

The Variable Annuity Life Insurance Company

A tradition of financial stability

SAVING : INVESTING : PLANNING

When choosing a retirement plan provider, you would probably seek a company with a stable history and the ability to meet its financial obligations.

VALIC fixed annuity guarantees are backed by the claims-paying ability of The Variable Annuity Life Insurance Company. Our financial numbers as of March 31, 2012, include:

- > Over \$68 billion in assets, including more than \$4.5 billion of adjusted surplus
- > 7.16% capital ratio, which is the ratio of total capital and surplus (including asset reserves) to adjusted total liabilities

These figures are important because they represent our ability to guarantee the fixed annuity principal for the nearly 2 million investors who save for retirement with us.

A conservative investment philosophy

We manage our general account investment portfolio conservatively, emphasizing return of principal (security) as well as the return on principal (yield). General account assets are invested to maximize return, keeping safety, liquidity and diversification at the forefront.

As of March 31, 2012, 94% of invested assets were in fixed-income investments. Adjusted surplus is more than \$4.5 billion, which is in excess of 11% of total general account assets.

The quality of the bond portfolio is very high, with 85% of bond investments in investment-grade issues as of March 31, 2012.

The Variable Annuity Life Insurance Company

The Variable Annuity Life Insurance Company Statutory Balance Sheet \$000s

	As of 03/31/12	As of 12/31/11
Assets		
Bonds	\$33,145,270	\$32,881,545
Common and preferred stock	\$112,469	\$89,541
Mortgage loans	\$3,966,261	\$3,877,993
Real estate	\$100,771	\$76,431
Policy loans	\$883,281	\$901,446
Cash and short-term investments	\$67,104	\$207,036
Other invested assets	\$2,219,309	\$2,124,263
Receivable for securities sold	\$27,012	\$6,436
Total Cash & Invested Assets	\$40,521,475	\$40,164,691
Accrued investment income	\$499,205	\$486,197
Receivable from affiliates	\$34,206	\$27,850
Other admitted assets	\$68,701	\$68,867
Total General Account Assets	\$41,123,586	\$40,747,605
Assets held in separate account	\$26,987,215	\$24,478,797
Total Assets	\$68,110,801	\$65,226,402
Liabilities		
Insurance liabilities	\$36,304,864	\$35,879,931
Borrowed money	\$10,512	\$10
Payable for securities purchases	\$0	\$0
Remittances not allocated	(\$68,958)	(\$91,098)
Interest maintenance reserve	-	-
Asset valuation reserve	\$543,794	\$445,855
Other liabilities	\$323,731	\$274,093
Total General Account Liabilities	\$37,113,942	\$36,508,791
Liabilities related to separate account	\$26,987,215	\$24,478,797
Total Liabilities	\$64,101,157	\$60,987,588
Capital and Surplus:	-	-
Capital Stocks	\$3,575	\$3,575
Surplus	\$4,006,069	\$4,235,239
Total Capital & Surplus	\$4,009,644	\$4,238,814
Total Liabilities and Capital and Surplus	\$68,110,801	\$65,226,402
Adjusted Surplus		
Adjusted surplus is the total capital and surplus plus asset reserves and certain other adjustments mandated by state insurance departments	\$4,553,438	\$4,684,669

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