



American International Group, Inc.

Financial Supplement

Fourth Quarter 2006

This report should be read in conjunction with AIG's Annual Report on Form 10-K for the year ended December 31, 2006 filed with the Securities and Exchange Commission.

American International Group, Inc.

Financial Supplement

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American International Group, Inc.

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

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Revenues:								
Premiums and other considerations	\$ 18,682	\$ 17,750	5.3 %	\$ 18,856	(0.9) %	\$ 74,083	\$ 70,209	5.5 %
Net investment income	7,290	5,952	22.5	6,263	16.4	25,292	22,165	14.1
Realized capital gains (losses) (1)	238	252	(5.6)	(87)	NM	106	341	(68.9)
Other income (1)	3,783	3,438	10.0	4,167	(9.2)	13,713	16,190	(15.3)
Total revenues (1)	<u>29,993</u>	<u>27,392</u>	9.5	<u>29,199</u>	2.7	<u>113,194</u>	<u>108,905</u>	3.9
Benefits and expenses:								
Incurred policy losses and benefits	15,981	17,901	(10.7)	14,810	7.9	59,706	63,558	(6.1)
Insurance acquisition and other operating expenses	8,660	9,175	(5.6)	8,088	7.1	31,801	30,134	5.5
Total benefits and expenses	<u>24,641</u>	<u>27,076</u>	(9.0)	<u>22,898</u>	7.6	<u>91,507</u>	<u>93,692</u>	(2.3)
Income before income taxes, minority interest and cumulative effect of an accounting change	<u>5,352</u>	<u>316</u>	NM	<u>6,301</u>	(15.1)	<u>21,687</u>	<u>15,213</u>	42.6
Income taxes (benefit)	<u>1,471</u>	<u>(279)</u>	NM	<u>1,943</u>	NM	<u>6,537</u>	<u>4,258</u>	NM
Income before minority interest and cumulative effect of an accounting change	<u>3,881</u>	<u>595</u>	NM	<u>4,358</u>	(10.9)	<u>15,150</u>	<u>10,955</u>	38.3
Minority interest	<u>(442)</u>	<u>(151)</u>	NM	<u>(134)</u>	NM	<u>(1,136)</u>	<u>(478)</u>	NM
Income before cumulative effect of an accounting change	<u>3,439</u>	<u>444</u>	NM	<u>4,224</u>	(18.6)	<u>14,014</u>	<u>10,477</u>	33.8
Cumulative effect of an accounting change, net of tax (2)	<u>-</u>	<u>-</u>	NM	<u>-</u>	NM	<u>34</u>	<u>-</u>	NM
Net income	<u>3,439</u>	<u>444</u>	NM	<u>4,224</u>	(18.6)	<u>14,048</u>	<u>10,477</u>	34.1
Earnings per common share:								
Basic								
Income before cumulative effect of an accounting change	1.32	0.17	NM	1.62	(18.3)	5.38	4.03	33.6
Cumulative effect of an accounting change, net of tax (2)	-	-	NM	-	NM	0.01	-	NM
Net income	1.32	0.17	NM	1.62	(18.5)	5.39	4.03	33.7
Diluted								
Income before cumulative effect of an accounting change	1.31	0.17	NM	1.61	(18.6)	5.35	3.99	34.1
Cumulative effect of an accounting change, net of tax (2)	-	-	NM	-	NM	0.01	-	NM
Net income	1.31	0.17	NM	1.61	(18.6)	5.36	3.99	34.3
Dividends declared per common share	\$ 0.165	\$ 0.155	6.5 %	\$ 0.165	0.0 %	\$ 0.645	\$ 0.630	2.4 %
Average shares outstanding:								
Basic	2,610	2,597		2,607		2,608	2,597	
Diluted	2,622	2,626		2,626		2,623	2,627	

Note: (1) Includes the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133 "Accounting for Derivative Instruments and Hedging Activities", including the related foreign exchange gains and losses. For the three months ended December 31, 2006 and 2005 and September 30, 2006 and the twelve months ended December 31, 2006 and 2005, respectively; **realized capital gains (losses)** includes a gain of \$88 million and losses of \$77 million and \$360 million, a gain of \$211 million and a loss of \$330 million, respectively; **other income** includes losses of \$822 million and \$106 million, a gain of \$525 million, a loss of \$2,076 million and a gain of \$2,354 million, respectively; and **total revenues** includes losses of \$734 million and \$183 million, a gain of \$165 million, a loss of \$1,865 million and a gain of \$2,024 million, respectively.

(2) Represents the cumulative effect of an accounting change, net of tax, related to FAS 123R "Share-Based Payment".

American International Group, Inc. Consolidated Statement of Segment Operations

(in millions, except per share data)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
General insurance								
Net premiums written (1)	\$ 10,753	\$ 10,126	6.2 %	\$ 11,224	(4.2) %	\$ 44,866	\$ 41,872	7.2 %
Net premiums earned (1)	11,086	10,303	7.6	11,217	(1.2)	43,451	40,809	6.5
Losses and loss expenses incurred (1) (2)	7,294	9,729	(25.0)	7,017	3.9	28,052	33,091	(15.2)
Underwriting expenses (1)	2,881	2,704	6.5	2,973	(3.1)	10,742	9,768	10.0
Underwriting profit (loss) (3)	911	(2,130)	NM	1,227	(25.8)	4,657	(2,050)	NM
Net investment income	1,594	969	64.5	1,370	16.4	5,696	4,031	41.3
Income (loss) before realized capital gains (losses)	2,505	(1,161)	NM	2,597	(3.5)	10,353	1,981	NM
Realized capital gains (losses) (4)	88	86	2.3	28	214.3	59	334	(82.3)
Operating income (loss)	2,593	(1,075)	NM	2,625	(1.2)	10,412	2,315	349.8
Life insurance & retirement services								
GAAP premiums	7,600	7,447	2.1	7,639	(0.5)	30,636	29,400	4.2
Deposits and other considerations not included in revenues under GAAP	8,919	8,014	11.3	8,477	5.2	35,953	37,048	(3.0)
Premiums, deposits and other considerations	16,519	15,461	6.8	16,116	2.5	66,589	66,448	0.2
Net investment income	5,539	4,983	11.2	4,893	13.2	19,439	18,134	7.2
Income before realized capital gains (losses)	2,403	2,257	6.5	2,624	(8.4)	9,944	9,062	9.7
Realized capital gains (losses) (4)	205	(140)	NM	(176)	NM	88	(158)	NM
Operating income (1)	2,608	2,117	23.2	2,448	6.5	10,032	8,904	12.7
Financial services								
Operating income excluding FAS 133 (1)	638	519	22.9	574	11.1	2,346	2,262	3.7
FAS 133 (4)	(764)	274	NM	783	NM	(1,822)	2,014	NM
Operating income (loss) (1)	(126)	793	NM	1,357	NM	524	4,276	(87.7)
Asset management								
Operating income excluding FIN46(R), EITF 04-5 and FAS 133 (1)	545	626	(12.9)	297	83.5	1,748	1,992	(12.2)
FIN46(R) and EITF 04-5	188	72	NM	44	NM	598	261	NM
FAS 133 (4)	-	(127)	NM	-	NM	-	-	NM
Operating income (1)	733	571	28.4	341	115.0	2,346	2,253	4.1
Other income (deductions) - net (1) (5)	(401)	(2,396)	NM	(531)	NM	(1,586)	(2,700)	NM
Other realized capital gains (losses) (4) (6)	(55)	306	NM	61	NM	(41)	165	NM
Income before income taxes, minority interest and cumulative effect of an accounting change								
	<u>5,352</u>	<u>316</u>	NM	<u>6,301</u>	(15.1)	<u>21,687</u>	<u>15,213</u>	42.6
Income taxes (benefit)	<u>1,471</u>	<u>(279)</u>	NM	<u>1,943</u>	NM	<u>6,537</u>	<u>4,258</u>	NM
Income before minority interest and cumulative effect of an accounting change								
	3,881	595	NM	4,358	(10.9)	15,150	10,955	38.3
Minority interest, after tax:								
Income before realized capital gains (losses)	(439)	(152)	NM	(137)	NM	(1,117)	(465)	NM
Realized capital gains (losses)	(3)	1	NM	3	NM	(19)	(13)	NM
Income before cumulative effect of an accounting change								
	3,439	444	NM	4,224	(18.6)	14,014	10,477	33.8
Cumulative effect of an accounting change, net of tax (7)	-	-	NM	-	NM	34	-	NM
Net income								
	<u>3,439</u>	<u>444</u>	NM	<u>4,224</u>	(18.6)	<u>14,048</u>	<u>10,477</u>	34.1
Realized capital gains (losses), net of tax (8)	121	182	(33.5)	(62)	NM	33	201	(83.6)
FAS 133 gains (losses), excluding realized capital gains (losses), net of tax	(534)	(114)	NM	267	NM	(1,424)	1,530	NM
Cumulative effect of an accounting change, net of tax (7)	-	-	NM	-	NM	34	-	NM
Adjusted net income (9)								
	<u>3,852</u>	<u>376</u>	NM	<u>4,019</u>	(4.2)	<u>15,405</u>	<u>8,746</u>	76.1
Effect of settlement charge, net of tax (10)	-	1,147	NM	-	NM	-	1,147	NM
Effect of general insurance reserve charge, net of tax (2)	-	1,186	NM	-	NM	-	1,186	NM
Effect of current period catastrophe-related losses, net of tax	-	540	NM	-	NM	-	2,109	NM
Per share - diluted:								
Net income	1.31	0.17	NM	1.61	(18.6)	5.36	3.99	34.3
Adjusted net income (9)	1.47	0.14	NM	1.53	(3.9)	5.88	3.33	76.6
Effect of settlement charge, net of tax (10)	-	0.44	NM	-	NM	-	0.44	NM
Effect of general insurance reserve charge, net of tax (2)	-	0.45	NM	-	NM	-	0.45	NM
Effect of current period catastrophe-related losses, net of tax	\$ -	\$ 0.20	NM	\$ -	NM	\$ -	\$ 0.80	NM
Average shares outstanding - diluted								
	2,622	2,626		2,626		2,623	2,627	
Effective tax rates (11):								
Income before income taxes, minority interest and cumulative effect of an accounting change	27.5%	-		30.8%		30.1%	28.0%	
Net income	29.2%	-		31.0%		31.1%	28.3%	
Adjusted net income (9)	29.3%	-		29.2%		31.1%	26.8%	
Return on equity (12)								
	14.9%	1.7%		18.8%		15.3%	12.3%	

(See Accompanying Notes on Page 3)

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

- (1) Includes current period catastrophe-related losses in 2005 as follows:

(in millions)	Three Months Ended December 31, 2005		Twelve Months Ended December 31, 2005		Catastrophe Related Losses
	Insurance Related Losses	Net Reinstatement Premiums	Insurance Related Losses	Net Reinstatement Premiums	
General Insurance:					
Domestic Brokerage	\$497	\$ -	\$1,747	\$122	\$ -
Personal Lines	45	-	112	2	-
Mortgage Guaranty	-	-	10	-	-
Transatlantic	108	5	463	45	-
Foreign General	120	-	293	94	-
Total General Insurance	770	5	2,625	263	-
Life Insurance & Retirement Services	-	-	12	-	-
Financial Services	-	-	-	-	62
Asset Management	-	-	-	-	6
Other income (deductions) - net	66	-	312	-	-
Consolidated	\$836	\$5	\$2,949	\$263	\$68

There were no significant catastrophe-related losses in 2006.

- (2) Includes an after tax charge of \$1,186 million related to an increase of \$1,824 million to net reserve for losses and loss expenses for both the three months and the twelve months ended December 31, 2005.
- (3) Underwriting profit (loss) is statutory underwriting profit (loss) adjusted for changes in the deferral of policy acquisition costs that are necessary to present the financial statements in accordance with GAAP.
- (4) Includes the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133 "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), including the related foreign exchange gains and losses.
- (5) Includes losses of \$58 million, \$321 million and \$258 million in the three months ended December 31, 2006, December 31, 2005 and September 30, 2006, respectively; and a loss of \$254 million and a gain of \$340 million in the twelve months ended December 31, 2006 and 2005, respectively, attributable to the elimination of revenues reported in the Financial Services segment from intercompany hedging activities.
- (6) Includes gains of \$58 million, \$321 million and \$258 million in the three months ended December 31, 2006, December 31, 2005 and September 30, 2006, respectively; and a gain of \$254 million and a loss of \$340 million in the twelve months ended December 31, 2006 and 2005, respectively, attributable to the elimination of realized capital gains (losses) reported in General Insurance, Life Insurance & Retirement Services and AIG's Other category from intercompany hedging activities.
- (7) Represents the cumulative effect of an accounting change, net of tax, related to FAS 123R "Share-Based Payment".
- (8) Includes a gain of \$57 million and losses of \$50 million and \$234 million, net of tax, in the three months ended December 31, 2006, December 31, 2005 and September 30, 2006, respectively; and a gain of \$137 million and a loss of \$215 million, net of tax, in the twelve months ended December 31, 2006 and 2005, respectively, attributable to FAS 133.
- (9) Adjusted net income excludes realized capital gains (losses), cumulative effect of an accounting change and FAS 133, net of tax.
- (10) Reflects an after tax charge related to a settlement with the Securities and Exchange Commission, the United States Department of Justice, the Office of the New York Attorney General and the New York State Department of Insurance in both the three months and the twelve months ended December 31, 2005.
- (11) The calculation of the effective tax rates is as follows:

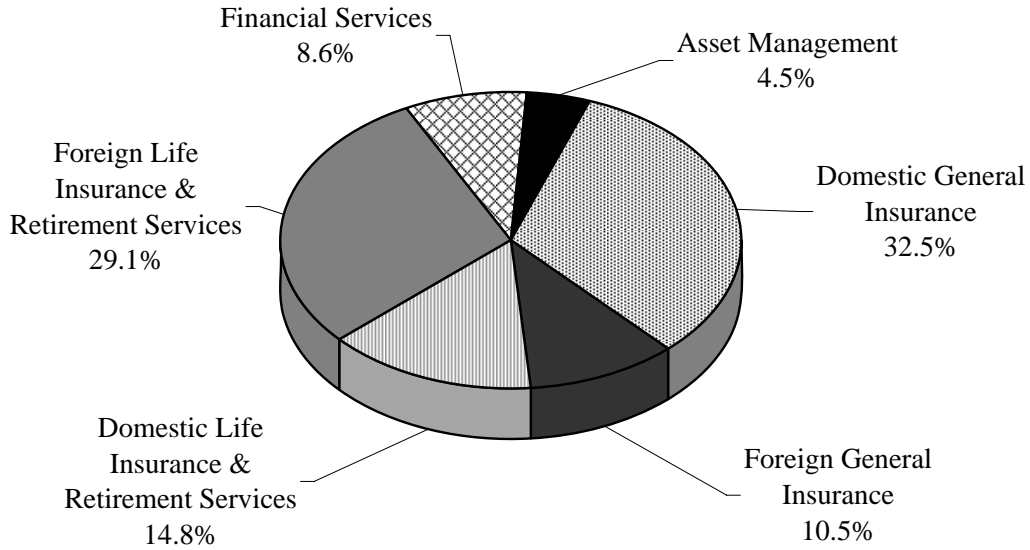
(dollars in millions)	Three Months Ended Dec. 31, 2006				Twelve Months Ended Dec. 31, 2006			
	Pretax Income	Income Tax	Net Income	Effective Tax Rate	Pretax Income	Income Tax	Net Income	Effective Tax Rate
Income before income taxes, minority interest and cumulative effect of an accounting change	\$5,352	\$1,471	\$3,881	27.5%	\$21,687	\$6,537	\$15,150	30.1%
Minority interest	(493)	(51)	(442)		(1,340)	(204)	(1,136)	
Cumulative effect of an accounting change	-	-	-		52	18	34	
Net income	4,859	1,420	3,439	29.2%	20,399	6,351	14,048	31.1%
Realized capital gains (Losses)	234	113	121		77	44	33	
FAS 133 gains (losses)	(822)	(288)	(534)		(2,076)	(652)	(1,424)	
Cumulative effect of an accounting change	-	-	-		52	18	34	
Adjusted net income	\$5,447	\$1,595	\$3,852	29.3%	\$22,346	\$6,941	\$15,405	31.1%

- (12) Return on equity is annualized net income, expressed as a percentage of average shareholders' equity. Return on equity, as adjusted is annualized adjusted net income expressed as a percentage of average shareholders' equity adjusted to exclude the effect of FAS 133 of \$1,121 million.

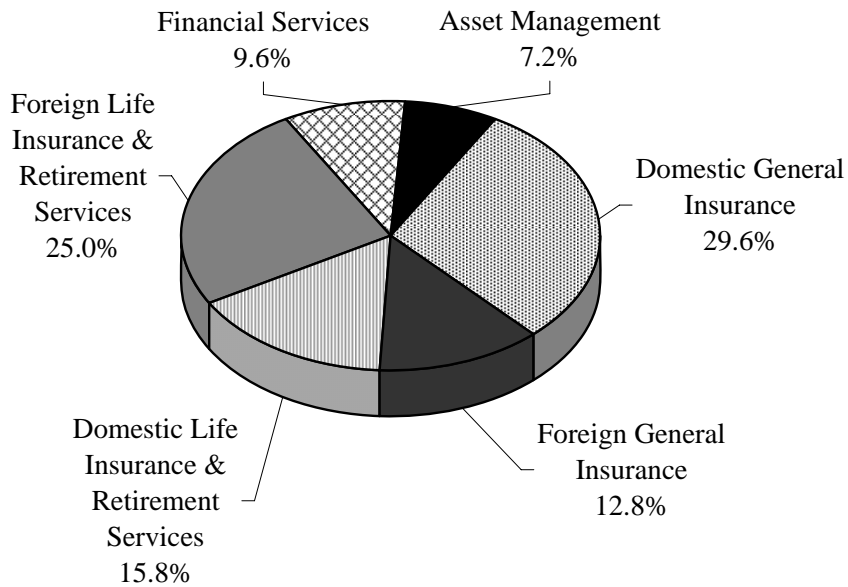
	Three Months Ended Dec. 31, 2006	Twelve Months Ended Dec. 31, 2006
Return on equity, GAAP basis	14.9%	15.3%
Percent related to FAS 133 and realized capital gains (losses)	2.0%	1.6%
Return on equity, as adjusted	16.9%	16.9%

American International Group, Inc.
Revenues and Income Graphs
 Twelve Months Ended December 31, 2006

Revenues



**Income Before Income Taxes, Minority Interest and
 Cumulative Effect of an Accounting Change**



Note: Realized capital gains (losses), other income (deductions), FIN46(R), EITF 04-5 and FAS 133 are excluded.

American International Group, Inc.

Consolidated Revenues and Operating Income Geographic Split

Twelve Months Ended December 31, 2006

(dollars in millions)

	Total	United States and Canada	Other Countries	Percent of Total	
				United States and Canada	Other Countries
General insurance:					
Net premiums earned	\$ 43,451	\$ 29,920	\$ 13,531	69 %	31 %
Underwriting profit	4,657	2,901	1,756	62	38
Net investment income	5,696	3,972	1,724	70	30
Operating income before realized capital gains (losses)	10,353	6,873	3,480	66	34
Realized capital gains (losses)	59	41	18	69	31
Operating income	10,412	6,914	3,498	66	34
Life insurance & retirement services:					
GAAP premiums	30,636	6,697	23,939	22	78
Net investment income	19,439	10,401	9,038	54	46
Operating income before realized capital gains (losses)	9,944	3,982	5,962	40	60
Realized capital gains (losses)	88	(656)	744	-	-
Operating income	10,032	3,326	6,706	33	67
Financial services:					
Revenues	8,010	3,348	4,662	42	58
Operating income excluding FAS 133	2,346	1,518	828	65	35
FAS 133	(1,822)	(1,822)	-	-	-
Operating income (loss)	524	(304)	828	-	-
Asset management:					
Revenues	5,814	4,341	1,473	75	25
Operating income excluding FIN46(R) and EITF 04-5	1,748	1,400	348	80	20
FIN46(R) and EITF 04-5	598	417	181	70	30
Operating income	2,346	1,817	529	77	23
Other income (deductions) - net	(1,586)	(1,771)	185	-	-
Other realized capital gains (losses)	(41)	(120)	79	-	-
Consolidated revenues (1)	113,194	57,986	55,208	51	49
Consolidated operating income	21,687	9,862	11,825	45	55
Realized capital gains (losses), FAS 133, FIN46(R) and EITF 04-5	1,213	2,235	(1,022)	-	-
Operating income excluding realized capital gains (losses), FAS 133, FIN46(R) and EITF 04-5	\$ 22,900	\$ 12,097	\$ 10,803	53 %	47 %

Note: (1) Does not agree to the sum of the group totals due to consolidation and elimination adjustments.

American International Group, Inc. Summary of FAS 133 Effect (1)

(in millions)

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2006	Dec. 31, 2005	Sept 30, 2006	Dec. 31, 2006	Dec. 31, 2005
FAS 133 effect on operating income before realized capital gains (losses):					
Financial Services (2) (3)	\$ (764)	\$ 274	\$ 783	\$ (1,822)	\$ 2,014
Asset Management (2)	-	(127)	-	-	-
Other (4)	(58)	(321)	(258)	(254)	340
Total pretax effect	<u>\$ (822)</u>	<u>\$ (174)</u>	<u>\$ 525</u>	<u>\$ (2,076)</u>	<u>\$ 2,354</u>
Total after tax effect	<u>\$ (534)</u>	<u>\$ (114)</u>	<u>\$ 267</u>	<u>\$ (1,424)</u>	<u>\$ 1,530</u>
FAS 133 effect on realized capital gains (losses):					
General Insurance	\$ 4	\$ 5	\$ 22	\$ 2	\$ (51)
Life Insurance & Retirement Services	147	(301)	(304)	268	(546)
Other (2) (5)	(63)	219	(78)	(59)	267
Total pretax effect	<u>\$ 88</u>	<u>\$ (77)</u>	<u>\$ (360)</u>	<u>\$ 211</u>	<u>\$ (330)</u>
Total after tax effect	<u>\$ 57</u>	<u>\$ (50)</u>	<u>\$ (234)</u>	<u>\$ 137</u>	<u>\$ (215)</u>
FAS 133 effect on total income:					
Total pretax effect	<u>\$ (734)</u>	<u>\$ (251)</u>	<u>\$ 165</u>	<u>\$ (1,865)</u>	<u>\$ 2,024</u>
Total after tax effect	<u>\$ (477)</u>	<u>\$ (164)</u>	<u>\$ 33</u>	<u>\$ (1,287)</u>	<u>\$ 1,315</u>

- Note:** (1) This schedule summarizes the effect of derivative gains and losses on operating income that are effective economic hedges of assets and liabilities that did not qualify for hedge accounting treatment under FAS 133. Since hedge accounting has not been applied to the periods presented, an offsetting gain or loss on the hedged exposure has not been recognized in operating income. The mismatch in the earnings recognition on the derivatives and the hedged exposures has resulted in increased volatility in the operating results that does not reflect properly the effectiveness of these hedging activities.
- (2) During 2006 and the fourth quarter of 2005, all gains and losses on derivatives in Financial Services (excluding Capital Markets) and Asset Management were reported as part of realized capital gains (losses) in AIG's Other category. During the first three quarters of 2005, certain of these balances were reported in operating income before realized capital gains (losses) in Financial Services and Asset Management. An adjustment to reclassify these balances of \$59 million for Financial Services and \$(127) million for Asset Management is included in operating income before realized capital gains (losses) for the three months ended December 31, 2005. In all periods, the total derivative gains and losses were excluded in the determination of adjusted net income.
- (3) A large part of the net losses of \$764 million and \$1,822 million for the three months and the twelve months ended December 31, 2006, respectively, was due to the weakening of the U.S. dollar, primarily against the British Pound and Euro, which decreased the fair value of the foreign currency derivatives hedging available for sale securities. A large part of the net gains of \$274 million and \$2,014 million for the three months and the twelve months ended December 31, 2005, respectively, was due to the strengthening of the U.S. dollar, primarily against the British Pound and Euro, which increased the fair value of the foreign currency derivatives hedging available for sale securities. To a lesser extent, the net gain for the twelve months ended December 31, 2005, was due to a decrease in long-term U.S. interest rates, which increased the fair value of derivatives hedging Capital Market's assets and liabilities.
- (4) Represents the elimination of revenues reported in the Financial Services segment from intercompany hedging activities.
- (5) Includes gains of \$58 million, \$321 million and \$258 million for the three months ended December 31, 2006, December 31, 2005 and September 30, 2006, respectively; and a gain of \$254 million and a loss of \$340 million for the twelve months ended December 31, 2006 and 2005, respectively, attributable to the elimination of realized capital gains (losses) reported in General Insurance, Life Insurance & Retirement Services and Other category from intercompany hedging activities.

American International Group, Inc.

Consolidated Balance Sheet

(in millions)

	December 31, 2006	December 31, 2005
Assets:		
Investments and financial services assets:		
Fixed maturities	\$ 417,865	\$ 385,680
Equity securities	30,222	23,588
Mortgage loans on real estate, policy, collateral and guaranteed loans - net of allowance	28,418	24,909
Financial services assets:		
Flight equipment primarily under operating leases, net of accumulated depreciation	39,875	36,245
Securities available for sale, at fair value	47,205	37,511
Trading securities, at fair value	5,031	6,499
Spot commodities	220	92
Unrealized gain on swaps, options and forward transactions	19,252	18,695
Trading assets	2,468	1,204
Securities purchased under agreements to resell, at contract value	33,702	14,547
Finance receivables, net of allowance	29,573	29,995
Securities lending collateral, at fair value (approximates cost)	69,306	59,471
Other invested assets	42,114	31,072
Short-term investments, at cost (approximates fair value)	25,249	15,342
Total investments and financial services assets	790,500	682,850
Cash	1,590	1,897
Investment income due and accrued	6,077	5,727
Premiums and insurance balances receivable, net of allowance	17,789	15,333
Reinsurance assets, net of allowance	23,355	24,978
Deferred policy acquisition costs	37,235	32,154
Investments in partially owned companies	1,101	1,158
Real estate and other fixed assets, net of accumulated depreciation	4,381	3,641
Separate and variable accounts	72,655	63,797
Goodwill	8,628	8,093
Other assets	16,103	13,423
Total assets	\$ 979,414	\$ 853,051
Liabilities:		
Reserve for losses and loss expenses	\$ 79,999	\$ 77,169
Unearned premiums	26,271	24,243
Future policy benefits for life and accident and health insurance contracts	122,230	108,807
Policyholders' contract deposits	244,658	227,027
Other policyholders' funds	10,238	10,870
Commissions, expenses and taxes payable	5,305	4,769
Insurance balances payable	3,789	3,564
Funds held by companies under reinsurance treaties	2,602	4,174
Income taxes payable	9,546	6,288
Financial services liabilities:		
Borrowings under obligations of guaranteed investment agreements	20,664	20,811
Securities sold under agreements to repurchase, at contract value	22,710	11,047
Trading liabilities	3,141	2,546
Hybrid financial instrument liabilities, at fair value	8,856	-
Securities and spot commodities sold but not yet purchase, at market value	4,076	5,975
Unrealized loss on swaps, options and forward transactions	11,401	12,740
Trust deposits and deposits due to banks and other depositors	5,249	4,877
Commercial paper	8,208	6,514
Notes, bonds, loans and mortgages payable	87,602	71,313
Commercial paper	4,821	2,694
Notes, bonds, loans and mortgages payable	17,088	7,126
Liabilities connected to trust preferred stock	1,440	1,391
Separate and variable accounts	72,655	63,797
Securities lending payable	70,198	60,409
Minority interest	7,778	5,124
Other liabilities (includes hybrid financial instruments)	27,021	23,273
Total liabilities	877,546	766,548
Preferred shareholders' equity in subsidiary companies	191	186
Shareholders' equity:		
Common stock	6,878	6,878
Additional paid-in capital	2,590	2,339
Unrealized appreciation of investments, net of taxes	10,083	8,348
Cash flow hedging activities, net of taxes	(27)	(25)
Foreign currency translation adjustments, net of taxes	(297)	(1,241)
Foreign currency translation adjustments hedging, net of taxes	(8)	-
Retirement plan liabilities adjustment, net of taxes	(641)	(115)
Retained earnings	84,996	72,330
Treasury stock, at cost	(1,897)	(2,197)
Total shareholders' equity	101,677	86,317
Total liabilities, preferred shareholders' equity in subsidiary companies and shareholders' equity	\$ 979,414	\$ 853,051

American International Group, Inc.
Book Value per Share

	<u>Book Value per Share (1)</u>	<u>Book Value excluding URA per Share (2)</u>	<u>Shareholders' Equity (1) (in millions)</u>	<u>Shareholders' Equity excluding URA (2) (in millions)</u>
December 31, 2000	\$ 17.25	\$ 17.28	\$ 45,239	\$ 45,320
December 31, 2001	19.07	18.27	49,881	47,790
December 31, 2002	22.34	19.99	58,303	52,154
March 31, 2003	23.56	20.61	61,462	53,750
June 30, 2003	25.98	21.44	67,774	55,933
September 30, 2003	25.54	22.17	66,612	57,807
December 31, 2003	26.54	23.06	69,230	60,159
March 31, 2004	28.73	24.05	74,921	62,739
June 30, 2004	27.08	25.07	70,544	65,304
September 30, 2004	29.34	26.01	76,427	67,747
December 31, 2004	30.69	26.71	79,673	69,347
March 31, 2005	31.45	27.96	81,608	72,561
June 30, 2005	34.15	29.48	88,613	76,509
September 30, 2005	34.03	29.95	88,333	77,729
December 31, 2005	33.24	30.03	86,317	77,969
March 31, 2006	34.03	31.39	88,390	81,541
June 30, 2006	33.76	32.66	87,709	84,851
September 30, 2006	36.99	34.11	96,154	88,658
December 31, 2006	\$ 39.09 (3)	\$ 35.21	\$ 101,677	\$ 91,594

Note: (1) Book values and shareholders' equity prior to December 31, 2005 have been restated.

(2) Unrealized appreciation of investments (URA), net of taxes.

(3) Calculated as follows:

Total shareholders' equity

Total common shares issued - treasury shares

\$101,677,053,838

2,751,327,476 - 150,131,273 = \$39.09

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

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Gross premiums written	\$ 13,172	\$ 11,743	12.2 %	\$ 14,066	(6.4) %	\$ 56,280	\$ 52,725	6.7 %
Ceded premiums written	2,419	1,617	49.6	2,842	(14.9)	11,414	10,853	5.2
Net premiums written (1) (2) (3) (4)	10,753	10,126	6.2	11,224	(4.2)	44,866	41,872	7.2
Net premiums earned (1) (3) (4)	11,086	10,303	7.6	11,217	(1.2)	43,451	40,809	6.5
Paid losses	6,397	6,038	5.9	5,807	10.2	23,694	22,241	6.5
Change in net loss reserves	1,117	3,417	(67.3)	1,189	(6.1)	5,044	10,222	(50.7)
Acquisition	-	-	NM	55	NM	55	-	NM
Less foreign exchange effect	220	(274)	NM	34	NM	741	(628)	NM
Losses and loss expenses incurred (1) (3) (4) (5)	7,294	9,729	(25.0)	7,017	3.9	28,052	33,091	(15.2)
Statutory underwriting expenses (1) (4) (7)	2,786	2,730	2.1	2,978	(6.4)	10,991	9,883	11.2
Statutory underwriting profit (loss)	1,006	(2,156)	NM	1,222	(17.7)	4,408	(2,165)	NM
Change in deferred acquisition costs	(95)	26	NM	5	NM	249	115	116.5
Underwriting profit (loss)	911	(2,130)	NM	1,227	(25.8)	4,657	(2,050)	NM
Net investment income (4) (8)								
Interest and dividends	1,137	924	23.1	1,002	13.5	4,115	3,388	21.5
Partnership income	460	88	NM	258	78.3	1,105	784	40.9
Other investment income (10)	169	113	49.6	301	(43.9)	1,138	349	226.1
Investment expense	(172)	(156)	10.3	(191)	(9.9)	(662)	(490)	35.1
Total	1,594	969	64.5	1,370	16.4	5,696	4,031	41.3
Operating income (loss) before realized capital gains (losses)	2,505	(1,161)	NM	2,597	(3.5)	10,353	1,981	NM
Realized capital gains (losses) (8)	88	86	2.3	28	214.3	59	334	(82.3)
Operating income (loss)	\$ 2,593	\$ (1,075)	NM %	\$ 2,625	(1.2)	\$ 10,412	\$ 2,315	349.8
Net loss and loss expense reserve				\$ 61,513	1.8 %	\$ 62,630	\$ 57,476	9.0 %
Underwriting ratios:								
As reported								
Loss ratio	65.79	94.43		62.56		64.56	81.09	
Expense ratio	25.90	26.96		26.54		24.50	23.60	
Combined ratio	91.69	121.39		89.10		89.06	104.69	
Excluding current period catastrophe-related losses								
Loss ratio	65.79	86.91		62.56		64.56	74.19	
Expense ratio	25.90	26.95		26.54		24.50	23.44	
Combined ratio	91.69	113.86		89.10		89.06	97.63	
Excluding current period catastrophe-related losses and reserve charge								
Loss ratio	65.79	69.21		62.56		64.56	69.75	
Expense ratio	25.90	26.95		26.54		24.50	23.44	
Combined ratio	91.69	96.16		89.10		89.06	93.19	
Foreign exchange effect on worldwide growth:								
Net premiums written								
Growth in original currency (9)	5.3 %					7.4 %		
Foreign exchange effect	0.9					(0.2)		
Growth as reported in U.S. \$	6.2 %					7.2 %		

(See Accompanying Notes on Page 21)

American International Group, Inc.
General Insurance Operating Statistics
Excluding Current Period Catastrophe-Related Losses
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Gross premiums written	\$ 13,172	\$ 11,743	12.2 %	\$ 14,066	(6.4) %	\$ 56,280	\$ 52,725	6.7 %
Ceded premiums written	2,419	1,612	50.1	2,842	(14.9)	11,414	10,590	7.8
Net premiums written (2) (3) (4)	10,753	10,131	6.1	11,224	(4.2)	44,866	42,135	6.5
Net premiums earned (3) (4)	11,086	10,308	7.5	11,217	(1.2)	43,451	41,072	5.8
Losses and loss expenses incurred (3) (4) (5)	7,294	8,959	(18.6)	7,017	3.9	28,052	30,473	(7.9)
Statutory underwriting expenses (4) (7)	2,786	2,730	2.1	2,978	(6.4)	10,991	9,876	11.3
Statutory underwriting profit (loss)	1,006	(1,381)	NM	1,222	(17.7)	4,408	723	NM
Change in deferred acquisition costs	(95)	26	NM	5	NM	249	115	116.5
Underwriting profit (loss)	911	(1,355)	NM	1,227	(25.8)	4,657	838	NM
Net investment income (4) (8)								
Interest and dividends	1,137	924	23.1	1,002	13.5	4,115	3,388	21.5
Partnership income	460	88	NM	258	78.3	1,105	784	40.9
Other investment income (10)	169	113	49.6	301	(43.9)	1,138	349	226.1
Investment expense	(172)	(156)	10.3	(191)	(9.9)	(662)	(490)	35.1
Total	1,594	969	64.5	1,370	16.4	5,696	4,031	41.3
Operating income (loss) before realized capital gains (losses)	2,505	(386)	NM	2,597	(3.5)	10,353	4,869	112.6
Realized capital gains (losses) (8)	88	86	2.3	28	214.3	59	334	(82.3)
Operating income (loss)	\$ 2,593	\$ (300)	NM %	2,625	(1.2)	10,412	5,203	100.1
Net loss and loss expense reserve				\$ 61,513	1.8 %	\$ 62,630	\$ 54,858	14.2 %
Underwriting ratios:								
Excluding current period catastrophe-related losses								
Loss ratio	65.79	86.91		62.56		64.56	74.19	
Expense ratio	25.90	26.95		26.54		24.50	23.44	
Combined ratio	91.69	113.86		89.10		89.06	97.63	
Excluding current period catastrophe-related losses and reserve charge								
Loss ratio	65.79	69.21		62.56		64.56	69.75	
Expense ratio	25.90	26.95		26.54		24.50	23.44	
Combined ratio	91.69	96.16		89.10		89.06	93.19	
Foreign exchange effect on worldwide growth:								
Net premiums written								
Growth in original currency (9)	5.2 %					6.7 %		
Foreign exchange effect	0.9					(0.2)		
Growth as reported in U.S. \$	6.1 %					6.5 %		

(See Accompanying Notes on Page 21)

American International Group, Inc.
General Insurance Operating Statistics
Excluding Current Period Catastrophe-Related Losses and Reserve Charge
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Gross premiums written	\$ 13,172	\$ 11,743	12.2 %	\$ 14,066	(6.4) %	\$ 56,280	\$ 52,725	6.7 %
Ceded premiums written	2,419	1,612	50.1	2,842	(14.9)	11,414	10,590	7.8
Net premiums written (2) (3) (4)	10,753	10,131	6.1	11,224	(4.2)	44,866	42,135	6.5
Net premiums earned (3) (4)	11,086	10,308	7.5	11,217	(1.2)	43,451	41,072	5.8
Losses and loss expenses incurred (3) (4)	7,294	7,135	2.2	7,017	3.9	28,052	28,649	(2.1)
Statutory underwriting expenses (4) (7)	2,786	2,730	2.1	2,978	(6.4)	10,991	9,876	11.3
Statutory underwriting profit	1,006	443	127.1	1,222	(17.7)	4,408	2,547	73.1
Change in deferred acquisition costs	(95)	26	NM	5	NM	249	115	116.5
Underwriting profit	911	469	94.2	1,227	(25.8)	4,657	2,662	74.9
Net investment income (4) (8)								
Interest and dividends	1,137	924	23.1	1,002	13.5	4,115	3,388	21.5
Partnership income	460	88	NM	258	78.3	1,105	784	40.9
Other investment income (10)	169	113	49.6	301	(43.9)	1,138	349	226.1
Investment expense	(172)	(156)	10.3	(191)	(9.9)	(662)	(490)	35.1
Total	1,594	969	64.5	1,370	16.4	5,696	4,031	41.3
Operating income before realized capital gains (losses)	2,505	1,438	74.2	2,597	(3.5)	10,353	6,693	54.7
Realized capital gains (losses) (8)	88	86	2.3	28	214.3	59	334	(82.3)
Operating income	<u>\$ 2,593</u>	<u>\$ 1,524</u>	70.1 %	<u>\$ 2,625</u>	(1.2)	<u>\$ 10,412</u>	<u>\$ 7,027</u>	48.2
Net loss and loss expense reserve				\$ 61,513	1.8 %	\$ 62,630	\$ 53,034	18.1 %
Underwriting ratios:								
Excluding current period catastrophe-related losses and reserve charge								
Loss ratio	65.79	69.21		62.56		64.56	69.75	
Expense ratio	25.90	26.95		26.54		24.50	23.44	
Combined ratio	91.69	96.16		89.10		89.06	93.19	
Foreign exchange effect on worldwide growth:								
Net premiums written								
Growth in original currency (9)	5.2 %					6.7 %		
Foreign exchange effect	0.9					(0.2)		
Growth as reported in U.S. \$	6.1 %					6.5 %		

(See Accompanying Notes on Page 21)

American International Group, Inc.
General Insurance
Reconciliation of Net Loss Reserves
(in millions)

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2006	Dec. 31, 2005	Sept. 30, 2006	Dec. 31, 2006	Dec. 31, 2005
Net reserve for losses and loss expenses at beginning of period	\$ 61,513	\$ 54,059	\$ 60,214	\$ 57,476	\$ 47,254
Foreign exchange effect	220	(274)	34	741	(628)
Acquisition (1)	-	-	55	55	-
Losses and loss expenses incurred:					
Current year:					
Excluding catastrophe losses	7,095	4,959	6,957	27,805	25,808
Catastrophe losses	<u>-</u>	<u>770</u>	<u>-</u>	<u>-</u>	<u>2,618</u>
Total current year	7,095	5,729	6,957	27,805	28,426
Prior years:					
Other than the accretion of loss reserve discount, Transatlantic's general insurance operations and prior year catastrophe development (2) (3)	87	4,117	(108)	(337)	4,214
Transatlantic general insurance operations including prior year catastrophe development (4)	92	149	24	181	269
Adverse development attributable to prior year catastrophes	23	40	43	103	197
Accretion of loss reserve discount	<u>(3)</u>	<u>(306)</u>	<u>101</u>	<u>300</u>	<u>(15)</u>
Total prior years	199	4,000	60	247	4,665
Total losses and loss expenses incurred	7,294	9,729	7,017	28,052	33,091
Losses and loss expenses paid	<u>6,397</u>	<u>6,038</u>	<u>5,807</u>	<u>23,694</u>	<u>22,241</u>
Net reserve for losses and loss expenses at end of period	<u>\$ 62,630</u>	<u>\$ 57,476</u>	<u>\$ 61,513</u>	<u>\$ 62,630</u>	<u>\$ 57,476</u>

(1) Reflects the opening balance with respect to the Central Insurance Co., Ltd. acquired in third quarter 2006.

(2) Includes the net loss reserve charge of \$1,824 million in both the three months and the twelve months ended December 31, 2005.

(3) Includes adverse development of \$198 million in both the three months and the twelve months ended December 31, 2006 related to changes in estimates for asbestos and environmental reserves.

(4) Includes \$9 million, \$4 million and \$35 million of prior year adverse catastrophe development in the three months ended December 31, 2006 and September 30, 2006 and the twelve months ended December 31, 2006, respectively.

American International Group, Inc. Domestic Catastrophe Reinsurance Strategy - 2007

❖ Domestic Property Cats

- DBG purchases Cat protection separately for its Personal Lines book which inures to the Main Cat which covers multiple lines of business
- Reinstatement premiums are equal to each layer's premium
- Recoveries are paid net of reinstatement premiums
- All cover is exhausted when two full limits for each layer are used

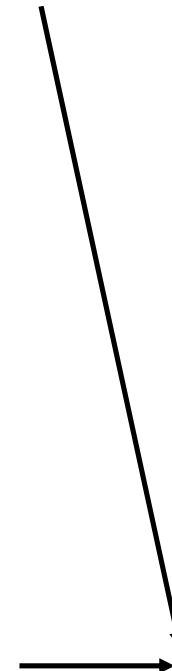
❖ Certain treaties inure to the benefit of the Domestic Cat Treaties.

Domestic Personal Lines Excess of Loss Treaty

Excess of \$500 mm Retained
3rd Layer \$100 mm 31.48% Retained
2nd Layer \$100 mm 17.03% Retained
1st Layer \$100 mm 13.93% Retained
Retained \$200 mm

Domestic Main Cat Excess of Loss Treaty

Excess of \$1.75 bn Retained
2nd Layer \$750 mm 39.49% Retained
1st Layer \$250 mm 72.65% Retained
Retained \$750 mm



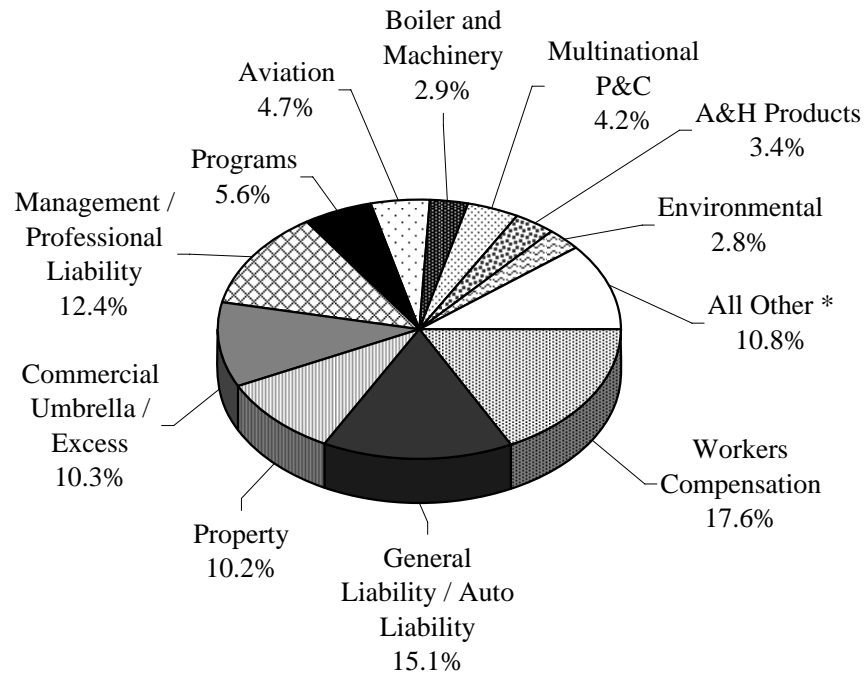
American International Group, Inc.
Domestic Brokerage Group Insurance Operating Statistics
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Net premiums written (1) (2) (11)	\$ 5,891	\$ 6,057	(2.7) %	\$ 6,074	(3.0) %	\$ 24,345	\$ 23,128	5.3 %
Net premiums earned (1) (4)	6,047	5,829	3.7	6,290	(3.9)	23,936	22,602	5.9
Losses and loss expenses incurred (1) (3) (4) (5)	4,284	6,948	(38.3)	4,208	1.8	16,622	21,328	(22.1)
Statutory underwriting expenses (4) (7)	1,217	1,353	(10.1)	1,401	(13.1)	4,864	4,501	8.1
Statutory underwriting profit (loss)	546	(2,472)	NM	681	(19.8)	2,450	(3,227)	NM
Change in deferred acquisition costs	(51)	26	NM	(30)	NM	26	(23)	NM
Underwriting profit (loss)	495	(2,446)	NM	651	(24.0)	2,476	(3,250)	NM
Net investment income (4)								
Interest and dividends	706	580	21.7	605	16.7	2,537	2,055	23.5
Partnership income	325	75	333.3	208	56.3	882	500	76.4
Other investment income (10)	72	89	(19.1)	232	(69.0)	527	276	90.9
Investment expense	(130)	(144)	(9.7)	(165)	(21.2)	(535)	(428)	25.0
Total	973	600	62.2	880	10.6	3,411	2,403	41.9
Operating income (loss) before realized capital gains (losses)	1,468	(1,846)	NM	1,531	(4.1)	5,887	(847)	NM
Realized capital gains (losses)	69	(35)	NM	26	165.4	98	201	(51.2)
Operating income (loss)	<u>\$ 1,537</u>	<u>\$ (1,881)</u>	NM %	<u>\$ 1,557</u>	(1.3) %	<u>\$ 5,985</u>	<u>\$ (646)</u>	NM %
Underwriting ratios:								
As reported								
Loss ratio	70.83	119.20		66.92		69.45	94.37	
Expense ratio	20.68	22.33		23.07		19.98	19.46	
Combined ratio	91.51	141.53		89.99		89.43	113.83	
Excluding current period catastrophe-related losses								
Loss ratio	70.83	110.67		66.92		69.45	86.18	
Expense ratio	20.68	22.33		23.07		19.98	19.36	
Combined ratio	91.51	133.00		89.99		89.43	105.54	
Excluding current period catastrophe-related losses and reserve charge								
Loss ratio	70.83	73.96		66.92		69.45	76.76	
Expense ratio	20.68	22.33		23.07		19.98	19.36	
Combined ratio	91.51	96.29		89.99		89.43	96.12	

(See Accompanying Notes on Page 21)

**American International Group, Inc.
 Domestic Brokerage Group Insurance
 Twelve Months Ended December 31, 2006**

Gross Premiums Written by Line of Business



**Gross Premiums Written
 \$31.3 billion**

* Includes \$1.5 billion or 4.9% of Personal Lines premiums written on DBG companies.

American International Group, Inc.
Personal Lines Insurance Operating Statistics
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Net premiums written: (1)								
Private Client Group	\$ 144	\$ 102	41.2 %	\$ 141	2.1 %	\$ 544	\$ 382	42.4 %
Agency Auto	253	281	(10.0)	278	(9.0)	1,177	1,124	4.7
AIG Direct	396	385	2.9	404	(2.0)	1,609	1,614	(0.3)
21st Century	321	315	1.9	336	(4.5)	1,310	1,341	(2.3)
Other	-	20	NM	3	NM	14	192	(92.7)
Subtotal	1,114	1,103	1.0	1,162	(4.1)	4,654	4,653	0.0
Net premiums earned (1)	1,161	1,175	(1.2)	1,158	0.3	4,645	4,634	0.2
Losses and loss expenses incurred (1) (3) (12)	843	964	(12.6)	797	5.8	3,306	3,566	(7.3)
Statutory underwriting expenses (1) (13)	290	294	(1.4)	278	4.3	1,135	1,106	2.6
Statutory underwriting profit (loss)	28	(83)	NM	83	(66.3)	204	(38)	NM
Change in deferred acquisition costs	(6)	(9)	NM	(6)	NM	2	19	(89.5)
Underwriting profit (loss)	22	(92)	NM	77	(71.4)	206	(19)	NM
Net investment income								
Interest and dividends	58	57	1.8	58	0.0	231	220	5.0
Partnership income	1	-	NM	-	NM	2	-	NM
Other investment income (10)	-	1	NM	-	NM	1	3	(66.7)
Investment expense	(2)	(1)	100.0	(2)	0.0	(9)	(6)	50.0
Total	57	57	0.0	56	1.8	225	217	3.7
Operating income (loss) before realized capital gains (losses)	79	(35)	NM	133	(40.6)	431	198	117.7
Realized capital gains (losses)	1	1	0.0	-	NM	1	(3)	NM
Operating income (loss)	<u>\$ 80</u>	<u>\$ (34)</u>	NM %	<u>\$ 133</u>	(39.8) %	<u>\$ 432</u>	<u>\$ 195</u>	121.5 %
Underwriting ratios:								
As reported								
Loss ratio	72.61	81.97		68.82		71.17	76.94	
Expense ratio	26.02	26.58		23.90		24.39	23.76	
Combined ratio	98.63	108.55		92.72		95.56	100.70	
Excluding current period catastrophe-related losses								
Loss ratio	72.61	78.14		68.82		71.17	74.64	
Expense ratio	26.02	26.58		23.90		24.39	23.61	
Combined ratio	98.63	104.72		92.72		95.56	98.25	

(See Accompanying Notes on Page 21)

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

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Net premiums written:								
Domestic First-Lien	\$ 129	\$ 115	12.2 %	\$ 124	4.0 %	\$ 496	\$ 415	19.5 %
Domestic Second-Lien	56	31	80.6	55	1.8	194	99	96.0
Student Loan	11	11	0.0	27	(59.3)	68	65	4.6
International	48	12	300.0	26	84.6	107	49	118.4
Other	-	-	NM	-	NM	1	-	NM
Subtotal	244	169	44.4	232	5.2	866	628	37.9
Net premiums earned	204	136	50.0	191	6.8	740	533	38.8
Losses and loss expenses incurred (1) (5)	148	43	244.2	91	62.6	349	139	151.1
Statutory underwriting expenses	59	39	51.3	52	13.5	203	145	40.0
Statutory underwriting profit (loss)	(3)	54	NM	48	NM	188	249	(24.5)
Change in deferred acquisition costs	(7)	(7)	NM	2	NM	3	(8)	NM
Underwriting profit (loss)	(10)	47	NM	50	NM	191	241	(20.7)
Net investment income								
Interest and dividends	36	32	12.5	36	0.0	141	123	14.6
Partnership income	-	-	NM	-	NM	-	-	NM
Other investment income (loss) (10)	2	-	NM	(1)	NM	1	1	0.0
Investment expense	(1)	-	NM	-	NM	(2)	(1)	100.0
Total	37	32	15.6	35	5.7	140	123	13.8
Operating income before realized capital gains (losses)	27	79	(65.8)	85	(68.2)	331	364	(9.1)
Realized capital gains (losses)	-	(1)	NM	-	NM	(3)	(1)	NM
Operating income	\$ 27	\$ 78	(65.4) %	\$ 85	(68.2) %	\$ 328	\$ 363	(9.6) %
Underwriting ratios:								
As reported								
Loss ratio	72.97	31.68		47.50		47.21	26.01	
Expense ratio	23.84	22.90		22.49		23.41	23.07	
Combined ratio	96.81	54.58		69.99		70.62	49.08	
Excluding current period catastrophe-related losses								
Loss ratio	72.97	31.68		47.50		47.21	24.10	
Expense ratio	23.84	22.90		22.49		23.41	23.07	
Combined ratio	96.81	54.58		69.99		70.62	47.17	
Excluding current period catastrophe-related losses and reserve charge								
Loss ratio	72.97	52.97		47.50		47.21	29.54	
Expense ratio	23.84	22.90		22.49		23.41	23.07	
Combined ratio	96.81	75.87		69.99		70.62	52.61	

(See Accompanying Notes on Page 21)

American International Group, Inc.
Transatlantic Holdings, Inc. Insurance Operating Statistics
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Net premiums written: (1) (3)								
Domestic	\$ 441	\$ 386	14.2 %	\$ 420	5.0 %	\$ 1,751	\$ 1,568	11.7 %
International	469	453	3.5	475	(1.3)	1,882	1,898	(0.8)
Subtotal	910	839	8.5	895	1.7	3,633	3,466	4.8
Net premiums earned (1) (3)	892	791	12.8	895	(0.3)	3,604	3,385	6.5
Losses and loss expenses incurred (1) (3)	603	645	(6.5)	608	(0.8)	2,463	2,877	(14.4)
Statutory underwriting expenses	257	232	10.8	253	1.6	1,012	942	7.4
Statutory underwriting profit (loss)	32	(86)	NM	34	(5.9)	129	(434)	NM
Change in deferred acquisition costs	7	8	(12.5)	-	NM	14	14	0.0
Underwriting profit (loss)	39	(78)	NM	34	14.7	143	(420)	NM
Net investment income								
Interest and dividends	104	84	23.8	99	5.1	393	322	22.0
Partnership income	10	2	NM	11	(9.1)	32	12	166.7
Other investment income (loss) (10)	5	3	66.7	(1)	NM	19	18	5.6
Investment expense	(1)	(2)	(50.0)	(2)	(50.0)	(9)	(9)	0.0
Total	118	87	35.6	107	10.3	435	343	26.8
Operating income (loss) before realized capital gains (losses)	157	9	NM	141	11.3	578	(77)	NM
Realized capital gains (losses)	5	14	(64.3)	2	150.0	11	38	(71.1)
Operating income (loss)	<u>\$ 162</u>	<u>\$ 23</u>	NM %	<u>\$ 143</u>	13.3 %	<u>\$ 589</u>	<u>\$ (39)</u>	NM %
Underwriting ratios:								
As reported								
Loss ratio	67.56	81.53		67.96		68.33	84.99	
Expense ratio	28.19	27.76		28.23		27.84	27.18	
Combined ratio	95.75	109.29		96.19		96.17	112.17	
Excluding current period catastrophe-related losses								
Loss ratio	67.56	67.45		67.96		68.33	70.38	
Expense ratio	28.19	27.59		28.23		27.84	26.83	
Combined ratio	95.75	95.04		96.19		96.17	97.21	

(See Accompanying Notes on Page 21)

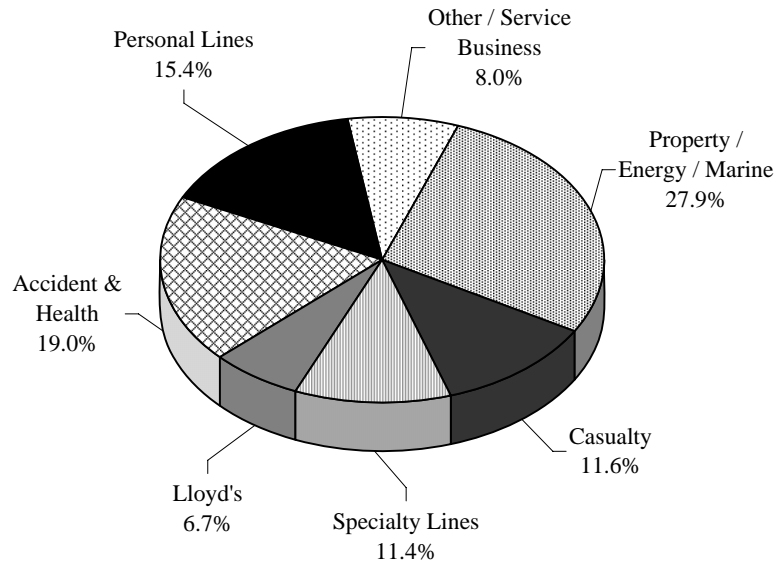
American International Group, Inc.
Foreign General Insurance Operating Statistics
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Net premiums written (1) (3) (4) (11)	\$ 2,594	\$ 1,958	32.5 %	\$ 2,861	(9.3) %	\$ 11,368	\$ 9,997	13.7 %
Net premiums earned (1) (3) (4) (14)	2,782	2,372	17.3	2,683	3.7	10,526	9,655	9.0
Losses and loss expenses incurred (1) (3) (5) (6)	1,416	1,129	25.4	1,313	7.8	5,312	5,181	2.5
Statutory underwriting expenses (4) (15)	963	812	18.6	994	(3.1)	3,777	3,189	18.4
Statutory underwriting profit	403	431	(6.5)	376	7.2	1,437	1,285	11.8
Change in deferred acquisition costs	(38)	8	NM	39	NM	204	113	80.5
Underwriting profit	365	439	(16.9)	415	(12.0)	1,641	1,398	17.4
Net investment income (4)								
Interest and dividends	233	171	36.3	204	14.2	812	668	21.6
Partnership income	124	11	NM	39	217.9	189	272	(30.5)
Other investment income (10)	90	20	350.0	70	28.6	590	50	NM
Investment expense	(38)	(9)	322.2	(22)	72.7	(107)	(46)	132.6
Total	409	193	111.9	291	40.5	1,484	944	57.2
Operating income before realized capital gains (losses)	774	632	22.5	706	9.6	3,125	2,342	33.4
Realized capital gains (losses)	25	102	(75.5)	1	NM	(37)	85	NM
Operating income	\$ 799	\$ 734	8.9 %	\$ 707	13.0 %	\$ 3,088	\$ 2,427	27.2 %
Underwriting ratios:								
As reported								
Loss ratio	50.91	47.62		48.91		50.46	53.66	
Expense ratio	37.10	41.49		34.76		33.22	31.90	
Combined ratio	88.01	89.11		83.67		83.68	85.56	
Excluding current period catastrophe-related losses								
Loss ratio	50.91	42.56		48.91		50.46	50.14	
Expense ratio	37.10	41.49		34.76		33.22	31.61	
Combined ratio	88.01	84.05		83.67		83.68	81.75	
Excluding current period catastrophe-related losses and reserve charge								
Loss ratio	50.91	54.66		48.91		50.46	53.08	
Expense ratio	37.10	41.49		34.76		33.22	31.61	
Combined ratio	88.01	96.15		83.67		83.68	84.69	
Foreign exchange effect on Foreign General growth:								
Net premiums written								
Growth in original currency (9)	29.2 %					15.0 %		
Foreign exchange effect	3.3					(1.3)		
Growth as reported in U.S. \$	32.5 %					13.7 %		

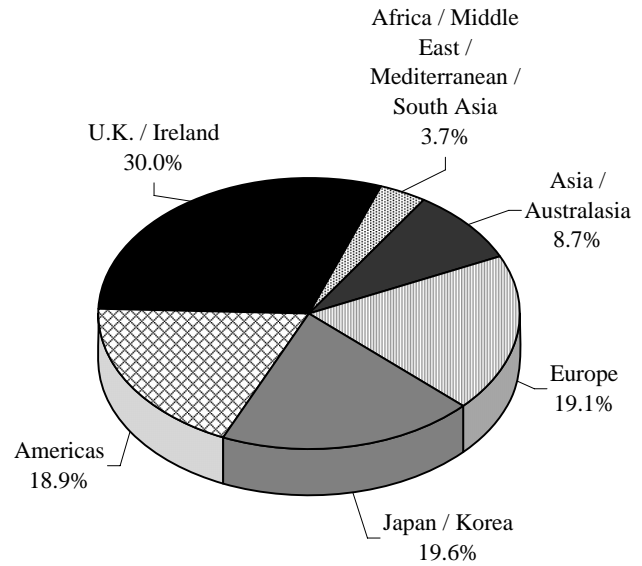
(See Accompanying Notes on Page 21)

American International Group, Inc.
Foreign General Insurance
Twelve Months Ended December 31, 2006

Gross Premiums Written by Division



Gross Premiums Written by Region



Gross Premiums Written
\$17.7 billion

American International Group, Inc.

General Insurance

Notes

- (1) Includes current period catastrophe-related losses in 2005 as follows:

(in millions)	Three Months Ended December 31, 2005		Twelve Months Ended December 31, 2005	
	Insurance Related Losses	Net Reinstatement Premiums	Insurance Related Losses	Net Reinstatement Premiums
	Domestic Brokerage	\$497	\$ -	\$1,747
Personal Lines	45	-	112	2
Mortgage Guaranty	-	-	10	-
Transatlantic	108	5	463	45
Foreign General	120	-	293	94
General Insurance	\$770	\$5	\$2,625	\$263

There were no significant catastrophe-related losses in 2006.

- (2) Net premiums written for General Insurance and Domestic Brokerage both include an increase of \$147 million in both the three months and the twelve months ended December 31, 2005, related to an accrual for workers compensation premiums for payroll not yet reported by insured employers.
- (3) Includes additional losses incurred and net reinstatement premiums related to prior year catastrophes and a January 2005 European storm as follows:

(in millions)	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2006	Dec. 31, 2005	Sept. 30, 2006	Dec. 31, 2006	Dec. 31, 2005
	Domestic Brokerage	\$19	\$40	\$23	\$15
Personal Lines	-	-	(2)	(6)	-
Transatlantic	9	-	4	35	50
Foreign General	63	-	25	155	26
General Insurance	\$91	\$40	\$50	\$199	\$277

- (4) During 2006, AIG recorded certain out of period adjustments related to reconciliation remediation activities and the accounting for certain interest in unit investment trusts and partnerships. The effect of these adjustments was as follows:

(in millions) increase (decrease)	Three Months Ended		Twelve Months Ended
	Dec. 31, 2006	Sept. 30, 2006	Dec. 31, 2006
Net premiums written :			
Foreign General	\$(20)	\$(41)	\$(61)
Net premiums earned:			
Domestic Brokerage	89	155	244
Foreign General	20	(56)	(35)
General Insurance	109	99	209
Losses and loss expense incurred			
Domestic Brokerage	103	-	103
Statutory underwriting expenses:			
Domestic Brokerage	167	225	356
Foreign General	2	-	59
General Insurance	169	225	415
Net investment income:			
Domestic Brokerage	-	191	109
Foreign General	25	22	424
General Insurance	\$25	\$213	\$533

- (5) Losses and loss expenses incurred includes a net reserve charge increase of \$1,824 million for General Insurance, consisting of an increase of \$2,140 million for Domestic Brokerage, a decrease of \$29 million for Mortgage Guaranty and a decrease of \$287 million for Foreign General, in both the three months and the twelve months ended December 31, 2005.
- (6) Losses and loss expenses incurred includes an increase of \$22 million related to a typhoon in Japan in both the three months ended September 30, 2006 and the twelve months ended December 31, 2006.
- (7) Statutory underwriting expenses includes \$291 million of Domestic Brokerage Group expenses related to changes in estimates for uncollectible reinsurance and other premium balances in both the three months and the twelve months ended December 31, 2005, and \$100 million of accrued expenses in connection with certain workers compensation insurance policies written between 1985 and 1986 in the twelve months ended December 31, 2005.
- (8) Total may not equal the sum of the individual group totals due to consolidating eliminations.
- (9) Computed using a constant exchange rate for each period.
- (10) Other investment income is comprised principally of real estate income, changes in market value associated with trading portfolios and income from securities lending.
- (11) Domestic Brokerage net premiums written includes an increase of approximately \$300 million and Foreign General net premiums written includes a decrease of approximately \$300 million, resulting from the Richmond commutation, in both the three months and the twelve months ended December 31, 2005.
- (12) Includes favorable prior period reserve development of \$18 million and \$111 million (including \$6 million of prior year catastrophe losses) in the three months and the twelve months ended December 31, 2006, respectively, and adverse prior period reserve development of \$40 million and \$14 million in the three months and the twelve months ended December 31, 2005, respectively.
- (13) Includes \$8 million of uncollectible reinsurance charges and \$3 million of costs related to 21st Century acquisition offer in both the three months and the twelve months ended December 31, 2006, and \$6 million of accelerated deferred advertising charges in the twelve months ended December 31, 2006. Includes \$20 million of legal and transition costs associated with exiting the assigned risk business in both the three months and the twelve months ended December 31, 2005.
- (14) Income statement accounts expressed in non-functional currencies are translated into U.S. dollars using average exchange rates.
- (15) Statutory underwriting expenses include the results of wholly owned Foreign General agencies and the amortization of advertising costs.

American International Group, Inc.
Life Insurance & Retirement Services Operating Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1)	\$ <u>16,519</u>	\$ <u>15,461</u>	6.8 %	\$ <u>16,116</u>	2.5 %	\$ <u>66,589</u>	\$ <u>66,448</u>	0.2 %
Revenues:								
GAAP premiums	\$ 7,600	\$ 7,447	2.1 %	\$ 7,639	(0.5) %	\$ 30,636	\$ 29,400	4.2 %
Net investment income								
Interest and dividends	4,562	4,268	6.9	4,445	2.6	17,558	16,541	6.1
Partnership income excluding synfuels	207	56	269.6	139	48.9	599	416	44.0
Partnership income - synfuels (2)	(28)	(28)	0.0	(20)	40.0	(107)	(143)	(25.2)
Other (3) (4)	111	184	(39.7)	189	(41.3)	676	479	41.1
Investment expense	(84)	(91)	(7.7)	(81)	3.7	(340)	(336)	1.2
Net investment income before policyholder trading gains (losses) (5)	4,768	4,389	8.6	4,672	2.1	18,386	16,957	8.4
Policyholder trading gains (losses) (6)	771	594	29.8	221	248.9	1,053	1,177	(10.5)
Total net investment income (5)	5,539	4,983	11.2	4,893	13.2	19,439	18,134	7.2
Total revenues excluding realized capital gains (losses)	13,139	12,430	5.7	12,532	4.8	50,075	47,534	5.3
Benefits and expenses:								
Death and other benefits	4,168	3,586	16.2	3,723	12.0	15,249	13,960	9.2
Increase in future policy benefits	4,370	4,586	(4.7)	4,070	7.4	16,256	16,507	(1.5)
Acquisition and insurance expenses	2,198	2,001	9.8	2,115	3.9	8,626	8,005	7.8
Total benefits and expenses (7)	10,736	10,173	5.5	9,908	8.4	40,131	38,472	4.3
Operating income excluding realized capital gains (losses) (3) (4) (7) (8) (9)	2,403	2,257	6.5	2,624	(8.4)	9,944	9,062	9.7
Realized capital gains (losses) (10)	205	(140)	NM	(176)	NM	88	(158)	NM
Operating income (3) (4) (7) (8) (9)	\$ <u>2,608</u>	\$ <u>2,117</u>	23.2 %	\$ <u>2,448</u>	6.5 %	\$ <u>10,032</u>	\$ <u>8,904</u>	12.7 %
Foreign exchange impact on worldwide growth:								
GAAP premiums								
Growth in original currency (11)	1.2 %					5.7 %		
Foreign exchange effect	0.9					(1.5)		
Growth as reported in U.S. \$	2.1					4.2		
Premiums, deposits and other considerations (1)								
Growth in original currency (11)	5.9					1.2		
Foreign exchange effect	0.9					(1.0)		
Growth as reported in U.S. \$	6.8 %					0.2 %		
Life insurance in-force				\$ 2,014,594	2.8 %	\$ 2,070,600	\$ 1,852,833	11.8 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Domestic Life Insurance & Retirement Services Operating Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1)	\$ <u>5,842</u>	\$ <u>5,555</u>	5.2 %	\$ <u>5,463</u>	6.9 %	\$ <u>23,213</u>	\$ <u>23,736</u>	(2.2) %
Revenues:								
GAAP premiums	\$ 1,564	\$ 1,613	(3.0) %	\$ 1,686	(7.2) %	\$ 6,600	\$ 6,384	3.4 %
Net investment income:								
Interest and dividends	2,526	2,535	(0.4)	2,475	2.1	9,919	9,798	1.2
Partnership income excluding synfuels	189	48	293.8	103	83.5	505	359	40.7
Partnership income - synfuels (2)	(28)	(28)	0.0	(20)	NM	(107)	(143)	NM
Other	19	56	(66.1)	25	(24.0)	54	56	(3.6)
Investment expense	(24)	(23)	4.3	(28)	(14.3)	(105)	(111)	(5.4)
Total net investment income (5)	2,682	2,588	3.6	2,555	5.0	10,266	9,959	3.1
Total revenues excluding realized capital gains (losses)	4,246	4,201	1.1	4,241	0.1	16,866	16,343	3.2
Benefits and expenses:								
Death and other benefits	1,131	967	17.0	986	14.7	4,162	3,861	7.8
Increase in future policy benefits	1,459	1,276	14.3	1,457	0.1	5,730	5,464	4.9
Acquisition and insurance expenses	851	903	(5.8)	787	8.1	3,115	3,117	(0.1)
Total benefits and expenses (7)	3,441	3,146	9.4	3,230	6.5	13,007	12,442	4.5
Operating income before realized capital gains (losses) (7) (8)	805	1,055	(23.7)	1,011	(20.4)	3,859	3,901	(1.1)
Realized capital gains (losses) (10)	(15)	(149)	NM	(147)	NM	(619)	(242)	NM
Operating income (7) (8)	\$ <u>790</u>	\$ <u>906</u>	(12.8) %	\$ <u>864</u>	(8.6) %	\$ <u>3,240</u>	\$ <u>3,659</u>	(11.5) %
Life insurance in-force				\$ 902,202	0.6 %	\$ 907,901	\$ 825,151	10.0 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Domestic Life Insurance & Retirement Services Product Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1):								
Life insurance (12)	\$ 714	\$ 788	(9.4) %	\$ 721	(1.0) %	\$ 3,034	\$ 3,135	(3.2) %
Home service	234	240	(2.5)	244	(4.1)	957	956	0.1
Group life/health (12)	253	277	(8.7)	258	(1.9)	999	1,085	(7.9)
Payout annuities	534	547	(2.4)	615	(13.2)	2,465	2,172	13.5
Subtotal life insurance	<u>1,735</u>	<u>1,852</u>	(6.3)	<u>1,838</u>	(5.6)	<u>7,455</u>	<u>7,348</u>	1.5
Group retirement products	1,381	1,371	0.7	1,335	3.4	5,464	5,532	(1.2)
Individual fixed annuities	1,642	1,425	15.2	1,194	37.5	5,854	7,337	(20.2)
Individual variable annuities	1,032	862	19.7	1,059	(2.5)	4,266	3,319	28.5
Individual annuities - runoff (13)	52	45	15.6	37	40.5	174	200	(13.0)
Subtotal retirement services	<u>4,107</u>	<u>3,703</u>	10.9	<u>3,625</u>	13.3	<u>15,758</u>	<u>16,388</u>	(3.8)
Total premiums, deposits and other considerations	<u>5,842</u>	<u>5,555</u>	5.2	<u>5,463</u>	6.9	<u>23,213</u>	<u>23,736</u>	(2.2)
GAAP premiums:								
Life insurance (12) (14)	508	535	(5.0)	546	(7.0)	2,127	2,041	4.2
Home service	197	195	1.0	196	0.5	790	801	(1.4)
Group life/health (12)	252	274	(8.0)	256	(1.6)	995	1,079	(7.8)
Payout annuities (15)	321	355	(9.6)	414	(22.5)	1,582	1,473	7.4
Subtotal life insurance	<u>1,278</u>	<u>1,359</u>	(6.0)	<u>1,412</u>	(9.5)	<u>5,494</u>	<u>5,394</u>	1.9
Group retirement products	102	90	13.3	94	8.5	386	351	10.0
Individual fixed annuities	30	28	7.1	32	(6.3)	126	100	26.0
Individual variable annuities	141	122	15.6	132	6.8	531	467	13.7
Individual annuities - runoff (13)	13	14	(7.1)	16	(18.8)	63	72	(12.5)
Subtotal retirement services	<u>286</u>	<u>254</u>	12.6	<u>274</u>	4.4	<u>1,106</u>	<u>990</u>	11.7
Total GAAP premiums	<u>1,564</u>	<u>1,613</u>	(3.0)	<u>1,686</u>	(7.2)	<u>6,600</u>	<u>6,384</u>	3.4
Net investment income:								
Life insurance (12)	379	342	10.8	347	9.2	1,377	1,352	1.8
Home service	160	154	3.9	167	(4.2)	630	605	4.1
Group life/health (12)	52	53	(1.9)	55	(5.5)	213	201	6.0
Payout annuities	270	233	15.9	253	6.7	1,004	912	10.1
Subtotal life insurance	<u>861</u>	<u>782</u>	10.1	<u>822</u>	4.7	<u>3,224</u>	<u>3,070</u>	5.0
Group retirement products	605	568	6.5	563	7.5	2,279	2,233	2.1
Individual fixed annuities	953	884	7.8	893	6.7	3,658	3,393	7.8
Individual variable annuities	49	52	(5.8)	51	(3.9)	202	217	(6.9)
Individual annuities - runoff (13)	214	302	(29.1)	226	(5.3)	903	1,046	(13.7)
Subtotal retirement services	<u>1,821</u>	<u>1,806</u>	0.8	<u>1,733</u>	5.1	<u>7,042</u>	<u>6,889</u>	2.2
Total net investment income	\$ <u>2,682</u>	\$ <u>2,588</u>	3.6 %	\$ <u>2,555</u>	5.0 %	\$ <u>10,266</u>	\$ <u>9,959</u>	3.1 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Domestic Life Insurance & Retirement Services Product Statistics
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Total Benefits and expenses								
Life insurance (12)	\$ 712	\$ 694	2.6 %	\$ 686	3.8 %	\$ 2,767	\$ 2,617	5.7 %
Home service	281	281	0.0	277	1.4	1,100	1,122	(2.0)
Group life/health (12)	490	324	51.2	291	68.4	1,359	1,210	12.3
Payout annuities	568	544	4.4	633	(10.3)	2,459	2,223	10.6
Subtotal life insurance	2,051	1,843	11.3	1,887	8.7	7,685	7,172	7.2
Group retirement products	386	370	4.3	387	(0.3)	1,504	1,462	2.9
Individual fixed annuities	649	596	8.9	630	3.0	2,475	2,414	2.5
Individual variable annuities	142	117	21.4	135	5.2	545	499	9.2
Individual annuities - runoff (13)	213	220	(3.2)	191	11.5	798	895	(10.8)
Subtotal retirement services	1,390	1,303	6.7	1,343	3.5	5,322	5,270	1.0
Total benefits and expenses	3,441	3,146	9.4	3,230	6.5	13,007	12,442	4.5
Operating income before realized capital gains (losses):								
Life insurance (8) (12)	175	183	(4.4)	207	(15.5)	737	776	(5.0)
Home service	76	68	11.8	86	(11.6)	320	284	12.7
Group life/health (8) (12)	(186)	3	NM	20	NM	(151)	70	NM
Payout annuities (8)	23	44	(47.7)	34	(32.4)	127	162	(21.6)
Subtotal life insurance	88	298	(70.5)	347	(74.6)	1,033	1,292	(20.0)
Group retirement products	321	288	11.5	270	18.9	1,161	1,122	3.5
Individual fixed annuities	334	316	5.7	295	13.2	1,309	1,079	21.3
Individual variable annuities	48	57	(15.8)	48	0.0	188	185	1.6
Individual annuities - runoff (13)	14	96	(85.4)	51	(72.5)	168	223	(24.7)
Subtotal retirement services	717	757	(5.3)	664	8.0	2,826	2,609	8.3
Total operating income before realized capital gains (losses) (8)	805	1,055	(23.7)	1,011	(20.4)	3,859	3,901	(1.1)
Realized capital gains (losses):								
Life insurance	(5)	73	NM	(111)	NM	(83)	98	NM
Home service	(6)	4	NM	1	NM	(38)	(2)	NM
Group life/health	(4)	-	NM	-	NM	(8)	(1)	NM
Payout annuities	(6)	4	NM	(9)	NM	(51)	(34)	NM
Subtotal life insurance	(21)	81	NM	(119)	NM	(180)	61	NM
Group retirement products	(28)	(18)	NM	(4)	NM	(144)	(67)	NM
Individual fixed annuities	2	(127)	NM	(11)	NM	(265)	(214)	NM
Individual variable annuities	2	(8)	NM	8	(75.0)	5	4	25.0
Individual annuities - runoff (13)	30	(77)	NM	(21)	NM	(35)	(26)	NM
Subtotal retirement services	6	(230)	NM	(28)	NM	(439)	(303)	NM
Total Realized capital gains (losses) (10)	(15)	(149)	NM	(147)	NM	(619)	(242)	NM
Operating income								
Life insurance (8) (12)	170	256	(33.6)	96	77.1	654	874	(25.2)
Home service	70	72	(2.8)	87	(19.5)	282	282	0.0
Group life/health (8) (12)	(190)	3	NM	20	NM	(159)	69	NM
Payout annuities (8)	17	48	(64.6)	25	(32.0)	76	128	(40.6)
Subtotal life insurance	67	379	(82.3)	228	(70.6)	853	1,353	(37.0)
Group retirement products	293	270	8.5	266	10.2	1,017	1,055	(3.6)
Individual fixed annuities	336	189	77.8	284	18.3	1,044	865	20.7
Individual variable annuities	50	49	2.0	56	(10.7)	193	189	2.1
Individual annuities - runoff (13)	44	19	131.6	30	46.7	133	197	(32.5)
Subtotal retirement services	723	527	37.2	636	13.7	2,387	2,306	3.5
Domestic operating income (8)	\$ 790	\$ 906	(12.8) %	\$ 864	(8.6) %	\$ 3,240	\$ 3,659	(11.5) %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Domestic Life Insurance & Retirement Services Other Data
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Life insurance								
Periodic premium sales (16):								
Individual/retail (12)	\$ 119	\$ 149	(20.1) %	\$ 118	0.8 %	\$ 627	\$ 550	14.0 %
Institutional markets	2	-	NM	5	(60.0)	16	4	300.0
Total periodic sales	<u>121</u>	<u>149</u>	(18.8)	<u>123</u>	(1.6)	<u>643</u>	<u>554</u>	16.1
Unscheduled and single deposits	68	86	(20.9)	42	61.9	269	499	(46.1)
Life insurance reserves				22,469	2.4	23,019	20,960	9.8
Home service								
Life/Accident & Health sales (12) (16)	25	25	0.0	24	4.2	95	102	(6.9)
Fixed annuity sales	25	27	(7.4)	30	(16.7)	107	104	2.9
Unscheduled and single deposits (12)	\$ 6	\$ 2	200.0 %	5	20.0	19	5	280.0
Total insurance reserves				7,347	0.3	7,369	7,278	1.3
Group life/health (Excl. Credit)								
Annualized earned premium (12)				954	2.2	975	989	(1.4)
Payout annuities								
Insurance reserves				\$ 14,091	2.7 %	\$ 14,477	\$ 12,712	13.9 %
Surrender rates (17)								
Group retirement products (18)	12.0%	9.8%		9.1%		9.9%	9.8%	
Individual fixed annuities	13.0%	9.0%		13.5%		12.0%	8.0%	
Individual variable annuities	13.0%	12.7%		12.9%		13.3%	12.0%	

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Domestic Life Insurance & Retirement Services Other Data
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	% Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
General and separate account reserves:								
Group retirement products (18)								
Balance at beginning of period	\$ 62,468	\$ 58,414	6.9 %	\$ 61,150	2.2 %	\$ 59,312	\$ 56,118	5.7 %
Deposits - annuities	1,381	1,371	0.7	1,335	3.4	5,464	5,532	(1.2)
Deposits - mutual funds	276	227	21.6	284	(2.8)	1,361	904	50.6
Surrenders and other withdrawals	(1,918)	(1,434)	33.8	(1,400)	37.0	(6,106)	(5,591)	9.2
Death benefits	(65)	(56)	16.1	(61)	6.6	(252)	(217)	16.1
Net flows	(326)	108	NM	158	NM	467	628	(25.6)
Change in market value, interest credited, net of fees	2,215	790	180.4	1,160	90.9	4,578	2,566	78.4
Other	-	-	NM	-	NM	-	-	NM
Balance at end of period	<u>64,357</u>	<u>59,312</u>	8.5	<u>62,468</u>	3.0	<u>64,357</u>	<u>59,312</u>	8.5
Individual fixed annuities								
Balance at beginning of period	54,261	54,028	0.4	54,760	(0.9)	54,470	50,547	7.8
Deposits	1,642	1,425	15.2	1,194	37.5	5,854	7,337	(20.2)
Surrenders and other withdrawals	(1,734)	(1,192)	45.5	(1,783)	(2.7)	(6,403)	(4,164)	53.8
Death benefits	(381)	(320)	19.1	(432)	(11.8)	(1,682)	(1,414)	19.0
Net flows	(473)	(87)	NM	(1,021)	(53.7)	(2,231)	1,759	NM
Change in market value, interest credited, net of fees	583	531	9.8	522	11.7	2,132	2,093	1.9
Other	-	(2)	NM	-	NM	-	71	NM
Balance at end of period	<u>54,371</u>	<u>54,470</u>	(0.2)	<u>54,261</u>	0.2	<u>54,371</u>	<u>54,470</u>	(0.2)
Individual variable annuities								
Balance at beginning of period	29,545	27,686	6.7	28,726	2.9	28,267	26,846	5.3
Deposits	1,032	862	19.7	1,059	(2.5)	4,266	3,319	28.5
Surrenders and other withdrawals	(990)	(883)	12.1	(932)	6.2	(3,894)	(3,222)	20.9
Death benefits	(122)	(106)	15.1	(116)	5.2	(486)	(433)	12.2
Net flows	(80)	(127)	(37.0)	11	NM	(114)	(336)	(66.1)
Change in market value, interest credited, net of fees	1,628	708	129.9	808	101.5	2,940	1,757	67.3
Other	-	-	NM	-	NM	-	-	NM
Balance at end of period	<u>31,093</u>	<u>28,267</u>	10.0	<u>29,545</u>	5.2	<u>31,093</u>	<u>28,267</u>	10.0
Total Domestic Life Insurance & Retirement Services								
Balance at beginning of period	146,274	140,128	4.4	144,636	1.1	142,049	133,511	6.4
Deposits	4,331	3,885	11.5	3,872	11.9	16,945	17,092	(0.9)
Surrenders and other withdrawals	(4,642)	(3,509)	32.3	(4,115)	12.8	(16,403)	(12,977)	26.4
Death benefits	(568)	(482)	17.8	(609)	(6.7)	(2,420)	(2,064)	17.2
Net flows	(879)	(106)	NM	(852)	3.2	(1,878)	2,051	NM
Change in market value, interest credited, net of fees	4,426	2,029	118.1	2,490	77.8	9,650	6,416	50.4
Other	-	(2)	NM	-	NM	-	71	NM
Balance at end of period - continuing operations	149,821	142,049	5.5	146,274	2.4	149,821	142,049	5.5
Individual annuities runoff	15,978	19,072	(16.2)	16,664	(4.1)	15,978	19,072	(16.2)
Balance at end of period	<u>\$ 165,799</u>	<u>\$ 161,121</u>	2.9 %	<u>\$ 162,938</u>	1.8 %	<u>\$ 165,799</u>	<u>\$ 161,121</u>	2.9 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc
Domestic Life Insurance & Retirement Services Other Data
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Spread information								
Group retirement products								
Base investment income (19)	\$ 504	\$ 507	(0.6) %	\$ 506	(0.4) %	\$ 2,020	\$ 2,037	(0.8) %
Partnerships	65	15	333.3	35	85.7	177	89	98.9
Other enhancements	36	46	(21.7)	22	63.6	82	107	(23.4)
Total net investment income	<u>\$ 605</u>	<u>\$ 568</u>	6.5 %	<u>\$ 563</u>	7.5 %	<u>\$ 2,279</u>	<u>\$ 2,233</u>	2.1 %
Base yield (19)	6.19%	6.22%		6.21%		6.21%	6.24%	
Partnerships (20)	0.41%	-0.06%		0.10%		0.23%	0.07%	
Other enhancements (21)	0.45%	0.54%		0.27%		0.24%	0.32%	
Total	<u>7.05%</u>	<u>6.70%</u>		<u>6.58%</u>		<u>6.68%</u>	<u>6.63%</u>	
Cost of funds	3.83%	3.77%		3.83%		3.78%	3.75%	
Net spread rate, as reported	3.22%	2.93%		2.75%		2.91%	2.89%	
Net spread rate excluding partnerships and other enhancements	2.36%	2.45%		2.39%		2.44%	2.50%	
Individual fixed annuities								
Base investment income (19)	\$ 823	\$ 811	1.5 %	\$ 822	0.1 %	\$ 3,277	\$ 3,162	3.6 %
Partnerships (20)	81	21	285.7	43	88.4	248	135	83.7
Other enhancements (21)	49	52	(5.8)	28	75.0	133	96	38.5
Total net investment income	<u>\$ 953</u>	<u>\$ 884</u>	7.8 %	<u>\$ 893</u>	6.7 %	<u>\$ 3,658</u>	<u>\$ 3,393</u>	7.8 %
Base yield (19)	5.96%	5.89%		5.93%		5.90%	5.88%	
Partnerships (20)	0.33%	-0.02%		0.10%		0.23%	0.10%	
Other enhancements (21)	0.36%	0.38%		0.20%		0.24%	0.18%	
Total	<u>6.65%</u>	<u>6.25%</u>		<u>6.23%</u>		<u>6.37%</u>	<u>6.16%</u>	
Cost of funds	3.52%	3.55%		3.53%		3.50%	3.55%	
Net spread rate, as reported	3.13%	2.70%		2.70%		2.87%	2.60%	
Net spread rate excluding partnerships and other enhancements	2.44%	2.34%		2.40%		2.40%	2.32%	
Individual variable annuities								
Base investment income (19)	\$ 44	\$ 50	(12.0) %	\$ 46	(4.3) %	\$ 188	\$ 207	(9.2) %
Other enhancements	5	2	150.0	5	0.0	14	10	40.0
Total net investment income	<u>\$ 49</u>	<u>\$ 52</u>	(5.8) %	<u>\$ 51</u>	(3.9) %	<u>\$ 202</u>	<u>\$ 217</u>	(6.9) %
Base yield (19)	5.60%	5.47%		5.59%		5.60%	5.46%	
Other enhancements (20)	0.58%	0.19%		0.58%		0.40%	0.25%	
Total	<u>6.18%</u>	<u>5.66%</u>		<u>6.17%</u>		<u>6.00%</u>	<u>5.71%</u>	
Cost of funds	3.08%	3.11%		3.10%		3.07%	3.10%	
Net spread rate, as reported	3.10%	2.55%		3.06%		2.94%	2.61%	
Net spread rate excluding other enhancements	2.52%	2.36%		2.49%		2.54%	2.36%	

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Operating Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1)	\$ <u>10,677</u>	\$ <u>9,906</u>	7.8 %	\$ <u>10,653</u>	0.2 %	\$ <u>43,376</u>	\$ <u>42,712</u>	1.6 %
Revenues:								
GAAP premiums	\$ 6,036	\$ 5,834	3.5 %	\$ 5,953	1.4 %	\$ 24,036	\$ 23,016	4.4 %
Net investment income:								
Interest and dividends	2,036	1,733	17.5	1,970	3.4	7,639	6,743	13.3
Partnership income	18	8	125.0	36	(50.0)	94	57	64.9
Other (3) (4)	92	128	(28.1)	164	(43.9)	622	423	47.0
Investment expense	(60)	(68)	(11.8)	(53)	13.2	(235)	(225)	4.4
Net investment income before policyholder trading gains (losses)	2,086	1,801	15.8	2,117	(1.5)	8,120	6,998	16.0
Policyholder trading gains (losses) (6)	771	594	29.8	221	NM	1,053	1,177	(10.5)
Total net investment income	2,857	2,395	19.3	2,338	22.2	9,173	8,175	12.2
Total revenues excluding realized capital gains (losses)	8,893	8,229	8.1	8,291	7.3	33,209	31,191	6.5
Benefits and expenses:								
Death and other benefits	3,037	2,619	16.0	2,737	11.0	11,087	10,099	9.8
Increase in future policy benefits	2,911	3,310	(12.1)	2,613	11.4	10,526	11,043	(4.7)
Acquisition and insurance expenses	1,347	1,098	22.7	1,328	1.4	5,511	4,888	12.7
Total benefits and expenses	7,295	7,027	3.8	6,678	9.2	27,124	26,030	4.2
Operating income excluding realized capital gains (losses) (3) (4) (9)	1,598	1,202	32.9	1,613	(0.9)	6,085	5,161	17.9
Realized capital gains (losses) (10)	220	9	NM	(29)	NM	707	84	NM
Operating income (3) (4) (9)	\$ <u>1,818</u>	\$ <u>1,211</u>	50.1 %	\$ <u>1,584</u>	14.8 %	\$ <u>6,792</u>	\$ <u>5,245</u>	29.5 %
Foreign exchange impact on foreign growth:								
GAAP premiums								
Growth in original currency (11)	2.4 %					6.4 %		
Foreign exchange impact	1.1					(2.0)		
Growth as reported in U.S. \$	3.5					4.4		
Premiums, deposits and other considerations (1)								
Growth in original currency (11)	6.5					3.1		
Foreign exchange impact	1.3					(1.5)		
Growth as reported in U.S. \$	7.8 %					1.6 %		
Life insurance in-force				\$ 1,112,392	4.5 %	\$ 1,162,699	\$ 1,027,682	13.1 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Product Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1):								
Life insurance	\$ 6,173	\$ 5,372	14.9 %	\$ 5,416	14.0 %	\$ 24,122	\$ 21,331	13.1 %
Personal accident & health	1,455	1,270	14.6	1,427	2.0	5,606	5,050	11.0
Group products	838	720	16.4	913	(8.2)	3,506	3,120	12.4
Subtotal life insurance	<u>8,466</u>	<u>7,362</u>	15.0	<u>7,756</u>	9.2	<u>33,234</u>	<u>29,501</u>	12.7
Individual fixed annuities	1,638	1,746	(6.2)	2,187	(25.1)	6,998	10,833	(35.4)
Individual variable annuities	573	798	(28.2)	710	(19.3)	3,144	2,378	32.2
Subtotal retirement services	<u>2,211</u>	<u>2,544</u>	(13.1)	<u>2,897</u>	(23.7)	<u>10,142</u>	<u>13,211</u>	(23.2)
Total premiums, deposits and other considerations	<u>10,677</u>	<u>9,906</u>	7.8	<u>10,653</u>	0.2	<u>43,376</u>	<u>42,712</u>	1.6
GAAP premiums:								
Life insurance	3,867	3,967	(2.5)	3,834	0.9	15,718	15,631	0.6
Personal accident & health	1,434	1,256	14.2	1,398	2.6	5,518	5,002	10.3
Group products	558	478	16.7	588	(5.1)	2,226	1,925	15.6
Subtotal life insurance	<u>5,859</u>	<u>5,701</u>	2.8	<u>5,820</u>	0.7	<u>23,462</u>	<u>22,558</u>	4.0
Individual fixed annuities	126	105	20.0	85	48.2	400	361	10.8
Individual variable annuities	51	28	82.1	48	6.3	174	97	79.4
Subtotal retirement services	<u>177</u>	<u>133</u>	33.1	<u>133</u>	33.1	<u>574</u>	<u>458</u>	25.3
Total GAAP premiums	<u>6,036</u>	<u>5,834</u>	3.5	<u>5,953</u>	1.4	<u>24,036</u>	<u>23,016</u>	4.4
Net investment income:								
Life insurance (3) (4)	1,923	1,251	53.7	1,391	38.2	5,884	4,808	22.4
Personal accident & health	72	79	(8.9)	78	(7.7)	285	255	11.8
Group products	185	188	(1.6)	171	8.2	648	613	5.7
Subtotal life insurance	<u>2,180</u>	<u>1,518</u>	43.6	<u>1,640</u>	32.9	<u>6,817</u>	<u>5,676</u>	20.1
Individual fixed annuities	557	488	14.1	516	7.9	2,027	1,728	17.3
Individual variable annuities	120	389	(69.2)	182	(34.1)	329	771	(57.3)
Subtotal retirement services	<u>677</u>	<u>877</u>	(22.8)	<u>698</u>	(3.0)	<u>2,356</u>	<u>2,499</u>	(5.7)
Total net investment income (6)	<u>\$ 2,857</u>	<u>\$ 2,395</u>	19.3 %	<u>\$ 2,338</u>	22.2 %	<u>\$ 9,173</u>	<u>\$ 8,175</u>	12.2 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Product Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Total benefits and expenses								
Life insurance	\$ 4,796	\$ 4,575	4.8 %	\$ 4,281	12.0 %	\$ 17,935	\$ 17,346	3.4 %
Personal accident & health	1,146	1,003	14.3	1,098	4.4	4,399	3,935	11.8
Group products	623	571	9.1	661	(5.7)	2,471	2,207	12.0
Subtotal life insurance	<u>6,565</u>	<u>6,149</u>	6.8	<u>6,040</u>	8.7	<u>24,805</u>	<u>23,488</u>	5.6
Individual fixed annuities	573	481	19.1	427	34.2	1,878	1,720	9.2
Individual variable annuities	157	397	(60.5)	211	(25.6)	441	822	(46.4)
Subtotal retirement services	<u>730</u>	<u>878</u>	(16.9)	<u>638</u>	14.4	<u>2,319</u>	<u>2,542</u>	(8.8)
Total benefits and expenses	<u>7,295</u>	<u>7,027</u>	3.8	<u>6,678</u>	9.2	<u>27,124</u>	<u>26,030</u>	4.2
Operating income excluding realized capital gains (losses):								
Life insurance (3) (4) (9)	994	643	54.6	944	5.3	3,667	3,093	18.6
Personal accident & health	360	332	8.4	378	(4.8)	1,404	1,322	6.2
Group products	120	95	26.3	98	22.4	403	331	21.8
Subtotal life insurance	<u>1,474</u>	<u>1,070</u>	37.8	<u>1,420</u>	3.8	<u>5,474</u>	<u>4,746</u>	15.3
Individual fixed annuities	110	112	(1.8)	174	(36.8)	549	369	48.8
Individual variable annuities	14	20	(30.0)	19	(26.3)	62	46	34.8
Subtotal retirement services	<u>124</u>	<u>132</u>	(6.1)	<u>193</u>	(35.8)	<u>611</u>	<u>415</u>	47.2
Total operating income excluding realized capital gains (losses) (3) (4) (9)	<u>1,598</u>	<u>1,202</u>	32.9	<u>1,613</u>	(0.9)	<u>6,085</u>	<u>5,161</u>	17.9
Realized capital gains (losses)								
Life insurance	179	7	NM	(25)	NM	574	94	NM
Personal accident & health	19	(14)	NM	(16)	NM	55	(30)	NM
Group products	27	14	92.9	8	NM	47	(9)	NM
Subtotal life insurance	<u>225</u>	<u>7</u>	NM	<u>(33)</u>	NM	<u>676</u>	<u>55</u>	NM
Individual fixed annuities	(5)	2	NM	4	NM	31	29	6.9
Individual variable annuities	-	-	NM	-	NM	-	-	NM
Subtotal retirement services	<u>(5)</u>	<u>2</u>	NM	<u>4</u>	NM	<u>31</u>	<u>29</u>	6.9
Total Realized capital gains (losses) (10)	<u>220</u>	<u>9</u>	NM	<u>(29)</u>	NM	<u>707</u>	<u>84</u>	NM
Operating income								
Life insurance (3) (4) (9)	1,173	650	80.5	919	27.6	4,241	3,187	33.1
Personal accident & health	379	318	19.2	362	4.7	1,459	1,292	12.9
Group products	147	109	34.9	106	38.7	450	322	39.8
Subtotal life insurance	<u>1,699</u>	<u>1,077</u>	57.8	<u>1,387</u>	22.5	<u>6,150</u>	<u>4,801</u>	28.1
Individual fixed annuities	105	114	(7.9)	178	(41.0)	580	398	45.7
Individual variable annuities	14	20	(30.0)	19	(26.3)	62	46	34.8
Subtotal retirement services	<u>119</u>	<u>134</u>	(11.2)	<u>197</u>	(39.6)	<u>642</u>	<u>444</u>	44.6
Foreign operating income (3) (4) (9)	<u>\$ 1,818</u>	<u>\$ 1,211</u>	50.1 %	<u>\$ 1,584</u>	14.8 %	<u>\$ 6,792</u>	<u>\$ 5,245</u>	29.5 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Japan and Other ALICO Product Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1):								
Life insurance	\$ 2,125	\$ 1,735	22.5 %	\$ 2,058	3.3 %	\$ 8,039	\$ 7,144	12.5 %
Personal accident & health	1,027	953	7.8	1,022	0.5	4,026	3,833	5.0
Group products	717	604	18.7	755	(5.0)	2,958	2,608	13.4
Subtotal life insurance	<u>3,869</u>	<u>3,292</u>	17.5	<u>3,835</u>	0.9	<u>15,023</u>	<u>13,585</u>	10.6
Individual fixed annuities	1,501	1,591	(5.7)	2,078	(27.8)	6,348	10,362	(38.7)
Individual variable annuities	569	798	(28.7)	707	(19.5)	3,137	2,365	32.6
Subtotal retirement services	<u>2,070</u>	<u>2,389</u>	(13.4)	<u>2,785</u>	(25.7)	<u>9,485</u>	<u>12,727</u>	(25.5)
Total premiums, deposits and other considerations	<u>5,939</u>	<u>5,681</u>	4.5	<u>6,620</u>	(10.3)	<u>24,508</u>	<u>26,312</u>	(6.9)
GAAP premiums:								
Life insurance	1,166	1,162	0.3	1,197	(2.6)	4,769	4,852	(1.7)
Personal accident & health	1,003	936	7.2	1,004	(0.1)	3,957	3,788	4.5
Group products	452	377	19.9	448	0.9	1,740	1,473	18.1
Subtotal life insurance	<u>2,621</u>	<u>2,475</u>	5.9	<u>2,649</u>	(1.1)	<u>10,466</u>	<u>10,113</u>	3.5
Individual fixed annuities	107	90	18.9	73	46.6	337	292	15.4
Individual variable annuities	51	28	82.1	47	8.5	173	97	78.4
Subtotal retirement services	<u>158</u>	<u>118</u>	33.9	<u>120</u>	31.7	<u>510</u>	<u>389</u>	31.1
Total GAAP premiums	<u>2,779</u>	<u>2,593</u>	7.2	<u>2,769</u>	0.4	<u>10,976</u>	<u>10,502</u>	4.5
Net investment income:								
Life insurance (4)	463	499	(7.2)	457	1.3	1,696	1,752	(3.2)
Personal accident & health	40	36	11.1	42	(4.8)	162	137	18.2
Group products	148	168	(11.9)	147	0.7	541	535	1.1
Subtotal life insurance	<u>651</u>	<u>703</u>	(7.4)	<u>646</u>	0.8	<u>2,399</u>	<u>2,424</u>	(1.0)
Individual fixed annuities	532	471	13.0	490	8.6	1,930	1,672	15.4
Individual variable annuities	119	387	(69.3)	181	(34.3)	325	767	(57.6)
Subtotal retirement services	<u>651</u>	<u>858</u>	(24.1)	<u>671</u>	(3.0)	<u>2,255</u>	<u>2,439</u>	(7.5)
Total net investment income (6)	<u>\$ 1,302</u>	<u>\$ 1,561</u>	(16.6) %	<u>\$ 1,317</u>	(1.1) %	<u>\$ 4,654</u>	<u>\$ 4,863</u>	(4.3) %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Japan and Other ALICO Product Statistics

(dollars in millions)

	Three Months Ended				Twelve Months Ended			
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Total benefits and expenses								
Life insurance	\$ 1,244	\$ 1,354	(8.1) %	\$ 1,294	(3.9) %	\$ 5,056	\$ 5,272	(4.1) %
Personal accident & health	792	718	10.3	750	5.6	3,046	2,859	6.5
Group products	530	479	10.6	535	(0.9)	2,022	1,783	13.4
Subtotal life insurance	<u>2,566</u>	<u>2,551</u>	0.6	<u>2,579</u>	(0.5)	<u>10,124</u>	<u>9,914</u>	2.1
Individual fixed annuities	537	452	18.8	396	35.6	1,742	1,603	8.7
Individual variable annuities	155	395	(60.8)	210	(26.2)	438	817	(46.4)
Subtotal retirement services	<u>692</u>	<u>847</u>	(18.3)	<u>606</u>	14.2	<u>2,180</u>	<u>2,420</u>	(9.9)
Total benefits and expenses	<u>3,258</u>	<u>3,398</u>	(4.1)	<u>3,185</u>	2.3	<u>12,304</u>	<u>12,334</u>	(0.2)
Operating income excluding realized capital gains (losses):								
Life insurance (4)	385	307	25.4	360	6.9	1,409	1,332	5.8
Personal accident & health	251	254	(1.2)	296	(15.2)	1,073	1,066	0.7
Group products	70	66	6.1	60	16.7	259	225	15.1
Subtotal life insurance	<u>706</u>	<u>627</u>	12.6	<u>716</u>	(1.4)	<u>2,741</u>	<u>2,623</u>	4.5
Individual fixed annuities	102	109	(6.4)	167	(38.9)	525	361	45.4
Individual variable annuities	15	20	(25.0)	18	(16.7)	60	47	27.7
Subtotal retirement services	<u>117</u>	<u>129</u>	(9.3)	<u>185</u>	(36.8)	<u>585</u>	<u>408</u>	43.4
Total operating income excluding realized capital gains (losses) (4)	823	756	8.9	901	(8.7)	3,326	3,031	9.7
Realized capital gains (losses)								
Life insurance	16	23	(30.4)	66	(75.8)	316	(52)	NM
Personal accident & health	13	(5)	NM	(4)	NM	49	(15)	NM
Group products	1	(7)	NM	1	0.0	13	(34)	NM
Subtotal life insurance	<u>30</u>	<u>11</u>	172.7	<u>63</u>	(52.4)	<u>378</u>	<u>(101)</u>	NM
Individual fixed annuities	(6)	3	NM	4	NM	28	29	(3.4)
Individual variable annuities	-	-	NM	-	NM	-	-	NM
Subtotal retirement services	<u>(6)</u>	<u>3</u>	NM	<u>4</u>	NM	<u>28</u>	<u>29</u>	(3.4)
Total realized capital gains (losses) (10)	<u>24</u>	<u>14</u>	71.4	<u>67</u>	(64.2)	<u>406</u>	<u>(72)</u>	NM
Operating income								
Life insurance (4)	401	330	21.5	426	(5.9)	1,725	1,280	34.8
Personal accident & health	264	249	6.0	292	(9.6)	1,122	1,051	6.8
Group products	71	59	20.3	61	16.4	272	191	42.4
Subtotal life insurance	<u>736</u>	<u>638</u>	15.4	<u>779</u>	(5.5)	<u>3,119</u>	<u>2,522</u>	23.7
Individual fixed annuities	96	112	(14.3)	171	(43.9)	553	390	41.8
Individual variable annuities	15	20	(25.0)	18	(16.7)	60	47	27.7
Subtotal retirement services	<u>111</u>	<u>132</u>	(15.9)	<u>189</u>	(41.3)	<u>613</u>	<u>437</u>	40.3
Foreign operating income (4)	\$ <u>847</u>	\$ <u>770</u>	10.0 %	\$ <u>968</u>	(12.5) %	\$ <u>3,732</u>	\$ <u>2,959</u>	26.1 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.

Asia Product Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Premiums, deposits and other considerations (1):								
Life insurance	\$ 4,048	\$ 3,637	11.3 %	\$ 3,358	20.5 %	\$ 16,083	\$ 14,187	13.4 %
Personal accident & health	428	317	35.0	405	5.7	1,580	1,217	29.8
Group products	121	116	4.3	158	(23.4)	548	512	7.0
Subtotal life insurance	<u>4,597</u>	<u>4,070</u>	12.9	<u>3,921</u>	17.2	<u>18,211</u>	<u>15,916</u>	14.4
Individual fixed annuities	137	155	(11.6)	109	25.7	650	471	38.0
Individual variable annuities	4	-	NM	3	33.3	7	13	(46.2)
Subtotal retirement services	<u>141</u>	<u>155</u>	(9.0)	<u>112</u>	25.9	<u>657</u>	<u>484</u>	35.7
Total premiums, deposits and other considerations	<u>4,738</u>	<u>4,225</u>	12.1	<u>4,033</u>	17.5	<u>18,868</u>	<u>16,400</u>	15.0
GAAP premiums:								
Life insurance	2,701	2,805	(3.7)	2,637	2.4	10,949	10,779	1.6
Personal accident & health	431	320	34.7	394	9.4	1,561	1,214	28.6
Group products	106	101	5.0	140	(24.3)	486	452	7.5
Subtotal life insurance	<u>3,238</u>	<u>3,226</u>	0.4	<u>3,171</u>	2.1	<u>12,996</u>	<u>12,445</u>	4.4
Individual fixed annuities	19	15	26.7	12	58.3	63	69	(8.7)
Individual variable annuities	-	-	NM	1	NM	1	-	NM
Subtotal retirement services	<u>19</u>	<u>15</u>	26.7	<u>13</u>	46.2	<u>64</u>	<u>69</u>	(7.2)
Total GAAP premiums	<u>3,257</u>	<u>3,241</u>	0.5	<u>3,184</u>	2.3	<u>13,060</u>	<u>12,514</u>	4.4
Net investment income:								
Life insurance (3) (4)	1,460	752	94.1	934	56.3	4,188	3,056	37.0
Personal accident & health	32	43	(25.6)	36	(11.1)	123	118	4.2
Group products	37	20	85.0	24	54.2	107	78	37.2
Subtotal life insurance	<u>1,529</u>	<u>815</u>	87.6	<u>994</u>	53.8	<u>4,418</u>	<u>3,252</u>	35.9
Individual fixed annuities	25	17	47.1	26	(3.8)	97	56	73.2
Individual variable annuities	1	2	(50.0)	1	0.0	4	4	0.0
Subtotal retirement services	<u>26</u>	<u>19</u>	36.8	<u>27</u>	(3.7)	<u>101</u>	<u>60</u>	68.3
Total net investment income (6)	<u>\$ 1,555</u>	<u>\$ 834</u>	86.5 %	<u>\$ 1,021</u>	52.3 %	<u>\$ 4,519</u>	<u>\$ 3,312</u>	36.4 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.

Asia Product Statistics

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Total benefits and expenses								
Life insurance	\$ 3,552	\$ 3,221	10.3 %	\$ 2,987	18.9 %	\$ 12,879	\$ 12,074	6.7 %
Personal accident & health	354	285	24.2	348	1.7	1,353	1,076	25.7
Group products	93	92	1.1	126	(26.2)	449	424	5.9
Subtotal life insurance	<u>3,999</u>	<u>3,598</u>	11.1	<u>3,461</u>	15.5	<u>14,681</u>	<u>13,574</u>	8.2
Individual fixed annuities	36	29	24.1	31	16.1	136	117	16.2
Individual variable annuities	2	2	0.0	1	NM	3	5	(40.0)
Subtotal retirement services	<u>38</u>	<u>31</u>	22.6	<u>32</u>	18.8	<u>139</u>	<u>122</u>	13.9
Total benefits and expenses	<u>4,037</u>	<u>3,629</u>	11.2	<u>3,493</u>	15.6	<u>14,820</u>	<u>13,696</u>	8.2
Operating income excluding realized capital gains (losses):								
Life insurance (3) (4) (9)	609	336	81.3	584	4.3	2,258	1,761	28.2
Personal accident & health	109	78	39.7	82	32.9	331	256	29.3
Group products	50	29	72.4	38	31.6	144	106	35.8
Subtotal life insurance	<u>768</u>	<u>443</u>	73.4	<u>704</u>	9.1	<u>2,733</u>	<u>2,123</u>	28.7
Individual fixed annuities	8	3	166.7	7	14.3	24	8	200.0
Individual variable annuities	(1)	-	NM	1	NM	2	(1)	NM
Subtotal retirement services	<u>7</u>	<u>3</u>	133.3	<u>8</u>	(12.5)	<u>26</u>	<u>7</u>	271.4
Total operating income excluding realized capital gains (losses) (3) (4) (9)	<u>775</u>	<u>446</u>	73.8	<u>712</u>	8.8	<u>2,759</u>	<u>2,130</u>	29.5
Realized capital gains (losses)								
Life insurance	163	(16)	NM	(91)	NM	258	146	76.7
Personal accident & health	6	(9)	NM	(12)	NM	6	(15)	NM
Group products	26	21	23.8	7	NM	34	25	36.0
Subtotal life insurance	<u>195</u>	<u>(4)</u>	NM	<u>(96)</u>	NM	<u>298</u>	<u>156</u>	91.0
Individual fixed annuities	1	(1)	NM	-	NM	3	-	NM
Individual variable annuities	-	-	NM	-	NM	-	-	NM
Subtotal retirement services	<u>1</u>	<u>(1)</u>	NM	<u>-</u>	NM	<u>3</u>	<u>-</u>	NM
Total realized capital gains (losses) (10)	<u>196</u>	<u>(5)</u>	NM	<u>(96)</u>	NM	<u>301</u>	<u>156</u>	92.9
Operating income								
Life insurance (3) (4) (9)	772	320	141.3	493	56.6	2,516	1,907	31.9
Personal accident & health	115	69	66.7	70	64.3	337	241	39.8
Group products	76	50	52.0	45	68.9	178	131	35.9
Subtotal life insurance	<u>963</u>	<u>439</u>	119.4	<u>608</u>	58.4	<u>3,031</u>	<u>2,279</u>	33.0
Individual fixed annuities	9	2	350.0	7	28.6	27	8	237.5
Individual variable annuities	(1)	-	NM	1	NM	2	(1)	NM
Subtotal retirement services	<u>8</u>	<u>2</u>	300.0	<u>8</u>	0.0	<u>29</u>	<u>7</u>	314.3
Foreign operating income (3) (4) (9)	<u>\$ 971</u>	<u>\$ 441</u>	120.2 %	<u>\$ 616</u>	57.6 %	<u>\$ 3,060</u>	<u>\$ 2,286</u>	33.9 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Other Data
(dollars in millions)

	First Year Premiums (22)					Single Premiums				
	Three Months Ended					Three Months Ended				
	Dec. 31, 2006	Dec. 31, 2005 (12)	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005 (12)	% Chg	Sept. 30, 2006	Sequential % Chg
Life insurance										
Japan	\$ 212	\$ 215	(1.4) %	\$ 222	(4.5) %	\$ 378	\$ 67	464.2 %	\$ 325	16.3 %
China	35	29	20.7	24	45.8	56	59	(5.1)	46	21.7
Taiwan	97	89	9.0	87	11.5	95	75	26.7	75	26.7
Other Asia	368	317	16.1	279	31.9	391	334	17.1	275	42.2
All other regions	67	54	24.1	52	28.8	49	32	53.1	41	19.5
Total	<u>779</u>	<u>704</u>	10.7	<u>664</u>	17.3	<u>969</u>	<u>567</u>	70.9	<u>762</u>	27.2
Personal accident & health										
Japan	171	195	(12.3)	172	(0.6)	2	3	(33.3)	1	100.0
China	10	8	25.0	9	11.1	1	1	0.0	1	0.0
Taiwan	29	22	31.8	23	26.1	-	-	NM	-	NM
Other Asia	97	61	59.0	95	2.1	1	-	NM	-	NM
All other regions	32	28	14.3	30	6.7	7	3	133.3	6	16.7
Total	<u>339</u>	<u>314</u>	8.0	<u>329</u>	3.0	<u>11</u>	<u>7</u>	57.1	<u>8</u>	37.5
Group products										
Japan	6	2	200.0	8	(25.0)	-	-	NM	-	NM
China	1	-	NM	1	0.0	-	-	NM	-	NM
Taiwan	4	4	0.0	3	33.3	2	3	(33.3)	3	(33.3)
Other Asia	17	20	(15.0)	20	(15.0)	14	14	0.0	17	(17.6)
All other regions	154	159	(3.1)	203	(24.1)	99	49	102.0	105	(5.7)
Total	<u>182</u>	<u>185</u>	(1.6)	<u>235</u>	(22.6)	<u>115</u>	<u>66</u>	74.2	<u>125</u>	(8.0)
Total premiums										
Japan	389	412	(5.6)	402	(3.2)	380	70	442.9	326	16.6
China	46	37	24.3	34	35.3	57	60	(5.0)	47	21.3
Taiwan	130	115	13.0	113	15.0	97	78	24.4	78	24.4
Other Asia	482	398	21.1	394	22.3	406	348	16.7	292	39.0
All other regions	253	241	5.0	285	(11.2)	155	84	84.5	152	2.0
Total	<u>1,300</u>	<u>1,203</u>	8.1	<u>1,228</u>	5.9	<u>\$ 1,095</u>	<u>\$ 640</u>	71.1 %	<u>\$ 895</u>	22.3 %
Annuity Production:										
Individual fixed annuity										
Japan	1,422	1,528	(6.9)	2,016	(29.5)					
Korea	113	139	(18.7)	93	21.5					
Other Asia	24	16	50.0	15	60.0					
All other regions	79	63	25.4	63	25.4					
Total	<u>1,638</u>	<u>1,746</u>	(6.2)	<u>2,187</u>	(25.1)					
Individual variable annuity										
Japan	245	480	(49.0)	258	(5.0)					
Other Asia	3	-	NM	4	(25.0)					
All other regions	324	317	2.2	448	(27.7)					
Total	<u>572</u>	<u>797</u>	(28.2)	<u>710</u>	(19.4)					
Total Annuity Production	<u>\$ 2,210</u>	<u>\$ 2,543</u>	(13.1) %	<u>\$ 2,897</u>	(23.7) %					

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Other Data
(dollars in millions)

	First Year Premiums (22)			Single Premiums		
	Twelve Months Ended			Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005 (12)	% Chg	Dec. 31, 2006	Dec. 31, 2005 (12)	% Chg
Life insurance						
Japan	\$ 867	\$ 961	(9.8) %	\$ 1,050	\$ 272	286.0 %
China	107	108	(0.9)	212	154	37.7
Taiwan (23)	554	1,250	(55.7)	603	278	116.9
Other Asia	1,182	1,088	8.6	1,502	1,021	47.1
All other regions	226	202	11.9	177	145	22.1
Total	<u>2,936</u>	<u>3,609</u>	(18.6)	<u>3,544</u>	<u>1,870</u>	89.5
Personal accident & health						
Japan	717	759	(5.5)	6	7	(14.3)
China	36	32	12.5	5	5	0.0
Taiwan	99	81	22.2	-	-	NM
Other Asia	355	221	60.6	1	2	(50.0)
All other regions	118	109	8.3	22	8	175.0
Total	<u>1,325</u>	<u>1,202</u>	10.2	<u>34</u>	<u>22</u>	54.5
Group products						
Japan	25	13	92.3	-	-	NM
China	2	-	NM	-	-	NM
Taiwan	17	21	(19.0)	12	8	50.0
Other Asia	76	105	(27.6)	60	56	7.1
All other regions	786	661	18.9	352	255	38.0
Total	<u>906</u>	<u>800</u>	13.3	<u>424</u>	<u>319</u>	32.9
Total premiums						
Japan	1,609	1,733	(7.2)	1,056	279	278.5
China	145	140	3.6	217	159	36.5
Taiwan (23)	670	1,352	(50.4)	615	286	115.0
Other Asia	1,613	1,414	14.1	1,563	1,079	44.9
All other regions	1,130	972	16.3	551	408	35.0
Total	<u>5,167</u>	<u>5,611</u>	(7.9)	<u>\$ 4,002</u>	<u>\$ 2,211</u>	81.0 %
Annuity Production:						
Individual fixed annuity						
Japan	6,108	10,108	(39.6)			
Korea	537	349	53.9			
Other Asia	113	122	(7.4)			
All other regions	240	254	(5.5)			
Total	<u>6,998</u>	<u>10,833</u>	(35.4)			
Individual variable annuity						
Japan	1,530	1,221	25.3			
Other Asia	7	13	(46.2)			
All other regions	1,606	1,144	40.4			
Total	<u>3,143</u>	<u>2,378</u>	32.2			
Total Annuity Production	<u>\$ 10,141</u>	<u>\$ 13,211</u>	(23.2) %			

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Other Data

(dollars in millions)

	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2005</u>	<u>% Chg</u>	<u>Sept. 30, 2006</u>	<u>Sequential % Chg</u>
Life Insurance Reserves					
Life insurance					
Japan	\$ 30,422	\$ 27,292	11.5 %	\$ 29,584	2.8 %
China	2,577	1,883	36.9	2,363	9.1
Taiwan	32,147	26,837	19.8	30,845	4.2
Other Asia	40,273	30,445	32.3	36,815	9.4
All other regions	7,307	5,936	23.1	6,790	7.6
Total	<u>112,726</u>	<u>92,393</u>	22.0	<u>106,397</u>	5.9
Personal accident & health					
Japan	4,447	3,647	21.9	4,239	4.9
China	58	47	23.4	58	0.0
Taiwan	1,615	1,306	23.7	1,527	5.8
Other Asia	829	478	73.4	708	17.1
All other regions	402	326	23.3	373	7.8
Total	<u>7,351</u>	<u>5,804</u>	26.7	<u>6,905</u>	6.5
Group products					
Japan	2,955	3,021	(2.2)	2,938	0.6
China	2	-	NM	-	NM
Taiwan	41	37	10.8	44	(6.8)
Other Asia	1,240	985	25.9	1,139	8.9
All other regions	4,467	3,812	17.2	4,506	(0.9)
Total	<u>8,705</u>	<u>7,855</u>	10.8	<u>8,627</u>	0.9
Total life insurance reserves					
Japan	37,824	33,960	11.4	36,761	2.9
China	2,637	1,930	36.6	2,421	8.9
Taiwan	33,803	28,180	20.0	32,416	4.3
Other Asia	42,342	31,908	32.7	38,662	9.5
All other regions	12,176	10,074	20.9	11,669	4.3
Total	<u>128,782</u>	<u>106,052</u>	21.4	<u>121,929</u>	5.6
Retirement Services Reserves					
Individual fixed annuities					
Japan	41,300	36,273	13.9	40,219	2.7
Korea	1,684	1,133	48.6	1,560	7.9
Other Asia	369	266	38.7	356	3.7
All other regions (24)	2,173	2,588	(16.0)	1,834	18.5
Total	<u>45,526</u>	<u>40,260</u>	13.1	<u>43,969</u>	3.5
Individual variable annuities					
Japan	5,116	3,671	39.4	4,848	5.5
Other Asia	84	63	33.3	66	27.3
All other regions	3,999	2,245	78.1	3,592	11.3
Total	<u>9,199</u>	<u>5,979</u>	53.9	<u>8,506</u>	8.1
Policy and Contract Claims Reserves					
Personal accident & health					
Japan	234	212	10.4	231	1.3
China	6	12	(50.0)	13	(53.8)
Taiwan	55	44	25.0	54	1.9
Other Asia	91	49	85.7	82	11.0
All other regions	103	96	7.3	101	2.0
Total	<u>489</u>	<u>413</u>	18.4	<u>481</u>	1.7
Group accident & health					
Japan	1	-	NM	-	NM
Taiwan	4	4	0.0	4	0.0
Other Asia	15	12	25.0	15	0.0
All other regions	80	78	2.6	75	6.7
Total	<u>\$ 100</u>	<u>\$ 94</u>	6.4 %	<u>\$ 94</u>	6.4 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.
Foreign Life Insurance & Retirement Services Other Data

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Spread information								
Individual fixed annuities								
Japan (25)								
Base investment income	\$ 414	\$ 331	25.1 %	\$ 392	5.6 %	\$ 1,513	\$ 1,152	31.3 %
Partnerships/other enhancements	-	-	NM	-	NM	-	-	NM
Total net investment income (26)	\$ 414	\$ 331	25.1 %	\$ 392	5.6 %	\$ 1,513	\$ 1,152	31.3 %
Base yield (27)	4.84%	4.63%		4.80%		4.76%	4.62%	
Partnerships/other enhancements	0.00%	0.00%		0.00%		0.00%	0.00%	
Total	4.84%	4.63%		4.80%		4.76%	4.62%	
Cost of funds (26) (27)	3.38%	3.11%		3.25%		3.23%	3.05%	
Net spread rate, as reported (27)	1.47%	1.52%		1.55%		1.53%	1.57%	
Net spread rate excluding partnerships and other enhancements	1.47%	1.52%		1.55%		1.53%	1.57%	
Korea								
Base investment income	\$ 22	\$ 13	69.2 %	\$ 21	4.8 %	\$ 77	\$ 44	75.0 %
Partnerships/other enhancements	-	-	NM	-	NM	-	-	NM
Total net investment income (26)	\$ 22	\$ 13	69.2 %	\$ 21	4.8 %	\$ 77	\$ 44	75.0 %
Base yield (27)	5.30%	5.01%		5.41%		5.36%	4.78%	
Partnerships/other enhancements	0.00%	0.00%		0.00%		0.00%	0.00%	
Total	5.30%	5.01%		5.41%		5.36%	4.78%	
Cost of funds (26) (27)	4.52%	4.26%		4.50%		4.55%	4.24%	
Net spread rate, as reported (27)	0.78%	0.75%		0.91%		0.81%	0.54%	
Net spread rate excluding partnerships and other enhancements	0.78%	0.77%		0.91%		0.81%	0.54%	
Net flows (28)								
Individual fixed annuities								
Japan	\$ 795	\$ 1,092	(27.2) %	\$ 1,592	(50.1) %	\$ 4,204	\$ 8,747	(51.9) %
Korea	95	128	(25.8)	81	17.3	481	308	56.2
Individual variable annuities								
Japan	\$ 181	\$ 291	(37.8) %	\$ 137	32.1 %	\$ 1,198	\$ 890	34.6 %

(See Accompanying Notes on Pages 40 and 41)

American International Group, Inc.

Life Insurance & Retirement Services

Notes

- (1) Premiums, deposits and other considerations represent aggregate business activity presented on a non-GAAP basis.
- (2) Investment in certain limited liability companies that invest in synthetic fuel production facilities as a means of generating income tax credits.
- (3) **Foreign Life Insurance & Retirement Services and Asia:** Both include losses of \$8 million, \$3 million, \$1 million and \$46 million, and a gain of \$26 million for the three months ended December 31, 2006 and 2005 and September 30, 2006 and the twelve months ended December 31, 2006 and 2005, respectively, for Foreign Life's share of the results of AIG's consumer finance operations in Taiwan.
- (4) **Foreign Life Insurance & Retirement Services:** Includes the effect of out of period adjustment related to the accounting for certain interests in unit investment trusts. For the three months ended September 30, 2006 and the twelve months ended December 31, 2006 the effect was an increase of \$24 million and \$240 million, respectively, in net investment income, and \$24 million and \$169 million, respectively, in operating income.
Japan and Other ALICO: Includes the effect of out of period adjustment related to the accounting for certain interests in unit investment trusts. For the three months ended September 30, 2006 and the twelve months ended December 31, 2006 the effect was an increase of \$15 million and \$32 million, respectively, in both net investment income and operating income.
Asia: Includes the effect of out of period adjustment related to the accounting for certain interests in unit investment trusts. For the three months ended September 30, 2006 and the twelve months ended December 31, 2006 the effect was an increase of \$9 million and \$208 million, respectively, in net investment income, and \$9 million and \$137 million, respectively, in operating income.
- (5) **Life Insurance & Retirement Services and Domestic Life Insurance & Retirement Services:** Both include enhancements of \$149 million, \$209 million, \$93 million, \$392 million and \$458 million for the three months ended December 31, 2006 and 2005 and September 30, 2006, and the twelve months ended December 31, 2006 and 2005, respectively. Enhancements include gains on calls, dollar roll income, prepayment fees and trading gains (losses) not associated with SOP 03-1.
- (6) Relates principally to assets held in various trading securities accounts that did not qualify for separate account treatment under SOP 03-1. These amounts are offset by an equal change included in increase in future policy benefits.
- (7) **Life Insurance & Retirement Services and Domestic Life Insurance & Retirement Services both** include \$12 million of current period catastrophe-related losses in the twelve months ended December 31, 2005.
- (8) During 2006, the Domestic Life companies recorded certain adjustments related to the loss of the Superior National arbitration, exiting the financial institutions credit life business, actuarial systems migration and other litigation. The effect of these adjustments is shown by product in the following table:

(in millions) increase (decrease)	Three Months Ended Dec. 31, 2006	Twelve Months Ended Dec. 31, 2006
Life Insurance		
Actuarial systems migration:		
GAAP premiums	\$(52)	\$(52)
Total benefits and expense	(25)	(25)
Other litigation:		
Total benefits and expenses	30	30
Operating income before realized capital gains	(57)	(57)
Group Life / Health		
Superior National:		
Total benefits and expenses	125	125
Exiting financial institutions credit life business:		
Total benefits and expenses	66	66
Actuarial systems migration:		
Total benefits and expenses	(11)	(11)
Other litigation:		
Total benefits and expenses	-	25
Operating income before realized capital gains	(180)	(205)
Payout Annuities		
Actuarial systems migration:		
Total benefits and expenses	24	24
Operating income before realized capital gains	\$(24)	\$(24)

- (9) **Foreign Life Insurance & Retirement Services and Asia:** Include the effect of out of period adjustments related to tax remediation in Singapore, and expense allocation between par and non-par funds in Malaysia. For the three months ended December 31, 2006 and the twelve months ended December 31, 2006 the effect was an increase of \$129 million and \$163 million, respectively, in operating income. Operating income includes losses of \$137 million for both the three months and twelve months ended December 31, 2005 related to the Singapore tax dispute resolution.
- (10) **Life Insurance & Retirement Services:** Includes a gain of \$210 million, a loss of \$48 million, a loss of \$190 million, a gain of \$355 million and a loss of \$495 million for the three months ended December 31, 2006 and 2005 and September 30, 2006 and the twelve months ended December 31, 2006 and 2005, respectively, relating to the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133 and the application of FAS 52.
Domestic Life Insurance & Retirement Services: Includes a loss of \$2 million, a gain of \$33 million, a loss of \$104 million, a loss of \$27 million and a gain of \$64 million for the three months ended December 31, 2006 and 2005 and September 30, 2006 and the twelve months ended December 31, 2006 and 2005, respectively, relating to the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133 and the application of FAS 52.
Foreign Life Insurance & Retirement Services: Includes a gain of \$212 million, a loss of \$81 million, a loss of \$86 million, a gain of \$382 million and a loss of \$559 million for the three months ended December 31, 2006 and 2005 and September 30, 2006 and the twelve months ended December 31, 2006 and 2005, respectively, relating to the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133 and the application of FAS 52.

American International Group, Inc.
Life Insurance & Retirement Services
Notes (continued)

- (11) Computed using a constant exchange rate for each period.
- (12) Certain accounts have been reclassified in 2005 to conform to the 2006 presentation.
- (13) Primarily represents runoff annuity business sold through discontinued distribution relationships.
- (14) Effective January 1, 2006, the broker/dealer operations of the Domestic Life Insurance companies are being reported and managed within the Asset Management segment. Included in GAAP premiums were revenues of \$23 million and \$102 million for the three months and the twelve months ended December 31, 2005, respectively.
- (15) Includes structured settlements, single premium immediate annuities and terminal funding annuities.
- (16) Life insurance sales represent premiums from new sales that are expected to be collected over a one year period.
- (17) Surrender rates are based upon all benefits, surrenders and withdrawals except for death benefits.
- (18) Includes group retirement annuities and group mutual funds.
- (19) Includes the investment return on surplus other than partnership or yield enhancement activities.
- (20) Includes incremental effect to base yield of investments in hedge funds and private equity funds.
- (21) Includes incremental effect to base yield of gains on calls, dollar roll income, prepayment fees and trading gains (losses).
- (22) Represents premium recorded within the first policy year from new sales other than single premiums.
- (23) Taiwan's first year premiums for the twelve months ended December 31, 2005 include \$750 million of 3-Pay 6-Year Endowment sales, which was discontinued in the second quarter of 2005. Excluding these sales, Taiwan's growth rates for life insurance and in total would be 10.8% and 11.4%, respectively.
- (24) December 31, 2005 includes \$938 million of reserves related to operations in Chile that were sold in second quarter 2006.
- (25) Excludes acquired block of Yen annuities no longer being sold.
- (26) For Japan and Korea, the net investment income and cost of funds are translated into U.S. dollars at the average exchange rates for the quarter while the denominator is translated at the quarter ending exchange rate. This can cause fluctuations of a few basis points from quarter-to-quarter if there is a sharp change in the appreciation/depreciation during a quarter.
- (27) For Japan and Korea, the calculation methodology for spread information takes the month-end assets/liabilities that are then averaged. Quarterly figures use two point averages (beginning of quarter and end of quarter) while annual figures use five point averages (beginning of year plus each of the quarter ends).
- (28) Net flows are defined as deposits received less benefits, surrenders, withdrawals and death benefits. For Japan and Korea, net flows are calculated at the current period balance sheet rate and include the acquired block of Yen annuities no longer being sold.

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

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Revenues:								
Aircraft Leasing	\$ 1,076	\$ 917	17.3 %	\$ 1,060	1.5 %	\$ 4,143	\$ 3,578	15.8 %
Capital Markets (1)	548	291	88.3	335	63.6	1,636	1,246	31.3
Consumer Finance	986	949	3.9	970	1.6	3,819	3,613	5.7
Other	136	13	NM	39	248.7	234	74	216.2
Total revenues excluding FAS 133	<u>2,746</u>	<u>2,170</u>	26.5	<u>2,404</u>	14.2	<u>9,832</u>	<u>8,511</u>	15.5
FAS 133:								
AIGFP (2)	(764)	215	NM	783	NM	(1,822)	2,014	NM
Total revenues	<u>\$ 1,982</u>	<u>\$ 2,385</u>	(16.9) %	<u>\$ 3,187</u>	(37.8) %	<u>\$ 8,010</u>	<u>\$ 10,525</u>	(23.9) %
Operating income:								
Aircraft Leasing (3)	\$ 164	\$ 144	13.9 %	\$ 157	4.5 %	\$ 639	\$ 679	(5.9) %
Capital Markets (1)	348	140	148.6	182	91.2	949	647	46.7
Consumer Finance (4) (5) (6)	167	227	(26.4)	220	(24.1)	761	876	(13.1)
Other (7)	(41)	8	NM	15	NM	(3)	60	NM
Total operating income excluding FAS 133	<u>638</u>	<u>519</u>	22.9	<u>574</u>	11.1	<u>2,346</u>	<u>2,262</u>	3.7
FAS 133:								
ILFC (8)	-	59	NM	-	NM	-	-	NM
AIGFP (2)	(764)	215	NM	783	NM	(1,822)	2,014	NM
Total FAS 133	<u>(764)</u>	<u>274</u>	NM	<u>783</u>	NM	<u>(1,822)</u>	<u>2,014</u>	NM
Total operating income (loss)	<u>\$ (126)</u>	<u>\$ 793</u>	NM %	<u>\$ 1,357</u>	NM %	<u>\$ 524</u>	<u>\$ 4,276</u>	(87.7) %

- Note: (1) Certain transactions entered into by AIGFP generate tax credits and benefits which are included in income taxes on the consolidated statement of income. The amount of tax credits and benefits for the three months ended December 31, 2006 and 2005 and September 30, 2006 and the twelve months ended December 31, 2006 and 2005 were \$21 million, \$4 million, \$3 million, \$50 million and \$67 million, respectively.
- (2) Includes the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133, including the related foreign exchange gains and losses. These amounts result primarily from interest rate and foreign currency derivatives that are economically hedging available for sale securities and borrowings.
- (3) Includes adjustments relating to a tax settlement in Australia, increased credit reserves and lease accruals totaling \$37 million for the twelve months ended December 31, 2006.
- (4) Includes \$3 million and \$47 million in additional allowance for losses in AIG Credit Card Company (Taiwan) in the three months and the twelve months ended December 31, 2006, respectively.
- (5) Includes \$62 million of current period catastrophe-related losses in the twelve months ended December 31, 2005.
- (6) Includes a reduction in the finance receivables reserve of \$13 million, \$22 million and \$35 million, on prior year catastrophe-related losses in the three months ended December 31, 2006 and September 30, 2006 and the twelve months ended December 31, 2006, respectively.
- (7) Includes specific reserves of \$42 million in both the three months and the twelve months ended December 31, 2006 related to two commercial lending transactions.
- (8) During 2006 and the fourth quarter of 2005, all gains and losses on derivatives relating to ILFC were reported as part of realized capital gains (losses) in AIG's Other category. During the first three quarters of 2005, ILFC's derivatives gains and losses were reported in operating income before realized capital gains (losses) in Financial Services. An adjustment to reclassify ILFC's derivative gains and losses of \$59 million is included in operating income before realized capital gains (losses) for the three months ended December 31, 2005. In all periods, the total derivatives gains and losses were excluded in the determination of adjusted net income.

American International Group, Inc.
International Lease Finance Corporation (ILFC)
Aircraft Leases, Orders and Options
December 31, 2006

<u>Aircraft Type:</u>	<u>Number of Aircraft</u>		
	<u>In Fleet</u> (1)	<u>Orders</u>	<u>Options</u>
<u>Airbus:</u>			
A300-600R	6	0	0
A310-300	7	0	0
A319	104	41	0
A320-200	129	52	0
A321-100	12	0	0
A321-200	52	20	0
A330-200	48	20	0
A330-300	23	3	0
A340-300	15	0	0
A340-600	12	1	0
A350-800	0	16	0
A380 (2)	0	10	0
<u>Boeing:</u>			
737-300/400/500	56	0	0
737-600/700/800	163	51	0
747-300	2	0	0
747-400	13	0	0
747-400ERF	4	0	0
757-200	64	0	0
767-200	4	0	0
767-300	52	0	0
777-200B	37	3	0
777-300	22	13	0
787-800	0	22	2
<u>McDonnell Douglas:</u>			
MD-11	8	0	0
MD-83	1	0	0
Total	<u>834</u>	<u>252</u>	<u>2</u>

Note: (1) In fleet includes 10 finance leases.

(2) ILFC has a cancellation option in 2010 on the 10 A380 firm orders.

American International Group, Inc.
Asset Management Operating Statistics (1)

(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Revenues:								
Guaranteed investment contracts								
Domestic (2)	\$ 733	\$ 684	7.2 %	\$ 624	17.5 %	\$ 2,721	\$ 2,903	(6.3) %
Foreign	231	156	48.1	186	24.2	715	644	11.0
Matched investment program	73	-	NM	35	108.6	118	-	NM
Institutional asset management (3)	310	336	(7.7)	208	49.0	1,052	877	20.0
Brokerage service and mutual funds	76	65	16.9	71	7.0	293	257	14.0
Other (4)	96	50	92.0	57	68.4	297	326	(8.9)
Total excluding FIN46(R) and EITF 04-5	<u>1,519</u>	<u>1,291</u>	17.7	<u>1,181</u>	28.6	<u>5,196</u>	<u>5,007</u>	3.8
FIN46(R) and EITF 04-5 (5):								
Institutional asset management	197	83	NM	57	NM	618	318	NM
Total including FIN46(R) and EITF 04-5	<u>\$ 1,716</u>	<u>\$ 1,374</u>	24.9 %	<u>\$ 1,238</u>	38.6 %	<u>\$ 5,814</u>	<u>\$ 5,325</u>	9.2 %
Operating income:								
Guaranteed investment contracts								
Domestic (2) (6)	\$ 263	\$ 360	(26.9) %	\$ 140	87.9 %	\$ 824	\$ 1,124	(26.7) %
Foreign	30	13	130.8	24	25.0	89	61	45.9
Matched investment program	19	-	NM	11	72.7	34	-	NM
Institutional asset management (3)	122	190	(35.8)	45	171.1	433	425	1.9
Brokerage service and mutual funds	20	16	25.0	23	(13.0)	87	66	31.8
Other (4)	91	47	93.6	54	68.5	281	316	(11.1)
Total excluding FIN46(R), EITF 04-5 and FAS 133	<u>545</u>	<u>626</u>	(12.9)	<u>297</u>	83.5	<u>1,748</u>	<u>1,992</u>	(12.2)
FIN46(R) and EITF 04-5 (5):								
Institutional asset management	188	72	NM	44	NM	598	261	NM
FAS 133 (7) (8):								
Guaranteed investment contracts	-	(127)	NM	-	NM	-	-	NM
Total including FIN46(R), EITF 04-5 and FAS 133	<u>\$ 733</u>	<u>\$ 571</u>	28.4 %	<u>\$ 341</u>	115.0 %	<u>\$ 2,346</u>	<u>\$ 2,253</u>	4.1 %

- Note: (1) AIG's non-affiliated client assets under management, including mutual funds and institutional accounts, approximated \$75 billion, \$62 billion and \$70 billion at December 31, 2006 and 2005 and September 30, 2006, respectively.
- (2) The Matched Investment Program has replaced AIG's principal spread-based investment activity, the GIC program, which continues in runoff.
- (3) Includes AIG Global Investment Group and certain smaller asset management operations.
- (4) Consists primarily of SunAmerica Inc. partnerships.
- (5) Includes the full results of certain AIG managed private equity and real estate funds that are consolidated pursuant to FIN46(R), "Consolidation of Variable Interest Entities" and certain AIG managed partnerships consolidated effective January 1, 2006 pursuant to EITF 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights".
- (6) Includes \$6 million of current period catastrophe-related losses in the twelve months ended December 31, 2005.
- (7) Includes the effect of hedging activities that did not qualify for hedge accounting treatment under FAS 133, including the related foreign exchange gains and losses.
- (8) During 2006 and the fourth quarter of 2005, all gains and losses on derivatives relating to GICs were reported as part of realized capital gains (losses) in AIG's Other category. During the first three quarters of 2005, derivatives gains and losses were reported in operating income before realized capital gains (losses) in Asset Management. An adjustment to reclassify these derivative gains and losses of \$(127) million is included in operating income before realized capital gains (losses) for the three months ended December 31, 2005. In all periods, the total derivatives gains and losses were excluded in the determination of adjusted net income.

American International Group, Inc.
Asset Management Other Data
(dollars in millions)

	Three Months Ended					Twelve Months Ended		
	Dec. 31, 2006	Dec. 31, 2005	% Chg	Sept. 30, 2006	Sequential % Chg	Dec. 31, 2006	Dec. 31, 2005	% Chg
Guaranteed Investment Contracts:								
Deposits								
Domestic	\$ -	\$ -	NM %	\$ -	NM %	\$ 17	\$ 2,255	(99.2) %
Foreign	4,100	2,772	47.9	3,723	10.1	13,056	8,370	56.0
Total	<u>4,100</u>	<u>2,772</u>	47.9	<u>3,723</u>	10.1	<u>13,073</u>	<u>10,625</u>	23.0
Reserves								
Domestic				33,672	(1.9)	33,028	38,629	(14.5)
Foreign				15,532	15.3	17,909	10,153	76.4
Total				<u>49,204</u>	3.5	<u>50,937</u>	<u>48,782</u>	4.4
Domestic Spread Information								
Base investment income	470	529	(11.2)	481	(2.3)	1,950	2,211	(11.8)
Partnerships	236	109	116.5	83	184.3	638	565	12.9
Other enhancements	27	46	(41.3)	60	(55.0)	133	127	4.7
Total net investment income	<u>\$ 733</u>	<u>\$ 684</u>	7.2 %	<u>\$ 624</u>	17.5 %	<u>\$ 2,721</u>	<u>\$ 2,903</u>	(6.3) %
Base yield	5.83%	5.41%		5.85%		5.71%	5.31%	
Partnerships (1)	1.93%	0.49%		0.20%		1.04%	0.80%	
Other enhancements (2)	0.34%	0.48%		0.73%		0.39%	0.30%	
Total	8.10%	6.38%		6.78%		7.14%	6.41%	
Spread Data Without Hedge Accounting (3)								
Cost of funds (3)	5.50%	4.63%		5.48%		5.26%	4.20%	
Net spread rate, as reported (3)	2.60%	1.74%		1.30%		1.89%	2.21%	
Net spread rate excluding partnerships and other enhancements (3)	0.33%	0.78%		0.36%		0.45%	1.11%	
Spread Data Assuming Hedge Accounting (4)								
Cost of funds with effect of economic hedges (4)	5.02%	4.73%		4.95%		4.89%	4.49%	
Net spread rate with effect of economic hedges (4)	3.08%	1.64%		1.82%		2.27%	1.93%	
Net economic spread rate excluding partnerships and other enhancements (4)	0.81%	0.69%		0.89%		0.83%	0.82%	
Matched Investment Program								
Securities issuance	\$ 1,992	\$ -	NM %	\$ 1,632	22.1 %	\$ 5,321	\$ -	NM %
Notes and bonds payable				\$ 3,333	64.1 %	\$ 5,468	\$ -	NM %

- Note: (1) Includes incremental effect to base yield of investments in hedge funds, private equity funds and affordable multi-housing partnerships.
(2) Includes incremental effect to base yields of gains on calls, dollar roll income, prepayment fees and trading gains (losses).
(3) Represents cost of funds without FAS 133 accounting for economic hedges where the effects of derivative transactions are recorded in realized capital gains (losses).
(4) Represents cost of funds on an economic basis including the effects of derivative transactions assuming hedge accounting treatment under FAS 133 is applied.

American International Group, Inc.

Other

(in millions)

	Three Months Ended			Twelve Months Ended	
	Dec. 31, 2006	Dec. 31, 2005	Sept. 30, 2006	Dec. 31, 2006	Dec. 31, 2005
Other income (deductions) - net:					
Equity earnings in unconsolidated entities (1) (2)	\$ 15	\$ (15)	\$ 48	\$ 193	\$ (124)
Interest expense, including distributions on the liabilities connected to trust preferred stock	(226)	(159) (3)	(227)	(859)	(541) (3)
Unallocated corporate expenses	(199)	(126) (3)	(95)	(555)	(413) (3)
Compensation expense - SICO Plans (4)	(4)	(75)	(14)	(108)	(205)
Compensation expense - Starr tender offer (5)	-	-	-	(54)	-
Regulatory settlement costs	-	(1,644)	-	-	(1,644)
Other miscellaneous, net	(3)	(56) (3)	15	(23)	(113) (3)
Consolidation and elimination adjustments (6)	74	-	-	74	-
Sub-total other income (deductions) - net excluding FAS 133	(343)	(2,075)	(273)	(1,332)	(3,040)
FAS 133 (7)	(58)	(321)	(258)	(254)	340
Total other income (deductions) - net	<u>(401)</u>	<u>(2,396)</u>	<u>(531)</u>	<u>(1,586)</u>	<u>(2,700)</u>
Other realized capital gains (losses):					
Other realized capital gains (losses)	(113)	(15) (3)	(197)	(295)	505 (3)
Reclassification of FAS 133 to other income (deductions) - net (8)	58	321	258	254	(340)
Total other realized capital gains (losses)	<u>(55)</u>	<u>306</u>	<u>61</u>	<u>(41)</u>	<u>165</u>
Total Other	<u>\$ (456)</u>	<u>\$ (2,090)</u>	<u>\$ (470)</u>	<u>\$ (1,627)</u>	<u>\$ (2,535)</u>

- Note: (1) Includes current period catastrophe-related losses of \$66 million and \$312 million in the three months and the twelve months ended December 31, 2005, respectively. There were no significant catastrophe-related losses in 2006.
- (2) Includes adverse development on prior year catastrophe related losses of \$1 million and \$15 million in the twelve months ended December 31, 2006 and 2005, respectively.
- (3) Certain amounts have been reclassified to conform to the current period presentation.
- (4) Includes various adjustments totaling \$61 million primarily relating to stock splits and other miscellaneous items in the twelve months ended December 31, 2006.
- (5) In January 2006, C.V. Starr & Co., Inc. (Starr) completed its tender offer to purchase Starr's interest from AIG employees.
- (6) Includes other income of \$159 million in both the three months and the twelve months ended December 31, 2006 attributable to the full results of certain AIG managed private equity funds that are consolidated pursuant to FIN46(R), "Consolidation of Variable Interest Entities".
- (7) Represents the elimination of revenues reported in the Financial Services segment from intercompany hedging activities.
- (8) Represents the elimination of realized capital gains (losses) reported in General Insurance and Life Insurance & Retirement Services segments and in AIG's Other category from intercompany hedging activities.

American International Group, Inc.

Cash and Invested Assets

December 31, 2006

(dollars in millions)

	General Insurance	Life Insurance & Retirement Services	Financial Services	Asset Management	Other	Total Company	Percent of Total
Fixed maturities:							
Bonds available for sale, at fair value	\$ 67,994	\$ 287,360	\$ 1,357	\$ 30,680	\$ 0	\$ 387,391	48.5 %
Bonds held to maturity, at amortized cost	21,437	0	0	0	0	21,437	2.7
Bond trading securities, at fair value	1	1,995	0	7,041	0	9,037	1.1
Equity securities:							
Common stocks available for sale, at fair value	4,245	8,711	0	226	80	13,262	1.7
Common and preferred stocks trading, at fair value	350	13,705	0	366	0	14,421	1.8
Preferred stocks available for sale, at fair value	1,884	650	5	0	0	2,539	0.3
Mortgage loans on real estate - net	13	12,852	95	4,107	0	17,067	2.1
Policy loans	1	7,458	2	48	(8)	7,501	0.9
Collateral and guaranteed loans - net	3	733	2,301	729	84	3,850	0.5
Investment income due and accrued	1,363	4,364	23	326	1	6,077	0.8
Real estate, net of accumulated depreciation	570	698	17	75	26	1,386	0.1
Financial services assets:							
Flight equipment primarily under operating leases, net of accumulated depreciation	0	0	39,875	0	0	39,875	5.0
Securities available for sale, at fair value	0	0	47,205	0	0	47,205	5.9
Trading securities, at fair value	0	0	5,031	0	0	5,031	0.6
Spot commodities	0	0	220	0	0	220	0.0
Unrealized gain on swaps	0	0	19,252	0	0	19,252	2.4
Trading assets	0	0	2,468	0	0	2,468	0.3
Securities purchased under agreements to resell, at contract value	0	0	33,702	0	0	33,702	4.2
Finance receivables, net of allowance	0	0	29,573	0	0	29,573	3.7
Securities lending collateral, at fair value	5,376	50,099	76	13,755	0	69,306	8.7
Other invested assets*	9,207	14,263	2,212	15,823	609	42,114	5.3
Short-term investments, at cost	3,281	6,893	1,245	13,825	5	25,249	3.2
Cash	334	672	390	186	8	1,590	0.2
Total cash and invested assets	\$ 116,059	\$ 410,453	\$ 185,049	\$ 87,187	\$ 805	\$ 799,553	100.0 %
Percent of total company	14.5%	51.3%	23.2%	10.9%	0.1%	100.0%	

Note:* Includes real estate held for investment.

American International Group, Inc.
Cash and Invested Assets
General Insurance

(dollars in millions)

	December 31, 2006			Percent of Total	December 31, 2005			Percent of Total
	Domestic	Foreign	Total		Domestic	Foreign	Total	
Fixed maturities:								
Bonds available for sale, at fair value	\$ 48,657	\$ 19,337	\$ 67,994	58.6 %	\$ 34,688	\$ 16,182	\$ 50,870	53.7 %
Bonds held to maturity, at amortized cost	21,280	157	21,437	18.5	21,528	0	21,528	22.7
Bond trading securities, at fair value	0	1	1	0.0	0	0	0	0.0
Equity securities:								
Common stocks available for sale, at fair value	3,395	850	4,245	3.7	3,137	1,368	4,505	4.8
Common and preferred stocks trading, at fair value	350	0	350	0.3	425	0	425	0.4
Preferred stocks available for sale, at fair value	1,882	2	1,884	1.6	1,631	1	1,632	1.7
Mortgage loans on real estate - net	8	5	13	0.0	9	5	14	0.0
Policy loans	0	1	1	0.0	0	2	2	0.0
Collateral and guaranteed loans - net	0	3	3	0.0	0	3	3	0.0
Investment income due and accrued	980	383	1,363	1.2	927	305	1,232	1.3
Real estate, net of accumulated depreciation	238	332	570	0.5	230	295	525	0.5
Financial services assets:								
Flight equipment primarily under operating leases, net of accumulated depreciation	0	0	0	0.0	0	0	0	0.0
Securities available for sale, at fair value	0	0	0	0.0	0	0	0	0.0
Trading securities, at fair value	0	0	0	0.0	0	0	0	0.0
Spot commodities	0	0	0	0.0	0	0	0	0.0
Unrealized gain on swaps	0	0	0	0.0	0	0	0	0.0
Trading assets	0	0	0	0.0	0	0	0	0.0
Securities purchased under agreements to resell, at contract value	0	0	0	0.0	0	0	0	0.0
Finance receivables, net of allowance	0	0	0	0.0	0	0	0	0.0
Securities lending collateral, at fair value	2,060	3,316	5,376	4.6	1,267	3,664	4,931	5.2
Other invested assets	7,483	1,724	9,207	7.9	5,402	948	6,350	6.7
Short-term investments, at cost	1,679	1,602	3,281	2.8	839	1,643	2,482	2.7
Cash	219	115	334	0.3	146	159	305	0.3
Total cash and invested assets	\$ 88,231	\$ 27,828	\$ 116,059	100.0 %	\$ 70,229	\$ 24,575	\$ 94,804	100.0 %
Percent of total company	11.0%	3.5%	14.5%		10.1%	3.6%	13.7%	
Return on average invested assets			5.4%				4.5%	
Return on average invested assets excluding securities lending collateral			5.7%				4.8%	

American International Group, Inc.
Cash and Invested Assets
Life Insurance & Retirement Services

(dollars in millions)

	December 31, 2006			Percent of Total	December 31, 2005			Percent of Total
	Domestic	Foreign	Total		Domestic	Foreign	Total	
Fixed maturities:								
Bonds available for sale, at fair value	\$ 137,462	\$ 149,898	\$ 287,360	70.0 %	\$ 144,225	\$ 128,940	\$ 273,165	73.2 %
Bonds held to maturity, at amortized cost	0	0	0	0.0	0	0	0	0.0
Bond trading securities, at fair value	187	1,808	1,995	0.5	154	919	1,073	0.3
Equity securities:								
Common stocks available for sale, at fair value	226	8,485	8,711	2.1	132	7,304	7,436	2.0
Common and preferred stocks trading, at fair value	1	13,704	13,705	3.3	1	8,121	8,122	2.2
Preferred stocks available for sale, at fair value	175	475	650	0.1	494	266	760	0.2
Mortgage loans on real estate - net	10,078	2,774	12,852	3.1	8,114	2,133	10,247	2.7
Policy loans	2,978	4,480	7,458	1.8	2,963	4,024	6,987	1.9
Collateral and guaranteed loans - net	113	620	733	0.2	0	1,172	1,172	0.3
Investment income due and accrued	1,882	2,482	4,364	1.1	1,924	2,149	4,073	1.1
Real estate, net of accumulated depreciation	70	628	698	0.2	71	588	659	0.2
Financial services assets:								
Flight equipment primarily under operating leases, net of accumulated depreciation	0	0	0	0.0	0	0	0	0.0
Securities available for sale, at fair value	0	0	0	0.0	0	0	0	0.0
Trading securities, at fair value	0	0	0	0.0	0	0	0	0.0
Spot commodities	0	0	0	0.0	0	0	0	0.0
Unrealized gain on swaps	0	0	0	0.0	0	0	0	0.0
Trading assets	0	0	0	0.0	0	0	0	0.0
Securities purchased under agreements to resell, at contract value	0	0	0	0.0	0	28	28	0.0
Finance receivables, net of allowance	0	0	0	0.0	0	0	0	0.0
Securities lending collateral, at fair value	44,723	5,376	50,099	12.2	39,094	3,897	42,991	11.5
Other invested assets	6,970	7,293	14,263	3.5	5,725	4,122	9,847	2.6
Short-term investments, at cost	1,445	5,448	6,893	1.7	1,302	4,553	5,855	1.5
Cash	56	616	672	0.2	53	936	989	0.3
Total cash and invested assets	\$ 206,366	\$ 204,087	\$ 410,453	100.0 %	\$ 204,252	\$ 169,152	\$ 373,404	100.0 %
Percent of total company	25.8%	25.5%	51.3%		29.5%	24.5%	54.0%	
Return on average invested assets			5.0%				5.1%	
Return on average invested assets excluding securities lending collateral			5.7%				5.7%	

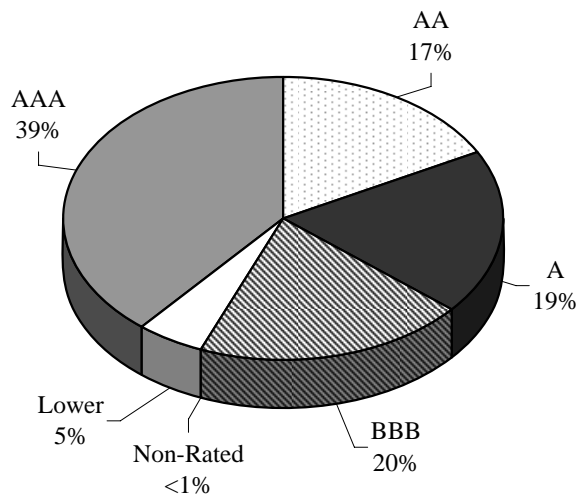
American International Group, Inc.
Cash and Invested Assets
Financial Services

(dollars in millions)

	December 31, 2006					Percent of Total
	Aircraft Leasing	Capital Markets	Consumer Finance	Other Financial Services	Total	
Fixed maturities:						
Bonds available for sale, at fair value	\$ 0	\$ 0	\$ 1,357	\$ 0	\$ 1,357	0.7 %
Bonds held to maturity, at amortized cost	0	0	0	0	0	0.0
Bond trading securities, at fair value	0	0	0	0	0	0.0
Equity securities:						
Common stocks available for sale, at fair value	0	0	0	0	0	0.0
Common and preferred stocks trading, at fair value	0	0	0	0	0	0.0
Preferred stocks available for sale, at fair value	0	0	5	0	5	0.0
Mortgage loans on real estate - net	0	0	87	8	95	0.1
Policy loans	0	0	2	0	2	0.0
Collateral and guaranteed loans - net	145	2,156	0	0	2,301	1.3
Investment income due and accrued	4	0	19	0	23	0.0
Real estate, net of accumulated depreciation	0	0	16	1	17	0.0
Financial services assets:						
Flight equipment primarily under operating leases, net of accumulated depreciation	39,875	0	0	0	39,875	21.6
Securities available for sale, at fair value	0	47,205	0	0	47,205	25.5
Trading securities, at fair value	0	5,031	0	0	5,031	2.7
Spot commodities	0	220	0	0	220	0.1
Unrealized gain on swaps	0	19,252	0	0	19,252	10.4
Trading assets	0	2,468	0	0	2,468	1.3
Securities purchased under agreements to resell, at contract value	0	33,702	0	0	33,702	18.2
Finance receivables, net of allowance	283	0	28,654	636	29,573	16.0
Securities lending collateral, at fair value	0	0	76	0	76	0.0
Other invested assets	14	1,338	673	187	2,212	1.2
Short-term investments, at cost	155	375	709	6	1,245	0.7
Cash	2	31	251	106	390	0.2
Total cash and invested assets	\$ 40,478	\$ 111,778	\$ 31,849	\$ 944	\$ 185,049	100.0 %
Percent of total company	5.1%	14.0%	4.0%	0.1%	23.2%	

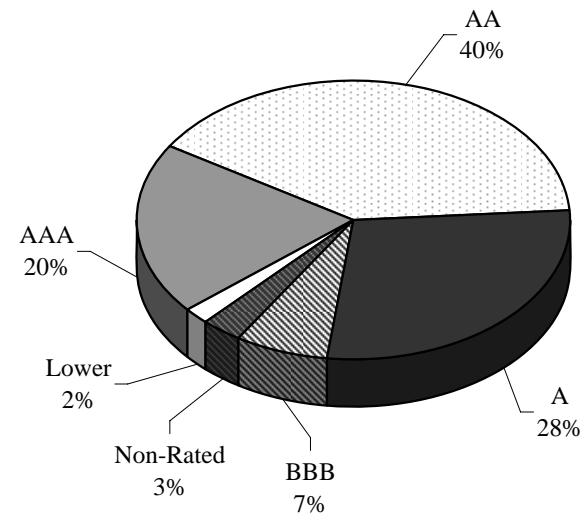
American International Group, Inc.
Worldwide Insurance and Asset Management
Bond Portfolio
 December 31, 2006

Total Domestic Bond Portfolio Ratings



Domestic Bonds
\$237.1 billion

Total Foreign Bond Portfolio Ratings *



Foreign Bonds
\$179.4 billion

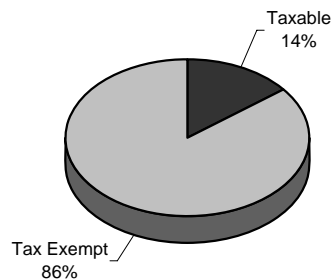
* Ratings by nationally recognized rating agencies or similar foreign services. AIG reviews the credit quality of the foreign portfolio non-rated fixed income investments.

American International Group, Inc.
Domestic Insurance and Asset Management
Bond Portfolio
 December 31, 2006

Domestic General Insurance

Bond Ratings

AAA.....	78.0%
AA.....	17.5%
A.....	3.6%
BBB.....	0.4%
Non-Rated.....	0.3%
Lower.....	0.2%



Domestic General Insurance Bonds
 \$69.9 billion

Domestic Life Insurance & Retirement Services and Asset Management

Bond Ratings

AAA.....	23.4%
AA.....	16.8%
A.....	24.9%
BBB.....	27.7%
Non-Rated.....	0.2%
Lower.....	7.0%

Domestic Life Insurance &
 Retirement Services and
 Asset Management Bonds
 \$167.1 billion

Comment on Regulation G

This financial supplement includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures in accordance with Regulation G are included within the relevant tables.

Throughout this financial supplement, 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, and out of period adjustments are shown exclusive of realized capital gains (losses), cumulative effect of an accounting change in 2006, the effect of FIN46(R), the effect of EITF 04-5, the effect of FAS 133 and the effect of catastrophe related losses, settlement charges and the general insurance reserve charge.

AIG excludes the effects of FIN46(R), EITF 04-5 and FAS 133 because AIG believes that excluding these items permits investors to better assess the performance of the underlying businesses. For example, AIG's derivatives are economically effective hedges, even though they did not qualify for hedge accounting. Likewise, AIG believes that a presentation excluding entities consolidated pursuant to FIN46(R) or EITF 04-5 is more meaningful than the GAAP presentation where AIG does not in fact have the economic interest that is presumed to be held.

AIG excludes catastrophe related losses in order to permit investors to better assess the performance of the underlying underwriting business.

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 that underwriting profit (loss) provides investors with financial information that is not only meaningful but critically important to understanding the results of property and casualty insurance operations. Operating income of a property and casualty insurance company includes three components: underwriting profit (loss), net investment income and realized capital gains (losses). Without disclosure of underwriting profit (loss), it is impossible to determine how successful an insurance company is in its core business activity of assessing and underwriting risk. Including investment income and realized capital gains (losses) in operating income without disclosing underwriting profit (loss) can mask underwriting losses. The amount of net investment income may be driven by changes in interest rates and other factors that are totally unrelated to underwriting performance. Underwriting profit (loss) is an important measurement used by AIG senior management to judge the performance of its property and casualty insurance operations. AIG includes the measurement required in statutory financial statements filed with state insurance departments and adjusts for changes in deferred acquisition costs in order to make the measure more consistent with the information provided in AIG's consolidated financial statements. Further, the equity analysts who follow AIG exclude the realized capital transactions in their analyses for the same reason and consistently request that AIG provide the non-GAAP information.

Life and retirement services production (premiums, deposits and other considerations), gross premiums written, net premiums written and loss, expense and combined ratios are presented in accordance with accounting principles prescribed or permitted by insurance regulatory authorities because these are standard measures of performance used in the insurance industry and thus allow for more meaningful comparisons with AIG's insurance competitors. AIG also presents net investment income for the Life Insurance & Retirement Services segment before policyholder trading gains. Policyholder trading gains have been excluded because they principally relate to assets held in trading securities accounts that are offset by an equal change in incurred policy losses and benefits.

The effect of AIG's settlement with the United States Department of Justice, Securities and Exchange Commission, the Office of the New York Attorney General and the New York Department of Insurance has been excluded since it does not reflect the performance of AIG's underlying business.