AIG

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**Press Release**
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# AIG、2018年第4四半期の決算を公表

- 2018年第4四半期は6億2,200万ドル、普通株式1株当たりでは0.70ドルの純損失を計上。これに対して、前年同期は67億ドル、普通株式1株当たり7.33ドルの純損失。
- 2018年第4四半期の調整後税引後損失は5億5,900万ドル、普通株式1株当たりでは0.63ドル。これに対して、前年同期は調整後税引後利益5億2,600万ドル、希薄化後普通株式1株当たり0.57ドル。
- 2018年第4四半期の正味投資利益合計は市場パフォーマンスに大幅に影響されて28億ドル。これに対して、前年同期は35億ドル。2018年通期の正味投資利益は125億ドル。これに対して、前期は142億ドル。
- 2018年第4四半期の正味税引前大規模自然災害による損失は7億9,800万ドル（法定税率21%で税引後6億3,000万ドル、普通株式1株当たりでは0.71ドル）は事前に公表された損失と一致。2018 年通期の正味税引前大規模自然災害による損失は29億ドル。これに対して、前期は42億ドル。
- 2018年第4四半期の正味前年以前事故年度の当年度発生保険金は3億6,500万ドル。2018 年通期の正味前年以前事故年度の当年度発生保険金は3億6,200万ドル。前期は 9億7,800万ドル。
- 2018年第4四半期には普通株式およびワラントを合計7億5,000万ドル買い戻し、通期では18億ドル買い戻し。
- AIG 取締役会は自社株買い承認額を、これまでの承認額の残存額5億1,200万ドルを含め、20億ドルに拡大。

2019年2月13日（ニューヨーク発）：アメリカン・インターナショナル・グループ・インク（ニューヨーク証券取引所銘柄：AIG）は本日、2018年第4四半期の純損失が6億2,200万ドル、普通株式1株当たりでは0.70ドルになったことを公表しました。これに対して、前年同期は純損失が67億ドル、普通株式1株当たりでは7.33ドルでした。2018年第4四半期の調整後税引後損失は5億5,900万ドル、普通株式1株当たりでは0.63ドルでした。これに対して、前年同期は調整後税引後利益が5億2,600万ドル、希薄化後普通株式1株当たりでは0.57ドルでした。

AIG社長兼CEOのブライアン・デュパロウは次のように述べました。「2018年を通してAIGの中核であるアンダーライティング能力を改善するために、大幅な基盤業務を実行してきました。これにより多くの問題と課題が明らかになりましたが、リスクと変動を低減するため、また2019年の更なる発展を促進する戦略を実施するため、迅速に行動しました。2018年にAIGに加わった世界レベ

ルの優れた人材はそのハイライトであり、我々のチームはトップクラスの企業となるための安易な近道の解決策に甘んじる選択をすることはありません。AIGを再び保険業界のリーディングカンパニーとするために、今後も継続して取り組みます。私はAIGが長期的に持続可能で収益性を伴う成長を遂げるための正しい道を歩んでいると確信しています。」

「2018年第4四半期の決算は、事業の再構築と強化に向けて1年を通じて進めてきた施策の結果、損害保険事業部門は順調な改善となりました。生命保険および退職給付事業部門は魅力的なリターンをもたらし、引き続き安定した収益を確保しました。株式、クレジット両市場のパフォーマンス、事前に公表されたガイダンスの範囲内に収まった大規模自然災害による損失および2016年以前の引受案件の影響を主因に小幅ながら正味ベースでマイナス要因となった前年の動向が業績に影響を及ぼしました。2019年に当たって損害保険事業部門で引受利益を実現し、今後3年以内にAIGが連結ベースで2桁のリターンに達することを引き続き期待しています。」

**2018年第4四半期の業績概要***

| | 12月31日までの3ヶ月間 | |
|---|---|---|
| （単位：百万米ドル、1株当たりの額を除く） | **2018** | **2017** |
| 純損失 | $ (622) | $ (6,660) |
| 希薄化後1株当たり純損失（a） | $ (0.70) | $ (7.33) |
| 調整後税引後利益（損失） | $ (559) | $ 526 |
| 調整後希薄化後1株当たり利益（損失）(a) | $ (0.63) | $ 0.57 |
| 株主資本利益率 | (4.3) % | (38.7) % |
| 調整後株主資本利益率 | (4.6) % | 4.2 % |
| 調整後帰属株主資本利益率 – コア | (4.3) % | 2.6 % |
| 普通株式1株当たりブック・バリュー | $ 65.04 | $ 72.49 |
| その他の包括利益累計額を除く普通株式1株当たりブック・バリュー | 66.67 | 66.41 |
| 調整後普通株式１株当たりブック・バリュー | 54.95 | 54.74 |

*非GAAP財務指標ならびに非GAAP財務指標のGAAP指標への調整についてはレギュレーションGに関する注釈およびそれに続く表をご参照ください。

(a) 損失を計上した期間については、基本的平均発行済み普通株式数を用いて希薄化後1株当たり純利益（損失）を算出しています。

**2018年第４四半期の業績概要**

別段の記載がない限り、比較はすべて、2017年第4四半期に対するものです。

正味投資利益はオルタナティブ投資リターンと株市場下落の影響受ける
– 2018年第4四半期のレガシー保険ポートフォリオを含むAIGの保険会社からの正味投資利益は、前年同期を18.1%下回る28億ドルとなりました。2018年第4四半期の業績は、オルタナティブ投資並びにクレジット市場の変動上昇と株式市場の不振に起因する株式投資の純損失の影響を受けました。通期では、レガシー保険ポートフォリオを含むAIGの保険会社からの正味投資利益は127億ドルとなりました。

損害保険事業部門 – 2018年第4四半期の損害保険事業部門のコンバインド・レシオは115.0ポイントとなり、再投資プレミアム控除後の大規模自然災害による損失関連の11.3ポイントおよび正味当年度発生保険金発生額の5.3ポイントの影響を受けました。保険事故年度の調整済みコンバインド・レシオは98.8ポイントとなり、前年同期比130ベーシスポイント低下した調整済み損害率63.9ポイントおよび前年同期比10ベーシスポイント低下した事業費率34.9ポイントから成っています。税引前大規模自然災害による損失（再保険調整後）には主としてハリケーン・マイケルおよびカリフォルニア州山火事に関連する損害保険事業部門の8億2,600万ドルおよびレガシー部門に計上された台風ジェビの損失見積額の減少分2,800万ドルが含まれています。2018年第4四半期の正味前年以前事故年度の当年度発生保険金は3億6,300万ドルでした。2018年第4四半期の北米および北米外コマーシャル・ラインの前年以前事故年度の当年度発生保険金は、ファイナンシャル・ラインを主因に、それぞれ3億2,600万ドル、7,400万ドルとなりました。北米外個人向け損害保険は日本を主因に前年以前事故年度の当年度発生保険金戻入3,700万ドルを計上しました。

2018年第4四半期の事業比率は34.9ポイントとなり、これは主として第2四半期に行った経費削減の結果としての事業費（GOE）率改善を反映したものですが、これはポートフォリオ・ミックスの変更による北米における獲得費用率の上昇により部分的に相殺されました。

生命保険および退職給付事業部門の利益 – 2018年第4四半期の調整後税引前利益は6億2,300万ドルとなり、株式市場下落と全事業におけるクレジット・スプレッドの拡大の影響を反映しています。その背景となったのは、魅力的な新規事業マージンおよび個人向け退職給付、団体向け退職給付と生命保険における収入保険料および預かり資産の堅調な増加並びに機関投資家市場におけるいくつかの機会主義的取引です。GOEは、新規事業買収、北米外における事業の拡大およびコア事業の投資を主因に増加しました。2018年第4四半期の調整後株主資本利益率は9.8%でした。

レガシーの業績 – 2018年第4四半期の調整後税引前損失は1億5,000万ドルとなりました。正味投資利益の減少、公正価値オプション資産の損失並びに医療・傷害保険の一部のがんおよび障害ブロックの損失認識テストから生じた税引前繰り入れを反映したものです。前年同期は4億1,100万ドルの調整後税引前利益でした。AIGはフォーティチュード・リインシュアランス（旧DSA Re）の親会社フォーティチュード・ホールディングスに対するAIGの持ち株19.9%のカーライル・グループ・リミテッド・パートナーシップ への売却を完了しました。

流動性および資本 – 2018年12月31日時点のAIGの親会社流動資産は約38億ドルでした。2018年第4四半期に親会社AIGは現金および満期固定証券の形で保険子会社から租税分与支払いを含む約3億5,000万ドルの配当を受け取りました。2018年第4四半期にAIGは普通株式1,800万株を7億4,500万ドルで、ワラントを500万ドルで買い戻しました。AIG 取締役会は自社株買い承認額を、これまでの承認額の残存額5億1,200万ドルを含め、20億ドルに拡大することを承認しました。

普通株式１株当たりブック・バリュー – 2018年12月31日現在、普通株式１株当たりブック・バリューは65.04ドルでした。 2017年12月31日時点では72.49ドルでした。2018年第4四半期のその他の包括利益累計額および繰り延べ税金資産を除く普通株式1株当たり（調整後普通株式１株当たりブック・バリュー）は前期末比微増の54.95ドルとなりました。

## 損害保険事業部門

| （単位：百万米ドル） | 12月31日までの3ヶ月間 2018 | 2017 | 増減 |
|---|---|---|---|
| **損害保険事業部門合計** | | | |
| 総収入保険料 | $ 7,669 | $ 7,278 | 6 % |
| 正味収入保険料 | $ 6,424 | $ 5,892 | 9 |
| 保険引受損失 | $ (1,071) | $ (846) | (27) |
| 調整後税引前利益（損失）(a) | $ (722) | $ 13 | NM |
| 引受に関する比率: | | | |
| 損害率 | 80.1 | 78.3 | 1.8 pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (11.3) | (11.7) | 0.4 |
| 前年以前事故発生年度の当年度発生保険金 | (5.3) | (1.4) | (3.9) |
| 再保険契約およびその他の出再保険料の調整 | 0.4 | - | 0.4 |
| 保険事故年度の調整済み損害率 | 63.9 | 65.2 | (1.3) |
| 事業費率 | 34.9 | 35.0 | (0.1) |
| コンバインド・レシオ | 115.0 | 113.2 | 1.7 |
| 保険事故年度の調整済みコンバインド・レシオ | 98.8 | 100.2 | (1.4) |

**損害保険事業部門 – 北米**

| （単位：百万米ドル） | 12月31日までの3ヶ月間 2018 | 2017 | 増減 |
|---|---|---|---|
| **北米** | | | |
| 正味収入保険料 | $ 2,944 | $ 2,583 | 14 % |
| コマーシャル・ライン | 2,161 | 1,808 | 20 |
| 個人向け損害保険 | 783 | 775 | 1 |
| 保険引受利益（損失） | $ (871) | $ (316) | (176) |
| コマーシャル・ライン | (541) | 16 | NM |
| 個人向け損害保険 | (330) | (332) | 1 |
| 調整後税引前利益（損失） | $ (575) | $ 412 | NM |
| 引受に関する比率： | | | |
| **北米** | | | |
| 損害率 | 94.6 | 83.0 | 11.6 pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (19.6) | (24.5) | 4.9 |
| 前年以前事故発生年度の当年度発生保険金 | (10.0) | 3.3 | (13.3) |
| 再保険契約およびその他の出再保険料の調整 | 0.9 | - | 0.9 |
| 保険事故年度の調整済み損害率 | 65.9 | 61.8 | 4.1 |
| 事業費率 | 30.7 | 28.5 | 2.2 |
| コンバインド・レシオ | 125.3 | 111.5 | 13.8 |
| 保険事故年度の調整済みコンバインド・レシオ | 96.6 | 90.3 | 6.3 |
| **北米コマーシャル・ライン** | | | |
| 損害率 | 93.6 | 73.9 | 19.7 pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (9.8) | (12.0) | 2.2 |
| 前年以前事故発生年度の当年度発生保険金 | (13.3) | 4.9 | (18.2) |
| 再保険契約およびその他の出再保険料の調整 | 1.2 | - | 1.2 |
| 保険事故年度の調整済み損害率 | 71.7 | 66.8 | 4.9 |
| 事業費率 | 27.3 | 25.3 | 2.0 |
| コンバインド・レシオ | 120.9 | 99.2 | 21.7 |
| 保険事故年度の調整済みコンバインド・レシオ | 99.0 | 92.1 | 6.9 |

| （単位：百万米ドル） | 12月31日までの3ヶ月間 2018 | 2017 | 増減 |
|---|---|---|---|
| **北米個人向け損害保険** | | | |
| 損害率 | 98.0 | 108.0 | (10.0) pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (49.8) | (58.6) | 8.8 |
| 前年以前事故発生年度の当年度発生保険金 | - | (1.1) | 1.1 |
| 保険事故年度の調整済み損害率 | 48.2 | 48.3 | (0.1) |
| 事業費率 | 41.6 | 37.5 | 4.1 |
| コンバインド・レシオ | 139.6 | 145.5 | (5.9) |
| 保険事故年度の調整済みコンバインド・レシオ | 89.8 | 85.8 | 4.0 |

別段の記載がない限り、比較はすべて、2017年第4四半期に対するものです。詳細については、AIGウェブサイトの投資家向けセクションに掲載されている2018年第4四半期追加財務情報をご参照ください。

- 調整後税引前損失は5億7,500万ドルとなりました。これに対して、前年同期は4億1,200万ドルの 調整後税引前利益でした。

- 2018年第4四半期の正味投資利益は2億9,600万ドルとなりました。これに対して、前年同期の正味投資利益は7億2,800万ドルでした。正味投資利益の減少は 主として2018年第4四半期中のオルタナティブ投資および株式投資の正味損失によるものです。

- 正味収入保険料は14.0%増加しました。ヴァリダスおよびグラットフェルターの買収および2018年の再保険プログラムの変更による出再保険料減少によるものです。これはパフォーマンス改善を目指した継続中のアンダーライティングアクションによる北米コマーシャル・ライン事業の一定の基礎的削減により小幅ながら相殺されました。

- 北米コンバインド・レシオは125.3ポイントとなり、復活保険料控除後の大規模自然災害による損失19.6ポイントおよび正味前年以前事故年度の当年度発生保険金10.0ポイントが含まれています。2018年第4四半期の保険事故年度の調整済みコンバインド・レシオは96.6ポイントとなり、保険事故年度の調整済み損害率65.9ポイントおよび事業比率30.7ポイントが含まれています。税引前引受損失は8億7,100万ドルとなりました。これには税引前大規模自然災害による損失（再保険調整後6億8,900万ドルが含まれていますが、このうち4億1,400万ドルは北米個人向け損害保険、2億7,500ドルはコマーシャル・ラインにそれぞれ関連しています。正味前年以前事故年度の当年度発生保険金3億2,600万ドルは主としてコマーシャル・ラインのファイナンシャル・ラインに関連したものでした。

- 2018年第4四半期の事業比率の上昇は、特に個人向け損害保険におけるポートフォリオ・ミックスの変更による獲得費用率の上昇および経費抑制のために2018年第2四半期に実施した行動の結果としてのGOEの減少を反映したものです。

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## 損害保険事業部門 – 北米外

| （単位：百万米ドル） | 12月31日までの3ヶ月間 2018 | 2017 | 増減 |
|---|---|---|---|
| **北米外** | | | |
| 正味収入保険料 | $ 3,480 | $ 3,309 | 5 % |
| コマーシャル・ライン | 1,561 | 1,422 | 10 |
| 個人向け損害保険 | 1,919 | 1,887 | 2 |
| 保険引受損失 | $ (200) | $ (530) | 62 |
| コマーシャル・ライン | (251) | (603) | 58 |
| 個人向け損害保険 | 51 | 73 | (30) |
| 調整後税引前損失 | $ (147) | $ (399) | 63 |
| 引受に関する比率： | | | |
| **北米外** | | | |
| 損害率 | 66.8 | 74.7 | (7.9) pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (3.7) | (2.2) | (1.5) |
| 前年以前事故発生年度の当年度発生保険金 | (1.0) | (4.8) | 3.8 |
| 事故発生年度の調整済み損害率 | 62.1 | 67.7 | (5.6) |
| 事業費率 | 38.6 | 39.8 | (1.2) |
| コンバインド・レシオ | 105.4 | 114.5 | (9.1) |
| 保険事故年度の調整済みコンバインド・レシオ | 100.7 | 107.5 | (6.8) |
| **北米外・コマーシャル・ライン** | | | |
| 損害率 | 80.5 | 98.0 | (17.5) pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (7.2) | (2.7) | (4.5) |
| 前年以前事故発生年度の当年度発生保険金 | (4.1) | (11.4) | 7.3 |
| 事故発生年度の調整済み損害率 | 69.2 | 83.9 | (14.7) |
| 事業費率 | 33.1 | 37.7 | (4.6) |
| コンバインド・レシオ | 113.6 | 135.7 | (22.1) |
| 保険事故年度の調整済みコンバインド・レシオ | 102.3 | 121.6 | (19.3) |

| （単位：百万米ドル） | 12月31日までの3ヶ月間 | | |
|---|---|---|---|
| | **2018** | **2017** | **増減** |
| **北米外個人向け損害保険** | | | |
| 損害率 | 53.4 | 54.6 | (1.2) pts |
| 損害率に対する影響： | | | |
| 大規模自然災害による損失および復活保険料 | (0.2) | (1.8) | 1.6 |
| 前年以前事故発生年度の当年度発生保険金 | 2.0 | 0.8 | 1.2 |
| 事故発生年度の調整済み損害率 | 55.2 | 53.6 | 1.6 |
| 事業費率 | 43.9 | 41.7 | 2.2 |
| コンバインド・レシオ | 97.3 | 96.3 | 1.0 |
| 保険事故年度の調整済みコンバインド・レシオ | 99.1 | 95.3 | 3.8 |

別段の記載がない限り、比較はすべて、2017年第4四半期に対するものです。詳細については、AIGウェブサイトの投資家向けセクションに掲載されている2018年第4四半期追加財務情報をご参照ください。

- 調整後税引前損失は1億4,700万ドルとなりました。これに対して、前年同期の調整後税引前損失は3億9,900万ドルでした。

- 正味収入保険料は報告ベースで5.2%、実質ベースで 7.6%、それぞれ増加しました。正味収入保険料の増加の主因は、タルボット買収を含めたこととアジア太平洋地域の医療・傷害保険事業の成長です。

- 北米外コンバインド・レシオは105.4ポイントとなり、復活保険料控除後の大規模自然災害による損失3.7ポイントおよび正味前年以前事故年度の当年度発生保険金1.0ポイントが含まれています。保険事故年度の調整済みコンバインド・レシオは100.7ポイントとなり、保険事故年度の調整済み損害率62.1ポイントおよび事業比率38.6ポイントが含まれています。大規模自然災害による損失および正味前年以前事故年度の当年度発生保険金は主にコマーシャル・ポートフォリオで発生したものです。税引前保険引受損失は2億ドルとなり、これには復活保険料控除後の大規模自然災害による損失1億3,700万ドル、再保険控除後の大規模災害損害7,900万ドル、正味前年以前事故年度の当年度発生保険金3,700万ドルが含まれています。

- 事業費率の低下は2018年第2四半期に実施した行動によるGOEの減少が主因ですが、これは日本におけるコスト上昇とポートフォリオ・ミックスの変更を主因とする獲得費用率の上昇により部分的に相殺されました。

## 生命保険および退職給付事業部門

| （単位：百万米ドル） | 12月31日までの3ヶ月間 2018 | 2017 | 増減 |
|---|---|---|---|
| **生命保険および退職給付** | | | |
| 収入保険料および手数料 | $ 1,917 | $ 2,123 | (10) % |
| 正味投資利益 | 1,921 | 2,003 | (4) |
| 調整後収益 | 4,065 | 4,382 | (7) |
| 給付、損失および費用 | 3,442 | 3,600 | (4) |
| 調整後税引前利益 | 623 | 782 | (20) |
| 収入保険料および預かり資産 | 8,166 | 7,965 | 3 |
| **個人向け退職給付** | | | |
| 収入保険料および手数料 | $ 209 | $ 210 | - % |
| 正味投資利益 | 912 | 1,030 | (11) |
| 調整後収益 | 1,276 | 1,415 | (10) |
| 給付、損失および費用 | 949 | 941 | 1 |
| 調整後税引前利益 | 327 | 474 | (31) |
| 収入保険料および預かり資産 | 4,225 | 3,106 | 36 |
| 正味フロー | (510) | (422) | (21) |
| **団体向け退職給付** | | | |
| 収入保険料および手数料 | $ 111 | $ 120 | (8) % |
| 正味投資利益 | 517 | 550 | (6) |
| 調整後収益 | 682 | 732 | (7) |
| 給付、損失および費用 | 523 | 486 | 8 |
| 調整後税引前利益 | 159 | 246 | (35) |
| 収入保険料および預かり資産 | 2,106 | 1,848 | 14 |
| 正味フロー | (628) | (453) | (39) |
| **生命保険** | | | |
| 収入保険料および手数料 | $ 741 | $ 732 | 1 % |
| 正味投資利益 | 287 | 263 | 9 |
| 調整後収益 | 1,045 | 1,013 | 3 |
| 給付、損失および費用 | 958 | 1,011 | (5) |
| 調整後税引前利益 | 87 | 2 | NM |
| 収入保険料および預かり資産 | 987 | 963 | 2 |

| （単位：百万米ドル） | 12月31日までの3ヶ月間 2018 | 2017 | 増減 |
|---|---|---|---|
| **機関投資家市場** | | | |
| 収入保険料および手数料 | $ 856 | $ 1,061 | (19) % |
| 正味投資利益 | 205 | 160 | 28 |
| 調整後収益 | 1,062 | 1,222 | (13) |
| 給付、損失および費用 | 1,012 | 1,162 | (13) |
| 調整後税引前利益 | 50 | 60 | (17) |
| 収入保険料および預かり資産 | 848 | 2,048 | (59) |

別段の記載がない限り、比較はすべて、2017年第4四半期に対するものです。詳細については、AIGウェブサイトの投資家向けセクションに掲載されている2018年第4四半期追加財務情報をご参照ください。

- 個人向け退職給付では、調整後税引前利益は、クレジット市場および株式市場のパフォーマンス低迷を主因とするベース・スプレッドと利回り向上の低下および手数料収入の減少による正味投資利益の減少を反映しています。個人投資家向けミューチュアルファンドを除く正味フローは販売増加を反映してプラスとなりました。

- 団体向け退職給付では、調整後税引前利益は、手数料収入の減少、クレジット市場および株式市場のパフォーマンス低迷を主因とするベース・スプレッドと利回り向上の低下および同事業への継続的投資を反映しています。団体向け退職給付の正味フローは、販売が増加しましたが、これを大口契約解約の増加と個人の解約増加が相殺したことを反映しています。

- 生命保険では、調整後税引前利益は事業成長とオルタナティブ投資リターンの増加による正味投資利益の増加を反映しています。死亡率は料率予想範囲に対して好転しました。

- 機関投資家市場では、調整後税引前利益はテクノロジーとインフラへの投資および準備金改善を反映していますが、これは正味投資利益の増加をけん引したポートフォリオの拡大により部分的に相殺されました。

険の補償については、サープラス・ラインの保険会社によって提供される可能性があります。サープラス・ラインの保険会社は、一般的に米国州政府保証基金に加入しないため、当該基金による保証は行われません。

**FOR IMMEDIATE RELEASE**

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# AIG REPORTS FOURTH QUARTER 2018 RESULTS

- Net loss of $622 million, or $0.70 per share, for the fourth quarter of 2018, compared to net loss of $6.7 billion, or $7.33 per share, in the prior-year quarter.
- Adjusted after-tax loss of $559 million, or $0.63 per share, for the fourth quarter of 2018, compared to adjusted after-tax income of $526 million, or $0.57 per diluted share, in the prior-year quarter.
- Total net investment income of $2.8 billion in the fourth quarter of 2018, compared to $3.5 billion in the prior-year-quarter was significantly impacted by market performance. Full year 2018 net investment income of $12.5 billion compared to $14.2 billion in the prior year.
- Net pre-tax catastrophe losses in the fourth quarter of 2018 of $798 million ($630 million after-tax or $0.71 per share, at the statutory tax rate of 21%) consistent with the previously disclosed range. Full year 2018 net pre-tax catastrophe losses of $2.9 billion compared to $4.2 billion in the prior year.
- Net unfavorable prior year loss reserve development of $365 million in the fourth quarter of 2018. For the full year 2018, net unfavorable prior year loss reserve development of $362 million compared to $978 million for the prior year.
- Share and warrant repurchases of $750 million for the fourth quarter of 2018 and $1.8 billion for full year 2018.
- AIG Board of Directors increased the share repurchase authorization to $2.0 billion, including approximately $512 million that remained under the previous authorization.

NEW YORK, February 13, 2019 - American International Group, Inc. (NYSE: AIG) today reported a net loss of $622 million, or $0.70 per share, for the fourth quarter of 2018, compared to a net loss of $6.7 billion, or $7.33 per share, in the prior-year quarter. Adjusted after-tax loss was $559 million, or $0.63 per share, for the fourth quarter of 2018, compared to adjusted after-tax income of $526 million, or $0.57 per diluted share, in the prior-year quarter.

Brian Duperreault, AIG's President and Chief Executive Officer, said: "Throughout 2018, significant foundational work was undertaken to remediate AIG's core underwriting capabilities. While many issues and challenges were uncovered, we moved quickly to reduce risk and volatility, as well as implement strategies that we believe will accelerate our progress in 2019. The world class talent that joined AIG throughout 2018 was a highlight, and our team is not taking short cuts in building a top performing enterprise nor are we settling for easy fixes. Our work continues to restore AIG as the leading insurance company in the world and I remain confident we are on the right path to achieve long-term, sustainable and profitable growth.

"Our fourth quarter 2018 results showed positive improvements in General Insurance, reflecting actions we took throughout the year to re-position and strengthen the business, and Life and Retirement remains a stable source of earnings with attractive returns. Results were negatively impacted by performance in both equity and credit markets, catastrophe losses that came within our previously disclosed guidance, as well as modest net unfavorable prior year loss reserve development driven largely by underwriting decisions from 2016 and prior years. We continue to expect to achieve an underwriting profit entering 2019 in General Insurance and to reach double digit returns for consolidated AIG in three years."

## FOURTH QUARTER FINANCIAL SUMMARY*

| | Three Months Ended December 31, | |
|---|---|---|
| *($ in millions, except per share amounts)* | **2018** | **2017** |
| Net loss | $ (622) | $ (6,660) |
| Net loss per diluted share (a) | $ (0.70) | $ (7.33) |
| Adjusted after-tax income (loss) | $ (559) | $ 526 |
| Adjusted after-tax income (loss) per diluted share (a) | $ (0.63) | $ 0.57 |
| Return on equity | (4.3)% | (38.7)% |
| Adjusted return on equity | (4.6)% | 4.2 % |
| Adjusted return on attributed equity - Core | (4.3)% | 2.6 % |
| Book value per common share | $ 65.04 | $ 72.49 |
| Book value per common share, excluding accumulated other comprehensive income | 66.67 | 66.41 |
| Adjusted book value per common share | 54.95 | 54.74 |

*Refer to the Comments on Regulation G and the tables that follow for a discussion of non-GAAP financial measures and the reconciliations of the non-GAAP financial measures to GAAP measures.

(a) For periods reporting a loss, basic average common shares outstanding are used to calculate net income (loss) per diluted share.

## FOURTH QUARTER 2018 HIGHLIGHTS

All comparisons are against the fourth quarter of 2017, unless otherwise indicated.

*Net Investment Income Impacted by Alternative Returns and Equity Market Declines* – Fourth quarter net investment income from our insurance companies, including the Legacy insurance portfolios, decreased 18.1% from the prior-year quarter to $2.8 billion. The fourth quarter was impacted by net losses on alternative investments as well as investments in equity securities resulting from elevated volatility in the credit markets and unfavorable performance in the equity markets. For the full year, net investment income from our insurance companies, including the Legacy insurance portfolios, totaled $12.7 billion.

*General Insurance* – The fourth quarter of 2018 combined ratio of 115.0 was impacted by 11.3 points related to catastrophe losses net of reinstatement premiums and 5.3 points of net unfavorable loss reserve development. The accident year combined ratio, as adjusted, was 98.8 comprised of a 63.9 loss ratio, as adjusted, down 130 basis points from the prior-year quarter, and an expense ratio of 34.9, down 10 basis points over the prior-year quarter. Pre-tax catastrophe losses, net of reinsurance, included $826 million for General Insurance, primarily related to Hurricane Michael and the California Wildfires and a $28 million decrease in the loss estimates for Typhoon Jebi reported in the Legacy segment. Net prior year loss reserve development was unfavorable by $363 million for the quarter. North America and International Commercial Lines had unfavorable prior year loss reserve development of $326 million and $74 million, respectively, for the quarter driven largely by Financial Lines. International Personal Insurance recorded favorable prior year loss development of $37 million primarily from Japan.

Fourth quarter expense ratio of 34.9 primarily reflected improvement in the General operating expense (GOE) ratio as a result of expense reduction actions taken in the second half of the year, partially offset by an increase in the North America acquisition ratio due to changes in portfolio mix.

*Life and Retirement Earnings* – Fourth quarter adjusted pre-tax income of $623 million reflected the impact of declining equity markets and widening credit spreads in all businesses, against a backdrop of attractive new business margins, and solid growth in premiums and deposits in Individual Retirement, Group Retirement and Life Insurance as well as several opportunistic Institutional Markets transactions. GOE increased primarily due to new business acquisition, international expansion, and investments in core businesses. The fourth quarter of 2018 Adjusted Return on Equity was 9.8%.

*Legacy Results* – Fourth quarter adjusted pre-tax loss of $150 million, compared to adjusted pre-tax income of $411 million in the prior-year quarter, reflect lower net investment income and losses from fair value option assets, as well as a $105 million pre-tax charge resulting from loss recognition testing on certain Accident & Health cancer and disability blocks. AIG completed the sale of 19.9% of AIG's ownership interest in Fortitude Holdings, the parent of Fortitude Re (formerly DSA Re), to The Carlyle Group L.P.

*Liquidity and Capital* – As of December 31, 2018, AIG Parent liquidity stood at approximately $3.8 billion. In the fourth quarter, AIG Parent received approximately $350 million of distributions from the insurance subsidiaries in the form of cash and fixed maturity securities, including tax sharing payments. In the fourth quarter, AIG repurchased 18.0 million shares of common stock for $745 million and warrants for $5 million. AIG's Board of Directors has approved an increase in our share repurchase authorization to $2.0 billion, including approximately $512 million that was remaining under the previous authorization.

*Book Value per Common Share* – As of December 31, 2018, book value per common share was $65.04 compared to $72.49 at December 31, 2017. Book value per common share excluding accumulated other comprehensive income and deferred tax assets (Adjusted book value per common share) was $54.95, up slightly from prior-year end.

FOR IMMEDIATE RELEASE

## GENERAL INSURANCE

| *($ in millions)* | Three Months Ended December 31, 2018 | 2017 | Change |
|---|---|---|---|
| **Total General Insurance** | | | |
| Gross premiums written | $ 7,699 | $ 7,278 | 6 % |
| Net premiums written | $ 6,424 | $ 5,892 | 9 |
| Underwriting loss | $ (1,071) | $ (846) | (27) |
| Adjusted pre-tax income (loss) | $ (722) | $ 13 | NM |
| | | | |
| Underwriting ratios: | | | |
| Loss ratio | 80.1 | 78.3 | 1.8 pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (11.3) | (11.7) | 0.4 |
| Prior year development | (5.3) | (1.4) | (3.9) |
| Adjustments for ceded premium under reinsurance contracts and other | 0.4 | - | 0.4 |
| Accident year loss ratio, as adjusted | 63.9 | 65.2 | (1.3) |
| Expense ratio | 34.9 | 35.0 | (0.1) |
| Combined ratio | 115.0 | 113.3 | 1.7 |
| Accident year combined ratio, as adjusted | 98.8 | 100.2 | (1.4) |

## General Insurance - North America

| ($ in millions) | Three Months Ended December 31, 2018 | 2017 | Change |
|---|---|---|---|
| **North America** | | | |
| Net premiums written | $ 2,944 | $ 2,583 | 14 % |
| Commercial Lines | 2,161 | 1,808 | 20 |
| Personal Insurance | 783 | 775 | 1 |
| Underwriting income (loss) | $ (871) | $ (316) | (176) |
| Commercial Lines | (541) | 16 | NM |
| Personal Insurance | (330) | (332) | 1 |
| Adjusted pre-tax income (loss) | $ (575) | $ 412 | NM |
| Underwriting ratios: | | | |
| **North America** | | | |
| Loss ratio | 94.6 | 83.0 | 11.6 pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (19.6) | (24.5) | 4.9 |
| Prior year development | (10.0) | 3.3 | (13.3) |
| Adjustments for ceded premium under reinsurance contracts and other | 0.9 | - | 0.9 |
| Accident year loss ratio, as adjusted | 65.9 | 61.8 | 4.1 |
| Expense ratio | 30.7 | 28.5 | 2.2 |
| Combined ratio | 125.3 | 111.5 | 13.8 |
| Accident year combined ratio, as adjusted | 96.6 | 90.3 | 6.3 |
| **North America Commercial Lines** | | | |
| Loss ratio | 93.6 | 73.9 | 19.7 pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (9.8) | (12.0) | 2.2 |
| Prior year development | (13.3) | 4.9 | (18.2) |
| Adjustments for ceded premium under reinsurance contracts and other | 1.2 | - | 1.2 |
| Accident year loss ratio, as adjusted | 71.7 | 66.8 | 4.9 |
| Expense ratio | 27.3 | 25.3 | 2.0 |
| Combined ratio | 120.9 | 99.2 | 21.7 |
| Accident year combined ratio, as adjusted | 99.0 | 92.1 | 6.9 |
| **North America Personal Insurance** | | | |
| Loss ratio | 98.0 | 108.0 | (10.0) pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (49.8) | (58.6) | 8.8 |
| Prior year development | - | (1.1) | 1.1 |
| Accident year loss ratio, as adjusted | 48.2 | 48.3 | (0.1) |
| Expense ratio | 41.6 | 37.5 | 4.1 |
| Combined ratio | 139.6 | 145.5 | (5.9) |
| Accident year combined ratio, as adjusted | 89.8 | 85.8 | 4.0 |

All comparisons are against the fourth quarter of 2017, unless otherwise indicated. Refer to the AIG Fourth Quarter 2018 Financial Supplement, which is posted on AIG's website in the Investors section, for further information.

***General Insurance North America – Commentary***

- Adjusted pre-tax loss of $575 million compared to adjusted pre-tax income of $412 million in the prior-year quarter.

- Net investment income of $296 million for the quarter compared to $728 million in the prior-year quarter. The decline in net investment income was largely the result of net losses on alternative and equity investments in the current quarter.

- Net premiums written increased by 14.0%, largely due to the acquisitions of Validus and Glatfelter, and lower ceded premiums due to changes in the 2018 reinsurance programs. This was slightly offset by some underlying reduction in the North America Commercial Lines business due to ongoing underwriting actions to improve performance.

- The North America combined ratio of 125.3 included 19.6 points of catastrophe losses net of reinstatement premiums and 10.0 points of net unfavorable prior year loss reserve development. The accident year combined ratio, as adjusted, was 96.6 for the quarter comprised of a 65.9 loss ratio, as adjusted, and a 30.7 expense ratio. The pre-tax underwriting loss of $871 million includes $689 million of catastrophe losses, net of reinsurance, of which $414 million related to North America Personal Insurance and $275 million related to Commercial Lines. Net unfavorable prior year loss reserve development of $326 million was primarily related to Financial Lines in Commercial Lines.

- The increase in the expense ratio reflected a higher acquisition expense ratio driven by changes in portfolio mix, especially in Personal Insurance, and a decrease in GOE resulting from actions taken in the second half of 2018 to control expenses.

## General Insurance - International

| *($ in millions)* | Three Months Ended December 31, 2018 | 2017 | Change |
|---|---|---|---|
| **International** | | | |
| Net premiums written | $ 3,480 | $ 3,309 | 5 % |
| Commercial Lines | 1,561 | 1,422 | 10 |
| Personal Insurance | 1,919 | 1,887 | 2 |
| Underwriting income (loss) | $ (200) | $ (530) | 62 |
| Commercial Lines | (251) | (603) | 58 |
| Personal Insurance | 51 | 73 | (30) |
| Adjusted pre-tax loss | $ (147) | $ (399) | 63 |
| Underwriting ratios: | | | |
| **International** | | | |
| Loss ratio | 66.8 | 74.7 | (7.9) pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (3.7) | (2.2) | (1.5) |
| Prior year development | (1.0) | (4.8) | 3.8 |
| Accident year loss ratio, as adjusted | 62.1 | 67.7 | (5.6) |
| Expense ratio | 38.6 | 39.8 | (1.2) |
| Combined ratio | 105.4 | 114.5 | (9.1) |
| Accident year combined ratio, as adjusted | 100.7 | 107.5 | (6.8) |
| **International Commercial Lines** | | | |
| Loss ratio | 80.5 | 98.0 | (17.5) pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (7.2) | (2.7) | (4.5) |
| Prior year development | (4.1) | (11.4) | 7.3 |
| Accident year loss ratio, as adjusted | 69.2 | 83.9 | (14.7) |
| Expense ratio | 33.1 | 37.7 | (4.6) |
| Combined ratio | 113.6 | 135.7 | (22.1) |
| Accident year combined ratio, as adjusted | 102.3 | 121.6 | (19.3) |
| **International Personal Insurance** | | | |
| Loss ratio | 53.4 | 54.6 | (1.2) pts |
| *Impact on loss ratio:* | | | |
| Catastrophe losses and reinstatement premiums | (0.2) | (1.8) | 1.6 |
| Prior year development | 2.0 | 0.8 | 1.2 |
| Accident year loss ratio, as adjusted | 55.2 | 53.6 | 1.6 |
| Expense ratio | 43.9 | 41.7 | 2.2 |
| Combined ratio | 97.3 | 96.3 | 1.0 |
| Accident year combined ratio, as adjusted | 99.1 | 95.3 | 3.8 |

All comparisons are against the fourth quarter of 2017, unless otherwise indicated. Refer to the AIG Fourth Quarter 2018 Financial Supplement, which is posted on AIG's website in the Investors section, for further information.

*General Insurance International – Commentary*

- Adjusted pre-tax loss of $147 million compared to adjusted pre-tax loss of $399 million in the prior-year quarter.

- Net investment income of $53 million for the quarter compared to $131 million in the prior-year quarter. The decline in net investment income was largely the result of net losses on equity investments in the current quarter.

- Net premiums written increased 5.2% on a reported and 7.6% on a constant dollar basis. The increase in net premiums written was due to the inclusion of the Talbot acquisition and increased accident & health business in Asia Pacific.
- The International combined ratio of 105.4 included 3.7 points of catastrophe losses net of reinstatement premiums and 1.0 points of net unfavorable loss reserve development. The accident year combined ratio, as adjusted, of 100.7 was comprised of a 62.1 loss ratio, as adjusted, and a 38.6 expense ratio. The catastrophe losses and net unfavorable loss reserve development was largely a result of the Commercial portfolio. The pre-tax underwriting loss of $200 million included $137 million of catastrophe losses, net of reinsurance, severe losses of $79 million, net of reinsurance, and net unfavorable prior year loss reserve development of $37 million.

- The expense ratio decrease was driven by a reduction in GOE given actions in the second half of the year, partially offset by higher acquisition expense ratio primarily due to increased costs in Japan and changes to the portfolio mix.

## LIFE AND RETIREMENT

| | Three Months Ended December 31, | | |
|---|---|---|---|
| *($ in millions)* | **2018** | **2017** | **Change** |
| **Life and Retirement** | | | |
| Premiums & Fees | $ 1,917 | $ 2,123 | (10) % |
| Net Investment Income | 1,921 | 2,003 | (4) |
| Adjusted Revenue | 4,065 | 4,382 | (7) |
| Benefits, losses and expenses | 3,442 | 3,600 | (4) |
| Adjusted pre-tax income | 623 | 782 | (20) |
| Premiums and deposits | 8,166 | 7,965 | 3 |
| **Individual Retirement** | | | |
| Premiums & Fees | $ 209 | $ 210 | - % |
| Net Investment Income | 912 | 1,030 | (11) |
| Adjusted Revenue | 1,276 | 1,415 | (10) |
| Benefits, losses and expenses | 949 | 941 | 1 |
| Adjusted pre-tax income | 327 | 474 | (31) |
| Premiums and deposits | 4,225 | 3,106 | 36 |
| Net flows | (510) | (422) | (21) |

| ($ in millions) | Three Months Ended December 31, 2018 | 2017 | Change |
|---|---|---|---|
| **Group Retirement** | | | |
| Premiums & Fees | $ 111 | $ 120 | (8) % |
| Net Investment Income | 517 | 550 | (6) |
| Adjusted Revenue | 682 | 732 | (7) |
| Benefits, losses and expenses | 523 | 486 | 8 |
| Adjusted pre-tax income | 159 | 246 | (35) |
| Premiums and deposits | 2,106 | 1,848 | 14 |
| Net flows | (628) | (453) | (39) |
| **Life Insurance** | | | |
| Premiums & Fees | $ 741 | $ 732 | 1 % |
| Net Investment Income | 287 | 263 | 9 |
| Adjusted Revenue | 1,045 | 1,013 | 3 |
| Benefits, losses and expenses | 958 | 1,011 | (5) |
| Adjusted pre-tax income | 87 | 2 | NM |
| Premiums and deposits | 987 | 963 | 2 |
| **Institutional Markets** | | | |
| Premiums & Fees | $ 856 | $ 1,061 | (19) % |
| Net Investment Income | 205 | 160 | 28 |
| Adjusted Revenue | 1,062 | 1,222 | (13) |
| Benefits, losses and expenses | 1,012 | 1,162 | (13) |
| Adjusted pre-tax income | 50 | 60 | (17) |
| Premiums and deposits | 848 | 2,048 | (59) |

All comparisons are against the fourth quarter of 2017, unless otherwise indicated. Refer to the AIG Fourth Quarter 2018 Financial Supplement, which is posted on AIG's website in the Investors section, for further information.

### *Life and Retirement – Commentary*

- In Individual Retirement, adjusted pre-tax income reflected lower net investment income due to lower base spreads and yield enhancements and lower fee income driven by unfavorable credit and equity market performance. Net flows excluding Retail Mutual Funds were positive and reflected strong sales.

- In Group Retirement, adjusted pre-tax income reflected lower fee income, lower base spread and yield enhancements driven by unfavorable credit and equity market performance and continued investments made in the business. Group Retirement net flows reflected higher sales offset by higher surrenders due to the loss of large plan accounts, as well as higher individual surrenders.

- In Life Insurance, adjusted pre-tax income reflected higher net investment income due to business growth and higher alternative investments returns. Mortality was favorable to pricing expectations.

- In Institutional Markets, adjusted pre-tax income reflected investments in technology and infrastructure and reserve refinements, partially offset by growth in the portfolio which drove higher net investment income.

**CONFERENCE CALL**

AIG will host a conference call tomorrow, Thursday, February 14, 2019 at 8:00 a.m. ET to review these results. The call is open to the public and can be accessed via a live listen-only webcast in the Investors section of www.aig.com. A replay will be available after the call at the same location.

# # #

Additional supplementary financial data is available in the Investors section at www.aig.com.

The conference call (including the conference call presentation material), the earnings release and the financial supplement may include, and officers and representatives of 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 September 30, 2018, Part I, Item 2. MD&A and Part II, Item 1A. Risk Factors in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, Part I, Item 2. MD&A in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 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, 2017 and Part II, Item7. 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 (which will be filed with the SEC).

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.

# # #

**COMMENT ON REGULATION G**

Throughout this press release, including the financial highlights, AIG presents its financial condition and results of operations in the way it believes will be most meaningful and representative of its business results. Some of the measurements AIG uses 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 AIG presents may not be comparable to similarly-named measures reported by other companies. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the Fourth Quarter 2018 Financial Supplement available in the Investor Information section of AIG’s website, www.aig.com.

**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 AIG's net worth on a per-share basis. AIG believes these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of AIG's 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 AIG's available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. AIG excludes 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 Shareholders' equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG shareholders' equity, excluding AOCI and DTA (**Adjusted Shareholders' Equity**), by total common shares outstanding.

**AIG Return on Equity – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Equity)** is used to show the rate of return on shareholders' equity. AIG believes this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of AIG's 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 AIG's available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. AIG excludes 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 Equity. Adjusted Return on Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG by average Adjusted Shareholders' Equity.

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

**Core and Life and Retirement Return on Equity – Adjusted After-tax Income (Adjusted Return on Attributed Equity)** is used to show the rate of return on Adjusted Attributed Equity. Adjusted Return on Attributed Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Equity.

**Adjusted After-tax Income Attributable to Core and Life and Retirement** is derived by subtracting attributed interest expense and income tax expense from adjusted pre-tax income. Attributed debt and the related interest expense is calculated based on AIG's 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.

**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 AIG's operating segments.

AIG uses the following operating performance measures because AIG believes they enhance the understanding of the underlying profitability of continuing operations and trends of AIG's business segments. AIG believes they also allow for more meaningful comparisons with AIG's insurance competitors. When AIG uses 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 AIG's segments. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to AIG's current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that AIG believes to be common to the industry. APTI is a GAAP measure for AIG's 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;
- 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;
- 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 AIG's organization;
- the portion of favorable or unfavorable prior year reserve development for which AIG has ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain;
- net loss reserve discount benefit (charge); and
- integration and transaction costs associated with acquired businesses.

**Adjusted After-tax Income attributable to AIG (AATI)** is derived by excluding the tax effected APTI adjustments described above 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 AIG's current businesses or operating performance; and
- net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act).

See page 16 for the reconciliation of Net income attributable to AIG to Adjusted After-tax Income Attributable to AIG.

**Ratios:** AIG, along with most property and casualty insurance companies, uses 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. AIG's 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. 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. AIG believes that adjusted ratios are meaningful measures of AIG's underwriting results on an ongoing basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. AIG also excludes prior year development to provide transparency related to current accident year results.

<u>Underwriting ratios are computed as follows:</u>

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.

# # #

**American International Group, Inc.**
**Selected Financial Data and Non-GAAP Reconciliation**
**($ in millions, except per share data)**

## Reconciliations of Adjusted Pre-tax and After-tax Income (Loss)

| | Three Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | | 2017 | | |
| | Pre-tax | Tax Effect | After-tax | Pre-tax | Tax Effect | After-tax |
| **Pre-tax income/net income (loss), including noncontrolling interests** | $ (695) | $ (137) | $ (608) | $ 875 | $ 7,544 | $ (6,673) |
| Noncontrolling interest | - | - | (14) | - | - | 13 |
| **Pre-tax income/net income (loss) attributable to AIG** | (695) | (137) | (622) | 875 | 7,544 | (6,660) |
| ***Adjustments:*** | | | | | | |
| Changes in uncertain tax positions and other tax adjustments | - | 5 | (5) | - | (461) | 461 |
| Deferred income tax valuation allowance (releases) charges | - | 21 | (21) | - | (66) | 66 |
| Impact of Tax Act | - | - | - | - | (6,687) | 6,687 |
| Changes in fair value of securities used to hedge guaranteed living benefits | 27 | 5 | 22 | (29) | (10) | (19) |
| Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses) | 40 | 7 | 33 | (108) | (38) | (70) |
| Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements | 68 | 14 | 54 | 45 | 15 | 30 |
| (Gain) loss on extinguishment of debt | (3) | (1) | (2) | (1) | (1) | - |
| Net realized capital (gains) losses* | (195) | (56) | (139) | 274 | 105 | 169 |
| Noncontrolling interest on net realized capital (gains) losses | - | - | 48 | - | - | 1 |
| Loss from discontinued operations | - | - | 2 | - | - | 3 |
| Income from divested businesses | (3) | - | (3) | (241) | (82) | (159) |
| Non-operating litigation reserves and settlements | (11) | (3) | (8) | (43) | (15) | (28) |
| Net loss reserve discount (benefit) charge | (66) | (15) | (51) | (96) | (36) | (60) |
| Pension expense related to a one-time lump sum payment to former employees | - | - | - | 10 | 4 | 6 |
| Integration and transaction costs associated with acquired businesses | 33 | 7 | 26 | - | - | - |
| Restructuring and other costs | 136 | 29 | 107 | 154 | 55 | 99 |
| ***Adjusted pre-tax income (loss)/Adjusted after-tax income (loss)*** | $ (669) | $ (124) | $ (559) | $ 840 | $ 327 | $ 526 |

| | Twelve Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | | 2017 | | |
| | Pre-tax | Tax Effect | After-tax | Pre-tax | Tax Effect | After-tax |
| **Pre-tax income/net income (loss), including noncontrolling interests** | $ 257 | $ 154 | $ 15 | $ 1,466 | $ 7,526 | $ (6,063) |
| Noncontrolling interest | - | - | (21) | - | - | (21) |
| **Pre-tax income/net income (loss) attributable to AIG** | 257 | 154 | (6) | 1,466 | 7,526 | (6,084) |
| ***Adjustments:*** | | | | | | |
| Changes in uncertain tax positions and other tax adjustments | - | (48) | 48 | - | (488) | 488 |
| Deferred income tax valuation allowance charges | - | (21) | 21 | - | (43) | 43 |
| Impact of Tax Act | - | - | - | - | (6,687) | 6,687 |
| Changes in fair value of securities used to hedge guaranteed living benefits | 154 | 32 | 122 | (146) | (51) | (95) |
| Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses) | (6) | (3) | (3) | (303) | (106) | (197) |
| Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements | 675 | 142 | 533 | 303 | 106 | 197 |
| (Gain) loss on extinguishment of debt | 7 | 1 | 6 | (5) | (2) | (3) |
| Net realized capital losses* | 193 | 41 | 152 | 1,380 | 506 | 874 |
| Noncontrolling interest on net realized capital losses | - | - | 46 | - | - | 7 |
| (Income) loss from discontinued operations | - | - | 42 | - | - | (4) |
| Income from divested businesses | (38) | (8) | (30) | (68) | (41) | (27) |
| Non-operating litigation reserves and settlements | 19 | 4 | 15 | (129) | (45) | (84) |
| Net loss reserve discount (benefit) charge | (371) | (79) | (292) | 187 | 65 | 122 |
| Pension expense related to a one-time lump sum payment to former employees | - | - | - | 60 | 21 | 39 |
| Integration and transaction costs associated with acquired businesses | 124 | 26 | 98 | - | - | - |
| Restructuring and other costs | 395 | 83 | 312 | 413 | 145 | 268 |
| ***Adjusted pre-tax income/Adjusted after-tax income*** | $ 1,409 | $ 324 | $ 1,064 | $ 3,158 | $ 906 | $ 2,231 |

* 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.

**American International Group, Inc.**
**Selected Financial Data and Non-GAAP Reconciliation (continued)**
**($ in millions, except per share data)**

## Summary of Key Financial Metrics

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | % Inc. (Dec.) | 2018 | 2017 | % Inc. (Dec.) |
| **Income (loss) per common share:** | | | | | | |
| ***Basic*** | | | | | | |
| Income (loss) from continuing operations | $ (0.70) | $ (7.33) | 90.5 % | $ 0.04 | $ (6.54) | NM% |
| Loss from discontinued operations | - | - | NM | (0.05) | - | NM |
| **Net loss attributable to AIG** | $ (0.70) | $ (7.33) | 90.5 | $ (0.01) | $ (6.54) | 99.8 |
| ***Diluted*** | | | | | | |
| Income (loss) from continuing operations | $ (0.70) | $ (7.33) | 90.5 | $ 0.04 | $ (6.54) | NM |
| Loss from discontinued operations | - | - | NM | (0.05) | - | NM |
| **Net loss attributable to AIG** | $ (0.70) | $ (7.33) | 90.5 | $ (0.01) | $ (6.54) | 99.8 |
| **Adjusted after-tax income (loss) attributable to AIG per diluted share** | $ (0.63) | $ 0.57 | NM% | $ 1.17 | $ 2.34 | (50.0)% |
| **Weighted average shares outstanding:** | | | | | | |
| Basic | 887.5 | 908.1 | | 898.4 | 930.6 | |
| Diluted (a)(b) | 887.5 | 908.1 | | 910.1 | 930.6 | |
| **Return on equity (c)** | (4.3)% | (38.7)% | | 0.0 % | (8.4)% | |
| **Adjusted return on equity (d)** | (4.6)% | 4.2 % | | 2.1 % | 4.1 % | |

| As of period end: | December 31, 2018 | September 30, 2018 | December 31, 2017 |
|---|---|---|---|
| **Total AIG shareholders' equity** | $ 56,361 | $ 58,586 | $ 65,171 |
| Accumulated other comprehensive income (AOCI) | (1,413) | (536) | 5,465 |
| **Total AIG shareholders' equity, excluding AOCI** | 57,774 | 59,122 | 59,706 |
| Deferred tax assets (e) | 10,153 | 9,953 | 10,492 |
| **Total adjusted AIG shareholders' equity** | $ 47,621 | $ 49,169 | $ 49,214 |

| As of period end: | December 31, 2018 | September 30, 2018 | % Inc. (Dec.) | December 31, 2017 | % Inc. (Dec.) |
|---|---|---|---|---|---|
| **Book value per common share (f)** | $ 65.04 | $ 66.23 | (1.8)% | $ 72.49 | (10.3)% |
| **Book value per common share, excluding AOCI (g)** | $ 66.67 | $ 66.83 | (0.2) | $ 66.41 | 0.4 |
| **Adjusted book value per common share (h)** | $ 54.95 | $ 55.58 | (1.1) | $ 54.74 | 0.4 |
| **Total common shares outstanding** | 866.6 | 884.6 | | 899.0 | |

**Financial highlights - notes**

(a) For the three-month period ended December 31, 2018 because we reported a loss attributable to AIG common shareholders from continuing operations and an adjusted after-tax loss, and for the three- and twelve-month periods ended December 31, 2017, because we reported losses 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 these calculations were 2,732,679 shares, 20,155,385 shares and 22,412,682 shares, respectively.

(b) Diluted shares in the diluted EPS calculation represent basic shares for the three-month period ended December 31, 2018 and three- and twelve-month periods ended December 31, 2017 due to the net losses in those periods.

(c) Computed as Annualized net income (loss) attributable to AIG divided by average AIG shareholders' equity. Equity includes AOCI and DTA.

(d) Computed as Annualized Adjusted after-tax income attributable to AIG divided by Adjusted Shareholders' Equity.

(e) 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.

(f) Represents total AIG shareholders' equity divided by Total common shares outstanding.

(g) Represents total AIG shareholders' equity, excluding AOCI, divided by Total common shares outstanding.

(h) Represents Adjusted Shareholders' Equity, divided by Total common shares outstanding.

**American International Group, Inc.**
**Selected Financial Data and Non-GAAP Reconciliation**
**($ in millions, except per share amounts)**

## Reconciliations of Life and Retirement Adjusted Return on Equity

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| **Adjusted pre-tax income** | $ 623 | $ 782 | $ 3,190 | $ 3,831 |
| Interest expense on attributed financial debt | 31 | 6 | 107 | 23 |
| **Adjusted pre-tax income including attributed interest expenses** | 592 | 776 | 3,083 | 3,808 |
| Income tax expense | 116 | 252 | 610 | 1,242 |
| **Adjusted after-tax income** | 476 | 524 | 2,473 | 2,566 |
| **Ending adjusted attributed equity** | $ 19,695 | $ 20,304 | $ 19,695 | $ 20,304 |
| **Average adjusted attributed equity** | $ 19,475 | $ 20,644 | $ 19,664 | $ 20,687 |
| **Adjusted return on attributed equity** | 9.8 % | 10.2 % | 12.6 % | 12.4 % |

## Reconciliations of Core Adjusted Return on Equity

| | Three Months Ended December 31, | |
|---|---|---|
| | **2018** | **2017** |
| **Adjusted pre-tax income (loss)** | $ (519) | $ 429 |
| Interest expense (benefit) on attributed financial debt | - | (31) |
| **Adjusted pre-tax income (loss) including attributed interest expenses** | (519) | 460 |
| Income tax expense (benefit) | (93) | 198 |
| **Adjusted after-tax income (loss)** | (426) | 262 |
| **Ending adjusted attributed equity** | $ 38,735 | $ 39,931 |
| **Average adjusted attributed equity** | $ 39,547 | $ 40,841 |
| **Adjusted return on attributed equity** | (4.3)% | 2.6 % |

## Net Premiums Written - Change in Constant Dollar

| | Three Months Ended December 31, 2018 |
|---|---|
| **General Insurance - International** | |
| **Foreign exchange effect on worldwide premiums:** | |
| **Change in net premiums written** | |
| Increase (decrease) in original currency | 7.6 % |
| Foreign exchange effect | (2.4) |
| **Increase (decrease) as reported in U.S. dollars** | 5.2 % |

## Reconciliation of Insurance Company Net Investment Income

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| **Net investment income per Consolidated Statement of Operations** | $ 2,754 | $ 3,464 | $ 12,476 | $ 14,179 |
| Changes in fair value of securities used to hedge guaranteed living benefits | 1 | (29) | 128 | (146) |
| Net realized capital gains related to non-qualifying hedges | 58 | - | 124 | - |
| **Total Insurance Company Net investment income** | $ 2,813 | $ 3,435 | $ 12,728 | $ 14,033 |

**American International Group, Inc.**
**Selected Financial Data and Non-GAAP Reconciliation (continued)**
**($ in millions, except per share amounts)**

## Reconciliations of Premiums and Deposits

| | Three Months Ended December 31, | |
|---|---|---|
| | **2018** | **2017** |
| **Individual Retirement:** | | |
| Premiums | $ 15 | $ 10 |
| Deposits | 4,213 | 3,096 |
| Other | (3) | - |
| **Total premiums and deposits** | $ 4,225 | $ 3,106 |
| **Group Retirement:** | | |
| Premiums | $ 4 | $ 6 |
| Deposits | 2,102 | 1,842 |
| Other | - | - |
| **Total premiums and deposits** | $ 2,106 | $ 1,848 |
| **Life Insurance:** | | |
| Premiums | $ 378 | $ 362 |
| Deposits | 417 | 398 |
| Other | 192 | 203 |
| **Total premiums and deposits** | $ 987 | $ 963 |
| **Institutional Markets:** | | |
| Premiums | $ 816 | $ 1,019 |
| Deposits | 25 | 1,022 |
| Other | 7 | 7 |
| **Total premiums and deposits** | $ 848 | $ 2,048 |
| **Total Life and Retirement:** | | |
| Premiums | $ 1,213 | $ 1,397 |
| Deposits | 6,757 | 6,358 |
| Other | 196 | 210 |
| **Total premiums and deposits** | $ 8,166 | $ 7,965 |