

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 24, 2003

AMERICAN INTERNATIONAL GROUP, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

1-8787
(Commission File Number)

13-2592361
(IRS Employer
Identification No.)

70 Pine Street
New York, New York 10270
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (212) 770-7000

(Former name or Former Address, if Changed Since Last Report)

Item 9. Regulation FD Disclosure (Information Provided Under Item 12. Results of Operations and Financial Condition).

The following information, including the text of the press release attached as an Exhibit to this Form 8-K, is furnished pursuant to Item 12, "Results of Operations and Financial Condition".

On July 24, 2003, American International Group, Inc. issued a press release announcing its results for the quarter ended June 30, 2003. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN INTERNATIONAL GROUP, INC.
(Registrant)

Date: July 24, 2003

By /s/ KATHLEEN E. SHANNON

Name: Kathleen E. Shannon
Title: Senior Vice President
and Secretary

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release of American International Group, Inc. dated July 24, 2003.

NEWS

[AIG LOGO]

AMERICAN INTERNATIONAL GROUP, INC.
70 PINE STREET NEW YORK, NY 10270Contact: Charlene Hamrah (Investment Community)
(212)770-7074Joe Norton (News Media)
(212)770-3144AIG REPORTS SECOND QUARTER 2003
NET INCOME ROSE 26.4 PERCENT TO \$2.28 BILLION;ANNOUNCES ADDITIONAL 25.0 PERCENT INCREASE IN QUARTERLY
COMMON STOCK DIVIDEND

NEW YORK, NY, July 24, 2003 - American International Group, Inc. (AIG) today reported that its net income for the second quarter of 2003 increased 26.4 percent to \$2.28 billion, compared to \$1.80 billion in the second quarter of 2002. For the first six months of 2003, net income totaled \$4.23 billion, an increase of 11.9 percent compared to \$3.78 billion in the same period of 2002.

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

	SECOND QUARTER			PER SHARE		
	2003	2002	Change	2003	2002	Change
Net income	\$2,276.9	\$1,801.2	26.4%	\$ 0.87	\$ 0.68	27.9%
Realized capital losses, net of tax	\$ 243.4	\$ 412.2	--	\$ 0.09	\$ 0.16	--
Net income, excluding realized capital losses, net of tax	\$2,520.3	\$2,213.4	13.9%	\$ 0.96	\$ 0.84	14.3%
Average shares outstanding				2,627.4	2,639.9	

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SIX MONTHS

	SIX MONTHS			PER SHARE		
	2003	2002	Change	2003	2002	Change
Net income	\$4,230.4	\$3,781.5	11.9%	\$ 1.61	\$ 1.43	12.6%
Realized capital losses, net of tax	\$ 656.3	\$ 562.6	--	\$ 0.25	\$ 0.22	--
Net income, excluding realized capital losses, net of tax	\$4,886.7	\$4,344.1	12.5%	\$ 1.86	\$ 1.65	12.7%
Average shares outstanding				2,627.8	2,638.6	

Highlights of the second quarter of 2003 include:

- - Record capital funds (shareholders' equity) at June 30, 2003 exceeding \$68 billion, an increase of approximately \$6 billion over March 31, 2003.
- - Record consolidated assets at June 30, 2003 of approximately \$620 billion, an increase of approximately \$28 billion over March 31, 2003.
- - Record General Insurance net premiums written of \$8.84 billion, an increase of 30.4 percent over the second quarter of 2002.
- - Record General Insurance pretax operating income of \$1.21 billion, including \$83.5 million of realized capital losses.
- - General Insurance combined ratio of 92.27 for the second quarter of 2003.
- - Record General Insurance cash flow of \$5.91 billion in the first six months of 2003.
- - General Insurance net loss and loss adjustment reserves totaling \$33.09 billion as of June 30, 2003, an increase of \$1.57 billion and \$2.74 billion for the second quarter and six months, respectively.
- - Life Insurance GAAP premiums of \$5.47 billion, up 6.1 percent over the second quarter of 2002.
- - Record Life Insurance pretax operating income of \$1.56 billion, including \$171.1 million of realized capital losses.

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Income before income taxes and minority interest in the second quarter of 2003 increased 23.9 percent. Following is a summary table of second quarter and six months information (in millions):

	SECOND QUARTER			SIX MONTHS		
	2003 ----	2002 ----	Change -----	2003 ----	2002 ----	Change -----
Income before income taxes and minority interest	\$3,430.4	\$2,767.7	23.9%	\$6,354.3	\$5,726.4	11.0%
Pretax realized capital losses	\$ 356.9	\$ 629.5	--	\$ 988.4	\$ 861.3	--

The following table outlines the impact of foreign exchange on property-casualty net premiums written and life insurance GAAP premiums for the second quarter 2003:

	WORLDWIDE GENERAL INSURANCE -----	FOREIGN GENERAL INSURANCE -----	WORLDWIDE LIFE INSURANCE -----	FOREIGN LIFE INSURANCE -----
Premium Growth in Original Currency	28.3%	17.2%	3.6%	3.4%
Foreign Exchange Impact	2.1	7.3	2.5	3.3
Premium Growth as Reported in U.S. \$	30.4%	24.5%	6.1%	6.7%

Commenting on second quarter results, AIG Chairman M.R. Greenberg said, "AIG had a very good quarter. General Insurance, Life Insurance and Financial Services all had record results. Retirement Savings & Asset Management had improved performance as equity markets made gains.

"In June, we announced an agreement to buy from General Electric its life insurance operations in Japan and auto and home insurance business in the U.S. These acquisitions will enhance our position in attractive markets and businesses where AIG has proven capabilities.

"Over the second quarter, assets and shareholders' equity both rose to record levels. At June 30, 2003, assets approximated \$620 billion and shareholders' equity exceeded \$68 billion.

"GENERAL INSURANCE OPERATING INCOME IN THE SECOND QUARTER OF 2003 INCREASED 29.4 PERCENT OVER A YEAR AGO TO \$1.21 BILLION INCLUDING REALIZED CAPITAL LOSSES OF \$83.5 MILLION. We had excellent results in both the Domestic Brokerage Group and Foreign General operations. Net premiums written were a record \$8.84 billion, up 30.4 percent over a year ago. The General Insurance combined ratio was a strong 92.27 versus 94.09 a year ago. The General Insurance expense ratio further improved to 18.44 from 20.03 a year ago.

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"In the United States, Domestic Brokerage Group net premiums written in the second quarter of 2003 increased 37.4 percent over a year ago to a record \$5.06 billion. The combined ratio was 94.43 compared to 97.25 in the second quarter of 2002.

"Property-casualty rates in the Domestic Brokerage Group continued to rise in the quarter. Rate increases ranged from 30 to 40 percent in most casualty lines, more in certain lines such as directors and officers insurance and excess casualty coverages. Property rates, which had increased significantly over the last few years, were up modestly in the second quarter. During the quarter we introduced new products including comprehensive protection for directors and officers, new coverages against cyber security threats and new aviation coverages.

"HSB Group, Inc. (HSB) is achieving excellent results and is working closely with Domestic Brokerage Group and Foreign General operations identifying new opportunities. HSB is the industry leader in providing equipment breakdown insurance and related engineering and loss control services.

"Domestic Personal Lines had very good current results in the second quarter. Net premiums written were \$900.4 million, up 11.6 percent over the prior year. Rates have continued to firm. The combined ratio was 100.07 or 95.84 excluding 4.23 points associated with 21st Century Insurance Group's \$37 million increase in 1994 Northridge earthquake loss reserves for claims reopened by California Senate Bill 1899, as previously reported by 21st Century. The combined ratio was 99.67 in the second quarter of 2002. The pending acquisition of GE's U.S. based automobile insurance units will complement AIG's existing domestic personal automobile insurance business.

"United Guaranty Corporation, AIG's mortgage guaranty insurance operation, achieved an excellent combined ratio of 35.80. Reflecting the continuing high level of refinancings, new business was offset by a decline in renewal premiums.

"Foreign General Insurance had excellent results from its unrivalled worldwide franchise. Net premiums in the second quarter increased 24.5 percent over the second quarter of 2002, to a record \$1.96 billion. The combined ratio was an outstanding 86.53 compared to 88.39, a year ago. Southeast Asia and the U.K. had double digit premium growth. The Japan and European operations continue to benefit from the flight to quality. Economic weakness in many parts of the world has not deterred our growth as a result of our unsurpassed ability to provide strong financial security, a wide range of innovative products and responsive service.

"AT TRANSATLANTIC HOLDINGS, INC., A MAJORITY-OWNED AIG SUBSIDIARY, NET PREMIUMS WRITTEN IN THE SECOND QUARTER OF 2003 ROSE 35.6 PERCENT TO \$802.9 MILLION. The combined ratio improved to 96.30 from 98.22. Transatlantic is the largest broker-market reinsurance organization in the United States and a leader in the specialty casualty field.

"General Insurance cash flow continues to be very strong. NEW CASH FLOW FOR INVESTMENTS FROM GENERAL INSURANCE OPERATIONS IN THE FIRST SIX MONTHS OF 2003 WAS A RECORD \$5.91 BILLION, COMPARED TO \$2.79 BILLION IN THE FIRST SIX MONTHS OF 2002. Net cash flow has increased \$13.34 billion since the beginning of 2002. Net investment income rose 7.6 percent to \$731.5 million in the second quarter of 2003 and 6.3 percent to \$1.52 billion for the first six months of 2003. The growth in investment income is a direct reflection of the strong growth in net cash flow and improving results in partnership income.

"WE ADDED \$1.57 BILLION AND \$2.74 BILLION TO AIG'S GENERAL INSURANCE NET LOSS AND LOSS ADJUSTMENT RESERVES FOR THE QUARTER AND SIX MONTHS, RESPECTIVELY, bringing the total of those reserves to \$33.09 billion at June 30, 2003.

"WORLDWIDE LIFE INSURANCE OPERATING INCOME IN THE SECOND QUARTER OF 2003 WAS \$1.56 BILLION, INCLUDING \$171.1 MILLION OF REALIZED CAPITAL LOSSES, COMPARED TO \$1.22 BILLION, INCLUDING \$310.7 MILLION OF REALIZED CAPITAL LOSSES, A YEAR AGO. GAAP premiums were \$5.47 billion, an increase of 6.1 percent over the second quarter of 2002. Total life production, which includes premiums, deposits and other considerations, was \$11.58 billion, a decline of 12.8 percent, compared to second quarter 2002. Guaranteed Investment Contracts are an opportunistic business and in the second quarter we reduced our issuances, especially in the domestic market. Worldwide life production, excluding worldwide guaranteed investment contracts and domestic individual fixed annuities, increased 6.4 percent in the second quarter of 2003, compared to the second quarter 2002. Life insurance cash flow from both foreign and domestic operations continues to be outstanding.

"Asia, the largest region of Foreign Life, had good operating income and premium growth. While the outbreak of SARS in Asia had a short term impact on first year life insurance policy sales in April and May, conditions have improved dramatically since then. Beijing, Shanghai, Southern China and Hong Kong are virtually back to normal. Conditions in Taiwan and Singapore also are much improved. The SARS epidemic has heightened the awareness of the importance of protection policies, and we have been introducing a series of new products to serve this need. In China, second quarter production, comprised of premiums, deposits and other considerations, rose 28 percent. In the past six months, new business increased 30 percent in China and more than 10 percent in Hong Kong.

"In Japan, the world's second largest life insurance market after the United States, we had good results. ALICO, our largest life operation in Japan, had strong performance in terms of premium growth and operating income. When we complete the acquisition of GE Edison Life in Japan, AIG will have the leading foreign life insurance presence in the marketplace and a strong distribution platform for serving the life, annuity, and accident and health insurance needs of this important market. Additionally, our Korean operation performed well this quarter.

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"Domestic Life also had good results. AIG American General, which was the most profitable life insurer in the United States in 2002, had good growth through new products and cross selling initiatives. Domestic Life operating income including realized capital losses in the second quarter of 2003 was \$594.3 million. AIG American General's transition to a profit center structure has enabled it to respond quickly to new opportunities, such as the recently launched voluntary benefits unit, which will sell payroll deduction life and accident and health products.

"The individual fixed annuity business, which is reported in the Life Insurance segment, performed well. We have been lowering annuity crediting rates, so the net interest margin in this business has remained steady or improved even as interest rates remain low. In markets where we were not able to reduce rates and maintain adequate margins we deliberately curtailed sales in the second quarter. That trend is reversing itself in the third quarter and business is off to a very strong start.

"FINANCIAL SERVICES had excellent results, achieving solid profits derived from a diversified range of businesses and products. OPERATING INCOME GREW 14.9 PERCENT TO \$622.9 MILLION IN THE SECOND QUARTER OF 2003, COMPARED TO \$542.0 MILLION IN THE SECOND QUARTER OF 2002.

"International Lease Finance Corporation (ILFC) reported operating income of \$183.6 million in the second quarter of 2003, versus \$207.7 million a year ago. Despite the challenging environment, demand for ILFC's modern and efficient fleet continues to be strong. All new and used aircraft deliveries in 2003 have been placed, and 78 percent of 2004 new aircraft deliveries have been leased. While some of the new lease rates for aircraft that have been redeployed are lower, this is largely offset by very low interest rates, which reduce ILFC's financing costs. Air travel in Asia, a major market for ILFC, has increased substantially now that the risk of SARS has dramatically abated. Approximately 88 percent of ILFC's fleet is leased outside of the United States.

"AIG Financial Products Corp. (AIGFP) reported operating income of \$254.2 million in the second quarter of 2003, an increase of 41.0 percent over the second quarter of 2002. AIGFP's interest rate, currency and credit derivative segments contributed to the strong growth. AIGFP serves customer needs and is not dependent on taking positions on the direction of interest rates and other markets. AIG Trading Group Inc. also had good results, with operating income of \$22.6 million compared to \$21.0 million in the second quarter of 2002. To take better advantage of the synergies between businesses in the capital markets, we intend to combine AIGFP and AIG Trading into one reporting unit.

"Both U.S. and foreign consumer finance businesses had good results in the quarter. Operating income increased 18.4 percent in the second quarter of 2003 to \$166.9 million. American General Finance had a good quarter as credit quality continues to be strong. AIG's international consumer finance operations posted good growth.

"RETIREMENT SAVINGS & ASSET MANAGEMENT operating income increased 7.7 percent over a year ago to \$301.7 million. The Group Retirement Savings business, led by AIG VALIC in the United States, earned \$226.6 million in the second quarter of 2003, compared to \$219.1 million a year ago. Operating income in the individual variable annuity and mutual fund businesses was \$6.6 million in the second quarter of 2003, compared to \$11.4 million in second quarter of 2002 and a loss of \$1.3 million in the first quarter of 2003. Our institutional asset management operation continues to attract new business. At June 30, 2003, AIG's third party assets under management, including institutional accounts and retail mutual funds, totaled over \$43 billion.

"AIG had pretax realized capital losses of \$356.9 million in the second quarter of 2003, compared to \$629.5 million in the second quarter of 2002. The largest portion of these losses continues to be derived from the inclusion of unrealized losses on investments previously written down to market through shareholders' equity. Upon the ultimate disposition of these holdings, a portion of these losses may be recovered depending on future market conditions.

"In the Other Income/Deductions-net category, AIG reported net deductions of \$164.7 million in the second quarter of 2003, compared to net deductions of \$49.7 million a year earlier. Principal components of this category are administrative, interest and pension expenses.

"In light of the substantial increase in AIG's shareholders' equity in the second quarter of 2003 and the recent congressional action decreasing the tax rate on corporate dividends paid to shareholders, AIG'S BOARD OF DIRECTORS HAS INCREASED ITS PREVIOUSLY DECLARED DIVIDEND OF 5.2 CENTS PER COMMON SHARE TO BE PAID IN SEPTEMBER 2003 TO 6.5 CENTS PER COMMON SHARE. This is an increase of 25.0 percent over the previously declared dividend and a 38.3 percent increase over the 4.7 cents per common share paid in June 2003."

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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 savings 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 savings 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, August 1, 2003.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. Please refer to the AIG Quarterly Report on Form 10-Q/A for the quarter ended March 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.

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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 transactions 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)

	SIX MONTHS ENDED JUNE 30,			THREE MONTHS ENDED JUNE 30,		
	2003	2002	CHANGE	2003	2002	CHANGE
	----	----	-----	----	----	-----
GENERAL INSURANCE OPERATIONS:						
Net Premiums Written	\$ 17,087,134	\$ 13,116,940	30.3%	\$ 8,844,050	\$ 6,782,657	30.4%
Net Premiums Earned	15,041,107	11,365,691	32.3	7,754,344	5,859,163	32.3
Underwriting Profit	1,096,386	725,935	51.0	563,847	416,234	35.5
Net Investment Income	1,515,341	1,425,413	6.3	731,467	680,047	7.6
Income before Realized Capital Gains (Losses)	2,611,727	2,151,348	21.4	1,295,314	1,096,281	18.2
Realized Capital Gains (Losses)	(255,977)	(281,860)	-	(83,470)	(160,102)	-
OPERATING INCOME	\$ 2,355,750	\$ 1,869,488	26.0%	\$ 1,211,844	\$ 936,179	29.4%
	-----	-----	----	-----	-----	-----
Loss Ratio	73.99	74.63		73.83	74.06	
Expense Ratio	18.70	20.27		18.44	20.03	
Combined Ratio	92.69	94.90		92.27	94.09	
	-----	-----	----	-----	-----	-----
LIFE INSURANCE OPERATIONS:						
GAAP Premiums	\$ 11,133,328	\$ 9,943,011	12.0%	\$ 5,474,838	\$ 5,159,564	6.1%
Net Investment Income	6,695,110	5,949,324	12.5	3,454,709	3,046,738	13.4
Income before Realized Capital Gains (Losses)	3,272,187	2,883,765	13.5	1,732,134	1,528,374	13.3
Realized Capital Gains (Losses)	(516,072)	(339,411)	-	(171,113)	(310,650)	-
OPERATING INCOME	2,756,115	2,544,354	8.3	1,561,021	1,217,724	28.2
FINANCIAL SERVICES OPERATING INCOME	1,153,371	1,015,928	13.5	622,910	542,014	14.9
RETIREMENT SAVINGS & ASSET MANAGEMENT						
OPERATING INCOME	584,478	579,893	0.8	301,680	280,215	7.7
Other Realized Capital Gains (Losses)	(216,366)	(240,039)	-	(102,332)	(158,719)	-
Other Income (Deductions) - net	(279,025)	(43,216)	-	(164,670)	(49,708)	-
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	6,354,323	5,726,408	11.0	3,430,453	2,767,705	23.9
Income Taxes	1,936,116	1,763,644	-	1,059,754	871,816	-
INCOME BEFORE MINORITY INTEREST	4,418,207	3,962,764	11.5	2,370,699	1,895,889	25.0
Minority Interest, after-tax - Income before Realized Capital Gains (Losses)	(189,754)	(178,679)	-	(97,826)	(91,655)	-
Minority Interest, after-tax - Realized Capital Gains (Losses)	1,957	(2,590)	-	4,012	(3,039)	-
NET INCOME	4,230,410	3,781,495	11.9	2,276,885	1,801,195	26.4
REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	(656,253)	(562,589)	-	(243,407)	(412,194)	-
NET INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	\$ 4,886,663	\$ 4,344,084	12.5%	\$ 2,520,292	\$ 2,213,389	13.9%
	-----	-----	----	-----	-----	-----
PER SHARE - DILUTED:						
NET INCOME	\$ 1.61	\$ 1.43	12.6%	\$ 0.87	\$ 0.68	27.9%
REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	(0.25)	(0.22)	-	(0.09)	(0.16)	-
NET INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	\$ 1.86	\$ 1.65	12.7%	\$ 0.96	\$ 0.84	14.3%
	-----	-----	----	-----	-----	-----
AVERAGE DILUTED COMMON SHARES OUTSTANDING	2,627,789	2,638,607		2,627,407	2,639,921	

* Including reconciliation in accordance with Regulation G.

AMERICAN INTERNATIONAL GROUP, INC.
SUPPLEMENTARY EARNINGS DATA
(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30,			THREE MONTHS ENDED JUNE 30,		
	2003	2002	CHANGE	2003	2002	CHANGE
	----	----	-----	----	----	-----
GENERAL INSURANCE OPERATIONS:						
NET PREMIUMS WRITTEN						
Domestic Brokerage Group	\$ 9,603,342	\$ 7,130,809	34.7%	\$ 5,063,200	\$ 3,684,647	37.4%
Personal Lines	1,784,612	1,533,214	16.4	900,414	807,114	11.6
Mortgage Guaranty	241,487	248,353	(2.8)	120,299	126,131	(4.6)
Transatlantic Holdings	1,570,931	1,155,581	35.9	802,850	592,026	35.6
Foreign General (a)(b)	3,886,762	3,048,983	27.5	1,957,287	1,572,739	24.5
	-----	-----		-----	-----	
TOTAL	17,087,134	13,116,940	30.3	8,844,050	6,782,657	30.4
OPERATING INCOME						
Domestic Brokerage Group	1,387,503	1,042,738	33.1	678,656	511,650	32.6
Personal Lines	98,052	85,987	14.0	28,752	62,851	(54.3)
Mortgage Guaranty	218,577	236,424	(7.5)	108,582	124,775	(13.0)
Transatlantic Holdings	175,826	145,632	20.7	96,426	73,584	31.0
Foreign General (a)	728,335	629,202	15.8	381,181	317,739	20.0
Intercompany Adjustments	3,434	11,365	-	1,717	5,682	-
	-----	-----		-----	-----	
TOTAL BEFORE REALIZED CAPITAL GAINS (LOSSES)	2,611,727	2,151,348	21.4	1,295,314	1,096,281	18.2
Realized Capital Gains (Losses)	(255,977)	(281,860)	-	(83,470)	(160,102)	-
OPERATING INCOME	\$ 2,355,750	\$ 1,869,488	26.0%	\$ 1,211,844	\$ 936,179	29.4%
	-----	-----		-----	-----	
COMBINED RATIO:						
Domestic Brokerage Group	94.61	97.44		94.43	97.25	
Personal Lines	98.28	100.36		100.07	99.67	
Mortgage Guaranty	41.07	35.58		35.80	29.76	
Transatlantic Holdings	96.85	98.19		96.30	98.22	
Foreign General (a)	87.63	90.06		86.53	88.39	
TOTAL	92.69	94.90		92.27	94.09	
	-----	-----		-----	-----	
Losses and Loss Expenses Paid	\$ 8,390,322	\$ 7,977,671	5.2%	\$ 4,156,667	\$ 3,961,354	4.9%
Change in Loss and Loss Expense Reserve	2,737,961	504,972	-	1,568,196	378,006	-
	-----	-----		-----	-----	
Losses and Loss Expenses Incurred	11,128,283	8,482,643	31.2	5,724,863	4,339,360	31.9
Net Loss and Loss Expense Reserve	33,087,900	26,400,484	25.3			
UNDERWRITING PROFIT	\$ 1,096,386	\$ 725,935	51.0%	\$ 563,847	\$ 416,234	35.5%

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

(b) The growth in Foreign General net premiums written in original currency was 17.2 percent and 21.0 percent for the second quarter and six months 2003, respectively.

SUPPLEMENTARY EARNINGS DATA CONTINUED

	SIX MONTHS ENDED JUNE 30,			THREE MONTHS ENDED JUNE 30,		
	2003	2002	Change	2003	2002	Change
	----	----	-----	----	----	-----
LIFE INSURANCE OPERATIONS:						
GAAP Premiums						
Domestic						
Life Insurance	\$ 844,879	\$ 818,215	3.3 %	\$ 414,132	\$ 421,967	(1.9)%
Individual Fixed Annuities	24,845	22,651	9.7	12,542	11,228	11.7
Guaranteed Investment Contracts	3,730	16,187	(77.0)	57	15,414	(99.6)
Home Service	417,962	430,626	(2.9)	209,217	214,709	(2.6)
Group Life/Health	511,884	478,148	7.1	279,636	240,238	16.4
Pension and Investment Products	744,937	493,520	50.9	310,507	274,704	13.0
TOTAL	2,548,237	2,259,347	12.8	1,226,091	1,178,260	4.1
Foreign						
Life Insurance	6,458,463	5,878,741	9.9	3,190,582	3,085,227	3.4
Personal Accident	1,439,187	1,167,842	23.2	748,019	602,015	24.3
Group Products	633,029	589,084	7.5	283,525	273,009	3.9
Guaranteed Investment Contracts	54,412	47,997	13.4	26,621	21,053	26.4
TOTAL	8,585,091	7,683,664	11.7	4,248,747	3,981,304	6.7
TOTAL GAAP PREMIUMS	11,133,328	9,943,011	12.0	5,474,838	5,159,564	6.1
PREMIUMS, DEPOSITS AND OTHER CONSIDERATIONS (a)(b)						
Domestic						
Life Insurance	1,326,950	1,300,105	2.1	674,530	644,338	4.7
Individual Fixed Annuities	5,057,295	5,320,599	(4.9)	2,284,369	3,058,654	(25.3)
Guaranteed Investment Contracts	3,755,442	6,061,197	(38.0)	1,285,964	2,569,171	(49.9)
Home Service	484,559	429,746	12.8	249,943	213,735	16.9
Group Life/Health	507,835	479,147	6.0	271,076	233,991	15.8
Pension and Investment Products	897,344	870,759	3.1	329,868	470,014	(29.8)
TOTAL	12,029,425	14,461,553	(16.8)	5,095,750	7,189,903	(29.1)
Foreign						
Life Insurance	7,308,378	6,510,136	12.3	3,632,112	3,422,470	6.1
Personal Accident	1,441,204	1,174,558	22.7	748,795	611,089	22.5
Group Products	1,082,827	921,946	17.5	513,004	434,835	18.0
Guaranteed Investment Contracts	2,731,090	3,031,371	(9.9)	1,590,003	1,624,085	(2.1)
TOTAL (c)	12,563,499	11,638,011	8.0	6,483,914	6,092,479	6.4
TOTAL PREMIUMS, DEPOSITS AND OTHER CONSIDERATIONS	\$ 24,592,924	\$ 26,099,564	(5.8)%	\$11,579,664	\$13,282,382	(12.8)%

(a) Represents a non-GAAP measurement used by AIG to help manage its life insurance operation, and may not be comparable to similarly captioned measurements used by other life insurance companies.

(b) Premiums, deposits and other considerations represent aggregate business activity during the respective periods.

(c) The growth in foreign premiums, deposits and other considerations in original currency was 2.0 percent in the second quarter and 3.6 percent for the six months.

SUPPLEMENTARY EARNINGS DATA CONTINUED

	SIX MONTHS ENDED JUNE 30,			THREE MONTHS ENDED JUNE 30,		
	2003	2002	Change	2003	2002	Change
LIFE INSURANCE OPERATIONS:						
NET INVESTMENT INCOME						
Domestic						
Life Insurance	\$ 680,552	\$ 704,575	(3.4)%	\$ 364,149	\$ 361,691	0.7%
Individual Fixed Annuities	1,798,477	1,564,733	14.9	943,865	832,766	13.3
Guaranteed Investment Contracts	1,020,395	984,207	3.7	512,432	502,898	1.9
Home Service	339,315	335,751	1.1	170,738	166,993	2.2
Group Life/Health	56,823	52,662	7.9	28,892	26,978	7.1
Pension and Investment Products	452,864	383,568	18.1	217,640	181,832	19.7
Intercompany Adjustments	(127)	(113)	--	(64)	(56)	-
TOTAL	4,348,299	4,025,383	8.0	2,237,652	2,073,102	7.9
Foreign						
Life Insurance	1,910,100	1,577,251	21.1	1,000,773	801,544	24.9
Personal Accident	76,411	66,463	15.0	39,883	33,406	19.4
Group Products	169,104	121,994	38.6	86,963	62,025	40.2
Guaranteed Investment Contracts	197,367	163,748	20.5	92,523	79,419	16.5
Intercompany Adjustments	(6,171)	(5,515)	--	(3,085)	(2,758)	-
TOTAL	2,346,811	1,923,941	22.0	1,217,057	973,636	25.0
TOTAL NET INVESTMENT INCOME	6,695,110	5,949,324	12.5	3,454,709	3,046,738	13.4
OPERATING INCOME						
Domestic						
Life Insurance	408,431	369,027	10.7	218,732	204,827	6.8
Individual Fixed Annuities	427,784	333,663	28.2	226,149	166,395	35.9
Guaranteed Investment Contracts	238,323	300,727	(20.8)	127,646	159,519	(20.0)
Home Service	202,167	193,224	4.6	101,949	97,834	4.2
Group Life/Health	57,972	50,859	14.0	29,490	24,305	21.3
Pension and Investment Products	84,290	60,426	39.5	50,737	22,764	122.9
Intercompany Adjustments	(127)	(113)	--	(64)	(56)	-
TOTAL DOMESTIC BEFORE REALIZED CAPITAL GAINS (LOSSES)	1,418,840	1,307,813	8.5	754,639	675,588	11.7
Realized Capital Gains (Losses)	(186,197)	(349,309)	--	(160,304)	(330,974)	-
DOMESTIC OPERATING INCOME	1,232,643	958,504	28.6	594,335	344,614	72.5
Foreign						
Life Insurance	1,344,437	1,173,346	14.6	719,199	648,623	10.9
Personal Accident	397,137	313,409	26.7	199,645	159,823	24.9
Group Products	94,825	76,213	24.4	47,016	37,236	26.3
Guaranteed Investment Contracts	23,119	18,499	25.0	14,720	9,862	49.3
Intercompany Adjustments	(6,171)	(5,515)	--	(3,085)	(2,758)	-
TOTAL FOREIGN BEFORE REALIZED CAPITAL GAINS (LOSSES)	1,853,347	1,575,952	17.6	977,495	852,786	14.6
Realized Capital Gains (Losses)	(329,875)	9,898	--	(10,809)	20,324	-
FOREIGN OPERATING INCOME	1,523,472	1,585,850	(3.9)	966,686	873,110	10.7
Worldwide Life before Realized Capital Gains (Losses)	3,272,187	2,883,765	13.5	1,732,134	1,528,374	13.3
Realized Capital Gains (Losses)	(516,072)	(339,411)	--	(171,113)	(310,650)	-
WORLDWIDE OPERATING INCOME	\$2,756,115	\$2,544,354	8.3 %	\$1,561,021	\$1,217,724	28.2 %

SUPPLEMENTARY EARNINGS DATA CONTINUED

	SIX MONTHS ENDED JUNE 30,			THREE MONTHS ENDED JUNE 30,		
	2003	2002	Change	2003	2002	Change
FINANCIAL SERVICES:						
REVENUES						
International Lease Finance Corp.	\$1,486,858	\$1,366,582	8.8%	\$764,747	\$725,740	5.4%
AIG Financial Products Corp.	675,823	538,135	25.6	404,100	266,040	51.9
Consumer Finance	1,292,805	1,226,489	5.4	653,929	613,552	6.6
AIG Trading Group Inc.	132,272	114,188	15.8	79,365	70,967	11.8
Other	22,073	(4,863)	--	14,808	(2,259)	-
TOTAL	3,609,831	3,240,531	11.4	1,916,949	1,674,040	14.5
OPERATING INCOME						
International Lease Finance Corp.	357,885	380,762	(6.0)	183,614	207,674	(11.6)
AIG Financial Products Corp.	450,095	356,461	26.3	254,213	180,289	41.0
Consumer Finance	314,961	265,282	18.7	166,858	140,911	18.4
AIG Trading Group Inc.	37,926	31,094	22.0	22,567	20,979	7.6
Other (a)	(7,496)	(17,671)	--	(4,342)	(7,839)	-
TOTAL	1,153,371	1,015,928	13.5	622,910	542,014	14.9
RETIREMENT SAVINGS & ASSET MANAGEMENT (b):						
Revenues						
AIG VALIC (c)	1,111,837	1,066,871	4.2	567,655	532,376	6.6
AIG SunAmerica (d)	250,031	305,646	(18.2)	129,053	151,714	(14.9)
Other Asset Management and Annuity Operations (e)	449,925	363,762	23.7	218,976	187,370	16.9
TOTAL	1,811,793	1,736,279	4.3	915,684	871,460	5.1
OPERATING INCOME						
AIG VALIC (c)	445,241	410,607	8.4	226,644	219,072	3.5
AIG SunAmerica (d)	5,263	50,213	(89.5)	6,576	11,388	(42.3)
Other Asset Management and Annuity Operations (e)	133,974	119,073	12.5	68,460	49,755	37.6
TOTAL	584,478	579,893	0.8	301,680	280,215	7.7
VARIABLE ANNUITY NET SALES						
Sales						
AIG VALIC	2,499,832	2,521,723	(0.9)	1,260,760	1,237,587	1.9
AIG SunAmerica	1,569,532	1,503,089	4.4	803,994	798,251	0.7
Surrenders						
AIG VALIC	1,133,659	1,283,524	(11.7)	579,577	655,008	(11.5)
AIG SunAmerica	1,074,386	1,058,375	1.5	514,050	553,327	(7.1)
Net Sales						
AIG VALIC	1,366,173	1,238,199	10.3	681,183	582,579	16.9
AIG SunAmerica	495,146	444,714	11.3	289,944	244,924	18.4
TOTAL NET SALES	\$1,861,319	\$1,682,913	10.6%	\$971,127	\$827,503	17.4%
EFFECTIVE TAX RATES:						
Net Income	30.47%	30.80%		30.89%	31.50%	
Realized Capital Gains (Losses)	33.41%	34.98%		30.68%	35.00%	

- (a) Includes Other Financial Services Companies and Intercompany Reclassifications.
- (b) At June 30, 2003 AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$43 billion.
- (c) Reflects the sale of variable annuity products with fixed annuity options.
- (d) Includes variable annuity, mutual fund and broker-dealer operations.
- (e) Includes AIG Global Investment Group, John McStay Investment Counsel, L.P. and certain overseas variable annuity operations.

AMERICAN INTERNATIONAL GROUP, INC.
PRETAX OPERATING INCOME
(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30,			THREE MONTHS ENDED JUNE 30,		
	2003	2002	CHANGE	2003	2002	CHANGE
GENERAL INSURANCE:						
Domestic Brokerage Group	\$1,387,503	\$1,042,738	33.1%	\$678,656	\$511,650	32.6%
Personal Lines	98,052	85,987	14.0	28,752	62,851	(54.3)
Mortgage Guaranty	218,577	236,424	(7.5)	108,582	124,775	(13.0)
Transatlantic Holdings	175,826	145,632	20.7	96,426	73,584	31.0
Foreign General (a)	728,335	629,202	15.8	381,181	317,739	20.0
Intercompany Adjustments	3,434	11,365	--	1,717	5,682	--
Realized Capital Gains (Losses)	(255,977)	(281,860)	--	(83,470)	(160,102)	--
LIFE INSURANCE:						
Domestic						
Life Insurance	408,431	369,027	10.7	218,732	204,827	6.8
Individual Fixed Annuities	427,784	333,663	28.2	226,149	166,395	35.9
Guaranteed Investment Contracts	238,323	300,727	(20.8)	127,646	159,519	(20.0)
Home Service	202,167	193,224	4.6	101,949	97,834	4.2
Group Life/Health	57,972	50,859	14.0	29,490	24,305	21.3
Pension and Investment Products	84,290	60,426	39.5	50,737	22,764	122.9
Intercompany Adjustments	(127)	(113)	--	(64)	(56)	--
Realized Capital Gains (Losses)	(186,197)	(349,309)	--	(160,304)	(330,974)	--
Foreign						
Life Insurance	1,344,437	1,173,346	14.6	719,199	648,623	10.9
Personal Accident	397,137	313,409	26.7	199,645	159,823	24.9
Group Products	94,825	76,213	24.4	47,016	37,236	26.3
Guaranteed Investment Contracts	23,119	18,499	25.0	14,720	9,862	49.3
Intercompany Adjustments	(6,171)	(5,515)	--	(3,085)	(2,758)	--
Realized Capital Gains (Losses)	(329,875)	9,898	--	(10,809)	20,324	--
FINANCIAL SERVICES:						
International Lease Finance Corp.	357,885	380,762	(6.0)	183,614	207,674	(11.6)
AIG Financial Products Corp.	450,095	356,461	26.3	254,213	180,289	41.0
Consumer Finance	314,961	265,282	18.7	166,858	140,911	18.4
AIG Trading Group Inc.	37,926	31,094	22.0	22,567	20,979	7.6
Other (b)	(7,496)	(17,671)	--	(4,342)	(7,839)	--
RETIREMENT SAVINGS & ASSET MANAGEMENT (c):						
AIG VALIC (d)	445,241	410,607	8.4	226,644	219,072	3.5
AIG SunAmerica (e)	5,263	50,213	(89.5)	6,576	11,388	(42.3)
Other Asset Management and Annuity Operations (f)	133,974	119,073	12.5	68,460	49,755	37.6
Other Realized Capital Gains (Losses)	(216,366)	(240,039)	--	(102,332)	(158,719)	--
Other Income (Deductions)-- net	(279,025)	(43,216)	--	(164,670)	(49,708)	--
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	6,354,323	5,726,408	11.0	3,430,453	2,767,705	23.9
INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND REALIZED CAPITAL GAINS (LOSSES)	\$7,342,738	\$6,587,718	11.5%	\$3,787,368	\$3,397,176	11.5%

- (a) Foreign General insurance excludes the foreign operations of Transatlantic Holdings, Inc.
- (b) Includes Other Financial Services Companies and Intercompany Reclassifications.
- (c) At June 30, 2003 AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$43 billion.
- (d) Reflects the sale of variable annuity products with fixed annuity options.
- (e) Includes variable annuity, mutual fund and broker-dealer operations.
- (f) Includes AIG Global Investment Group, John McStay Investment Counsel, L.P. and certain overseas variable annuity operations.