American International Group, Inc.

Quarterly Financial Supplement
Second Quarter 2019

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

American International Group, Inc.

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

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make and discuss, projections, goals, assumptions and statements that may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only a belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as "will," "believe," "anticipate," "expect," "intend," "plan," "focused on achieving," "view," "target," "goal" or "estimate." These projections, goals, assumptions and statements may relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets, or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

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

- changes in market and industry conditions;
- the occurrence of catastrophic events, both natural and man-made;
- AIG's ability to successfully reorganize its businesses and execute on its initiatives to improve its underwriting capabilities and reinsurance programs, as well as improve profitability, without negatively impacting client relationships or its competitive position;
- AIG's ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses;
- actions by credit rating agencies;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- changes in judgments concerning potential cost saving opportunities;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities;
- disruptions in the availability of AIG's electronic data systems or those of third parties;
- the effectiveness of AIG's strategies to recruit and retain key personnel and its ability to implement effective succession plans;
- negative impacts on customers, business partners and other stakeholders;
- AIG's ability to successfully manage Legacy portfolios;
- concentrations in AIG's investment portfolios;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject;
- significant legal, regulatory or governmental proceedings;
- changes in judgments concerning the recognition of deferred tax assets and goodwill impairment; and
- such other factors discussed in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (which will be filed with the Securities and Exchange Commission), Part I, Item 2. MD&A in AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG's Annual Report on Form 10-K for the year ended December 31, 2018.

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

American International Group, Inc.
Non-GAAP Financial Measures

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

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

Adjusted Pre-tax Income (APTI) is derived by excluding the items set forth below from income from continuing operations before income tax. This definition is consistent across our segments. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. APTI is a GAAP measure for our segments. Excluded items include the following:

- changes in fair value of securities used to hedge guaranteed living benefits;
- changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
- changes in the fair value of equity securities;
- loss (gain) on extinguishment of debt;
- all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized capital gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
- income or loss from discontinued operations;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain;
- integration and transaction costs associated with acquired businesses;
- losses from the impairment of goodwill; and
- non-recurring external costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles.

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

- deferred income tax valuation allowance releases and charges;
- changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
- net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act);

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

Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share) are used to show the amount of our net worth on a per-common share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share, excluding AOCI, is derived by dividing Total AIG Common Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders’ equity, excluding AOCI and DTA **(Adjusted Common Shareholders’ Equity)**, by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 50 herein.

AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Common Equity) is used to show the rate of return on common shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Common Equity. Adjusted Return on Common Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG common shareholders by average Adjusted Common Shareholders’ Equity. The reconciliation to return on common equity, the most comparable GAAP measure, is presented on page 50 herein.

Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Common Equity is an attribution of total AIG Adjusted Common Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed common equity represents our best estimates based on current facts and circumstances and will change over time.

Core, General Insurance, Life and Retirement and Legacy Return on Common Equity – Adjusted After-tax Income (Adjusted Return on Attributed Common Equity) is used to show the rate of return on Adjusted Attributed Common Equity. Adjusted Return on Attributed Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Common Equity. The reconciliations to Adjusted Return on Common Equity are presented on pages 14, 23, 38 and 52 herein.

Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy is derived by subtracting attributed interest expense, income tax expense and attributed dividends on preferred stock from APTI. Attributed debt and the related interest expense and dividends on preferred stock are calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segments conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Adjusted pre-tax income to Adjusted after-tax income attributed to General Insurance, Life and Retirement, Core and Legacy are presented on pages 14, 23, 38 and 52 herein. Attributed debt is included on page 53 herein.

Adjusted Revenues exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Adjusted revenues is a GAAP measure for our operating segments.

Ratios: We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every $100 of net premiums earned, the amount of losses and loss adjustment expenses (which for General Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. Our ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.

Accident year loss and combined ratios, as adjusted: both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. We believe that as adjusted ratios are meaningful measures of our underwriting results on an ongoing basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

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

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

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

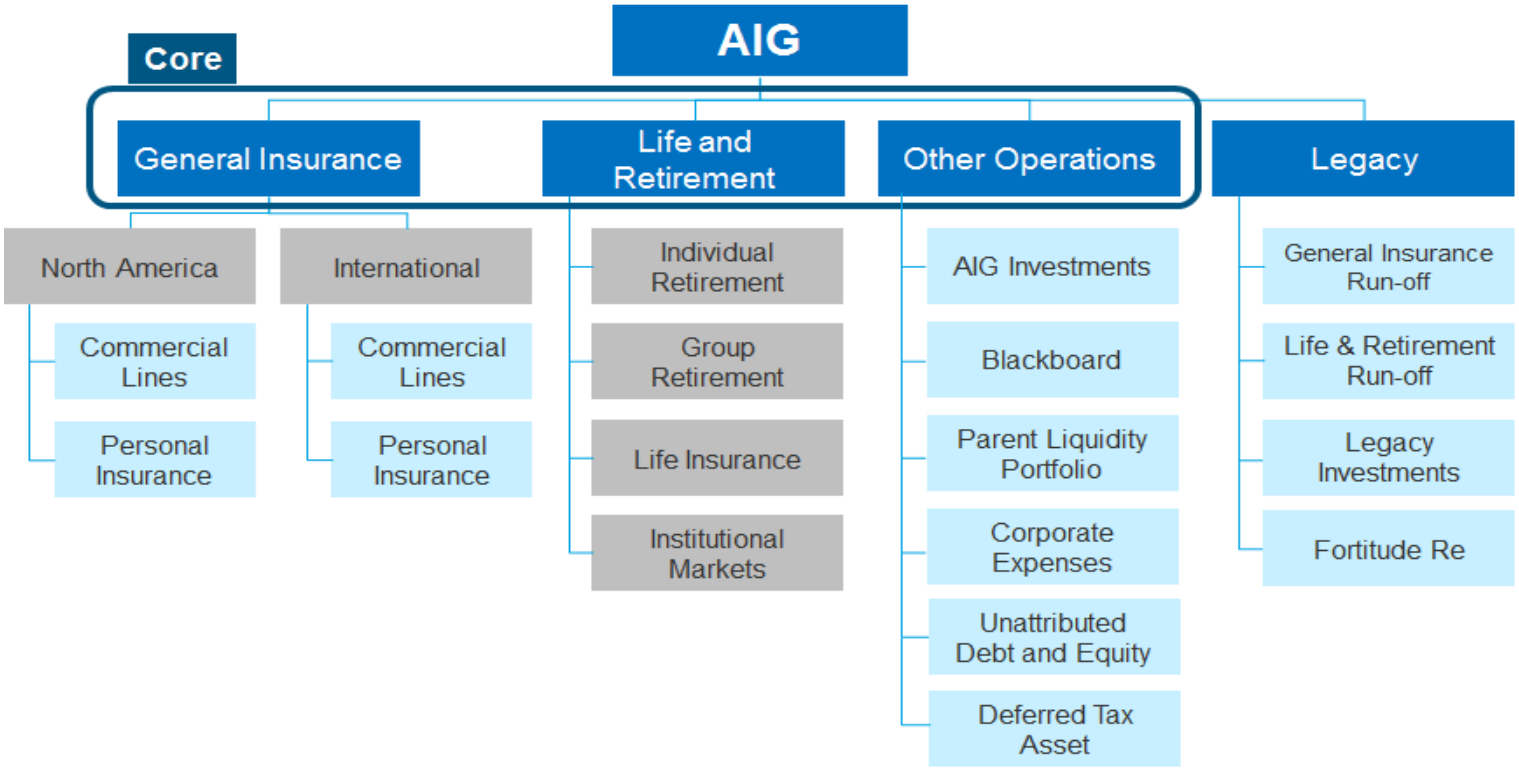
Key Terms - Throughout this Financial Supplement, we use the following terms:

Natural and man-made catastrophe losses are generally weather or seismic events having a net impact on AIG in excess of $10 million each and also include certain man-made events, such as terrorism and civil disorders that exceed the $10 million threshold.

Alternative investment income includes income on hedge funds, private equity funds and affordable housing partnerships. Hedge funds for which we elected the fair value option are recorded as of the balance sheet date. Private equity funds are generally reported on a one-quarter lag. We use an 8% expected rate of return for the better (worse) than expected alternative investments line item for all periods presented herein.

Segment Reporting

To align our financial reporting with the manner in which AIG's chief operating decision makers review the businesses to assess performance and make decisions about resources to be allocated, we organize our business units into General Insurance and Life and Retirement as follows:



General Insurance

Geography

North America primarily includes insurance businesses in the United States, Canada and Bermuda. International includes insurance businesses in Japan, the United Kingdom, Europe, the Asia Pacific region, Latin America, Puerto Rico, Australia, the Middle East and Africa. General insurance results are presented before consideration of internal reinsurance agreements.

American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Results of Operations Data (attributable to AIG common shareholders)							
Net income (loss)	$ 1,102	$ 654	$ (622)	$ (1,259)	$ 937	$ 1,756	$ 1,875
Net income (loss) per share:							
Basic	$ 1.26	$ 0.75	$ (0.70)	$ (1.41)	$ 1.04	$ 2.00	$ 2.07
Diluted (1)	$ 1.24	$ 0.75	$ (0.70)	$ (1.41)	$ 1.02	$ 1.99	$ 2.04
Weighted average shares outstanding:							
Basic	876.4	875.4	887.5	895.2	903.2	875.9	905.6
Diluted (1)	888.3	877.5	887.5	895.2	916.6	882.9	920.9
Effective tax rate	24.3 %	18.8 %	19.7 %	20.1 %	25.6 %	22.2 %	24.1 %
Adjusted after-tax income (loss)	$ 1,272	$ 1,388	$ (559)	$ (301)	$ 961	$ 2,660	$ 1,924
Adjusted after-tax income (loss) per diluted share (1)	$ 1.43	$ 1.58	$ (0.63)	$ (0.34)	$ 1.05	$ 3.01	$ 2.09
Weighted average diluted shares - operating (1)	888.3	877.5	887.5	895.2	916.6	882.9	920.9
Adjusted effective tax rate	21.8 %	22.9 %	18.5 %	27.9 %	25.1 %	22.4 %	22.6 %
Selected Balance Sheet data, at period end							
Total assets	$ 522,269	$ 512,922	$ 491,984	$ 504,860	$ 496,829	$ 522,269	$ 496,829
Long-term debt	36,291	35,776	34,540	34,594	33,784	36,291	33,784
Preferred equity	485	485	-	-	-	485	-
AIG common shareholders' equity	64,054	60,302	56,361	58,586	61,186	64,054	61,186
AIG shareholders' total equity	64,539	60,787	56,361	58,586	61,186	64,539	61,186
Adjusted common shareholders' equity	49,486	48,248	47,621	49,169	51,103	49,486	51,103
Adjusted Attributed Common Equity *							
General Insurance	$ 25,282	$ 24,826	$ 25,066	$ 26,910	$ 24,146	$ 25,282	$ 24,146
Life and Retirement	18,820	18,280	19,695	19,254	19,972	18,820	19,972
Other Operations	(1,408)	(2,308)	(6,026)	(5,806)	(2,282)	(1,408)	(2,282)
Total Core	42,694	40,798	38,735	40,358	41,836	42,694	41,836
Legacy	6,792	7,450	8,886	8,811	9,267	6,792	9,267
Total AIG adjusted attributed common equity	$ 49,486	$ 48,248	$ 47,621	$ 49,169	$ 51,103	$ 49,486	$ 51,103
Return On Common Equity (ROCE, attributable to AIG common shareholders)							
ROCE	7.1 %	4.5 %	(4.3)%	(8.4)%	6.0 %	5.8 %	5.9 %
Adjusted return on common equity	10.4 %	11.6 %	(4.6)%	(2.4)%	7.6 %	11.0 %	7.7 %
Adjusted return on attributed common equity - Core**	11.6 %	13.4 %	(4.3)%	(3.6)%	8.2 %	12.5 %	8.4 %
Adjusted return on attributed common equity - General Insurance**	10.3 %	14.0 %	(11.8)%	(11.9)%	5.6 %	12.1 %	5.3 %
Adjusted return on attributed common equity - Life and Retirement**	17.3 %	15.0 %	9.8 %	11.2 %	15.0 %	16.0 %	14.6 %
Adjusted return on attributed common equity - Legacy Portfolio**	5.2 %	4.4 %	(5.4)%	2.9 %	4.6 %	4.7 %	4.6 %

* Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed (refer to page 53). Adjusted attributed common equity is based on our internal capital model and on the risk profile of each business.
** Refer to pages 14, 23, 38 and 52 for components of calculation.
See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
Consolidated Financial Highlights

(in millions, except per share data)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
AIG Capitalization							
Total equity	$ 66,105	$ 62,093	$ 57,309	$ 59,177	$ 61,797	$ 66,105	$ 61,797
Hybrid - debt securities (2)	1,541	1,545	1,548	1,552	1,554	1,541	1,554
Total equity and hybrid debt	67,646	63,638	58,857	60,729	63,351	67,646	63,351
Financial debt (2)	22,795	22,765	22,186	22,768	21,886	22,795	21,886
Total capital	$ 90,441	$ 86,403	$ 81,043	$ 83,497	$ 85,237	$ 90,441	$ 85,237
Ratios							
Hybrid - debt securities / Total capital	1.7 %	1.8 %	1.9 %	1.9 %	1.8 %	1.7 %	1.8 %
Financial debt / Total capital	25.2	26.3	27.4	27.3	25.7	25.2	25.7
Total debt / Total capital	26.9	28.1	29.3	29.2	27.5	26.9	27.5
Preferred stock / Total capital	0.5	0.6	0.0	0.0	0.0	0.5	0.0
Total debt and preferred stock / Total capital	27.4 %	28.7 %	29.3 %	29.2 %	27.5 %	27.4 %	27.5 %
Common Stock Repurchases							
Aggregate repurchase of common stock	$ -	$ -	$ 745	$ 348	$ 348	$ -	$ 646
Number of common shares repurchased	-	-	18.0	6.6	6.5	-	11.9
Average price paid per share of common stock	$ -	$ -	$ 41.22	$ 53.05	$ 53.47	$ -	$ 54.35
Aggregate repurchase of warrants	$ -	$ -	$ 5	$ 2	$ 2	$ -	$ 4
Number of warrants repurchased	-	-	0.7	0.1	0.2	-	0.3
Dividends							
Dividends declared per common share	$ 0.32	$ 0.32	$ 0.32	$ 0.32	$ 0.32	$ 0.64	$ 0.64
Total dividends declared on common stock	$ 279	$ 278	$ 280	$ 283	$ 286	$ 557	$ 575
Dividends declared per preferred share	$ 369.70	$ -	$ -	$ -	$ -	$ 369.70	$ -
Total dividends declared on preferred stock	$ 7	$ -	$ -	$ -	$ -	$ 7	$ -
Share Data (attributable to AIG, at period end)							
Common shares outstanding	869.9	869.7	866.6	884.6	891.2	869.9	891.2
Closing share price	$ 53.28	$ 43.06	$ 39.41	$ 53.24	$ 53.02	$ 53.28	$ 53.02
Book value per common share	73.63	69.33	65.04	66.23	68.65	73.63	68.65
Book value per common share, excluding AOCI	67.90	66.89	66.67	66.83	68.40	67.90	68.40
Adjusted book value per common share	56.89	55.47	54.95	55.58	57.34	56.89	57.34

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

American International Group, Inc.
Consolidated Financial Highlights

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Adjusted Pre-Tax Income (Loss)							
General Insurance							
North America	$ 718	$ 934	$ (575)	$ (160)	$ 407	$ 1,652	$ 727
International	262	334	(147)	(665)	161	596	351
Total General Insurance	980	1,268	(722)	(825)	568	2,248	1,078
Life and Retirement							
Individual Retirement	588	508	327	393	462	1,096	961
Group Retirement	293	232	159	242	250	525	532
Life Insurance	86	116	87	16	175	202	227
Institutional Markets	82	68	50	62	75	150	134
Total Life and Retirement	1,049	924	623	713	962	1,973	1,854
Other Operations	(415)	(387)	(451)	(417)	(374)	(802)	(716)
Consolidation, eliminations and other adjustments	(56)	(70)	31	29	(12)	(126)	(1)
Total Core	**1,558**	**1,735**	**(519)**	**(500)**	**1,144**	**3,293**	**2,215**
Total Legacy Portfolio	119	112	(150)	84	134	231	279
Total adjusted pre-tax income (loss)	**$ 1,677**	**$ 1,847**	**$ (669)**	**$ (416)**	**$ 1,278**	**$ 3,524**	**$ 2,494**

	Quarterly					Six Months Ended June 30,	
Noteworthy Profit and Loss Data	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Revenue Items:							
Better (worse) than expected alternative returns	$ 199	$ 236	$ (340)	$ 117	$ (48)	$ 435	$ 55
Better (worse) than expected DIB and GCM returns*	14	(5)	(31)	15	(19)	9	18
Better (worse) than expected fair value changes on Fixed Maturity Securities - Other accounted under fair value option** (3)	(32)	15	50	(32)	(42)	(17)	(84)
Changes in the fair value of Equity Securities - Other (4)	-	-	(143)	(13)	3	-	(28)
Expense Items:							
Catastrophe losses, net of reinsurance	$ 174	$ 175	$ 798	$ 1,624	$ 150	$ 349	$ 526
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(63)	(74)	365	170	(63)	(137)	(173)
Annual actuarial assumption update	-	-	105	103	-	-	-

* DIB refers to Direct Investment Book and GCM refers to Global Capital Markets.
** Includes the fair value changes on the DIB and GCM asset portfolios.
See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
Consolidated Statements of Operations

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Revenues:							
Premiums	$ 7,430	$ 8,070	$ 8,464	$ 7,668	$ 7,207	$ 15,500	$ 14,482
Policy fees	769	735	734	530	763	1,504	1,527
Net investment income:							
Interest and dividends	3,210	3,161	3,075	3,084	2,985	6,371	6,045
Alternative investments	345	419	(182)	329	171	764	508
Other investment income (loss) (14)	322	413	(11)	98	35	735	23
Investment expenses	(132)	(114)	(128)	(115)	(126)	(246)	(250)
Total net investment income	3,745	3,879	2,754	3,396	3,065	7,624	6,326
Net realized capital gains (losses)	404	(446)	235	(511)	165	(42)	146
Other income	213	218	373	403	431	431	862
Total revenues	12,561	12,456	12,560	11,486	11,631	25,017	23,343
Benefits, losses and expenses							
Policyholder benefits and losses incurred	5,802	6,679	7,928	8,312	5,505	12,481	11,172
Interest credited to policyholder account balances	967	940	970	933	935	1,907	1,851
Amortization of deferred policy acquisition costs	1,439	1,289	1,573	1,118	1,337	2,728	2,695
General operating and other expenses	2,140	2,053	2,383	2,325	2,323	4,193	4,594
Interest expense	360	349	407	326	299	709	576
(Gain) loss on extinguishment of debt	15	(2)	(3)	1	5	13	9
Net (gain) loss on sale of divested businesses	1	(6)	(3)	(2)	(25)	(5)	(33)
Total benefits, losses and expenses	10,724	11,302	13,255	13,013	10,379	22,026	20,864
Income (loss) from continuing operations before income taxes	1,837	1,154	(695)	(1,527)	1,252	2,991	2,479
Income tax (benefit) expense	446	217	(137)	(307)	321	663	598
Income (loss) from continuing operations	1,391	937	(558)	(1,220)	931	2,328	1,881
Income (loss) from discontinued operations, net of income taxes	(1)	-	(2)	(39)	-	(1)	(1)
Net income (loss)	1,390	937	(560)	(1,259)	931	2,327	1,880
Net income (loss) attributable to noncontrolling interests (5)	281	283	62	-	(6)	564	5
Net income (loss) attributable to AIG	1,109	654	(622)	(1,259)	937	1,763	1,875
Less: Dividends on preferred stock	7	-	-	-	-	7	-
Net income (loss) attributable to AIG common shareholders	$ 1,102	$ 654	$ (622)	$ (1,259)	$ 937	$ 1,756	$ 1,875

See accompanying notes on page 12.

American International Group, Inc.
Consolidated Balance Sheets

(in millions)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Assets					
Investments:					
Fixed maturity securities					
Bonds available for sale, at fair value	$ 245,561	$ 238,201	$ 229,391	$ 232,720	$ 228,673
Other bond securities, at fair value	10,461	11,511	11,415	11,420	11,774
Equity securities					
Other common and preferred stock, at fair value	880	841	1,253	1,443	1,675
Mortgage and other loans receivable, net of allowance	43,556	43,834	43,135	41,878	39,978
Other invested assets	19,454	19,343	19,341	19,739	20,648
Short-term investments	15,016	11,133	9,674	8,863	17,010
Total investments	334,928	324,863	314,209	316,063	319,758
Cash	2,935	2,565	2,873	2,741	2,135
Accrued investment income	2,359	2,482	2,389	2,524	2,449
Premiums and other receivables, net of allowance	12,614	12,655	11,011	12,238	10,860
Reinsurance assets, net of allowance	40,520	40,558	38,172	37,178	34,497
Deferred income taxes	13,337	14,545	15,221	15,088	14,753
Deferred policy acquisition costs (6)	11,386	12,128	12,694	12,683	11,997
Other assets (6)	13,879	14,308	13,568	13,300	9,634
Separate account assets, at fair value	90,311	88,818	81,847	93,045	90,746
Total assets	$ 522,269	$ 512,922	$ 491,984	$ 504,860	$ 496,829
Liabilities					
Liability for unpaid losses and loss adjustment expenses	$ 81,057	$ 82,496	$ 83,639	$ 81,959	$ 76,713
Unearned premiums	20,621	20,812	19,248	20,829	19,676
Future policy benefits for life and accident and health insurance contracts	47,539	46,508	44,935	44,374	44,608
Policyholder contract deposits	148,521	145,380	142,262	140,491	138,964
Other policyholder funds	3,488	3,493	3,568	3,738	3,482
Other liabilities	28,336	27,546	24,636	26,653	27,059
Long-term debt	36,291	35,776	34,540	34,594	33,784
Separate account liabilities	90,311	88,818	81,847	93,045	90,746
Total liabilities	456,164	450,829	434,675	445,683	435,032
AIG shareholders' equity					
Preferred stock (7)	485	485	-	-	-
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(48,991)	(48,999)	(49,144)	(48,401)	(48,052)
Additional paid-in capital	81,211	81,148	81,268	81,008	80,924
Retained earnings	22,077	21,259	20,884	21,749	23,318
Accumulated other comprehensive income (loss)	4,991	2,128	(1,413)	(536)	230
Total AIG shareholders' equity	64,539	60,787	56,361	58,586	61,186
Non-redeemable noncontrolling interests	1,566	1,306	948	591	611
Total equity	66,105	62,093	57,309	59,177	61,797
Total liabilities and equity	$ 522,269	$ 512,922	$ 491,984	$ 504,860	$ 496,829

See accompanying notes on page 12.

American International Group, Inc.
Segment Balance Sheets

(in millions)	June 30, 2019						
	General Insurance	Life & Retirement	Other Operations (8)	Total Core	Legacy Portfolio (9) (10)	AOCI and DTA**	AIG Inc.
Assets:							
Investments:							
Fixed maturity securities							
Bonds available for sale, at fair value	$ 59,913	$ 128,507	$ 4,680	$ 193,100	$ 42,168	$ 10,293	$ 245,561
Other bond securities, at fair value	1,156	3,099	2,417	6,672	3,789	-	10,461
Equity securities							
Other common and preferred stock, at fair value	544	272	29	845	35	-	880
Mortgage and other loans receivable, net of allowance	10,331	29,879	(578)	39,632	3,924	-	43,556
Other invested assets	7,763	6,514	2,807	17,084	2,370	-	19,454
Short-term investments	4,707	6,713	2,713	14,133	883	-	15,016
Total investments	84,414	174,984	12,068	271,466	53,169	10,293	334,928
Cash	2,139	407	156	2,702	233	-	2,935
Accrued investment income	720	1,898	(337)	2,281	78	-	2,359
Premiums and other receivables, net of allowance	11,632	611	(426)	11,817	797	-	12,614
Reinsurance assets, net of allowance	34,570	1,862	423	36,855	3,665	-	40,520
Deferred income taxes	3,209	3,199	(1,438)	4,970	237	8,130	13,337
Deferred policy acquisition costs (6)	2,846	7,945	(2)	10,789	597	-	11,386
Other assets (6)	12,845	4,335	(3,143)	14,037	2,130	(2,288)	13,879
Separate account assets, at fair value	-	88,303	-	88,303	2,008	-	90,311
Total assets	**$ 152,375**	**$ 283,544**	**$ 7,301**	**$ 443,220**	**$ 62,914**	**$ 16,135**	**$ 522,269**
Liabilities:							
Liability for unpaid losses and loss adjustment expenses	$ 72,734	$ -	$ 163	$ 72,897	$ 8,160	$ -	$ 81,057
Unearned premiums	20,347	-	4	20,351	270	-	20,621
Future policy benefits for life and accident and health insurance contracts	1,030	15,837	(38)	16,829	30,710	-	47,539
Policyholder contract deposits	-	144,120	(135)	143,985	4,536	-	148,521
Other policyholder funds	-	285	-	285	3,203	-	3,488
Other liabilities	16,081	7,823	(1,404)	22,500	4,269	1,567	28,336
Long-term debt:							
Operating debt	2,779	3,727	2,570	9,076	2,879	-	11,955
Attributed debt	13,765	4,033	6,538	24,336	-	-	24,336
Total Long-term debt	16,544	7,760	9,108	**33,412**	2,879	**-**	**36,291**
Separate account liabilities	-	88,303	-	88,303	2,008	-	90,311
Total liabilities	126,736	264,128	7,698	398,562	56,035	1,567	456,164
AIG Shareholders' equity							
Attributed preferred equity* (7)	282	196	-	478	7	-	485
Adjusted attributed common equity**	25,282	18,820	(1,408)	42,694	6,792	14,568	64,054
Non-redeemable noncontrolling interests	75	400	1,011	1,486	80	-	1,566
Total Equity	25,639	19,416	(397)	44,658	6,879	14,568	66,105
Total liabilities and equity	**$ 152,375**	**$ 283,544**	**$ 7,301**	**$ 443,220**	**$ 62,914**	**$ 16,135**	**$ 522,269**

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

** The segment balance sheets have been prepared consistent with our internal capital model and are based on Adjusted Attributed Common Equity (which excludes AOCI and DTA). See page 53 for further discussion.

See accompanying notes on page 12.

American International Group, Inc.
Debt and Capital

(in millions)	Debt and Hybrid Capital			Interest Expense/ Preferred Dividends			
	June 30, 2019	June 30, 2018	December 31, 2018	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Financial Debt							
AIG notes and bonds payable (11)	$ 21,448	$ 20,898	$ 20,853	$ 224	$ 218	$ 443	$ 420
AIG Japan Holdings Kabushiki Kaisha	348	346	331	1	1	1	1
AIG Life Holdings, Inc. notes and bonds payable	282	281	282	5	5	10	10
AIG Life Holdings, Inc. junior subordinated debt	361	361	361	8	8	15	15
Validus notes and bonds payable	356	-	359	5	-	11	-
Total	**22,795**	**21,886**	**22,186**	**243**	**232**	**480**	**446**
Operating Debt							
MIP notes payable	-	181	-	-	1	-	3
Series AIGFP matched notes and bonds payable	21	21	21	-	-	-	-
Other AIG borrowings supported by assets	2,303	2,615	2,213	-	-	-	-
Other subsidiaries	47	-	168	1	-	2	-
Borrowings of consolidated investments	9,584	7,527	8,404	94	43	182	91
Total	**11,955**	**10,344**	**10,806**	**95**	**44**	**184**	**94**
Hybrid - Debt Securities (2)							
Junior subordinated debt (12)	1,541	1,554	1,548	22	23	45	36
Total debt	$ **36,291**	$ **33,784**	$ **34,540**	$ **360**	$ **299**	$ **709**	$ **576**
Preferred Shares Issuance (7)							
Preferred stock	485	-	-	7	-	7	-
Total debt and preferred stock	$ **36,776**	$ **33,784**	$ **34,540**	$ **367**	$ **-**	$ **716**	$ **576**
AIG Capitalization							
Total equity	$ 66,105	$ 61,797	$ 57,309				
Hybrid - debt securities (2) (12)	1,541	1,554	1,548				
Total equity and hybrid capital	67,646	63,351	58,857				
Financial debt	22,795	21,886	22,186				
Total capital	$ **90,441**	$ **85,237**	$ **81,043**				
Ratios							
Hybrid - debt securities / Total capital	1.7 %	1.8 %	1.9 %				
Financial debt / Total capital	25.2	25.7	27.4				
Total debt / Total capital	26.9	27.5	29.3				
Preferred stock / Total capital	0.5	-	-				
Total debt and preferred stock / Total capital	27.4 %	27.5 %	29.3 %				

See accompanying notes on page 12.

(1) For the third and fourth quarters of 2018, because we reported a net loss and an adjusted after-tax loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.

(2) Hybrid - debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 53.

(3) Represents the impact of fair value changes included in APTI on the Fixed Maturity Securities – Other accounted under the fair value option, rather than their impact on the income from continuing operations before tax expense. We use a 6% expected rate of return to calculate the better (worse) than expected fair value changes on the Fixed Maturity Securities – Other line item for all periods presented.

(4) Beginning in the first quarter of 2019, on a prospective basis, changes in the fair value of equity securities are excluded from APTI. The following table provides the changes in the fair value of equity securities for all periods presented (on a pre-tax basis):

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
General Insurance	$ (12)	$ 53	$ (108)	$ (30)	$ 9	$ 41	$ (37)
Life & Retirement	9	-	(16)	7	(5)	9	(3)
Other Operations	(11)	12	(14)	9	1	1	12
Total Core	(14)	65	(138)	(14)	5	51	(28)
Legacy	(8)	14	(5)	1	(2)	6	-
Changes in the fair value of Equity Securities	**$ (22)**	**$ 79**	**$ (143)**	**$ (13)**	**$ 3**	**$ 57**	**$ (28)**

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

(in millions)	Quarterly				Six Months Ended June 30,	
	2Q19		1Q19		2019	
	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI	Fortitude Holdings	AIG NCI
Revenues	$ 565	$ 112	$ 606	$ 121	$ 1,171	$ 233
Expenses	449	89	472	94	921	183
Adjusted pre-tax income	**116**	**23**	**134**	**27**	**250**	**50**
Taxes on APTI	24	5	28	6	52	11
Adjusted after-tax income	**92**	**18**	**106**	**21**	**198**	**39**
Net realized capital gains	1,599	318	1,573	313	3,172	631
Taxes on realized capital gains	336	67	330	66	666	133
Net realized capital gains - after-tax	**1,263**	**251**	**1,243**	**247**	**2,506**	**498**
Net income	**$ 1,355**	**$ 269**	**$ 1,349**	**$ 268**	**$ 2,704**	**$ 537**

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

(7) In March 2019, we issued 20,000 shares of Series A 5.85% Non-Cumulative Preferred Stock, with a par value of $5.00 per share and a liquidation preference of $25,000 per share, for net proceeds of $485 million.

(8) Other Operations includes inter segment eliminations for Core.

(9) In February of 2018, we closed a series of affiliated reinsurance transactions impacting the Legacy Portfolio (the affiliated transactions). These affiliated transactions were designed to consolidate most of the Legacy Insurance Run-Off Lines into a single legal entity, Fortitude Re, a composite reinsurer domiciled in Bermuda. As of June 30, 2019, the affiliated transactions included the cession of approximately $31 billion of reserves from the Legacy Life and Retirement Run-off Lines and approximately $4 billion of reserves from the Legacy General Insurance Run-off Lines relating to business written by multiple AIG legal entities, which represented over 80 percent of the insurance reserves in the Legacy Portfolio as of June 30, 2019. On November 13, 2018, we completed the sale of a 19.9 percent ownership interest in Fortitude Holdings to TC Group Cayman Investment Holdings, L.P. (TCG), an affiliate of Carlyle. Fortitude Holdings owns 100 percent of the outstanding common shares of Fortitude Re and AIG has an 80.1 percent ownership interest in Fortitude Holdings.

(10) The affiliated reinsurance transactions executed in the first quarter of 2018 with Fortitude Re resulted in prepaid insurance assets on the ceding subsidiaries' balance sheets of approximately $2.5 billion (after-tax). These assets have been eliminated in AIG's consolidated financial statements since the counterparties were wholly owned. In the event of a sale of a controlling interest in Fortitude Holdings, our Legacy Portfolio may recognize a loss for the portion of the unamortized balance of these assets and related deferred acquisition costs of $0.5 billion (after-tax) that are not recoverable, if any, in the period in which our interest in Fortitude Holdings becomes non-controlling. This loss would be incremental to any gain or loss recognized on the sale of our controlling interest in Fortitude Holdings.

(11) In March 2019, we issued $600 million aggregate principal amount of 4.250% Notes Due 2029.

(12) The junior subordinated debt securities receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings in the Consolidated Balance Sheets.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Net investment income	$ 184	$ 116	$ 160	$ 164	$ 180	$ 300	$ 370
Net realized capital gain (loss)	-	-	(2)	(2)	(5)	-	(7)
Other income	(184)	(116)	(158)	(162)	(175)	(300)	(363)

(14) On February 27, 2019, we sold our remaining interest in People's Insurance Company (Group) of China Limited (PICC). The total fair value on the date of sale was $511 million, however the purchase price reflected a discount to fair market value and we received proceeds of $479 million. In the first quarter of 2019, we recorded $31 million of net investment income related to the change in fair value of PICC through the date of sale.

(15) The following table reflects the combined impact to Net investment income, on APTI basis, of the two presentation changes described in Note 4 and Note 13 above to provide pro forma results for prior periods:

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

American International Group, Inc.
General Insurance Results

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations (1) (2)	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Gross premiums written	$ 8,654	$ 10,195	$ 7,699	$ 8,668	$ 8,653	$ 18,849	$ 17,858
Ceded premiums written	(2,073)	(4,162)	(1,275)	(1,833)	(1,676)	(6,235)	(4,710)
Net premiums written	$ 6,581	$ 6,033	$ 6,424	$ 6,835	$ 6,977	$ 12,614	$ 13,148
Net premiums earned	$ 6,694	$ 6,713	$ 7,171	$ 7,081	$ 6,570	$ 13,407	$ 13,253
Losses and loss adjustment expenses incurred (3)	4,215	4,233	5,743	6,276	4,317	8,448	8,805
Acquisition expenses:							
Amortization of deferred policy acquisition costs	1,154	1,159	1,215	1,223	1,092	2,313	2,158
Other acquisition expenses	334	303	390	313	297	637	682
Total acquisition expenses	1,488	1,462	1,605	1,536	1,389	2,950	2,840
General operating expenses	844	839	894	995	953	1,683	1,948
Underwriting income (loss)	147	179	(1,071)	(1,726)	(89)	326	(340)
Net investment income (loss):							
Interest and dividends	715	768	672	697	632	1,483	1,292
Alternative investments	170	327	(180)	206	68	497	221
Other investment income (loss)	(6)	45	(109)	32	(5)	39	(26)
Investment expenses	(46)	(51)	(34)	(34)	(38)	(97)	(69)
Total net investment income	833	1,089	349	901	657	1,922	1,418
Adjusted pre-tax income (loss)	980	1,268	(722)	(825)	568	2,248	1,078
Interest expense on attributed financial debt	147	144	142	141	137	291	261
Adjusted pre-tax income (loss) including attributed interest expense	833	1,124	(864)	(966)	431	1,957	817
Income tax expense (benefit)	184	252	(100)	(206)	97	436	186
Adjusted after-tax income (loss)	$ **649**	$ **872**	$ **(764)**	$ **(760)**	$ **334**	$ **1,521**	$ **631**
Dividends declared on preferred stock	4	-	-	-	-	4	-
Adjusted after-tax income (loss) attributable to common shareholders (a)	$ **645**	$ **872**	$ **(764)**	$ **(760)**	$ **334**	$ **1,517**	$ **631**
Ending adjusted attributed common equity	$ 25,282	$ 24,826	$ 25,066	$ 26,910	$ 24,146	$ 25,282	$ 24,146
Average adjusted attributed common equity (b)*	25,054	24,946	25,988	25,528	24,017	25,058	23,655
Adjusted return on attributed common equity (a÷b)	10.3 %	14.0 %	(11.8)%	(11.9)%	5.6 %	12.1 %	5.3 %
Underwriting Ratios							
Loss ratio (3)	63.0	63.1	80.1	88.6	65.7	63.0	66.4
Catastrophe losses and reinstatement premiums	(2.6)	(2.7)	(11.3)	(22.0)	(2.3)	(2.6)	(3.9)
Prior year development	0.9	1.0	(5.3)	(2.7)	0.8	1.0	1.2
Adjustments for ceded premium under reinsurance contracts and other	-	0.4	0.4	(0.3)	1.2	0.2	0.5
Accident year loss ratio, as adjusted	61.3	61.8	63.9	63.6	65.4	61.6	64.2
Acquisition ratio	22.2	21.8	22.4	21.7	21.1	22.0	21.4
General operating expense ratio	12.6	12.5	12.5	14.1	14.5	12.5	14.7
Expense ratio	34.8	34.3	34.9	35.8	35.6	34.5	36.1
Combined ratio (3)	97.8	97.4	115.0	124.4	101.3	97.5	102.5
Accident year combined ratio, as adjusted	96.1	96.1	98.8	99.4	101.0	96.1	100.3

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

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

American International Group, Inc.
General Insurance Operating Statistics

(in millions)	Quarterly					Six Months Ended June 30,	
Noteworthy Items (pre-tax)	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Catastrophe-related losses, net of reinsurance	$ 174	$ 175	$ 826	$ 1,567	$ 150	$ 349	$ 526
Reinstatement premiums related to catastrophes	(5)	6	(24)	(10)	-	1	-
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(66)	(72)	363	172	(61)	(138)	(169)
(Additional) return premium related to prior year development on loss sensitive business	9	10	13	32	11	19	15
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(57)	(62)	376	204	(50)	(119)	(154)
Reinstatement premiums related to prior year catastrophes	(3)	(8)	11	2	-	(11)	-
Other premium adjustments related to prior year	-	(43)	(46)	24	(115)	(43)	(115)
Better (worse) than expected alternative returns	45	202	(311)	67	(75)	247	(67)
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	43	23	6	45	(17)	66	9
Changes in the fair value of Equity Securities - Other	-	-	(108)	(30)	9	-	(37)
Net liability for unpaid losses and loss adjustment expenses (at period end)	45,307	46,370	47,543	48,177	44,605	45,307	44,605

	Quarterly					Six Months Ended June 30,	
Net Premiums Written by product line	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
General Insurance:							
Property	$ 1,004	$ 299	$ 691	$ 901	$ 989	$ 1,303	$ 1,164
Special Risks	1,012	1,481	970	911	660	2,493	1,394
Liability	910	997	1,006	1,204	1,165	1,907	2,504
Financial Lines	954	1,001	1,054	1,023	1,097	1,955	2,118
Total Commercial Lines	3,880	3,778	3,721	4,039	3,911	7,658	7,180
Personal Lines	1,574	1,057	1,441	1,537	1,712	2,631	3,270
Accident and Health	1,127	1,198	1,262	1,259	1,354	2,325	2,698
Total Personal Insurance	2,701	2,255	2,703	2,796	3,066	4,956	5,968
General Insurance net premiums written	**$ 6,581**	**$ 6,033**	**$ 6,424**	**$ 6,835**	**$ 6,977**	**$ 12,614**	**$ 13,148**
Foreign exchange effect on worldwide premiums:							
Change in net premiums written							
Increase (decrease) in original currency (4)	(3.7) %	0.1 %	10.3 %	4.5 %	2.2 %	(2.0) %	(1.8) %
Foreign exchange effect	(2.0)	(2.4)	(1.2)	(0.6)	2.4	(2.1)	3.2
Increase (decrease) as reported in U.S. dollars	(5.7) %	(2.3) %	9.1 %	3.9 %	4.6 %	(4.1) %	1.4 %

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations (2)	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums written	$ 3,307	$ 2,578	$ 2,944	$ 3,164	$ 3,236	$ 5,885	$ 5,275
Net premiums earned	$ 3,302	$ 3,153	$ 3,428	$ 3,302	$ 2,892	$ 6,455	$ 5,584
Losses and loss adjustment expenses incurred (3)	2,286	2,189	3,244	3,264	2,115	4,475	4,268
Acquisition expenses:							
Amortization of deferred policy acquisition costs	527	508	537	534	430	1,035	788
Other acquisition expenses	143	106	167	92	102	249	256
Total acquisition expenses	670	614	704	626	532	1,284	1,044
General operating expenses	351	361	351	399	372	712	727
Underwriting income (loss)	(5)	(11)	(871)	(987)	(127)	(16)	(455)
Net investment income (loss):							
Interest and dividends	625	624	572	575	520	1,249	1,067
Alternative investments	150	327	(181)	206	68	477	219
Other investment income (loss)	(12)	37	(70)	68	(22)	25	(46)
Investment expenses	(40)	(43)	(25)	(22)	(32)	(83)	(58)
Total net investment income	723	945	296	827	534	1,668	1,182
Adjusted pre-tax income (loss)	**$ 718**	**$ 934**	**$ (575)**	**$ (160)**	**$ 407**	$ 1,652	$ 727
Underwriting Ratios							
Loss ratio (3)	69.2	69.4	94.6	98.8	73.1	69.3	76.4
Catastrophe losses and reinstatement premiums	(5.0)	(5.1)	(19.6)	(23.7)	(3.7)	(5.1)	(7.2)
Prior year development	1.7	1.8	(10.0)	(4.8)	1.6	1.8	2.1
Adjustments for ceded premium under reinsurance contracts and other	-	1.0	0.9	(0.5)	3.0	0.5	1.5
Accident year loss ratio, as adjusted	65.9	67.1	65.9	69.8	74.0	66.5	72.8
Acquisition ratio	20.3	19.5	20.5	19.0	18.4	19.9	18.7
General operating expense ratio	10.6	11.4	10.2	12.1	12.9	11.0	13.0
Expense ratio	30.9	30.9	30.7	31.1	31.3	30.9	31.7
Combined ratio (3)	100.1	100.3	125.3	129.9	104.4	100.2	108.1
Accident year combined ratio, as adjusted	96.8	98.0	96.6	100.9	105.3	97.4	104.5
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ 170	$ 158	$ 689	$ 791	$ 107	$ 328	$ 406
Reinstatement premiums related to catastrophes	(5)	6	(23)	(10)	-	1	-
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(61)	(60)	326	134	(54)	(121)	(132)
(Additional) return premium related to prior year development on loss sensitive business	9	10	13	32	11	19	15
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(52)	(50)	339	166	(43)	(102)	(117)
Reinstatement premiums related to prior year catastrophes	(3)	(8)	9	5	-	(11)	-
Other premium adjustments related to prior year	-	(43)	(46)	24	(115)	(43)	(115)

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations (2)	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums written	$ 2,364	$ 1,998	$ 2,161	$ 2,229	$ 2,321	$ 4,362	$ 3,635
Net premiums earned	$ 2,457	$ 2,375	$ 2,594	$ 2,425	$ 2,069	$ 4,832	$ 3,987
Losses and loss adjustment expenses incurred (3)	1,838	1,680	2,427	2,389	1,616	3,518	3,072
Acquisition expenses:							
Amortization of deferred policy acquisition costs	289	301	319	294	206	590	392
Other acquisition expenses	89	60	110	44	59	149	160
Total acquisition expenses	378	361	429	338	265	739	552
General operating expenses	277	280	279	307	279	557	543
Underwriting income (loss)	$ (36)	$ 54	$ (541)	$ (609)	$ (91)	$ 18	$ (180)
Underwriting Ratios							
Loss ratio (3)	74.8	70.7	93.6	98.5	78.1	72.8	77.1
Catastrophe losses and reinstatement premiums	(5.4)	(5.1)	(9.8)	(21.6)	(4.6)	(5.3)	(4.6)
Prior year development	3.1	2.8	(13.3)	(0.6)	4.2	3.0	5.5
Adjustments for ceded premium under reinsurance contracts and other	-	1.0	1.2	(0.7)	4.5	0.5	2.3
Accident year loss ratio, as adjusted	72.5	69.4	71.7	75.6	82.2	71.0	80.3
Acquisition ratio	15.4	15.2	16.5	13.9	12.8	15.3	13.8
General operating expense ratio	11.3	11.8	10.8	12.7	13.5	11.5	13.6
Expense ratio	26.7	27.0	27.3	26.6	26.3	26.8	27.4
Combined ratio (3)	101.5	97.7	120.9	125.1	104.4	99.6	104.5
Accident year combined ratio, as adjusted	99.2	96.4	99.0	102.2	108.5	97.8	107.7
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ 137	$ 120	$ 275	$ 531	$ 95	$ 257	$ 182
Reinstatement premiums related to catastrophes	(5)	4	(25)	(10)	-	(1)	-
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(81)	(69)	326	(14)	(95)	(150)	(231)
(Additional) return premium related to prior year development on loss sensitive business	9	9	13	32	11	18	15
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(72)	(60)	339	18	(84)	(132)	(216)
Reinstatement premiums related to prior year catastrophes	(3)	(8)	9	5	-	(11)	-
Other premium adjustments related to prior year	-	(32)	(46)	24	(115)	(32)	(115)

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums written	$ 943	$ 580	$ 783	$ 935	$ 915	$ 1,523	$ 1,640
Net premiums earned	$ 845	$ 778	$ 834	$ 877	$ 823	$ 1,623	$ 1,597
Losses and loss adjustment expenses incurred	448	509	817	875	499	957	1,196
Acquisition expenses:							
Amortization of deferred policy acquisition costs	238	207	218	240	224	445	396
Other acquisition expenses	54	46	57	48	43	100	96
Total acquisition expenses	292	253	275	288	267	545	492
General operating expenses	74	81	72	92	93	155	184
Underwriting income (loss)	$ 31	$ (65)	$ (330)	$ (378)	$ (36)	$ (34)	$ (275)
Underwriting Ratios							
Loss ratio	53.0	65.4	98.0	99.8	60.6	59.0	74.9
Catastrophe losses and reinstatement premiums	(3.9)	(5.0)	(49.8)	(29.7)	(1.4)	(4.5)	(14.0)
Prior year development	(2.4)	(1.2)	-	(16.9)	(5.0)	(1.8)	(6.2)
Adjustment for ceded premium under reinsurance contract	-	0.9	-	-	-	0.4	-
Accident year loss ratio, as adjusted	46.7	60.1	48.2	53.2	54.2	53.1	54.7
Acquisition ratio	34.6	32.5	33.0	32.8	32.4	33.6	30.8
General operating expense ratio	8.8	10.4	8.6	10.5	11.3	9.6	11.5
Expense ratio	43.4	42.9	41.6	43.3	43.7	43.2	42.3
Combined ratio	96.4	108.3	139.6	143.1	104.3	102.2	117.2
Accident year combined ratio, as adjusted	90.1	103.0	89.8	96.5	97.9	96.3	97.0
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ 33	$ 38	$ 414	$ 260	$ 12	$ 71	$ 224
Reinstatement premiums related to catastrophes	-	2	2	-	-	2	-
Prior year development:							
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	20	9	-	148	41	29	99
(Additional) return premium related to prior year development on loss sensitive business	-	1	-	-	-	1	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	20	10	-	148	41	30	- 99
Other premium adjustments related to prior year	-	(11)	-	-	-	(11)	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations (1)	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums written	$ 3,274	$ 3,455	$ 3,480	$ 3,671	$ 3,741	$ 6,729	$ 7,873
Net premiums earned	$ 3,392	$ 3,560	$ 3,743	$ 3,779	$ 3,678	$ 6,952	$ 7,669
Losses and loss adjustment expenses incurred	1,929	2,044	2,499	3,012	2,202	3,973	4,537
Acquisition expenses:							
Amortization of deferred policy acquisition costs	627	651	678	689	662	1,278	1,370
Other acquisition expenses	191	197	223	221	195	388	426
Total acquisition expenses	818	848	901	910	857	1,666	1,796
General operating expenses	493	478	543	596	581	971	1,221
Underwriting income (loss)	152	190	(200)	(739)	38	342	115
Net investment income (loss):							
Interest and dividends	90	144	100	122	112	234	225
Alternative investments	20	-	1	-	-	20	2
Other investment income (loss)	6	8	(39)	(36)	17	14	20
Investment expenses	(6)	(8)	(9)	(12)	(6)	(14)	(11)
Total net investment income	110	144	53	74	123	254	236
Adjusted pre-tax income (loss)	**$ 262**	**$ 334**	**$ (147)**	**$ (665)**	**$ 161**	**$ 596**	**$ 351**
Underwriting Ratios							
Loss ratio	56.9	57.4	66.8	79.7	59.9	57.1	59.2
Catastrophe losses and reinstatement premiums	(0.1)	(0.5)	(3.7)	(20.5)	(1.2)	(0.3)	(1.6)
Prior year development	0.1	0.4	(1.0)	(1.0)	0.2	0.3	0.5
Accident year loss ratio, as adjusted	56.9	57.3	62.1	58.2	58.9	57.1	58.1
Acquisition ratio	24.1	23.8	24.1	24.1	23.3	24.0	23.4
General operating expense ratio	14.5	13.4	14.5	15.8	15.8	14.0	15.9
Expense ratio	38.6	37.2	38.6	39.9	39.1	38.0	39.3
Combined ratio	95.5	94.6	105.4	119.6	99.0	95.1	98.5
Accident year combined ratio, as adjusted	95.5	94.5	100.7	98.1	98.0	95.1	97.4
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ 4	$ 17	$ 137	$ 776	$ 43	$ 21	$ 120
Reinstatement premiums related to catastrophes	-	-	(1)	-	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(5)	(12)	37	38	(7)	(17)	(37)
Reinstatement premiums related to prior year catastrophes	-	-	2	(3)	-	-	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums written	$ 1,516	$ 1,780	$ 1,561	$ 1,810	$ 1,590	$ 3,296	$ 3,545
Net premiums earned	$ 1,574	$ 1,684	$ 1,852	$ 1,826	$ 1,668	$ 3,258	$ 3,390
Losses and loss adjustment expenses incurred	968	1,061	1,490	1,599	1,138	2,029	2,248
Acquisition expenses:							
Amortization of deferred policy acquisition costs	266	255	284	297	248	521	511
Other acquisition expenses	66	70	83	82	92	136	173
Total acquisition expenses	332	325	367	379	340	657	684
General operating expenses	223	230	246	271	266	453	548
Underwriting income (loss)	$ 51	$ 68	$ (251)	$ (423)	$ (76)	$ 119	$ (90)
Underwriting Ratios							
Loss ratio	61.5	63.0	80.5	87.6	68.2	62.3	66.3
Catastrophe losses and reinstatement premiums	(0.3)	(1.0)	(7.2)	(20.6)	(1.6)	(0.7)	(3.1)
Prior year development	0.4	(2.4)	(4.1)	(3.6)	0.5	(1.0)	0.3
Accident year loss ratio, as adjusted	61.6	59.6	69.2	63.4	67.1	60.6	63.5
Acquisition ratio	21.1	19.3	19.8	20.8	20.4	20.2	20.2
General operating expense ratio	14.2	13.7	13.3	14.8	15.9	13.9	16.2
Expense ratio	35.3	33.0	33.1	35.6	36.3	34.1	36.4
Combined ratio	96.8	96.0	113.6	123.2	104.5	96.4	102.7
Accident year combined ratio, as adjusted	96.9	92.6	102.3	99.0	103.4	94.7	99.9
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ 4	$ 17	$ 134	$ 376	$ 27	$ 21	$ 104
Reinstatement premiums related to catastrophes	-	-	(1)	-	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(6)	41	74	68	(8)	35	(9)
Reinstatement premiums related to prior year catastrophes	-	-	2	(3)	-	-	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums written	$ 1,758	$ 1,675	$ 1,919	$ 1,861	$ 2,151	$ 3,433	$ 4,328
Net premiums earned	$ 1,818	$ 1,876	$ 1,891	$ 1,953	$ 2,010	$ 3,694	$ 4,279
Losses and loss adjustment expenses incurred	961	983	1,009	1,413	1,064	1,944	2,289
Acquisition expenses:							
Amortization of deferred policy acquisition costs	361	396	394	392	414	757	859
Other acquisition expenses	125	127	140	139	103	252	253
Total acquisition expenses	486	523	534	531	517	1,009	1,112
General operating expenses	270	248	297	325	315	518	673
Underwriting income (loss)	$ 101	$ 122	$ 51	$ (316)	$ 114	$ 223	$ 205
Underwriting Ratios							
Loss ratio	52.9	52.4	53.4	72.4	52.9	52.6	53.5
Catastrophe losses and reinstatement premiums	-	-	(0.2)	(20.5)	(0.8)	-	(0.4)
Prior year development	(0.1)	2.8	2.0	1.5	-	1.4	0.7
Accident year loss ratio, as adjusted	52.8	55.2	55.2	53.4	52.1	54.0	53.8
Acquisition ratio	26.7	27.9	28.2	27.2	25.7	27.3	26.0
General operating expense ratio	14.9	13.2	15.7	16.6	15.7	14.0	15.7
Expense ratio	41.6	41.1	43.9	43.8	41.4	41.3	41.7
Combined ratio	94.5	93.5	97.3	116.2	94.3	93.9	95.2
Accident year combined ratio, as adjusted	94.4	96.3	99.1	97.2	93.5	95.3	95.5
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ -	$ -	$ 3	$ 400	$ 16	$ -	$ 16
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	1	(53)	(37)	(30)	1	(52)	(28)

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

(1) As a result of the merger of AIUI Japan and Fuji Fire and Marine Insurance Company (Fuji), Fuji's fiscal reporting period was conformed to that of AIUI Japan. The six-month period ended June 30, 2018 Results of Operations include two additional months of Net premiums written, Net premiums earned, Losses and loss adjustment expenses incurred, and Adjusted pre-tax income, of approximately $300 million, $300 million, $200 million, and $15 million, respectively.

(2) AIG participates in the market for insurance-linked securities (ILS) primarily through AlphaCat Managers, Ltd. (AlphaCat). AlphaCat is an asset manager of various funds, managed accounts and sidecars capitalized by third party investors and Validus. Total assets under management by AlphaCat is $4.1 billion at June 30, 2019, of which $4.0 billion relates to third party assets. ILS are financial instruments for which the values are determined based on insurance risk primarily related to natural catastrophes such as earthquakes and hurricanes. We report the investment in the vehicles managed by AlphaCat as Other Invested Assets. We recognized approximately $(1) million, $1 million, $(12) million and $5 million of Net Investment Income (Loss), as well as $8 million, $8 million, $5 million and $6 million of Miscellaneous Income (reported as a component of Net Premiums Earned), respectively, in the three-month periods ended June 30, 2019, March 31, 2019, December 31, and September 30, 2018.

(3) Consistent with our definition of APTI, excluded net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.

(4) Computed using current exchange rate for the corresponding periods in the prior year.

American International Group, Inc.
Life and Retirement Results

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums and deposits:	**$ 7,212**	**$ 8,356**	**$ 8,166**	**$ 6,779**	**$ 7,399**	**$ 15,568**	**$ 16,261**
Revenues:							
Premiums	$ 598	$ 1,229	$ 1,213	$ 443	$ 490	$ 1,827	$ 936
Policy fees	735	707	704	500	731	1,442	1,465
Net investment income (loss):							
Base portfolio (2)	1,873	1,853	1,775	1,779	1,795	3,726	3,553
Alternative investments	193	66	61	72	75	259	211
Other yield enhancements (3)	204	123	85	109	125	327	277
Total net investment income	2,270	2,042	1,921	1,960	1,995	4,312	4,041
Advisory fee and other income	225	226	227	243	249	451	483
Total adjusted revenues	**3,828**	**4,204**	**4,065**	**3,146**	**3,465**	**8,032**	**6,925**
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	1,021	1,566	1,617	962	770	2,587	1,600
Interest credited to policyholder account balances	900	887	913	877	869	1,787	1,723
Amortization of deferred policy acquisition costs	200	200	269	(60)	225	400	471
Non deferrable insurance commissions	140	125	139	145	135	265	274
Advisory fee expenses	80	77	79	88	86	157	162
General operating expenses	399	385	388	374	378	784	763
Interest expense	39	40	37	47	40	79	78
Total benefits, losses and expenses	**2,779**	**3,280**	**3,442**	**2,433**	**2,503**	**6,059**	**5,071**
Adjusted pre-tax income (1)	**1,049**	**924**	**623**	**713**	**962**	**1,973**	**1,854**
Interest expense on attributed financial debt	44	37	31	30	30	81	46
Adjusted pre-tax income including attributed interest expense	1,005	887	592	683	932	1,892	1,808
Income tax expense	201	176	116	134	186	377	360
Adjusted after-tax income	**$ 804**	**$ 711**	**$ 476**	**$ 549**	**$ 746**	**$ 1,515**	**$ 1,448**
Dividends declared on preferred stock	3	-	-	-	-	3	-
Adjusted after-tax income attributable to common shareholders (a)	**$ 801**	**$ 711**	**$ 476**	**$ 549**	**$ 746**	**$ 1,512**	**$ 1,448**
Ending adjusted attributed common equity	$ 18,820	$ 18,280	$ 19,695	$ 19,254	$ 19,972	$ 18,820	$ 19,972
Average adjusted attributed common equity (b)*	18,550	18,988	19,475	19,613	19,952	18,932	19,790
Adjusted return on attributed common equity (a÷b)	17.3 %	15.0 %	9.8 %	11.2 %	15.0 %	16.0 %	14.6 %
Noteworthy Items:							
Annual actuarial assumption update (1)	$ -	$ -	$ -	$ (98)	$ -	$ -	$ -
Better than expected alternative returns	149	23	21	31	31	172	126
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	77	64	(14)	25	29	141	47
Changes in the fair value of Equity Securities - Other	-	-	(16)	7	(5)	-	(3)

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

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums and deposits	**$ 3,865**	**$ 4,186**	**$ 4,225**	**$ 3,616**	**$ 3,422**	**$ 8,051**	**$ 7,780**
Revenues:							
Premiums	$ 16	$ 11	$ 15	$ 9	$ 16	$ 27	$ 28
Policy fees	205	193	194	204	202	398	406
Net investment income (loss):							
Base portfolio (2)	906	897	849	865	878	1,803	1,730
Alternative investments	92	32	31	36	38	124	106
Other yield enhancements (3)	96	70	32	55	59	166	123
Total net investment income	1,094	999	912	956	975	2,093	1,959
Advisory fee and other income	151	148	155	166	173	299	334
Total adjusted revenues	**1,466**	**1,351**	**1,276**	**1,335**	**1,366**	**2,817**	**2,727**
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	51	31	77	52	85	82	132
Interest credited to policyholder account balances	436	424	432	420	415	860	827
Amortization of deferred policy acquisition costs	119	120	170	196	130	239	264
Non deferrable insurance commissions and other (13)	78	77	82	81	80	155	161
Advisory fee expenses	56	54	55	62	67	110	121
General operating expenses	119	118	114	107	107	237	222
Interest expense	19	19	19	24	20	38	39
Total benefits, losses and expenses	**878**	**843**	**949**	**942**	**904**	**1,721**	**1,766**
Adjusted pre-tax income (1)	**$ 588**	**$ 508**	**$ 327**	**$ 393**	**$ 462**	**$ 1,096**	**$ 961**
Noteworthy Items (pre-tax)							
Annual actuarial assumption update (1)	$ -	$ -	$ -	$ (52)	$ -	$ -	$ -
Better than expected alternative returns	71	11	11	15	16	82	63

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Assets under management:							
General accounts	$ 32,145	$ 29,176	$ 27,517	$ 26,525	$ 26,288	$ 32,145	$ 26,288
Separate accounts	48,043	47,238	43,660	49,288	47,980	48,043	47,980
Total assets under management	**$ 80,188**	**$ 76,414**	**$ 71,177**	**$ 75,813**	**$ 74,268**	**$ 80,188**	**$ 74,268**
Net investment spreads:							
Total yield	5.41 %	5.16 %	4.49 %	4.85 %	4.81 %	5.29 %	4.76 %
Less: Alternative investments (5)	(0.45)	(0.13)	(0.13)	(0.16)	(0.17)	(0.29)	(0.28)
Less: Other yield enhancements (6)	(0.49)	(0.48)	0.15	(0.04)	0.02	(0.49)	0.09
Base yield (7)	**4.47**	**4.55**	**4.51**	**4.65**	**4.66**	**4.51**	**4.57**
Cost of funds (a)	1.39	1.36	1.29	1.24	1.17	1.38	1.21
Base net investment spread (b)	**3.08 %**	**3.19 %**	**3.22 %**	**3.41 %**	**3.49 %**	**3.13 %**	**3.36 %**
DAC rollforward:							
Balance at beginning of period	$ 3,046	$ 3,121	$ 3,119	$ 3,088	$ 2,954	$ 3,121	$ 2,789
Deferrals	109	104	112	109	101	213	187
Operating amortization	(61)	(59)	(111)	(164)	(60)	(120)	(121)
Change from realized gains (losses)	(63)	84	(41)	69	7	21	(24)
Change from unrealized gains (losses)	(205)	(204)	42	17	86	(409)	257
Balance at end of period	**$ 2,826**	**$ 3,046**	**$ 3,121**	**$ 3,119**	**$ 3,088**	**$ 2,826**	**$ 3,088**
Reserve rollforward:							
Balance at beginning of period, gross	$ 73,990	$ 68,794	$ 72,535	$ 70,260	$ 69,660	$ 68,794	$ 69,550
Premiums and deposits	1,998	1,920	2,098	2,009	1,728	3,918	4,388
Surrenders and withdrawals	(1,207)	(1,069)	(1,153)	(1,129)	(1,096)	(2,276)	(2,216)
Death and other contract benefits	(243)	(245)	(247)	(239)	(248)	(488)	(502)
Subtotal	74,538	69,400	73,233	70,901	70,044	69,948	71,220
Change in fair value of underlying assets and reserve accretion, net of policy fees	2,103	4,439	(4,470)	1,604	205	6,542	(962)
Cost of funds (a)	81	74	68	62	55	155	112
Other reserve changes	87	77	(37)	(32)	(44)	164	(110)
Balance at end of period	76,809	73,990	68,794	72,535	70,260	76,809	70,260
Reinsurance ceded	(28)	(28)	(30)	(29)	(31)	(28)	(31)
Total insurance reserves	**$ 76,781**	**$ 73,962**	**$ 68,764**	**$ 72,506**	**$ 70,229**	**$ 76,781**	**$ 70,229**

(a) Excludes the amortization of Sales Inducement Assets (SIA).
(b) Excludes the impact of alternative investments and other yield enhancements.
See accompanying notes on page 35.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Assets under management:							
General accounts	$ 58,072	$ 56,305	$ 54,521	$ 54,725	$ 54,783	$ 58,072	$ 54,783
Separate accounts	30	29	27	32	31	30	31
Total assets under management	**$ 58,102**	**$ 56,334**	**$ 54,548**	**$ 54,757**	**$ 54,814**	**$ 58,102**	**$ 54,814**
Net investment spreads (a):							
Total yield	5.14 %	4.82 %	4.64 %	4.83 %	5.03 %	4.97 %	5.09 %
Less: Alternative investments (5)	(0.35)	(0.08)	(0.08)	(0.10)	(0.10)	(0.21)	(0.17)
Less: Other yield enhancements (6)	(0.22)	(0.06)	(0.06)	(0.16)	(0.21)	(0.14)	(0.26)
Base yield (7)	**4.57**	**4.68**	**4.50**	**4.57**	**4.72**	**4.62**	**4.66**
Cost of funds (b)	2.68	2.71	2.67	2.64	2.64	2.69	2.65
Base net investment spread (c)	**1.89 %**	**1.97 %**	**1.83 %**	**1.93 %**	**2.08 %**	**1.93 %**	**2.01 %**
DAC rollforward:							
Balance at beginning of period	$ 788	$ 1,112	$ 1,057	$ 1,062	$ 1,007	$ 1,112	$ 884
Deferrals	45	48	45	30	28	93	47
Operating amortization	(58)	(61)	(59)	(32)	(70)	(119)	(143)
Change from realized gains (losses)	-	1	2	1	(1)	1	-
Change from unrealized gains (losses)	(249)	(312)	67	(4)	98	(561)	274
Balance at end of period	**$ 526**	**$ 788**	**$ 1,112**	**$ 1,057**	**$ 1,062**	**$ 526**	**$ 1,062**
Reserve rollforward:							
Balance at beginning of period, gross	$ 51,185	$ 50,615	$ 50,235	$ 50,303	$ 50,424	$ 50,615	$ 50,846
Premiums and deposits	1,502	1,821	1,678	1,165	1,125	3,323	1,922
Surrenders and withdrawals	(1,006)	(1,024)	(1,146)	(1,022)	(1,012)	(2,030)	(1,944)
Death and other contract benefits	(575)	(586)	(513)	(553)	(616)	(1,161)	(1,262)
Subtotal	51,106	50,826	50,254	49,893	49,921	50,747	49,562
Change in fair value of underlying assets and reserve accretion, net of policy fees	12	52	74	12	118	64	185
Cost of funds (b)	333	329	331	324	322	662	643
Other reserve changes	16	(22)	(44)	6	(58)	(6)	(87)
Balance at end of period	51,467	51,185	50,615	50,235	50,303	51,467	50,303
Reinsurance ceded	(287)	(288)	(288)	(290)	(291)	(287)	(291)
Total insurance reserves	**$ 51,180**	**$ 50,897**	**$ 50,327**	**$ 49,945**	**$ 50,012**	**$ 51,180**	**$ 50,012**

(a) Excludes immediate annuities.
(b) Excludes the amortization of deferred SIAs.
(c) Excludes the impact of alternative investments and other yield enhancements.
See accompanying notes on page 35.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Premiums and deposits:							
Fixed Annuities	$ 1,502	$ 1,821	$ 1,678	$ 1,165	$ 1,125	$ 3,323	$ 1,922
Variable Annuities	656	558	715	838	771	1,214	1,544
Index Annuities	1,342	1,362	1,383	1,171	957	2,704	1,696
Retail Mutual Funds	365	445	449	442	569	810	1,470
Total premiums and deposits (4)	3,865	4,186	4,225	3,616	3,422	8,051	6,632
Surrenders and withdrawals:							
Fixed Annuities	(1,006)	(1,024)	(1,146)	(1,022)	(1,012)	(2,030)	(1,944)
Variable Annuities	(1,042)	(918)	(1,022)	(1,006)	(977)	(1,960)	(1,996)
Index Annuities	(165)	(151)	(131)	(123)	(119)	(316)	(220)
Retail Mutual Funds	(1,140)	(1,129)	(1,676)	(1,218)	(1,499)	(2,269)	(2,577)
Total surrenders and withdrawals	(3,353)	(3,222)	(3,975)	(3,369)	(3,607)	(6,575)	(6,737)
Death and other contract benefits:							
Fixed Annuities	(575)	(586)	(513)	(553)	(616)	(1,161)	(1,262)
Variable Annuities	(208)	(216)	(221)	(215)	(222)	(424)	(453)
Index Annuities	(35)	(29)	(26)	(24)	(26)	(64)	(49)
Total death and other contract benefits	(818)	(831)	(760)	(792)	(864)	(1,649)	(1,764)
Net flows (4):							
Fixed Annuities	(79)	211	19	(410)	(503)	132	(1,284)
Variable Annuities	(594)	(576)	(528)	(383)	(428)	(1,170)	(905)
Index Annuities	1,142	1,182	1,226	1,024	812	2,324	1,427
Retail Mutual Funds	(775)	(684)	(1,227)	(776)	(930)	(1,459)	(1,107)
Total net flows	$ **(306)**	$ **133**	$ **(510)**	$ **(545)**	$ **(1,049)**	$ **(173)**	$ **(1,869)**
Surrender rates (8):							
Fixed Annuities	**7.9%**	**8.1%**	**9.1%**	**8.2%**	**8.1%**	**8.0%**	**7.7%**
Variable and Index Annuities	**6.4%**	**6.0%**	**6.5%**	**6.3%**	**6.3%**	**6.3%**	**6.3%**

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums and deposits	**$ 2,047**	**$ 2,063**	**$ 2,106**	**$ 2,116**	**$ 2,345**	**$ 4,110**	**$ 4,417**
Revenues:							
Premiums	$ 5	$ 4	$ 4	$ 9	$ 15	$ 9	$ 21
Policy fees	106	100	107	115	112	206	224
Net investment income (loss):							
Base portfolio (2)	505	497	473	478	483	1,002	968
Alternative investments	54	18	16	19	19	72	55
Other yield enhancements (3)	59	26	28	34	40	85	101
Total net investment income	618	541	517	531	542	1,159	1,124
Advisory fee and other income	61	64	54	63	61	125	122
Total adjusted revenues	**790**	**709**	**682**	**718**	**730**	**1,499**	**1,491**
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	17	10	22	25	22	27	38
Interest credited to policyholder account balances	285	282	296	275	276	567	551
Amortization of deferred policy acquisition costs	22	12	37	7	26	34	51
Non deferrable insurance commissions and other (13)	27	28	30	30	28	55	57
Advisory fee expenses	24	23	24	26	19	47	41
General operating expenses	111	111	105	101	98	222	200
Interest expense	11	11	9	12	11	22	21
Total benefits, losses and expenses	**497**	**477**	**523**	**476**	**480**	**974**	**959**
Adjusted pre-tax income (1)	**$ 293**	**$ 232**	**$ 159**	**$ 242**	**$ 250**	**$ 525**	**$ 532**
Noteworthy items (pre-tax)							
Annual actuarial assumption update (1)	$ -	$ -	$ -	$ 17	$ -	$ -	$ -
Better than expected alternative returns	42	6	5	8	8	48	33

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Assets under administration:							
General accounts	$ 49,233	$ 47,080	$ 45,193	$ 45,162	$ 45,077	$ 49,233	$ 45,077
Separate accounts	36,232	35,542	32,209	37,284	36,325	36,232	36,325
Group Retirement mutual funds	20,375	19,474	17,941	20,214	20,065	20,375	20,065
Total assets under administration	**$ 105,840**	**$ 102,096**	**$ 95,343**	**$ 102,660**	**$ 101,467**	**$ 105,840**	**$ 101,467**
Net investment spreads:							
Total yield	5.36 %	4.79 %	4.62 %	4.77 %	4.88 %	5.08 %	5.05 %
Less: Alternative investments (5)	(0.40)	(0.10)	(0.09)	(0.11)	(0.11)	(0.25)	(0.19)
Less: Other yield enhancements (6)	(0.36)	(0.10)	(0.12)	(0.17)	(0.21)	(0.24)	(0.32)
Base yield (7)	**4.60**	**4.59**	**4.41**	**4.49**	**4.56**	**4.59**	**4.54**
Cost of funds (a)	2.72	2.76	2.82	2.68	2.69	2.74	2.70
Base net investment spread (b)	**1.88 %**	**1.83 %**	**1.59 %**	**1.81 %**	**1.87 %**	**1.85 %**	**1.84 %**
Net flows: (4)							
Premiums and deposits	$ 2,047	$ 2,063	$ 2,106	$ 2,116	$ 2,345	$ 4,110	$ 4,208
Surrenders and withdrawals	(2,061)	(2,781)	(2,590)	(2,957)	(2,638)	(4,842)	(5,105)
Death and other contract benefits	(160)	(157)	(144)	(145)	(166)	(317)	(317)
Total net flows	$ **(174)**	$ **(875)**	$ **(628)**	$ **(986)**	$ **(459)**	$ **(1,049)**	$ **(1,214)**
Surrender rates (8)	**8.4 %**	**11.8 %**	**10.9 %**	**12.0 %**	**10.9 %**	**10.2 %**	**10.5 %**
DAC rollforward:							
Balance at beginning of period	$ 893	$ 1,030	$ 1,033	$ 998	$ 980	$ 1,030	$ 928
Deferrals	20	19	27	23	19	39	36
Operating amortization	(22)	(12)	(37)	(7)	(26)	(34)	(51)
Change from realized gains (losses)	-	-	1	1	(1)	-	-
Change from unrealized gains (losses)	(129)	(144)	6	18	26	(273)	85
Balance at end of period	$ **762**	$ **893**	$ **1,030**	$ **1,033**	$ **998**	$ **762**	$ **998**
Reserve rollforward:							
Balance at beginning of period, gross	$ 96,906	$ 91,685	$ 98,970	$ 97,548	$ 96,754	$ 91,685	$ 97,306
Premiums and deposits	2,047	2,063	2,106	2,116	2,345	4,110	4,417
Surrenders and withdrawals	(2,061)	(2,781)	(2,590)	(2,957)	(2,638)	(4,842)	(5,105)
Death and other contract benefits	(160)	(157)	(144)	(145)	(166)	(317)	(317)
Subtotal	96,732	90,810	98,342	96,562	96,295	90,636	96,301
Change in fair value of underlying assets and reserve accretion, net of policy fees	1,919	5,807	(6,947)	2,129	982	7,726	712
Cost of funds (a)	280	278	290	275	271	558	541
Other reserve changes	(8)	11	-	4	-	3	(6)
Total insurance reserves and Group Retirement mutual funds	**$ 98,923**	**$ 96,906**	**$ 91,685**	**$ 98,970**	**$ 97,548**	**$ 98,923**	**$ 97,548**

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

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly				
	2Q19	1Q19	4Q18	3Q18	2Q18
Account value by benefit type (a)					
Guaranteed Minimum Death Benefits (GMDB) only (b)	$ 67,651	$ 66,921	$ 63,071	$ 69,364	$ 68,232
Guaranteed Minimum Income Benefits (GMIB) (c)	2,179	2,181	2,024	2,339	2,317
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	43,996	43,441	40,753	45,150	44,113
Liability by benefit type (a)					
GMDB (b)	$ 351	$ 357	$ 384	$ 364	$ 358
GMIB (c)	12	12	13	13	12
GMWB (d)	2,659	2,120	2,041	1,144	1,430

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

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	$ (675)	$ 215	$ (1,721)	$ 553	$ 373	$ (460)	$ 924
Change in fair value of variable annuity hedging portfolio:							
Fixed maturity securities	76	96	(27)	(13)	(37)	172	(114)
Interest rate derivative contracts	542	293	377	(257)	(184)	835	(590)
Equity derivative contracts	(179)	(593)	724	(332)	(154)	(772)	(80)
Change in fair value of variable annuity hedging portfolio	439	(204)	1,074	(602)	(375)	235	(784)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	(236)	11	(647)	(49)	(2)	(225)	140
Change in fair value of embedded derivatives due to NPA spread	37	(163)	384	(168)	100	(126)	172
Change in fair value of embedded derivatives due to change in NPA volume	235	(13)	542	(19)	(99)	222	(243)
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	-	-	38	-	-	-
Total change due to update of actuarial assumptions and NPA	272	(176)	926	(149)	1	96	(71)
Net impact on pre-tax income (loss)	**$ 36**	**$ (165)**	**$ 279**	**$ (198)**	**$ (1)**	**$ (129)**	**$ 69**

See accompanying notes on page 35.

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums and deposits	**$ 1,032**	**$ 995**	**$ 987**	**$ 978**	**$ 980**	**$ 2,027**	**$ 1,949**
Revenues:							
Premiums	$ 425	$ 395	$ 378	$ 379	$ 418	$ 820	$ 797
Policy fees	381	373	363	141	377	754	754
Net investment income (loss):							
Base portfolio (2)	266	262	262	252	255	528	508
Alternative investments	32	11	9	11	12	43	33
Other yield enhancements (3)	37	18	16	12	15	55	34
Total net investment income	335	291	287	275	282	626	575
Advisory fee and other income (10)	13	14	17	14	15	27	27
Total adjusted revenues	**1,154**	**1,073**	**1,045**	**809**	**1,092**	**2,227**	**2,153**
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	731	638	622	780	571	1,369	1,217
Interest credited to policyholder account balances	92	92	93	92	94	184	189
Amortization of deferred policy acquisition costs	58	67	61	(265)	68	125	154
Non deferrable insurance commissions and other (13)	28	12	20	27	20	40	42
General operating expenses	153	141	156	152	158	294	312
Interest expense	6	7	6	7	6	13	12
Total benefits, losses and expenses	**1,068**	**957**	**958**	**793**	**917**	**2,025**	**1,926**
Adjusted pre-tax income (1)	**$ 86**	**$ 116**	**$ 87**	**$ 16**	**$ 175**	**$ 202**	**$ 227**
Noteworthy items (pre-tax)							
Annual actuarial assumption update (1)	$ -	$ -	$ -	$ (63)	$ -	$ -	$ -
Better than expected alternative returns	25	4	3	5	5	29	20
Adjusted pre-tax income Domestic Life	84	96	88	10	172	180	229
Adjusted pre-tax income (loss) International Life	2	20	(1)	6	3	22	(2)

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Gross life insurance in force, end of period:							
Domestic Life	$ 896,193	$ 881,286	$ 867,460	$ 858,203	$ 869,270	$ 896,193	$ 869,270
International Life	144,384	138,915	125,835	120,428	113,303	144,384	113,303
Total	**$ 1,040,577**	**$ 1,020,201**	**$ 993,295**	**$ 978,631**	**$ 982,573**	**$ 1,040,577**	**$ 982,573**
Life and A&H CPPE sales (11):							
Term	$ 65	$ 65	$ 59	$ 62	$ 63	$ 130	$ 121
Universal life	31	29	36	41	42	60	84
Group and other life	36	28	10	13	16	64	28
Single premium and unscheduled deposits	3	3	4	4	3	6	6
A&H	-	-	2	3	2	-	5
Total	**$ 135**	**$ 125**	**$ 111**	**$ 123**	**$ 126**	**$ 260**	**$ 244**
Surrender/lapse rates (12):							
Domestic Life:							
Independent distribution	4.17 %	4.21 %	4.12 %	4.55 %	3.66 %	4.19 %	3.82 %
Career distribution	4.51 %	5.01 %	5.16 %	5.33 %	5.24 %	4.76 %	5.50 %
DAC/VOBA rollforward:							
Balance at beginning of period	$ 3,841	$ 3,843	$ 3,746	$ 3,331	$ 3,224	$ 3,843	$ 3,009
Deferrals	123	163	129	140	147	286	274
Operating amortization	(58)	(67)	(61)	265	(68)	(125)	(154)
Change from realized gains (losses)	(5)	8	(4)	3	(5)	3	(3)
Change from unrealized gains (losses)	(80)	(113)	41	11	55	(193)	215
Foreign exchange translation	(11)	7	(8)	(4)	(22)	(4)	(10)
Balance at end of period	**$ 3,810**	**$ 3,841**	**$ 3,843**	**$ 3,746**	**$ 3,331**	**$ 3,810**	**$ 3,331**
Reserve rollforward:							
Balance at beginning of period, gross	$ 20,211	$ 19,719	$ 20,058	$ 19,647	$ 19,706	$ 19,719	$ 19,424
Premiums and deposits	942	908	896	887	892	1,850	1,776
Surrenders and withdrawals	(119)	(173)	(343)	(286)	(140)	(292)	(314)
Death and other contract benefits	(121)	(143)	(119)	(140)	(110)	(264)	(206)
Subtotal	20,913	20,311	20,492	20,108	20,348	21,013	20,680
Change in fair value of underlying assets and reserve accretion, net of policy fees	(289)	(262)	(353)	(229)	(295)	(551)	(542)
Cost of funds	92	93	93	92	94	185	189
Other reserve changes	(4)	58	(501)	93	(469)	54	(666)
Foreign exchange translation	(13)	11	(12)	(6)	(31)	(2)	(14)
Balance at end of period	20,699	20,211	19,719	20,058	19,647	20,699	19,647
Reinsurance ceded	(1,223)	(1,238)	(1,216)	(1,232)	(1,050)	(1,223)	(1,050)
Total insurance reserves	**$ 19,476**	**$ 18,973**	**$ 18,503**	**$ 18,826**	**$ 18,597**	**$ 19,476**	**$ 18,597**
Domestic Life	19,068	18,597	18,174	18,514	18,322	19,068	18,322
International Life	408	376	329	312	275	408	275
Total insurance reserves	**$ 19,476**	**$ 18,973**	**$ 18,503**	**$ 18,826**	**$ 18,597**	**$ 19,476**	**$ 18,597**

See accompanying notes on page 35.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums and deposits (14)	**$ 268**	**$ 1,112**	**$ 848**	**$ 69**	**$ 652**	**$ 1,380**	**$ 2,115**
Revenues:							
Premiums	$ 152	$ 819	$ 816	$ 46	$ 41	$ 971	$ 90
Policy fees	43	41	40	40	40	84	81
Net investment income:							
Base portfolio (2)	196	197	191	184	179	393	347
Alternative investments	15	5	5	6	6	20	17
Other yield enhancements (3)	12	9	9	8	11	21	19
Total net investment income	223	211	205	198	196	434	383
Advisory fee and other income	-	-	1	-	-	-	-
Total adjusted revenues	**418**	**1,071**	**1,062**	**284**	**277**	**1,489**	**554**
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	222	887	896	105	92	1,109	213
Interest credited to policyholder account balances	87	89	92	90	84	176	156
Amortization of deferred policy acquisition costs	1	1	1	2	1	2	2
Non deferrable insurance commissions	7	8	7	7	7	15	14
General operating expenses	16	15	13	14	15	31	29
Interest expense	3	3	3	4	3	6	6
Total benefits, losses and expenses	**336**	**1,003**	**1,012**	**222**	**202**	**1,339**	**420**
Adjusted pre-tax income	**$ 82**	**$ 68**	**$ 50**	**$ 62**	**$ 75**	**$ 150**	**$ 134**
General and separate account reserves							
Future policyholder benefits	$ 7,562	$ 7,468	$ 6,694	$ 5,899	$ 5,887	$ 7,562	$ 5,887
Policyholder contract deposits	10,149	9,997	9,685	10,079	10,016	10,149	10,016
Separate account reserves	3,266	3,325	3,417	3,681	3,748	3,266	3,748
Total general and separate account reserves	**$ 20,977**	**$ 20,790**	**$ 19,796**	**$ 19,659**	**$ 19,651**	**$ 20,977**	**$ 19,651**
Noteworthy Items (pre-tax)							
Better than expected alternative returns	$ 11	$ 2	$ 2	$ 3	$ 2	$ 13	$ 10

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Reserve rollforward:							
Balance at beginning of period, gross	$ 20,833	$ 19,839	$ 19,702	$ 19,694	$ 19,579	$ 19,839	$ 18,580
Premiums and deposits (14)	268	1,112	848	69	652	1,380	2,115
Surrenders and withdrawals	(150)	(246)	(556)	(183)	(484)	(396)	(1,006)
Death and other contract benefits	(166)	(158)	(268)	(112)	(168)	(324)	(275)
Subtotal	20,785	20,547	19,726	19,468	19,579	20,499	19,414
Change in fair value of underlying assets and reserve accretion, net of policy fees	122	205	21	81	16	327	77
Cost of funds	87	89	92	90	84	176	156
Other reserve changes	28	(8)	-	63	15	20	47
Balance at end of period	21,022	20,833	19,839	19,702	19,694	21,022	19,694
Reinsurance ceded	(45)	(43)	(43)	(43)	(43)	(45)	(43)
Total insurance reserves	**$ 20,977**	**$ 20,790**	**$ 19,796**	**$ 19,659**	**$ 19,651**	**$ 20,977**	**$ 19,651**
Reserves by line of business:							
Structured settlements	$ 3,135	$ 3,112	$ 3,020	$ 2,953	$ 2,907	$ 3,135	$ 2,907
Pension risk transfer	5,162	5,081	4,363	3,608	3,634	5,162	3,634
Corporate and Bank-owned life insurance	4,962	4,911	4,823	4,895	4,863	4,962	4,863
Stable value wrap - separate account liability	943	1,013	1,181	1,376	1,458	943	1,458
Guaranteed investment contracts	6,775	6,673	6,409	6,827	6,789	6,775	6,789
Total insurance reserves	**$ 20,977**	**$ 20,790**	**$ 19,796**	**$ 19,659**	**$ 19,651**	**$ 20,977**	**$ 19,651**
Premiums and deposits by line of business:							
Structured settlements	$ 58	$ 116	$ 87	$ 68	$ 58	$ 174	$ 130
Pension risk transfer	116	746	761	1	43	862	39
Guaranteed investment contracts (14)	94	250	-	-	551	344	1,946
Total premiums and deposits	**$ 268**	**$ 1,112**	**$ 848**	**$ 69**	**$ 652**	**$ 1,380**	**$ 2,115**
Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)	**$ 39,616**	**$ 38,045**	**$ 37,834**	**$ 36,855**	**$ 36,740**	**$ 39,616**	**$ 36,740**

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

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

(1) Life and Retirement Adjusted pre-tax income in 3Q18 included the net effect of adjustments to reflect the annual review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, lapse rates, fees and separate account long-term asset growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees. Consolidated pre-tax income in this period also included adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives, primarily due to updated assumptions for lapses, mortality, risk margins and utilization of withdrawal benefits. Changes in the fair value of such embedded derivatives are recorded in net realized capital gains (losses) and, together with related DAC adjustments, are excluded from APTI. In the aggregate, the net effect of adjustments to reflect the review and update of actuarial assumptions for Life and Retirement products increased (decreased) APTI and pre-tax income as follows:

(in millions)	Life Insurance	Individual Retirement -Fixed Annuities	Individual Retirement - Variable and Index Annuities	Group Retirement	Total Life and Retirement
	3Q18	3Q18	3Q18	3Q18	3Q18
Policy fees	$ (238)	$ -	$ -	$ -	$ (238)
Interest credited to policyholder account balances	-	9	(14)	5	-
Amortization of deferred policy acquisition costs	337	32	(78)	16	307
Policyholder benefits and claims incurred	(162)	(1)	-	(4)	(167)
Adjusted pre-tax income (loss)	**$ (63)**	**$ 40**	**$ (92)**	**$ 17**	**$ (98)**
Changes in DAC related to net realized capital gains (losses)	-	-	33	2	35
Net realized capital gains (losses)	28	-	(87)	4	(55)
Increase (decrease) to pre-tax income (loss)	**$ (35)**	**$ 40**	**$ (146)**	**$ 23**	**$ (118)**

(2) Base portfolio investment income includes interest, dividends, and foreclosed real estate income, net of investment expenses and non-qualifying (economic) hedges.
(3) Net investment income - other yield enhancements includes call and tender income, commercial mortgage loan prepayments, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments (other than foreclosed real estate) and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated.
(4) Net flows for Individual Retirement and Group Retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows related to mutual funds represent deposits less withdrawals. Two large FHLB funding agreements were issued within Individual Retirement and Group Retirement totaling $1.3 billion in the six-month period ended June 30, 2018. The deposits from these agreements were excluded from the net flows of Individual Retirement ($1.1 billion) and Group Retirement ($0.2 billion), as net flows from these funding agreements are not considered part of the metric to measure core recurring performance.
(5) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
(6) Includes incremental effect on base yield of other yield enhancements. Quarterly results are annualized.
(7) Includes return on base portfolio. Quarterly results are annualized.
(8) Annuity surrender rates represent actual or annualized surrenders and other withdrawals as a percentage of average annuity reserves and Group Retirement mutual funds.
(9) Life and Retirement uses reinsurance, product design and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. See Part II, Item 7. MD&A – Enterprise Risk Management – Insurance Risks – Life and Retirement Companies' Key Risks – Variable Annuity Risk Management and Hedging Programs in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of our risk management related to these product features.
(10) Life Insurance - Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products.
(11) Life Insurance sales are shown on a continuous payment premium equivalent (CPPE) basis. Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10 percent of unscheduled and single premiums from new and existing policyholders. Sales of accident and health insurance represent annualized first-year premium from new policies.
(12) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
(13) Non deferrable insurance commissions and other includes risk charges related to statutory reinsurance that became effective in 2016 of certain life insurance reserves, which resulted in the release of statutory capital. The risk charges are allocated to the Life and Retirement segments on the basis of attributed common equity, consistent with the benefit from the reduced capital requirement.
(14) The six months ended June 30, 2018 includes deposits of $1.4 billion from FHLB funding agreements.

American International Group, Inc.
Other Operations Results

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Revenues:							
Premiums	$ 13	$ 12	$ 10	$ 10	$ 13	$ 25	$ 19
Net investment income (1)	96	91	43	9	(6)	187	(7)
Other income (1)	102	100	129	116	162	202	307
Total adjusted revenues	211	203	182	135	169	414	319
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	10	4	15	12	6	14	12
Acquisition expenses:							
Amortization of deferred policy acquisition costs	4	4	4	3	2	8	3
Other acquisition expenses	-	1	1	-	(1)	1	-
Total acquisition expenses	4	5	5	3	1	9	3
General operating expenses	292	278	332	248	278	570	524
Interest expense	320	303	281	289	258	623	496
Total benefits, losses and expenses	626	590	633	552	543	1,216	1,035
Adjusted pre-tax loss before consolidation and eliminations	**(415)**	**(387)**	**(451)**	**(417)**	**(374)**	**(802)**	**(716)**
Consolidation, eliminations and other adjustments	(56)	(70)	31	29	(12)	(126)	(1)
Adjusted pre-tax loss	$ **(471)**	$ **(457)**	$ **(420)**	$ **(388)**	$ **(386)**	$ **(928)**	$ **(717)**
Adjusted Pre-tax income (loss) by activities							
Parent and Other:							
Corporate general operating expenses	(198)	(183)	(207)	(182)	(184)	(381)	(337)
Interest expense	(320)	(303)	(281)	(289)	(258)	(623)	(496)
All other income (expense), net	103	99	37	54	68	202	117
Total Parent and Other	(415)	(387)	(451)	(417)	(374)	(802)	(716)
Consolidation, eliminations and other adjustments	(56)	(70)	31	29	(12)	(126)	(1)
Adjusted pre-tax loss	$ **(471)**	$ **(457)**	$ **(420)**	$ **(388)**	$ **(386)**	$ **(928)**	$ **(717)**
Interest expense on attributed financial debt	(191)	(181)	(173)	(171)	(167)	(372)	(317)
Adjusted pre-tax loss including attributed interest expense	(280)	(276)	(247)	(217)	(219)	(556)	(400)
Income tax expense (benefit)	(45)	(28)	(109)	(62)	11	(73)	(38)
Adjusted after-tax loss attributable to common shareholders	$ **(235)**	$ **(248)**	$ **(138)**	$ **(155)**	$ **(230)**	$ **(483)**	$ **(362)**
Noteworthy Items (pre-tax):							
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	$ 53	$ 31	$ 99	$ 9	$ 42	84	88
Changes in the fair value of Equity Securities - Other	-	-	(14)	9	1	-	12
Parent Liquidity Portfolio Information:							
Earnings on Parent liquidity portfolio	$ 46	$ 24	$ 20	$ 29	$ 41	$ 70	$ 72
Interest expense, net of portion allocated to segments	(129)	(122)	(108)	(118)	(90)	(251)	(178)
Net interest expense on Parent liquidity portfolio	$ (83)	$ (98)	$ (88)	$ (89)	$ (49)	$ (181)	$ (106)

See accompanying notes on page 37 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Net investment income	$ 80	$ 48	$ 42	$ 26	$ 57	$ 128	$ 97
Other income	(80)	(48)	(42)	(26)	(57)	(128)	(97)

American International Group, Inc.
Legacy Portfolio Results

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Revenues:							
Premiums	$ 127	$ 118	$ 74	$ 131	$ 134	$ 245	$ 275
Policy Fees	32	30	28	30	32	62	62
Net investment income (1)	603	575	527	610	623	1,178	1,188
Other income (loss) (1)	(22)	(17)	(21)	43	(8)	(39)	92
Total adjusted revenues	740	706	608	814	781	1,446	1,617
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	474	432	553	545	453	906	959
Interest credited to policyholder account balances	54	54	57	57	63	108	122
Acquisition expenses:							
Amortization of deferred policy acquisition costs	14	18	43	25	19	32	37
Other acquisition expenses	-	3	(1)	1	-	3	1
Total acquisition expenses	14	21	42	26	19	35	38
Non deferrable insurance commissions	4	4	5	4	4	8	9
General operating expenses	70	78	94	91	100	148	194
Interest expense (2)	5	5	7	7	8	10	16
Total benefits, losses and expenses	621	594	758	730	647	1,215	1,338
Adjusted pre-tax income (loss)	**$ 119**	**$ 112**	**$ (150)**	**$ 84**	**$ 134**	**$ 231**	**$ 279**
Adjusted pre-tax income (loss) by type							
General Insurance run-off lines	43	15	7	(37)	44	58	106
Life and Retirement run-off lines	38	87	(137)	68	58	125	86
Legacy investments	38	10	(20)	53	32	48	87
Adjusted pre-tax income (loss)	**$ 119**	**$ 112**	**$ (150)**	**$ 84**	**$ 134**	**$ 231**	**$ 279**
Interest expense on attributed financial debt	-	-	-	-	-	-	10
Adjusted pre-tax income (loss) including attributed interest expense	**119**	**112**	**(150)**	**84**	**134**	**231**	**269**
Income tax expense (benefit)	26	23	(31)	18	27	49	56
Adjusted after-tax income (loss) attributable to common shareholders (a)	**$ 93**	**$ 89**	**$ (119)**	**$ 66**	**$ 107**	**$ 182**	**$ 213**
Ending adjusted attributed common equity	$ 6,792	$ 7,450	$ 8,886	$ 8,811	$ 9,267	$ 6,792	$ 9,267
Average adjusted attributed common equity (b)*	7,121	8,168	8,849	9,039	9,257	7,709	9,265
Adjusted return on attributed common equity (a÷b)	5.2 %	4.4 %	(5.4)%	2.9 %	4.6 %	4.7 %	4.6 %

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

See accompanying notes on page 42 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Noteworthy Items (pre-tax)	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Catastrophe losses, net of reinsurance	$ -	$ -	$ (28)	$ 57	$ -	$ -	$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	3	(2)	2	(2)	(2)	1	(4)
Annual actuarial assumption update (3)	-	-	(105)	(5)	-	-	-
Better (worse) than expected alternative returns	5	11	(49)	19	(4)	16	(4)
Better (worse) than expected DIB and GCM returns	14	(5)	(31)	15	(19)	9	18
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option (4)	(63)	48	109	41	63	(15)	97
Changes in the fair value of Equity Securities - Other	-	-	(5)	1	(2)	-	-
Selected Balance Sheet Data							
Legacy investments, net of related debt	$ 2,008	$ 2,548	$ 2,529	$ 2,512	$ 2,834	$ 2,008	$ 2,834
Legacy General Insurance run-off reserves (5)	5,498	5,432	5,498	5,738	5,806	5,498	5,806
Legacy Life and Retirement run-off reserves	38,010	37,262	36,614	36,929	37,348	38,010	37,348

See accompanying notes on page 42 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Net premiums earned	$ 17	$ 4	$ (34)	$ 24	$ 21	$ 21	$ 39
Losses and loss adjustment expenses incurred (6)	25	15	(2)	103	34	40	51
Total acquisition expenses	-	3	-	3	1	3	4
General operating expenses	11	15	18	10	12	26	20
Underwriting loss	(19)	(29)	(50)	(92)	(26)	(48)	(36)
Net investment income	62	44	57	55	70	106	142
Adjusted pre-tax income (loss)	**$ 43**	**$ 15**	**$ 7**	**$ (37)**	**$ 44**	**$ 58**	**$ 106**
Noteworthy Items (pre-tax)							
Catastrophe-related losses, net of reinsurance	$ -	$ -	$ (28)	$ 57	$ -	$ -	$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	3	(2)	2	(2)	(2)	1	(4)
Net liability for unpaid losses and loss adjustment expenses (at period end) (5)	5,498	5,432	5,498	5,738	5,806	5,498	5,806

Prior year development by accident year:	Quarterly					Six Months Ended June 30,	
Accident Year	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
2018	$ 47	$ 2	$ -	$ -	$ -	$ 49	$ -
2017	(8)	-	1	-	46	(8)	43
2016	(4)	-	1	4	(10)	(4)	(10)
2015	5	-	1	(11)	(41)	5	(41)
2014	(9)	-	1	(2)	(80)	(9)	(80)
2013	(4)	-	1	-	(21)	(4)	(21)
2012	(10)	-	(2)	(3)	(48)	(10)	(48)
2011	5	-	(1)	(2)	(11)	5	(11)
2010	(10)	-	1	2	(10)	(10)	(10)
2009 and prior	(9)	(4)	(1)	10	173	(13)	174
Total Legacy General Insurance run-off prior year unfavorable (favorable) development	**$ 3**	**$ (2)**	**$ 2**	**$ (2)**	**$ (2)**	**$ 1**	**$ (4)**

See accompanying notes on page 42 and reconciliations of Non-GAAP financial measures beginning on page 48.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Results of Operations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums and deposits	**$ 133**	**$ 166**	**$ 145**	**$ 205**	**$ 153**	**$ 299**	**$ 378**
Revenues:							
Premiums	$ 110	$ 113	$ 107	$ 107	$ 115	$ 223	$ 237
Policy fees	32	30	28	30	32	62	62
Net investment income:							
Base portfolio	414	406	410	432	413	820	834
Alternative investments	38	45	(14)	61	37	83	84
Other yield enhancements	20	35	36	14	23	55	45
Total net investment income	471	486	432	507	473	957	963
Other income	(4)	1	-	-	1	(3)	1
Total adjusted revenues	**609**	**630**	**567**	**644**	**621**	**1,239**	**1,263**
Benefits, losses and expenses:							
Policyholder benefits and losses incurred	448	418	555	441	427	866	909
Interest credited to policyholder account balances	54	54	57	57	63	108	122
Amortization of deferred policy acquisition costs	14	18	42	24	18	32	35
Non deferrable insurance commissions	4	4	5	4	4	8	9
General operating expenses	51	47	43	48	48	98	97
Interest expense	-	2	2	2	3	2	5
Total benefits, losses and expenses	**571**	**543**	**704**	**576**	**563**	**1,114**	**1,177**
Adjusted pre-tax income (loss)	**$ 38**	**$ 87**	**$ (137)**	**$ 68**	**$ 58**	**$ 125**	**$ 86**
Noteworthy items (pre-tax)							
Future policy benefits for life and A&H contracts (at period end)	$ 30,867	$ 30,090	$ 29,465	$ 29,604	$ 30,018	$ 30,867	$ 30,018
Policyholder contract deposits	5,135	5,205	5,262	5,321	5,399	5,135	5,399
Separate account reserves	2,008	1,967	1,887	2,004	1,931	2,008	1,931
Total general and separate account reserves	$ 38,010	$ 37,262	$ 36,614	$ 36,929	$ 37,348	$ 38,010	$ 37,348
Annual actuarial assumption update	$ -	$ -	$ (105)	$ (5)	$ -	$ -	$ -

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

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Net investment income	$ 24	$ 23	$ (6)	$ 57	$ 6	$ 47	$ 112
Net realized capital gain (loss)	-	-	(2)	(2)	(5)	-	(7)
Other income	(24)	(23)	8	(55)	(1)	(47)	(105)

(2) Includes inter-segment interest expenses.

(3) In addition to the third quarter annual assumption update, the life companies refined assumptions and models on the Legacy Life and Retirement Run-Off Lines during the fourth quarter of 2018 resulting in loss recognition of $105 million.

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

(5) Includes a portion of reserves related to certain long-duration business in Japan, which is recorded in other policyholder funds on our Consolidated Balance Sheets.

(6) Consistent with our definition of APTI, excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related amortization of the deferred gain.

American International Group, Inc.
Investments Portfolio Results

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Fixed Maturity Securities- AFS, at fair value							
Yield (1)	4.71%	4.57%	4.49%	4.70%	4.54%	4.64%	4.59%
Investment income (2)	$ 2,701	$ 2,594	$ 2,546	$ 2,650	$ 2,547	$ 5,295	$ 5,156
Net realized capital gains (losses)	57	(114)	(247)	(23)	(50)	(57)	(126)
Ending carrying value (3)	245,561	238,201	229,391	232,720	228,673	245,561	228,673
Amortized cost	230,062	228,608	225,780	228,047	223,080	230,062	223,080
Fixed Maturity Securities- Other, at fair value (4)							
Total Return (1)	4.61%	6.61%	8.01%	4.47%	4.39%	5.70%	3.91%
Investment income (loss) (2)	$ 110	$ 166	$ 200	$ 121	$ 117	$ 276	$ 241
Ending carrying value (5) (6)	8,919	10,060	10,026	9,996	10,342	8,919	10,342
Equity Securities- AFS, at fair value							
Net realized capital gains (losses)	$ -	$ -	$ -	$ -	$ -	$ -	$ 16
Equity Securities- Other, at fair value (4)							
Investment income (2)	$ -	$ -	$ (143)	$ (13)	$ 3	$ -	$ (28)
Ending carrying value	-	-	1,254	1,443	1,675	-	1,675
Mortgage and other loans receivable							
Yield (1)	4.74%	4.58%	4.95%	4.46%	4.58%	4.67%	4.68%
Investment income (2)	$ 518	$ 498	$ 526	$ 456	$ 449	$ 1,016	$ 901
Net realized capital gains (losses)	14	(32)	(40)	(99)	(28)	(18)	(52)
Ending carrying value	43,556	43,834	43,135	41,878	39,978	43,556	39,978
Other Invested Assets:							
Other invested assets - Hedge Funds/Private Equity (8)							
Yield (1)	16.36%	18.64%	(10.99)%	12.48%	5.08%	17.45%	8.38%
Investment income (2)	$ 342	$ 393	$ (245)	$ 301	$ 131	$ 735	$ 430
Net realized capital gains (losses)	11	(1)	24	(231)	-	10	-
Ending carrying value	8,417	8,319	8,528	9,221	10,030	8,417	10,030
Other invested assets - Real Estate investments							
Yield (1)	2.68%	3.05%	5.81%	4.33%	1.73%	2.87%	1.70%
Investment income (2)	$ 62	$ 69	$ 129	$ 96	$ 38	$ 131	$ 73
Net realized capital gains (losses)	64	(19)	(4)	48	(54)	45	(60)
Ending carrying value	9,287	9,204	8,935	8,819	8,879	9,287	8,879
Other invested assets - All other (9)							
Investment income (2) (7)	$ 18	$ 41	$ 64	$ 17	$ 43	$ 59	$ 97
Net realized capital gains (losses)	-	-	8	-	-	-	97
Ending carrying value	1,750	1,820	1,878	1,699	1,739	1,750	1,739
Other Invested Assets - Total	**$ 19,454**	**$ 19,343**	**$ 19,341**	**$ 19,739**	**$ 20,648**	**$ 19,454**	**$ 20,648**
Short-term Investments							
Yield (1)	1.98%	1.85%	1.21%	0.77%	0.67%	1.89%	0.78%
Investment income (2)	$ 64	$ 48	$ 28	$ 25	$ 27	$ 112	$ 55
Ending carrying value	15,016	11,133	9,674	8,863	17,010	15,016	17,010
Total AIG							
Total Investments (5)	**$ 332,506**	**$ 322,571**	**$ 312,821**	**$ 314,639**	**$ 318,326**	**$ 332,506**	**$ 318,326**
Total Investment Expenses	**$ 132**	**$ 114**	**$ 128**	**$ 115**	**$ 126**	**$ 246**	**$ 246**
Total Gross Investment Income (2)	**$ 3,815**	**$ 3,809**	**$ 3,105**	**$ 3,653**	**$ 3,355**	**$ 7,624**	**$ 6,925**

See accompanying notes on page 44.

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Total Gross Investment Income - APTI basis	**$ 3,815**	**$ 3,809**	**$ 3,105**	**$ 3,653**	**$ 3,355**	**$ 7,624**	**$ 6,925**
Subtract: Investment expenses	132	114	128	115	126	246	246
Subtract: Investment income from non-insurance subsidiaries reported in other income and other (10) (11)	(52)	(23)	164	100	100	(75)	202
Total Net Investment Income - APTI Basis (12)	**$ 3,735**	**$ 3,718**	**$ 2,813**	**$ 3,438**	**$ 3,129**	**$ 7,453**	**$ 6,477**
Breakdown by Segment:							
General Insurance	833	1,089	349	901	657	1,922	1,418
Life and Retirement	2,270	2,042	1,921	1,960	1,995	4,312	4,041
Legacy Portfolio	603	575	527	610	623	1,178	1,188
Other Operations	96	91	43	9	(6)	187	(7)
Consolidations and Eliminations (10)	(67)	(79)	(27)	(42)	(140)	(146)	(163)
Total Net Investment Income - APTI Basis (12)	**$ 3,735**	**$ 3,718**	**$ 2,813**	**$ 3,438**	**$ 3,129**	**$ 7,453**	**$ 6,477**
Reconciliation to GAAP Net Investment Income:							
Add: Changes in fair value of securities used to hedge guaranteed living benefits (10)	84	105	(1)	(14)	(36)	189	(113)
Add: Changes in the fair value of equity securities	(22)	79	-	-	-	57	-
Subtract: Net realized capital gains related to economic hedges and other	52	23	58	28	28	75	38
Net Investment Income per Consolidated Statements of Operations	**$ 3,745**	**$ 3,879**	**$ 2,754**	**$ 3,396**	**$ 3,065**	**$ 7,624**	**$ 6,326**

Notes to Investments Portfolio Results

(1) Yields/Total Return are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods.

(2) For 4Q18 and prior periods, investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.

(3) As of June 30, 2019, our Fixed Maturity securities - AFS portfolio was approximately 80% fixed rate and 20% variable rate.

(4) Fixed Maturity Securities - Other are securities for which we elected the fair value option. For Fixed Maturity Securities - Other and Equity Securities - Other, changes in the fair value of these securities are reported through investment income, which can result in significant fluctuation in the total return. Beginning in 1Q19, changes in the fair value of equity securities are excluded from APTI.

(5) Excludes the carrying value of securities used to hedge guaranteed living benefits.

(6) As of June 30, 2019, our Fixed Maturity securities - Other portfolio was approximately 41% fixed rate and 59% variable rate.

(7) Includes Arch convertible non-voting common-equivalent preferred shares, which were fully sold in 1Q18.

(8) Other Invested Assets - Hedge Funds/Private Equity includes investments accounted for under the equity method of accounting, where changes in our share of the net asset values are recorded through investment income or investments where we have elected the fair value option, where changes in the fair value are reported through investment income.

(9) Other Invested Assets - All Other includes long term time deposits, private common stock, and affordable housing partnerships. Due to the mix of investments included within this line item and their varied performance, annualized yield is not meaningful and therefore is not presented.

(10) 4Q18 includes an adjustment totaling $17 million of which $9 million and $8 million related to 3Q18 and 2Q18, respectively.

(11) Beginning in 1Q19, on a prospective basis, we began reporting investment income from our non-insurance subsidiaries in Net Investment income in Other Operations. Therefore, starting 1Q19, this disclosure represents only the net realized capital (gains) related to economic hedges and other that is not included in Gross Investment Income - APTI.

(12) For 4Q18 and prior periods, our non-insurance subsidiaries recorded investment income in other income. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Sales of fixed maturity securities	$ 87	$ (31)	$ (153)	$ 11	$ (13)	$ 56	$ (3)
Sales of equity securities	-	-	-	-	-	-	16
Other-than-temporary impairments:							
Change in intent	-	(3)	(35)	(3)	-	(3)	(49)
Foreign currency declines	(3)	(6)	(2)	(1)	(6)	(9)	(12)
Issuer-specific credit events	(25)	(71)	(55)	(30)	(30)	(96)	(62)
Adverse projected cash flows	(2)	(3)	(1)	(1)	-	(5)	-
Total other-than-temporary impairments	(30)	(83)	(93)	(35)	(36)	(113)	(123)
Provision for loan losses	14	(24)	(19)	(23)	(26)	(10)	(50)
Foreign exchange transactions	(2)	(37)	(27)	(21)	(187)	(39)	(134)
Variable annuity embedded derivatives, net of related hedges	(40)	(261)	306	(185)	36	(301)	183
All other derivatives and hedge accounting	207	(72)	189	(1)	375	135	150
Loss on sale of private equity funds	-	-	(10)	(311)	-	-	-
Other*	168	62	42	54	16	230	107
Total net realized capital gains (losses)	**$ 404**	**$ (446)**	**$ 235**	**$ (511)**	**$ 165**	**$ (42)**	**$ 146**

*2Q18 included a $48 million gain on the sale of our investment in Castle Holding, LLC's aircraft assets.

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Prior year development by segment:							
North America							
Commercial Lines	$ (81)	$ (69)	$ 326	$ (14)	$ (95)	$ (150)	$ (231)
Personal Insurance	20	9	-	148	41	29	99
Total North America	(61)	(60)	326	134	(54)	(121)	(132)
International							
Commercial Lines	(6)	41	74	68	(8)	35	(9)
Personal Insurance	1	(53)	(37)	(30)	1	(52)	(28)
Total International	(5)	(12)	37	38	(7)	(17)	(37)
Total General Insurance prior year unfavorable (favorable) development*	**(66)**	**(72)**	**363**	**172**	**(61)**	**(138)**	**(169)**
(Additional) return premium related to prior year development on loss sensitive business	$ 9	$ 10	$ 13	$ 32	$ 11	$ 19	$ 15

* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreements of $58 million, $58 million, $57 million, $57 million, and $57 million for the three months ended June 30 and March 31, 2019, and December 31, September 30, and June 30, 2018, respectively. Consistent with our definition of APTI, prior year development excludes the portion of (favorable)/unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of $(126) million, $2 million, $122 million, $722 million, and $(19) million for the three months ended June 30 and March 31, 2019, and December 31, September 30, and June 30, 2018, respectively, and related changes in amortization of the deferred gain of $(2) million, $28 million, $54 million, $118 million, and $13 million for those same periods.

Prior year development by accident year:	Quarterly					Six Months Ended June 30,	
Accident Year	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
2018	$ 84	$ (78)	$ -	$ -	$ -	$ 6	$ -
2017	30	5	102	(9)	(7)	35	(21)
2016	(19)	5	201	69	(5)	(14)	(65)
2015	(42)	50	25	(48)	5	8	1
2014	(28)	(17)	18	(26)	(18)	(45)	(32)
2013	(4)	-	(47)	(7)	(6)	(4)	(9)
2012	(24)	(11)	7	34	(26)	(35)	(35)
2011	(9)	(2)	26	20	(12)	(11)	(20)
2010	(9)	(2)	(15)	(9)	(4)	(11)	(7)
2009 and prior	(45)	(22)	46	148	12	(67)	19
Total General Insurance prior year unfavorable (favorable) development*	**$ (66)**	**$ (72)**	**$ 363**	**$ 172**	**$ (61)**	**$ (138)**	**$ (169)**

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

American International Group, Inc.
Adverse Development Cover

On January 20, 2017, we entered into an adverse development reinsurance agreement with NICO under which we transferred to NICO 80 percent of the reserve risk on substantially all of our U.S. Commercial long-tail exposures for accident years 2015 and prior.

The table below shows the calculation of the gain on the NICO adverse development reinsurance agreement showing the effect of discounting of loss reserves and amortization of the deferred gain. The deferred gain is amortized over the settlement period of the reinsured losses.

(in millions)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	2Q19 Change
Gross Covered Losses						
Covered reserves before discount	$ 20,989	$ 22,071	$ 23,033	$ 24,102	$ 24,374	$ (1,082)
Inception to date losses paid	21,220	20,295	19,331	18,234	17,058	925
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
Covered losses above attachment point	**$ 17,209**	**$ 17,366**	**$ 17,364**	**$ 17,336**	**$ 16,432**	**$ (157)**
Deferred Gain Development						
Covered losses above attachment ceded to NICO (80%)	$ 13,767	$ 13,893	$ 13,891	$ 13,869	$ 13,146	$ (126)
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
Pre-tax deferred gain before discount and amortization	**3,579**	**3,705**	**3,703**	**3,681**	**2,958**	**(126)**
Discount on ceded losses	(1,287)	(1,412)	(1,719)	(1,693)	(1,647)	125
Pre-tax deferred gain before amortization	2,292	2,293	1,984	1,988	1,311	(1)
Inception to date amortization attributed to deferred gain at inception	(577)	(519)	(461)	(404)	(347)	(58)
Inception to date amortization attributed to changes in deferred gain*	(153)	(161)	(141)	(116)	(7)	8
Deferred gain liability reflected in AIG's balance sheet	**$ 1,562**	**$ 1,613**	**$ 1,382**	**$ 1,468**	**$ 957**	**$ (51)**

Prior Year Development, Net of Reinsurance and Deferred Gain Amortization

	Quarterly				
	2Q19	1Q19	4Q18	3Q18	2Q18
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	$ (157)	$ 2	$ 28	$ 904	$ (19)
Prior year development ceded to NICO	126	(2)	(22)	(723)	15
Subtotal	**(31)**	**-**	**6**	**181**	**(4)**
Amortization attributed to deferred gain at inception	(58)	(58)	(57)	(57)	(57)
Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization	**(89)**	**(58)**	**(51)**	**124**	**(61)**
Unfavorable (favorable) prior year development on non-covered reserves	26	(16)	416	46	(2)
Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization	**$ (63)**	**$ (74)**	**$ 365**	**$ 170**	**$ (63)**

* Excluded from our definition of APTI.

Selected Balance Sheet data for ADC	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Reinsurance recoverable reported in Reinsurance assets, net of allowance	$ 12,480	$ 12,481	$ 12,172	$ 12,176	$ 11,499
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	12,480	12,481	12,172	12,176	11,499
Deferred gain reported in Other liabilities	1,562	1,613	1,382	1,468	957

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American International Group, Inc.
Earnings Per Share Computations

(in millions)	Quarterly					Six Months Ended June 30,	
GAAP Basis:	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Numerator for EPS:							
Income (loss) from continuing operations	$ 1,391	$ 937	$ (558)	$ (1,220)	$ 931	$ 2,328	$ 1,881
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	281	283	62	-	(6)	564	5
Less: Dividends declared on preferred stock	7	-	-	-	-	7	-
Income (loss) attributable to AIG common shareholders from continuing operations	1,103	654	(620)	(1,220)	937	1,757	1,876
Income (loss) from discontinued operations, net of income tax expense	(1)	-	(2)	(39)	-	(1)	(1)
Net income (loss) attributable to AIG common shareholders	$ 1,102	$ 654	$ (622)	$ (1,259)	$ 937	$ 1,756	$ 1,875
Denominator for EPS:							
Weighted average common shares outstanding - basic*	876.4	875.4	887.5	895.2	903.2	875.9	905.6
Dilutive shares**	11.9	2.1	-	-	13.4	7.0	15.3
Weighted average common shares outstanding - diluted**	888.3	877.5	887.5	895.2	916.6	882.9	920.9
Income per common share attributable to AIG common shareholders:							
Basic:							
Income (loss) from continuing operations	$ 1.26	$ 0.75	$ (0.70)	$ (1.37)	$ 1.04	$ 2.00	$ 2.07
Income (loss) from discontinued operations	-	-	-	(0.04)	-	-	-
Net income (loss) attributable to AIG common shareholders	$ 1.26	$ 0.75	$ (0.70)	$ (1.41)	$ 1.04	$ 2.00	$ 2.07
Diluted**:							
Income (loss) from continuing operations	$ 1.24	$ 0.75	$ (0.70)	$ (1.37)	$ 1.02	$ 1.99	$ 2.04
Income (loss) from discontinued operations	-	-	-	(0.04)	-	-	-
Net income (loss) attributable to AIG common shareholders	$ 1.24	$ 0.75	$ (0.70)	$ (1.41)	$ 1.02	$ 1.99	$ 2.04

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

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

(in millions, except per common share data)

	Quarterly					As of June 30,	
Book Value Per Common Share	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Total AIG shareholders' equity	$ 64,539	$ 60,787	$ 56,361	$ 58,586	$ 61,186	$ 64,539	$ 61,186
Less: Preferred equity	485	485	-	-	-	485	-
Total AIG common shareholders' equity (a)	64,054	60,302	56,361	58,586	61,186	64,054	61,186
Less: Accumulated other comprehensive income (AOCI)	4,991	2,128	(1,413)	(536)	230	4,991	230
Total AIG common shareholders' equity, excluding AOCI (b)	59,063	58,174	57,774	59,122	60,956	59,063	60,956
Less: Deferred tax assets (DTA)*	9,577	9,926	10,153	9,953	9,853	9,577	9,853
Total adjusted common shareholders' equity (c)	49,486	48,248	47,621	49,169	51,103	49,486	51,103
Total common shares outstanding (d)	869.9	869.7	866.6	884.6	891.2	869.9	891.2
Book value per common share (a÷d)	$ 73.63	$ 69.33	$ 65.04	$ 66.23	$ 68.65	$ 73.63	$ 68.65
Book value per common share, excluding AOCI (b÷d)	67.90	66.89	66.67	66.83	68.40	67.90	68.40
Adjusted book value per common share (c÷d)	56.89	55.47	54.95	55.58	57.34	56.89	57.34

	Quarterly					Six Months Ended June 30,	
Return On Common Equity (ROCE) Computations	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Actual or Annualized net income (loss) attributable to AIG common shareholders (a)	$ 4,408	$ 2,616	$ (2,488)	$ (5,036)	$ 3,748	$ 3,512	$ 3,750
Actual or Annualized adjusted after-tax income attributable to AIG common shareholders (b)	$ 5,088	$ 5,552	$ (2,236)	$ (1,204)	$ 3,844	$ 5,320	$ 3,848
Average AIG Common Shareholders' equity (c)	$ 62,178	$ 58,332	$ 57,474	$ 59,886	$ 61,989	$ 60,239	$ 63,050
Less: Average AOCI	3,560	358	(975)	(153)	1,225	1,902	2,639
Less: Average DTA	9,752	10,040	10,053	9,903	10,034	9,885	10,186
Average adjusted common shareholders' equity (d)	$ 48,866	$ 47,934	$ 48,396	$ 50,136	$ 50,730	$ 48,452	$ 50,225
ROCE (a÷c)	7.1%	4.5%	(4.3%)	(8.4%)	6.0%	5.8%	5.9%
Adjusted return on common equity (b÷d)	10.4%	11.6%	(4.6%)	(2.4%)	7.6%	11.0%	7.7%

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

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

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Pre-tax income (loss) from continuing operations	$ 1,837	$ 1,154	$ (695)	$ (1,527)	$ 1,252	$ 2,991	$ 2,479
Adjustments to arrive at Adjusted pre-tax income (loss)							
Changes in fair value of securities used to hedge guaranteed living benefits	(75)	(96)	27	14	36	(171)	113
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	73	(99)	40	(76)	(1)	(26)	30
Changes in the fair value of equity securities	22	(79)	-	-	-	(57)	-
Loss (gain) on extinguishment of debt	15	(2)	(3)	1	5	13	9
Net realized capital (gains) losses (a)	(351)	474	(195)	524	(155)	123	(136)
(Income) loss from divested businesses	1	(6)	(3)	(2)	(25)	(5)	(33)
Non-operating litigation reserves and settlements	-	1	(11)	5	12	1	25
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(125)	(27)	68	605	(32)	(152)	2
Net loss reserve discount (benefit) charge	212	473	(66)	(86)	(14)	685	(219)
Integration and transaction costs associated with acquired businesses	6	7	33	91	-	13	-
Restructuring and other costs	60	47	136	35	200	107	224
Professional fees related to regulatory or accounting changes	2	-	-	-	-	2	-
Adjusted pre-tax income (loss)	**$ 1,677**	**$ 1,847**	**$ (669)**	**$ (416)**	**$ 1,278**	**$ 3,524**	**$ 2,494**
After-tax net income (loss), including noncontrolling interests	**$ 1,390**	**$ 937**	**$ (560)**	**$ (1,259)**	**$ 931**	**$ 2,327**	**$ 1,880**
Noncontrolling interests (income) loss	(281)	(283)	(62)	-	6	(564)	(5)
Net income (loss) attributable to AIG	**$ 1,109**	**$ 654**	**$ (622)**	**$ (1,259)**	**$ 937**	**$ 1,763**	**$ 1,875**
Dividends on preferred stock	7	-	-	-	-	7	-
Net income (loss) attributable to AIG common shareholders	**$ 1,102**	**$ 654**	**$ (622)**	**$ (1,259)**	**$ 937**	**$ 1,756**	**$ 1,875**
Adjustments to arrive at Adjusted after-tax income (loss) (amounts net of tax, at U.S. statutory tax rate for each respective period, except where noted):							
Changes in uncertain tax positions and other tax adjustments	27	(12)	(5)	54	3	15	(1)
Deferred income tax valuation allowance (releases) charges	7	(38)	(21)	5	7	(31)	37
Changes in fair value of securities used to hedge guaranteed living benefits	(59)	(76)	22	11	28	(135)	89
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	57	(78)	33	(60)	(1)	(21)	24
Changes in the fair value of equity securities	17	(62)	-	-	-	(45)	-
Loss (gain) on extinguishment of debt	11	(1)	(2)	1	4	10	7
Net realized capital (gains) losses (a)(b)	(265)	365	(139)	397	(126)	100	(106)
(Income) loss from discontinued operations and divested businesses (b)	2	(5)	(1)	38	(20)	(3)	(25)
Non-operating litigation reserves and settlements	1	-	(8)	3	10	1	20
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(98)	(22)	54	477	(25)	(120)	2
Net loss reserve discount (benefit) charge	167	374	(51)	(68)	(11)	541	(173)
Integration and transaction costs associated with acquired businesses	5	5	26	72	-	10	-
Restructuring and other costs	47	37	107	29	157	84	176
Professional fees related to regulatory or accounting changes	2	-	-	-	-	2	-
Noncontrolling interests primarily related to net realized capital gains (losses) of Fortitude Holdings' standalone results (c)	249	247	48	(1)	(2)	496	(1)
Adjusted after-tax income (loss) attributable to AIG common shareholders	**$ 1,272**	**$ 1,388**	**$ (559)**	**$ (301)**	**$ 961**	**$ 2,660**	**$ 1,924**
Calculation of Effective Tax Rates							
Adjusted pre-tax income (loss)	$ 1,677	$ 1,847	$ (669)	$ (416)	$ 1,278	$ 3,524	$ 2,494
Income tax benefit (expense)	(366)	(423)	124	116	(321)	(789)	(564)
Dividends on preferred stock	(7)	-	-	-	-	(7)	-
Noncontrolling interests	(32)	(36)	(14)	(1)	4	(68)	(6)
Adjusted after-tax income (loss) attributable to AIG common shareholders	**$ 1,272**	**$ 1,388**	**$ (559)**	**$ (301)**	**$ 961**	**$ 2,660**	**$ 1,924**
Effective tax rates on adjusted pre-tax income (loss)	**21.8%**	**22.9%**	**18.5%**	**27.9%**	**25.1%**	**22.4%**	**22.6%**

(a) Includes all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication.
(b) Includes the impact of non-U.S. tax rates which differ from the applicable U.S. statutory tax rate and tax-only adjustments.
(c) See accompanying notes on page 12.

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

Total Core

(in millions)	Quarterly					Six Months Ended June 30,	
	2Q19	1Q19	4Q18	3Q18	2Q18	2019	2018
Adjusted pre-tax income (loss)	$ **1,558**	$ **1,735**	$ **(519)**	$ **(500)**	$ **1,144**	$ **3,293**	$ **2,215**
Interest expense (benefit) on attributed financial debt	-	-	-	-	-	-	(10)
Adjusted pre-tax income (loss) including attributed interest expenses:	1,558	1,735	(519)	(500)	1,144	3,293	2,225
Income tax expense (benefit)	340	400	(93)	(134)	294	740	508
Adjusted after-tax income (loss)	$ **1,218**	$ **1,335**	$ **(426)**	$ **(366)**	$ **850**	$ **2,553**	$ **1,717**
Dividends declared on preferred stock	7	-	-	-	-	7	-
Adjusted after-tax income (loss) attributable to common shareholders (a)	$ **1,211**	$ **1,335**	$ **(426)**	$ **(366)**	$ **850**	$ **2,546**	$ **1,717**
Ending adjusted attributed common equity	$ 42,694	$ 40,798	$ 38,735	$ 40,358	$ 41,836	$ 42,694	$ 41,836
Average adjusted attributed common equity (b)*	41,746	39,767	39,547	41,097	41,474	40,742	40,960
Adjusted return on attributed common equity (a÷b)	11.6 %	13.4 %	(4.3) %	(3.6) %	8.2 %	12.5 %	8.4 %

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

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

(in millions)	Quarterly				
	2Q19	1Q19	4Q18	3Q18	2Q18
Attributed Debt (a)					
General Insurance	$ 13,765	$ 13,519	$ 13,498	$ 14,322	$ 12,862
Life and Retirement	4,033	3,918	2,830	2,830	2,830
Other Operations	6,538	6,873	7,406	7,168	7,748
Total Core	24,336	24,310	23,734	24,320	23,440
Total Attributed Debt	**$ 24,336**	**$ 24,310**	**$ 23,734**	**$ 24,320**	**$ 23,440**
Consolidated Attributed Debt					
Total Financial debt	$ 22,795	$ 22,765	$ 22,186	$ 22,768	$ 21,886
Hybrid debt securities - junior subordinated debt	1,541	1,545	1,548	1,552	1,554
Total Attributed Debt	**$ 24,336**	**$ 24,310**	**$ 23,734**	**$ 24,320**	**$ 23,440**
Adjusted Attributed Common Equity (b)					
General Insurance	$ 25,282	$ 24,826	$ 25,066	$ 26,910	$ 24,146
Life and Retirement	18,820	18,280	19,695	19,254	19,972
Other Operations	(1,408)	(2,308)	(6,026)	(5,806)	(2,282)
Total Core	42,694	40,798	38,735	40,358	41,836
Legacy	6,792	7,450	8,886	8,811	9,267
Total Adjusted Attributed Common Equity	**$ 49,486**	**$ 48,248**	**$ 47,621**	**$ 49,169**	**$ 51,103**

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

(a) Attribution of debt is performed on an annual basis unless recalibration is needed. Attributed debt is determined by management, informed by our internal capital model. Attributed debt is attributed on "frictional" capital requirements beyond attributed equity.
(b) Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed. Adjusted attributed common equity is determined by management, informed by our internal capital model and on the model's risk profile of each business. The recalibrated adjusted attributed common equity balances as of January 1, 2018 were $22,933 million, $19,467 million, $(2,469) million and $39,931 million for General Insurance, Life and Retirement, Other Operations and Core, respectively. There was no change for Legacy Portfolio. The calculation of average adjusted attributed common equity for quarters subsequent to the recalibration is calculated using the recalibrated adjusted attributed common equity as of January 1, 2018.

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

(in millions)	Quarterly					Six Months Ended June 30,	
Individual Retirement:	**2Q19**	**1Q19**	**4Q18**	**3Q18**	**2Q18**	**2019**	**2018**
Premiums	$ 16	$ 11	$ 15	$ 9	$ 16	$ 27	$ 28
Deposits	3,852	4,175	4,213	3,609	3,408	8,027	7,755
Other	(3)	-	(3)	(2)	(2)	(3)	(3)
Premiums and deposits	**$ 3,865**	**$ 4,186**	**$ 4,225**	**$ 3,616**	**$ 3,422**	**$ 8,051**	**$ 7,780**
Individual Retirement (Fixed Annuities):							
Premiums	$ 16	$ 12	$ 16	$ 10	$ 17	$ 28	$ 30
Deposits	1,489	1,811	1,666	1,158	1,112	3,300	1,898
Other	(3)	(2)	(4)	(3)	(4)	(5)	(6)
Premiums and deposits	**$ 1,502**	**$ 1,821**	**$ 1,678**	**$ 1,165**	**$ 1,125**	**$ 3,323**	**$ 1,922**
Individual Retirement (Variable Annuities):							
Premiums	$ -	$ (1)	$ (1)	$ (1)	$ (1)	$ (1)	$ (2)
Deposits	656	557	715	838	771	1,213	2,692
Other	-	2	1	1	1	2	2
Premiums and deposits	**$ 656**	**$ 558**	**$ 715**	**$ 838**	**$ 771**	**$ 1,214**	**$ 2,692**
Individual Retirement (Index Annuities):							
Premiums	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deposits	1,342	1,362	1,383	1,171	957	2,704	1,696
Other	-	-	-	-	-	-	-
Premiums and deposits	**$ 1,342**	**$ 1,362**	**$ 1,383**	**$ 1,171**	**$ 957**	**$ 2,704**	**$ 1,696**
Individual Retirement (Retail Mutual Funds):							
Premiums	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deposits	365	445	449	441	570	810	1,471
Other	-	-	-	-	-	-	-
Premiums and deposits	**$ 365**	**$ 445**	**$ 449**	**$ 441**	**$ 570**	**$ 810**	**$ 1,471**
Group Retirement:							
Premiums	$ 5	$ 4	$ 4	$ 9	$ 15	$ 9	$ 21
Deposits	2,042	2,059	2,102	2,107	2,330	4,101	4,396
Other	-	-	-	-	-	-	-
Premiums and deposits	**$ 2,047**	**$ 2,063**	**$ 2,106**	**$ 2,116**	**$ 2,345**	**$ 4,110**	**$ 4,417**
Life Insurance:							
Premiums	$ 425	$ 395	$ 378	$ 379	$ 418	$ 820	$ 797
Deposits	413	406	417	410	410	819	822
Other	194	194	192	189	152	388	330
Premiums and deposits	**$ 1,032**	**$ 995**	**$ 987**	**$ 978**	**$ 980**	**$ 2,027**	**$ 1,949**
Institutional Markets:							
Premiums	$ 152	$ 819	$ 816	$ 46	$ 41	$ 971	$ 90
Deposits	108	286	25	17	565	394	1,973
Other	8	7	7	6	46	15	52
Premiums and deposits	**$ 268**	**$ 1,112**	**$ 848**	**$ 69**	**$ 652**	**$ 1,380**	**$ 2,115**
Total Life and Retirement:							
Premiums	$ 598	$ 1,229	$ 1,213	$ 443	$ 490	$ 1,827	$ 936
Deposits	6,415	6,926	6,757	6,143	6,713	13,341	14,946
Other	199	201	196	193	196	400	379
Premiums and deposits	**$ 7,212**	**$ 8,356**	**$ 8,166**	**$ 6,779**	**$ 7,399**	**$ 15,568**	**$ 16,261**

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

American International Group, Inc. (AIG) is a leading global insurance organization. Building on 100 years of experience, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

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