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AIG REPORTS FIRST QUARTER 2004 NET INCOME OF \$2.66 BILLION
(\$1.01 PER SHARE), AN INCREASE OF 35.9 PERCENT OVER 2003;

NET INCOME EXCLUDING REALIZED CAPITAL GAINS AND LOSSES AND
CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE INCREASED
19.9 PERCENT TO \$2.84 BILLION (\$1.08 PER SHARE)

NEW YORK, NY, April 22, 2004 - American International Group, Inc. (AIG) today reported that its first quarter 2004 net income rose 35.9 percent to \$2.66 billion or \$1.01 per share, compared to \$1.95 billion or \$0.74 per share in the first quarter of 2003. First quarter 2004 net income excluding realized capital gains (losses) and the cumulative effect of an accounting change, increased 19.9 percent to a record \$2.84 billion or \$1.08 per share, compared to \$2.37 billion or \$0.90 per share in the first quarter of 2003.

Income before income taxes, minority interest and the cumulative effect of an accounting change for the first quarter of 2004 was a record \$4.29 billion, a 46.8 percent increase over \$2.92 billion in the first quarter of 2003. These results include realized capital gains of \$4.9 million in the first quarter of 2004, compared to realized capital losses of \$631.5 million in the same period last year.

Following is a summary table of first quarter information (in millions, except per share amounts):

	FIRST QUARTER			Per Share		
	<u>2004</u>	<u>2003</u>	<u>Change</u>	<u>2004</u>	<u>2003</u>	<u>Change</u>
Net income	\$2,655.6	\$1,953.5	35.9%	\$1.01	\$0.74	36.5%
Realized capital gains (losses), net of tax	(0.5)	(412.8)	-	-	(0.16)	-
Cumulative effect of an accounting change, net of tax*	(181.4)	-	-	(0.07)	-	-
Net income, excluding realized capital gains (losses) and cumulative effect of an accounting change, net of tax	\$2,837.5	\$2,366.3	19.9%	\$1.08	\$0.90	20.0%
Average shares outstanding				2,632.6	2,628.1	

* As previously reported in AIG's Form 10-K for the year ended December 31, 2003, in the first quarter of 2004, AIG incurred a one-time cumulative accounting charge of \$181.4 million, net of tax, upon adoption of SOP 03-1 "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts", which requires insurers to recognize a liability for guaranteed minimum death benefits and other living benefits related to their variable annuity and variable life contracts.

Highlights of the first quarter 2004 include:

	<u>2004</u>	<u>2003</u>	<u>Change</u>
<u>Consolidated</u>			
Adjusted Net Income (a)	\$2.84 billion	\$2.37 billion	19.9%
Shareholders' Equity			
At March 31 and December 31	\$77 billion	\$71 billion	7.8%
Retained Earnings			
At March 31 and December 31	\$63 billion	\$61 billion	4.1%
Return on Equity (b)			
At March 31 and December 31	17.3%	17.2%	
Consolidated Assets			
At March 31 and December 31	\$724 billion	\$678 billion	6.8%
Revenues (c)	\$23.64 billion	\$18.93 billion	24.9%
Insurance Cash Flow (d)	\$14.87 billion	\$11.18 billion	33.0%

	<u>2004</u>	<u>2003</u>	<u>Change</u>
<u>General Insurance</u>			
Net Premiums Written	\$10.21 billion	\$8.24 billion	23.9%
Pretax Operating Income (ex. realized capital gains (losses))	\$1.50 billion	\$1.32 billion	14.0%
Combined Ratio	93.22	93.13	
Cash Flow	\$3.53 billion	\$3.24 billion	9.0%
<u>Life Insurance & Retirement Services (e)</u>			
GAAP Premiums	\$6.90 billion	\$5.78 billion	19.3%
Premiums, Deposits and Other Considerations	\$17.07 billion	\$11.88 billion	43.7%
Pretax Operating Income (ex. realized capital gains (losses))	\$2.04 billion	\$1.65 billion	24.0%
<u>Financial Services</u>			
Pretax Operating Income	\$523.0 million	\$530.5 million	(1.4)%
<u>Asset Management (e)</u>			
Pretax Operating Income	\$239.2 million	\$174.4 million	37.1%

- (a) Excludes realized capital gains (losses) and cumulative effect of an accounting change, net of tax.
- (b) See reconciliation to GAAP ROE in the supplementary earnings data.
- (c) Represents the sum of General Insurance net premiums earned, GAAP Life Insurance & Retirement Services premiums, net investment income, Financial Services commissions, transactions and other fees, Asset Management commissions and other fees and GAAP premiums and net investment income with respect to Guaranteed Investment Contracts (GICs), and realized capital gains (losses).
- (d) In addition to General Insurance cash flow, includes Life Insurance & Retirement Services cash flow for investment, which generates the investment income necessary to meet policyholder obligations and to provide a profit margin to shareholders, as well as net cash flow from Guaranteed Investment Contracts (GICs).
- (e) Restated to conform to the presentation with respect to 2004.

Commenting on these results, AIG Chairman M. R. Greenberg said, "AIG had a very good quarter led by excellent General Insurance results and strong gains in Life Insurance & Retirement Services. We achieved net income of \$2.66 billion, up 35.9 percent over a year ago. Excluding realized capital gains and losses and the cumulative effect of an accounting change, net income increased 19.9 percent to a record \$2.84 billion.

"Pretax net realized capital gains were \$4.9 million in the first quarter of 2004, compared to losses of \$631.5 million in the first quarter of 2003. An improved economy, stronger corporate balance sheets and a significantly lower level of impaired investments resulted in the substantial improvement in realized capital gains (losses).

"Shareholders' equity at March 31, 2004 was a record \$77 billion, and assets increased to \$724 billion. Also, the Triple A long-term debt and insurer financial strength (claims-paying) ratings of the AIG Companies were affirmed by Standard & Poor's in the first quarter, and this month AIG became one of the 30 companies in the Dow Jones Industrial Average Index.

"General Insurance cash flow remained very strong in the first quarter, totaling \$3.53 billion compared to \$3.24 billion in the first quarter of 2003. Total insurance cash flow was \$14.87 billion in the quarter, compared to \$11.18 billion in the first quarter of 2003.

GENERAL INSURANCE

"General Insurance operating income excluding realized capital gains (losses) rose 14.0 percent in the first quarter to a record \$1.50 billion, as a result of strong performance in both domestic and foreign operations. Net premiums written increased at a good rate – up 23.9 percent over the first quarter of 2003 to a record \$10.21 billion. The General Insurance combined ratio was 93.22 compared to 93.13 in last year's first quarter.

"In the United States, the Domestic Brokerage Group had strong premium growth of 22.3 percent to a record \$5.55 billion. The combined ratio was 95.74, compared to 94.80 a year ago. Market conditions continue to be satisfactory. The substantial price increases over the past two years were very much needed, and in many classes of business, price increases are still necessary. AIG is maintaining a disciplined approach to underwriting and pricing. In addition to adequate pricing, we give careful attention to underwriting selection, policy terms and conditions, deductibles and attachment points. Pricing generally is strongest in long tail classes of business, where buyers increasingly understand the importance of doing business with financially strong insurers, and they are less willing to take undue risk by seeking the cheapest price.

"A number of insurance companies, however, appear to be pursuing strategies focused on market share growth and cash flow underwriting. In the past, companies that have pursued these strategies have frequently become impaired, which should raise concerns in the marketplace about the soundness and security of coverages, especially for long tail risks. According to a report by A.M. Best, 218 U.S. property-casualty companies became insolvent between 1993 and 2002, including 41 that had been rated A or A- at least

two years prior to the insolvency and 29 that were rated A or A- at least one year before they became insolvent. Buying long tail insurance from companies with low insurer financial strength (claims-paying) or low long-term debt ratings is in effect purchasing 'junk insurance'.

"The Domestic Personal Lines business continues to achieve solid premium growth and underwriting performance. In the first quarter, net premiums written were \$1.11 billion, up 25.8 percent over a year ago. The combined ratio was 95.45. The integration of the former GE personal lines business into AIG companies is proceeding well.

"HSB Group, Inc. had excellent premium growth with superb underwriting results.

"United Guaranty had good results. Premium growth and improved persistency were offset by a slight increase in UGC's delinquency ratio, which is still well below the industry average. Its combined ratio continues to be very good.

"Transatlantic Holdings, Inc. also had a good quarter. Net premiums written increased 18.1 percent to \$907.5 million. Pretax operating income was up 38.0 percent. The combined ratio was 95.82 compared to 97.36 in the first quarter of 2003.

"Foreign General Insurance had very strong results in the quarter. Net premiums written were a record \$2.49 billion, an increase of 29.0 percent, or 16.6 percent in original currency, over the first quarter of 2003. The combined ratio was 87.15, compared to 88.90 a year ago. Every major region of the worldwide network contributed to this performance. As expected, the market is becoming somewhat more competitive but rates generally remain adequate and we continue to implement price increases where they are needed.

"In China, we are making good progress implementing the agreement we have with PICC Property and Casualty Company Limited (PICC P&C) to develop the market for accident and health products. Training programs are already underway and we are pleased with the cooperation we are receiving from PICC P&C managers and agents. We expect this to be a very successful venture.

"In Japan, our direct marketing efforts for automobile and accident and health products continue to generate profitable growth. Also, we are increasing our marketing efforts aimed at the larger corporate market. The financial strength of AIG companies is increasingly important and valuable to buyers of insurance around the world.

"General Insurance net investment income was \$856.8 million, an increase of 9.3 percent, even though interest rates remain at very low levels. We are benefiting from the strong cash flow of the past two years and strengthening credit and equity markets.

"At March 31, 2004, General Insurance net loss and loss adjustment reserves totaled \$38.75 billion, a \$2.11 billion increase from December 31, 2003. In the first quarter of 2004, we estimate that net adverse reported loss development for the prior accident years was approximately \$200 million.

LIFE INSURANCE & RETIREMENT SERVICES

“Beginning this quarter, we are reporting Retirement Services results in the same segment as Life Insurance, reflecting the convergence of protective and retirement products and our current management of these operations.

“Worldwide Life Insurance & Retirement Services operating income before realized capital gains (losses) was a record \$2.04 billion, an increase of 24.0 percent, compared to \$1.65 billion in the first quarter of 2003. Results were very strong in both foreign and domestic operations. Worldwide Life Insurance & Retirement Services GAAP premiums were \$6.90 billion, an increase of 19.3 percent over the first quarter of 2003. Premiums, deposits and other considerations totaled \$17.07 billion, an increase of 43.7 percent compared to the first quarter of 2003. Cash flow from both foreign and domestic operations continues to be outstanding.

“AIG’s extensive Foreign Life Insurance & Retirement Services operations had an excellent quarter. Operating income excluding realized capital gains (losses) was \$1.07 billion in the first quarter compared to \$889.6 million a year ago. GAAP premiums were \$5.41 billion, up 24.7 percent. Premiums, deposits and other considerations were \$10.04 billion, compared to \$5.41 billion in the first quarter of 2003, with a significant part of the increase related to the rapidly growing fixed annuity business in Japan.

“In China, our life insurance business is growing rapidly. Total first year premiums were up 53.8 percent in the first quarter over the prior year. Japan had excellent results. AIG Edison is growing and proving to be a good complement to ALICO Japan and AIG Star Life. Consolidation of services and information technology support is moving ahead successfully among these operations. AIG Star Life had very good first quarter earnings. As expected, new premiums still do not exceed surrenders. However, we have enhanced the sales organization, and are launching new products and introducing new retention plans. We are confident these initiatives will make a significant contribution to future growth.

“Other regions, including Southeast Asia, had good operating income in the quarter. The sale of annuities is growing rapidly in several countries around the world, consistent with our strategy of focusing on attractive international retirement services opportunities.

“Domestic Life Insurance & Retirement Services operating income excluding realized capital gains (losses) was \$972.0 million in the first quarter of 2004, an increase of 28.1 percent compared to \$758.9 million in the first quarter of 2003. GAAP premiums were \$1.49 billion, up 2.9 percent. Premiums, deposits and other considerations were \$7.03 billion, an 8.6 percent increase compared to \$6.47 billion in the first quarter of 2003. AIG’s domestic life operations had a solid quarter, achieving record universal and term life sales, while continuing to manage costs and maintain adequate spreads. Life insurance periodic premium sales rose 17.8 percent and payout annuities insurance reserves increased 15.6 percent. To accelerate growth, we are introducing new products, enhancing systems that support product roll outs and we are paying careful attention to product profitability by focusing on spreads and reducing expenses.

“The domestic retirement services businesses had excellent results. With market leading positions, a comprehensive product portfolio and a diverse distribution network, AIG’s retirement services businesses are well positioned to benefit under virtually all market conditions. The individual variable annuity business recorded strong gains as consumers shifted assets to equity based investment products. The individual fixed annuity business had slower premium growth as a result of this trend. However, operating income growth was strong as spreads increased substantially in the first quarter over the prior year.

“AIG VALIC, the group retirement business in the United States, had record operating income. Net flows were impacted by the loss of a single account that we declined to write at an inadequate profit level. Excluding this account, the overall surrender rate was comparable to prior periods.

FINANCIAL SERVICES

“Financial Services had pretax operating income of \$523.0 million in the first quarter, compared to \$530.5 million a year ago.

“ILFC reported operating income of \$160.0 million in the quarter, compared to \$174.3 million in the first quarter of 2003. In the third quarter of 2003 and January 2004, ILFC securitized approximately \$2 billion in aircraft from its fleet, which results in somewhat lower operating income, although it significantly enhances ILFC’s liquidity and funding base. Commercial aviation market conditions are improving. Lease rates are moving upward and demand is strong, especially in Asia. In China, for example, airline passenger demand exceeds capacity. Based on these trends, we expect ILFC’s income to grow during the remainder of the year.

“Capital Markets operating income was \$182.5 million, a satisfactory quarter but down 13.6 percent compared to the exceptionally strong results we achieved in the first quarter of 2003. Quarter to quarter variations are to be expected in this transaction-oriented business. The pipeline continues to build in a satisfactory manner. Overall, the business remains strong and its prospects are good.

“Consumer Finance had excellent results in both domestic and foreign operations as pretax operating income increased 23.7 percent in the first quarter to \$183.2 million. In the United States, credit quality was very strong and receivables grew substantially. Foreign consumer finance operations continued to benefit from growth in Poland and the dramatic turnaround in the economies of Hong Kong and Argentina. Imperial A. I. Credit, the largest insurance premium finance provider in the United States, had another good quarter.

ASSET MANAGEMENT

“Asset Management pretax operating income increased 37.1 percent in the first quarter to \$239.2 million. AIG Global Investment Group had a good quarter as a result of improved equity markets in most of the world and a strong global product portfolio. The

broker-dealer and mutual fund businesses also recorded strong gains in the quarter, benefiting from the improved equity markets. Third party assets under management increased to over \$48 billion.

“Guaranteed Investment Contract (GIC) operating income totaled \$157.0 million in the first quarter of 2004, compared to \$118.8 million in the first quarter of 2003. GICs are an opportunistic business which we write when interest rate spreads are attractive. Accordingly, GIC deposits may fluctuate substantially from quarter to quarter.

“In the Other Income/Deductions-net category, AIG reported a loss of \$19.7 million in the first quarter of 2004 compared to a loss of \$114.4 million a year earlier. This is primarily attributable to increased income related to SunAmerica partnership investments.

“The U.S. dollar weakened against most major currencies, including the Euro, Yen and British Pound, during the first quarter of 2004. On a local currency basis, General Insurance premiums increased 20.5 percent in the first quarter over the prior year, compared to 23.9 percent on a U.S. dollar basis. Life Insurance & Retirement Services GAAP premiums rose 14.0 percent in local currency compared to 19.3 percent in U.S. dollars.”

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AIG is the world’s leading international insurance and financial services organization, with operations in more than 130 countries and jurisdictions. AIG member companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In the United States, AIG companies are the largest underwriters of commercial and industrial insurance and AIG American General is a top-ranked life insurer. AIG’s global businesses also include financial services, retirement services and asset management. AIG’s financial services businesses include aircraft leasing, financial products, trading and market making. AIG’s growing global consumer finance business is led in the United States by American General Finance. AIG also has one of the largest U.S. retirement services businesses through AIG SunAmerica and AIG VALIC, and is a leader in asset management for the individual and institutional markets, with specialized investment management capabilities in equities, fixed income, alternative investments and real estate. AIG’s common stock is listed on the New York Stock Exchange, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

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A conference call for the investment community will be held today at 9:00 a.m. EDT. The call will be broadcast live on the Internet at:

www.aigwebcast.com

The call will be archived at the same URL through Friday, April 30, 2004.

Caution concerning forward-looking statements

This press release contains forward-looking statements. Please refer to the AIG Annual Report on Form 10-K for the year ended December 31, 2003 and its past and future filings and reports filed with the Securities and Exchange Commission for a description of the business environment in which AIG operates and the important factors that may affect its business. AIG is not under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Comment on Regulation G

This press release, including the financial highlights and supplementary earnings data, includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures in accordance with Regulation G are included herein.

Throughout this press release, AIG presents its operations in the way it believes will be most meaningful and useful, as well as most transparent, to the investing public and others who use AIG's financial information in evaluating the performance of AIG. That presentation includes the use of certain non-GAAP measures. In addition to the GAAP presentations of net income and operating income, AIG shows both net income and operating income exclusive of realized capital gains (losses).

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 created 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 quarterly business performance.

AIG believes that a major part of the discipline of a successful general insurance company is to produce an underwriting profit, and it evaluates the performance of and manages its operations on that basis. Providing only a GAAP presentation of net income and operating income makes it much more difficult for users of AIG's financial information to evaluate AIG's success or failure in its basic business, that of insurance underwriting, and may, in AIG's opinion, lead to incorrect or misleading assumptions and conclusions. The equity analysts who follow AIG exclude the realized capital gains and losses in their analyses for the same reason, and consistently request that AIG provide the non-GAAP information.

AIG presents life and retirement services production (premiums, deposits and other considerations), net premiums written and combined ratios 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.

American International Group, Inc.

Financial Highlights*

(in thousands, except per share amounts)

	Three Months Ended March 31,		
	2004	2003	Change
General Insurance Operations:			
Net Premiums Written	\$ 10,212,944	\$ 8,243,084	23.9 %
Net Premiums Earned	9,239,429	7,286,763	26.8
Underwriting Profit	643,551	532,539	20.8
Net Investment Income	856,816	783,874	9.3
Income before Realized Capital Gains (Losses)	1,500,367	1,316,413	14.0
Realized Capital Gains (Losses)	67,012	(172,507)	-
Operating Income	\$ 1,567,379	\$ 1,143,906	37.0 %
Loss Ratio	73.70	74.15	
Expense Ratio	19.52	18.98	
Combined Ratio	93.22	93.13	
Life Insurance & Retirement Services Operations (a):			
GAAP Premiums	\$ 6,899,611	\$ 5,784,758	19.3 %
Net Investment Income	3,941,357	3,182,243	23.9
Income before Realized Capital Gains (Losses)	2,043,575	1,648,460	24.0
Realized Capital Gains (Losses)	48,675	(338,172)	-
Operating Income	2,092,250	1,310,288	59.7
Financial Services Operating Income	523,037	530,461	(1.4)
Asset Management Operating Income (a)	239,175	174,391	37.1
Other Realized Capital Gains (Losses) (a)	(110,766)	(120,821)	-
Other Income (Deductions) - net	(19,743)	(114,355)	-
Income before Income Taxes, Minority Interest and Cumulative Effect of an Accounting Change	4,291,332	2,923,870	46.8
Income Taxes	1,356,166	876,362	-
Income before Minority Interest and Cumulative Effect of an Accounting Change	2,935,166	2,047,508	43.4
<i>Minority Interest, after-tax -</i>			
Income before Realized Capital Gains (Losses)	(94,358)	(91,928)	-
Realized Capital Gains (Losses)	(3,767)	(2,055)	-
Income before Cumulative Effect of an Accounting Change	2,837,041	1,953,525	45.2
Cumulative Effect of an Accounting Change, net of tax (b)	(181,431)	0	-
Net Income	2,655,610	1,953,525	35.9
Realized Capital Gains (Losses), net of tax	(544)	(412,846)	-
Cumulative Effect of an Accounting Change, net of tax (b)	(181,431)	0	-
Net Income, excluding Realized Capital Gains (Losses) and Cumulative Effect of an Accounting Change, net of tax (c)	\$ 2,837,585	\$ 2,366,371	19.9 %

American International Group, Inc.

Financial Highlights*

(in thousands, except per share amounts)

	Three Months Ended March 31,		
	<u>2004</u>	<u>2003</u>	<u>Change</u>
<i>Per Share - Diluted:</i>			
Net Income	\$ 1.01	\$ 0.74	36.5 %
Realized Capital Gains (Losses), net of tax	0.00	(0.16)	-
Cumulative Effect of an Accounting Change, net of tax (b)	(0.07)	0.00	-
Net Income, excluding Realized Capital Gains (Losses) and Cumulative Effect of an Accounting Change, net of tax	\$ 1.08	\$ 0.90	20.0 %
Average Diluted Common Shares Outstanding	2,632,552	2,628,084	

* Including reconciliation in accordance with Regulation G.

(a) Restated to conform to the presentation with respect to 2004.

(b) Represents the cumulative effect of an accounting change, net of tax, related to SOP 03-1 "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts".

(c) Also referred to as Adjusted Net Income.

American International Group, Inc.
Pretax Operating Income
(in thousands)

	Three Months Ended March 31,		
	2004	2003	Change
General Insurance:			
Domestic Brokerage Group	\$ 800,652	\$ 708,847	13.0 %
Personal Lines	85,791	69,300	23.8
Mortgage Guaranty	99,752	109,995	(9.3)
Transatlantic Holdings	109,538	79,400	38.0
Foreign General (a)	404,516	347,154	16.5
Intercompany Adjustments	118	1,717	-
Realized Capital Gains (Losses)	67,012	(172,507)	-
Life Insurance & Retirement Services (b):			
Domestic			
Life Insurance	203,414	179,641	13.2
Home Service	104,251	100,218	4.0
Group Life/Health	25,581	28,482	(10.2)
Payout Annuities (c)	36,527	31,068	17.6
Retirement Services			
Group Retirement Products	280,288	218,597	28.2
Individual Fixed Annuities	232,941	142,423	63.6
Individual Variable Annuities	39,515	2,942	-
Individual Annuities - Runoff (d)	49,589	55,570	(10.8)
Intercompany Adjustments	(88)	(63)	-
Realized Capital Gains (Losses)	34,257	(19,106)	-
Foreign			
Life Insurance	703,914	625,993	12.4
Personal Accident & Health	261,425	197,492	32.4
Group Products	66,133	47,809	38.3
Retirement Services			
Individual Fixed Annuities	42,057	23,819	76.6
Individual Variable Annuities	2,295	(2,445)	-
Intercompany Adjustments	(4,267)	(3,086)	-
Realized Capital Gains (Losses)	14,418	(319,066)	-
Financial Services:			
Aircraft Finance	160,042	174,271	(8.2)
Capital Markets	182,504	211,241	(13.6)
Consumer Finance	183,168	148,103	23.7
Other (e)	(2,677)	(3,154)	-
Asset Management (b)(f):			
Guaranteed Investment Contracts			
Domestic	147,673	110,677	33.4
Foreign	9,355	8,126	15.1
Institutional Asset Management (g)	61,980	43,658	42.0
Brokerage Services and Mutual Funds	20,167	11,930	69.0
Other Realized Capital Gains (Losses) (b)	(110,766)	(120,821)	-
Other Income (Deductions) - net	(19,743)	(114,355)	-
Income before Income Taxes, Minority Interest and Cumulative Effect of an Accounting Change			
	4,291,332	2,923,870	46.8
Income before Income Taxes, Minority Interest, Realized Capital Gains (Losses) and Cumulative Effect of an Accounting Change			
	\$ 4,286,411	\$ 3,555,370	20.6 %

(a) Foreign General insurance excludes the foreign operations of Transatlantic Holdings, Inc.

(b) Restated to conform to the presentation with respect to 2004.

(c) Includes Structured Settlements, Single Premium Immediate Annuities and Terminal Funding Agreements.

(d) Represents runoff annuity business largely sold through discontinued distribution.

(e) Includes Other Financial Services Companies and Intercompany Reclassifications.

(f) At March 31, 2004, AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$48 billion.

(g) Includes AIG Global Investment Group and certain smaller asset management operations.

American International Group, Inc.
Supplementary Earnings Data*
(in thousands)

	Three Months Ended March 31,		
	2004	2003	Change
General Insurance Operations:			
Net Premiums Written			
Domestic Brokerage Group	\$ 5,550,419	\$ 4,540,142	22.3 %
Personal Lines	1,112,754	884,198	25.8
Mortgage Guaranty	153,674	121,188	26.8
Transatlantic Holdings	907,470	768,081	18.1
Foreign General (a)	2,488,627	1,929,475	29.0
Total	10,212,944	8,243,084	23.9
Operating Income			
Domestic Brokerage Group	800,652	708,847	13.0
Personal Lines	85,791	69,300	23.8
Mortgage Guaranty	99,752	109,995	(9.3)
Transatlantic Holdings	109,538	79,400	38.0
Foreign General (a)	404,516	347,154	16.5
Intercompany Adjustments	118	1,717	-
Total before Realized Capital Gains (Losses)	1,500,367	1,316,413	14.0
Realized Capital Gains (Losses)	67,012	(172,507)	-
Operating Income	\$ 1,567,379	\$ 1,143,906	37.0 %
Combined Ratio:			
Domestic Brokerage Group	95.74	94.80	
Personal Lines	95.45	96.43	
Mortgage Guaranty	49.89	46.03	
Transatlantic Holdings	95.82	97.36	
Foreign General (a)	87.15	88.90	
Total	93.22	93.13	
Losses and Loss Expenses Paid	\$ 4,703,068	\$ 4,233,655	11.1 %
Change in Loss and Loss Expense Reserve	2,106,729	1,169,765	80.1
Losses and Loss Expenses Incurred	6,809,797	5,403,420	26.0
Net Loss and Loss Expense Reserve	38,753,817	31,519,704	23.0
Underwriting Profit	\$ 643,551	\$ 532,539	20.8 %
Foreign Exchange Impact on Growth of Net Premiums Written			
Worldwide			
Growth in Original Currency			20.5 %
Foreign Exchange Impact			3.4
Growth as Reported in U.S. \$			23.9
Foreign General (a)			
Growth in Original Currency			16.6
Foreign Exchange Impact			12.4
Growth as Reported in U.S. \$			29.0 %

* Including reconciliation in accordance with Regulation G.
(a) Foreign General insurance excludes the foreign operations of Transatlantic Holdings, Inc.

Supplementary Earnings Data - Page 2

	Three Months Ended March 31,		
	2004	2003 (a)	Change
Life Insurance & Retirement Services Operations:			
GAAP Premiums			
Domestic			
Life Insurance	\$ 429,989	\$ 427,603	0.6 %
Home Service	205,986	208,745	(1.3)
Group Life/Health	267,471	232,248	15.2
Payout Annuities (b)	374,113	420,654	(11.1)
Retirement Services			
Group Retirement Products	76,425	53,450	43.0
Individual Fixed Annuities	12,567	6,772	85.6
Individual Variable Annuities	100,192	73,300	36.7
Individual Annuities - Runoff (c)	19,971	22,451	(11.0)
Total	1,486,714	1,445,223	2.9
Foreign			
Life Insurance	3,869,696	3,235,125	19.6
Personal Accident & Health	1,029,422	691,168	48.9
Group Products	416,171	349,504	19.1
Retirement Services			
Individual Fixed Annuities	85,221	60,819	40.1
Individual Variable Annuities	12,387	2,919	324.4
Total	5,412,897	4,339,535	24.7
Total GAAP Premiums	6,899,611	5,784,758	19.3
Premiums, Deposits and Other Considerations (d)			
Domestic			
Life Insurance	654,858	639,205	2.4
Home Service	245,757	234,616	4.7
Group Life/Health	260,135	236,759	9.9
Payout Annuities	576,662	551,716	4.5
Retirement Services			
Group Retirement Products	1,319,291	1,239,072	6.5
Individual Fixed Annuities	2,757,867	2,702,570	2.0
Individual Variable Annuities	1,142,662	765,538	49.3
Individual Annuities - Runoff	68,246	99,331	(31.3)
Total	7,025,478	6,468,807	8.6
Foreign			
Life Insurance	4,739,259	3,667,238	29.2
Personal Accident & Health	1,029,749	692,409	48.7
Group Products	751,670	569,823	31.9
Retirement Services			
Individual Fixed Annuities	3,148,904	248,215	-
Individual Variable Annuities	374,169	230,962	62.0
Total	10,043,751	5,408,647	85.7
Total Premiums, Deposits and Other Considerations	\$ 17,069,229	\$ 11,877,454	43.7 %

- (a) Restated to conform to the presentation with respect to 2004.
- (b) Includes Structured Settlements, Single Premium Immediate Annuities and Terminal Funding Agreements.
- (c) Represents runoff annuity business largely sold through discontinued distribution.
- (d) Premiums, deposits and other considerations represent aggregate business activity during the respective periods presented on a non-GAAP basis.

Supplementary Earnings Data - Page 3

	Three Months Ended March 31,		
	<u>2004</u>	<u>2003 (a)</u>	<u>Change</u>
<i>Life Insurance & Retirement Services Operations:</i>			
Net Investment Income			
Domestic			
Life Insurance	\$ 380,249	\$ 283,962	33.9 %
Home Service	174,740	168,577	3.7
Group Life/Health	31,160	27,931	11.6
Payout Annuities	198,731	168,621	17.9
Retirement Services			
Group Retirement Products	541,848	490,732	10.4
Individual Fixed Annuities	757,729	568,612	33.3
Individual Variable Annuities	55,380	53,760	3.0
Individual Annuities - Runoff	276,580	331,284	(16.5)
Intercompany Adjustments	(88)	(63)	-
Total	<u>2,416,329</u>	<u>2,093,416</u>	15.4
Foreign			
Life Insurance	1,093,738	902,455	21.2
Personal Accident & Health	41,784	36,528	14.4
Group Products	106,668	82,141	29.9
Retirement Services			
Individual Fixed Annuities	208,485	70,317	196.5
Individual Variable Annuities	78,620	472	-
Intercompany Adjustments	(4,267)	(3,086)	-
Total	<u>1,525,028</u>	<u>1,088,827</u>	40.1
Total Net Investment Income	\$ 3,941,357	\$ 3,182,243	23.9 %

(a) Restated to conform to the presentation with respect to 2004.

Supplementary Earnings Data - Page 4

	Three Months Ended March 31,		
	2004	2003 (a)	Change
<i>Life Insurance & Retirement Services Operations:</i>			
Operating Income			
Domestic			
Life Insurance	\$ 203,414	\$ 179,641	13.2 %
Home Service	104,251	100,218	4.0
Group Life/Health	25,581	28,482	(10.2)
Payout Annuities	36,527	31,068	17.6
Retirement Services			
Group Retirement Products	280,288	218,597	28.2
Individual Fixed Annuities	232,941	142,423	63.6
Individual Variable Annuities	39,515	2,942	-
Individual Annuities - Runoff	49,589	55,570	(10.8)
Intercompany Adjustments	(88)	(63)	-
Total Domestic before Realized Capital Gains (Losses)	972,018	758,878	28.1
Realized Capital Gains (Losses)	34,257	(19,106)	-
Domestic Operating Income	1,006,275	739,772	36.0
Foreign			
Life Insurance	703,914	625,993	12.4
Personal Accident & Health	261,425	197,492	32.4
Group Products	66,133	47,809	38.3
Retirement Services			
Individual Fixed Annuities	42,057	23,819	76.6
Individual Variable Annuities	2,295	(2,445)	-
Intercompany Adjustments	(4,267)	(3,086)	-
Total Foreign before Realized Capital Gains (Losses)	1,071,557	889,582	20.5
Realized Capital Gains (Losses)	14,418	(319,066)	-
Foreign Operating Income	1,085,975	570,516	90.3
Worldwide Life Insurance & Retirement Services before Realized Capital Gains (Losses)			
Realized Capital Gains (Losses)	48,675	(338,172)	-
Worldwide Operating Income	\$ 2,092,250	\$ 1,310,288	59.7 %

(a) Restated to conform to the presentation with respect to 2004.

Supplementary Earnings Data - Page 5

	Three Months Ended March 31,		
	<u>2004</u>	<u>2003 (a)</u>	<u>Change</u>
Life Insurance & Retirement Services Operations:			
Domestic - Other Data			
Life Insurance			
Periodic Premium Sales (b):			
Individual/Retail	\$ 115,350	\$ 78,790	46.4 %
Institutional Markets	13,050	30,210	(56.8)
Total Periodic Sales	<u>128,400</u>	<u>109,000</u>	17.8
Unscheduled & Single Deposits	98,200	80,600	21.8
Life Insurance Reserves	19,715,442	18,063,894	9.1
Home Service			
Product Sales			
Life/A&H (b)	26,126	26,000	0.5
Fixed Annuity	27,973	24,900	12.3
Total Insurance Reserves	7,099,596	6,933,000	2.4
Group Life/Health			
Annualized Earned Premium	1,292,472	1,161,543	11.3
Payout Annuities			
Insurance Reserves	9,948,864	8,603,254	15.6
Group Retirement Products			
Deposits (c)	1,607,437	1,359,108	18.3
Net Flows			
Group Retirement Products (c)	55,205	783,555	(93.0)
Individual Fixed Annuities	2,224,205	2,333,731	(4.7)
Individual Variable Annuities	510,928	205,202	149.0
Individual Annuities - Runoff	(311,049)	(296,135)	-
Total	<u>\$ 2,479,289</u>	<u>\$ 3,026,353</u>	(18.1) %
Surrender Rates			
Group Retirement Products (c)	12.3% (d)	5.5%	
Individual Fixed Annuities	5.4%	5.0%	
Individual Variable Annuities	10.4%	11.9%	
General and Separate Account Reserves			
Group Retirement Products (c)	\$ 51,641,779	\$ 43,039,889	20.0 %
Individual Fixed Annuities	44,746,581	34,656,819	29.1
Individual Variable Annuities	24,561,593	18,895,707	30.0
Individual Annuities - Runoff	21,640,077	21,938,469	(1.4)
Total	<u>\$ 142,590,030</u>	<u>\$ 118,530,884</u>	20.3 %

(a) Restated to conform to the presentation with respect to 2004.

(b) Life Insurance sales represent premiums from new sales that are expected to be collected over a one year period.

(c) Includes group retirement annuities and group mutual funds.

(d) Excluding the loss of a single account declined to be written at an inadequate profit level, the surrender rate was 6.9 percent.

Supplementary Earnings Data - Page 6

	Three Months Ended March 31,		
	2004	2003 (a)	Change
Life Insurance & Retirement Services Operations:			
Foreign - Other Data			
First Year Premiums			
Life Insurance			
Japan	\$ 169,581	\$ 138,150	22.8 %
China	24,372	15,061	61.8
Asia excluding Japan and China	437,209	559,396	(21.8)
All Other Regions	55,707	42,458	31.2
Total	686,869	755,065	(9.0)
Personal Accident & Health			
Japan	170,068	88,947	91.2
China	7,570	5,702	32.8
Asia excluding Japan and China	60,952	50,613	20.4
All Other Regions	27,128	21,665	25.2
Total	265,718	166,927	59.2
Group Products			
Japan	8,588	6,978	23.1
Asia excluding Japan and China	13,884	11,002	26.2
All Other Regions	163,068	126,978	28.4
Total	185,540	144,958	28.0
Total First Year Premiums			
Japan	348,237	234,075	48.8
China	31,942	20,763	53.8
Asia excluding Japan and China	512,045	621,011	(17.5)
All Other Regions	245,903	191,101	28.7
Total	1,138,127	1,066,950	6.7
Retirement Services Reserves			
Individual Fixed Annuities	21,705,554	6,074,440	257.3
Individual Variable Annuities	\$ 2,652,503	\$ 728,545	264.1 %

Foreign Exchange Impact on Growth of:

GAAP Premiums

Worldwide

Growth in Original Currency	14.0 %
Foreign Exchange Impact	5.3
Growth as Reported in U.S. \$	19.3

Foreign

Growth in Original Currency	17.7
Foreign Exchange Impact	7.0
Growth as Reported in U.S. \$	24.7

Premiums, Deposits and Other Considerations (b)

Worldwide

Growth in Original Currency	37.7
Foreign Exchange Impact	6.0
Growth as Reported in U.S. \$	43.7

Foreign

Growth in Original Currency	72.6
Foreign Exchange Impact	13.1
Growth as Reported in U.S. \$	85.7 %

(a) Restated to conform to the presentation with respect to 2004.

(b) Premiums, deposits and other considerations represent aggregate business activity during the respective periods presented on a non-GAAP basis.

Supplementary Earnings Data - Page 7

	Three Months Ended March 31,		
	2004	2003	Change
Financial Services:			
Revenues			
Aircraft Finance	\$ 752,138	\$ 722,111	4.2 %
Capital Markets	332,534	324,630	2.4
Consumer Finance	693,041	638,876	8.5
Other	7,876	7,265	8.4
Total	1,785,589	1,692,882	5.5
Operating Income			
Aircraft Finance	160,042	174,271	(8.2)
Capital Markets	182,504	211,241	(13.6)
Consumer Finance	183,168	148,103	23.7
Other (a)	(2,677)	(3,154)	-
Total	523,037	530,461	(1.4)
<hr/>			
Asset Management (b)(c):			
Revenues			
Guaranteed Investment Contracts			
Domestic	550,532	511,636	7.6
Foreign	109,249	113,399	(3.7)
Institutional Asset Management (d)	188,896	155,286	21.6
Brokerage Services and Mutual Funds	60,679	47,678	27.3
Total	909,356	827,999	9.8
Operating Income			
Guaranteed Investment Contracts			
Domestic	147,673	110,677	33.4
Foreign	9,355	8,126	15.1
Institutional Asset Management (d)	61,980	43,658	42.0
Brokerage Services and Mutual Funds	20,167	11,930	69.0
Total	239,175	174,391	37.1
<hr/>			
Guaranteed Investment Contracts			
Deposits			
Domestic	2,567,104	2,469,478	4.0
Foreign	691,840	1,074,019	(35.6)
Total	3,258,944	3,543,497	(8.0)
Reserves			
Domestic	40,954,665	35,323,788	15.9
Foreign	7,448,805	7,755,871	(4.0)
Total	\$ 48,403,470	\$ 43,079,659	12.4 %
<hr/>			
Effective Tax Rates:			
Net Income	31.60%	29.97%	
Realized Capital Gains (Losses)	34.52%	34.95%	

- (a) Includes Other Financial Services Companies and Intercompany Reclassifications.
- (b) 2003 is restated to conform to the presentation with respect to 2004.
- (c) At March 31, 2004, AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$48 billion.
- (d) Includes AIG Global Investment Group and certain smaller asset management operations.

Supplementary Earnings Data - Page 8

Additional Reconciliation in Accordance with Regulation G

	Three Months Ended March 31, 2004	Twelve Months Ended December 31, 2003
Return on Equity Reconciliation		
Return on Equity, GAAP basis	14.4 %	14.1 %
Percent Related to Reconciliation	<u>2.9</u>	<u>3.1</u>
Return on Equity, as presented (a)	17.3 %	17.2 %

- (a) Return on Equity, as presented is net income, before realized capital gains (losses) and cumulative effect of an accounting change, expressed as a percentage of average shareholders' equity, exclusive of unrealized appreciation (depreciation) of investments, net of tax.