



American International Group, Inc.

Quarterly Financial Supplement First Quarter 2012

This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 filed with the Securities and Exchange Commission. All financial information in this document is unaudited.



American International Group, Inc. Quarterly Financial Supplement

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Cautionary Statement Regarding Forward-Looking Information

This Financial Supplement includes, and officers and representatives of American International Group, Inc. (AIG) may from time to time make, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only AIG’s belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “believe”, “anticipate”, “expect”, “intend”, “plan”, “view”, “target” or “estimate”. These projections, goals, assumptions and statements may address, among other things: the timing of the disposition of the ownership position of the United States Department of the Treasury (the Department of the Treasury) in AIG; the cash flow projections and fair value for AIG’s interest in Maiden Lane III LLC (ML III); the monetization of AIG’s interests in International Lease Finance Corporation (ILFC); AIG’s exposures to subprime mortgages, monoline insurers, the residential and commercial real estate markets, state and municipal bond issuers and sovereign bond issuers; AIG’s exposure to European governments and European financial institutions; AIG’s strategy for risk management; AIG’s ability to retain and motivate its employees; AIG’s generation of deployable capital; AIG’s return on equity and earnings per share long-term aspirational goals; AIG’s strategies to grow net investment income, efficiently manage capital and reduce expenses; AIG’s strategies for customer retention, growth, product development, market position, financial results and reserves; and the revenues and combined ratios of AIG’s subsidiaries.

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

- actions by credit rating agencies;
- changes in market conditions;
- the occurrence of catastrophic events;
- significant legal proceedings;
- concentrations in AIG’s investment portfolios, including its municipal bond portfolio;
- judgments concerning casualty insurance underwriting and reserves;
- judgments concerning the recognition of deferred tax assets;
- judgments concerning deferred policy acquisition costs (DAC) recoverability;
- judgments concerning the recoverability of aircraft values in ILFC’s fleet; and
- such other factors as are discussed throughout Part I Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations in AIG’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, and in Part I Item 1A. Risk Factors and discussed throughout Part II Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations in AIG’s Annual Report on Form 10-K for the year ended December 31, 2011, as amended by Amendment No. 1 and Amendment No. 2 on Form 10-K/A filed on February 27, 2012 and March 30, 2012, respectively. AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.



Non-GAAP Financial Measures

Throughout this financial supplement, AIG presents its operations in the way it believes will be most meaningful and representative of ongoing operations as well as most transparent. That presentation includes the use of 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.

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. After-tax operating income (loss) excludes net income (loss) from discontinued operations, net gain (loss) on sale of divested businesses, net income (loss) from divested businesses, deferred income tax valuation allowance charges and releases, amortization of the Federal Reserve Bank of New York (FRBNY) prepaid commitment fee asset, changes in fair value of SunAmerica Financial Group's (SunAmerica) fixed income securities designated to hedge living benefit liabilities, SunAmerica increased benefit reserves and benefit (amortization) of deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains (losses), net realized capital gains (losses) and non-qualifying derivative hedging activities, excluding net realized capital gains (losses). See page 6 for the reconciliation of Net income (loss) attributable to AIG to After-tax operating income (loss).

Additionally, 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, the recognition of other-than-temporary impairments, partnership income, other enhancements to income, credit valuation adjustments, unrealized market valuation gains (losses), the effect of catastrophe-related losses and prior year loss development, asbestos losses, returned or additional premiums related to prior year development, foreign exchange rates and aircraft impairments.

In all such instances, AIG believes that excluding these items permits investors to better assess the operating performance of each of AIG's underlying businesses by highlighting the results from ongoing operations and the underlying profitability of its 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. When such measures are disclosed, reconciliations to GAAP pre-tax income are provided.

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.

Life and retirement services production (premiums, deposits and other considerations and life insurance CPPE sales) 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 allows for more meaningful comparisons with AIG's insurance competitors.

During the first quarter of 2012, AIG revised its definition of After-tax operating income (loss) to exclude changes in the fair value of SunAmerica's fixed income securities designated to hedge living benefit liabilities and increased benefit reserves related to net realized capital gains (losses). AIG believes that this revised measure of After-tax operating income (loss) permits a better assessment and enhanced understanding of the operating performance of its SunAmerica business by excluding from operating results the volatility associated with these hedging and capital gains taking activities. AIG believes this revised definition of After-tax operating income (loss) is a better measure of how AIG assesses the operating performance of SunAmerica Financial Group's operations.



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Revenues:					
Premiums	\$ 9,461	\$ 9,781	\$ 9,829	\$ 9,898	\$ 9,482
Policy fees	691	681	658	682	684
Net investment income	7,105	4,594	128	4,464	5,569
Net realized capital gains (losses): (1)					
Total other-than-temporary impairments on available for sale securities	(168)	(324)	(493)	(181)	(218)
Portion of other-than-temporary impairments on available for sale fixed maturity securities recognized in Accumulated other comprehensive income (loss)	(285)	38	71	56	3
Net other-than-temporary impairments on available for sale securities recognized in net income (loss)	(453)	(286)	(422)	(125)	(215)
Other realized capital gains (losses)	150	990	837	195	(433)
Total net realized capital gains (losses) (page 44)	(303)	704	415	70	(648)
Aircraft leasing revenue	1,156	1,089	1,129	1,134	1,156
Other income	333	570	560	432	1,196
Total revenues	18,443	17,419	12,719	16,680	17,439
Benefits, claims and expenses:					
Policyholder benefits and claims incurred	7,102	8,072	8,333	8,086	8,959
Interest credited to policyholder account balances	1,069	1,101	1,146	1,114	1,106
Amortization of deferred acquisition costs	1,347	1,393	1,540	1,322	1,231
Other acquisition and insurance expenses	2,258	2,294	2,067	2,129	1,968
Interest expense	953	897	945	968	1,061
Aircraft leasing expenses	625	584	2,093	627	670
Net loss (gain) on extinguishment of debt (2)	21	(484)	-	79	3,313
Other expenses	484	677	865	561	441
Total benefits, claims and expenses	13,859	14,534	16,989	14,886	18,749
Income (loss) from continuing operations before income tax expense (benefit)	4,584	2,885	(4,270)	1,794	(1,310)
Income tax expense (benefit)	1,148	(18,577)	(665)	(296)	(226)
Income (loss) from continuing operations	3,436	21,462	(3,605)	2,090	(1,084)
Income (loss) from discontinued operations, net of income tax expense (benefit)	13	140	(221)	(37)	2,585
Net income (loss)	3,449	21,602	(3,826)	2,053	1,501
Less:					
Net income (loss) from continuing operations attributable to noncontrolling interests:					
Noncontrolling nonvoting, callable, junior and senior preferred interests	208	96	145	141	252
Other	33	27	19	64	(55)
Total net income from continuing operations attributable to noncontrolling interests	241	123	164	205	197
Net income from discontinued operations attributable to noncontrolling interests	-	-	-	12	7
Total net income attributable to noncontrolling interests	241	123	164	217	204
Net income (loss) attributable to AIG	\$ 3,208	\$ 21,479	\$ (3,990)	\$ 1,836	\$ 1,297
Net income (loss) attributable to AIG common shareholders	\$ 3,208	\$ 21,479	\$ (3,990)	\$ 1,836	\$ 485
Income (loss) per common share attributable to AIG common shareholders:					
Basic:					
Income (loss) from continuing operations	\$ 1.70	\$ 11.24	\$ (1.99)	\$ 1.03	\$ (1.34)
Income (loss) from discontinued operations	\$ 0.01	\$ 0.07	\$ (0.11)	\$ (0.03)	\$ 1.65
Diluted:					
Income (loss) from continuing operations	\$ 1.70	\$ 11.24	\$ (1.99)	\$ 1.03	\$ (1.34)
Income (loss) from discontinued operations	\$ 0.01	\$ 0.07	\$ (0.11)	\$ (0.03)	\$ 1.65
Weighted average shares outstanding:					
Basic	1,876.0	1,898.7	1,899.5	1,836.7	1,557.7
Diluted	1,876.0	1,898.8	1,899.5	1,836.8	1,557.7

Notes:

- (1) Includes gains (losses) from hedging activities that did not qualify for hedge accounting, including the related foreign exchange gains, and losses and other-than-temporary impairment charges.
- (2) Includes a \$3.3 billion charge in 1Q11, 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. In the fourth quarter of 2011, as a result of the exchange of specified series of its outstanding Junior Subordinated Debentures for senior notes pursuant to its offer to exchange, AIG recognized a \$484 million gain.



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Chartis					
Net premiums written	\$ 8,820	\$ 7,848	\$ 8,659	\$ 9,167	\$ 9,166
Net premiums earned	8,688	8,962	9,043	9,033	8,651
Claims and claims adjustment expenses incurred	5,909	6,675	6,838	6,680	7,756
Underwriting expenses	2,959	2,923	2,737	2,712	2,498
Underwriting loss	(180)	(636)	(532)	(359)	(1,603)
Net investment income	1,223	1,003	1,024	1,142	1,179
Operating income (loss)	1,043	367	492	783	(424)
Net realized capital gains (losses)	(135)	454	60	43	50
Other income (loss)	2	(4)	(1)	-	-
Pre-tax income (loss)	910	817	551	826	(374)
SunAmerica Financial Group					
Premiums	605	639	591	662	621
Policy fees	691	681	658	682	684
Net investment income	2,885	2,372	2,295	2,461	2,754
Other income (1)	-	209	-	-	-
Total revenues	4,181	3,901	3,544	3,805	4,059
Benefits and expenses	2,870	2,989	3,073	3,082	2,888
Operating income	1,311	912	471	723	1,171
Change in fair value of fixed income securities designated to hedge living benefit liabilities, net of interest expense	(19)	-	-	-	-
Increased benefit reserves and benefit (amortization) of DAC, VOBA and SIA related to net realized capital gains (losses)	36	(132)	(163)	(48)	16
Net realized capital gains (losses)	(466)	97	38	91	(220)
Pre-tax income	862	877	346	766	967
Aircraft Leasing					
Revenues	1,153	1,048	1,129	1,134	1,156
Expenses	1,034	929	2,446	1,048	1,039
Operating income (loss)	119	119	(1,317)	86	117
Net realized capital gains (losses)	1	(2)	(12)	1	3
Pre-tax income (loss)	120	117	(1,329)	87	120
Other operations, operating income (loss)	2,322	977	(4,242)	114	2,137
Other operations pre-tax income (loss) before net realized capital gains (losses)	2,319	979	(4,244)	112	(1,562)
Other operations, net realized capital gains (losses)	417	173	299	(25)	(435)
Consolidation and elimination adjustments	(44)	(78)	107	28	(26)
Income (loss) from continuing operations before income tax expense	4,584	2,885	(4,270)	1,794	(1,310)
Income tax expense (benefit) (2)	1,148	(18,577)	(665)	(296)	(226)
Income (loss) from continuing operations	3,436	21,462	(3,605)	2,090	(1,084)
Income (loss) from discontinued operations, net of tax	13	140	(221)	(37)	2,585
Net income (loss)	3,449	21,602	(3,826)	2,053	1,501
Less:					
Net income (loss) from continuing operations attributable to noncontrolling interests:					
Noncontrolling nonvoting, callable, junior and senior preferred interests	208	96	145	141	252
Other	33	27	19	64	(55)
Total net income from continuing operations attributable to noncontrolling interests	241	123	164	205	197
Net income from discontinued operations attributable to noncontrolling interests	-	-	-	12	7
Total net income attributable to noncontrolling interests	241	123	164	217	204
Net income (loss) attributable to AIG	\$ 3,208	\$ 21,479	\$ (3,990)	\$ 1,836	\$ 1,297
Income (loss) per common share attributable to AIG common shareholders - diluted:					
Income (loss) from continuing operations	\$ 1.70	\$ 11.24	\$ (1.99)	\$ 1.03	\$ (1.34)
Income (loss) from discontinued operations	\$ 0.01	\$ 0.07	\$ (0.11)	\$ (0.03)	\$ 1.65
Effective tax rates (page 6):					
Income (loss) from continuing operations	25.0%	N/M	15.6%	(16.5)%	17.3%

See Accompanying Notes on Page 5



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

- (1) Other income in 4Q11 represents revenue recorded pursuant to legal settlements.
(2) Reflects valuation allowance release of \$19.5 billion in 4Q11 as the cumulative positive evidence outweighed the historical negative evidence regarding the likelihood that the deferred tax asset for AIG's U.S. consolidated income tax group (other than life-insurance-business capital loss carryforwards) will be realized.

Return on equity computations (ROE):

(dollars in millions)	1Q12	4Q11	3Q11	2Q11	1Q11
Annualized Net income (loss) attributable to AIG	\$ 12,832	\$ 85,916	\$ (15,960)	\$ 7,344	\$ 5,188
Annualized After-tax operating income (loss) attributable to AIG	\$ 12,388	\$ 6,356	\$ (11,984)	\$ 4,960	\$ 8,356
Average AIG Shareholders' equity	\$ 102,495	\$ 91,225	\$ 84,076	\$ 83,444	\$ 79,252
Less: Average AOCI	6,013	5,551	7,480	7,941	7,207
Average AIG Shareholders' equity, excluding AOCI	\$ 96,482	\$ 85,674	\$ 76,596	\$ 75,503	\$ 72,045
ROE (a)	12.5%	N/M	N/M	8.8%	6.5%
ROE excluding AOCI (b)	13.3%	N/M	N/M	9.7%	7.2%
ROE - After-tax operating income (c)	12.8%	7.4%	N/M	6.6%	11.6%

N/M - Not meaningful

(a) Computed as Annualized Net income (loss) attributable to AIG divided by Average AIG Shareholders' equity.

(b) Computed as Annualized Net income (loss) attributable to AIG divided by Average AIG Shareholders' equity, excluding AOCI.

(c) Computed as Annualized After-tax operating income (loss) divided by Average AIG Shareholders' equity, excluding AOCI.

Book Value per Common Share computations:

(dollars in millions, except share amounts)

	(1-3) Book Value Per Share	(2-3) Book Value Per Share, Excluding Accumulated Other Comprehensive Income (Loss)	(1) Total AIG Shareholders' Equity	(2) Total AIG Shareholders' Equity, Excluding Accumulated Other Comprehensive Income (Loss)	(3) Total Common Shares Outstanding
December 31, 2011	\$ 53.53	\$ 50.81	\$ 101,538	\$ 96,385	1,896,821,482
March 31, 2012	57.68	53.85	103,451	96,578	1,793,447,313



American International Group, Inc.
After-tax Operating Income (Loss) Attributable to AIG
(in millions, except share data)

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net income (loss) attributable to AIG	\$ 3,208	\$ 21,479	\$ (3,990)	\$ 1,836	\$ 1,297
Adjustments to arrive at After-tax operating income (loss) attributable to AIG (amounts net of tax):					
Net income (loss) from discontinued operations	13	140	(221)	(49)	2,578
Net gain (loss) on sale of divested businesses	(2)	1	(1)	(1)	(47)
Net income (loss) from divested businesses	-	-	-	10	6
Deferred income tax valuation allowance (charge)/release	289	19,410	(1,162)	588	(529)
Amortization of FRBNY prepaid commitment fee asset	-	-	-	-	(2,358)
Changes in fair value of SunAmerica's fixed income securities designated to hedge living benefit liabilities	(19)	-	-	-	-
SunAmerica increased benefit reserves and benefit (amortization) of DAC, VOBA and SIA related to net realized capital gains (losses)	36	(83)	(102)	(28)	11
Net realized capital gains (losses)	(239)	387	305	48	(384)
Non-qualifying derivative hedging activities, excluding net realized capital gains (losses)	33	35	187	28	(69)
After-tax operating income (loss) attributable to AIG	\$ 3,097	\$ 1,589	\$ (2,996)	\$ 1,240	\$ 2,089
After-tax operating income (loss) attributable to AIG per diluted share	\$ 1.65	\$ 0.84	\$ (1.58)	\$ 0.68	\$ 1.34
Effective tax rates on After-tax operating income (loss) attributable to AIG:	30.8%	24.2%	41.1%	15.4%	26.8%
Return on equity - After-tax operating income (loss) (page 5)	12.8%	7.4%	N/M	6.6%	11.6%

The reconciliation of income attributable to AIG from continuing operations to After-tax operating income (loss) and calculation of the effective tax rates is presented below (gains are negative and losses are positive).

	Three Months Ended March 31, 2012					
	Income (loss) Before Tax	Income Tax (Expense) Benefit	Net Income (loss)	Noncontrolling Interests	Net Income (loss) attributable to AIG	Effective Tax Rate (1)
Income (loss) from continuing operations	\$ 4,584	\$ (1,148)	\$ 3,436	\$ (241)	\$ 3,195	25.0%
Net gains / losses on sale of divested business	3	(1)	2	-	2	
Deferred income tax valuation allowance charge	-	(289)	(289)	-	(289)	
Changes in fair value of SunAmerica's fixed income securities designated to hedge living benefit liabilities	19	-	19	-	19	
Net realized capital gains (losses), net of SunAmerica offsets	267	(64) (2)	203	-	203	
Non-qualifying derivative hedging gains (losses)	(50)	17	(33)	-	(33)	
After-tax operating income (loss)	\$ 4,823	\$ (1,485)	\$ 3,338	\$ (241)	\$ 3,097	30.8%

(1) Effective tax rates are calculated based on Income (loss) from continuing operations before tax.
(2) Includes tax effect of pre-tax losses that are not deductible for tax purposes.



American International Group, Inc.
Condensed Consolidated Balance Sheets
(in millions)

	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Assets:					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 266,362	\$ 263,981	\$ 259,829	\$ 249,360	\$ 238,315
Bonds trading securities, at fair value	24,481	24,364	24,654	26,968	27,309
Equity securities					
Common and preferred stock available for sale, at fair value	3,026	3,624	3,209	4,128	3,873
Common and preferred stock trading, at fair value	123	125	148	164	163
Mortgage and other loans receivable, net of allowance	19,519	19,489	19,279	19,253	19,691
Flight equipment primarily under operating leases, net of accumulated depreciation	35,452	35,539	35,758	37,688	38,100
Other invested assets (page 43)	37,209	40,744	41,131	43,763	42,900
Short-term investments	20,789	22,572	29,098	30,489	38,872
Total investments	406,961	410,438	413,106	411,813	409,223
Cash	1,315	1,474	1,542	2,590	1,801
Premiums and other receivables, net of allowance	15,648	14,721	15,590	16,629	17,509
Reinsurance assets, net of allowance	28,257	27,211	30,411	31,675	30,177
Current and deferred income taxes	15,955	17,802	-	-	-
Deferred policy acquisition costs	8,753	8,937	9,044	9,280	9,390
Other assets	21,489	20,389	21,264	21,815	22,605
Separate account assets, at fair value	56,025	51,388	48,112	56,104	56,470
Assets held for sale	-	-	-	60,521	57,792
Total assets	\$ 554,403	\$ 552,360	\$ 539,069	\$ 610,427	\$ 604,967
Liabilities:					
Liability for unpaid claims and claims adjustment expense	\$ 89,785	\$ 91,145	\$ 93,782	\$ 94,932	\$ 94,978
Unearned premiums	25,034	23,465	25,951	26,196	26,337
Future policy benefits for life and accident and health insurance contracts	34,493	34,317	33,600	31,689	31,493
Policyholder contract deposits	126,376	126,898	125,955	123,504	122,775
Other policyholder funds	6,561	6,691	6,655	6,641	6,769
Current and deferred income taxes	-	-	1,544	1,284	1,864
Other liabilities	35,568	32,287	34,991	34,579	36,668
Long-term debt (page 10)	76,096	75,253	77,389	79,461	82,166
Separate account liabilities	56,025	51,388	48,112	56,104	56,470
Liabilities held for sale	-	-	-	56,272	53,379
Total liabilities	\$ 449,938	\$ 441,444	\$ 447,979	\$ 510,662	\$ 512,899
Redeemable noncontrolling nonvoting, callable, junior preferred interests held by Department of Treasury	-	8,427	9,303	11,465	11,324
Other redeemable noncontrolling interests	121	96	105	111	278
Total redeemable noncontrolling interests	121	8,523	9,408	11,576	11,602
AIG shareholders' equity:					
Preferred stock	-	-	-	-	-
Common stock	4,766	4,766	4,764	4,761	4,508
Treasury stock, at cost	(3,942)	(942)	(872)	(872)	(873)
Additional paid-in capital	81,772	81,787	81,776	81,056	77,697
Accumulated earnings (deficit)	13,982	10,774	(10,705)	(6,716)	(8,555)
Accumulated other comprehensive income (loss)	6,873	5,153	5,948	9,012	6,870
Total AIG shareholders' equity	103,451	101,538	80,911	87,241	79,647
Non-redeemable noncontrolling interests	893	855	771	948	819
Total equity	104,344	102,393	81,682	88,189	80,466
Total liabilities and equity	\$ 554,403	\$ 552,360	\$ 539,069	\$ 610,427	\$ 604,967



American International Group, Inc.
Condensed Consolidating Segment Balance Sheet
March 31, 2012
(in millions)

	Chartis	SunAmerica Financial Group	Aircraft Leasing	UGC	Other Operations (4)	Consolidation & Eliminations (1)	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 103,487	\$ 156,886	\$ -	\$ 2,937	\$ 3,052	\$ -	\$ 266,362
Bonds trading securities, at fair value (2)	174	871	-	-	23,436	-	24,481
Equity securities							
Common and preferred stock available for sale, at fair value	2,805	212	1	-	8	-	3,026
Common and preferred stock trading, at fair value	-	-	-	-	123	-	123
Mortgage and other loans receivable, net of allowance	2,778	21,730	62	2	4,143	(9,196)	19,519
Flight equipment primarily under operating leases, net of accumulated depreciation	-	-	35,452	-	-	-	35,452
Other invested assets (3) (page 43)	12,405	12,972	-	1	11,302	529	37,209
Short-term investments	5,768	3,560	2,317	837	10,357	(2,050)	20,789
Total investments	<u>127,417</u>	<u>196,231</u>	<u>37,832</u>	<u>3,777</u>	<u>52,421</u>	<u>(10,717)</u>	<u>406,961</u>
Cash	890	204	35	42	144	-	1,315
Premiums and other receivables, net of allowance	12,633	1,269	224	26	2,428	(932)	15,648
Reinsurance assets, net of allowance	26,679	1,435	-	134	9	-	28,257
Current and deferred income taxes	4,257	1,884	(60)	(61)	21,237	(11,302)	15,955
Deferred policy acquisition costs	2,406	6,284	-	28	1	34	8,753
Other assets	6,734	3,673	1,466	70	96,692	(87,146)	21,489
Separate account assets, at fair value	-	56,019	-	-	6	-	56,025
Total assets	<u>\$ 181,016</u>	<u>\$ 266,999</u>	<u>\$ 39,497</u>	<u>\$ 4,016</u>	<u>\$ 172,938</u>	<u>\$ (110,063)</u>	<u>\$ 554,403</u>
Liabilities:							
Liability for unpaid claims and claims adjustment expense	\$ 87,154	\$ -	\$ -	\$ 975	\$ 1,818	\$ (162)	\$ 89,785
Unearned premiums	24,781	-	-	217	36	-	25,034
Future policy benefits for life and accident and health insurance contracts	3,495	30,765	-	-	258	(25)	34,493
Policyholder contract deposits	-	126,441	-	-	25	(90)	126,376
Other policyholder funds	4,067	2,484	-	-	10	-	6,561
Other liabilities	12,541	14,941	7,156	370	16,736	(16,176)	35,568
Long-term debt (page 10)	257	1,775 (6)	24,657	-	58,135	(8,728)	76,096
Separate account liabilities	-	56,019	-	-	6	-	56,025
Total liabilities	<u>\$ 132,295</u>	<u>\$ 232,425</u>	<u>\$ 31,813</u>	<u>\$ 1,562</u>	<u>\$ 77,024</u>	<u>\$ (25,181)</u>	<u>\$ 449,938</u>
Redeemable noncontrolling interests	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92</u>	<u>121</u>
AIG shareholders' equity:							
Preferred stock	-	1	-	-	(1)	-	-
Common stock	107	99	1,053	4	19,346	(15,843)	4,766
Treasury stock, at cost	-	-	-	-	(3,942)	-	(3,942)
Additional paid-in capital	22,005	40,754	1,244	1,510	64,180	(47,921)	81,772
Accumulated earnings (deficit)	22,576	(11,935)	5,306	846	10,834	(13,645)	13,982
Accumulated other comprehensive income (loss) (5)	3,880	5,650	(19)	94	5,281	(8,013)	6,873
Total AIG shareholders' equity	<u>48,568</u>	<u>34,569</u>	<u>7,584</u>	<u>2,454</u>	<u>95,698</u>	<u>(85,422)</u>	<u>103,451</u>
Non-redeemable noncontrolling interests	<u>124</u>	<u>5</u>	<u>100</u>	<u>-</u>	<u>216</u>	<u>448</u>	<u>893</u>
Total equity	<u>48,692</u>	<u>34,574</u>	<u>7,684</u>	<u>2,454</u>	<u>95,914</u>	<u>(84,974)</u>	<u>104,344</u>
Total liabilities and equity	<u>\$ 181,016</u>	<u>\$ 266,999</u>	<u>\$ 39,497</u>	<u>\$ 4,016</u>	<u>\$ 172,938</u>	<u>\$ (110,063)</u>	<u>\$ 554,403</u>

Notes:

- (1) Segment amounts are presented on an AIG stand alone basis prior to intercompany eliminations.
- (2) Includes interest in ML III of \$6.9 billion, reported in Other Operations.
- (3) Includes AIG's 19% interest in AIA with a total carrying value of \$8.2 billion and reported in Other Operations.
- (4) Primarily represents AIG Parent Company (including the tax valuation allowance), Global Capital Markets, Direct Investment book and SAFG, Inc. (a non-operating holding company), and the AIA SPV.
- (5) For U.S. tax purposes, SunAmerica has approximately \$10.9 billion of gross unrealized gains in its available for sale portfolio which, if realized, can be used to reduce a portion of gross capital loss carryforward totaling \$19.7 billion.
- (6) Consists primarily of intercompany debt which is eliminated in consolidation.



American International Group, Inc.
Condensed Consolidating Segment Balance Sheet
December 31, 2011
(in millions)

	Chartis	SunAmerica Financial Group	Aircraft Leasing	UGC	Other Operations (4)	Consolidation & Eliminations (1)	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 103,831	\$ 154,912	\$ -	\$ 3,027	\$ 2,211	\$ -	\$ 263,981
Bonds trading securities, at fair value (2)	88	1,584	-	-	22,692	-	24,364
Equity securities							
Common and preferred stock available for sale, at fair value	2,895	208	1	-	520	-	3,624
Common and preferred stock trading, at fair value	-	-	-	-	125	-	125
Mortgage and other loans receivable, net of allowance	2,598	21,201	90	3	6,026	(10,429)	19,489
Flight equipment primarily under operating leases, net of accumulated depreciation	-	-	35,539	-	-	-	35,539
Other invested assets (3) (page 43)	12,279	12,519	-	1	15,421	524	40,744
Short-term investments	4,660	3,301	1,910	1,010	11,691	-	22,572
Total investments	<u>126,351</u>	<u>193,725</u>	<u>37,540</u>	<u>4,041</u>	<u>58,686</u>	<u>(9,905)</u>	<u>410,438</u>
Cash	673	463	65	40	233	-	1,474
Premiums and other receivables, net of allowance	11,254	1,221	224	31	2,881	(890)	14,721
Reinsurance assets, net of allowance	25,538	1,511	-	151	11	-	27,211
Current and deferred income taxes	4,305	2,289	(158)	(55)	20,794	(9,373)	17,802
Deferred policy acquisition costs	2,375	6,502	-	24	1	35	8,937
Other assets	7,211	3,658	1,367	91	105,293	(97,231)	20,389
Separate account assets, at fair value	-	51,383	-	-	5	-	51,388
Total assets	<u>\$ 177,707</u>	<u>\$ 260,752</u>	<u>\$ 39,038</u>	<u>\$ 4,323</u>	<u>\$ 187,904</u>	<u>\$ (117,364)</u>	<u>\$ 552,360</u>
Liabilities:							
Liability for unpaid claims and claims adjustment expense	\$ 88,211	\$ -	\$ -	\$ 1,414	\$ 1,691	\$ (171)	\$ 91,145
Unearned premiums	23,236	-	-	190	39	-	23,465
Future policy benefits for life and accident and health insurance contracts	3,474	30,607	-	-	261	(25)	34,317
Policyholder contract deposits	-	126,950	-	-	26	(78)	126,898
Other policyholder funds	4,180	2,501	-	-	10	-	6,691
Other liabilities	10,623	13,219	7,046	294	14,329	(13,224)	32,287
Long-term debt (page 10)	566	1,911 (6)	24,385	-	58,342	(9,951)	75,253
Separate account liabilities	-	51,383	-	-	5	-	51,388
Total liabilities	<u>\$ 130,290</u>	<u>\$ 226,571</u>	<u>\$ 31,431</u>	<u>\$ 1,898</u>	<u>\$ 74,703</u>	<u>\$ (23,449)</u>	<u>\$ 441,444</u>
Redeemable noncontrolling nonvoting, callable, junior preferred interests held by							
Department of Treasury	-	-	-	-	-	8,427	8,427
Other redeemable noncontrolling interests	29	-	-	-	-	67	96
Total redeemable noncontrolling interests	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,494</u>	<u>8,523</u>
AIG shareholders' equity:							
Preferred stock	-	1	-	-	8,426	(8,427)	-
Common stock	108	99	1,053	4	19,345	(15,843)	4,766
Treasury stock, at cost	-	-	-	-	(942)	-	(942)
Additional paid-in capital	21,807	40,753	1,244	1,510	71,757	(55,284)	81,787
Accumulated earnings (deficit)	22,387	(11,398)	5,232	818	8,322	(14,587)	10,774
Accumulated other comprehensive income (loss) (5)	2,956	4,718	(22)	93	6,139	(8,731)	5,153
Total AIG shareholders' equity	<u>47,258</u>	<u>34,173</u>	<u>7,507</u>	<u>2,425</u>	<u>113,047</u>	<u>(102,872)</u>	<u>101,538</u>
Non-redeemable noncontrolling interests	<u>130</u>	<u>8</u>	<u>100</u>	<u>-</u>	<u>154</u>	<u>463</u>	<u>855</u>
Total equity	<u>47,388</u>	<u>34,181</u>	<u>7,607</u>	<u>2,425</u>	<u>113,201</u>	<u>(102,409)</u>	<u>102,393</u>
Total liabilities and equity	<u>\$ 177,707</u>	<u>\$ 260,752</u>	<u>\$ 39,038</u>	<u>\$ 4,323</u>	<u>\$ 187,904</u>	<u>\$ (117,364)</u>	<u>\$ 552,360</u>

Notes:

- (1) Segment amounts are presented on an AIG stand alone basis prior to intercompany eliminations.
- (2) Includes interest in Maiden Lane II LLC (ML II) of \$1.3 billion reported in SunAmerica and interest in ML III of \$5.7 billion, reported in Other Operations.
- (3) Includes AIG's 33% interest in AIA with a total carrying value of \$12.4 billion and reported in Other Operations.
- (4) Primarily represents AIG Parent (including the tax valuation allowance), Global Capital Markets, Direct Investment book, SAFG, Inc. (a non-operating holding company), and the AIA SPV.
- (5) For U.S. tax purposes, SunAmerica has approximately \$11.0 billion of gross unrealized gains in its available for sale portfolio which, if realized, can be used to reduce a portion of gross capital loss carryforward totaling \$20.7 billion.
- (6) Consists primarily of intercompany debt which is eliminated in consolidation.



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

	Debt and Hybrid Capital			Interest Expense	
	March 31, 2012	Dec. 31, 2011	Inc. (Dec.)	Three Months Ended	
				March 31, 2012	March 31, 2011
Financial debt:					
AIG notes and bonds payable	\$ 12,797	\$ 12,725	0.6 %	\$ 179	\$ 151
AIG loans and mortgage payable	223	234	(4.7)	1	1
SAFG, Inc. notes and bonds payable	298	298	-	5	6
Liabilities connected to trust preferred stock	1,339	1,339	-	27	27
Total	14,657	14,596	0.4	212	185
Operating debt:					
MIP notes payable	10,853	10,147	7.0	91	89
Series AIGFP matched notes and bonds payable	3,702	3,807	(2.8)	71	75
Other AIG borrowings supported by assets (b)	10,579	10,766	(1.7)	-	-
ILFC borrowings	24,637	24,364	1.1	388	368
Other subsidiaries	420	393	6.9	4	4
Borrowings of consolidated investments	1,839	1,853	(0.8)	18	29
Total	52,030	51,330	1.4	572	565
Hybrid - debt securities:					
Junior subordinated debt (c)	9,409	9,327	0.9	169	219
Total	\$ 76,096	\$ 75,253	1.1 %	\$ 953	\$ 1,061 ^(a)
AIG capitalization:					
Total equity	\$ 104,344	\$ 102,393	1.9 %		
Hybrid - debt securities (c)	9,409	9,327	0.9		
Total consolidated equity and hybrid capital	113,753	111,720	1.8		
Financial debt	14,657	14,596	0.4		
Total capital	\$ 128,410	\$ 126,316	1.7 %		
Ratios:					
Total equity / Total capital	81.3%	81.1%			
Hybrid - debt securities / Total capital	7.3%	7.4%			
Financial debt / Total capital	11.4%	11.6%			

Notes:

- (a) In 1Q11 includes \$72 million associated with the FRBNY Credit Facility which was repaid in full on January 14, 2011 following AIG's recapitalization, \$22 million related to equity units and \$(2) million related to discontinued operations.
- (b) Borrowings are carried at fair value with fair value adjustments reported in Other income (loss) on the Consolidated Statement of Operations. Contractual interest payments amounted to \$93 million for the three months ended March 31, 2012 and \$401 million for the twelve months ended December 31, 2011.
- (c) The 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.



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net premiums written	\$ 8,820	\$ 7,848	\$ 8,659	\$ 9,167	\$ 9,166
Net premiums earned	8,688	8,962	9,043	9,033	8,651
Claims and claims adjustment expenses incurred (1)	5,909	6,675	6,838	6,680	7,756
Underwriting expenses	2,959	2,923	2,737	2,712	2,498
Underwriting loss	(180)	(636)	(532)	(359)	(1,603)
Net investment income (2)					
Interest and dividends	990	963	970	946	863
Alternative investments	130	(86)	55	161	241
Mutual funds	8	(4)	(15)	5	45
Other investment income (3)	131	186	71	80	92
Investment expense	(36)	(56)	(57)	(50)	(62)
Total	1,223	1,003	1,024	1,142	1,179
Operating income (loss) before net realized capital gains (losses) and other income (loss)	1,043	367	492	783	(424)
Net realized capital gains (losses)	(135)	454	60	43	50
Other income (loss)	2	(4)	(1)	-	-
Pre-tax income (loss)	\$ 910	\$ 817	\$ 551	\$ 826	\$ (374)
Underwriting ratios:					
Loss ratio	68.0	74.5	75.6	74.0	89.7
Expense ratio	34.1	32.6	30.3	30.0	28.9
Combined ratio	102.1	107.1	105.9	104.0	118.6
Combined ratio excluding significant current year catastrophe-related losses	101.2	101.8	99.5	98.0	98.7
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	100.4	101.9	98.7	97.7	98.3
Foreign exchange effect on worldwide premium:					
Change in net premiums written					
Increase / (decrease) in original currency (4)	(4.5)%	1.7 %	(3.5) %	13.6 %	18.7 %
Foreign exchange effect	0.8	1.9	4.2	4.0	1.2
Increase / (decrease) as reported in US \$	(3.7)%	3.6 %	0.7 %	17.6 %	19.9 %
Pre-tax catastrophe-related losses and prior year loss reserve development:					
Pre-tax catastrophe-related losses	\$ 80	\$ 478	\$ 605	\$ 525	\$ 1,688
Reinstatement premium related to catastrophes	-	(11)	(31)	14	39
Net prior year adverse (favorable) loss development (5)	66	(13)	62	-	23
Returned / (additional) premium related to prior year development	(6)	(19)	(25)	(91)	(37)
Net loss and loss expense reserve (at period end)	\$ 67,313	\$ 67,979	\$ 69,033	\$ 68,845	\$ 70,201

See Accompanying Notes on Page 21



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net premiums written	\$ 5,223	\$ 4,422	\$ 5,179	\$ 5,723	\$ 5,724
Net premiums earned	5,188	5,371	5,595	5,617	5,282
Claims and claims adjustment expenses incurred	3,846	4,508	4,638	4,498	5,206
Underwriting expenses	1,518	1,436	1,359	1,310	1,244
Underwriting loss	(176)	(573)	(402)	(191)	(1,168)
Net investment income (2)	741	837	807	820	784
Operating income (loss)	\$ 565	\$ 264	\$ 405	\$ 629	\$ (384)
Underwriting ratios:					
Loss ratio	74.1	83.9	82.9	80.1	98.6
Expense ratio	29.3	26.7	24.3	23.3	23.6
Combined ratio	103.4	110.6	107.2	103.4	122.2
Combined ratio excluding significant current year catastrophe-related losses	102.0	102.5	99.0	95.1	98.9
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	101.1	103.8	98.5	95.4	99.1
Pre-tax catastrophe-related losses and prior year loss reserve development:					
Pre-tax catastrophe-related losses	\$ 76	\$ 443	\$ 483	\$ 456	\$ 1,199
Reinstatement premium related to catastrophes	-	(11)	(31)	14	39
Net prior year adverse (favorable) loss development (5)	48	(74)	22	(43)	(17)
Returned / (additional) premium related to prior year development	(6)	(19)	(25)	(91)	(37)
Net loss and loss expense reserve (at period end)	\$ 57,530	\$ 58,549	\$ 59,079	\$ 59,152	\$ 58,925

See Accompanying Notes on Page 21



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net premiums written	\$ 3,597	\$ 3,427	\$ 3,479	\$ 3,439	\$ 3,417
Net premiums earned	3,496	3,581	3,435	3,393	3,346
Claims and claims adjustment expenses incurred	2,030	2,128	2,173	2,102	2,497
Underwriting expenses	1,348	1,411	1,329	1,321	1,192
Underwriting profit (loss)	118	42	(67)	(30)	(343)
Net investment income (2)	116	89	88	89	88
Operating income (loss)	\$ 234	\$ 131	\$ 21	\$ 59	\$ (255)
Underwriting ratios:					
Loss ratio	58.1	59.4	63.3	62.0	74.6
Expense ratio	38.6	39.4	38.7	38.9	35.6
Combined ratio	96.7	98.8	102.0	100.9	110.2
Combined ratio excluding significant current year catastrophe-related losses	96.6	97.8	98.4	98.8	95.6
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	97.0	97.1	97.6	98.0	95.6
Pre-tax catastrophe-related losses and prior year loss reserve development:					
Pre-tax catastrophe-related losses	\$ 4	\$ 35	\$ 122	\$ 69	\$ 489
Net prior year adverse (favorable) loss development (5)	(14)	28	28	28	-
Net loss and loss expense reserve (at period end)	\$ 5,542	\$ 5,438	\$ 5,937	\$ 5,671	\$ 5,595

See Accompanying Notes on Page 21



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net premiums written	\$ -	\$ (1)	\$ 1	\$ 5	\$ 25
Net premiums earned	4	10	13	23	23
Claims and claims adjustment expenses incurred	33	39	27	80	53
Underwriting expenses	93	76	49	81	62
Underwriting loss	(122)	(105)	(63)	(138)	(92)
Net investment income (2)	366	77	129	233	307
Operating income (loss), before net realized capital gains (losses), and other income (loss)	244	(28)	66	95	215
Net realized capital gains (losses)	(135)	454	60	43	50
Other income (loss)	2	(4)	(1)	-	-
Pre-tax income	\$ 111	\$ 422	\$ 125	\$ 138	\$ 265
Pre-tax catastrophe-related losses and prior year loss reserve development:					
Net prior year adverse (favorable) loss development (5)	\$ 32	\$ 33	\$ 12	\$ 15	\$ 40
Net loss and loss expense reserve (at period end)	\$ 4,241	\$ 3,992	\$ 4,017	\$ 4,022	\$ 5,681

See Accompanying Notes on Page 21



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net premiums written	\$ 3,879	\$ 3,828	\$ 4,359	\$ 4,957	\$ 4,128
Net premiums earned	4,417	4,492	4,616	4,689	4,482
Claims and claims adjustment expenses incurred	3,626	3,770	4,110	3,940	4,103
Underwriting expenses	1,189	1,096	1,033	1,038	979
Underwriting loss	(398)	(374)	(527)	(289)	(600)
Net investment income					
Interest and dividends	739	695	703	675	605
Alternative investments	139	(87)	55	158	234
Other investment income (3)	111	165	49	60	80
Investment expense	(23)	(44)	(38)	(39)	(45)
Total	966	729	769	854	874
Operating income before net realized capital gains (losses) and other loss	568	355	242	565	274
Net realized capital gains (losses)	(164)	43	35	92	66
Other income (loss)	2	(4)	(1)	-	-
Pre-tax income	\$ 406	\$ 394	\$ 276	\$ 657	\$ 340
Underwriting ratios:					
Loss ratio	82.1	83.9	89.0	84.0	91.5
Expense ratio	26.9	24.4	22.4	22.1	21.8
Combined ratio	109.0	108.3	111.4	106.1	113.3
Combined ratio excluding significant current year catastrophe-related losses	107.2	104.1	101.1	97.6	101.6
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	103.2	102.4	100.0	97.1	99.8
Pre-tax catastrophe-related losses and prior year loss reserve development:					
Pre-tax catastrophe-related losses	\$ 79	\$ 191	\$ 480	\$ 397	\$ 529
Reinstatement premium related to catastrophes	-	1	(4)	1	(4)
Net prior year adverse (favorable) loss development (5)	175	71	45	4	73
Returned / (additional) premium related to prior year development	(6)	(19)	(25)	(91)	(37)

See Accompanying Notes on Page 21



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Commercial Insurance					
Net premiums written	\$ 2,984	\$ 3,113	\$ 3,506	\$ 4,156	\$ 3,326
Net premiums earned	3,536	3,648	3,771	3,819	3,657
Claims and claims adjustment expenses incurred	3,048	3,172	3,478	3,342	3,546
Underwriting expenses	867	805	767	758	703
Underwriting loss	(379)	(329)	(474)	(281)	(592)
Net investment income	617	699	668	680	654
Operating income	\$ 238	\$ 370	\$ 194	\$ 399	\$ 62
Underwriting ratios:					
Loss ratio	86.2	87.0	92.2	87.5	97.0
Expense ratio	24.5	22.1	20.3	19.8	19.2
Combined ratio	110.7	109.1	112.5	107.3	116.2
Combined ratio excluding significant current year catastrophe-related losses	108.6	104.0	101.6	97.4	102.1
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	104.7	103.4	100.7	97.6	100.6
Consumer Insurance					
Net premiums written	\$ 895	\$ 716	\$ 852	\$ 796	\$ 777
Net premiums earned	880	835	832	847	801
Claims and claims adjustment expenses incurred	546	560	611	542	517
Underwriting expenses	287	259	244	253	256
Underwriting profit (loss)	47	16	(23)	52	28
Net investment income	41	23	25	25	25
Operating income	\$ 88	\$ 39	\$ 2	\$ 77	\$ 53
Underwriting ratios:					
Loss ratio	62.0	67.1	73.4	64.0	64.5
Expense ratio	32.6	31.0	29.3	29.9	32.0
Combined ratio	94.6	98.1	102.7	93.9	96.5
Combined ratio excluding significant current year catastrophe-related losses	94.2	96.5	94.9	91.5	95.3
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	94.1	93.5	94.1	89.6	95.7
Chartis Other U.S.					
Net premiums written	\$ -	\$ (1)	\$ 1	\$ 5	\$ 25
Net premiums earned	1	9	13	23	24
Claims and claims adjustment expenses incurred	32	38	21	56	40
Underwriting expenses	35	32	22	27	20
Underwriting loss	(66)	(61)	(30)	(60)	(36)
Net investment income	308	7	76	149	195
Operating income (loss) before net realized capital gains (losses) and other income (loss)	242	(54)	46	89	159
Net realized capital gains (losses)	(164)	43	35	92	66
Other income (loss)	2	(4)	(1)	-	-
Pre-tax income (loss)	\$ 80	\$ (15)	\$ 80	\$ 181	\$ 225
Total Chartis U.S.					
Net premiums written	\$ 3,879	\$ 3,828	\$ 4,359	\$ 4,957	\$ 4,128
Net premiums earned	4,417	4,492	4,616	4,689	4,482
Claims and claims adjustment expenses incurred	3,626	3,770	4,110	3,940	4,103
Underwriting expenses	1,189	1,096	1,033	1,038	979
Underwriting loss	(398)	(374)	(527)	(289)	(600)
Net investment income	966	729	769	854	874
Operating income before net realized capital gains (losses) and other income (loss)	568	355	242	565	274
Net realized capital gains (losses)	(164)	43	35	92	66
Other income (loss)	2	(4)	(1)	-	-
Pre-tax income	\$ 406	\$ 394	\$ 276	\$ 657	\$ 340

See Accompanying Notes on Page 21



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Net premiums written	\$ 4,941	\$ 4,020	\$ 4,300	\$ 4,210	\$ 5,038
Net premiums earned	4,271	4,470	4,427	4,344	4,169
Claims and claims adjustment expenses incurred (1)	2,283	2,905	2,728	2,740	3,653
Underwriting expenses	1,770	1,827	1,704	1,674	1,519
Underwriting profit (loss)	218	(262)	(5)	(70)	(1,003)
Net investment income					
Interest and dividends	251	268	267	271	258
Alternative investments	(9)	1	-	3	7
Mutual funds	8	(4)	(15)	5	45
Other investment income (3)	20	21	22	20	12
Investment expense	(13)	(12)	(19)	(11)	(17)
Total	257	274	255	288	305
Operating income (loss), before net realized capital gains (losses)	475	12	250	218	(698)
Net realized capital gains (losses)	29	411	25	(49)	(16)
Pre-tax income (loss)	\$ 504	\$ 423	\$ 275	\$ 169	\$ (714)
Underwriting ratios:					
Loss ratio	53.5	65.0	61.6	63.1	87.6
Expense ratio	41.4	40.9	38.5	38.5	36.4
Combined ratio	94.9	105.9	100.1	101.6	124.0
Combined ratio excluding significant current year catastrophe-related losses	94.8	99.6	97.7	98.4	95.6
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	97.4	101.5	97.3	98.5	96.8
Foreign exchange effect on Chartis International's premium: Change in net premiums written					
Increase / (decrease) in original currency (4)	(3.2)%	7.8 %	2.1 %	27.7 %	28.1 %
Foreign exchange effect	1.4	4.0	9.4	10.2	2.5
Increase / (decrease) as reported in US \$	(1.8)%	11.8 %	11.5 %	37.9 %	30.6 %
Pre-tax catastrophe-related losses and prior year loss reserve development:					
Pre-tax catastrophe-related losses	\$ 1	\$ 287	\$ 125	\$ 128	\$ 1,159
Reinstatement premium related to catastrophes	-	(12)	(27)	13	43
Net prior year adverse (favorable) loss development (5)	(109)	(84)	17	(4)	(50)

See Accompanying Notes on Page 21



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

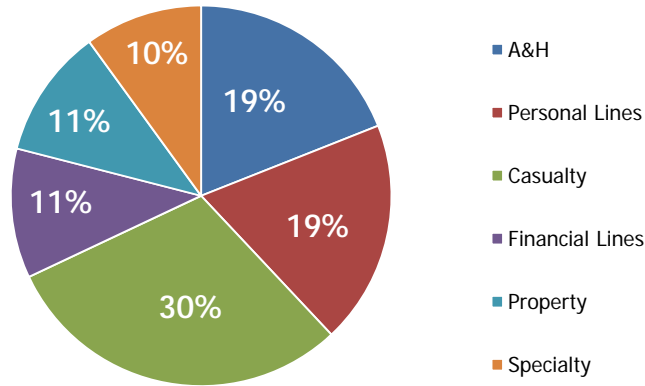
	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Commercial Insurance					
Net premiums written	\$ 2,239	\$ 1,309	\$ 1,673	\$ 1,567	\$ 2,398
Net premiums earned	1,652	1,723	1,824	1,798	1,625
Claims and claims adjustment expenses incurred	798	1,336	1,160	1,156	1,660
Underwriting expenses	651	631	592	552	541
Underwriting profit (loss)	203	(244)	72	90	(576)
Net investment income	124	138	139	140	130
Operating income (loss)	\$ 327	\$ (106)	\$ 211	\$ 230	\$ (446)
Underwriting ratios:					
Loss ratio	48.3	77.5	63.6	64.3	102.2
Expense ratio	39.4	36.6	32.5	30.7	33.3
Combined ratio	87.7	114.1	96.1	95.0	135.5
Combined ratio excluding significant current year catastrophe-related losses	87.6	99.5	93.3	90.1	92.0
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	92.9	104.9	93.7	91.1	95.8
Consumer Insurance					
Net premiums written	\$ 2,702	\$ 2,711	\$ 2,627	\$ 2,643	\$ 2,640
Net premiums earned	2,616	2,746	2,603	2,546	2,545
Claims and claims adjustment expenses incurred	1,484	1,568	1,562	1,560	1,980
Underwriting expenses	1,061	1,152	1,085	1,068	936
Underwriting profit (loss)	71	26	(44)	(82)	(371)
Net investment income	75	66	63	64	63
Operating income (loss)	\$ 146	\$ 92	\$ 19	\$ (18)	\$ (308)
Underwriting ratios:					
Loss ratio	56.7	57.1	60.0	61.3	77.8
Expense ratio	40.6	42.0	41.7	41.9	36.8
Combined ratio	97.3	99.1	101.7	103.2	114.6
Combined ratio excluding significant current year catastrophe-related losses	97.3	98.3	99.5	101.2	95.8
Combined ratio excluding significant current year catastrophe-related losses and prior year loss development	97.9	98.2	98.7	100.8	95.6
Chartis Other Int'l					
Net premiums written	\$ -	\$ -	\$ -	\$ -	\$ -
Net premiums earned	3	1	-	-	(1)
Claims and claims adjustment expenses incurred	1	1	6	24	13
Underwriting expenses	58	44	27	54	42
Underwriting loss	(56)	(44)	(33)	(78)	(56)
Net investment income	58	70	53	84	112
Operating income before net realized capital gains (losses)	2	26	20	6	56
Net realized capital gains (losses)	29	411	25	(49)	(16)
Pre-tax income (loss)	\$ 31	\$ 437	\$ 45	\$ (43)	\$ 40
Total Chartis Int'l					
Net premiums written	\$ 4,941	\$ 4,020	\$ 4,300	\$ 4,210	\$ 5,038
Net premiums earned	4,271	4,470	4,427	4,344	4,169
Claims and claims adjustment expenses incurred	2,283	2,905	2,728	2,740	3,653
Underwriting expenses	1,770	1,827	1,704	1,674	1,519
Underwriting profit (loss)	218	(262)	(5)	(70)	(1,003)
Net investment income	257	274	255	288	305
Operating income (loss) before net realized capital gains (losses)	475	12	250	218	(698)
Net realized capital gains (losses)	29	411	25	(49)	(16)
Pre-tax income (loss)	\$ 504	\$ 423	\$ 275	\$ 169	\$ (714)

See Accompanying Notes on Page 21

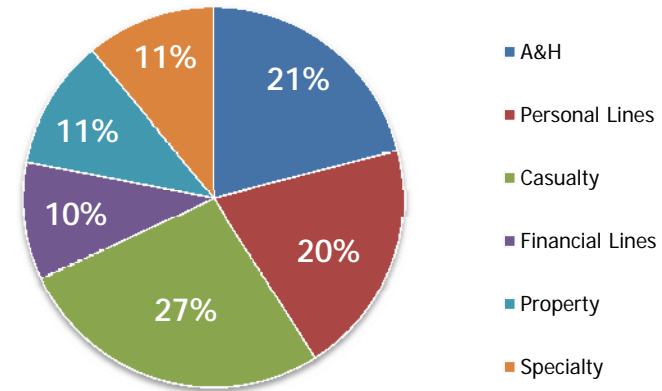
Chartis – Worldwide Net Premiums Written (NPW) by Line of Business & Region

(dollars in millions)

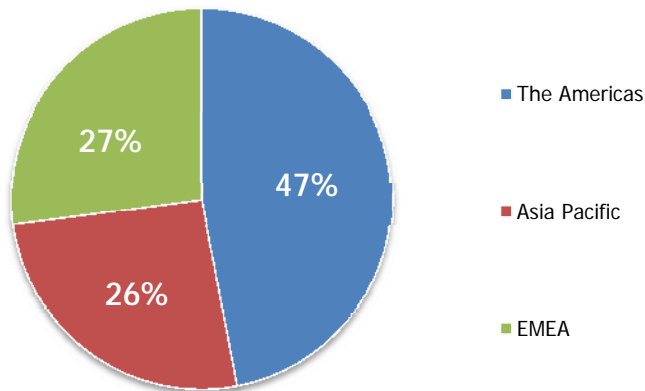
1Q11 Worldwide NPW by Line of Business = \$9,166
Commercial – 63% and Consumer – 37%



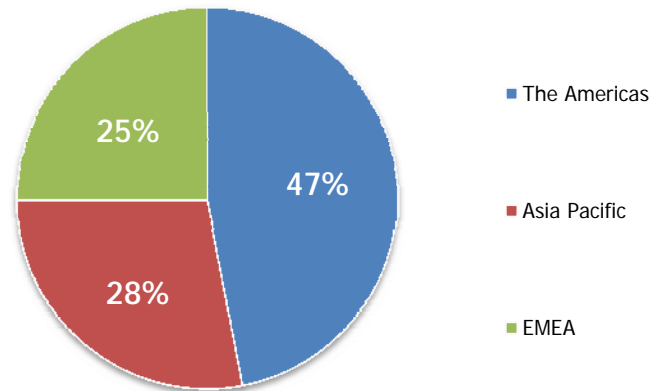
1Q12 Worldwide NPW by Line of Business = \$8,820
Commercial – 59% and Consumer – 41%



1Q11 Worldwide NPW by Region



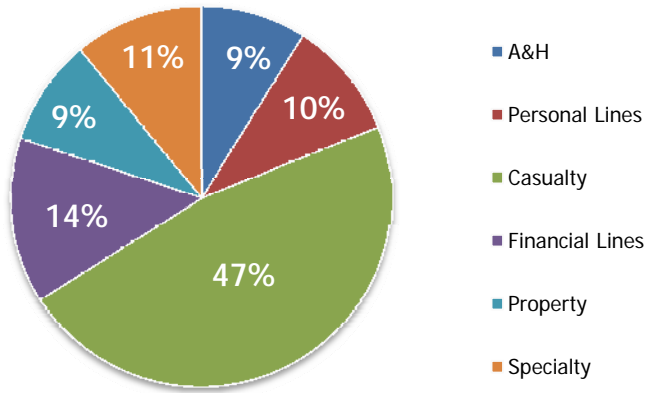
1Q12 Worldwide NPW by Region



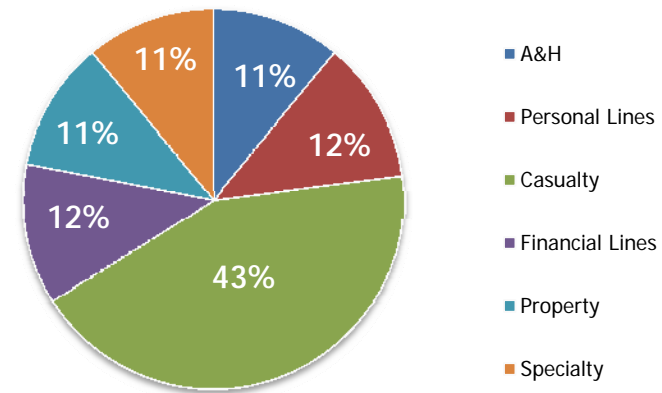
Chartis – U.S. and International Net Premiums Written (NPW) by Line of Business

(dollars in millions)

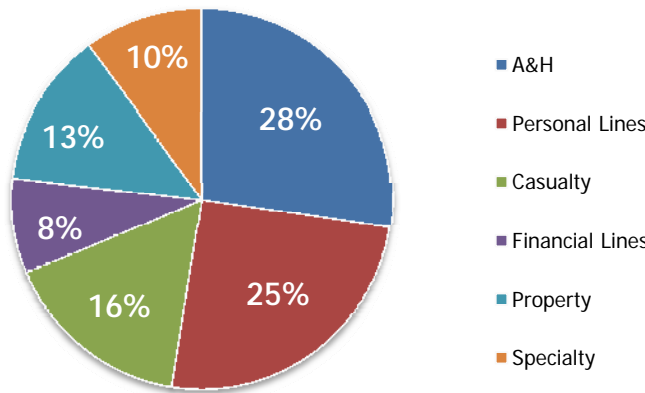
1Q11 U.S. NPW by Line of Business = \$4,128



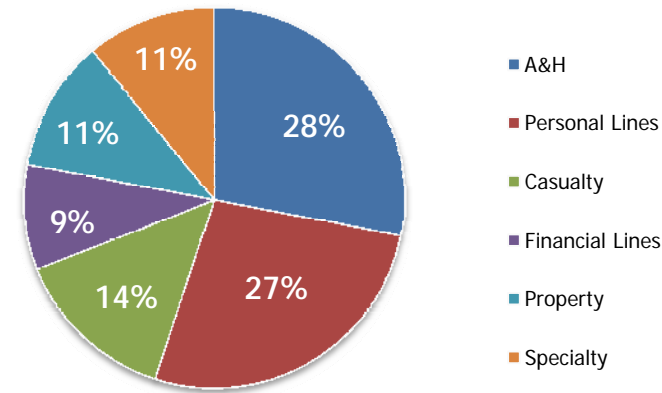
1Q12 U.S. NPW by Line of Business = \$3,879



1Q11 International NPW by Line of Business = \$5,038



1Q12 International NPW by Line of Business = \$4,941





American International Group, Inc.
Chartis - Notes

Basis of Presentation

Chartis, AIG's property and casualty insurance operation, manages its business in two operating segments – Commercial Insurance and Consumer Insurance – as well as a Chartis Other operations category. Effective January 17, 2012, Chartis has aligned its geographic structure to enhance execution of its commercial and consumer strategies and to add greater focus on its growth economies initiatives. Under this framework, Chartis is organized under three major geographic areas: the Americas, Asia Pacific, and EMEA (Europe, Middle East and Africa). Previously, Chartis was organized into four principal regions: U.S. and Canada, Europe, Far East, and Growth Economies.

Commercial Insurance distributes its products through a network of agencies, independent retail and wholesale brokers, and branches. Major lines of businesses include casualty, property, specialty (including aerospace, environmental, marine, surety, trade credit and political risk coverages, and various product offerings to small and medium enterprises (SME)) and financial lines.

Consumer Insurance primarily sells its products to individuals, organizations and families, through agents and brokers, as well as through direct marketing, partner organizations and the internet. Offerings within Consumer Insurance include accident and health (A&H) and personal lines.

Chartis Other consists primarily of certain run-off lines of business, including Excess Workers' Compensation, written on a stand-alone basis, and Asbestos and environmental products (1986 and prior), certain Chartis expenses relating to global corporate initiatives, expense allocations from AIG Parent allocations not attributable to the Commercial Insurance or Consumer Insurance operating segments and realized capital gains and losses.

During the first quarter of 2011, as part of its on-going initiatives to reduce exposure to capital intensive long-tail lines, Chartis determined to cease writing Excess Workers' Compensation business as a stand-alone product. Based on this decision, Chartis further determined that this legacy line would be included in Chartis Other and not included in the ongoing Commercial Insurance operating results.

As it relates to asbestos, beginning in 1985, standard Chartis policies contained an absolute exclusion for asbestos related exposure. Asbestos has historically been included in Chartis Other. On June 17, 2011 and retroactive to January 1, 2011, Chartis completed a transaction with National Indemnity Insurance Company (NICO) under which a majority of the Chartis domestic asbestos exposures were transferred to NICO. Chartis paid NICO \$1.67 billion as consideration for this transfer and NICO assumed \$1.82 billion of net asbestos liabilities, with an aggregate limit of \$3.5 billion. As a result, Chartis recorded a deferred gain of approximately \$150 million in the second quarter of 2011, which is being amortized into the Chartis Other operating results as the underlying claims are settled.

Investment income is allocated to the Commercial Insurance and Consumer Insurance segments based on an internal investment income allocation model. The model estimates investable funds based upon the loss reserves, unearned premium and a capital allocation for each segment. The investment income allocation is calculated based on the estimated investable funds and risk-free yields (plus an illiquidity premium) consistent with the approximate duration of the liabilities. The actual yields in excess of the allocated amounts and the investment income from the assets not attributable to the Commercial Insurance and Consumer Insurance segments are assigned to Chartis Other.

Notes:

- (1) Results include changes in future policy benefits for certain A&H insurance contracts and Fuji life insurance.
- (2) Net investment income grew in 1Q12 from 4Q11 reflecting higher returns from investments in partnerships. Variances in actual Net investment income and amounts allocated to the Consumer and Commercial segments are assigned to Chartis Other.
- (3) Other investment income is comprised principally of real estate income, changes in market value, and income (loss) from equity method investments.
- (4) Computed using a constant exchange rate for each period.
- (5) Reflects prior year development net of premium adjustments and including reserve discount.



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Premiums, deposits and other considerations (1)	\$ 5,560	\$ 5,882	\$ 5,878	\$ 6,274	\$ 6,358
Revenues:					
Premiums	\$ 605	\$ 639	\$ 591	\$ 662	\$ 621
Policy fees	691	681	658	682	684
Net investment income:					
Interest and dividends (2)	2,631	2,372	2,247	2,099	2,325
Call and tender income	12	24	67	97	34
Alternative investments	282	31	89	309	413
Other (3)	19	12	(46)	13	41
Investment expenses	(59)	(67)	(62)	(57)	(59)
Total net investment income	2,885	2,372	2,295	2,461	2,754
Other income (4)	-	209	-	-	-
Total revenues excluding net realized capital gains (losses)	4,181	3,901	3,544	3,805	4,059
Benefits and expenses:					
Policyholder benefits and claims incurred	1,070	1,197	1,190	1,212	1,015
Interest credited	1,069	1,101	1,146	1,114	1,106
Amortization of deferred policy acquisition costs	205	148	243	240	235
Non deferrable commissions	117	138	138	134	132
General operating expenses	409	405	356	382	400
Total benefits and expenses	2,870	2,989	3,073	3,082	2,888
Operating income excluding net realized capital gains (losses) and related reserve increases and amortization of acquisition costs, VOBA and sales inducements	1,311	912	471	723	1,171
Changes in fair value of fixed income securities designated to hedge living benefit liabilities, net of interest expense	(19)	-	-	-	-
Increased benefit reserves and benefit (amortization) of DAC, VOBA and SIA related to net realized capital gains (losses)	36	(132)	(163)	(48)	16
Net realized capital gains (losses)	(466)	97	38	91	(220)
Pre-tax income	\$ 862	\$ 877	\$ 346	\$ 766	\$ 967
Assets under management:					
Total invested assets	\$ 191,662	\$ 189,804	\$ 188,236	\$ 182,915	\$ 181,795
Separate account reserves	56,019	51,383	48,107	56,098	56,464
Group retirement mutual funds	10,699	9,516	8,563	9,815	9,624
Retail mutual funds	6,593	6,221	5,718	6,041	6,059
Total assets under management	\$ 264,973	\$ 256,924	\$ 250,624	\$ 254,869	\$ 253,942
Investment yield:					
Base yield (5)	5.50 %	5.44 %	5.49 %	5.41 %	5.04 %
Alternative investments (6)	0.28 %	(0.24) %	(0.11) %	0.39 %	0.62 %
Other enhancements (7)	0.73 %	0.13 %	(0.17) %	(0.16) %	0.70 %
Total	6.51 %	5.33 %	5.21 %	5.64 %	6.36 %

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Premiums, deposits and other considerations (1)	\$ 1,292	\$ 1,353	\$ 1,224	\$ 1,371	\$ 1,319
Revenues:					
Premiums	\$ 605	\$ 639	\$ 591	\$ 662	\$ 621
Policy fees	374	383	353	366	376
Net investment income					
Interest and dividends (2)	1,061	976	939	893	977
Call and tender income	7	6	38	34	7
Alternative investments	34	(6)	11	48	65
Other	-	13	(5)	14	27
Investment expenses	(30)	(30)	(29)	(24)	(29)
Total net investment income	1,072	959	954	965	1,047
Other income (4)	-	3	-	-	-
Total revenues excluding net realized capital gains (losses)	2,051	1,984	1,898	1,993	2,044
Benefits and expenses:					
Policyholder benefits and claims incurred	1,101	1,220	1,067	1,190	1,033
Interest credited	207	215	217	209	210
Amortization of deferred policy acquisition costs	108	103	94	97	95
Non deferrable commissions	66	79	82	78	73
General operating expenses	191	210	186	197	221
Total benefits and expenses	1,673	1,827	1,646	1,771	1,632
Operating income excluding net realized capital gains (losses) and related reserve increases and amortization of acquisition costs, VOBA and sales inducements	378	157	252	222	412
Increased benefit reserves and benefit (amortization) of DAC, VOBA and SIA related to net realized capital gains (losses)	2	-	(16)	(6)	3
Net realized capital gains (losses)	108	56	236	153	(82)
Pre-tax income	\$ 488	\$ 213	\$ 472	\$ 369	\$ 333
Assets under management:					
Total invested assets	\$ 69,656	\$ 69,545	\$ 68,856	\$ 65,739	\$ 65,059
Separate account reserves	5,349	5,377	5,299	5,680	5,688
Total assets under management	\$ 75,005	\$ 74,922	\$ 74,155	\$ 71,419	\$ 70,747

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Sales and deposits (8)					
Term	\$ 29	\$ 32	\$ 30	\$ 28	\$ 24
Universal Life	25	33	27	30	25
Variable Universal Life and Other	2	17	4	9	3
Single Premium and Unscheduled Deposits	6	5	4	4	3
Total Life	62	87	65	71	55
Group Life and Accident & Health Premiums	37	21	22	59	24
Deferred Annuities	113	92	85	148	140
Payout Annuities (9)	150	177	122	177	167
Total	\$ 362	\$ 377	\$ 294	\$ 455	\$ 386
Total life sales by distribution channel					
Independent - Retail	\$ 34	\$ 39	\$ 37	\$ 37	\$ 31
Independent - Institutional	3	16	3	6	-
Affiliated - Retail (Career and Matrix Direct)	25	32	25	28	24
Total	\$ 62	\$ 87	\$ 65	\$ 71	\$ 55
Surrender rates (10)					
Independent distribution	5.4 %	5.2 %	5.7 %	5.5 %	5.6 %
Career distribution	7.9 %	8.5 %	7.5 %	7.3 %	7.3 %
Premiums, deposits and other considerations (1)					
Life insurance	\$ 832	\$ 887	\$ 822	\$ 850	\$ 813
Career distribution (AGLA)	207	209	206	216	216
Payout annuities	150	177	122	177	167
Individual fixed and runoff annuities	103	80	74	128	123
Total premiums, deposits and other considerations	\$ 1,292	\$ 1,353	\$ 1,224	\$ 1,371	\$ 1,319
Gross life insurance in force (at period end):					
Life insurance	\$ 835,326	\$ 835,122	\$ 834,125	\$ 832,496	\$ 835,181
Career distribution (AGLA)	75,380	74,607	72,816	71,909	70,563
Gross life insurance in force (at period end)	\$ 910,706	\$ 909,729	\$ 906,941	\$ 904,405	\$ 905,744

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Insurance reserves rollforward:					
Balance at beginning of period, gross	\$ 59,247	\$ 59,046	\$ 59,217	\$ 58,988	\$ 58,819
Premiums and deposits (11)	1,292	1,353	1,224	1,371	1,319
Surrenders and other withdrawals	(945)	(868)	(624)	(698)	(710)
Death, payout annuity and other contract benefits	(258)	(226)	(213)	(211)	(232)
Net flows	89	259	387	462	377
Change in market value and interest credited	871	791	328	699	809
Policy charges and fees	(923)	(920)	(915)	(934)	(944)
Other	80	71	29	2	(73)
Balance at end of period, gross	59,364	59,247	59,046	59,217	58,988
Reserves related to unrealized investment appreciation	1,868	1,891	1,607	-	-
Reinsurance ceded	(1,253)	(1,289)	(1,269)	(1,272)	(1,280)
Total insurance reserves	\$ 59,979	\$ 59,849	\$ 59,384	\$ 57,945	\$ 57,708
Insurance reserves:					
Future policy benefits for life and accident & health insurance contracts	\$ 29,061	\$ 28,924	\$ 28,403	\$ 26,667	\$ 26,518
Policyholder contract deposits	24,099	24,060	24,146	24,053	23,952
Other policyholder funds	1,470	1,488	1,536	1,545	1,550
Separate account reserves	5,349	5,377	5,299	5,680	5,688
Total insurance reserves	\$ 59,979	\$ 59,849	\$ 59,384	\$ 57,945	\$ 57,708
Components of Net Investment Income:					
Base investment income	\$ 938	\$ 927	\$ 934	\$ 926	\$ 883
Alternative investments	34	(6)	11	48	65
Other enhancements	100	38	9	(9)	99
Total net investment income	\$ 1,072	\$ 959	\$ 954	\$ 965	\$ 1,047
Investment yield:					
Base yield (5)	6.20%	6.12%	6.19%	6.20%	5.96%
Alternative investments (6)	0.00%	(0.22)%	(0.10)%	0.15%	0.27%
Other enhancements (7)	0.78%	0.25%	0.06%	(0.06)%	0.66%
Total	6.98%	6.15%	6.15%	6.29%	6.89%

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Premiums, deposits and other considerations (1)	\$ 4,268	\$ 4,529	\$ 4,654	\$ 4,903	\$ 5,039
Policy fees	\$ 317	\$ 298	\$ 305	\$ 316	\$ 308
Investment spread					
Net investment income					
Interest and dividends (2)	1,570	1,396	1,308	1,206	1,348
Call and tender income	5	18	29	63	27
Alternative investments (12)	248	37	78	261	348
Other	19	(1)	(41)	(1)	14
Investment expenses	(29)	(37)	(33)	(33)	(30)
Total net investment income	1,813	1,413	1,341	1,496	1,707
Interest credited	862	886	929	905	896
Net investment spread	951	527	412	591	811
Other income (4)	-	206	-	-	-
Benefits and expenses					
Policyholder benefits and claims incurred (13)	(31)	(23)	123	22	(18)
Amortization of deferred policy acquisition costs	97	45	149	143	140
Non deferrable commissions	51	59	56	56	59
General operating expenses	218	195	170	185	179
Total benefits and expenses	335	276	498	406	360
Operating income excluding net realized capital gains (losses) and related reserve increases and amortization of acquisition costs, VOBA and sales inducements	933	755	219	501	759
Changes in fair value of fixed income securities designated to hedge living benefit liabilities, net of interest expense	(19)	-	-	-	-
Increased benefit reserves and benefit (amortization) of DAC, VOBA and SIA related to net realized capital gains (losses)	34	(132)	(147)	(42)	13
Net realized capital gains (losses)	(574)	41	(198)	(62)	(138)
Pre-tax income (loss)	\$ 374	\$ 664	\$ (126)	\$ 397	\$ 634
Assets under management:					
Total invested assets (14)	\$ 122,006	\$ 120,259	\$ 119,380	\$ 117,176	\$ 116,736
Separate account reserves	50,670	46,006	42,808	50,418	50,776
Group retirement mutual funds	10,699	9,516	8,563	9,815	9,624
Retail mutual funds	6,593	6,221	5,718	6,041	6,059
Total assets under management	\$ 189,968	\$ 182,002	\$ 176,469	\$ 183,450	\$ 183,195

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Premiums, deposits and other considerations (1):					
Group retirement products (VALIC)	\$ 1,844	\$ 1,923	\$ 1,982	\$ 1,705	\$ 1,702
Individual fixed annuities (Western National)	610	1,104	1,333	2,018	2,151
Individual variable annuities (SunAmerica Retirement Markets)	1,048	821	800	832	759
Brokerage services and retail mutual funds	749	664	522	329	410
Other	17	17	17	19	17
Total premiums, deposits and other considerations	\$ 4,268	\$ 4,529	\$ 4,654	\$ 4,903	\$ 5,039
Policy fees:					
Group retirement products (VALIC)	\$ 110	\$ 102	\$ 113	\$ 110	\$ 107
Individual fixed annuities (Western National)	6	5	6	7	6
Individual variable annuities (SunAmerica Retirement Markets)	145	134	136	140	138
Brokerage services and retail mutual funds	58	49	54	56	55
Other	(2)	8	(4)	3	2
Total policy fees	\$ 317	\$ 298	\$ 305	\$ 316	\$ 308
Net investment income:					
Group retirement products (VALIC)	\$ 625	\$ 505	\$ 455	\$ 538	\$ 589
Individual fixed annuities (Western National)	874	648	590	670	811
Individual variable annuities (SunAmerica Retirement Markets)	45	33	26	36	38
Brokerage services and retail mutual funds	1	-	1	-	1
Other	268	227	269	252	268
Total net investment income	\$ 1,813	\$ 1,413	\$ 1,341	\$ 1,496	\$ 1,707
Operating income:					
Group retirement products (VALIC)	\$ 315	\$ 179	\$ 118	\$ 227	\$ 252
Individual fixed annuities (Western National)	312	124	18	90	261
Individual variable annuities (SunAmerica Retirement Markets)	145	125	(94)	34	90
Brokerage services and retail mutual funds	2	1	-	12	8
Other (4)	159	326	177	138	148
Total operating income	\$ 933	\$ 755	\$ 219	\$ 501	\$ 759

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Group retirement products (VALIC) (15)					
Balance at beginning of period	\$ 69,925	\$ 66,655	\$ 71,133	\$ 70,565	\$ 68,365
Deposits - annuities (16)	1,399	1,447	1,611	1,303	1,291
Deposits - mutual funds (16)	445	476	371	402	411
Deposits - subtotal	1,844	1,923	1,982	1,705	1,702
Surrenders and other withdrawals	(1,515)	(1,454)	(1,448)	(1,448)	(1,503)
Death benefits	(102)	(112)	(86)	(90)	(83)
Net flows	227	357	448	167	116
Change in fair value of underlying investments, interest credited, net of fees	3,926	2,898	(4,926)	401	2,084
Effect of net unrealized gains/losses (shadow loss)	11	15	-	-	-
Balance at end of period	74,089	69,925	66,655	71,133	70,565
Individual fixed annuities (Western National)					
Balance at beginning of period	52,276	51,548	50,994	49,854	48,489
Deposits (16)	610	1,104	1,333	2,018	2,151
Surrenders and other withdrawals	(863)	(870)	(833)	(913)	(840)
Death benefits	(404)	(351)	(392)	(425)	(402)
Net flows	(657)	(117)	108	680	909
Change in fair value of underlying investments, interest credited, net of fees	446	466	446	460	456
Effect of net unrealized gains/losses (shadow loss)	(8)	379	-	-	-
Balance at end of period	52,057	52,276	51,548	50,994	49,854
Individual variable annuities (SunAmerica Retirement Markets)					
Balance at beginning of period	24,896	23,717	26,083	26,277	25,581
Deposits	1,048	821	800	832	759
Surrenders and other withdrawals	(708)	(616)	(690)	(838)	(838)
Death benefits	(112)	(108)	(119)	(115)	(110)
Net flows	228	97	(9)	(121)	(189)
Change in fair value of underlying investments, interest credited, net of fees	1,920	1,082	(2,357)	(73)	885
Balance at end of period	27,044	24,896	23,717	26,083	26,277
Retail mutual funds					
Balance at beginning of period	6,221	5,718	6,041	6,059	5,975
Deposits	749	664	522	329	410
Redemptions	(379)	(328)	(415)	(324)	(380)
Net flows	370	336	107	5	30
Change in fair value of underlying investments, interest credited, net of fees	2	167	(430)	(23)	54
Balance at end of period	6,593	6,221	5,718	6,041	6,059
Total					
Balance at beginning of period, excluding runoff and GICs	153,318	147,638	154,251	152,755	148,410
Deposits	4,251	4,512	4,637	4,884	5,022
Surrenders, redemptions and other withdrawals	(3,465)	(3,268)	(3,386)	(3,523)	(3,561)
Benefit and death payments	(618)	(571)	(597)	(630)	(595)
Net flows	168	673	654	731	866
Change in fair value of underlying investments, interest credited, net of fees	6,294	4,613	(7,267)	765	3,479
Effect of net unrealized gains/losses (shadow loss)	3	394	-	-	-
Balance at end of period, excluding runoff and GICs	159,783	153,318	147,638	154,251	152,755
Individual annuities runoff	4,249	4,299	4,311	4,346	4,386
GICs	5,997	6,706	6,712	6,836	7,823
Balance at end of period	\$ 170,029	\$ 164,323	\$ 158,661	\$ 165,433	\$ 164,964
General and separate account reserves					
Policyholder contract deposits	\$ 102,067	\$ 102,580	\$ 101,572	\$ 99,159	\$ 98,505
Separate account reserves	50,670	46,006	42,808	50,418	50,776
Total general and separate account reserves	152,737	148,586	144,380	149,577	149,281
Group retirement mutual funds off-balance sheet	10,699	9,516	8,563	9,815	9,624
Retail mutual funds off-balance sheet	6,593	6,221	5,718	6,041	6,059
Total reserves and mutual funds	\$ 170,029	\$ 164,323	\$ 158,661	\$ 165,433	\$ 164,964
Surrender rates					
Group retirement products (VALIC)	8.4 %	8.4 %	8.4 %	8.2 %	8.7 %
Individual fixed annuities (Western National)	6.7 %	6.7 %	6.5 %	7.2 %	6.9 %
Individual variable annuities (SunAmerica Retirement Markets)	11.0 %	10.3 %	11.3 %	12.9 %	13.0 %

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Spread information					
Group retirement products (VALIC)					
Base investment income	\$ 515	\$ 507	\$ 496	\$ 476	\$ 439
Alternative investments	52	(7)	(20)	57	92
Other enhancements	58	5	(21)	5	58
Total net investment income	\$ 625	\$ 505	\$ 455	\$ 538	\$ 589
Base yield (5)	5.30 %	5.28 %	5.28 %	5.17 %	4.80 %
Alternative investments (6)	0.26 %	(0.31) %	(0.43) %	0.35 %	0.72 %
Other enhancements (7)	0.60 %	0.06 %	(0.23) %	0.05 %	0.64 %
Total	6.16 %	5.03 %	4.62 %	5.57 %	6.16 %
Cost of funds (a)	3.40 %	3.62 %	3.72 %	3.69 %	3.66 %
Net investment spread, as reported (a)	2.76 %	1.41 %	0.90 %	1.88 %	2.50 %
Base net investment spread (b)	1.90 %	1.66 %	1.56 %	1.48 %	1.14 %
Individual fixed annuities (Western National)					
Base investment income	\$ 692	\$ 682	\$ 682	\$ 645	\$ 576
Alternative investments	77	(36)	(34)	72	131
Other enhancements	105	2	(58)	(47)	104
Total net investment income	\$ 874	\$ 648	\$ 590	\$ 670	\$ 811
Base yield (5)	5.13 %	5.08 %	5.13 %	4.93 %	4.53 %
Alternative investments (6)	0.32 %	(0.46) %	(0.45) %	0.34 %	0.76 %
Other enhancements (7)	0.78 %	0.01 %	(0.43) %	(0.36) %	0.83 %
Total	6.23 %	4.63 %	4.25 %	4.91 %	6.12 %
Cost of funds (a)	3.18 %	3.28 %	3.38 %	3.39 %	3.45 %
Net investment spread, as reported (a)	3.05 %	1.35 %	0.87 %	1.52 %	2.67 %
Base net investment spread (b)	1.95 %	1.80 %	1.75 %	1.54 %	1.08 %

(a) Excludes the amortization of sales inducement assets

(b) Excludes impact of alternative investments and other enhancements

See Accompanying Notes on Pages 35 and 36



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Spread information					
Individual variable annuities (SunAmerica Retirement Markets)					
Base investment income	\$ 35	\$ 35	\$ 31	\$ 30	\$ 26
Alternative investments	8	(2)	(5)	7	10
Other enhancements	2	-	-	(1)	2
Total net investment income	\$ 45	\$ 33	\$ 26	\$ 36	\$ 38
Base yield (5)	4.95 %	4.70 %	4.86 %	5.14 %	4.60 %
Alternative investments (6)	0.55 %	(0.54)%	(1.13)%	0.71 %	1.30 %
Other enhancements (7)	0.26 %	0.04 %	(0.04)%	(0.04)%	0.28 %
Total	5.76 %	4.20 %	3.69 %	5.81 %	6.18 %
Cost of funds (a)	2.52 %	2.64 %	2.80 %	2.87 %	2.90 %
Net investment spread, as reported (a)	3.24 %	1.56 %	0.89 %	2.94 %	3.28 %
Base net investment spread (b)	2.43 %	2.06 %	2.06 %	2.27 %	1.70 %

(a) Excludes the amortization of sales inducement assets.

(b) Excludes impact of alternative investments and other enhancements

See Accompanying Notes on Pages 35 and 36



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

	March 31, 2012		
	Account Value	Net Amount at Risk ("NAR")	Retained NAR
Guaranteed Minimum Death Benefit ("GMDB") Type (including Earnings Enhancement Benefit) (a):			
Return of premium (b)	\$ 3,700	\$ -	\$ -
Roll-up (c)	45,610	1,091	1,091
Return of premium (b) (Coinsurance - Japan)	-	296	296
	49,310	1,387	1,387
 Guaranteed Minimum Income Benefit Type:			
No Roll-up (Coinsurance - Japan)	-	21	21
 Guaranteed Minimum Withdrawal Benefit ("GMWB") Type (d):			
Lifetime guarantees (e)	3,086	44	44
Return of premium (b) (Coinsurance - Japan)	-	275	275
	\$ 3,086	\$ 319	\$ 319

Notes:

- (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 rolup 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, 2012		
	Account Value	Net Amount at Risk ("NAR")	Retained NAR
Guaranteed Minimum Death Benefit ("GMDB") Type (including Earnings Enhancement Benefit) (a):			
Return of premium (b)	\$ 7,700	\$ 69	\$ 68
Reset (c)	546	1	1
Ratchet (d)	12,337	786	696
Roll-up (e)	4,100	751	720
Combination (f)	205	37	36
Return of premium, with earnings enhancement (g)	2	-	-
Ratchet, with earnings enhancement (h)	981	139	50
Roll-up, with earnings enhancement (i)	401	76	22
Combination with earnings enhancement (j)	36	18	18
	<u>\$ 26,308</u>	<u>\$ 1,877</u>	<u>\$ 1,611</u>
Guaranteed Minimum Income Benefit ("GMIB") Type (k):			
Roll-up (e)	\$ 322	\$ 151	\$ 57
No roll-up (l)	2,978	53	30
	<u>\$ 3,300</u>	<u>\$ 204</u>	<u>\$ 87</u>
Guaranteed Minimum Account Value ("GMAV") Type (m):			
Ten year waiting period	\$ 1,048	\$ 12	\$ 12
Guaranteed Minimum Withdrawal Benefit ("GMWB") Type (n):			
Minimum amount guarantees (o)	549	14	14
Lifetime guarantees (p)	12,111	812	812
	<u>\$ 12,660</u>	<u>\$ 826</u>	<u>\$ 826</u>

See Accompanying Notes on page 33



American International Group, Inc.
Domestic Retirement Services - Individual Variable Annuities (SunAmerica Retirement Markets)
Guaranteed Benefits Notes

- (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 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. 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)

	<u>March 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>	<u>Sept. 30,</u> <u>2011</u>	<u>June 30,</u> <u>2011</u>	<u>March 31,</u> <u>2011</u>
Other Data					
S&P 500 Index value	1,408	1,258	1,131	1,321	1,326
10 year US Treasury Yield	2.209%	1.876%	1.915%	3.160%	3.470%
CBOE SPX Volatility Index (VIX)	15.50	23.40	42.96	16.52	17.74
Total Account Value	\$ 27,044	\$ 24,896	\$ 23,717	\$ 26,083	\$ 26,277
Account value by benefit type:					
Guaranteed Minimum Death Benefits	26,308	24,017	22,517	25,708	25,937
Guaranteed Minimum Income Benefits	3,300	3,130	3,040	3,665	3,873
Guaranteed Minimum Account Value	1,048	1,009	988	1,210	1,300
Guaranteed Minimum Withdrawal Benefits	12,660	11,059	9,892	10,778	10,344
Net amount at risk:					
Guaranteed Minimum Death Benefits	1,877	3,134	4,351	1,995	1,938
Guaranteed Minimum Income Benefits	204	271	315	119	89
Guaranteed Minimum Account Value	12	27	43	11	11
Guaranteed Minimum Withdrawal Benefits	826	1,422	1,906	669	593
Retained net amount at risk:					
Guaranteed Minimum Death Benefits	1,611	2,695	3,757	1,698	1,645
Guaranteed Minimum Income Benefits	87	110	127	53	38
Guaranteed Minimum Account Value	12	27	43	11	11
Guaranteed Minimum Withdrawal Benefits	826	1,422	1,906	669	593
Liability for guaranteed benefits (GMDB & GMIB)	\$ 369	\$ 414	\$ 458	360	\$ 352



American International Group, Inc.
SunAmerica Financial Group
Notes

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.

The SunAmerica segment has two operating segments: *Domestic Life Insurance*, 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 Insurance operations are conducted through the American General business unit. SunAmerica's Domestic Retirement Services operations consist of VALIC, Western National, SunAmerica Retirement Markets, Brokerage Services and Retail Mutual Funds and Other. Other consists of GIC closed block, affordable housing and other run-off blocks.

- (1) Premiums, deposits and other considerations (PDOC) is a non-GAAP measure which consists of life insurance premiums, deposits on annuity contracts and mutual funds. Domestic Life Insurance revised its definition of PDOC in the first quarter of 2012 to exclude ceded premiums and supplemental contracts. Prior periods have been conformed to the revised presentation.
- (2) Interest and dividends include gains (losses) related to AIG's economic retained interest in ML II, which was liquidated by the FRBNY in the first quarter of 2012, as follows:

(in millions)	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Domestic Life Insurance					
Fair value gain (loss)	\$ 74	\$ 1	\$ (16)	\$ (58)	\$ 76
Capitalized interest	2	2	2	3	3
Total	\$ 76	\$ 3	\$ (14)	\$ (55)	\$ 79
Domestic Retirement Services					
Fair value gain (loss)	\$ 164	\$ 2	\$ (35)	\$ (128)	\$ 166
Capitalized interest	6	5	6	7	6
Total	\$ 170	\$ 7	\$ (29)	\$ (121)	\$ 172
Total SunAmerica					
Fair value gain (loss)	\$ 238	\$ 3	\$ (51)	\$ (186)	\$ 242
Capitalized interest	8	7	8	10	9
Total ML II income (loss) included in interest and dividends	\$ 246	\$ 10	\$ (43)	\$ (176)	\$ 251

- (3) The three months ended December 31, 2011, September 30, 2011 and June 30, 2011 include \$35 million, \$97 million and \$31 million, respectively, of losses related to equity-method investments in trusts that hold leased commercial aircraft.
- (4) The three months ended December 31, 2011 Other income includes revenue of \$213 million recorded pursuant to a legal settlement, which is reported in Other operating income in product statistics (See page 27).
- (5) Includes the investment return on surplus other than alternative investment or yield enhancement activities. Quarterly results are annualized.
- (6) Includes incremental effect to base yield of investments in hedge funds and private equity funds. Quarterly results are annualized.
- (7) Includes incremental effect to base yield of gains on ML II and income from calls and prepayment fees. Quarterly results are annualized.



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

- (8) Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10 percent of unscheduled and single premiums from new and existing policyholders. Sales of group accident and health insurance represent annualized first-year premium from new policies. Annuity sales represent deposits from new and existing customers.
- (9) Includes structured settlements, single premium immediate annuities and terminal funding annuities.
- (10) 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.
- (11) Represents premiums and deposits before reinsurance premiums.
- (12) Includes Affordable Housing Partnership Income as follows:

(in millions)	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Affordable Housing Partnership Income	\$ 53	\$ 64	\$ 59	\$ 56	\$ 53

- (13) Policyholder benefits and claims incurred is negative in the three months ended March 31, 2012, December 31, 2011 and March 31, 2011, due to reductions in SOP 03-01 reserves (primarily guaranteed minimum death benefits) resulting from positive equity markets.
- (14) Includes invested assets of runoff blocks as follows:

(in millions)	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Total Invested Assets	\$ 13,534	\$ 14,514	\$ 14,343	\$ 14,137	\$ 15,906

- (15) 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:

(in millions)	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Beginning Balance	\$ 9,516	\$ 8,563	\$ 9,815	\$ 9,624	\$ 9,032
Ending Balance	\$ 10,699	\$ 9,516	\$ 8,563	\$ 9,815	\$ 9,624

- (16) 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.
Aircraft Leasing Operating Statistics (1)
(dollars in millions)

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Revenues:					
Rental revenue	\$ 1,130	\$ 1,078	\$ 1,117	\$ 1,111	\$ 1,141
Interest and other revenues (1)	23	(30)	12	23	15
Total aircraft leasing revenues	\$ 1,153	\$ 1,048	\$ 1,129	\$ 1,134	\$ 1,156
Operating expenses:					
Interest expense (2)	\$ 388	\$ 345	\$ 353	\$ 360	\$ 369
Loss on extinguishment of debt	21	-	-	61	-
Aircraft leasing expense:					
Depreciation expense	481	491	468	459	453
Impairment charges, fair value adjustments and lease-related charges	55	16	1,518	42	113
Other expenses	89	77	107	126	104
Total aircraft leasing expenses	625	584	2,093	627	670
Operating income (loss) before net realized capital gains (losses)	119	119	(1,317)	86	117
Net realized capital gains (losses)	1	(2)	(12)	1	3
Pre-tax income (loss)	\$ 120	\$ 117	\$ (1,329)	\$ 87	\$ 120

Notes:

- (1) Includes intercompany activity eliminated in consolidation.
- (2) Excludes amortization of deferred debt issue costs, deferred debt discount, and the effect of derivatives. Amortization of deferred debt issue costs and deferred debt discount are included in Other expenses. Gains / (losses) relating to derivatives are included in Net realized capital gains (losses).



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Other operations:					
Mortgage Guaranty	\$ 8	\$ (25)	\$ (98)	\$ 12	\$ 14
Global Capital Markets	92	46	(174)	(160)	277
Direct Investment book	(156)	(27)	119	61	451
Change in fair value of AIA securities	1,795	1,021	(2,315)	1,521	1,062
Change in fair value of ML III	1,252	208	(931)	(667)	744
Other interest expense	(470)	(456)	(498)	(513)	(534)
Interest expense on FRBNY Credit Facility	-	-	-	-	(24)
Deferred gain on FRBNY Credit Facility (1)	-	-	-	-	296
Gain on extinguishment of debt (2)	-	484	-	-	-
Other, net (3)	(202)	(300)	(335)	(131)	(142)
Consolidation & elimination (4)	3	26	(10)	(9)	(7)
Other operations, operating income (loss)	2,322	977	(4,242)	114	2,137
Adjustments to arrive at pre-tax income (loss) before net realized capital gains (losses):					
Loss on extinguishment of debt (1)	-	-	-	-	(3,627)
Net gain (loss) on sale of divested businesses and properties (5)	(3)	2	(2)	(2)	(72)
Total adjustments	(3)	2	(2)	(2)	(3,699)
Pre-tax income (loss) before net realized capital gains (losses)	\$ 2,319	\$ 979	\$ (4,244)	\$ 112	\$ (1,562)

Notes:

- (1) 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) In the fourth quarter of 2011, as a result of the exchange of specified series of its outstanding Junior Subordinated Debentures for senior notes pursuant to its offer to exchange, AIG recognized a \$484 million gain.
- (3) Includes unallocated corporate expenses, including Parent service fees, restructuring expenses, professional fees, long-term compensation costs and certain litigation expenses. In the third quarter of 2011 increase reflected severance expenses and asset write-offs of \$95 million relating to infrastructure consolidation initiatives across AIG and its businesses and an increase in provisions for legal contingencies. In the first quarter of 2011 includes \$157 million loss associated with the change in fair value of MetLife Securities prior to sale.
- (4) Primarily represents the elimination of amounts attributable to intercompany loans between Global Capital Markets and the Direct Investment book and AIG.
- (5) Net gains and losses on sale of divested businesses include results that did not meet the criteria for discontinued operations.



American International Group, Inc.
Mortgage Guaranty Operating Statistics
(dollars in millions)

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
New Insurance Written	\$ 6,600	\$ 7,200	\$ 5,800	\$ 3,200	\$ 2,600
Net premiums written	191	200	206	191	204
Net premiums earned	169	181	197	204	210
Claims and claims adjustment expenses incurred	145	179	279	183	193
Underwriting expenses	47	58	49	43	37
Underwriting loss	(23)	(56)	(131)	(22)	(20)
Net investment income	31	31	33	34	34
Operating income (loss) before net realized capital gains (losses)	8	(25)	(98)	12	14
Net realized capital gains (losses)	-	15	17	(6)	(6)
Pre-tax income (loss)	\$ 8	\$ (10)	\$ (81)	\$ 6	\$ 8
Underwriting ratios:					
Loss ratio	85.8	98.9	141.6	89.7	91.9
Expense ratio	27.8	32.0	24.9	21.1	17.6
Combined ratio	113.6	130.9	166.5	110.8	109.5



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

<i>(in millions)</i>	March 31, 2012	December 31, 2011
Assets:		
Short-term investments (1)	\$ 11,871	\$ 12,868
Other investments (2)	9,892	6,599
Total investments	21,763	19,467
Cash	86	176
Loans to subsidiaries* (3)	36,165	39,971
Due from affiliates - net*	508	303
Current and deferred income taxes	22,242	22,438
Investments in consolidated subsidiaries*	72,282	79,802
Other assets	2,325	1,772
Total assets	\$ 155,371	\$ 163,929
Liabilities:		
Intercompany tax payable*	\$ 9,687	\$ 9,801
Parent company long-term debt	21,737	21,584
MIP notes payable	10,845	10,138
Series AIGFP matched notes and bonds payable	3,463	3,560
Loans and notes payable	613	624
Loans from subsidiaries* (4)	623	12,316
Other liabilities (5)	4,952	4,368
Total liabilities	51,920	62,391
AIG Shareholders' equity:		
Common stock	4,766	4,766
Treasury stock	(3,942)	(942)
Additional paid-in capital	81,772	81,787
Retained earnings (accumulated deficit)	13,982	10,774
Accumulated other comprehensive income	6,873	5,153
Total AIG shareholders' equity	103,451	101,538
Total liabilities and equity	\$ 155,371	\$ 163,929

* Eliminated in consolidation.

Notes:

- (1) Includes \$2.8 billion and \$3.0 billion cash deposited with AIG Funding in money market funds as of March 31, 2012 and December 31, 2011, which are eliminated in consolidation. Also includes securities purchased under agreements to resell, including balances attributable to the MIP.
- (2) Primarily represents MIP investments and intercompany derivative assets.
- (3) Represents AIG Parent's loan to Global Capital Markets (mostly through AIG Funding) and other subsidiaries.
- (4) At December 31, 2011, primarily consists of intercompany loan from AIA SPV in connection with the Recapitalization, which was terminated in the first quarter of 2012.
- (5) Primarily consists of intercompany derivative liabilities and accrued liabilities.



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

(in millions)	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Revenues					
Equity in earnings of consolidated subsidiaries *	\$ 2,820	\$ 2,686	\$ (2,604)	\$ 2,186	\$ 3,992
Interest income	139	112	90	126	268
Change in fair value of ML III	651	108	(484)	(347)	-
Net realized capital gains (losses)	452	208	299	(25)	(269)
Other revenue	60	129	17	91	42
Expenses					
Interest expense on FRBNY Credit Facility	-	-	-	-	72
Other interest expense	644	651	712	731	751
Net (gain) loss on extinguishment of debt	-	(484)	-	18	3,313
Other expenses, net	179	365	230	225	47
Income (loss) from continuing operations before income tax expense (benefit)	3,299	2,711	(3,624)	1,057	(150)
Income tax expense (benefit)	91	(18,769)	161	(771)	(316)
Income (loss) from discontinued operations	-	(1)	(205)	8	1,131
Net income (loss)	\$ 3,208	\$ 21,479	\$ (3,990)	\$ 1,836	\$ 1,297

* Eliminated in consolidation.



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

(in millions)	Three Months Ended March 31,	
	2012	2011
Net cash (used in) provided by operating activities	\$ (799)	\$ (4,809)
Cash flows from investing activities:		
Sale of investments	686	2,090
Sale of divested businesses, net	-	1,075
Purchase of investments	-	(1)
Net change in restricted cash	(560)	2,012
Net change in short-term investments	1,450	(1,083)
Contributions to subsidiaries, net	(168)	(19,596)
Mortgage and other loan receivables - originations and purchases	-	(2)
Payments received on mortgages and other loan receivables	78	65
Loans to subsidiaries, net	3,866	884
Other, net	106 *	57
Net cash provided (used in) by investing activities	5,458	(14,499)
Cash flows from financing activities:		
Federal Reserve Bank of New York Credit Facility repayments	-	(14,622)
Issuance of other long-term debt	1,996	-
Settlement of equity unit stock purchase contracts	-	723
Purchase of common stock	(3,000)	-
Repayment on other long-term debt	(1,339)	(1,458)
Drawdown on the Department of the Treasury Commitment (Series F)	-	20,292
Loans from subsidiaries, net	(2,400)	14,366
Other, net	(6)	-
Net cash provided (used in) by financing activities	(4,749)	19,301
Change in cash	(90)	(7)
Cash at beginning of year	176	49
Cash at end of period	\$ 86	\$ 42

* Primarily represents derivatives activity.



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

	<u>March 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>	<u>% Inc.</u> <u>(Dec.)</u>
Chartis			
Alternative investments (1)	\$ 6,725	\$ 6,681	0.7 %
Mutual funds	132	200	(34.0)
Investment real estate	253	253	-
Life settlement contracts	4,294	4,006	7.2
All other investments (2)	<u>1,001</u>	<u>1,139</u>	(12.1)
Total Chartis	12,405	12,279	1.0
SunAmerica Financial Group			
Alternative investments (1)	10,980	10,576	3.8
Mutual funds	1	1	-
Investment real estate	796	724	9.9
Aircraft asset investments	1,075	1,100	(2.3)
All other investments (2)	<u>161</u>	<u>159</u>	1.3
Total SunAmerica Financial Group	13,013	12,560	3.6
Aircraft Leasing and Other Operations			
Alternative investments (1)	1,483	1,536	(3.5)
Mutual funds	56	57	(1.8)
Investment real estate	1,870	1,801	3.8
Retained Interest in AIA (3)	8,211	12,367	(33.6)
All other investments and eliminations (2)	<u>171</u>	<u>144</u>	18.8
Total Aircraft Leasing & Other Operations	11,791	15,905	(25.9)
Total AIG Other Invested Assets			
Alternative investments (1)	19,188	18,793	2.1
Mutual funds	189	258	(26.7)
Investment real estate	2,919	2,778	5.1
Aircraft asset investments	1,075	1,100	(2.3)
Life settlement contracts	4,294	4,006	7.2
Retained Interest in AIA	8,211	12,367	(33.6)
All other investments (2)	<u>1,333</u>	<u>1,442</u>	(7.6)
Total AIG Other Invested Assets	<u>\$ 37,209</u>	<u>\$ 40,744</u>	(8.7)%

Notes: (1) Includes hedge funds, private equity funds and other investment partnerships.

(2) Represents all other invested assets that are not separately presented.

(3) In the first quarter of 2012, AIG sold 1.72 billion ordinary shares of AIA.



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

	Quarterly				
	1Q12	4Q11	3Q11	2Q11	1Q11
Chartis					
Bonds available for sale	\$ 169	\$ 211	\$ 88	\$ 341	\$ 90
Stocks available for sale	1	6	7	27	84
Other transactions	(56)	(29)	(30)	(236)	(77)
Other than temporary impairment charges:					
Severity	(4)	(5)	(23)	(13)	(6)
Change in intent	(2)	-	(1)	-	-
Foreign currency declines	(5)	(19)	(8)	(3)	(2)
Issuer-specific credit events	(191)	(74)	(82)	(26)	(11)
Adverse projected cash flows on structured securities	(1)	1	(1)	(1)	-
Total other than temporary impairment charges	(203)	(97)	(115)	(43)	(19)
Foreign exchange transactions	(23)	167	1	(54)	(3)
Derivative instruments	(23)	196	109	8	(25)
Total pre-tax realized capital gains (losses)	\$ (135)	\$ 454	\$ 60	\$ 43	\$ 50
SunAmerica Financial Group					
Bonds available for sale	\$ 296	\$ 338	\$ 496	\$ 283	\$ 30
Stocks available for sale	21	(3)	11	9	19
Other transactions	3	15	76	(7)	12
Other than temporary impairment charges:					
Severity	-	-	(2)	-	(2)
Change in intent	(18)	(4)	(3)	-	(4)
Issuer-specific credit events	(373)	(242)	(367)	(130)	(204)
Adverse projected cash flows on structured securities	(2)	(2)	(2)	(2)	(13)
Total other than temporary impairment charges	(393)	(248)	(374)	(132)	(223)
Foreign exchange transactions	(44)	5	104	(41)	(70)
Derivative instruments	(349)	(10)	(275)	(21)	12
Total pre-tax realized capital gains (losses)	\$ (466)	\$ 97	\$ 38	\$ 91	\$ (220)
Aircraft Leasing & Other Operations					
Bonds available for sale	\$ 9	\$ 6	\$ 17	\$ -	\$ 13
Stocks available for sale	426	1	2	1	-
Other transactions	(8)	7	(33)	27	9
Other than temporary impairment charges:					
Severity	-	-	-	-	-
Change in intent	-	-	-	-	-
Foreign currency declines	-	-	-	-	-
Issuer-specific credit events	(22)	(3)	(7)	(6)	(13)
Total other than temporary impairment charges	(22)	(3)	(7)	(6)	(13)
Change in the fair value of MetLife securities prior to the sale	-	-	-	-	(191)
Foreign exchange transactions	(165)	148	509	(247)	(615)
Derivative instruments	58	(6)	(171)	161	319
Total pre-tax realized capital gains (losses)	\$ 298	\$ 153	\$ 317	\$ (64)	\$ (478)
Total realized gains (losses)					
Bonds available for sale	\$ 474	\$ 555	\$ 601	\$ 624	\$ 133
Stocks available for sale	448	4	20	37	103
Other transactions	(61)	(7)	13	(216)	(56)
Other than temporary impairment charges:					
Severity	(4)	(5)	(25)	(13)	(8)
Change in intent	(20)	(4)	(4)	-	(4)
Foreign currency declines	(5)	(19)	(8)	(3)	(2)
Issuer-specific credit events	(586)	(319)	(456)	(162)	(228)
Adverse projected cash flows on structured securities	(3)	(1)	(3)	(3)	(13)
Total other than temporary impairment charges	(618)	(348)	(496)	(181)	(255)
Change in the fair value of MetLife securities prior to the sale	-	-	-	-	(191)
Foreign exchange transactions	(232)	320	614	(342)	(688)
Derivative instruments	(314)	180	(337)	148	306
Total pre-tax realized capital gains (losses)	\$ (303)	\$ 704	\$ 415	\$ 70	\$ (648)
Total realized gains (losses), net of tax	\$ (239)	\$ 387	\$ 305	\$ 48	\$ (384)



American International Group, Inc.
Return on Average Alternative Investments and Mutual Funds Assets by Segment (1)
(dollars in millions)

	Quarterly								
	March 31, 2012			March 31, 2011			December 31, 2011		
	Income (Loss)	Assets (1)	Return on Average Assets	Income (Loss)	Assets (1)	Return on Average Assets	Income (Loss)	Assets	Return on Average Assets
Alternative Investments (2) (3):									
Chartis									
Chartis	\$ 130	\$ 6,725	7.8 %	\$ 241	\$ 7,184	13.6 %	\$ (86)	\$ 6,681	(4.9) %
SunAmerica									
Domestic Life Insurance	34	2,232	6.5	65	1,671	16.3	(6)	1,930	(1.3)
Domestic Retirement Services	248	8,748	11.4	348	9,693	14.6	37	8,646	1.7
Total SunAmerica Financial Group	282	10,980	10.5	413	11,364	14.8	31	10,576	1.1
Aircraft Leasing and Other	(59)	868	(26.3)	11	869	5.1	(31)	929	(13.1)
Total excluding minority interest & segment reclassifications	353	18,573	7.7 %	665	19,417	13.9 %	(86)	18,186	(1.8) %
Minority interest & segment reclassifications (4)	(6)	615		13	572		10	607	
Total	\$ 347	\$ 19,188		\$ 678	\$ 19,989		\$ (76)	\$ 18,793	
Alternative Investments Type:									
Private Equity	\$ 184	\$ 11,933	6.2 %	\$ 445	\$ 13,155	13.7 %	\$ 10	\$ 11,910	0.3 %
Hedge Funds	169	6,640	10.5	220	6,262	14.5	(96)	6,276	(6.0)
Total excluding minority interest & segment reclassifications	\$ 353	\$ 18,573	7.7 %	\$ 665	\$ 19,417	13.9 %	\$ (86)	\$ 18,186	(1.8) %
Mutual Funds (5):									
Chartis									
Chartis	\$ 8	\$ 132	19.3 %	\$ 45	\$ 921	15.2 %	\$ (4)	\$ 200	(6.0) %
SunAmerica									
Domestic Life Insurance	-	-	-	-	-	-	-	1	-
Domestic Retirement Services	-	1	-	-	4	-	-	-	-
Total SunAmerica Financial Group	-	1	-	-	4	-	-	1	-
Other	4	56	28.3	-	196	-	(10)	57	(65.6)
Total	\$ 12	\$ 189	21.5 %	\$ 45	\$ 1,121	12.7 %	\$ (14)	\$ 258	(17.0) %
Total Alternative Investments and Mutual Funds	\$ 365			\$ 710			\$ (100)		

- Notes: (1) Annualized income (loss) expressed as a percentage of average assets.
(2) Represents private equity alternative investments and hedge funds.
(3) Alternative Investments 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 minority interest, AIG managed alternative investments, and funds previously reported in the Asset Management segment.
(5) Comprised of equity-method mutual fund investments.