

2011 年第 2 四半期（4 月～6 月） 決 算 短 信

会社名 アメリカン・インターナショナル・グループ・インク
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 決算期 本決算：年 1 回 （12 月）
 中間決算：四半期毎
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1. 本国における決算発表日 2011 年 8 月 4 日

2. 業績（注 1：下記の数字は 2011 年 6 月 30 日現在の会計方法に従い算出したものである。）

	第 2 四半期（4 月～6 月の 3 ヶ月間）		
	当年度（2011 年）	前年度（2010 年）	増減率
売上高又は営業収入	16,676 百万ドル	18,314 百万ドル	△8.94%
純利益（税引後）	1,840 百万ドル	△2,656 百万ドル	-
1 株当たり純利益（注 2）	1.00 ドル	△19.57 ドル	-

	今期累計額		
	当期	前年同期	増減率
売上高又は営業収入	34,112 百万ドル	36,869 百万ドル	△7.48%
純利益（税引後）	2,109 百万ドル	△873 百万ドル	-
1 株当たり純利益（注 2）	0.76 ドル	△1.30 ドル	-

	配当金の推移（注 3）		
	当年度（2011 年）	前年度（2010 年）	備考
第 1 四半期			
第 2 四半期			
第 3 四半期			
第 4 四半期			
合計			

（注 2） 1 株当たり純利益は、希薄化後である。

（注 3） 2008 年 9 月 23 日に普通株式の配当停止を発表。

3. 概況・特記事項・その他

上記 2. の各数値は、会社の 2011 年 8 月 4 日付けプレス・リリースならびに 2011 年度第 2 四半期の Form 10-Q “Part I-Financial Information” 中の Consolidated Financial Statements から抜粋したものである。当該プレス・リリースおよび Form 10-Q の該当箇所を添付する。



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AIG REPORTS SECOND QUARTER 2011 NET INCOME OF \$1.8 BILLION

Second Quarter 2011 After-Tax Operating Income of \$1.3 Billion

NEW YORK, August 4, 2011 – American International Group, Inc. (NYSE: AIG) today reported net income attributable to AIG of \$1.8 billion and after-tax operating income of \$1.3 billion for the quarter ended June 30, 2011, compared with a net loss of \$2.7 billion and after-tax operating income of \$793 million for the second quarter of 2010. The second quarter 2010 loss was primarily due to a \$3.3 billion non-cash goodwill impairment charge included in discontinued operations. The diluted earnings per share were \$1.00 for the second quarter of 2011, representing a return on equity of 8.3 percent, compared with a loss per share of \$19.57 for the second quarter of 2010. The 2011 second quarter after-tax operating income per share was \$0.69, a 6.3 percent return on equity, compared with after-tax operating income per share of \$1.18 for the second quarter last year. Earnings per share for the current period reflect the 1.655 billion shares issued to the United States Treasury Department on January 14, 2011.

“Our results for the second quarter demonstrate the hard work from employees across all of our business units and our unrelenting focus on performance,” said Robert H. Benmosche, AIG President and Chief Executive Officer. “We also achieved a significant recapitalization milestone during the quarter with an \$8.7 billion common stock offering, consisting of the issuance and sale of 100 million shares by AIG and the sale of 200 million shares at a profit by the U.S. Treasury. Our continued improving operating results should provide a catalyst for the U.S. Treasury to sell its shares at a profit for the taxpayers. Now that we have fully repaid our debt to the Federal Reserve, we are on the right path to demonstrate AIG’s long-term value as an investment-grade company independent of government support.”

Highlights

- Chartis reported operating income of \$789 million for the second quarter of 2011, compared to operating income of \$955 million in the second quarter of 2010. Second quarter 2011 results include catastrophe losses of \$539 million and reflect no significant prior year loss reserve development. Net premiums written increased 17.6 percent.
- SunAmerica Financial Group (SunAmerica) operating income was \$743 million for the second quarter of 2011, compared to \$858 million in the second quarter of 2010. Net investment income was lower due to Maiden Lane II fair value changes compared to the second quarter of 2010, while base yields in the current quarter increased to 5.36 percent from 5.00 percent in the first quarter of 2011 with the redeployment of cash to other investments.
- Financial Services reported an operating loss of \$146 million for the second quarter of 2011, compared with operating income of \$25 million in the second quarter of 2010. These results include an operating loss of \$160 million from Capital Markets for the second quarter of 2011, compared to an operating loss of \$145 million in last year’s second quarter, largely due to unrealized market valuation losses on the super senior credit default swap portfolio. International Lease Finance Corporation (ILFC) contributed operating income of \$86 million for the second quarter of 2011, compared with operating income of \$182 million last year.
- AIG’s Parent and Other operations reported operating income of \$344 million for the second quarter of 2011, compared to an operating loss of \$131 million in the second quarter of 2010. The results include operating income of \$13 million from Mortgage Guaranty operations for

the second quarter of 2011 compared to operating income of \$226 million in the second quarter of 2010. Additionally, AIG's holding of AIA ordinary shares produced fair value income of \$1.5 billion during the quarter, while the value of its holding in Maiden Lane III decreased \$667 million from widening spreads on the underlying multi-sector CDO portfolio.

- During the quarter, AIG reduced its tax exempt municipal bond portfolio by approximately \$5 billion as part of its investment portfolio strategy. The U.S. municipal bond portfolio is composed primarily of essential service revenue bonds and high-quality tax-backed bonds with 97 percent of the portfolio rated 'A' or higher, and represented 9.47 percent of the investment portfolio.
- On May 27, 2011, AIG and the Treasury Department completed a registered public offering of AIG Common Stock. AIG issued and sold 100 million shares of AIG Common Stock for aggregate net proceeds of approximately \$2.9 billion and the Treasury Department sold 200 million shares of AIG Common Stock. As a result, the Series G Drawdown Right was terminated, the Series G Preferred Stock was cancelled and the Treasury Department ownership was reduced from approximately 92 percent to approximately 77 percent of the AIG Common Stock outstanding after the completion of the offering.
- The active wind-down of the AIGFP derivatives portfolio was completed by the end of the second quarter of 2011. The remaining AIGFP derivatives portfolio consists predominantly of transactions AIG believes are of low complexity, low risk, supportive of AIG's risk management objectives or not economically appropriate to unwind based on cost versus benefit analysis, although the portfolio may experience periodic mark-to-market volatility.
- On July 27, 2011, AIG's agreement to sell its 97.57 percent interest in Nan Shan Life Insurance Company, Ltd. (Nan Shan) to a Taiwan-based consortium for \$2.16 billion in cash received final approval from the Taiwanese regulators. The sale is expected to close in the third quarter.
- Total equity was \$93.6 billion at June 30, 2011, and book value per share was \$49.18, including the effect of shares issued August 1, 2011 for equity units.

AFTER-TAX OPERATING INCOME (LOSS) RECONCILIATION

Second Quarter Results

(in millions, except per share data)			Per Diluted Share ⁽¹⁾	
	2011	2010	2011	2010
Net income (loss) attributable to AIG	\$ 1,840	\$ (2,656)	\$ 1.00	\$ (19.57)
<i>To compute after-tax operating income (loss), add losses and deduct gains (amounts are net of tax):</i>				
Realized capital gains (losses), net of SunAmerica				
DAC offset and taxes	6	(360)		
Net gain (loss) on sale of divested businesses	(1)	93		
Non-qualifying derivative hedging gains (losses)	28	(96)		
FRBNY Credit Facility total amortization	-	(353)		
Net income from divested businesses ⁽²⁾	10	467		
Deferred income tax valuation allowance (charge) release ⁽³⁾	570	(576)		
Net income (loss) from discontinued operations ⁽⁴⁾	(49)	(2,624)		
After-tax operating income attributable to AIG	\$ 1,276	\$ 793	\$ 0.69	\$ 1.18

(1) 2010 computation based on net income (loss) available to common shareholders after attribution of net income (loss) to Series C preferred shareholder. No attribution made in 2011 as a result of the completion of the Recapitalization.

(2) Primarily AIA in 2010.

(3) Tax valuation allowance attributable to continuing operations.

(4) Second quarter 2011 discontinued operations include Nan Shan. Second quarter 2010 discontinued operations was comprised of AIG Star Life Insurance Co., Ltd., AIG Edison Life Insurance Company, American Life Insurance Company, American General Finance, Inc. and Nan Shan.

RECAP OF AFTER-TAX OPERATING INCOME**Second Quarter Results** *(in millions)*

	2011	2010
Continuing insurance pre-tax operating income:		
Chartis	\$ 789	\$ 955
SunAmerica Financial Group	743	858
Sub-Total – Continuing Insurance	1,532	1,813
ILFC (reported in Financial Services segment)	86	182
Mortgage Guaranty (reported in Other)	13	226
Interest on third party debt	(420)	(484)
Other		
Maiden Lane III	(667)	358
Corporate & Eliminations	(177)	(369)
Asset Management	92	303
Capital Markets	(160)	(145)
Financial Services – Other	(72)	(12)
Sub-Total – Ongoing Operations	227	1,872
AIA fair value income	1,521	-
FRBNY/Treasury interest and return on preferred interest	(141)	(720)
Other Noncontrolling Interest	(75)	(28)
Income tax (expense) / benefit	(256)	(331)
After-tax operating income attributable to AIG	\$ 1,276	\$ 793

RECAP OF AFTER-TAX OPERATING INCOME**Six Months Ended June 30, 2011** *(in millions)*

	2011	2010
Continuing insurance pre-tax operating income:		
Chartis	\$ 326	\$ 1,834
SunAmerica Financial Group	1,886	1,977
Sub-Total – Continuing Insurance	2,212	3,811
ILFC (reported in Financial Services segment)	203	126
Mortgage Guaranty (reported in Other)	26	299
Interest on third party debt	(847)	(959)
Other		
Maiden Lane III	77	1,109
Corporate & Eliminations	(118)	(425)
Asset Management	580	293
Capital Markets	117	(231)
Financial Services – Other	(147)	(41)
Sub-Total – Ongoing Operations	2,103	3,982
AIA and MetLife fair value income	2,426	-
FRBNY/Treasury interest and return on preferred interest	(121)	(1,433)
Other Noncontrolling Interest	(19)	(160)
Income tax (expense) / benefit	(1,083)	(959)
After-tax operating income attributable to AIG	\$ 3,306	\$ 1,430

CHARTIS

Chartis reported second quarter operating income before net realized capital gains (losses) of \$789 million, compared to operating income of \$955 million in the second quarter of 2010. Second quarter 2011 results included \$539 million of catastrophe losses, including \$348 million related to tornadoes in the Midwest, Southeastern and Northeastern regions of the United States; \$84 million for U.S. floods and other storms; and \$54 million related to the New Zealand earthquake in June, compared to \$300 million in catastrophe losses in the second quarter of 2010. Chartis' 2011 six-month operating income was adversely affected by the extraordinary level of catastrophe losses in 2011, including the \$1.3 billion Tohoku earthquake and tsunami.

The second quarter 2011 combined ratio was 104.0 compared to 102.0 in the second quarter of 2010. The current accident year combined ratio, excluding catastrophes, was 97.7, compared to 96.9 in the prior year period. The second quarter 2011 results reflect no significant prior year loss reserve development and no changes in the loss estimate related to the earthquake that occurred in Japan in March.

Second quarter 2011 net premiums increased 2.4 percent and were essentially flat compared to last year, excluding Fuji and the impact of foreign exchange. When those items are included, worldwide net premiums increased 17.6 percent compared to the same period last year. U.S. pricing generally improved during the quarter, primarily driven by commercial property and workers' compensation, while pricing on other lines was generally stable. Chartis' retention continued to show positive trends.

Chartis has made significant progress reorganizing its businesses to a more truly global commercial and consumer business. Chartis currently anticipates that it will complete its organization and operating design and related segment reporting changes in the third quarter of 2011.

SUNAMERICA FINANCIAL GROUP

SunAmerica reported operating income of \$743 million in the second quarter of 2011 compared to \$858 million in the second quarter of 2010. Second quarter 2011 results were affected by reduced net investment income, driven by a \$176 million lower fair market valuation of SunAmerica's holding of ML II compared with income of \$120 million in the second quarter of 2010. Excluding ML II, net investment income increased due to higher partnership income and the redeployment of \$8.4 billion of cash and short-term investments to higher yielding fixed income securities, including certain ML II securities.

Assets under management of \$254.9 billion at the end of the second quarter increased 9 percent compared to \$233.8 billion in the second quarter of 2010. Unrealized appreciation of investment securities totaled \$4.6 billion compared to \$4.1 billion at March 31, 2011.

Premiums, deposits, and other considerations totaled \$6.1 billion, a 23.7 percent increase compared to \$5.0 billion last year, as both fixed annuities and variable annuity deposits showed significant improvements. Fixed annuity deposits increased 58 percent over the prior year as certain bank distributors negotiated a lower commission in exchange for a higher crediting rate which made SunAmerica offerings more attractive to policyholders. Variable annuity deposits were \$832 million in the quarter, a 68 percent increase over the second quarter of 2010 due to competitive product enhancements, reinstatements during the last year at a number of key broker-dealers, increased wholesaler productivity, and improvements in the equity markets. Group retirement products and retail mutual fund deposits also increased 6 percent and 29 percent, respectively. Retail life insurance sales grew 16 percent over the second quarter of last year as product enhancements and efforts to re-engage independent distribution and improve productivity of the career agency force continue to produce results.

FINANCIAL SERVICES

Financial Services reported a second quarter operating loss before net realized capital gains (losses) of \$146 million, compared with operating income of \$25 million in the second quarter of 2010.

ILFC reported second quarter operating income of \$86 million, compared to operating income of \$182 million in the second quarter of 2010. During the second quarter of 2011, ILFC recorded rental revenues of \$1.1 billion and depreciation expense of \$459 million compared to rental revenues of \$1.2 billion and depreciation expense of \$480 million in the second quarter of 2010, due to a reduction in the size of ILFC's aircraft fleet under operating leases as a result of the sales of aircraft during 2010 and 2011 and the impact of lower lease rates on used aircraft. ILFC recorded a \$61 million loss on the extinguishment of debt and \$42 million of impairment charges, fair value adjustments and lease-related charges in the current quarter. At June 30, 2011, ILFC had 933 aircraft in its fleet, compared to 946 at June 30, 2010.

Capital Markets, whose active wind-down of the remaining AIGFP derivatives portfolio was completed as of June 30, 2011, reported a second quarter operating loss of \$160 million, compared to an operating loss of \$145 million in the second quarter of 2010. The results were primarily due to unrealized market valuation losses related to the super senior credit default swap portfolio, partially offset by improvement related to the net effect of changes in credit spreads on the valuation of Capital Markets derivative assets and liabilities as well as lower operating expenses.

Active wind-down of AIGFP derivatives portfolios:

- The notional amount of the AIGFP derivatives portfolio was reduced 42 percent from \$341.3 billion, including \$59.9 billion of super senior credit default swap contracts, at December 31, 2010 to \$198.4 billion, including \$29.1 billion of super senior credit default swap contracts, at June 30, 2011. The notional amount at June 30, 2011 and December 31, 2010 excludes approximately \$8 billion and \$11.5 billion of intercompany derivatives, respectively.
- The number of outstanding trade positions has been reduced by approximately 1,700, or 44 percent, from approximately 3,900 at December 31, 2010, to approximately 2,200 at June 30, 2011. The June 30, 2011 trade count excludes approximately 4,800 trade positions that are non-derivative asset and liability positions, the management of which was transferred to AIG's Direct Investment book in 2010.

PARENT & OTHER

AIG's Parent and Other operations reported second quarter operating income of \$344 million, compared to an operating loss of \$131 million in the second quarter of 2010. Holdings of AIA ordinary shares produced income of \$1.5 billion during the quarter, as this position is recorded at fair value based on the June 30, 2011 closing price on the Hong Kong Stock Exchange. Unallocated corporate expenses totaled \$261 million in the quarter compared to \$761 million in the second quarter of 2010, which included a significant litigation reserve. AIA's results were consolidated with those of AIG in the second quarter of 2010.

Mortgage Guaranty reported operating income of \$13 million for the second quarter of 2011, compared to operating income of \$226 million in the second quarter of 2010. The results for the 2010 quarter reflect \$232 million of favorable loss reserve development. For the current quarter, newly reported delinquent loans continued to decline, although overturns of previous rescissions rose.

AIG's Direct Investment book had second quarter operating income of \$93 million before net realized capital gains (losses) compared to operating income of \$307 million in the second quarter of 2010, with the lower income primarily driven by substantially wider credit spreads this quarter.

The fair value of AIG's interest in Maiden Lane III decreased \$667 million during the second quarter, compared with an increase of \$358 million in the second quarter of 2010, due to wider credit spreads on U.S. housing-related assets in the current quarter. Estimates of future cash flows supporting the recovery of AIG's investment and share of the residual interests remained steady.

Conference Call

AIG will host a conference call tomorrow, August 5, 2011, 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 at <http://www.aig.com>. A replay will be available after the call at the same location.

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

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It should be noted that the conference call (including the conference call presentation material), this earnings release and the financial supplement may include projections and statements which may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These projections and statements are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. These projections and statements may address, among other things: the timing of the disposition of the ownership position of the United States Department of the Treasury ("the Treasury Department") in AIG; the timing and method of repayment of the preferred interests in AIA Aurora LLC held by the Treasury Department; AIG's exposures to subprime mortgages, monoline insurers and the residential and commercial real estate markets, state and municipal bond issuers, and sovereign bond issuers; AIG's strategy for risk management; AIG's ability to retain and motivate its employees; AIG's generation of deployable capital; AIG's return on equity and earnings per share long-term aspirational goals; AIG's strategy to grow net investment income, efficiently manage capital and reduce expenses; AIG's strategy for customer retention, growth, product development, market position, financial results and reserves; and the revenues and combined ratios of AIG's subsidiaries. It is possible that AIG's actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections and statements. Factors that could cause AIG's actual results to differ, possibly materially, from those in the specific projections and statements include: actions by credit rating agencies; changes in market conditions; the occurrence of catastrophic events; significant legal proceedings; concentrations in AIG's investment portfolios, including its municipal bond portfolio; judgments concerning casualty insurance underwriting and reserves; judgments concerning the recognition of deferred tax assets; judgments concerning the recoverability of ILFC's fleet of aircraft; and such other factors as discussed throughout Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of AIG's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, in Part II, Item 1A. Risk Factors of AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, throughout Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part I, Item 1A. Risk Factors in AIG's Annual Report on Form 10-K for the year ended December 31, 2010. AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projection or other statement, 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. (AIG) is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

Comment on Regulation G

This press release, including the financial highlights, includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP measures in accordance with Regulation G are included within the relevant tables or in the second quarter 2011 Financial Supplement available in the Investor Information section of AIG's website, www.aig.com.

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

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

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

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

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

In light of the company's significant divestiture and restructuring-related activities, AIG revised its definition of after-tax operating income (loss) (formerly adjusted net income) in the fourth quarter of 2010. AIG revised the definition in order to present and discuss its financial

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

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

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American International Group, Inc.
Financial Highlights*
(in millions, except share data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	2010	% Inc. (Dec.)	2011	2010	% Inc. (Dec.)
Chartis Insurance Operations:						
Net Premiums Written	\$ 9,167	\$ 7,792	17.6 %	\$ 18,333	\$ 15,436	18.8 %
Net Premiums Earned	9,033	7,733	16.8	17,684	15,374	15.0
Claims and claims adjustment expenses incurred	6,680	5,575	19.8	14,436	11,034	30.8
Underwriting expenses	2,706	2,316	16.8	5,243	4,690	11.8
Underwriting profit (loss)	(353)	(158)	(123.4)	(1,995)	(350)	(470.0)
Net Investment Income	1,142	1,113	2.6	2,321	2,184	6.3
Operating Income	789	955	(17.4)	326	1,834	(82.2)
Net Realized Capital Gains (a)	39	58	(32.8)	86	195	(55.9)
Bargain Purchase Gain (b)	-	-	-	-	332	-
Pre-tax Income	828	1,013	(18.3)	412	2,361	(82.5)
Loss Ratio	74.0	72.1		81.6	71.8	
Expense Ratio	30.0	29.9		29.6	30.5	
Combined Ratio	104.0	102.0		111.2	102.3	
SunAmerica Financial Group Operations:						
Premiums	662	658	0.6	1,283	1,325	(3.2)
Policy fees	682	657	3.8	1,366	1,305	4.7
Deposits and other considerations not included in revenues under GAAP	4,800	3,653	31.4	9,721	7,075	37.4
Premiums, deposits and other considerations	6,144	4,968	23.7	12,370	9,705	27.5
Net Investment Income	2,461	2,628	(6.4)	5,215	5,335	(2.2)
Operating Income	743	858	(13.4)	1,886	1,977	(4.6)
Amortization (expense) benefit of DAC, VOBA, and SIA related to net realized capital gains (losses)	(59)	196	-	(42)	200	-
Net Realized Capital Gains (Losses) (a)	91	(966)	-	(129)	(1,762)	92.7
Pre-tax Income	775	88	780.7	1,715	415	313.3
Financial Services Operations:						
Operating Income (Loss)	(146)	25	-	173	(146)	-
Net Realized Capital Gains (Losses) (a)	3	(1)	-	9	(32)	-
Pre-tax Income (Loss)	(143)	24	-	182	(178)	-
Other Operations, before Net Realized Capital Gains (Losses)	344	(131)	-	(1,423)	(93)	(1,430.1)
Other Operations, Net Realized Capital Gains (Losses) (a)	(27)	395	-	(465)	560	-
Consolidation and Elimination Adjustments (a)	29	112	(74.1)	5	77	(93.5)
Income from Continuing Operations before Income Tax Expense (Benefit)	1,806	1,501	20.3	426	3,142	(86.4)
Income Tax Expense (Benefit)	(288)	1,005	-	(488)	558	-
Income from Continuing Operations	2,094	496	-	914	2,584	(64.6)
Income (Loss) from Discontinued Operations, net of income tax expense	(37)	(2,611)	98.6	1,616	(2,268)	-
Net Income (Loss)	2,057	(2,115)	-	2,530	316	700.6
Less:						
Net Income from Continuing Operations Attributable to Noncontrolling Interests:						
Noncontrolling Nonvoting, Callable, Junior and Senior Preferred Interests	141	508	(72.2)	393	1,027	(61.7)
Other	64	20	220.0	9	139	(93.5)
Total Net Income from Continuing Operations Attributable to Noncontrolling Interests	205	528	(61.2)	402	1,166	(65.5)
Net Income from Discontinued Operations Attributable to Noncontrolling interests	12	13	(7.7)	19	23	(17.4)
Total net income attributable to noncontrolling interests	217	541	(59.9)	421	1,189	(64.6)
Net Income (Loss) Attributable to AIG	1,840	(2,656)	-	2,109	(873)	-
Net Income (Loss) Attributable to AIG Common Shareholders	\$ 1,840	\$ (2,656)	- %	\$ 1,297	\$ (176)	- %

Financial Highlights -continued

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	2010	% Inc. (Dec.)	2011	2010	% Inc. (Dec.)
Net Income (Loss) Attributable to AIG	\$ 1,840	\$ (2,656)	- %	\$ 2,109	\$ (873)	- %
Income (Loss) from Discontinued Operations Attributable to AIG, net of tax	(49)	(2,624)	98.1	1,597	(2,291)	-
Net Gain (Loss) on Sale of Divested Businesses, net of tax	(1)	93	-	(48)	17	-
Net Income from Divested Businesses, net of tax	10	467	(97.9)	16	951	(98.3)
Deferred Income Tax Valuation allowance (charge) / release	570	(576)	-	7	245	(97.1)
Amortization of FRBNY prepaid commitment fee asset, net of tax	-	(353)	-	(2,358)	(768)	(207.0)
Net Realized Capital Gains (Losses)	44	(487)	-	(343)	(716)	52.1
SunAmerica DAC offset related to Net Realized Capital Gains(Losses)	(38)	127	-	(27)	130	-
Non-qualifying Derivative Hedging Gains (Losses) , net of tax	28	(96)	-	(41)	(203)	79.8
Bargain Purchase Gain	-	-	-	-	332	-
After-Tax Operating Income Attributable to AIG	<u>\$ 1,276</u>	<u>\$ 793</u>	60.9	<u>\$ 3,306</u>	<u>\$ 1,430</u>	131.2
Income (Loss) Per Common Share - Diluted:						
Net Income (Loss) Attributable to AIG Common Shareholders	<u>\$ 1.00</u>	<u>\$ (19.57)</u>	-	<u>\$ 0.76</u>	<u>\$ (1.30)</u>	-
After-Tax Operating Income Attributable to AIG Common Shareholders	<u>\$ 0.69</u>	<u>\$ 1.18</u>	(41.5)%	<u>\$ 1.95</u>	<u>\$ 2.13</u>	(8.5)
Book Value Per Common Share on AIG Shareholders' Equity (c)				\$ 48.83	\$ 558.56	(91.3)
Pro forma Book Value Per Common Share on AIG Shareholders' Equity (d)				\$ 49.18	\$ 45.25	8.7 %
Return on equity	8.3%	-		4.8%	-	
Return on equity - After-tax operating income (e)	6.3%	4.7%		8.3%	4.3%	

Financial Highlights - Notes

* Including reconciliation in accordance with Regulation G.

- (a) Includes gains (losses) from hedging activities that did not qualify for hedge accounting treatment, including the related foreign exchange gains and losses.
- (b) Represents a bargain purchase gain related to the purchase of additional voting shares of Fuji.
- (c) Represents total AIG shareholders' equity divided by common shares issued and outstanding.
- (d) In 2010, Pro-forma book value per common share computation gives effect to the Recapitalization.
- (e) Computed using adjusted shareholders' equity, which excludes Accumulated other comprehensive income.

PART I – FINANCIAL INFORMATION**Item 1. Financial Statements (unaudited)****Consolidated Balance Sheet**

<i>(in millions, except for share data)</i>	June 30, 2011	December 31, 2010
Assets:		
Investments:		
Fixed maturity securities:		
Bonds available for sale, at fair value (amortized cost: 2011 – \$239,090; 2010 – \$220,669)	\$ 249,360	\$ 228,302
Bond trading securities, at fair value	26,968	26,182
Equity securities:		
Common and preferred stock available for sale, at fair value (cost: 2011 – \$1,758; 2010 – \$2,571)	4,128	4,581
Common and preferred stock trading, at fair value	164	6,652
Mortgage and other loans receivable, net of allowance (portion measured at fair value: 2011 – \$115; 2010 – \$143)	19,253	20,237
Flight equipment primarily under operating leases, net of accumulated depreciation	37,688	38,510
Other invested assets (portion measured at fair value: 2011 – \$22,923; 2010 – \$21,356)	43,763	42,210
Short-term investments (portion measured at fair value: 2011 – \$11,369; 2010 – \$23,860)	30,489	43,738
Total investments	411,813	410,412
Cash	2,590	1,558
Accrued investment income	3,043	2,960
Premiums and other receivables, net of allowance	16,629	15,713
Reinsurance assets, net of allowance	31,675	25,810
Deferred policy acquisition costs	14,554	14,668
Derivative assets, at fair value	4,639	5,917
Other assets, including restricted cash of \$3,752 in 2011 and \$30,232 in 2010 (portion measured at fair value: 2011 – \$0; 2010 – \$14)	14,158	44,520
Separate account assets, at fair value	56,104	54,432
Assets held for sale	61,593	107,453
Total assets	\$ 616,798	\$ 683,443
Liabilities:		
Liability for unpaid claims and claims adjustment expense	\$ 94,932	\$ 91,151
Unearned premiums	26,196	23,803
Future policy benefits for life and accident and health insurance contracts	31,689	31,268
Policyholder contract deposits (portion measured at fair value: 2011 – \$406; 2010 – \$445)	123,504	121,373
Other policyholder funds	6,641	6,758
Current and deferred income taxes	1,337	2,369
Derivative liabilities, at fair value	5,347	5,735
Other liabilities (portion measured at fair value: 2011 – \$1,705; 2010 – \$2,619)	29,232	29,108
Federal Reserve Bank of New York credit facility (see Note 1)	-	20,985
Other long-term debt (portion measured at fair value: 2011 – \$11,250; 2010 – \$12,143)	79,461	85,476
Separate account liabilities	56,104	54,432
Liabilities held for sale	57,150	97,312
Total liabilities	511,593	569,770
Commitments, contingencies and guarantees (see Note 11)		
Redeemable noncontrolling interests (see Note 1):		
Nonvoting, callable, junior preferred interests held by Department of the Treasury	11,465	-
Other	111	434
Total redeemable noncontrolling interests	11,576	434
AIG shareholders' equity (see Note 1):		
Preferred stock		
Series E; \$5.00 par value; shares issued: 2011 – 0; 2010 – 400,000, at aggregate liquidation value	-	41,605
Series F; \$5.00 par value; shares issued: 2011 – 0; 2010 – 300,000, aggregate liquidation value: \$7,543	-	7,378
Series C; \$5.00 par value; shares issued: 2011 – 0; 2010 – 100,000, aggregate liquidation value: \$0.5	-	23,000
Common stock, \$2.50 par value; 5,000,000,000 shares authorized; shares issued: 2011 – 1,904,632,947; 2010 – 147,124,067	4,761	368
Treasury stock, at cost; 2011 – 6,672,586; 2010 – 6,660,908 shares of common stock	(872)	(873)
Additional paid-in capital	81,056	9,683
Accumulated deficit	(1,357)	(3,466)
Accumulated other comprehensive income	9,093	7,624
Total AIG shareholders' equity	92,681	85,319
Non-redeemable noncontrolling interests (see Note 1):		
Nonvoting, callable, junior and senior preferred interests held by Federal Reserve Bank of New York	-	26,358
Other (including \$195 and \$204 associated with businesses held for sale in 2011 and 2010, respectively)	948	1,562
Total non-redeemable noncontrolling interests	948	27,920
Total equity	93,629	113,239
Total liabilities and equity	\$ 616,798	\$ 683,443

See Accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Operations

(dollars in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Premiums	\$ 9,898	\$ 11,073	\$ 19,380	\$ 21,987
Policy fees	682	657	1,366	1,305
Net investment income	4,464	5,041	10,033	10,241
Net realized capital gains (losses):				
Total other-than-temporary impairments on available for sale securities	(181)	(738)	(399)	(938)
Portion of other-than-temporary impairments on available for sale fixed maturity securities recognized in Accumulated other comprehensive income	56	209	59	(250)
Net other-than-temporary impairments on available for sale securities recognized in net income (loss)	(125)	(529)	(340)	(1,188)
Other realized capital gains (losses)	191	42	(245)	367
Total net realized capital gains (losses)	66	(487)	(585)	(821)
Aircraft leasing revenue	1,134	1,180	2,290	2,423
Other income	432	850	1,628	1,734
Total revenues	16,676	18,314	34,112	36,869
Benefits, claims and expenses:				
Policyholder benefits and claims incurred	8,086	8,743	17,045	17,336
Interest credited to policyholder account balances	1,110	1,127	2,215	2,236
Amortization of deferred acquisition costs	1,786	1,967	3,502	3,989
Other acquisition and insurance expenses	1,653	1,704	3,204	3,314
Interest expense	968	1,734	2,029	3,485
Aircraft leasing expenses	627	636	1,297	1,640
Loss on extinguishment of debt (see Note 1)	79	-	3,392	-
Net (gain) loss on sale of properties and divested businesses	2	(198)	74	(122)
Other expenses	559	1,100	928	1,849
Total benefits, claims and expenses	14,870	16,813	33,686	33,727
Income from continuing operations before income tax expense (benefit)	1,806	1,501	426	3,142
Income tax expense (benefit)	(288)	1,005	(488)	558
Income from continuing operations	2,094	496	914	2,584
Income (loss) from discontinued operations, net of income tax expense (benefit) (see Note 4)	(37)	(2,611)	1,616	(2,268)
Net income (loss)	2,057	(2,115)	2,530	316
Less:				
Net income from continuing operations attributable to noncontrolling interests:				
Nonvoting, callable, junior and senior preferred interests	141	508	393	1,027
Other	64	20	9	139
Total net income from continuing operations attributable to noncontrolling interests	205	528	402	1,166
Net income from discontinued operations attributable to noncontrolling interests	12	13	19	23
Total net income attributable to noncontrolling interests	217	541	421	1,189
Net income (loss) attributable to AIG	\$ 1,840	\$ (2,656)	\$ 2,109	\$ (873)
Net income (loss) attributable to AIG common shareholders	\$ 1,840	\$ (2,656)	\$ 1,297	\$ (176)
Income (loss) per common share attributable to AIG common shareholders:				
Basic:				
Income (loss) from continuing operations	\$ 1.03	\$ (0.25)	\$ (0.18)	\$ 2.11
Income (loss) from discontinued operations	\$ (0.03)	\$ (19.32)	\$ 0.94	\$ (3.41)
Diluted:				
Income (loss) from continuing operations	\$ 1.03	\$ (0.25)	\$ (0.18)	\$ 2.11
Income (loss) from discontinued operations	\$ (0.03)	\$ (19.32)	\$ 0.94	\$ (3.41)
Weighted average shares outstanding:				
Basic	1,836,713,069	135,813,034	1,698,001,301	135,745,903
Diluted	1,836,771,513	135,813,034	1,698,001,301	135,807,313

See Accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

	Three Months Ended June 30,		Six Months Ended June 30,	
<i>(in millions)</i>	2011	2010	2011	2010
Net income (loss)	\$ 2,057	\$ (2,115)	\$ 2,530	\$ 316
Other comprehensive income:				
Change in unrealized appreciation (depreciation) of fixed maturity investments on which other-than-temporary credit impairments were taken	(107)	29	289	802
Change in unrealized appreciation of all other investments	1,846	3,168	1,115	4,325
Change in foreign currency translation adjustments	358	(497)	(290)	(1,026)
Change in net derivative gains arising from cash flow hedging activities	58	39	71	61
Change in retirement plan liabilities adjustment	14	41	149	94
Other comprehensive income	2,169	2,780	1,334	4,256
Comprehensive income	4,226	665	3,864	4,572
Comprehensive income attributable to noncontrolling nonvoting, callable, junior and senior preferred interests	141	508	393	1,027
Comprehensive income (loss) attributable to other noncontrolling interests	(7)	37	(19)	6
Total comprehensive income attributable to noncontrolling interests	134	545	374	1,033
Comprehensive income attributable to AIG	\$ 4,092	\$ 120	\$ 3,490	\$ 3,539

See Accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Six Months Ended June 30, <i>(in millions)</i>	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ 2,530	\$ 316
(Income) loss from discontinued operations	(1,616)	2,268
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Noncash revenues, expenses, gains and losses included in income (loss):		
Net gains on sales of securities available for sale and other assets	(613)	(868)
Net losses on sales of divested businesses	74	106
Loss on extinguishment of debt	3,392	-
Unrealized (gains) losses in earnings – net	(2,191)	499
Equity in income from equity method investments, net of dividends or distributions	(997)	(516)
Depreciation and other amortization	4,481	5,095
Provision for mortgage and other loans receivable	20	276
Impairments of assets	889	2,481
Amortization of costs and accrued interest and fees related to FRBNY Credit Facility	48	1,518
Changes in operating assets and liabilities:		
General and life insurance reserves	5,604	2,952
Premiums and other receivables and payables – net	49	(1,395)
Reinsurance assets and funds held under reinsurance treaties	(5,559)	(2,006)
Capitalization of deferred policy acquisition costs	(3,554)	(4,312)
Other policyholder funds	(140)	252
Current and deferred income taxes – net	(1,034)	(363)
Trading securities	157	321
Payment of FRBNY Credit Facility accrued compounded interest and fees	(6,363)	-
Other, net	(1,316)	(727)
Total adjustments	(7,053)	3,313
Net cash provided by (used in) operating activities – continuing operations	(6,139)	5,897
Net cash provided by operating activities – discontinued operations	2,675	3,874
Net cash provided by (used in) operating activities	(3,464)	9,771
Cash flows from investing activities:		
Proceeds from (payments for)		
Sales of available for sale investments	23,668	17,594
Maturities of fixed maturity securities available for sale and hybrid investments	9,846	6,080
Sales of trading securities	7,621	4,117
Sales or distributions of other invested assets (including flight equipment)	4,961	4,273
Sales of divested businesses, net	587	1,673
Principal payments received on and sales of mortgage and other loans receivable	1,706	2,756
Purchases of available for sale investments	(48,485)	(33,065)
Purchases of trading securities	(688)	(1,688)
Purchases of other invested assets (including flight equipment)	(3,260)	(4,366)
Mortgage and other loans receivable issued and purchased	(1,026)	(1,659)
Net change in restricted cash	26,480	(538)
Net change in short-term investments	12,967	928
Net change in derivative assets and liabilities other than Capital Markets	317	(332)
Other, net	33	(126)
Net cash provided by (used in) investing activities – continuing operations	34,727	(4,353)
Net cash provided by (used in) investing activities – discontinued operations	3,021	(1,714)
Net cash provided by (used in) investing activities	37,748	(6,067)
Cash flows from financing activities:		
Proceeds from (payments for)		
Policyholder contract deposits	9,530	9,775
Policyholder contract withdrawals	(7,769)	(7,479)
Net change in short-term debt	(237)	(5,855)
Federal Reserve Bank of New York credit facility borrowings	-	12,700
Federal Reserve Bank of New York credit facility repayments	(14,622)	(10,123)
Issuance of other long-term debt	3,021	4,882
Repayments of other long-term debt	(9,968)	(6,685)
Proceeds from drawdown on the Department of the Treasury Commitment	20,292	2,199
Repayment of Department of the Treasury SPV Preferred Interests	(9,146)	-
Repayment of Federal Reserve Bank of New York SPV Preferred Interests	(26,432)	-
Issuance of Common Stock	4,332	-
Acquisition of noncontrolling interest	(647)	-
Other, net	(136)	(1,078)
Net cash used in financing activities – continuing operations	(31,782)	(1,664)
Net cash used in financing activities – discontinued operations	(1,932)	(2,863)
Net cash used in financing activities	(33,714)	(4,527)
Effect of exchange rate changes on cash	29	(92)
Net increase (decrease) in cash	599	(915)
Cash at beginning of period	1,558	4,400
Change in cash of businesses held for sale	433	(645)
Cash at end of period	\$ 2,590	\$ 2,840

See Accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Equity

Six Months Ended June 30, 2011										
(in millions)	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total AIG Share- holders' Equity	Non- redeemable non- controlling Interests	Total Equity	
Balance, beginning of year	\$ 71,983	\$ 368	\$ (873)	\$ 9,683	\$ (3,466)	\$ 7,624	\$ 85,319	\$ 27,920	\$ 113,239	
Series F drawdown	20,292	-	-	-	-	-	20,292	-	20,292	
Repurchase of SPV preferred interests in connection with Recapitalization*	-	-	-	-	-	-	-	(26,432)	(26,432)	
Exchange of consideration for preferred stock in connection with Recapitalization*	(92,275)	4,138	-	67,460	-	-	(20,677)	-	(20,677)	
Common stock issued	-	250	-	2,636	-	-	2,886	-	2,886	
Settlement of equity unit stock purchase contracts	-	6	-	1,440	-	-	1,446	-	1,446	
Net income attributable to AIG or other noncontrolling interests	-	-	-	-	2,109	-	2,109	22	2,131	
Net loss attributable to noncontrolling nonvoting, callable, junior and senior preferred interests	-	-	-	-	-	-	-	74	74	
Other comprehensive income (loss)	-	-	-	-	-	1,381	1,381	(47)	1,334	
Acquisition of noncontrolling interest	-	-	-	(157)	-	88	(69)	(468)	(537)	
Net decrease due to deconsolidation	-	-	-	-	-	-	-	(6)	(6)	
Contributions from noncontrolling interests	-	-	-	-	-	-	-	42	42	
Distributions to noncontrolling interests	-	-	-	-	-	-	-	(116)	(116)	
Other	-	(1)	1	(6)	-	-	(6)	(41)	(47)	
Balance, end of period	\$ -	\$ 4,761	\$ (872)	\$ 81,056	\$ (1,357)	\$ 9,093	\$ 92,681	\$ 948	\$ 93,629	

* See Notes 1 and 12 to Consolidated Financial Statements.

See Accompanying Notes to Consolidated Financial Statements.