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**AIG REPORTS RECORD 2003 NET INCOME OF \$9.27 BILLION,
AN INCREASE OF 68.0 PERCENT OVER 2002;
NET INCOME EXCLUDING REALIZED CAPITAL LOSSES AND
CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE INCREASED
43.6 PERCENT TO RECORD \$10.22 BILLION**

NEW YORK, NY, February 11, 2004 - American International Group, Inc. (AIG) today reported that its net income for the full year 2003 increased 68.0 percent to a record \$9.27 billion, compared to \$5.52 billion in 2002. Net income excluding realized capital gains (losses) and cumulative effect of an accounting change increased 43.6 percent to a record \$10.22 billion in the full year 2003.

Net income in the fourth quarter of 2003 totaled a record \$2.71 billion compared to a loss of \$103.8 million in the same period of 2002. Fourth quarter 2003 net income excluding realized capital gains (losses) and cumulative effect of an accounting change was a record \$2.75 billion compared to \$537.5 million in the same period of 2002. Results for fourth quarter and full year 2002 include the \$1.8 billion net, after tax general insurance reserve charge.

Income before income taxes, minority interest, cumulative effect of an accounting change and pretax realized capital gains (losses) for the twelve months of 2003 increased 45.0 percent to \$15.34 billion. Income before income taxes, minority interest, cumulative effect of an accounting change and pretax realized capital gains (losses) for the fourth quarter of 2003 was \$4.14 billion, compared to \$671.6 million in the fourth quarter of 2002.

Following is a summary table of the twelve months and fourth quarter information (in millions, except per share amounts):

	TWELVE MONTHS			<u>Per Share</u>		
	<u>2003</u>	<u>2002*</u>	<u>Change</u>	<u>2003</u>	<u>2002</u>	<u>Change</u>
	Net income	\$ 9,274.2	\$5,518.9	68.0%	\$ 3.53	\$ 2.10
Realized capital losses, net of tax**	950.9	1,596.5	-	0.36	0.60	-
Cumulative effect of an accounting change, net of tax***	(8.8)	-	-	-	-	-
Net income, excluding realized capital losses and cumulative effect of an accounting change, net of tax	\$10,216.3	\$7,115.4	43.6%	\$ 3.89	\$ 2.70	44.1%
Average shares outstanding				2,628.1	2,634.0	

	FOURTH QUARTER			<u>Per Share</u>		
	<u>2003</u>	<u>2002*</u>	<u>Change</u>	<u>2003</u>	<u>2002</u>	<u>Change</u>
	Net income (loss)	\$2,707.3	\$ (103.8)	-	\$ 1.03	\$ (0.03)
Realized capital losses, net of tax**	53.1	641.3	-	0.02	0.23	-
Cumulative effect of an accounting change, net of tax***	(8.8)	-	-	-	-	-
Net income, excluding realized capital losses and cumulative effect of an accounting change, net of tax	\$2,751.6	\$ 537.5	411.9%	\$ 1.05	\$ 0.20	425.0%
Average shares outstanding				2,627.2	2,632.5	

*Includes \$1.8 billion net, after tax general insurance reserve charge.

**Includes \$76 million in losses, net of tax, from holdings in Parmalat in 2003.

***Represents the cumulative effect of an accounting change, net of tax, related to FIN46 "Consolidation of Variable Interest Entities".

Record 2003 results include:

	<u>2003</u>	<u>2002*</u>	<u>Change</u>
<u>Consolidated</u>			
Adjusted Net Income (a)			
Full Year	\$10.22 billion	\$7.12 billion	43.6%
Fourth Quarter	\$2.75 billion	\$537.5 million	411.9%
Capital Funds			
At December 31	\$71 billion	\$59 billion	20.6%
Retained Earnings			
At December 31	\$61 billion	\$52 billion	16.6%
Return on Equity (b)	17.2%	13.4%	
Consolidated Assets			
At December 31	\$683 billion	\$561 billion	21.7%
Revenues (c)			
Full Year	\$81.30 billion	\$67.48 billion	20.5%
Fourth Quarter	\$22.18 billion	\$17.53 billion	26.5%
Insurance Cash Flow (d)			
Full Year	\$46.90 billion	\$38.40 billion	22.1%
Fourth Quarter	\$14.55 billion	\$8.80 billion	65.3%
<u>General Insurance</u>			
Cash Flow			
Full Year	\$13.63 billion	\$7.52 billion	81.3%
Fourth Quarter	\$4.14 billion	\$2.23 billion	85.7%
Net Premiums Written			
Full Year	\$35.21 billion	\$27.41 billion	28.4%
Fourth Quarter	\$9.16 billion	\$7.21 billion	27.0%
Pretax Operating Income (Loss)			
(including realized capital gains (losses))			
Full Year	\$5.07 billion	\$667.2 million	659.8%
Fourth Quarter	\$1.47 billion	\$(2.04) billion	-
Combined Ratio			
Full Year	92.43	105.95	
Fourth Quarter	91.39	135.21	

	<u>2003</u>	<u>2002</u>	<u>Change</u>
<u>Life Insurance</u>			
GAAP Premiums			
Full Year	\$22.88 billion	\$20.32 billion	12.6%
Fourth Quarter	\$6.32 billion	\$5.29 billion	19.4%
Premiums, Deposits and Other Considerations (excluding GICs)			
Full Year	\$38.71 billion	\$33.81 billion	14.5%
Fourth Quarter	\$10.81 billion	\$8.42 billion	28.4%
Pretax Operating Income (including realized capital losses)			
Full Year	\$6.00 billion	\$4.93 billion	21.8%
Fourth Quarter	\$1.80 billion	\$1.13 billion	59.4%
<u>Financial Services</u>			
Pretax Operating Income			
Full Year	\$2.46 billion	\$2.19 billion	12.6%
Fourth Quarter	\$702.5 million	\$620.3 million	13.2%
<u>Retirement Services & Asset Management</u>			
Pretax Operating Income			
Full Year	\$1.27 billion	\$1.02 billion	25.1%
Fourth Quarter	\$354.3 million	\$207.8 million	70.5%

* Consolidated results include \$1.8 billion net, after tax general insurance reserve charge.

General Insurance results include \$2.8 billion pretax general insurance reserve charge.

(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 net premiums earned, GAAP life premiums, net investment income, financial services commissions, transactions and other fees, retirement services & asset management commissions and other fees, and realized capital gains (losses).

(d) In addition to General Insurance cash flow, includes Life Insurance and Retirement Services cash flow for investment, which generates the investment income necessary to meet policyholder obligations and to provide a profit margin to shareholders.

Commenting on full-year and fourth quarter 2003 performance, AIG Chairman M. R. Greenberg said, "AIG had record results in 2003, with \$10.22 billion in net income, excluding realized capital losses and the cumulative effect of an accounting change.

"In addition to record net income of \$9.27 billion, AIG had record results in 2003 in all four of our core businesses -- General Insurance, Life Insurance, Financial Services and Retirement Services & Asset Management -- and in most other key measures including shareholders' equity, return on equity, revenues, assets and cash flow. In the fourth quarter of 2003, AIG had net income of \$2.71 billion, another record, which gives AIG strong momentum for 2004 and beyond.

"In addition to achieving these financial results, AIG in 2003 made important investments that will further AIG's continued growth and success, including the acquisition of GE Edison in Japan, and our investment in, and agreement to market accident and health products with, the People's Insurance Company of China (PICC).

GENERAL INSURANCE

"AIG's General Insurance business had an excellent year and quarter. Net premiums written were a record \$9.16 billion in the fourth quarter of 2003, up 27.0 percent over a year ago. Our top ratings and financial strength have never been more valuable to customers and set us apart from the competition in the U.S. and around the world. Corporate leaders recognize that buying specialty casualty and liability lines, known as 'long tail' lines, from other than the most financially strong carriers is taking a credit risk they can ill afford in today's environment.

"In the United States, the **Domestic Brokerage Group** had very strong growth in 2003. In the fourth quarter, net premiums written were a record \$5.33 billion, up 27.3 percent over the same period in 2002. The fourth quarter combined ratio was an excellent 93.53, and the expense ratio was 15.05, far superior to the industry average. The Domestic Brokerage Group has the most extensive array of product offerings in the industry, and it has been successfully expanding its distribution. These initiatives include targeting regional brokers and small- and mid-cap companies. We are the market of choice and the number one provider for all of the major insurance brokers, which attest to our market knowledge, underwriting skill, ability to create new products to meet customer needs, expert claims management and outstanding service.

"The success of the Domestic Brokerage Group over the year and fourth quarter of 2003 was very broad-based. Lexington, our excess and surplus lines company, had outstanding results. We are one of the leading providers of terrorism coverage to the aviation industry and other sectors of the economy, and achieved good results from this business over the year and quarter.

"HSB Group Inc. achieved record net premiums written in 2003, and has successfully leveraged its engineering and product innovation skills throughout the AIG global network to expand distribution and cross selling and develop new products.

“The Domestic Personal Lines businesses achieved significant premium growth and a strong improvement in profitability in the fourth quarter and full year of 2003. Net premiums written increased 23.2 percent, to \$1.00 billion, in the fourth quarter, and the combined ratio was 96.03. The direct marketing, agency auto, assigned risk, 21st Century and Private Client businesses all contributed to the 58.5 percent increase in 2003 pretax operating income.

“United Guaranty Corporation (UGC) also did well in the year and quarter. Despite a more challenging mortgage market, UGC earned \$87.4 million in pretax operating income in the fourth quarter of 2003 and continued to have a significantly lower delinquency ratio than the mortgage guaranty insurance industry overall. In terms of premiums, new business offset the impact of continued refinancing activities.

“Transatlantic Holdings Inc. had an excellent year and quarter. In the fourth quarter of 2003, net premiums written increased 32.2 percent, to \$868.9 million. The combined ratio was 96.03.

“In 2004, we would expect General Insurance in the United States to have another solid year. While there is more competition for certain ‘short tail’ lines, the market for ‘long tail’ and specialty lines, where AIG has significant competitive strengths, should continue to be strong.

“**Foreign General Insurance** had excellent 2003 and fourth quarter performance throughout the world. In the fourth quarter of 2003, net premiums written were \$1.82 billion, an increase of 27.1 percent over the same period last year. Growth in Continental Europe and the United Kingdom was very strong, in large part because many local insurers have been beset by capital adequacy problems and could not meet their clients’ needs. The Latin America division also performed well in the fourth quarter and throughout 2003.

“Asia had strong performance in 2003, including the fourth quarter, and is making significant investments for the future. In October, AIG entered into an agreement with the People’s Insurance Company of China (PICC), the largest non-life insurance company in China. Under this agreement, AIG companies will market accident and health products through PICC’s 4,300 branch offices throughout the country. In conjunction with this cooperative relationship, AIG has made a long-term investment in PICC, purchasing 9.9 percent of the company’s share capital.

“In Japan, both AIU and American Home, which is the leading direct marketer of general insurance products in the country, had solid results for the year and fourth quarter. Korea also had a good year with record gross premiums.

“Foreign General pricing was excellent throughout 2003, and we do not foresee any material change in 2004.

“Reflecting strong cash flow and improved market conditions, General Insurance net investment income in the fourth quarter of 2003 was \$764.4 million, an increase of 13.5 percent compared to \$673.2 million a year ago. For the full year 2003, General Insurance net investment income was \$3.02 billion, an increase of 9.5 percent compared to \$2.76 billion in 2002.

“At year-end 2003, General Insurance net loss and loss adjustment reserves totaled \$36.65 billion, an increase of \$5.91 billion and \$1.56 billion for the full year and the fourth quarter, respectively.

LIFE INSURANCE

“Both the foreign and domestic Life Insurance operations had record 2003 results and a strong fourth quarter. Worldwide Life Insurance pretax operating income was \$1.80 billion in the fourth quarter of 2003, including \$50.1 million in realized capital losses, compared to \$1.13 billion a year ago, which included \$451.8 million in realized capital losses. Excluding realized capital losses, pretax operating income increased 17.0 percent in fourth quarter 2003.

“Worldwide Life Insurance GAAP premiums were \$6.32 billion, an increase of 19.4 percent over the fourth quarter of 2002. Premiums, deposits and other considerations excluding Guaranteed Investment Contracts and related products (GICs) rose 28.4 percent in the fourth quarter. Premiums, deposits and other considerations for the GIC business increased 84.8 percent in the fourth quarter of 2003. We write GICs on an opportunistic basis when market conditions are favorable, as they were in the domestic market in the fourth quarter.

“AIG’s **Foreign Life Insurance** operations had excellent results in the fourth quarter and full year of 2003, led by Japan, the largest life insurance market in the world outside of the U.S., and AIG’s largest Foreign Life Insurance operation.

“In its first full quarter as an AIG company, AIG Edison Life Insurance Company had good results. Integrating AIG Edison Life with ALICO Japan and AIG Star Life will provide further efficiencies to the business in 2004 and beyond. We also have been putting into place additional business retention programs for AIG Star Life and AIG Edison Life, and new product and distribution initiatives for all three operations. AIG’s financial strength, creative product development skills, new business initiatives such as annuities sold through the bank channel, and an improving economic climate give us tremendous optimism for the Life Insurance business in Japan.

“The other Asian Life Insurance operations, including Korea and Taiwan, also had a good year and fourth quarter. In China, we are growing rapidly. The number of active agents increased significantly to about 19,000 and total first year premiums increased 43.4 percent during 2003. Throughout Asia, growth was achieved through new product introductions and expanded distribution. In two of the region’s most attractive emerging markets, Vietnam and India, we opened new offices and increased the agency forces.

“**Domestic Life Insurance** pretax operating income in the fourth quarter of 2003 was \$717.2 million, including realized capital losses of \$97.5 million, compared to \$276.0 million, including realized capital losses of \$412.5 million, in the fourth quarter of 2002.

“AIG American General had a very good year overall, achieving strong growth from the universal life and term life products and from its affluent and brokerage market segments. AGLA, the home services business, made progress in 2003, launching new products and laying a solid foundation for future growth. The multiple distribution channels of AIG American General are a distinctive source of strength that will fuel growth going forward.

“Fixed annuities, which are sold primarily through banks by AIG Annuity Insurance Company, had record sales and pretax operating income in 2003, and an excellent fourth quarter. AIG Annuity added several new banks and financial institutions to its distribution network and moved quickly to reduce crediting rates on its products when interest rates declined during the year.

FINANCIAL SERVICES

“**Financial Services** had record pretax operating income in 2003. In the fourth quarter, pretax operating income was \$702.5 million, compared to \$620.3 million in the fourth quarter of 2002. ILFC has been outperforming its competitors in a difficult aviation environment, reflecting its strong management and the geographic diversification of its fleet of modern and efficient aircraft. As a result of a lag effect between changes in market conditions and their impact on results, the improvement in the airline industry has yet to be reflected in ILFC’s financial performance.

“Capital Markets, created by the integration of AIG Trading into AIG Financial Products Corp., had outstanding results. The consolidation of these operations is moving along as expected, taking out duplicative expenses and providing numerous synergies. In the consumer finance business, American General Finance had a terrific year and quarter, with excellent credit quality. The international consumer finance operations had sharp gains in every major market.

RETIREMENT SERVICES & ASSET MANAGEMENT

“**Retirement Services & Asset Management** had record 2003 pretax operating income of \$1.27 billion and record fourth quarter 2003 pretax operating income of \$354.3 million, as financial markets and the U.S. economy made gains. AIG VALIC had an outstanding fourth quarter, and the individual variable annuity, broker-dealer, mutual fund and institutional asset management businesses also recorded strong gains in the fourth quarter. Third party institutional and retail mutual fund assets under management increased to more than \$46 billion in 2003.

“AIG had pretax net realized capital losses of \$85.3 million in the fourth quarter of 2003 including \$117 million of losses from holdings in Parmalat, compared to pretax net realized capital losses of \$984.1 million in the fourth quarter of 2002.

OUTLOOK

“Moving forward, the outlook for AIG is very positive. We will build on the momentum of 2003’s excellent earnings and the good operating environment before us. With its strong balance sheet, AIG’s financial security has never been more important to customers around the world. In an increasingly uncertain world, AIG’s product innovation and claims expertise have never been more valuable for managing and controlling customers’ risks. Under improving global economic conditions, AIG’s global network has never been better situated to profit from developing opportunities throughout the world. AIG is poised to achieve continued strong growth.”

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AIG is the world’s leading international insurance and financial services organization, with operations in approximately 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. EST. The call will be broadcast live on the Internet at:

www.aigwebcast.com

The call will be archived at the same URL through Friday, February 20, 2004.

Caution concerning forward-looking statements

This press release contains forward-looking statements. Please refer to the AIG Quarterly Report on Form 10-Q for the quarter ended September 30, 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 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)

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002 (a)	Change	2003	2002 (a)	Change
General Insurance Operations:						
Net Premiums Written	\$ 35,211,785	\$ 27,414,242	28.4 %	\$ 9,159,196	\$ 7,212,509	27.0 %
Net Premiums Earned	31,734,307	24,269,517	30.8	8,403,206	6,708,030	25.3
Underwriting Profit (Loss)	2,220,773	(1,234,034)	-	551,195	(2,350,630)	-
Net Investment Income	3,021,601	2,759,603	9.5	764,363	673,188	13.5
Income (Loss) before Realized						
Capital Gains (Losses)	5,242,374	1,525,569	243.6	1,315,558	(1,677,442)	-
Realized Capital Gains (Losses)	(172,461)	(858,326)	-	158,264	(366,169)	-
Operating Income (Loss)	\$ 5,069,913	\$ 667,243	659.8 %	\$ 1,473,822	\$ (2,043,611)	- %
Loss Ratio	73.33	85.76		71.83	115.13	
Expense Ratio	19.10	20.19		19.56	20.08	
Combined Ratio	92.43	105.95		91.39	135.21	
Life Insurance Operations:						
GAAP Premiums	\$ 22,879,379	\$ 20,320,377	12.6 %	\$ 6,316,517	\$ 5,289,547	19.4 %
Net Investment Income	13,639,427	12,274,046	11.1	3,582,310	3,145,267	13.9
Income before Realized Capital Gains (Losses)	6,827,669	5,982,273	14.1	1,850,868	1,581,763	17.0
Realized Capital Gains (Losses)	(825,893)	(1,052,970)	-	(50,075)	(451,761)	-
Operating Income	6,001,776	4,929,303	21.8	1,800,793	1,130,002	59.4
Financial Services Operating Income	2,464,169	2,188,720	12.6	702,452	620,299	13.2
Retirement Services & Asset Management						
Operating Income	1,271,213	1,015,932	25.1	354,278	207,816	70.5
Other Realized Capital Gains (Losses)	(434,752)	(529,667)	-	(193,535)	(166,167)	-
Other Income (Deductions) - net	(464,011)	(129,211)	-	(87,312)	(60,788)	-
Income (Loss) before Income Taxes,						
Minority Interest and Cumulative						
Effect of an Accounting Change	13,908,308	8,142,320	70.8	4,050,498	(312,449)	-
Income Taxes (Benefits)	4,263,947	2,327,969	-	1,259,459	(253,118)	-
Income (Loss) before Minority Interest and						
Cumulative Effect of an Accounting Change	9,644,361	5,814,351	65.9	2,791,039	(59,331)	-
<i>Minority Interest, after-tax -</i>						
Income before Realized Capital Gains (Losses)	(378,494)	(284,995)	-	(94,666)	(38,787)	-
Realized Capital Gains (Losses)	(440)	(10,472)	-	2,153	(5,688)	-
Income (Loss) before Cumulative Effect						
of an Accounting Change	9,265,427	5,518,884	67.9	2,698,526	(103,806)	-
Cumulative Effect of an Accounting						
Change, net of tax (b)	8,778	0	-	8,778	0	-
Net Income (Loss)	9,274,205	5,518,884	68.0	2,707,304	(103,806)	-
Realized Capital Gains (Losses), net of tax	(950,923)	(1,596,586)	-	(53,088)	(641,351)	-
Cumulative Effect of an Accounting						
Change, net of tax (b)	8,778	0	-	8,778	0	-
Net Income, excluding Realized Capital Gains						
(Losses) and Cumulative Effect of an						
Accounting Change, net of tax (c)	\$ 10,216,350	\$ 7,115,470	43.6 %	\$ 2,751,614	\$ 537,545	411.9 %

American International Group, Inc.

Financial Highlights*

(in thousands, except per share amounts)

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002 (a)	Change	2003	2002 (a)	Change
<i>Per Share - Diluted:</i>						
Net Income (Loss)	\$ 3.53	\$ 2.10	68.1 %	\$ 1.03	\$ (0.03)	- %
Realized Capital Gains (Losses), net of tax	(0.36)	(0.60)	-	(0.02)	(0.23)	-
Cumulative Effect of an Accounting Change, net of tax (b)	0.00	0.00	-	0.00	0.00	-
Net Income, excluding Realized Capital Gains (Losses) and Cumulative Effect of an Accounting Change, net of tax	\$ 3.89	\$ 2.70	44.1 %	\$ 1.05	\$ 0.20	425.0 %
Average Diluted Common Shares Outstanding	2,628,066	2,633,979		2,627,223	2,632,531	

* Including reconciliation in accordance with Regulation G.

(a) Fourth quarter and full year 2002 include \$2.8 billion pretax and \$1.8 billion net, after tax general insurance reserve charge.

(b) Represents the cumulative effect of an accounting change, net of tax, related to FIN46 "Consolidation of Variable Interest Entities".

(c) Also referred to as Adjusted Net Income.

American International Group, Inc.

Pretax Operating Income

(in thousands)

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002	Change	2003	2002	Change
General Insurance (a):						
Domestic Brokerage Group	\$ 2,728,087	\$ (440,190)	-	\$ 710,534	\$ (2,026,920)	-
Personal Lines	252,495	151,338	66.8	79,582	50,209	58.5
Mortgage Guaranty	406,547	417,433	(2.6)	87,380	85,715	1.9
Transatlantic Holdings	379,591	194,367	95.3	103,082	(26,142)	-
Foreign General (b)	1,468,784	1,179,891	24.5	333,262	234,013	42.4
Intercompany Adjustments	6,870	22,730	-	1,718	5,683	-
Realized Capital Gains (Losses)	(172,461)	(858,326)	-	158,264	(366,169)	-
Life Insurance:						
Domestic						
Life Insurance (c)	807,568	718,816	12.3	211,889	189,262	12.0
Individual Fixed Annuities	739,670	536,802	37.8	215,378	149,680	43.9
Individual Fixed Annuities - Runoff (d)	147,422	192,752	(23.5)	37,988	46,821	(18.9)
Home Service	400,126	382,063	4.7	101,504	96,592	5.1
Group Life/Health	119,957	100,955	18.8	32,047	24,206	32.4
Pension and Investment Products	210,475	117,719	78.8	63,796	27,501	132.0
Intercompany Adjustments	(302)	(240)	-	(87)	(63)	-
Guaranteed Investment Contracts	539,034	639,484	(15.7)	152,187	154,527	(1.5)
Realized Capital Gains (Losses)	(543,733)	(983,971)	-	(97,491)	(412,519)	-
Foreign						
Life Insurance	2,773,406	2,411,048	15.0	731,676	631,502	15.9
Personal Accident	851,902	681,212	25.1	243,553	198,553	22.7
Group Products	202,131	174,670	15.7	52,577	56,318	(6.6)
Intercompany Adjustments	(14,705)	(11,686)	-	(4,267)	(3,086)	-
Guaranteed Investment Contracts	50,985	38,678	31.8	12,627	9,950	26.9
Realized Capital Gains (Losses)	(282,160)	(68,999)	-	47,416	(39,242)	-
Financial Services:						
Aircraft Finance	727,956	801,099	(9.1)	179,599	213,077	(15.7)
Capital Markets	1,085,894	869,776	24.8	357,231	277,691	28.6
Consumer Finance	648,864	549,240	18.1	160,311	139,950	14.5
Other	1,455	(31,395)	-	5,311	(10,419)	-
Retirement Services & Asset Management:						
AIG VALIC (e)	901,718	730,020	23.5	226,227	158,409	42.8
AIG SunAmerica (f)	38,666	32,029	20.7	15,746	(25,210)	-
Other Asset Management and Annuity Operations (g)	330,829	253,883	30.3	112,305	74,617	50.5
Other Realized Capital Gains (Losses)	(434,752)	(529,667)	-	(193,535)	(166,167)	-
Other Income (Deductions) - net	(464,011)	(129,211)	-	(87,312)	(60,788)	-
Income (Loss) before Income Taxes, Minority Interest and Cumulative Effect of an Accounting Change						
	13,908,308	8,142,320	70.8	4,050,498	(312,449)	-
Income before Income Taxes, Minority Interest, Realized Capital Gains (Losses) and Cumulative Effect of an Accounting Change						
	\$ 15,341,414	\$ 10,583,283	45.0 %	\$ 4,135,844	\$ 671,648	515.8 %

(a) Includes the impact of the fourth quarter and full year 2002 insurance reserve charge of \$2.7 billion for Domestic Brokerage Group and \$100 million for Transatlantic Holdings, Inc.

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

(c) Includes Universal Life, Term Life, Whole Life and Variable Universal Life type products.

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

(e) Reflects the sale of variable annuity products with fixed annuity options.

(f) Includes variable annuity (separate account only), mutual fund and broker-dealer operations.

(g) Includes AIG Global Investment Group and certain foreign fixed and variable annuity operations.

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

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002	Change	2003	2002	Change
General Insurance Operations:						
Net Premiums Written						
Domestic Brokerage Group	\$ 20,061,153	\$ 15,214,225	31.9 %	\$ 5,327,656	\$ 4,184,642	27.3 %
Personal Lines	3,706,108	3,182,123	16.5	1,002,322	813,368	23.2
Mortgage Guaranty	531,558	507,751	4.7	141,546	126,404	12.0
Transatlantic Holdings	3,341,077	2,500,159	33.6	868,891	657,371	32.2
Foreign General (a)	7,571,889	6,009,984	26.0	1,818,781	1,430,724	27.1
Total	35,211,785	27,414,242	28.4	9,159,196	7,212,509	27.0
Operating Income (Loss) (b)						
Domestic Brokerage Group	2,728,087	(440,190)	-	710,534	(2,026,920)	-
Personal Lines	252,495	151,338	66.8	79,582	50,209	58.5
Mortgage Guaranty	406,547	417,433	(2.6)	87,380	85,715	1.9
Transatlantic Holdings	379,591	194,367	95.3	103,082	(26,142)	-
Foreign General (a)	1,468,784	1,179,891	24.5	333,262	234,013	42.4
Intercompany Adjustments	6,870	22,730	-	1,718	5,683	-
Total before Realized Capital Gains (Losses)	5,242,374	1,525,569	243.6	1,315,558	(1,677,442)	-
Realized Capital Gains (Losses)	(172,461)	(858,326)	-	158,264	(366,169)	-
Operating Income (Loss)	\$ 5,069,913	\$ 667,243	659.8 %	\$ 1,473,822	\$ (2,043,611)	- %
Combined Ratio (b):						
Domestic Brokerage Group	94.38	116.96		93.53	167.60	
Personal Lines	97.38	101.26		96.03	99.38	
Mortgage Guaranty	48.67	43.92		54.57	55.80	
Transatlantic Holdings	96.46	102.31		96.03	114.01	
Foreign General (a)	87.49	90.12		86.91	92.03	
Total	92.43	105.95		91.39	135.21	
Losses and Loss Expenses Paid	\$ 17,363,301	\$ 16,359,374	6.1 %	\$ 4,480,244	\$ 4,414,479	1.5 %
Change in Loss and						
Loss Expense Reserve (b)	5,906,211	4,454,427	32.6	1,555,551	3,308,377	(53.0)
Losses and Loss Expenses Incurred (b)	23,269,512	20,813,801	11.8	6,035,795	7,722,856	(21.8)
Net Loss and Loss Expense Reserve (c)	36,647,088	30,349,939	20.7			
Underwriting Profit (Loss)	\$ 2,220,773	\$ (1,234,034)	- %	\$ 551,195	\$ (2,350,630)	- %

Foreign Exchange Impact on Growth of Net Premiums Written

Worldwide		
Growth in Original Currency	26.5 %	24.3 %
Foreign Exchange Impact	1.9	2.7
Growth as Reported in U.S. \$	28.4	27.0
Foreign		
Growth in Original Currency	18.8	15.9
Foreign Exchange Impact	7.2	11.2
Growth as Reported in U.S. \$	26.0 %	27.1 %

* Including reconciliation in accordance with Regulation G.

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

(b) Includes the impact of the fourth quarter and full year 2002 insurance reserve charge of \$2.7 billion for Domestic Brokerage Group and \$100 million for Transatlantic Holdings, Inc.

(c) Includes \$391 million of beginning reserves related to GE personal lines business acquired in the third quarter 2003.

Supplementary Earnings Data - Page 2

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002	Change	2003	2002	Change
Life Insurance Operations:						
GAAP Premiums						
Domestic						
Life Insurance	\$ 1,747,954	\$ 1,604,087	9.0 %	\$ 433,842	\$ 406,369	6.8 %
Individual Fixed Annuities	59,149	34,648	70.7	19,135	7,013	172.9
Individual Fixed Annuities - Runoff (a)	4,194	7,220	(41.9)	2,371	1,126	110.6
Home Service	834,212	854,330	(2.4)	209,052	212,767	(1.7)
Group Life/Health	1,046,192	966,958	8.2	281,751	237,958	18.4
Pension and Investment Products	1,327,989	1,105,151	20.2	276,749	224,003	23.5
Other	21,464	49,492	(56.6)	7,391	15,110	(51.1)
Total	5,041,154	4,621,886	9.1	1,230,291	1,104,346	11.4
Foreign						
Life Insurance	13,334,629	12,000,138	11.1	3,797,944	3,246,402	17.0
Personal Accident	3,126,249	2,490,967	25.5	940,244	667,899	40.8
Group Products	1,266,909	1,094,481	15.8	322,110	244,809	31.6
Other	110,438	112,905	(2.2)	25,928	26,091	(0.6)
Total	17,838,225	15,698,491	13.6	5,086,226	4,185,201	21.5
Total GAAP Premiums	22,879,379	20,320,377	12.6	6,316,517	5,289,547	19.4
Premiums, Deposits and Other Considerations (b)						
Domestic						
Life Insurance	2,693,975	2,352,103	14.5	692,696	570,323	21.5
Individual Fixed Annuities	11,411,847	9,058,625	26.0	3,205,447	2,287,327	40.1
Individual Fixed Annuities - Runoff (a)	202,983	1,268,792	(84.0)	35,179	44,473	(20.9)
Home Service	985,403	861,333	14.4	253,655	229,192	10.7
Group Life/Health	1,060,254	975,618	8.7	288,133	235,397	22.4
Pension and Investment Products	1,814,413	1,782,381	1.8	484,464	397,108	22.0
Total excluding GICs	18,168,875	16,298,852	11.5	4,959,574	3,763,820	31.8
Guaranteed Investment Contracts	9,719,388	9,136,971	6.4	3,231,985	1,174,615	175.2
Total	27,888,263	25,435,823	9.6	8,191,559	4,938,435	65.9
Foreign						
Life Insurance	15,378,087	13,439,519	14.4	4,424,000	3,617,184	22.3
Personal Accident	3,113,370	2,497,087	24.7	927,082	669,056	38.6
Group Products	2,047,073	1,579,390	29.6	499,801	368,356	35.7
Total excluding GICs	20,538,530	17,515,996	17.3	5,850,883	4,654,596	25.7
Guaranteed Investment Contracts	4,123,858	5,709,727	(27.8)	834,300	1,025,564	(18.6)
Total	24,662,388	23,225,723	6.2	6,685,183	5,680,160	17.7
Total Premiums, Deposits and Other Considerations excluding GICs	38,707,405	33,814,848	14.5	10,810,457	8,418,416	28.4
Total Premiums, Deposits and Other Considerations	\$ 52,550,651	\$ 48,661,546	8.0 %	\$ 14,876,742	\$ 10,618,595	40.1 %

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

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

Supplementary Earnings Data - Page 3

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002	Change	2003	2002	Change
Life Insurance Operations:						
Net Investment Income						
Domestic						
Life Insurance	\$ 1,358,386	\$ 1,275,391	6.5 %	\$ 392,446	\$ 330,042	18.9 %
Individual Fixed Annuities	2,982,125	2,515,974	18.5	825,689	665,336	24.1
Individual Fixed Annuities - Runoff (a)	689,178	712,874	(3.3)	160,924	171,287	(6.1)
Home Service	689,800	683,553	0.9	179,079	175,333	2.1
Group Life/Health	121,519	107,826	12.7	34,279	27,344	25.4
Pension and Investment Products	982,211	836,035	17.5	265,736	233,003	14.0
Intercompany Adjustments	(302)	(240)	-	(87)	(63)	-
Total excluding GICs	6,822,917	6,131,413	11.3	1,858,066	1,602,282	16.0
Guaranteed Investment Contracts	2,203,488	2,193,759	0.4	575,652	571,304	0.8
Total	9,026,405	8,325,172	8.4	2,433,718	2,173,586	12.0
Foreign						
Life Insurance	3,753,062	3,206,137	17.1	932,763	752,340	24.0
Personal Accident	162,644	141,059	15.3	44,166	36,906	19.7
Group Products	338,001	254,470	32.8	89,463	82,079	9.0
Intercompany Adjustments	(14,705)	(11,686)	-	(4,267)	(3,086)	-
Total excluding GICs	4,239,002	3,589,980	18.1	1,062,125	868,239	22.3
Guaranteed Investment Contracts	374,020	358,894	4.2	86,467	103,442	(16.4)
Total	4,613,022	3,948,874	16.8	1,148,592	971,681	18.2
Total Net Investment Income excluding GICs	11,061,919	9,721,393	13.8	2,920,191	2,470,521	18.2
Total Net Investment Income	13,639,427	12,274,046	11.1	3,582,310	3,145,267	13.9
Operating Income						
Domestic						
Life Insurance	807,568	718,816	12.3	211,889	189,262	12.0
Individual Fixed Annuities	739,670	536,802	37.8	215,378	149,680	43.9
Individual Fixed Annuities - Runoff (a)	147,422	192,752	(23.5)	37,988	46,821	(18.9)
Home Service	400,126	382,063	4.7	101,504	96,592	5.1
Group Life/Health	119,957	100,955	18.8	32,047	24,206	32.4
Pension and Investment Products	210,475	117,719	78.8	63,796	27,501	132.0
Intercompany Adjustments	(302)	(240)	-	(87)	(63)	-
Total excluding GICs	2,424,916	2,048,867	18.4	662,515	533,999	24.1
Guaranteed Investment Contracts	539,034	639,484	(15.7)	152,187	154,527	(1.5)
Total Domestic before Realized Capital Gains (Losses)	2,963,950	2,688,351	10.3	814,702	688,526	18.3
Realized Capital Gains (Losses)	(543,733)	(983,971)	-	(97,491)	(412,519)	-
Domestic Operating Income	2,420,217	1,704,380	42.0	717,211	276,007	159.9
Foreign						
Life Insurance	2,773,406	2,411,048	15.0	731,676	631,502	15.9
Personal Accident	851,902	681,212	25.1	243,553	198,553	22.7
Group Products	202,131	174,670	15.7	52,577	56,318	(6.6)
Intercompany Adjustments	(14,705)	(11,686)	-	(4,267)	(3,086)	-
Total excluding GICs	3,812,734	3,255,244	17.1	1,023,539	883,287	15.9
Guaranteed Investment Contracts	50,985	38,678	31.8	12,627	9,950	26.9
Total Foreign before Realized Capital Gains (Losses)	3,863,719	3,293,922	17.3	1,036,166	893,237	16.0
Realized Capital Gains (Losses)	(282,160)	(68,999)	-	47,416	(39,242)	-
Foreign Operating Income	3,581,559	3,224,923	11.1	1,083,582	853,995	26.9
Worldwide Life before Realized Capital Gains (Losses) excluding GICs	6,237,650	5,304,111	17.6	1,686,054	1,417,286	19.0
Worldwide Life before Realized Capital Gains (Losses)	6,827,669	5,982,273	14.1	1,850,868	1,581,763	17.0
Realized Capital Gains (Losses)	(825,893)	(1,052,970)	-	(50,075)	(451,761)	-
Worldwide Operating Income	\$ 6,001,776	\$ 4,929,303	21.8 %	\$ 1,800,793	\$ 1,130,002	59.4 %

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

Supplementary Earnings Data - Page 4

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002	Change	2003	2002	Change
Life Insurance Operations:						
Domestic - Other Data						
Life Insurance						
Periodic Premium Sales (a):						
Individual/Retail	\$ 352,427	\$ 292,410	20.5 %	\$ 95,287	\$ 78,800	20.9 %
Institutional Markets	74,263	51,350	44.6	16,123	6,340	154.3
Total Periodic Sales	426,690	343,760	24.1	111,410	85,140	30.9
Unscheduled & Single Deposits	372,340	407,110	(8.5)	80,340	141,010	(43.0)
Life Insurance Reserves	19,340,791	17,777,563	8.8			
Individual Fixed Annuities						
Annuity Reserves	58,457,145	48,837,928	19.7			
Home Service						
Product Sales						
Life/A&H (a)	111,810	99,410	12.5	28,361	26,790	5.9
Fixed Annuity	121,202	-	-	30,769	-	-
Total Insurance Reserves	7,054,836	6,898,000	2.3			
Group Products						
Annualized Earned Premium	1,236,874	1,110,980	11.3			
Pension & Investment Contracts						
Insurance Reserves	17,047,763	15,330,374	11.2			
Guaranteed Investment Contracts						
GIC Reserves	40,801,728	35,838,537	13.8			
Foreign - First Year Premiums						
Life Insurance						
Japan	586,623	472,919	24.0	174,839	152,290	14.8
China	84,132	58,199	44.6	29,548	20,624	43.3
Asia excluding Japan and China	1,762,866	1,548,584	13.8	487,369	461,759	5.5
All Other Regions	197,837	157,915	25.3	58,760	46,107	27.4
Total	2,631,458	2,237,617	17.6	750,516	680,780	10.2
Personal Accident						
Japan	466,778	300,739	55.2	151,341	84,973	78.1
China	31,280	22,266	40.5	8,383	6,307	32.9
Asia excluding Japan and China	195,773	167,446	16.9	52,289	45,548	14.8
All Other Regions	95,622	69,417	37.8	26,313	20,620	27.6
Total	789,453	559,868	41.0	238,326	157,448	51.4
Group Products						
Japan	31,067	23,272	33.5	12,553	6,808	84.4
Asia excluding Japan and China	47,737	42,895	11.3	10,450	9,588	9.0
All Other Regions	516,030	316,864	62.9	108,903	76,611	42.2
Total	594,834	383,031	55.3	131,906	93,007	41.8
Investment Contracts						
Japan	15,872	21,152	(25.0)	2,859	4,178	(31.6)
All Other Regions	5,193	9,434	(45.0)	1,462	3,977	(63.2)
Total	21,065	30,586	(31.1)	4,321	8,155	(47.0)
Total First Year Premiums						
Japan	1,100,340	818,082	34.5	341,592	248,249	37.6
China	115,412	80,465	43.4	37,931	26,931	40.8
Asia excluding Japan and China	2,006,376	1,758,925	14.1	550,108	516,895	6.4
All Other Regions	814,682	553,630	47.2	195,438	147,315	32.7
Total	\$ 4,036,810	\$ 3,211,102	25.7 %	\$ 1,125,069	\$ 939,390	19.8 %

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

Supplementary Earnings Data - Page 5

	Twelve Months Ended December 31, <u>2003</u>	Three Months Ended December 31, <u>2003</u>
<i>Life Insurance Operations:</i>		
Foreign Exchange Impact on Growth of :		
GAAP Premiums		
Worldwide		
Growth in Original Currency	10.0 %	14.8 %
Foreign Exchange Impact	2.6	4.6
Growth as Reported in U.S. \$	12.6	19.4
Foreign		
Growth in Original Currency	10.4	15.7
Foreign Exchange Impact	3.2	5.8
Growth as Reported in U.S. \$	13.6	21.5
Premiums, Deposits and Other Considerations excluding GICs(a)		
Worldwide		
Growth in Original Currency	13.0	25.4
Foreign Exchange Impact	1.5	3.0
Growth as Reported in U.S. \$	14.5	28.4
Foreign		
Growth in Original Currency	14.4	20.3
Foreign Exchange Impact	2.9	5.4
Growth as Reported in U.S. \$	17.3	25.7
Guaranteed Investment Contracts		
Worldwide		
Growth in Original Currency	(9.3)	82.4
Foreign Exchange Impact	2.5	2.4
Growth as Reported in U.S. \$	(6.8)	84.8
Foreign		
Growth in Original Currency	(34.3)	(23.7)
Foreign Exchange Impact	6.5	5.1
Growth as Reported in U.S. \$	(27.8) %	(18.6) %

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

Supplementary Earnings Data - Page 6

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2003	2002	Change	2003	2002	Change
Financial Services:						
Revenues						
Aircraft Finance	\$ 3,042,483	\$ 2,844,977	6.9 %	\$ 770,591	\$ 749,519	2.8 %
Capital Markets	1,845,312	1,544,425	19.5	602,988	509,568	18.3
Consumer Finance	2,642,074	2,472,573	6.9	684,592	634,501	7.9
Other	35,656	(47,091)	-	11,643	(39,382)	-
Total	7,565,525	6,814,884	11.0	2,069,814	1,854,206	11.6
Operating Income						
Aircraft Finance	727,956	801,099	(9.1)	179,599	213,077	(15.7)
Capital Markets	1,085,894	869,776	24.8	357,231	277,691	28.6
Consumer Finance	648,864	549,240	18.1	160,311	139,950	14.5
Other (a)	1,455	(31,395)	-	5,311	(10,419)	-
Total	2,464,169	2,188,720	12.6	702,452	620,299	13.2
Retirement Services & Asset Management (b):						
Revenues						
AIG VALIC (c)	2,305,243	2,133,149	8.1	603,344	527,031	14.5
AIG SunAmerica (d)	536,700	562,606	(4.6)	148,795	108,692	36.9
Other Asset Management and Annuity Operations (e)	1,053,979	789,094	33.6	375,859	211,323	77.9
Total	3,895,922	3,484,849	11.8	1,127,998	847,046	33.2
Operating Income						
AIG VALIC (c)	901,718	730,020	23.5	226,227	158,409	42.8
AIG SunAmerica (d)	38,666	32,029	20.7	15,746	(25,210)	-
Other Asset Management and Annuity Operations (e)	330,829	253,883	30.3	112,305	74,617	50.5
Total	1,271,213	1,015,932	25.1	354,278	207,816	70.5
Variable Annuity Net Flows (f)						
Deposits						
AIG VALIC	5,359,804	5,041,725	6.3	1,355,189	1,280,745	5.8
AIG SunAmerica	3,412,173	2,995,580	13.9	926,735	791,626	17.1
Total Deposits	8,771,977	8,037,305	9.1	2,281,924	2,072,371	10.1
Net Flows (f)						
AIG VALIC	2,931,572	2,625,523	11.7	701,582	787,344	(10.9)
AIG SunAmerica	1,179,306	570,142	106.8	322,172	63,098	410.6
Total Net Flows	\$ 4,110,878	\$ 3,195,665	28.6 %	\$ 1,023,754	\$ 850,442	20.4 %
Surrender Rates						
AIG VALIC	5.6%	6.0%		5.6%	5.0%	
AIG SunAmerica	10.7%	10.9%		10.7%	13.3%	
Foreign Fixed and Variable Annuity Deposits						
	\$ 5,079,867	\$ 830,876	511.4 %	\$ 2,908,255	\$ 187,611	- %
Effective Tax Rates:						
Net Income	30.66%	28.59%		31.09%	-	
Realized Capital Gains (Losses)	33.68%	35.02%		35.28%	-	

- (a) Includes Other Financial Services Companies and Intercompany Reclassifications.
- (b) At December 31, 2003, AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$46 billion.
- (c) Reflects the sale of variable annuity products with fixed annuity options.
- (d) Includes variable annuity (separate account only), mutual fund and broker-dealer operations.
- (e) Includes AIG Global Investment Group and certain foreign fixed and variable annuity operations.
- (f) Net Flows are deposits net of surrenders.

Supplementary Earnings Data - Page 7

Additional Reconciliation in Accordance with Regulation G

	Twelve Months Ended December 31, 2003	Twelve Months Ended December 31, 2002
Return on Equity Reconciliation		
Return on Equity, GAAP basis	14.1 %	9.9 %
Percent Related to Reconciliation	<u>3.1</u>	<u>3.5</u>
Return on Equity, as presented (a)	17.2 %	13.4 %

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