pre-tax income (loss)</b>	<b>\$ (416)</b>	<b>\$ (3,342)</b>	<b>\$ 865</b>	<b>\$ 1,013</b>	<b>\$ 1,348</b>
<b>Underwriting ratios:</b>					
Loss ratio	89.7	125.4	71.1	72.1	71.4
Expense ratio	29.3	35.1	28.2	29.9	31.1
Combined ratio	119.0	160.5	99.3	102.0	102.5
Combined ratio excluding significant current year catastrophe-related losses	99.1	158.1	98.4	98.2	96.0
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	98.7	108.9	96.3	96.9	98.7
<b>Foreign exchange effect on worldwide premium: Change in net premiums written</b>					
Increase / (decrease) in original currency (5)	18.7 %	7.8 %	5.5 %	(3.0) %	(3.9) %
Foreign exchange effect	1.2	1.6	1.0	1.4	2.7
Increase / (decrease) as reported in US \$	19.9 %	9.4 %	6.5 %	(1.6) %	(1.2) %
<b>Pre-tax catastrophe-related losses and prior year loss reserve development:</b>					
Pre-tax catastrophe-related losses	\$ 1,688	\$ 203	\$ 72	\$ 300	\$ 491
Reinstatement premium related to catastrophes	39	-	-	-	10
Prior year loss reserve development (favorable) / unfavorable	23	4,203	168	94	(185)
Asbestos	-	1,162	127	46	-
All other	60	3,067	81	49	(244)
Returned / (Additional) premium related to prior year development	(37)	(26)	(40)	(1)	59
<b>Net loss and loss expense reserve (at period end)</b>	<b>\$ 70,201</b>	<b>\$ 68,074</b>	<b>\$ 63,708</b>	<b>\$ 63,384</b>	<b>\$ 64,045</b>

(See Accompanying Notes on Page 20)

**American International Group, Inc.**  
**Chartis U.S. Operating Statistics**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 4,128	\$ 3,982	\$ 4,740	\$ 4,738	\$ 3,787
Net premiums earned	4,482	4,444	4,637	4,580	4,562
Claims and claims adjustment expenses incurred	4,103	7,579	3,698	3,763	3,474
Underwriting expenses	1,095	1,335	1,022	1,115	1,199
Underwriting loss	(716)	(4,470)	(83)	(298)	(111)
Net investment income					
Interest and dividends	605	638	626	656	654
Partnership income	234	253	16	199	142
Mutual funds	-	40	19	(31)	1
Other investment income (3)	80	63	96	123	62
Investment expense	(45)	(55)	28	(57)	(15)
Total	874	939	785	890	844
<b>Operating income (loss) before net realized capital gains (losses)</b>	<b>158</b>	<b>(3,531)</b>	<b>702</b>	<b>592</b>	<b>733</b>
Net realized capital gains (losses)	66	53	(185)	(61)	(3)
<b>Pre-tax income (loss)</b>	<b>\$ 224</b>	<b>\$ (3,478)</b>	<b>\$ 517</b>	<b>\$ 531</b>	<b>\$ 730</b>
<b>Underwriting ratios:</b>					
Loss ratio	91.5	170.5	79.7	82.2	76.2
Expense ratio	24.4	30.0	22.0	24.3	26.3
Combined ratio	115.9	200.5	101.7	106.5	102.5
Combined ratio excluding significant current year catastrophe-related losses	104.2	198.8	100.8	101.3	98.1
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	102.4	112.0	97.6	99.4	101.3
<b>Pre-tax catastrophe-related losses and prior year loss reserve development:</b>					
Pre-tax catastrophe-related losses	\$ 529	\$ 77	\$ 47	\$ 236	\$ 197
Reinstatement premium related to catastrophes	(4)	-	-	-	-
Prior year loss reserve development (favorable) / unfavorable	73	3,853	137	89	(131)
Asbestos	-	906	84	40	-
All other	110	2,973	93	50	(190)
Returned / (Additional) Premium related to prior year development	(37)	(26)	(40)	(1)	59
<b>Net loss and loss expense reserve (at period end)</b>	<b>\$ 53,581</b>	<b>\$ 53,111</b>	<b>\$ 49,711</b>	<b>\$ 49,891</b>	<b>\$ 50,089</b>

(See Accompanying Notes on Page 20)

**American International Group, Inc.**  
**Chartis International Operating Statistics**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written (1)	\$ 5,038	\$ 3,596	\$ 3,858	\$ 3,054	\$ 3,857
Net premiums earned	4,169	4,106	3,960	3,153	3,079
Claims and claims adjustment expenses incurred (2)	3,653	3,145	2,411	1,812	1,985
Other underwriting expenses	1,442	1,666	1,401	1,201	1,175
Underwriting profit (loss)	(926)	(705)	148	140	(81)
Net investment income					
Interest and dividends	258	244	247	194	191
Partnership income	7	4	-	21	5
Mutual funds	45	18	(32)	6	(2)
Other investment income (3)	12	15	21	19	46
Investment expense	(17)	(19)	(14)	(17)	(13)
Total	305	262	222	223	227
<b>Operating income (loss), before net realized capital gains (losses), bargain purchase gain and gain on sale of properties</b>	<b>(621)</b>	<b>(443)</b>	<b>370</b>	<b>363</b>	<b>146</b>
Net realized capital gains (losses)	(19)	(90)	(22)	119	140
Bargain purchase gain	-	-	-	-	332
Gain on sale of properties (4)	-	669	-	-	-
<b>Pre-tax income (loss) (6)</b>	<b>\$ (640)</b>	<b>\$ 136</b>	<b>\$ 348</b>	<b>\$ 482</b>	<b>\$ 618</b>
<b>Underwriting ratios:</b>					
Loss ratio	87.6	76.6	60.9	57.5	64.5
Expense ratio	34.6	40.6	35.4	38.1	38.2
Combined ratio	122.2	117.2	96.3	95.6	102.7
Combined ratio excluding significant current year catastrophe-related losses	93.8	114.1	95.6	93.5	92.9
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	95.0	105.6	94.9	93.4	94.7
<b>Foreign exchange effect on Chartis International's premium: Change in net premiums written</b>					
Increase / (decrease) in original currency (5)	28.1 %	28.6 %	23.0 %	(0.3) %	2.7 %
Foreign exchange effect	2.5	4.1	2.7	3.8	6.0
Increase / (decrease) as reported in US \$	30.6 %	32.7 %	25.7 %	3.5 %	8.7 %
<b>Pre-tax catastrophe-related losses and prior year loss reserve development:</b>					
Pre-tax catastrophe-related losses	\$ 1,159	\$ 126	\$ 25	\$ 64	\$ 294
Reinstatement premium related to catastrophes	43	-	-	-	10
Prior year loss reserve development (favorable) / unfavorable	(50)	350	31	5	(54)
Asbestos	-	256	43	6	-
All other	(50)	94	(12)	(1)	(54)
<b>Net loss and loss expense reserve (at period end)</b>	<b>\$ 16,620</b>	<b>\$ 14,963</b>	<b>\$ 13,997</b>	<b>\$ 13,493</b>	<b>\$ 13,956</b>

(See Accompanying Notes on Page 20)



**American International Group, Inc.**  
**Chartis - Operating Statistics by Business (7)**  
(dollars in millions)

**Commercial**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 5,786	\$ 4,516	\$ 5,372	\$ 5,425	\$ 5,226
Net premiums earned	5,333	5,308	5,440	5,473	5,331
Claims and claims adjustment expenses incurred	5,267	7,551	4,057	4,165	4,167
Underwriting expenses	1,399	1,796	1,286	1,414	1,436
Underwriting profit (loss)	(1,333)	(4,039)	97	(106)	(272)
<b>Underwriting ratios:</b>					
Loss ratio	98.8	142.3	74.6	76.1	78.2
Expense ratio	26.2	33.8	23.6	25.8	26.9
Combined ratio	125.0	176.1	98.2	101.9	105.1
Combined ratio excluding significant current year catastrophe-related losses	104.0	172.2	97.0	96.9	96.5

**Consumer**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 3,380	\$ 3,062	\$ 3,226	\$ 2,367	\$ 2,418
Net premiums earned	3,318	3,242	3,157	2,260	2,310
Claims and claims adjustment expenses incurred	2,489	2,022	1,925	1,364	1,292
Underwriting expenses	1,102	1,174	1,113	878	913
Underwriting profit (loss)	(273)	46	119	18	105
<b>Underwriting ratios:</b>					
Loss ratio	75.0	62.4	61.0	60.3	55.9
Expense ratio	33.2	36.2	35.2	38.9	39.6
Combined ratio	108.2	98.6	96.2	99.2	95.5
Combined ratio excluding significant current year catastrophe-related losses	91.3	98.6	96.1	98.1	93.7

**Corporate & Other**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Claims and claims adjustment expenses incurred	\$ -	\$ 1,151	\$ 127	\$ 46	\$ -
Underwriting expenses	36	31	24	24	25
Underwriting loss	(36)	(1,182)	(151)	(70)	(25)

**Total**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 9,166	\$ 7,578	\$ 8,598	\$ 7,792	\$ 7,644
Net premiums earned	8,651	8,550	8,597	7,733	7,641
Claims and claims adjustment expenses incurred	7,756	10,724	6,109	5,575	5,459
Underwriting expenses	2,537	3,001	2,423	2,316	2,374
Underwriting profit (loss)	(1,642)	(5,175)	65	(158)	(192)
<b>Underwriting ratios:</b>					
Loss ratio	89.7	125.4	71.1	72.1	71.4
Expense ratio	29.3	35.1	28.2	29.9	31.1
Combined ratio	119.0	160.5	99.3	102.0	102.5
Combined ratio excluding significant current year catastrophe-related losses	99.1	158.1	98.4	98.2	96.0

(See Accompanying Notes on Page 20)

**American International Group, Inc.**  
**Chartis U.S. - Operating Statistics by Business (7)**  
(dollars in millions)

**Commercial**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 3,350	\$ 3,291	\$ 3,889	\$ 3,929	\$ 2,918
Net premiums earned	3,681	3,689	3,837	3,799	3,744
Claims and claims adjustment expenses incurred	3,608	6,165	3,092	3,223	2,975
Underwriting expenses	808	1,029	747	850	902
Underwriting loss	(735)	(3,505)	(2)	(274)	(133)
<b>Underwriting ratios:</b>					
Loss ratio	98.0	167.1	80.6	84.9	79.5
Expense ratio	22.0	27.9	19.5	22.3	24.1
Combined ratio	120.0	195.0	100.1	107.2	103.6
Combined ratio excluding significant current year catastrophe-related losses	106.2	192.9	98.9	101.2	99.4

**Consumer**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 778	\$ 691	\$ 851	\$ 809	\$ 869
Net premiums earned	801	755	800	781	818
Claims and claims adjustment expenses incurred	495	518	522	500	499
Underwriting expenses	267	284	258	252	280
Underwriting profit (loss)	39	(47)	20	29	39
<b>Underwriting ratios:</b>					
Loss ratio	61.9	68.5	65.2	64.0	61.0
Expense ratio	33.3	37.7	32.2	32.3	34.3
Combined ratio	95.2	106.2	97.4	96.3	95.3
Combined ratio excluding significant current year catastrophe-related losses	94.5	106.4	97.1	95.3	90.4

**Corporate & Other**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Claims and claims adjustment expenses incurred	\$ -	\$ 896	\$ 84	\$ 40	\$ -
Underwriting expenses	20	22	17	13	17
Underwriting loss	(20)	(918)	(101)	(53)	(17)

**Total**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 4,128	\$ 3,982	\$ 4,740	\$ 4,738	\$ 3,787
Net premiums earned	4,482	4,444	4,637	4,580	4,562
Claims and claims adjustment expenses incurred	4,103	7,579	3,698	3,763	3,474
Underwriting expenses	1,095	1,335	1,022	1,115	1,199
Underwriting loss	(716)	(4,470)	(83)	(298)	(111)
<b>Underwriting ratios:</b>					
Loss ratio	91.5	170.5	79.7	82.2	76.2
Expense ratio	24.4	30.0	22.0	24.3	26.3
Combined ratio	115.9	200.5	101.7	106.5	102.5
Combined ratio excluding significant current year catastrophe-related losses	104.2	198.8	100.8	101.3	98.1

(See Accompanying Notes on Page 20)

**American International Group, Inc.**  
**Chartis International - Operating Statistics by Business (7)**  
(dollars in millions)

**Commercial**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 2,436	\$ 1,225	\$ 1,483	\$ 1,496	\$ 2,308
Net premiums earned	1,652	1,619	1,603	1,674	1,587
Claims and claims adjustment expenses incurred	1,659	1,386	965	942	1,192
Underwriting expenses	591	767	539	564	534
Underwriting profit (loss)	(598)	(534)	99	168	(139)
<b>Underwriting ratios:</b>					
Loss ratio	100.4	85.6	60.2	56.2	75.2
Expense ratio	35.8	47.4	33.6	33.8	33.6
Combined ratio	136.2	133.0	93.8	90.0	108.8
Combined ratio excluding significant current year catastrophe-related losses	99.1	125.2	92.2	87.2	90.0

**Consumer**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 2,602	\$ 2,371	\$ 2,375	\$ 1,558	\$ 1,549
Net premiums earned	2,517	2,487	2,357	1,479	1,492
Claims and claims adjustment expenses incurred	1,994	1,504	1,403	864	793
Underwriting expenses	835	890	855	626	633
Underwriting profit (loss)	(312)	93	99	(11)	66
<b>Underwriting ratios:</b>					
Loss ratio	79.2	60.5	59.5	58.4	53.2
Expense ratio	33.2	35.7	36.3	42.3	42.4
Combined ratio	112.4	96.2	95.8	100.7	95.6
Combined ratio excluding significant current year catastrophe-related losses	90.3	96.2	95.8	99.5	95.5

**Corporate & Other**

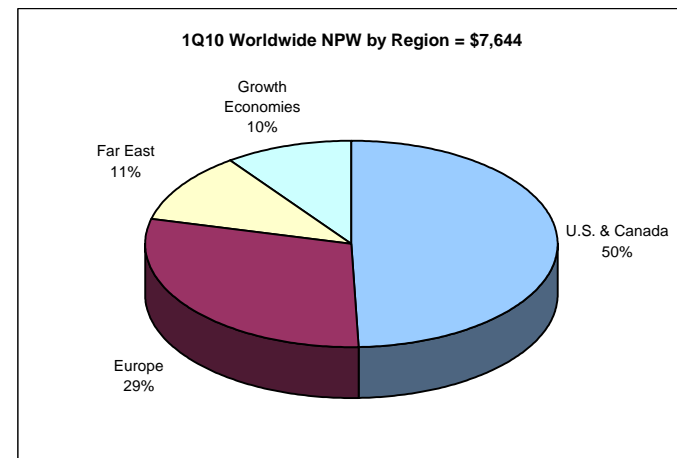
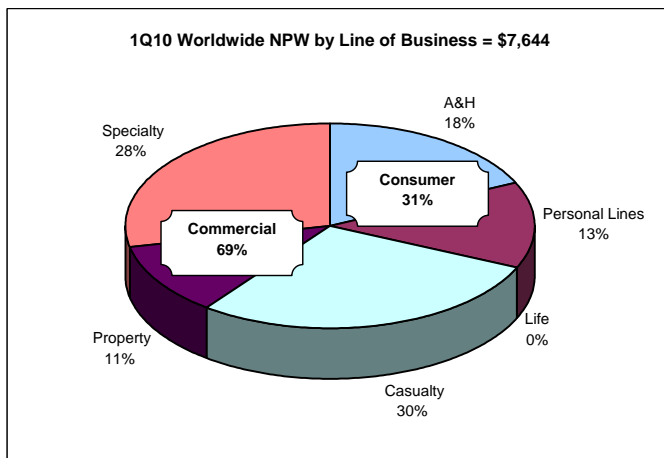
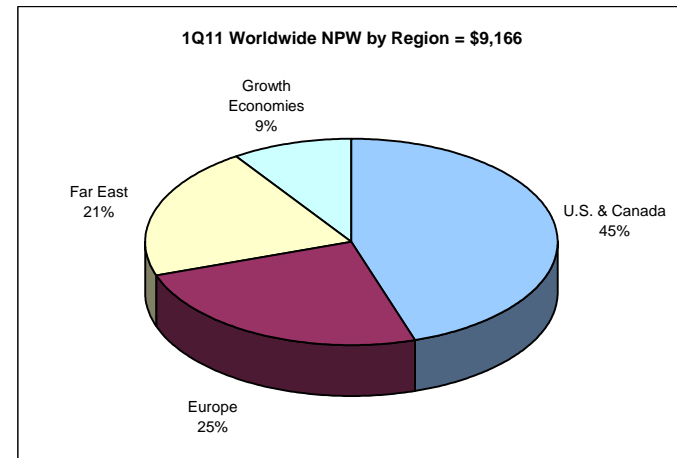
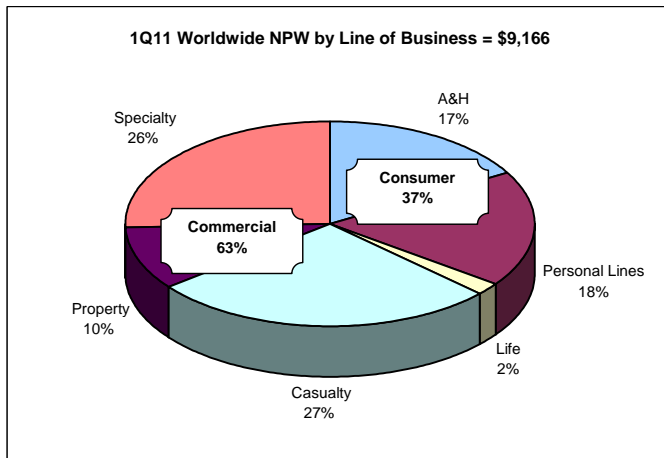
	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Claims and claims adjustment expenses incurred	\$ -	\$ 255	\$ 43	\$ 6	\$ -
Underwriting expenses	16	9	7	11	8
Underwriting profit (loss)	(16)	(264)	(50)	(17)	(8)

**Total**

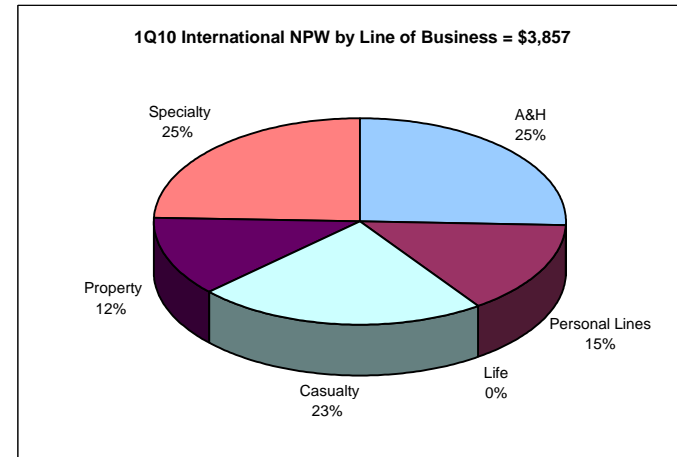
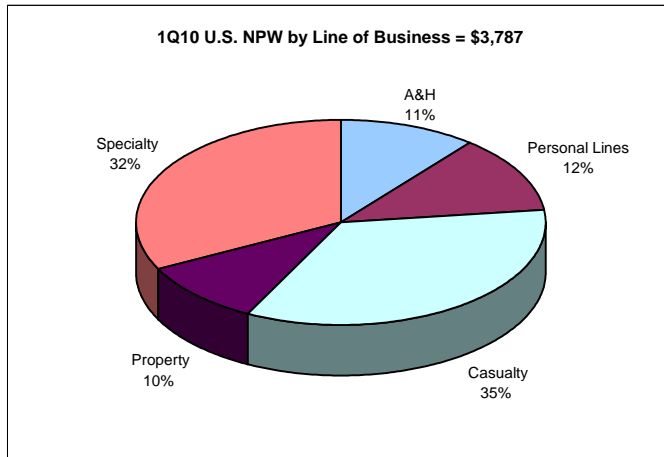
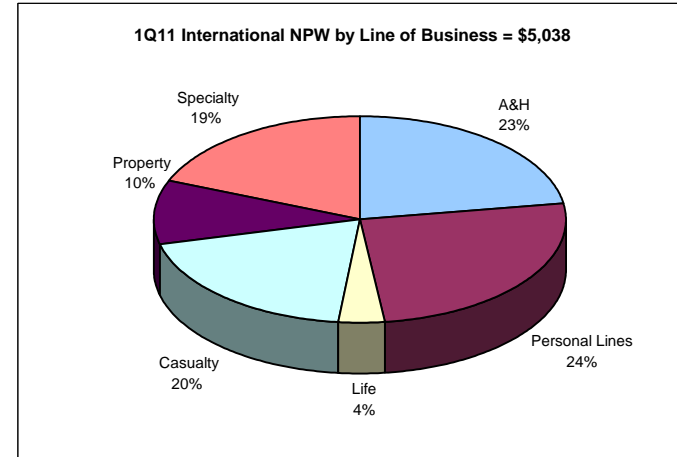
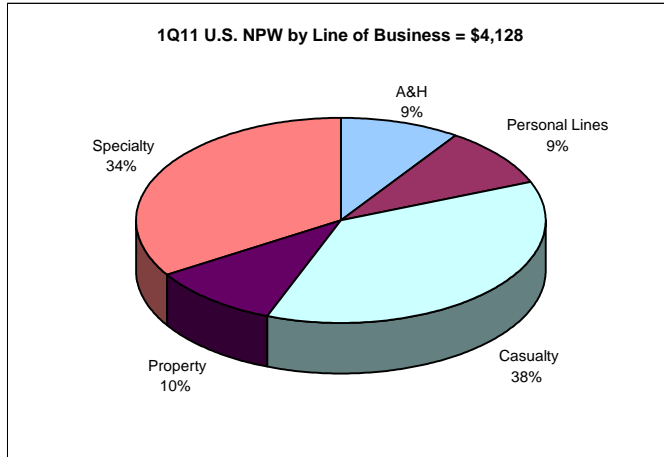
	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Net premiums written	\$ 5,038	\$ 3,596	\$ 3,858	\$ 3,054	\$ 3,857
Net premiums earned	4,169	4,106	3,960	3,153	3,079
Claims and claims adjustment expenses incurred	3,653	3,145	2,411	1,812	1,985
Underwriting expenses	1,442	1,666	1,401	1,201	1,175
Underwriting profit (loss)	(926)	(705)	148	140	(81)
<b>Underwriting ratios:</b>					
Loss ratio	87.6	76.6	60.9	57.5	64.5
Expense ratio	34.6	40.6	35.4	38.1	38.2
Combined ratio	122.2	117.2	96.3	95.6	102.7
Combined ratio excluding significant current year catastrophe-related losses	93.8	114.1	95.6	93.5	92.9

(See Accompanying Notes on Page 20)

**American International Group, Inc**  
**Chartis - Worldwide Net Premiums Written (NPW) by Line of Business & Region**  
(dollars in millions)



**American International Group, Inc**  
**Chartis - U.S. and International Net Premiums Written (NPW) by Line of Business**  
(dollars in millions)



**American International Group, Inc.**  
**Chartis**  
**Notes**

AIG's property and casualty operations are conducted through multiple line companies writing substantially all commercial and consumer lines both domestically and abroad and comprise the Chartis U.S. and the Chartis International operating segments.

- (1) Includes a bargain purchase gain of \$332 million related to the acquisition of Fuji on March 31, 2010. AIG retrospectively revised its results of operations for the three months ended March 31, 2010 when presenting comparative financial information containing that period. Chartis International began consolidating Fuji results in the third quarter of 2010.
- (2) Total Chartis and Chartis International include changes in future policy benefits for certain accident and health insurance contracts and Fuji life insurance.
- (3) Other investment income is comprised principally of real estate income, changes in market value associated with trading portfolios and income (loss) from equity method investments.
- (4) In May 2009, AIG completed the sale of its interest in the AIG Otemachi Building in Japan, including the lands and development rights. Approximately fifty percent of these interests were held by Chartis International subsidiaries with the remainder held by Asset Management and included in AIG's Other operations category. Although the transaction qualified as a legal sale, it did not qualify as a sale for U.S. GAAP purposes due to AIG's continued involvement as a lessee, primarily in the form of a lease deposit. As the leases expired in December 2010, and AIG vacated the building, the gain of approximately \$1.3 billion was recognized in AIG's earnings, of which \$669 million was included in the Chartis International results.
- (5) Computed using a constant exchange rate for each period.
- (6) Income statement accounts expressed in non-functional currencies are translated into U.S. dollars using average exchange rates.
- (7) Chartis manages its worldwide business in two major divisions, Commercial Insurance and Consumer Insurance, defined below:

Commercial Insurance – Primarily sells through brokerage to businesses. Major sub-lines include Property, Commercial Casualty, and Specialty (includes aviation, marine and energy, environmental, kidnap-ransom, export credit and political risk coverages).

Consumer Insurance – Primarily sells through agents to individual consumers or groups of consumers. Major sub-lines include Accident & Health, Personal lines, and Life insurance (through Fuji Life).

Major items retained in Corporate and Other include prior year loss development on Asbestos claims and service fees from AIG parent.

**American International Group, Inc.**  
**SunAmerica Financial Group Operating Statistics**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Premiums, deposits and other considerations (1)</b>	\$ 6,226	\$ 4,943	\$ 4,438	\$ 4,968	\$ 4,737
<b>Revenues:</b>					
Premiums	\$ 621	\$ 600	\$ 595	\$ 658	\$ 667
Policy Fees	684	732	673	657	648
Net investment income:					
Interest and dividends (2)	2,325	2,257	2,406	2,301	2,416
Call and tender income	34	140	111	107	60
Partnership income	413	378	137	213	235
Other	41	49	45	44	38
Investment expenses	(59)	(47)	(43)	(37)	(42)
Total net investment income	2,754	2,777	2,656	2,628	2,707
<b>Total revenues excluding net realized capital gains (losses)</b>	<b>4,059</b>	<b>4,109</b>	<b>3,924</b>	<b>3,943</b>	<b>4,022</b>
<b>Benefits and expenses:</b>					
Policyholder benefits and claims incurred	1,015	1,005	1,007	1,170	1,094
Interest credited	1,105	1,119	1,125	1,127	1,109
Amortization of deferred policy acquisition costs	340	366	286	355	268
Non deferrable commissions	120	123	112	112	120
General operating expenses	336	453	366	321	312
<b>Total benefits and expenses</b>	<b>2,916</b>	<b>3,066</b>	<b>2,896</b>	<b>3,085</b>	<b>2,903</b>
<b>Operating income excluding net realized capital gains (losses), goodwill impairment and related amortization of acquisition costs, VOBA and sales inducements</b>	<b>1,143</b>	<b>1,043</b>	<b>1,028</b>	<b>858</b>	<b>1,119</b>
Amortization (expense) benefit of deferred acquisition costs, VOBA and sales inducements related to net realized capital gains (losses)	17	(235)	(50)	196	4
Net realized capital gains (losses)	(220)	491	20	(966)	(796)
<b>Pre-tax income (loss)</b>	<b>\$ 940</b>	<b>\$ 1,299</b>	<b>\$ 998</b>	<b>\$ 88</b>	<b>\$ 327</b>
<b>Assets under management:</b>					
Total invested assets	\$ 181,795	\$ 179,099	\$ 179,488	\$ 173,879	\$ 169,383
Separate account reserves	56,464	54,427	50,905	46,904	51,948
Group retirement mutual funds	9,624	9,032	8,388	7,511	8,249
Retail mutual funds	6,059	5,975	5,832	5,521	5,951
<b>Total assets under management</b>	<b>\$ 253,942</b>	<b>\$ 248,533</b>	<b>\$ 244,613</b>	<b>\$ 233,815</b>	<b>\$ 235,531</b>
<b>Investment yield:</b>					
Base yield (3)	5.00 %	5.30 %	5.50 %	5.42 %	5.63 %
Partnerships (4)	0.62 %	0.49 %	(0.08) %	0.10 %	0.15 %
Other enhancements (5)	0.74 %	0.66 %	0.80 %	0.70 %	0.65 %
<b>Total</b>	<b>6.36 %</b>	<b>6.45 %</b>	<b>6.22 %</b>	<b>6.22 %</b>	<b>6.43 %</b>

(See Accompanying Notes on Page 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Life Insurance (American General) Operating Statistics**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Premiums, deposits and other considerations (1)</b>	\$ <b>1,187</b>	\$ <b>1,323</b>	\$ <b>1,148</b>	\$ <b>1,316</b>	\$ <b>1,323</b>
<b>Revenues:</b>					
Premiums	\$ 621	\$ 600	\$ 595	\$ 658	\$ 667
Policy Fees (6)	376	436	397	370	373
Net investment income					
Interest and dividends	977	975	1,017	983	985
Call and tender income	7	90	72	29	20
Partnership income (loss)	65	52	11	29	20
Other	27	28	26	29	28
Investment expenses	(29)	(21)	(21)	(20)	(19)
Total net investment income	1,047	1,124	1,105	1,050	1,034
<b>Total revenues excluding net realized capital gains (losses)</b>	<b>2,044</b>	<b>2,160</b>	<b>2,097</b>	<b>2,078</b>	<b>2,074</b>
<b>Benefits and expenses:</b>					
Policyholder benefits and claims incurred (6)	1,033	1,030	1,041	1,096	1,110
Interest Credited	210	212	212	209	210
Amortization of deferred policy acquisition costs (6)	131	256	211	161	156
Non deferrable commissions	68	75	68	65	74
General operating expenses	185	196	187	167	159
<b>Total benefits and expenses</b>	<b>1,627</b>	<b>1,769</b>	<b>1,719</b>	<b>1,698</b>	<b>1,709</b>
<b>Operating income excluding net realized capital gains (losses) and related amortization of acquisition costs, VOBA and sales inducements and divested operations</b>	<b>417</b>	<b>391</b>	<b>378</b>	<b>380</b>	<b>365</b>
Amortization (expense) benefit of deferred acquisition costs, VOBA and sales inducements related to net realized capital gains (losses)	3	(36)	(15)	4	2
Net realized capital gains (losses)	(82)	185	(20)	(100)	(140)
<b>Pre-tax income</b>	<b>\$ 338</b>	<b>\$ 540</b>	<b>\$ 343</b>	<b>\$ 284</b>	<b>\$ 227</b>
<b>Assets under management:</b>					
Total invested assets	\$ 65,059	\$ 64,684	\$ 65,704	\$ 63,553	\$ 61,799
Separate account reserves	5,688	5,623	5,300	5,125	5,309
<b>Total assets under management</b>	<b>\$ 70,747</b>	<b>\$ 70,307</b>	<b>\$ 71,004</b>	<b>\$ 68,678</b>	<b>\$ 67,108</b>

(See Accompanying Notes on Page 34)



**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Life Insurance (American General) Sales and Deposits**  
**(dollars in millions)**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Sales and Deposits (7)</b>					
Term	\$ 24	\$ 27	\$ 27	\$ 26	\$ 20
Universal Life	25	34	23	25	22
Variable Universal Life and Other	3	5	3	21	3
Single Premium and Unscheduled Deposits	3	4	4	7	2
<b>Total Life</b>	<b>55</b>	<b>70</b>	<b>57</b>	<b>79</b>	<b>47</b>
Group Life and Accident & Health Premiums	24	21	18	19	27
Deferred Annuities	140	256	97	161	180
Payout Annuities (8)	174	149	123	186	217
<b>Total</b>	<b>\$ 393</b>	<b>\$ 496</b>	<b>\$ 295</b>	<b>\$ 445</b>	<b>\$ 471</b>
<b>Individual life sales by distribution channel</b>					
Independent	\$ 36	\$ 49	\$ 38	\$ 58	\$ 29
Career	19	21	19	21	18
<b>Total</b>	<b>\$ 55</b>	<b>\$ 70</b>	<b>\$ 57</b>	<b>\$ 79</b>	<b>\$ 47</b>
<b>Surrender rates (9)</b>					
Independent distribution	5.6 %	5.6 %	6.0 %	6.0 %	7.2 %
Career distribution	7.3 %	7.9 %	7.5 %	7.3 %	7.8 %

(See Accompanying Notes on Page 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Life Insurance (American General) Other Data**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Premiums, deposits and other considerations (1):</b>					
Life insurance	\$ 679	\$ 725	\$ 736	\$ 776	\$ 732
Career distribution (AGLA)	213	208	208	211	213
Payout annuities	174	149	123	186	217
Individual fixed and runoff annuities	121	241	81	143	161
<b>Total premiums, deposits and other considerations</b>	<b>\$ 1,187</b>	<b>\$ 1,323</b>	<b>\$ 1,148</b>	<b>\$ 1,316</b>	<b>\$ 1,323</b>
<b>Insurance reserves:</b>					
Life insurance	\$ 25,046	\$ 24,962	\$ 24,766	\$ 24,560	\$ 24,551
Career distribution (AGLA)	7,618	7,612	7,559	7,563	7,557
Payout annuities	17,610	17,559	17,515	17,510	17,444
Individual fixed and runoff annuities	7,434	7,380	7,220	7,355	7,442
<b>Total insurance reserves</b>	<b>\$ 57,708</b>	<b>\$ 57,513</b>	<b>\$ 57,060</b>	<b>\$ 56,988</b>	<b>\$ 56,994</b>
<b>Insurance reserves:</b>					
Future policy benefits for life and accident & health insurance contracts	\$ 26,518	\$ 26,505	\$ 26,377	\$ 26,297	\$ 26,120
Policyholder contract deposits	23,952	23,831	23,857	24,040	24,018
Other policyholder funds	1,550	1,554	1,526	1,526	1,547
Separate account reserves	5,688	5,623	5,300	5,125	5,309
<b>Total insurance reserves</b>	<b>\$ 57,708</b>	<b>\$ 57,513</b>	<b>\$ 57,060</b>	<b>\$ 56,988</b>	<b>\$ 56,994</b>
<b>Gross life insurance in force (at period end):</b>					
Life insurance	\$ 835,181	\$ 839,065	\$ 841,235	\$ 844,817	\$ 847,679
Career distribution (AGLA)	70,563	69,852	68,910	68,250	67,346
<b>Gross life insurance in force (at period end)</b>	<b>\$ 905,744</b>	<b>\$ 908,917</b>	<b>\$ 910,145</b>	<b>\$ 913,067</b>	<b>\$ 915,025</b>
<b>Components of Net Investment Income:</b>					
Base investment income	\$ 870	\$ 920	\$ 932	\$ 916	\$ 912
Partnership income (loss)	65	52	11	29	20
Other enhancements	112	152	162	105	102
<b>Total net investment income</b>	<b>\$ 1,047</b>	<b>\$ 1,124</b>	<b>\$ 1,105</b>	<b>\$ 1,050</b>	<b>\$ 1,034</b>
<b>Investment yield:</b>					
Base yield (3)	5.87%	6.23%	6.36%	6.23%	6.23%
Partnerships (4)	0.27%	0.14%	(0.11)%	0.03%	(0.04)%
Other enhancements (5)	0.75%	1.02%	1.10%	0.71%	0.69%
<b>Total</b>	<b>6.89%</b>	<b>7.39%</b>	<b>7.35%</b>	<b>6.97%</b>	<b>6.88%</b>

(See Accompanying Notes on Page 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Retirement Services Operating Statistics**  
(dollars in millions)

Quarterly

	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Premiums, deposits and other considerations</b>	\$ 5,039	\$ 3,620	\$ 3,290	\$ 3,652	\$ 3,414
<b>Policy Fees and other income</b>	\$ 308	\$ 296	\$ 276	\$ 287	\$ 275
<b>Investment spread</b>					
Net investment income					
Interest and dividends	1,348	1,282	1,389	1,318	1,431
Call and tender income	27	50	39	78	40
Partnership income (10)	348	326	126	184	215
Other	14	21	19	15	10
Investment expenses	(30)	(26)	(22)	(17)	(23)
Total net investment income	1,707	1,653	1,551	1,578	1,673
Interest credited	895	907	913	918	899
<b>Net investment spread</b>	<b>812</b>	<b>746</b>	<b>638</b>	<b>660</b>	<b>774</b>
<b>Benefits and Expenses</b>					
Policyholder benefits and claims incurred (11)	(18)	(25)	(34)	74	(16)
Amortization of deferred policy acquisition costs	209	110	75	194	112
Non deferrable commissions	52	48	44	47	46
General operating expenses	151	257	179	154	153
Total benefits and expenses	<b>394</b>	<b>390</b>	<b>264</b>	<b>469</b>	<b>295</b>
<b>Operating income excluding net realized capital gains (losses) and goodwill impairment, related amortization of acquisition costs, VOBA and sales inducements</b>	<b>726</b>	<b>652</b>	<b>650</b>	<b>478</b>	<b>754</b>
Amortization (expense) benefit of deferred acquisition costs, VOBA and sales inducements related to net realized capital gains (losses)	14	(199)	(35)	192	2
Net realized capital gains (losses)	(138)	306	40	(866)	(656)
<b>Pre-tax income (loss)</b>	<b>\$ 602</b>	<b>\$ 759</b>	<b>\$ 655</b>	<b>\$ (196)</b>	<b>\$ 100</b>
<b>Assets under management:</b>					
Total invested assets (12)	\$ 116,736	\$ 114,415	\$ 113,784	\$ 110,326	\$ 107,584
Separate account reserves	50,776	48,804	45,605	41,779	46,639
Group retirement mutual funds	9,624	9,032	8,388	7,511	8,249
Retail mutual funds	6,059	5,975	5,832	5,521	5,951
<b>Total assets under management</b>	<b>\$ 183,195</b>	<b>\$ 178,226</b>	<b>\$ 173,609</b>	<b>\$ 165,137</b>	<b>\$ 168,423</b>

(See Accompanying Notes on Page 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Retirement Services Product Statistics**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Premiums, deposits and other considerations</b>					
Group retirement products (VALIC)	\$ 1,702	\$ 1,519	\$ 1,580	\$ 1,602	\$ 1,608
Individual fixed annuities (Western National)	2,151	1,084	896	1,277	1,153
Individual variable annuities (SunAmerica Retirement Markets)	759	663	556	496	357
Brokerage services and retail mutual funds	410	334	236	255	276
Other	17	20	22	22	20
<b>Total premiums, deposits and other considerations</b>	<b>\$ 5,039</b>	<b>\$ 3,620</b>	<b>\$ 3,290</b>	<b>\$ 3,652</b>	<b>\$ 3,414</b>
<b>Policy Fees and other income:</b>					
Group retirement products (VALIC)	\$ 107	\$ 103	\$ 96	\$ 96	\$ 95
Individual fixed annuities (Western National)	6	7	6	8	8
Individual variable annuities (SunAmerica Retirement Markets)	138	132	123	124	124
Brokerage services and retail mutual funds	55	50	48	54	46
Other	2	4	3	5	2
<b>Total fee and other income</b>	<b>\$ 308</b>	<b>\$ 296</b>	<b>\$ 276</b>	<b>\$ 287</b>	<b>\$ 275</b>
<b>Net investment income:</b>					
Group retirement products (VALIC)	\$ 589	\$ 562	\$ 524	\$ 531	\$ 566
Individual fixed annuities (Western National)	811	752	719	699	781
Individual variable annuities (SunAmerica Retirement Markets)	38	37	26	27	33
Brokerage services and retail mutual funds	1	1	1	-	1
Other	268	301	281	321	292
<b>Total net investment income</b>	<b>\$ 1,707</b>	<b>\$ 1,653</b>	<b>\$ 1,551</b>	<b>\$ 1,578</b>	<b>\$ 1,673</b>
<b>Operating income:</b>					
Group retirement products (VALIC)	\$ 205	\$ 231	\$ 212	\$ 202	\$ 270
Individual fixed annuities (Western National)	266	170	172	148	230
Individual variable annuities (SunAmerica Retirement Markets)	99	92	136	(70)	94
Brokerage services and retail mutual funds	8	(2)	(1)	5	(1)
Other	148	161	131	193	161
<b>Total operating income</b>	<b>\$ 726</b>	<b>\$ 652</b>	<b>\$ 650</b>	<b>\$ 478</b>	<b>\$ 754</b>

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Retirement Services**  
**Account Value Rollforward**  
**(dollars in millions)**

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Group retirement products (VALIC) (13)</b>					
Balance at beginning of period	\$ 68,365	\$ 65,782	\$ 62,216	\$ 64,869	\$ 63,419
Deposits - annuities (14)	1,291	1,178	1,232	1,273	1,254
Deposits - mutual funds (14)	411	341	348	329	354
Deposits - subtotal	1,702	1,519	1,580	1,602	1,608
Surrenders and other withdrawals	(1,503)	(1,820)	(1,411)	(1,740)	(1,676)
Death benefits	(83)	(92)	(74)	(78)	(73)
Net flows	116	(393)	95	(216)	(141)
Change in fair value of underlying investments, interest credited, net of fees	2,084	2,976	3,471	(2,437)	1,591
<b>Balance at end of period</b>	<b>70,565</b>	<b>68,365</b>	<b>65,782</b>	<b>62,216</b>	<b>64,869</b>
<b>Individual fixed annuities (Western National)</b>					
Balance at beginning of period	48,489	48,147	47,998	47,547	47,202
Deposits (14)	2,151	1,084	896	1,277	1,153
Surrenders and other withdrawals	(840)	(869)	(854)	(892)	(905)
Death benefits	(402)	(346)	(371)	(392)	(370)
Net flows	909	(131)	(329)	(7)	(122)
Change in fair value of underlying investments, interest credited, net of fees	456	473	478	458	467
<b>Balance at end of period</b>	<b>49,854</b>	<b>48,489</b>	<b>48,147</b>	<b>47,998</b>	<b>47,547</b>
<b>Individual variable annuities (SunAmerica Retirement Markets)</b>					
Balance at beginning of period	25,581	25,044	23,318	24,866	24,637
Deposits	759	663	556	496	357
Surrenders and other withdrawals	(838)	(754)	(610)	(687)	(674)
Death benefits	(110)	(110)	(101)	(106)	(120)
Net flows	(189)	(201)	(155)	(297)	(437)
Change in fair value of underlying investments, interest credited, net of fees	885	738	1,881	(1,251)	666
<b>Balance at end of period</b>	<b>26,277</b>	<b>25,581</b>	<b>25,044</b>	<b>23,318</b>	<b>24,866</b>
<b>Total</b>					
Balance at beginning of period, excluding runoff and GICs	142,435	138,973	133,532	137,282	135,258
Deposits	4,612	3,266	3,032	3,375	3,118
Surrenders and other withdrawals	(3,181)	(3,443)	(2,875)	(3,319)	(3,255)
Benefit and death payments	(595)	(548)	(546)	(576)	(563)
Net flows	836	(725)	(389)	(520)	(700)
Change in fair value of underlying investments, interest credited, net of fees	3,425	4,187	5,830	(3,230)	2,724
<b>Balance at end of period, excluding runoff and GICs</b>	<b>146,696</b>	<b>142,435</b>	<b>138,973</b>	<b>133,532</b>	<b>137,282</b>
Individual annuities runoff	4,386	4,430	4,486	4,526	4,579
GICs	7,823	8,486	8,478	8,361	8,427
<b>Balance at end of period</b>	<b>\$ 158,905</b>	<b>\$ 155,351</b>	<b>\$ 151,937</b>	<b>\$ 146,419</b>	<b>\$ 150,288</b>
<b>General and separate account reserves</b>					
Policyholder contract deposits	\$ 98,505	\$ 97,515	\$ 97,944	\$ 97,129	\$ 95,400
Separate account reserves	50,776	48,804	45,605	41,779	46,639
Total general and separate account reserves	149,281	146,319	143,549	138,908	142,039
Group retirement mutual funds off-balance sheet	9,624	9,032	8,388	7,511	8,249
<b>Total reserves and mutual funds</b>	<b>\$ 158,905</b>	<b>\$ 155,351</b>	<b>\$ 151,937</b>	<b>\$ 146,419</b>	<b>\$ 150,288</b>
<b>Surrender rates</b>					
Group retirement products (VALIC)	8.7 %	10.9 %	8.8 %	10.8 %	10.6 %
Individual fixed annuities (Western National)	6.9 %	7.2 %	7.1 %	7.5 %	7.7 %
Individual variable annuities (SunAmerica Retirement Markets)	13.0 %	12.2 %	10.6 %	11.6 %	11.2 %

(See Accompanying Notes on Page 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Retirement Services Spread Information**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Spread information</b>					
<b>Group retirement products (VALIC)</b>					
Base investment income	\$ 439	\$ 457	\$ 472	\$ 456	\$ 477
Partnerships	92	65	(2)	31	48
Other enhancements	58	40	54	44	41
<b>Total net investment income</b>	<b>\$ 589</b>	<b>\$ 562</b>	<b>\$ 524</b>	<b>\$ 531</b>	<b>\$ 566</b>
Base yield (3)	4.80 %	5.05 %	5.27 %	5.18 %	5.46 %
Partnerships (4)	0.72 %	0.47 %	(0.24)%	0.13 %	0.31 %
Other enhancements (5)	0.64 %	0.42 %	0.61 %	0.50 %	0.47 %
<b>Total</b>	<b>6.16 %</b>	<b>5.94 %</b>	<b>5.64 %</b>	<b>5.81 %</b>	<b>6.24 %</b>
Cost of funds (a)	3.66 %	3.83 %	3.86 %	3.83 %	3.82 %
Net spread rate, as reported (a)	2.50 %	2.11 %	1.78 %	1.98 %	2.42 %
Net spread rate excluding partnerships and other enhancements	1.14 %	1.22 %	1.41 %	1.35 %	1.64 %
<b>Individual fixed annuities (Western National)</b>					
Base investment income	\$ 576	\$ 596	\$ 622	\$ 584	\$ 619
Partnerships	131	103	8	35	71
Other enhancements	104	53	89	80	91
<b>Total net investment income</b>	<b>\$ 811</b>	<b>\$ 752</b>	<b>\$ 719</b>	<b>\$ 699</b>	<b>\$ 781</b>
Base yield (3)	4.53 %	4.79 %	5.03 %	4.79 %	5.10 %
Partnerships (4)	0.76 %	0.58 %	(0.18)%	0.04 %	0.30 %
Other enhancements (5)	0.83 %	0.43 %	0.72 %	0.66 %	0.76 %
<b>Total</b>	<b>6.12 %</b>	<b>5.80 %</b>	<b>5.57 %</b>	<b>5.49 %</b>	<b>6.16 %</b>
Cost of funds (a)	3.45 %	3.58 %	3.63 %	3.64 %	3.65 %
Net spread rate, as reported (a)	2.67 %	2.22 %	1.94 %	1.85 %	2.51 %
Net spread rate excluding partnerships and other enhancements	1.08 %	1.21 %	1.40 %	1.15 %	1.45 %

(a) Excludes the amortization of sales inducement assets

(See Accompanying Notes on Pages 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Retirement Services Spread Information (continued)**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Spread information</b>					
<b>Individual variable annuities (SunAmerica Retirement Markets)</b>					
Base investment income	\$ 26	\$ 27	\$ 24	\$ 22	\$ 22
Partnerships	10	10	2	4	9
Other enhancements	2	-	-	1	2
<b>Total net investment income</b>	<b>\$ 38</b>	<b>\$ 37</b>	<b>\$ 26</b>	<b>\$ 27</b>	<b>\$ 33</b>
Base yield (3)	4.60 %	4.84 %	4.73 %	4.99 %	5.05 %
Partnerships (4)	1.30 %	1.38 %	0.01 %	0.34 %	1.30 %
Other enhancements (5)	0.28 %	0.31 %	(0.28)%	0.33 %	0.45 %
<b>Total</b>	<b>6.18 %</b>	<b>6.53 %</b>	<b>4.46 %</b>	<b>5.66 %</b>	<b>6.80 %</b>
Cost of funds (a)	2.90 %	3.06 %	3.05 %	3.03 %	3.03 %
Net spread rate, as reported (a)	3.28 %	3.47 %	1.41 %	2.63 %	3.77 %
Net spread rate excluding partnerships and other enhancements	1.70 %	1.78 %	1.68 %	1.96 %	2.02 %

(a) Excludes the amortization of sales inducement assets.

(See Accompanying Notes on Page 34)

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Domestic Retirement Services - Group Retirement Products (VALIC)**  
**Guaranteed Benefits (f)**  
**(dollars in millions)**

	<b>March 31, 2011</b>		
	<b>Account Value</b>	<b>Net Amount at Risk ("NAR")</b>	<b>Retained NAR</b>
<b>Guaranteed Minimum Death Benefit ("GMDB") Type (including Earnings Enhancement Benefit) (a):</b>			
Return of premium (b)	\$ 3,791	\$ -	\$ -
Roll-up (c)	43,608	1,160	1,160
Return of premium (b) (Coinsurance - Japan)	-	263	263
	<u>47,399</u>	<u>1,423</u>	<u>1,423</u>
<b>Guaranteed Minimum Income Benefit Type:</b>			
No Roll-up (Coinsurance - Japan)	-	22	22
<b>Guaranteed Minimum Withdrawal Benefit ("GMWB") Type (d):</b>			
Lifetime guarantees (e)	1,981	40	40
Return of premium (b) (Coinsurance - Japan)	-	241	241
	<u>1,981</u>	<u>281</u>	<u>281</u>

- (a) A guaranteed minimum death benefit is an amount paid from a variable annuity at 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.
- (b) Premium deposited into the contract.
- (c) An amount equal to premiums deposited accumulated at a set interest rate.
- (d) A guaranteed minimum withdrawal benefit establishes an amount that can be taken as withdrawals which can be taken over a fixed period or for life, regardless of market performance, even if the account value drops to zero.
- (e) Amount is available over the life of the owner (and spouse, if elected).
- (f) SunAmerica uses hedging to mitigate risks related to guaranteed benefits in certain VALIC variable annuity contracts. VALIC variable annuities include a GMDB that is not reinsured as the base rollup benefit reverts to return of premium at attained age 70. GMWB liabilities are included in the company's dynamic hedging program. VALIC also reinsures certain guaranteed benefits (closed block) from ALICO Japan, a former affiliate. The guaranteed benefits in the coinsured business, which includes GMDB and either GMIB or GMWB are in scope for the SunAmerica dynamic hedging program.

VALIC's hedging program is focused on mitigating economic risk, not GAAP earnings risk. The program manages equity market risk (delta), interest rate risk (rho), volatility risk (vega and gamma) within specified levels. The hedge portfolio is regularly rebalanced to manage gamma and to maintain delta and rho neutrality and to maintain vega within exposure limits established by SunAmerica and AIG Enterprise Risk Management. Vega is not fully hedged due to potential adverse effects on statutory capital and the immaterial level of exposure.



**American International Group, Inc.**  
**Domestic Retirement Services - Individual Variable Annuities (SunAmerica Retirement Markets)**  
**Guaranteed Benefits (q)**  
(dollars in millions)

	March 31, 2011		
	Account Value	Net Amount at Risk ("NAR")	Retained NAR
<b>Guaranteed Minimum Death Benefit ("GMDB") Type (including Earnings Enhancement Benefit) (a):</b>			
Return of premium (b)	\$ 5,711	\$ 69	\$ 69
Reset (c)	619	-	-
Ratchet (d)	12,952	848	740
Roll-up (e)	4,823	745	713
Combination (f)	195	35	35
Return of premium, with earnings enhancement (g)	2	-	-
Ratchet, with earnings enhancement (h)	1,135	152	54
Roll-up, with earnings enhancement (i)	461	76	21
Combination with earnings enhancement (j)	39	13	13
	<u>\$ 25,937</u>	<u>\$ 1,938</u>	<u>\$ 1,645</u>
<b>Guaranteed Minimum Income Benefit ("GMIB") Type (k):</b>			
Roll-up (e)	\$ 377	\$ 70	\$ 28
No roll-up (l)	3,496	19	10
	<u>\$ 3,873</u>	<u>\$ 89</u>	<u>\$ 38</u>
<b>Guaranteed Minimum Account Value ("GMAV") Type (m):</b>			
Ten year waiting period	\$ 1,300	\$ 11	\$ 11
<b>Guaranteed Minimum Withdrawal Benefit ("GMWB") Type (n):</b>			
Minimum amount guarantees (o)	661	11	11
Lifetime guarantees (p)	9,683	582	582
	<u>\$ 10,344</u>	<u>\$ 593</u>	<u>\$ 593</u>

- (a) A guaranteed minimum death benefit is an amount paid from a variable annuity at 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.
- (b) Premium deposited into the contract.
- (c) An amount that is reset to the account value, if greater, at a specified contract anniversary.
- (d) An amount equal to the highest account value achieved on any contract anniversary.
- (e) An amount equal to premiums deposited accumulated at a set interest rate.
- (f) An amount equal to the greater of a ratchet or a roll-up.
- (g) A return of premium benefit which also pays a percent of the earnings in the contract, if any.
- (h) A ratchet benefit that also pays a percent of earnings in the contract, if any.
- (i) A roll-up benefit that also pays a percent of earnings in the contract, if any.
- (j) A combination benefit which also pays a percent of earnings in the contract, if any.
- (k) 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.
- (l) An amount based on premiums deposited or other set amount.
- (m) 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.
- (n) A guaranteed minimum withdrawal benefit establishes an amount that can be taken as withdrawals which can be taken over a fixed period or for life, regardless of market performance, even if the account value drops to zero.
- (o) Amount is available over a fixed period.
- (p) Amount is available over the life of the owner (and spouse, if elected).
- (q) SunAmerica uses reinsurance and hedging to mitigate risks related to guaranteed benefits in the individual variable annuity business 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 SunAmerica's dynamic hedging program.

**American International Group, Inc.**  
**Domestic Retirement Services - Individual Variable Annuities (SunAmerica Retirement Markets)**  
**Guaranteed Benefits (q) (continued)**  
(dollars in millions)

(q) continued from previous page

The hedging program is focused on mitigating economic risk, not GAAP earnings risk. The program manages equity market risk (delta), interest rate risk (rho), volatility risk (vega and gamma) within specified levels. The hedge portfolio is regularly rebalanced to manage gamma and to maintain delta neutrality and to maintain rho and vega within exposure limits established by SunAmerica and AIG Enterprise Risk Management. Rho and vega are not fully hedged due to potential adverse effects on statutory capital from the mismatch between fair value accounting for hedge assets and prescribed methods for calculating statutory reserves and capital.

**American International Group, Inc.**  
**Domestic Retirement Services - Individual Variable Annuities (SunAmerica Retirement Markets)**  
**Guaranteed Benefits (continued)**  
(dollars in millions)

	March 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	March 31, 2010
<b>Other Data</b>					
S&P 500 Index value	1,326	1,258	1,141	1,031	1,169
10 year US Treasury Yield	3.470%	3.294%	2.510%	2.931%	3.830%
CBOE SPX Volatility Index (VIX)	17.74	17.75	23.70	34.54	17.59
Total Account Value	\$ 26,277	\$ 25,581	\$ 25,044	\$ 23,318	\$ 24,866
Account value by benefit type:					
Guaranteed Minimum Death Benefits	25,937	25,154	23,735	21,962	24,264
Guaranteed Minimum Income Benefits	3,873	3,894	3,775	3,598	4,125
Guaranteed Minimum Account Value	1,300	1,324	1,299	1,239	1,426
Guaranteed Minimum Withdrawal Benefits	10,344	9,560	8,598	7,554	7,983
Net amount at risk:					
Guaranteed Minimum Death Benefits	1,938	2,416	3,473	5,053	3,467
Guaranteed Minimum Income Benefits	89	179	230	198	122
Guaranteed Minimum Account Value	11	16	31	65	31
Guaranteed Minimum Withdrawal Benefits	593	749	1,085	1,598	981
Retained net amount at risk:					
Guaranteed Minimum Death Benefits	1,645	2,040	2,916	4,237	2,892
Guaranteed Minimum Income Benefits	38	79	96	77	53
Guaranteed Minimum Account Value	11	16	31	65	31
Guaranteed Minimum Withdrawal Benefits	593	749	1,085	1,598	981
Liability for guaranteed benefits (GMDB & GMIB)	\$ 352	\$ 376	395	\$ 451	\$ 393

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Notes**

SunAmerica Financial Group (SunAmerica) offers a comprehensive suite of products and services to individuals and groups including term life, universal life, accident and health, fixed and variable deferred annuities, fixed payout annuities, mutual funds and financial planning. SunAmerica offers its products and services through a diverse, multi-channel distribution network that includes banks, national, regional and independent broker-dealers, affiliated financial advisors, independent marketing organizations, independent and career insurance agents, structured settlement brokers, benefit consultants and direct-to-consumer platforms. These operations were previously known as AIG Domestic Life and Retirement Services and were renamed SunAmerica in 2009.

The SunAmerica segment has two operating segments: *Domestic Life*, which focuses on mortality-and-morbidity-based protection products, and *Domestic Retirement Services*, which focuses on investment, retirement savings and income solutions. SunAmerica's Domestic Life operations are conducted through the American General business unit. SunAmerica's Domestic Retirement Services operations consist of VALIC, Western National, SunAmerica Retirement Markets, and Brokerage Services and Retail Mutual Funds.

- (1) Premiums, deposits and other considerations is a non-GAAP measure which consists of life insurance premiums, deposits on annuity contracts and mutual funds.
- (2) Interest and dividends include gains (losses) related to AIG's economic retained interest in Maiden Lane II as follows:

(in millions)	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Domestic Life Insurance					
Fair value gain	\$ 76	\$ 21	\$ 46	\$ 36	\$ 48
Capitalized interest	3	3	3	2	3
Total	\$ 79	\$ 24	\$ 49	\$ 38	\$ 51
Domestic Retirement Services					
Fair value gain	\$ 166	\$ 47	\$ 102	\$ 76	\$ 103
Capitalized interest	6	6	6	6	5
Total	\$ 172	\$ 53	\$ 108	\$ 82	\$ 108
Total SunAmerica					
Fair value gain (loss)	\$ 242	\$ 68	\$ 148	\$ 112	\$ 151
Capitalized interest	9	9	9	8	8
Total ML II income (loss) included in interest and dividends	\$ 251	\$ 77	\$ 157	\$ 120	\$ 159

- (3) Includes the investment return on surplus other than partnership or yield enhancement activities. Quarterly results are annualized.
- (4) Includes incremental effect to base yield of investments in hedge funds and private equity funds. Quarterly results are annualized.
- (5) Includes incremental effect to base yield of gains on Maiden Lane II and income from calls and prepayment fees. Quarterly results are annualized.
- (6) The three months ended December 31, 2010 include the unlocking of certain assumptions on universal life and deferred annuity business, which resulted in a \$58 million increase to fee income, a decrease of \$21 million in policyholder benefits and claims incurred and an \$86 million increase in amortization of deferred policy acquisition costs. The three months ended September 30, 2010 include a one-time increase of approximately \$24 million which resulted from the completion of a conversion of certain blocks of business to a new valuation system. This increase is almost entirely offset within amortization of deferred policy acquisition costs.

**American International Group, Inc.**  
**SunAmerica Financial Group**  
**Notes**  
**(Continued)**

- (7) Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10% of unscheduled and single premiums from new and existing policyholders. Sales of group accident and health insurance represent annualized first-year premium from new policies. Annuity sales represent deposits from new and existing customers.
- (8) Includes structured settlements, single premium immediate annuities and terminal funding annuities.
- (9) Surrender rates are reported on a 90 day lag basis to include grace period processing. Independent distribution are face amounts surrendered and career distribution measures annual premiums surrendered.
- (10) Includes Affordable Housing Partnership Income as follows:

Quarterly					
(in millions)	1Q11	4Q10	3Q10	2Q10	1Q10
Affordable Housing Partnership Income	\$ 53	\$ 45	\$ 53	\$ 23	\$ 20

- (11) Policyholder benefits and claims incurred is negative in the three months ended March 31, 2011, December 31, 2010, September 30, 2010 and March 31, 2010 due to reductions in SOP 03-01 reserves (primarily guaranteed minimum death benefits) resulting from positive equity markets.
- (12) Includes invested assets of runoff blocks as follows:

Quarterly					
(in millions)	1Q11	4Q10	3Q10	2Q10	1Q10
Total Invested Assets	\$ 15,906	\$ 16,289	\$ 16,091	\$ 15,134	\$ 15,049

- (13) Includes group retirement annuities and group mutual funds. The balances at the beginning and end of the period for Group Mutual Funds are as follows:

Quarterly					
(in millions)	1Q11	4Q10	3Q10	2Q10	1Q10
Beginning Balance	\$ 9,032	\$ 8,388	\$ 7,511	\$ 8,249	\$ 8,075
Ending Balance	\$ 9,624	\$ 9,032	\$ 8,388	\$ 7,511	\$ 8,249

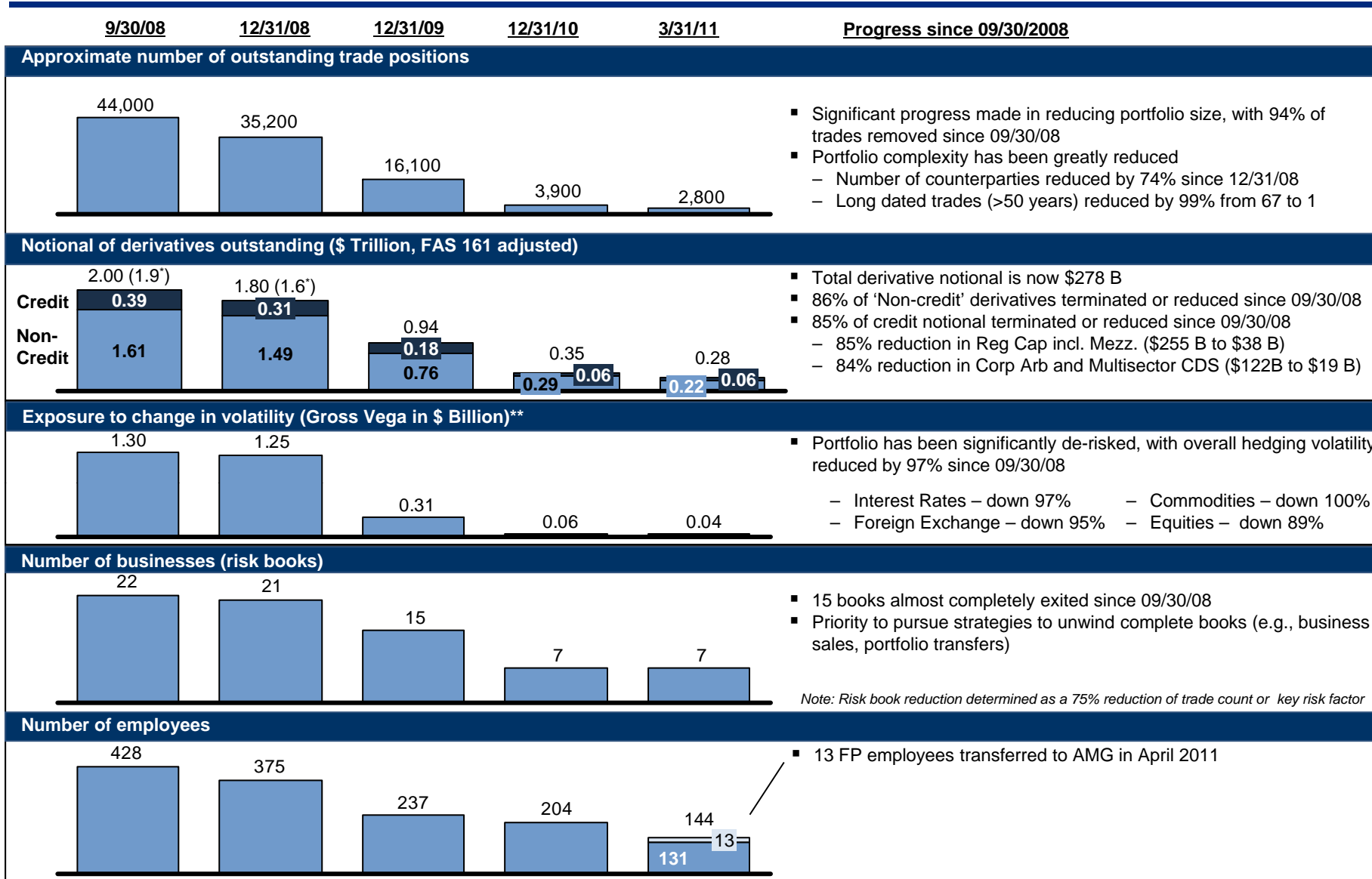
- (14) Excludes internal replacements from one contract into a new contract. If included, deposits and surrenders for group retirement products and individual fixed annuities would increase.

**American International Group, Inc.**  
**Financial Services Operating Statistics (1)**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Revenues:</b>					
Aircraft Leasing	\$ 1,156	\$ 1,140	\$ 1,186	\$ 1,180	\$ 1,243
Capital Markets :					
Excluding unrealized market valuation gains (losses), credit valuation adjustment	19	33	145	(86)	37
Unrealized market valuation gains (losses) (2)	323	166	152	161	119
Credit valuation adjustments on derivatives	28	179	(63)	(138)	(178)
Subtotal	370	378	234	(63)	(22)
Other, including intercompany adjustments	36	179	99	86	100
Total revenues excluding net realized capital gains (losses)	1,562	1,697	1,519	1,203	1,321
Net realized capital gains (losses) (3)	6	(43)	(8)	(1)	(31)
<b>Total revenues</b>	<b>\$ 1,568</b>	<b>\$ 1,654</b>	<b>\$ 1,511</b>	<b>\$ 1,202</b>	<b>\$ 1,290</b>
<b>Pre-tax income (loss):</b>					
Aircraft Leasing (4)	\$ 117	\$ (606)	\$ (218)	\$ 182	\$ (56)
Capital Markets :					
Excluding unrealized market valuation gains (losses), credit valuation adjustment	(74)	(53)	59	(168)	(27)
Unrealized market valuation gains (losses) (2)	323	166	152	161	119
Credit valuation adjustment on derivatives	28	179	(63)	(138)	(178)
Subtotal	277	292	148	(145)	(86)
Other, including intercompany adjustments	(75)	(12)	(11)	(12)	(29)
<b>Total pre-tax income (loss) excluding net realized capital gains (losses)</b>	<b>319</b>	<b>(326)</b>	<b>(81)</b>	<b>25</b>	<b>(171)</b>
Net realized capital gains (losses) (3)	6	(43)	(8)	(1)	(31)
<b>Total pre-tax income (loss)</b>	<b>\$ 325</b>	<b>\$ (369)</b>	<b>\$ (89)</b>	<b>\$ 24</b>	<b>\$ (202)</b>

(See Accompanying Notes on Page 39)

# AIG FP Unwind Progress



\* Unadjusted for FAS 161

\*\* The Gross Vega is calculated as the sum of all the individual positions' absolute vega as if each position is not hedged

**American International Group Inc.**  
**AIGFP - Notional Amount of AIGFP Derivatives**  
(in millions)

**Notional Amount of Derivatives - not designated as hedging instruments**

	March 31 2011	Dec. 31 2010	Sep. 30 2010	Jun. 30 2010	Mar. 31 2010	Dec. 31 2009	Sep. 30 2009
<b>Assets:</b>							
Interest rate contracts	\$ 107,270	\$ 143,215	\$ 186,882	\$ 235,842	\$ 287,278	\$ 356,739	\$ 434,337
Foreign exchange contracts	1,948	2,447	4,410	4,025	3,951	10,359	9,087
Equity contracts	1,812	1,914	2,464	3,209	5,123	5,832	7,717
Commodity contracts	932	944	189	254	292	769	12,357
Credit contracts	1,312	1,236	1,261	1,183	1,378	2,509	3,334
Other contracts	22,449	23,501	27,415	28,473	28,230	33,399	33,714
<b>Total</b>	<b>\$ 135,723</b>	<b>\$ 173,257</b>	<b>\$ 222,621</b>	<b>\$ 272,986</b>	<b>\$ 326,252</b>	<b>\$ 409,607</b>	<b>\$ 500,546</b>
<b>Liabilities:</b>							
Interest rate contracts	\$ 76,484	\$ 108,729	\$ 177,826	\$ 216,872	\$ 264,515	\$ 310,970	\$ 398,697
Foreign exchange contracts	2,940	4,016	6,281	6,895	8,789	8,501	11,187
Equity contracts	1,303	1,503	2,096	4,672	5,953	7,619	9,951
Commodity contracts	764	771	225	149	113	384	12,489
Credit contracts	58,593	61,584	90,893	92,622	139,722	187,114	210,362
Other contracts	825	809	2,122	2,112	2,325	1,151	1,172
<b>Total</b>	<b>\$ 140,909</b>	<b>\$ 177,412</b>	<b>\$ 279,443</b>	<b>\$ 323,322</b>	<b>\$ 421,417</b>	<b>\$ 515,739</b>	<b>\$ 643,858</b>

**Notional Amount Derivatives - designated as hedging instruments**

	March 31 2011	Dec. 31 2010	Sep. 30 2010	Jun. 30 2010	Mar. 31 2010	Dec. 31 2009	Sep. 30 2009
<b>Assets - Interest Rate Contracts</b>	<b>\$ 1,271</b>	<b>\$ 1,471</b>	<b>\$ 3,071</b>	<b>\$ 3,377</b>	<b>\$ 6,114</b>	<b>\$ 11,780</b>	<b>\$ 12,294</b>
<b>Liabilities - Interest Rate Contracts</b>	<b>\$ 583</b>	<b>\$ 626</b>	<b>\$ 656</b>	<b>\$ 2,719</b>	<b>\$ 1,578</b>	<b>\$ 3,622</b>	<b>\$ 3,353</b>
<b>Total Derivatives Notional Amount</b>	<b>\$ 278,486</b>	<b>\$ 352,766</b>	<b>\$ 505,791</b>	<b>\$ 602,404</b>	<b>\$ 755,361</b>	<b>\$ 940,748</b>	<b>\$ 1,160,051</b>



**American International Group, Inc.**  
**Financial Services**  
**Notes**

- (1) AIG's Financial Services businesses engage in commercial aircraft leasing through International Lease Finance Corporation (ILFC) and the management of the run off of the Capital Markets remaining derivatives portfolios through AIG Financial Products Corp. and AIG Trading Group Inc. and their respective subsidiaries (collectively, AIGFP).
- (2) Represents unrealized market valuation gains (losses) on Capital Markets' super senior credit default swap portfolio.
- (3) Net realized capital gains (losses) are as follows:

Quarterly					
(in millions)	1Q11	4Q10	3Q10	2Q10	1Q10
Aircraft Leasing	\$ 3	\$ (1)	\$ 4	\$ (9)	\$ (25)
Other	3	(42)	(12)	8	(6)
Total	\$ 6	\$ (43)	\$ (8)	\$ (1)	\$ (31)

These amounts result primarily from the effect of hedging activities that did not qualify for hedge accounting, including the related foreign exchange gains and losses.

- (4) ILFC aircraft impairment and operating lease related charges on aircraft are as follows:

Quarterly					
(in millions)	1Q11	4Q10	3Q10	2Q10	1Q10
Asset impairment and operating lease related charges on aircraft	\$ 113	\$ 742	\$ 465	\$ 66	\$ 431

**American International Group, Inc.**  
**Other Operations**  
(in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Parent &amp; Other before net realized capital gains (losses):</b>					
Intercompany interest income, net	\$ 10	\$ 22	\$ 92	\$ 144	\$ 154
Interest expense on FRBNY Credit Facility (1) (2)	(72)	(1,200)	(1,319)	(755)	(833)
Other interest expense	(427)	(452)	(461)	(484)	(475)
Unallocated corporate expenses	(68)	(389)	(352)	(761)	(180)
Change in the fair value of MetLife securities prior to the sale	(157)	665	-	-	-
Change in fair value of AIA Securities	1,062	(638)	-	-	-
Loss on extinguishment of debt (1)	(3,313)	(104)	-	-	-
Net gain (loss) on sale of divested businesses (3)	(72)	16,340	4	198	(76)
Other miscellaneous, net	17	62	3	10	27
Total Parent & Other	(3,020)	14,306	(2,033)	(1,648)	(1,383)
<b>Noncore businesses before net realized capital gains (losses) :</b>					
Mortgage Guaranty	13	154	(124)	226	73
Asset Management:					
Direct Investment Business (4)	488	1,102	(1)	307	15
Institutional Asset Management	2	(44)	(26)	1	(21)
Divested businesses (3)	6	297	529	625	603
Change in fair value of ML III	744	382	301	358	751
Total Other businesses	1,253	1,891	679	1,517	1,421
<b>Subtotal Other operations - net</b>	<b>(1,767)</b>	<b>16,197</b>	<b>(1,354)</b>	<b>(131)</b>	<b>38</b>
<b>Other net realized capital gains (losses)</b>	<b>(438)</b>	<b>861</b>	<b>(461)</b>	<b>395</b>	<b>165</b>
<b>Total Other operations - net</b>	<b>\$ (2,205)</b>	<b>\$ 17,058</b>	<b>\$ (1,815)</b>	<b>\$ 264</b>	<b>\$ 203</b>
<b>Consolidation and elimination adjustments:</b>					
<b>Before net realized capital gains (losses)</b>					
Non-qualifying derivative hedging activities (5)	\$ (108)	\$ 76	\$ 186	\$ (153)	\$ (168)
Income from consolidated managed partnerships & funds (6)	20	58	(18)	(45)	16
All other	110	(327)	184	283	(74)
Subtotal	22	(193)	352	85	(226)
<b>Net realized capital gains (losses)</b>					
Reclassification of non-qualifying derivative hedging activities to other (7)	53	16	(341)	(215)	152
All other eliminations	(99)	19	336	242	39
Subtotal	(46)	35	(5)	27	191
<b>Total consolidation and elimination adjustments</b>	<b>\$ (24)</b>	<b>\$ (158)</b>	<b>\$ 347</b>	<b>\$ 112</b>	<b>\$ (35)</b>

(See Accompanying Notes on Page 41)

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

- (1) The prepaid commitment fee asset related to the FRBNY Credit Facility was amortized as interest expense ratably over the five-year term of the agreement, accelerated for actual pay-downs that reduced the total credit available. In the first quarter of 2011, following the repayment and termination of the FRBNY Credit Facility, a \$3.3 billion charge, primarily consisting of accelerated amortization of the prepaid commitment fee, asset was recorded.
- (2) Includes interest expense of \$2 million, \$19 million and \$18 million for the three months ended March 31, 2011 and 2010 and December 31, 2010, respectively, allocated to discontinued operations in consolidation.
- (3) Divested businesses include the historical results of divested businesses that did not meet the criteria for discontinued operations accounting as well as certain non-core businesses currently in run-off. Includes the results of AIA in 2010 as well as American International Reinsurance Company, Ltd..
- (4) Direct Investment Business operating results before net realized gains (losses) in the fourth quarter of 2010 includes \$620 million in income related to AIG Global Real Estate's proportional share of the gain on the sale of the Otemachi building in Japan.
- (5) Represents the elimination of revenues reported in the Financial Services segment from intercompany hedging activities and the reclassification of the related foreign exchange rates on economically hedged exposures.
- (6) Includes the income from certain consolidated partnerships, private equity and real estate funds and is offset in noncontrolling interest expense, which is not a component of operating income.
- (7) Represents the elimination of intercompany net realized capital gains (losses) resulting from intercompany hedging activities and the reclassification of the related foreign exchange rates on economically hedged exposures.

**American International Group, Inc.**  
**Condensed Balance Sheet — Parent Company Only**

<i>(in millions)(unaudited)</i>	<b>March 31, 2011</b>	<b>December 31, 2010</b>
<b>Assets:</b>		
Short term investments	\$ 6,685	\$ 5,602
Other investments (1)	8,532	5,852
Total investments	15,217	11,454
Cash	42	49
Loans to subsidiaries* (2)	43,167	61,630
Due from affiliates - net*	683	380
Current and deferred income taxes (3)	4,355	3,957
Debt issuance costs, including prepaid commitment asset of \$3,628 in 2010 (4)	186	3,838
Investments in consolidated subsidiaries*	86,771	93,511
Other assets (5)	1,566	3,515
<b>Total assets</b>	<b>\$ 151,987</b>	<b>\$ 178,334</b>
<b>Liabilities:</b>		
Intercompany tax payable* (3)	\$ 9,615	\$ 28,083
Federal Reserve Bank of New York credit facility	-	20,985
Parent Company long term debt	23,804	24,953
AIG MIP matched notes and bonds payable	11,495	11,318
Series AIGFP matched notes and bonds payable	3,693	3,703
Loans payable	469	469
Loans from subsidiaries*	14,400	1
Other liabilities (includes intercompany derivative liabilities of \$173 in 2011 and \$150 in 2010) (6)	3,485	3,503
<b>Total liabilities</b>	<b>66,961</b>	<b>93,015</b>
<b>Shareholders' equity:</b>		
Preferred stock (7)	-	71,983
Common stock	4,508	368
Treasury stock	(873)	(873)
Additional paid-in capital	77,697	9,683
Accumulated deficit	(3,202)	(3,466)
Accumulated other comprehensive income	6,896	7,624
<b>Total AIG shareholders' equity</b>	<b>85,026</b>	<b>85,319</b>
<b>Total liabilities and equity</b>	<b>\$ 151,987</b>	<b>\$ 178,334</b>

\* Eliminated in consolidation.

(See accompanying Notes on Page 43)

**American International Group, Inc.**  
**Consolidated Balance Sheet – Parent Company Only**  
**Notes**

- (1) Primarily represents MIP's investments of \$4.8 billion in bonds, \$582 million in mortgage loans, and bank loan portfolios. Also includes \$1.5 billion of intercompany derivative assets and a third party note receivable.
- (2) Represents AIG parent's loan to Capital Markets (mostly through AIG Funding) and other subsidiaries, primarily Financial Services subsidiaries.
- (3) The consolidated U.S. members deferred tax asset for net operating loss and tax credit carryforwards and valuation allowance are maintained at AIG parent and are not allocated to the subsidiaries. As the consolidated net operating losses and other tax attribute carryforwards are utilized, the intercompany tax balance will be settled with the subsidiaries.

	March 31, 2011				December 31, 2010			
	AIG Parent	Intercompany	Valuation Allowance	Total	AIG Parent	Intercompany	Valuation Allowance	Total
<i>(dollars in millions)</i>								
<b>Current and deferred income taxes</b>								
Current - U.S. Consolidated Receivable from the IRS	\$ 409	\$ (561)	\$ -	\$ (152)	\$ 400	\$ (378)	\$ -	\$ 22
Deferred Tax Asset / Liability	16,116	12,892	(24,501)	4,507	4,247	23,559	(23,871)	3,935
<b>Total</b>	16,525	12,331	(24,501)	4,355	4,647	23,181	(23,871)	3,957
<b>Intercompany tax payable</b>								
Current - Intercompany Tax Payable	\$ -	\$ (9,615)	\$ -	\$ (9,615)	\$ -	\$ (28,083)	\$ -	\$ (28,083)

- (4) See Note (1) on page 41.
- (5) Primarily represents restricted cash of \$290 million, escrow funds of \$338 million related to workers' compensation and a \$198 million tax escrow related to insurance subsidiaries operating in New York.
- (6) Primarily consists of intercompany derivative liabilities and accrued liabilities.
- (7) Preferred shares were exchanged for common shares in the first quarter of 2011 in connection with the Recapitalization.

**American International Group, Inc.**  
**Condensed Statement of Income (Loss) — Parent Company Only**

(in millions)(unaudited)	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
Income					
Equity in undistributed net income (loss) of consolidated subsidiaries *	\$ (1,280)	\$ 18,826	\$ (1,688)	\$ (2,170)	1,242
Interest income	268	718	840	835	856
Dividend income from consolidated subsidiaries*	4,294	624	523	393	290
Net realized capital gains (losses)	(269)	193	(629)	104	123
Other revenues	42	5	-	(1)	2
Expenses					
Interest expense on FRBNY Credit Facility	72	1,200	1,319	755	833
Other interest expense	751	544	513	615	607
Loss on extinguishment of debt	3,313	104	-	-	-
Other expenses, net	47	384	417	708	155
Income (loss) from continuing operations before income tax expense (benefit)	(1,128)	18,134	(3,203)	(2,917)	918
Income tax expense (benefit)	(266)	6,973	(703)	(261)	(865)
Income (loss) from discontinued operations	1,131	15	(17)	-	-
Net income (loss)	\$ 269	\$ 11,176	\$ (2,517)	\$ (2,656)	1,783

\* Eliminated in consolidation.

Certain prior period amounts have been reclassified to conform to the current period presentation.

**American International Group, Inc.**  
**Condensed Statement of Cash Flows — Parent Company Only**

(in millions)(unaudited)	Three Months Ended March 31,	
	2011	2010
Net cash (used in) provided by operating activities	\$ (5,419)	\$ (83)
Cash flows from investing activities:		
Sale of investments	2,090	201
Maturities of investments	-	5
Sale of divested businesses	1,075	262
Purchase of investments	(1)	(43)
Change in short-term investments	929	254
Contributions to subsidiaries - net	(19,020)	(2,171)
Mortgage and other loan receivables - originations and purchases	(2)	(38)
Payments received on mortgages and other loan receivables	65	284
Loans to subsidiaries - net	884	(881)
Other, net	58	(433)
Net cash (used in) provided by investing activities	(13,922)	(2,560)
Cash flows from financing activities:		
Federal Reserve Bank of New York Credit Facility borrowings	-	8,300
Federal Reserve Bank of New York Credit Facility repayments	(14,622)	(4,520)
Issuance of common stock	723	-
Repayment on other long-term debt	(1,458)	(1,398)
Drawdown on the Department of the Treasury Commitment (Series F)	20,292	2,199
Loans from subsidiaries - net	14,399	(1,635)
Net cash (used in) provided by financing activities	19,334	2,946
Change in cash	(7)	303
Cash at beginning of year	49	57
Cash at end of period	\$ 42	\$ 360

**American International Group, Inc.**  
**Net Realized Capital Gains (Losses)**  
(dollars in millions)

	Quarterly				
	1Q11	4Q10	3Q10	2Q10	1Q10
<b>Chartis</b>					
Bonds available for sale	\$ 90	\$ 94	\$ 86	\$ 32	\$ 169
Stocks available for sale	84	60	54	16	87
Other transactions	(76)	5	(19)	(17)	37
Other than temporary impairment charges:					
Severity	(7)	(8)	(1)	(2)	(20)
Change in intent	-	(76)	(312)	-	(1)
Foreign currency declines	(2)	(2)	(12)	-	(2)
Issuer-specific credit events	(11)	(12)	(12)	(39)	(79)
Adverse projected cash flows on structured securities	-	-	-	-	-
Total other than temporary impairment charges	(20)	(98)	(337)	(41)	(102)
Foreign exchange transactions	(6)	(47)	(23)	32	(19)
Derivative instruments	(25)	(51)	32	36	(35)
<b>Total pre-tax realized gains (losses)</b>	<b>\$ 47</b>	<b>\$ (37)</b>	<b>\$ (207)</b>	<b>\$ 58</b>	<b>\$ 137</b>
<b>SunAmerica Financial Group</b>					
Bonds available for sale	\$ 30	\$ 321	\$ 690	\$ 49	\$ 136
Stocks available for sale	19	29	25	17	11
Other transactions	10	(30)	(52)	(102)	(46)
Other than temporary impairment charges:					
Severity	(1)	(1)	(4)	-	(8)
Change in intent	(4)	(4)	(15)	(9)	(7)
Foreign currency declines	-	-	-	-	-
Issuer-specific credit events	(203)	(517)	(337)	(404)	(648)
Adverse projected cash flows on structured securities	(13)	(3)	(1)	-	-
Total other than temporary impairment charges	(221)	(525)	(357)	(413)	(663)
Foreign exchange transactions	(70)	(28)	(129)	72	114
Derivative instruments	12	724	(157)	(589)	(348)
<b>Total pre-tax realized gains (losses)</b>	<b>\$ (220)</b>	<b>\$ 491</b>	<b>\$ 20</b>	<b>\$ (966)</b>	<b>\$ (796)</b>
<b>Financial Services</b>					
Bonds available for sale	\$ -	\$ (28)	\$ (1)	\$ -	\$ -
Stocks available for sale	-	-	-	-	-
Other transactions	-	(22)	1	1	1
Other than temporary impairment charges:					
Severity	-	-	-	-	-
Change in intent	-	-	-	-	-
Foreign currency declines	-	-	-	-	-
Issuer-specific credit events	(1)	-	(9)	-	-
Adverse projected cash flows on structured securities	-	-	-	-	-
Total other than temporary impairment charges	(1)	-	(9)	-	-
Foreign exchange transactions	4	1	6	(7)	1
Derivative instruments	3	6	(5)	5	(33)
<b>Total pre-tax realized (losses)</b>	<b>\$ 6</b>	<b>\$ (43)</b>	<b>\$ (8)</b>	<b>\$ (1)</b>	<b>\$ (31)</b>
<b>Other Operations *</b>					
Bonds available for sale	\$ 13	\$ 153	\$ 58	\$ 53	\$ 34
Stocks available for sale	-	232	62	32	100
Other transactions	9	56	(60)	52	(143)
Other than temporary impairment charges:					
Severity	-	(10)	-	(16)	(3)
Change in intent	-	-	(13)	(4)	-
Foreign currency declines	-	(40)	(5)	-	(1)
Issuer-specific credit events	(12)	(95)	(103)	(111)	(95)
Adverse projected cash flows on structured securities	-	-	-	-	-
Total other than temporary impairment charges	(12)	(145)	(121)	(131)	(99)
Change in the fair value of MetLife securities prior to the sale	(191)	-	-	-	-
Foreign exchange transactions	(619)	(9)	(1,097)	749	562
Derivative instruments	316	609	692	(333)	(98)
<b>Total pre-tax realized gains (losses)</b>	<b>\$ (484)</b>	<b>\$ 896</b>	<b>\$ (466)</b>	<b>\$ 422</b>	<b>\$ 356</b>
<b>Total realized gains (losses)</b>					
Bonds available for sale	\$ 133	\$ 540	\$ 833	\$ 134	\$ 339
Stocks available for sale	103	321	141	65	198
Other transactions	(57)	9	(130)	(66)	(151)
Other than temporary impairment charges:					
Severity	(8)	(19)	(5)	(18)	(31)
Change in intent	(4)	(80)	(340)	(13)	(8)
Foreign currency declines	(2)	(42)	(17)	-	(3)
Issuer-specific credit events	(227)	(624)	(461)	(554)	(822)
Adverse projected cash flows on structured securities	(13)	(3)	(1)	-	-
Total other than temporary impairment charges	(254)	(768)	(824)	(585)	(864)
Change in the fair value of MetLife securities prior to the sale	(191)	-	-	-	-
Foreign exchange transactions	(691)	(83)	(1,243)	846	658
Derivative instruments	306	1,288	562	(881)	(514)
<b>Total pre-tax realized gains (losses)</b>	<b>\$ (651)</b>	<b>\$ 1,307</b>	<b>\$ (661)</b>	<b>\$ (487)</b>	<b>\$ (334)</b>
<b>Total realized gains (losses), net of tax</b>	<b>\$ (387)</b>	<b>\$ 317</b>	<b>\$ (461)</b>	<b>\$ (487)</b>	<b>\$ (229)</b>

\* Includes reclassification and eliminations.



**American International Group, Inc**  
**Other Invested Assets**  
(dollars in millions)

	March 31, 2011	Dec. 31, 2010	% Inc. (Dec.)
<b>Chartis U.S.</b>			
Alternative funds (1)	\$ 6,997	\$ 6,851	2.1 %
Mutual funds	-	3	NM
Investment real estate	49	28	75.0
Life settlement contracts	3,854	3,834	0.5
Direct private equity investments	20	16	25.0
All other investments	408	621	(34.3)
Total Chartis U.S.	<u>11,328</u>	<u>11,353</u>	(0.2)
<b>Chartis International</b>			
Alternative funds (1)	187	180	3.9
Mutual funds	921	1,449	(36.4)
Investment real estate	195	199	(2.0)
Direct private equity investments	182	196	(7.1)
All other investments	369	366	0.8
Total Chartis International	<u>1,854</u>	<u>2,390</u>	(22.4)
<b>SunAmerica Financial Group</b>			
Alternative funds (1)	11,364	10,929	4.0
Mutual funds	4	36	(88.9)
Investment real estate	691	547	26.3
Aircraft asset investments	1,352	1,381	(2.1)
All other investments	51	176	(71.0)
Total SunAmerica Financial Group	<u>13,462</u>	<u>13,069</u>	3.0
<b>Financial Services and Other Businesses</b>			
Alternative funds (1)	869	865	0.5
Mutual funds	196	230	(14.8)
Investment real estate	2,294	2,422	(5.3)
Direct private equity investments	185	171	8.2
Retained Interest in AIA	12,196	11,134	9.5
All other investments and eliminations	(56)	(62)	NM
Total Financial Services and Other Businesses	<u>15,684</u>	<u>14,760</u>	6.3
Consolidated Managed Partnerships & Funds (2)	572	638	(10.3)
<b>Total AIG Other Invested Assets</b>			
Alternative funds (1)	19,417	18,825	3.1
Mutual funds	1,121	1,718	(34.7)
Investment real estate	3,229	3,196	1.0
Aircraft asset investments	1,352	1,381	(2.1)
Life settlement contracts	3,854	3,834	0.5
Consolidated Managed Partnerships & Funds (2)	572	638	(10.3)
Direct private equity investments	387	383	1.0
Retained Interest in AIA	12,196	11,134	9.5
All other investments	772	1,101	(29.9)
Total AIG Other Invested Assets	<u>\$ 42,900</u>	<u>\$ 42,210</u>	1.6 %

Note: (1) Includes hedge funds, private equity funds and other investment partnerships.  
(2) Represents AIG managed partnerships and funds that are consolidated.

**American International Group, Inc.**  
**Return on Average Partnerships and Mutual Funds Assets (1)**  
(dollars in millions)

	Three Months Ended								
	March 31, 2011			March 31, 2010			December 31, 2010		
	Income (Loss)	Assets (1)	Return on Average Assets	Income (Loss)	Assets (1)	Return on Average Assets	Income (Loss)	Assets	Return on Average Assets
<b>Partnerships (2) (3):</b>									
<b>Chartis</b>									
Chartis U.S.	\$ 234	\$ 6,997	13.5 %	\$ 142	\$ 6,145	9.3 %	\$ 253	\$ 6,851	15.0 %
Chartis International	<u>7</u>	<u>187</u>	15.3	<u>5</u>	<u>311</u>	6.6	<u>4</u>	<u>180</u>	10.4
Total Chartis	241	7,184	13.6	147	6,456	9.2	257	7,031	14.9
<b>SunAmerica</b>									
Domestic Life Insurance	65	1,671	16.3	20	1,150	6.8	52	1,527	14.9
Domestic Retirement Services	<u>348</u>	<u>9,693</u>	14.6	<u>215</u>	<u>9,805</u>	8.8	<u>326</u>	<u>9,402</u>	13.6
Total SunAmerica Financial Group	413	11,364	14.8	235	10,955	8.6	378	10,929	13.8
<b>Financial Services and Other (6)</b>	<u>11</u>	<u>869</u>	5.1	<u>(5)</u>	<u>522</u>	(2.9)	<u>15</u>	<u>865</u>	7.8
<b>Total excluding Consolidated Managed Partnerships and Funds</b>	<b>665</b>	<b>19,417</b>	<b>13.9 %</b>	<b>377</b>	<b>17,933</b>	<b>8.3 %</b>	<b>650</b>	<b>18,825</b>	<b>13.9 %</b>
<b>Consolidated Managed Partnerships and Funds (4)</b>	<u>13</u>	<u>572</u>		<u>(16)</u>	<u>1,063</u>		<u>70</u>	<u>638</u>	
<b>Total</b>	<b>\$ <u>678</u></b>	<b>\$ <u>19,989</u></b>		<b>\$ <u>361</u></b>	<b>\$ <u>18,996</u></b>		<b>\$ <u>720</u></b>	<b>\$ <u>19,463</u></b>	
<b>Partnership Type:</b>									
Private Equity	\$ 445	\$ 13,155	13.7 %	\$ 190	\$ 12,308	6.2 %	\$ 419	\$ 12,916	13.0 %
Hedge Funds	<u>220</u>	<u>6,262</u>	14.5	<u>187</u>	<u>5,625</u>	13.0	<u>231</u>	<u>5,909</u>	16.0
<b>Total excluding Consolidated Managed Partnerships and Funds</b>	<b>\$ <u>665</u></b>	<b>\$ <u>19,417</u></b>	<b>13.9 %</b>	<b>\$ <u>377</u></b>	<b>\$ <u>17,933</u></b>	<b>8.3 %</b>	<b>\$ <u>650</u></b>	<b>\$ <u>18,825</u></b>	<b>13.9 %</b>
<b>Mutual Funds (5):</b>									
<b>Chartis</b>									
Chartis U.S.	\$ -	\$ -	- %	\$ 1	\$ 175	2.2 %	\$ 40	\$ 3	114.7 %
Chartis International	<u>45</u>	<u>921</u>	15.2	<u>(2)</u>	<u>609</u>	(1.7)	<u>18</u>	<u>1,449</u>	5.7
Total Chartis	45	921	15.2	(1)	784	(0.6)	58	1,452	16.6
<b>SunAmerica</b>									
Domestic Life Insurance	-	-	-	1	30	13.3	1	33	12.3
Domestic Retirement Services	<u>-</u>	<u>4</u>	-	<u>-</u>	<u>12</u>	-	<u>-</u>	<u>3</u>	-
Total SunAmerica Financial Group	<u>-</u>	<u>4</u>	-	<u>1</u>	<u>42</u>	9.0	<u>1</u>	<u>36</u>	11.3
<b>Other (6)</b>	<u>-</u>	<u>196</u>	-	<u>(6)</u>	<u>359</u>	(6.6)	<u>(10)</u>	<u>230</u>	(14.5)
<b>Total</b>	<b>\$ <u>45</u></b>	<b>\$ <u>1,121</u></b>	<b>12.7 %</b>	<b>\$ <u>(6)</u></b>	<b>\$ <u>1,185</u></b>	<b>(2.3) %</b>	<b>\$ <u>49</u></b>	<b>\$ <u>1,718</u></b>	<b>11.5 %</b>
<b>Total Partnerships and Mutual Funds</b>	<b>\$ <u>710</u></b>	<b>\$ <u>19,989</u></b>		<b>\$ <u>371</u></b>	<b>\$ <u>18,996</u></b>		<b>\$ <u>699</u></b>	<b>\$ <u>19,463</u></b>	

- Notes: (1) Annualized income (loss) expressed as a percentage of average assets.  
(2) Represents private equity partnerships and hedge funds.  
(3) Partnership income (loss) is on a lag basis. Hedge Funds are generally on a one month lag, while Private Equity is generally on a one quarter lag.  
(4) Represents AIG managed partnerships and funds that are consolidated.  
(5) Comprised of equity-method mutual fund investments.  
(6) Historical results have been revised to exclude Nan Shan and AIG Star and AIG Edison which are recognized as a discontinued operations.

## Comment on Regulation G

This financial supplement includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables.

Throughout this financial supplement, AIG presents its operations in the way it believes will be most meaningful and useful, as well as most transparent, to the investing public and others who use AIG's financial information in evaluating the performance of AIG. That presentation includes the use of certain non-GAAP measures. In addition to the GAAP presentations, in some cases, revenues, net income, operating income and related rates of performance are shown exclusive of the effect of tax benefits not obtained for losses incurred, results from divested businesses, discontinued operations, amortization of the FRBNY commitment fee asset, the recognition of other-than-temporary impairments, restructuring-related activities, conversion of the Series C, E and F Preferred Stock, realized capital gains (losses), net of SunAmerica DAC offset, partnership income, other enhancements to income, the effect of non-qualifying derivative hedging activities, the effect of goodwill impairments, credit valuation adjustments, unrealized market valuation gains (losses), the effect of catastrophe-related losses and prior year loss development, asbestos losses, foreign exchange rates, deferred income tax valuation allowance charges and the bargain purchase gain on the Fuji acquisition.

In all such instances, AIG believes that excluding these items permits investors to better assess the performance of AIG's underlying businesses. AIG believes that providing information in a non-GAAP manner is more useful to investors and analysts and more meaningful than the GAAP presentation.

Although the investment of premiums to generate investment income (or loss) and realized capital gains or losses is an integral part of both life and general insurance operations, the determination to realize capital gains or losses is independent of the insurance underwriting process. Moreover, under applicable GAAP accounting requirements, losses can be recorded as the result of other than temporary declines in value without actual realization. In sum, investment income and realized capital gains or losses for any particular period are not indicative of underlying business performance for such period.

AIG believes it should present and discuss its financial information in a manner most meaningful to its financial statement users. Underwriting profit (loss) is utilized to report results for Chartis operations. Operating income (loss), which is before net realized capital gains (losses) and related DAC and sales inducement asset (SIA) amortization and goodwill impairment charges, is utilized to report results for SunAmerica Financial Group (SunAmerica) operations. Results from discontinued operations and net gains (losses) on sales of divested businesses are excluded from these measures. AIG believes that these measures allow for a better assessment and enhanced understanding of the operating performance of each business by highlighting the results from ongoing operations and the underlying profitability of its businesses. When such measures are disclosed, reconciliations to GAAP pre-tax income are provided.

Life and retirement services production (premiums, deposits and other considerations) is a non-GAAP measure which includes life insurance premiums, deposits on annuity contracts and mutual funds. AIG uses this measure because it is a standard measure of performance used in the insurance industry and thus allow for more meaningful comparisons with AIG's insurance competitors.

In light of the company's significant divestiture and restructuring related activities, AIG revised its definition of after-tax operating income (loss) (formerly adjusted net income) in the fourth quarter of 2010. AIG revised the definition in order to present and discuss its financial information in a manner most meaningful to financial statement users. AIG's definition of after-tax operating income (loss) was revised to exclude income (loss) from divested businesses that did not qualify for discontinued operations accounting treatment, amortization of the FRBNY prepaid commitment fee asset, goodwill impairment charges arising from divestiture-related activities, the DAC offset associated with net realized capital gains (losses) for SunAmerica, and deferred income tax valuation allowance charges and releases.

AIG believes that after-tax operating income (loss) permits a better assessment and enhanced understanding of the operating performance of its businesses by highlighting the results from ongoing operations and the underlying profitability of its businesses, without the distortive effects of the highly unusual events that have affected AIG since 2008. In addition, the DAC offset adjustment is a common adjustment for non-GAAP operating financial measures in the life insurance industry, and is a better measure of how AIG assesses the operating performance of SunAmerica Financial Group's operations.