

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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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): October 23, 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

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

Item 12. Results of Operations and Financial Condition.

On October 23, 2003, American International Group, Inc. issued a press release announcing its results for the quarter ended September 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 duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN INTERNATIONAL GROUP, INC.  
(Registrant)

Date: October 23, 2003

By /s/ KATHLEEN E. SHANNON

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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 October 23, 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)770-3144

AIG REPORTS THIRD QUARTER 2003 NET INCOME ROSE 26.9 PERCENT  
TO \$2.34 BILLION; NET INCOME EXCLUDING REALIZED CAPITAL LOSSES  
INCREASED 15.4 PERCENT TO \$2.58 BILLION

NEW YORK, NY, October 23, 2003 - American International Group, Inc. (AIG) today reported that its net income for the third quarter of 2003 increased 26.9 percent to \$2.34 billion, compared to \$1.84 billion in the third quarter of 2002. For the first nine months of 2003, net income totaled \$6.57 billion, an increase of 16.8 percent compared to \$5.62 billion in the same period of 2002. Net income excluding realized capital losses increased 15.4 percent to \$2.58 billion in the third quarter of 2003, and 13.5 percent to \$7.46 billion for the first nine months of 2003.

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

## THIRD QUARTER

	2003 -----	2002 -----	Change -----	2003 -----	PER SHARE -----	
					2002 -----	Change -----
Net income	\$2,336.5	\$1,841.2	26.9%	\$ 0.89	\$ 0.70	27.1%
Realized capital losses, net of tax	\$ 241.6	\$ 392.6	--	\$ 0.09	\$ 0.15	--
Net income, excluding realized capital losses, net of tax	\$2,578.1	\$2,233.8	15.4%	\$ 0.98	\$ 0.85	15.3%
Average shares outstanding				2,627.6	2,634.0	

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NINE MONTHS

	NINE MONTHS			PER SHARE		
	2003	2002	Change	2003	2002	Change
	-----	-----	-----	-----	-----	-----
Net income	\$6,566.9	\$5,622.7	16.8%	\$ 2.50	\$ 2.13	17.4%
Realized capital losses, net of tax	\$ 897.8	\$ 955.2	--	\$ 0.34	\$ 0.37	--
Net income, excluding realized capital losses, net of tax	\$7,464.7	\$6,577.9	13.5%	\$ 2.84	\$ 2.50	13.6%
Average shares outstanding				2,627.7	2,635.3	

Highlights of the third quarter of 2003 include:

- - Capital funds (shareholders' equity) at September 30, 2003 of approximately \$68 billion, including record retained earnings of \$58 billion.
- - Record consolidated assets at September 30, 2003 of approximately \$645 billion, an increase of approximately \$25 billion over June 30, 2003.
- - Pretax catastrophe losses of \$72.5 million for the third quarter of 2003, or \$0.02 per share, net of tax, compared to \$40 million in the third quarter 2002, or \$0.01 per share, net of tax.
- - Record General Insurance net premiums written of \$8.97 billion, an increase of 26.5 percent over the third quarter of 2002.
- - Record General Insurance pretax operating income of \$1.24 billion, including \$74.7 million of realized capital losses.
- - General Insurance combined ratio of 93.05 for the third quarter of 2003.
- - Record General Insurance cash flow of \$3.58 billion and \$9.49 billion in the third quarter and the first nine months of 2003, respectively.
- - General Insurance net loss and loss adjustment reserves totaling \$35.09 billion as of September 30, 2003, an increase of \$2.00 billion and \$4.74 billion for the third quarter and nine months, respectively. This includes \$415 million in reserves related to the GE personal lines business acquired in the third quarter.
- - Life Insurance GAAP premiums of \$5.43 billion, up 6.7 percent over the third quarter of 2002.
- - Life insurance premiums, deposits and other considerations of \$13.08 billion, up 9.5 percent over the third quarter of 2002, or \$9.82 billion when guaranteed investment contracts are excluded, an increase of 16.6 percent.
- - Life Insurance pretax operating income of \$1.44 billion, including \$259.7 million of realized capital losses.

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Income before income taxes and minority interest in the third quarter of 2003 increased 28.4 percent. Following is a summary table of third quarter and nine months information (in millions):

	THIRD QUARTER			NINE MONTHS		
	2003	2002	Change	2003	2002	Change
Income before income taxes and minority interest	\$3,503.5	\$2,728.4	28.4%	\$9,857.8	\$8,454.8	16.6%
Pretax realized capital losses	\$ 359.3	\$ 595.6	--	\$1,347.8	\$1,456.9	--

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

GENERAL INSURANCE	NET PREMIUMS WRITTEN	
	WORLDWIDE	FOREIGN GENERAL
Growth in Original Currency	25.3%	17.3%
Foreign Exchange Impact	1.2	4.7
Growth as Reported in U.S.\$	26.5%	22.0%

LIFE INSURANCE	GAAP PREMIUMS		PREMIUMS, DEPOSITS AND OTHER CONSIDERATIONS			
	TOTAL		TOTAL		EXCLUDING GICS*	
	WORLDWIDE	FOREIGN	WORLDWIDE	FOREIGN	WORLDWIDE	FOREIGN
Growth in Original Currency	6.2%	8.1%	9.0%	(9.4)%	16.4%	13.6%
Foreign Exchange Impact	0.5	0.7	0.5	1.0	0.2	0.5
Growth as Reported in U.S.\$	6.7%	8.8%	9.5%	(8.4)%	16.6%	14.1%

\* Guaranteed investment contracts and related products (GICs) are issued when interest rate spreads are advantageous and, therefore, the level of GICs issued in any reporting period may fluctuate substantially.

Commenting on third quarter results, AIG Chairman M. R. Greenberg said "AIG had a very good quarter with record General Insurance pretax operating income, strong Life Insurance and Financial Services results and continuing improvement in Retirement Services & Asset Management.

"GENERAL INSURANCE OPERATING INCOME IN THE THIRD QUARTER OF 2003 INCREASED 47.4 PERCENT OVER A YEAR AGO TO \$1.24 BILLION, INCLUDING REALIZED CAPITAL LOSSES OF \$74.7 MILLION. Excluding realized capital losses, operating income rose 25.0 percent. Net premiums written were a record \$8.97 billion, up 26.5 percent over a year ago. The

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General Insurance combined ratio was 93.05 (including 0.87 points for catastrophe losses) compared to 94.54 (including 0.65 points for catastrophe losses) a year ago. Benefiting from investments in technology, the General Insurance expense ratio further improved to 19.40 from 20.16 a year ago. Looking ahead, we are reasonably confident that rates in many of the classes of business that AIG specializes in will remain firm for the rest of this year and well into next year. As important as the overall rate environment, risk selection is critical. We pay careful attention to the pricing of specific risks, and there are certain risks we will refuse to write regardless of pricing. For example, in certain states and counties, the legal and tort systems are unfair and distorted and, consequently, we monitor our exposures there extremely carefully.

"In the United States, the Domestic Brokerage Group had record net premiums written in the third quarter of 2003 of \$5.13 billion, up 31.6 percent over the third quarter of 2002. The combined ratio was 94.78 compared to 96.47 in the third quarter of 2002. Underwriting and cash flow in the Domestic Brokerage Group were both very strong. In some classes of business, such as property and certain middle market coverages, rates have flattened out but at an adequate level. Property rates were not impacted by Hurricane Isabel.

"HSB Group, Inc. had another excellent quarter. Underwriting results were strong even after the impact of claims resulting from the August power outages and Hurricane Isabel.

"Domestic Personal Lines had a good quarter, with a combined ratio of 97.20 compared to 105.22 in the third quarter 2002. Net premiums written were \$919.2 million, compared to \$835.5 million a year ago. In the third quarter, we closed on our purchase of GE's personal lines business, which will enhance our market penetration and provide additional claims management and service capabilities.

"United Guaranty Corporation, AIG's mortgage guaranty insurance operation, had another good quarter. The combined ratio was 57.58. Premium volume was impacted by a high level of refinancings, which, going forward, should diminish as a result of the upward movement of interest rates.

"Our Foreign General operations had excellent results in all regions. Net premiums written in the third quarter of 2003 were \$1.87 billion, up 17.3 percent in original currency and 22.0 percent in U.S. dollars. The combined ratio was an outstanding 88.31.

"Operating results were excellent in Japan, with rates of growth significantly stronger than the overall industry. Southeast Asia had double-digit premium growth in original currency as well as in U.S. dollars. The U.K. and Europe had excellent growth as a result of both rate increases and new business. The flight to quality has accelerated in Europe, especially in the commercial market. While competition has increased in the energy sector, rates continue to be adequate.

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"Transatlantic Holdings, Inc., a majority-owned AIG subsidiary, had net premiums written in the third quarter of 2003 of \$901.3 million, up 31.1 percent. The combined ratio in the third quarter of 2003 was 96.16 compared to 98.03 a year ago.

"NEW CASH FLOW FOR INVESTMENT FROM GENERAL INSURANCE OPERATIONS IN THE THIRD QUARTER WAS A RECORD \$3.58 BILLION COMPARED TO \$2.50 BILLION LAST YEAR. FOR THE FIRST NINE MONTHS OF 2003 CASH FLOW WAS A RECORD \$9.49 BILLION, COMPARED TO \$5.29 BILLION IN THE FIRST NINE MONTHS OF 2002.

"WE ADDED \$2.00 BILLION AND \$4.74 BILLION TO AIG'S GENERAL INSURANCE NET LOSS AND LOSS ADJUSTMENT RESERVES FOR THE QUARTER AND NINE MONTHS, RESPECTIVELY, bringing the total of those reserves to \$35.09 billion at September 30, 2003. This includes \$415 million in reserves related to the GE personal lines business acquired in the third quarter.

"WORLDWIDE LIFE INSURANCE OPERATING INCOME IN THE THIRD QUARTER OF 2003 WAS \$1.44 BILLION, INCLUDING \$259.7 MILLION IN REALIZED CAPITAL LOSSES, COMPARED TO \$1.25 BILLION, INCLUDING \$261.8 MILLION IN REALIZED CAPITAL LOSSES, A YEAR AGO. Operating income excluding realized capital losses increased 12.4 percent. GAAP premiums were \$5.43 billion, an increase of 6.7 percent over the third quarter of 2002. Excluding GICs, GAAP premiums increased 7.1 percent over third quarter of 2002. Premiums, deposits and other considerations rose 9.5 percent in the third quarter or 16.6 percent excluding GICs.

"In the foreign life business, our acquisition of GE Edison in Japan, which is now doing business as AIG Edison, was completed in August. Results from this acquisition will be consolidated in fourth quarter Life Insurance results. Integration plans are moving ahead.

"We are providing new information in the supplementary earnings data on first year foreign life premiums as well as certain growth metrics for domestic life. Overall, first year premiums were strong in our foreign life operations in the third quarter, up 23.4 percent over third quarter 2002.

"Our life business in China continues to grow rapidly. We achieved 38 percent premium growth in the third quarter of 2003 compared to a year ago. Elsewhere in Asia the life business also was very satisfactory.

"The Domestic Life Insurance business, principally AIG American General, had solid top and bottom line growth. Domestic Life operating income in the third quarter of 2003 was \$470.4 million, including realized capital losses of \$260.0 million. Excluding realized capital losses and guaranteed investment contracts, operating income increased 12.0 percent in the quarter. AIG's profit center structure has taken hold very well at AIG American General. Two new profit centers have been launched to serve the middle income and voluntary employee benefits markets, further expanding our unrivaled distribution platform.

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"Universal life and term life products had record quarterly sales. Structured settlements had good growth, benefiting from cross marketing efforts.

"The home services business that serves the moderate and middle income markets continues to have very strong cash flow; premiums, deposits and other considerations increased by 22.1 percent in the third quarter. This business is in transition to become a multi-product distribution channel targeting this underserved market. Our goal is to achieve double digit income growth by introducing new products including critical illness, cancer, and accidental death and dismemberment policies as well as fixed annuities. We are recruiting new agents and training our agency force to market these products. In addition, we are expanding into new states.

"The fixed annuity business primarily sold through the bank distribution channel by AIG Annuity Insurance Company had excellent results -- strong top-line growth and strong bottom-line growth as a result of the widening of interest rate spreads.

"FINANCIAL SERVICES HAD GOOD RESULTS ACROSS ITS OPERATIONS. OPERATING INCOME GREW 10.1 PERCENT TO \$608.3 MILLION IN THE THIRD QUARTER OF 2003, COMPARED TO \$552.5 MILLION IN THE THIRD QUARTER OF 2002.

"During the quarter, we combined the operations of AIG Trading Group Inc. and AIG Financial Products Corp. (AIGFP) into a Capital Markets reporting unit. This combination is resulting in significantly greater efficiencies and product synergies in areas including energy, commodities and foreign exchange. Capital Markets reported operating income of \$240.6 million in the third quarter of 2003, an increase of 17.7 percent over the third quarter 2002. AIGFP's interest rate, currency and credit derivative segments again contributed to this strong growth.

"International Lease Finance Corporation (ILFC) reported operating income of \$190.5 million in the third quarter of 2003, versus \$207.3 million a year ago. Third quarter results were impacted by the concessions made on some leases renegotiated during the year. However, ILFC will benefit from the improving business climate in the airline industry. At the end of the third quarter, all aircraft were leased, including all new aircraft to be delivered in 2003 and 2004. Subsequent to the close of the third quarter, two small European carriers that are customers of ILFC filed for bankruptcy. However, we are reasonably confident an agreement will be reached with the carriers, or the aircraft will be redeployed elsewhere as we have done in the past. At the conclusion of the third quarter, ILFC entered into a securitization of a portfolio of 28 aircraft. Certain of our life insurance and retirement services businesses purchased a large share of this securitization. These businesses will achieve attractive investment income returns from an asset class managed by the industry's premier aircraft lessor, while ILFC benefits from a further diversification of its funding base.

"Both U.S. and foreign consumer finance business had a very good quarter. Operating income is up 20.5 percent to \$173.6 million. American General Finance, Inc. (AGF) had an outstanding quarter. The quality of the loan portfolio is good and demand is strong. AGF is opening new branches. This business is achieving an excellent return on

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equity. Our international consumer finance business also is achieving good results. Performance was substantially better in Hong Kong, in line with the up-tick in Hong Kong's economy.

"RETIREMENT SERVICES & ASSET MANAGEMENT had a much improved quarter, as a result of the upturn in the stock market and greater optimism for the economic outlook. OPERATING INCOME INCREASED 45.7 PERCENT IN THE THIRD QUARTER TO \$332.5 MILLION. The Group Retirement Services business, led by AIG VALIC in the United States, earned \$230.3 million in the third quarter of 2003, compared to \$161.0 million a year ago. Operating income in the individual variable annuity, mutual fund and broker-dealer businesses was \$17.7 million in the third quarter of 2003 compared to \$7.0 million in third quarter of 2002. The institutional asset management business continues to increase the amount of assets it manages for third parties. At September 30, 2003, AIG's third party assets under management, including institutional accounts and retail mutual funds, totaled over \$45 billion.

"AIG had pretax realized capital losses of \$359.3 million in the third quarter of 2003, compared to losses of \$595.6 million in the third quarter of 2002.

"AIG has a large number of promising growth initiatives underway around the world. In addition to the purchase of GE's Japan life and U.S. personal auto insurance businesses, AIG has entered into cooperative agreements in Russia to identify investment opportunities, improve homeowners insurance and provide financing alternatives for Russian home buyers. We also entered into a cooperative agreement with the People's Insurance Company of China (PICC) that will enable AIG to market its accident and health products through the PICC's 4,300 branch offices. We will provide training to PICC's agents and expect to sell an extended portfolio of products that we do not currently distribute through our life branches or property-casualty operations in China. We have a long-term relationship with the PICC, which has over 70 percent of the non-life market in China. These initiatives, combined with strong growth in our established businesses and accelerated cross-selling of products and services to our customers around the world, will contribute to our future success."

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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. EDT. The call will be broadcast live on the Internet at:

[www.aigwebcast.com](http://www.aigwebcast.com)

The call will be archived at the same URL through Friday, October 31, 2003.

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 June 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.

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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)

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2003	2002	CHANGE	2003	2002	CHANGE
<b>GENERAL INSURANCE OPERATIONS:</b>						
Net Premiums Written	\$ 26,052,589	\$ 20,201,733	29.0%	\$ 8,965,455	\$ 7,084,793	26.5%
Net Premiums Earned	23,331,101	17,561,487	32.9	8,289,994	6,195,796	33.8
Underwriting Profit	1,669,578	1,116,596	49.5	573,192	390,661	46.7
Net Investment Income	2,257,238	2,086,415	8.2	741,897	661,002	12.2
Income before Realized Capital Gains (Losses)	3,926,816	3,203,011	22.6	1,315,089	1,051,663	25.0
Realized Capital Gains (Losses)	(330,725)	(492,157)	--	(74,748)	(210,297)	--
<b>OPERATING INCOME</b>	<b>\$ 3,596,091</b>	<b>\$ 2,710,854</b>	<b>32.7%</b>	<b>\$ 1,240,341</b>	<b>\$ 841,366</b>	<b>47.4%</b>
Loss Ratio	73.87	74.54		73.65	74.38	
Expense Ratio	18.94	20.23		19.40	20.16	
Combined Ratio	92.81	94.77		93.05	94.54	
<b>LIFE INSURANCE OPERATIONS:</b>						
GAAP Premiums	\$ 16,562,862	\$ 15,030,830	10.2%	\$ 5,429,534	\$ 5,087,819	6.7%
Net Investment Income	10,057,117	9,128,779	10.2	3,362,007	3,179,455	5.7
Income before Realized Capital Gains (Losses)	4,976,801	4,400,510	13.1	1,704,614	1,516,745	12.4
Realized Capital Gains (Losses)	(775,818)	(601,209)	--	(259,746)	(261,798)	--
<b>OPERATING INCOME</b>	<b>4,200,983</b>	<b>3,799,301</b>	<b>10.6</b>	<b>1,444,868</b>	<b>1,254,947</b>	<b>15.1</b>
<b>FINANCIAL SERVICES OPERATING INCOME</b>	<b>1,761,717</b>	<b>1,568,421</b>	<b>12.3</b>	<b>608,346</b>	<b>552,493</b>	<b>10.1</b>
<b>RETIREMENT SERVICES &amp; ASSET MANAGEMENT</b> <b>OPERATING INCOME</b>	<b>916,935</b>	<b>808,116</b>	<b>13.5</b>	<b>332,457</b>	<b>228,223</b>	<b>45.7</b>
Other Realized Capital Gains (Losses)	(241,217)	(363,500)	--	(24,851)	(123,461)	--
Other Income (Deductions) - net	(376,699)	(68,423)	--	(97,674)	(25,207)	--
<b>INCOME BEFORE INCOME TAXES AND</b> <b>MINORITY INTEREST</b>	<b>9,857,810</b>	<b>8,454,769</b>	<b>16.6</b>	<b>3,503,487</b>	<b>2,728,361</b>	<b>28.4</b>
Income Taxes	3,004,488	2,581,087	--	1,068,372	817,443	--
<b>INCOME BEFORE MINORITY INTEREST</b>	<b>6,853,322</b>	<b>5,873,682</b>	<b>16.7</b>	<b>2,435,115</b>	<b>1,910,918</b>	<b>27.4</b>
Minority Interest, after-tax	--	--		--	--	
Income before Realized Capital Gains (Losses)	(283,828)	(246,208)	--	(94,074)	(67,529)	--
Minority Interest, after-tax	--	--		--	--	
Realized Capital Gains (Losses)	(2,593)	(4,784)	--	(4,550)	(2,194)	--
<b>NET INCOME</b>	<b>6,566,901</b>	<b>5,622,690</b>	<b>16.8</b>	<b>2,336,491</b>	<b>1,841,195</b>	<b>26.9</b>
<b>REALIZED CAPITAL GAINS (LOSSES),</b> <b>NET OF TAX</b>	<b>(897,835)</b>	<b>(955,235)</b>	<b>--</b>	<b>(241,582)</b>	<b>(392,646)</b>	<b>--</b>
<b>NET INCOME, EXCLUDING REALIZED CAPITAL</b> <b>GAINS (LOSSES), NET OF TAX</b>	<b>\$ 7,464,736</b>	<b>\$ 6,577,925</b>	<b>13.5%</b>	<b>\$ 2,578,073</b>	<b>\$ 2,233,841</b>	<b>15.4%</b>
<b>PER SHARE - DILUTED:</b>						
NET INCOME	\$ 2.50	\$ 2.13	17.4%	\$ 0.89	\$ 0.70	27.1%
REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	(0.34)	(0.37)	--	(0.09)	(0.15)	--
<b>NET INCOME, EXCLUDING REALIZED CAPITAL</b> <b>GAINS (LOSSES), NET OF TAX</b>	<b>\$ 2.84</b>	<b>\$ 2.50</b>	<b>13.6%</b>	<b>\$ 0.98</b>	<b>\$ 0.85</b>	<b>15.3%</b>
<b>AVERAGE DILUTED COMMON</b> <b>SHARES OUTSTANDING</b>	<b>2,627,740</b>	<b>2,635,342</b>		<b>2,627,557</b>	<b>2,634,040</b>	

\* Including reconciliation in accordance with Regulation G.

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

	NINE MONTHS ENDED SEPTEMBER 30, 2003	2002	CHANGE	THREE MONTHS ENDED SEPTEMBER 30, 2003	2002	CHANGE
<b>GENERAL INSURANCE:</b>						
Domestic Brokerage Group	\$ 2,017,553	\$ 1,586,730	27.2%	\$ 630,050	\$ 543,992	15.8%
Personal Lines	172,913	101,129	71.0	74,861	15,142	394.4
Mortgage Guaranty	319,167	331,718	(3.8)	100,590	95,294	5.6
Transatlantic Holdings	276,509	220,509	25.4	100,683	74,877	34.5
Foreign General (a)	1,135,522	945,878	20.0	407,187	316,676	28.6
Intercompany Adjustments	5,152	17,047	--	1,718	5,682	--
Realized Capital Gains (Losses)	(330,725)	(492,157)	--	(74,748)	(210,297)	--
<b>LIFE INSURANCE:</b>						
Domestic						
Life Insurance (b)	595,679	529,554	12.5	205,437	188,353	9.1
Individual Fixed Annuities	524,292	387,122	35.4	166,294	141,881	17.2
Individual Fixed Annuities - Runoff (c)	109,434	145,931	(25.0)	39,648	57,509	(31.1)
Home Service	298,622	285,471	4.6	96,455	92,247	4.6
Group Life/Health	87,910	76,749	14.5	29,938	25,890	15.6
Pension and Investment Products	146,679	90,218	62.6	62,389	29,792	109.4
Intercompany Adjustments	(215)	(177)	--	(88)	(64)	--
Guaranteed Investment Contracts	386,847	484,957	(20.2)	130,335	156,404	(16.7)
Realized Capital Gains (Losses)	(446,242)	(571,452)	--	(260,045)	(222,143)	--
Foreign						
Life Insurance	2,041,730	1,779,546	14.7	697,293	606,200	15.0
Personal Accident	608,349	482,659	26.0	211,212	169,250	24.8
Group Products	149,554	118,352	26.4	54,729	42,139	29.9
Intercompany Adjustments	(10,438)	(8,600)	--	(4,267)	(3,085)	--
Guaranteed Investment Contracts	38,358	28,728	33.5	15,239	10,229	49.0
Realized Capital Gains (Losses)	(329,576)	(29,757)	--	299	(39,655)	--
<b>FINANCIAL SERVICES:</b>						
Aircraft Finance	548,357	588,022	(6.7)	190,472	207,260	(8.1)
Capital Markets	728,663	592,085	23.1	240,642	204,530	17.7
Consumer Finance	488,553	409,290	19.4	173,592	144,008	20.5
Other (d)	(3,856)	(20,976)	--	3,640	(3,305)	--
<b>RETIREMENT SERVICES &amp; ASSET MANAGEMENT (e):</b>						
AIG VALIC (f)	675,491	571,611	18.2	230,250	161,004	43.0
AIG SunAmerica (g)	22,920	57,239	(60.0)	17,657	7,026	151.3
Other Asset Management and Annuity Operations (h)	218,524	179,266	21.9	84,550	60,193	40.5
Other Realized Capital Gains (Losses)	(241,217)	(363,500)	--	(24,851)	(123,461)	--
Other Income (Deductions) - net	(376,699)	(68,423)	--	(97,674)	(25,207)	--
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTEREST</b>	<b>9,857,810</b>	<b>8,454,769</b>	<b>16.6</b>	<b>3,503,487</b>	<b>2,728,361</b>	<b>28.4</b>
<b>INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND REALIZED CAPITAL GAINS (LOSSES)</b>	<b>\$ 11,205,570</b>	<b>\$ 9,911,635</b>	<b>13.1%</b>	<b>\$ 3,862,832</b>	<b>\$ 3,323,917</b>	<b>16.2%</b>

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

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

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

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

(e) At September 30, 2003, AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$45 billion.

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

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

(h) Includes AIG Global Investment Group, John McStay Investment Counsel, L.P. and certain overseas variable annuity operations.

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

	NINE MONTHS ENDED SEPTEMBER 30, 2003	2002	Change	THREE MONTHS ENDED SEPTEMBER 30, 2003	2002	Change
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GENERAL INSURANCE OPERATIONS:						
NET PREMIUMS WRITTEN						
Domestic Brokerage Group	\$ 14,733,497	\$11,029,583	33.6%	\$ 5,130,155	\$ 3,898,774	31.6%
Personal Lines	2,703,786	2,368,755	14.1	919,174	835,541	10.0
Mortgage Guaranty	390,012	381,347	2.3	148,525	132,994	11.7
Transatlantic Holdings	2,472,186	1,842,788	34.2	901,255	687,207	31.1
Foreign General (a)(b)	5,753,108	4,579,260	25.6	1,866,346	1,530,277	22.0
TOTAL	26,052,589	20,201,733	29.0	8,965,455	7,084,793	26.5
OPERATING INCOME						
Domestic Brokerage Group	2,017,553	1,586,730	27.2	630,050	543,992	15.8
Personal Lines	172,913	101,129	71.0	74,861	15,142	394.4
Mortgage Guaranty	319,167	331,718	(3.8)	100,590	95,294	5.6
Transatlantic Holdings	276,509	220,509	25.4	100,683	74,877	34.5
Foreign General (a)	1,135,522	945,878	20.0	407,187	316,676	28.6
Intercompany Adjustments	5,152	17,047	--	1,718	5,682	--
TOTAL BEFORE REALIZED CAPITAL GAINS (LOSSES)	3,926,816	3,203,011	22.6	1,315,089	1,051,663	25.0
Realized Capital Gains (Losses)	(330,725)	(492,157)	--	(74,748)	(210,297)	--
OPERATING INCOME	\$ 3,596,091	\$ 2,710,854	32.7%	\$ 1,240,341	\$ 841,366	47.4%
COMBINED RATIO:						
Domestic Brokerage Group	94.66	97.10		94.78	96.47	
Personal Lines	97.90	102.04		97.20	105.22	
Mortgage Guaranty	46.57	39.93		57.58	48.30	
Transatlantic Holdings	96.59	98.13		96.16	98.03	
Foreign General (a)	87.81	89.55		88.31	88.74	
TOTAL	92.81	94.77		93.05	94.54	
Losses and Loss Expenses Paid	\$ 12,492,119	\$11,944,895	4.6%	\$ 4,101,797	\$ 3,967,224	3.4%
Change in Loss and Loss Expense Reserve (c)	4,741,598	1,146,050	313.7	2,003,637	641,078	212.5
Losses and Loss Expenses Incurred	17,233,717	13,090,945	31.6	6,105,434	4,608,302	32.5
Net Loss and Loss Expense Reserve (c)	35,091,537	27,041,562	29.8			
UNDERWRITING PROFIT	\$ 1,669,578	\$ 1,116,596	49.5%	\$ 573,192	\$ 390,661	46.7%

(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 17.3 percent and 19.7 percent for the third quarter and nine months 2003, respectively.

(c) Includes \$415 million in reserves related to GE personal lines business acquired in the third quarter 2003.

	NINE MONTHS 2003	ENDED SEPTEMBER 30, 2002	Change	THREE MONTHS 2003	ENDED SEPTEMBER 30, 2002	Change
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<b>LIFE INSURANCE OPERATIONS:</b>						
<b>GAAP PREMIUMS</b>						
<b>DOMESTIC</b>						
Life Insurance	\$ 1,314,112	\$ 1,197,718	9.7%	\$ 476,331	\$ 389,375	22.3%
Individual Fixed Annuities	40,014	27,635	44.8	16,758	8,984	86.5
Individual Fixed Annuities - Runoff (a)	1,823	6,094	(70.1)	234	2,094	(88.8)
Home Service	625,160	641,563	(2.6)	207,198	210,937	(1.8)
Group Life/Health	764,441	729,000	4.9	252,557	250,852	0.7
Pension and Investment Products	1,051,240	881,148	19.3	306,303	387,628	(21.0)
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TOTAL EXCLUDING GICS	3,796,790	3,483,158	9.0	1,259,381	1,249,870	0.8
Guaranteed Investment Contracts	14,073	34,382	(59.1)	3,245	8,323	(61.0)
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TOTAL	3,810,863	3,517,540	8.3	1,262,626	1,258,193	0.4
<b>FOREIGN</b>						
Life Insurance	9,536,685	8,753,736	8.9	3,078,222	2,874,995	7.1
Personal Accident	2,186,005	1,823,068	19.9	746,818	655,226	14.0
Group Products	944,799	849,672	11.2	311,770	260,588	19.6
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TOTAL EXCLUDING GICS	12,667,489	11,426,476	10.9	4,136,810	3,790,809	9.1
Guaranteed Investment Contracts	84,510	86,814	(2.7)	30,098	38,817	(22.5)
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TOTAL	12,751,999	11,513,290	10.8	4,166,908	3,829,626	8.8
TOTAL GAAP PREMIUMS						
EXCLUDING GICS	16,464,279	14,909,634	10.4	5,396,191	5,040,679	7.1
TOTAL GAAP PREMIUMS	16,562,862	15,030,830	10.2	5,429,534	5,087,819	6.7
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<b>PREMIUMS, DEPOSITS AND OTHER</b>						
<b>CONSIDERATIONS (b)</b>						
<b>DOMESTIC</b>						
Life Insurance	2,001,279	1,781,780	12.3	700,791	509,866	37.4
Individual Fixed Annuities	8,206,400	6,771,298	21.2	3,273,206	2,484,997	31.7
Individual Fixed Annuities - Runoff (a)	167,804	1,224,319	(86.3)	43,703	190,021	(77.0)
Home Service	731,748	632,141	15.8	247,189	202,395	22.1
Group Life/Health	772,121	740,221	4.3	264,286	261,074	1.2
Pension and Investment Products	1,329,949	1,385,273	(4.0)	432,605	514,514	(15.9)
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TOTAL EXCLUDING GICS	13,209,301	12,535,032	5.4	4,961,780	4,162,867	19.2
Guaranteed Investment Contracts	6,487,403	7,962,356	(18.5)	2,705,499	1,872,968	44.4
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TOTAL	19,696,704	20,497,388	(3.9)	7,667,279	6,035,835	27.0
<b>FOREIGN</b>						
Life Insurance	10,954,087	9,822,335	11.5	3,645,709	3,312,199	10.1
Personal Accident	2,186,288	1,828,031	19.6	745,084	653,473	14.0
Group Products	1,547,272	1,211,034	27.8	464,445	289,088	60.7
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TOTAL EXCLUDING GICS (c)	14,687,647	12,861,400	14.2	4,855,238	4,254,760	14.1
Guaranteed Investment Contracts	3,289,558	4,684,163	(29.8)	558,468	1,652,792	(66.2)
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TOTAL (c)	17,977,205	17,545,563	2.5	5,413,706	5,907,552	(8.4)
TOTAL PREMIUMS, DEPOSITS AND OTHER						
CONSIDERATIONS EXCLUDING GICS	27,896,948	25,396,432	9.8	9,817,018	8,417,627	16.6
TOTAL PREMIUMS, DEPOSITS AND OTHER						
CONSIDERATIONS	\$ 37,673,909	\$38,042,951	(1.0)%	\$13,080,985	\$11,943,387	9.5%

(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.

(c) Foreign premiums, deposits and other considerations declined 9.4 percent in the third quarter and 0.8 percent for the nine months in original currency. Excluding guaranteed investment contracts the premium growth in original currency was 13.6 percent in the third quarter and 12.3 percent for the nine months.



	NINE MONTHS 2003	ENDED SEPTEMBER 30, 2002	Change	THREE MONTHS ENDED SEPTEMBER 30, 2003	2002	Change
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<b>LIFE INSURANCE OPERATIONS:</b>						
<b>NET INVESTMENT INCOME</b>						
<b>DOMESTIC</b>						
Life Insurance	\$ 965,940	\$ 945,349	2.2%	\$ 348,041	\$ 312,286	11.4%
Individual Fixed Annuities	2,156,436	1,850,638	16.5	739,159	648,301	14.0
Individual Fixed Annuities - Runoff (a)	528,254	541,587	(2.5)	147,054	179,191	(17.9)
Home Service	510,721	508,220	0.5	171,406	172,469	(0.6)
Group Life/Health	87,240	80,482	8.4	30,417	27,820	9.3
Pension and Investment Products	716,475	603,032	18.8	263,611	219,464	20.1
Intercompany Adjustments	(215)	(177)	--	(88)	(64)	--
TOTAL EXCLUDING GICS	4,964,851	4,529,131	9.6	1,699,600	1,559,467	9.0
Guaranteed Investment Contracts	1,627,836	1,622,455	0.3	544,788	566,736	(3.9)
TOTAL	6,592,687	6,151,586	7.2	2,244,388	2,126,203	5.6
<b>FOREIGN</b>						
Life Insurance	2,820,299	2,453,797	14.9	910,199	876,546	3.8
Personal Accident	118,478	104,153	13.8	42,067	37,690	11.6
Group Products	248,538	172,391	44.2	79,434	50,397	57.6
Intercompany Adjustments	(10,438)	(8,600)	--	(4,267)	(3,085)	--
TOTAL EXCLUDING GICS	3,176,877	2,721,741	16.7	1,027,433	961,548	6.9
Guaranteed Investment Contracts	287,553	255,452	12.6	90,186	91,704	(1.7)
TOTAL	3,464,430	2,977,193	16.4	1,117,619	1,053,252	6.1
TOTAL NET INVESTMENT INCOME						
EXCLUDING GICS	8,141,728	7,250,872	12.3	2,727,033	2,521,015	8.2
TOTAL NET INVESTMENT INCOME	10,057,117	9,128,779	10.2	3,362,007	3,179,455	5.7
<b>OPERATING INCOME</b>						
<b>DOMESTIC</b>						
Life Insurance	595,679	529,554	12.5	205,437	188,353	9.1
Individual Fixed Annuities	524,292	387,122	35.4	166,294	141,881	17.2
Individual Fixed Annuities - Runoff (a)	109,434	145,931	(25.0)	39,648	57,509	(31.1)
Home Service	298,622	285,471	4.6	96,455	92,247	4.6
Group Life/Health	87,910	76,749	14.5	29,938	25,890	15.6
Pension and Investment Products	146,679	90,218	62.6	62,389	29,792	109.4
Intercompany Adjustments	(215)	(177)	--	(88)	(64)	--
TOTAL EXCLUDING GICS	1,762,401	1,514,868	16.3	600,073	535,608	12.0
Guaranteed Investment Contracts	386,847	484,957	(20.2)	130,335	156,404	(16.7)
TOTAL DOMESTIC BEFORE REALIZED CAPITAL GAINS (LOSSES)	2,149,248	1,999,825	7.5	730,408	692,012	5.5
Realized Capital Gains (Losses)	(446,242)	(571,452)	--	(260,045)	(222,143)	--
DOMESTIC OPERATING INCOME	1,703,006	1,428,373	19.2	470,363	469,869	0.1
<b>FOREIGN</b>						
Life Insurance	2,041,730	1,779,546	14.7	697,293	606,200	15.0
Personal Accident	608,349	482,659	26.0	211,212	169,250	24.8
Group Products	149,554	118,352	26.4	54,729	42,139	29.9
Intercompany Adjustments	(10,438)	(8,600)	--	(4,267)	(3,085)	--
TOTAL EXCLUDING GICS	2,789,195	2,371,957	17.6	958,967	814,504	17.7
Guaranteed Investment Contracts	38,358	28,728	33.5	15,239	10,229	49.0
TOTAL FOREIGN BEFORE REALIZED CAPITAL GAINS (LOSSES)	2,827,553	2,400,685	17.8	974,206	824,733	18.1
Realized Capital Gains (Losses)	(329,576)	(29,757)	--	299	(39,655)	--
FOREIGN OPERATING INCOME	2,497,977	2,370,928	5.4	974,505	785,078	24.1
WORLDWIDE LIFE BEFORE REALIZED CAPITAL GAINS (LOSSES) EXCLUDING GICS	4,551,596	3,886,825	17.1	1,559,040	1,350,112	15.5
WORLDWIDE LIFE BEFORE REALIZED CAPITAL GAINS (LOSSES)	4,976,801	4,400,510	13.1	1,704,614	1,516,745	12.4
Realized Capital Gains (Losses)	(775,818)	(601,209)	--	(259,746)	(261,798)	--
WORLDWIDE OPERATING INCOME	\$ 4,200,983	\$ 3,799,301	10.6%	\$ 1,444,868	\$ 1,254,947	15.1%

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

	NINE MONTHS 2003	ENDED SEPTEMBER 2002	30, Change	THREE MONTHS 2003	ENDED SEPTEMBER 2002	30, Change
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LIFE INSURANCE OPERATIONS:						
DOMESTIC - OTHER DATA						
LIFE INSURANCE						
Periodic Premium Sales (a):						
- Individual/Retail	\$ 257,140	\$ 213,610	20.4%	\$ 86,470	\$ 57,530	50.3%
- Institutional Markets	58,140	45,010	29.2	21,400	3,590	496.1
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Total Periodic Sales	315,280	258,620	21.9	107,870	61,120	76.5
Unscheduled & Single Deposits	292,000	266,100	9.7	122,660	55,660	120.4
Life Insurance Reserves	18,910,064	17,229,796	9.8			
INDIVIDUAL FIXED ANNUITIES						
Annuity Reserves	56,020,851	46,760,189	19.8			
HOME SERVICE						
Product Sales - Life/A&H (a)	83,449	72,620	14.9	28,899	24,590	17.5
Product Sales - Fixed Annuity	90,433	--	--	31,433	--	--
Total Insurance Reserves	7,011,640	6,892,000	1.7			
GROUP PRODUCTS						
Annualized Earned Premium	1,253,143	1,135,041	10.4			
PENSION & INVESTMENT CONTRACTS						
Insurance Reserves	16,741,292	14,487,757	15.6			
GUARANTEED INVESTMENT CONTRACTS						
GIC Reserves	39,232,024	35,654,819	10.0			
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FOREIGN - FIRST YEAR PREMIUMS						
LIFE INSURANCE						
Japan	411,784	320,629	28.4	139,824	110,112	27.0
China	54,584	37,575	45.3	21,057	15,656	34.5
Asia excluding Japan and China	1,275,497	1,086,825	17.4	381,759	333,324	14.5
All Other Regions	139,077	111,808	24.4	50,328	40,612	23.9
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TOTAL	1,880,942	1,556,837	20.8	592,968	499,704	18.7
PERSONAL ACCIDENT						
Japan	315,437	215,766	46.2	114,371	83,348	37.2
China	22,897	15,959	43.5	8,651	5,757	50.3
Asia excluding Japan and China	143,484	121,898	17.7	47,163	47,094	0.1
All Other Regions	69,309	48,797	42.0	23,861	19,591	21.8
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TOTAL	551,127	402,420	37.0	194,046	155,790	24.6
GROUP PRODUCTS						
Japan	18,514	16,464	12.5	6,478	8,043	(19.5)
Asia excluding Japan and China	37,287	33,307	11.9	13,452	11,300	19.0
All Other Regions	407,127	240,253	69.5	105,147	63,527	65.5
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TOTAL	462,928	290,024	59.6	125,077	82,870	50.9
INVESTMENT CONTRACTS						
Japan	13,013	16,974	(23.3)	5,481	4,469	22.6
All Other Regions	3,731	5,457	(31.6)	1,261	1,852	(31.9)
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TOTAL	16,744	22,431	(25.4)	6,742	6,321	6.7
TOTAL FIRST YEAR PREMIUMS						
Japan	758,748	569,833	33.2	266,154	205,972	29.2
China	77,481	53,534	44.7	29,708	21,413	38.7
Asia excluding Japan and China	1,456,268	1,242,030	17.2	442,374	391,718	12.9
All Other Regions	619,244	406,315	52.4	180,597	125,582	43.8
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TOTAL	\$ 2,911,741	\$ 2,271,712	28.2%	\$ 918,833	\$ 744,685	23.4%

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

	NINE MONTHS ENDED SEPTEMBER 30, 2003	ENDED SEPTEMBER 30, 2002	Change	THREE MONTHS ENDED SEPTEMBER 30, 2003	ENDED SEPTEMBER 30, 2002	Change
<b>FINANCIAL SERVICES:</b>						
<b>REVENUES</b>						
Aircraft Finance	\$ 2,271,892	\$ 2,095,458	8.4%	\$ 785,034	\$ 728,876	7.7%
Capital Markets	1,242,324	1,034,857	20.0	434,229	382,534	13.5
Consumer Finance	1,957,482	1,838,072	6.5	664,677	611,583	8.7
Other	24,013	(7,709)	--	1,940	(2,846)	--
<b>TOTAL</b>	<b>5,495,711</b>	<b>4,960,678</b>	<b>10.8</b>	<b>1,885,880</b>	<b>1,720,147</b>	<b>9.6</b>
<b>OPERATING INCOME</b>						
Aircraft Finance	548,357	588,022	(6.7)	190,472	207,260	(8.1)
Capital Markets	728,663	592,085	23.1	240,642	204,530	17.7
Consumer Finance	488,553	409,290	19.4	173,592	144,008	20.5
Other (a)	(3,856)	(20,976)	--	3,640	(3,305)	--
<b>TOTAL</b>	<b>1,761,717</b>	<b>1,568,421</b>	<b>12.3</b>	<b>608,346</b>	<b>552,493</b>	<b>10.1</b>
<b>RETIREMENT SERVICES &amp; ASSET MANAGEMENT (b):</b>						
<b>OPERATING INCOME</b>						
AIG VALIC (c)	675,491	571,611	18.2	230,250	161,004	43.0
AIG SunAmerica (d)	22,920	57,239	(60.0)	17,657	7,026	151.3
Other Asset Management and Annuity Operations (e)	218,524	179,266	21.9	84,550	60,193	40.5
<b>TOTAL</b>	<b>916,935</b>	<b>808,116</b>	<b>13.5</b>	<b>332,457</b>	<b>228,223</b>	<b>45.7</b>
<b>VARIABLE ANNUITY NET SALES</b>						
<b>Sales</b>						
AIG VALIC	4,004,615	3,760,980	6.5	1,504,783	1,239,257	21.4
AIG SunAmerica	2,485,438	2,203,954	12.8	915,906	700,865	30.7
<b>Surrenders</b>						
AIG VALIC	1,774,625	1,922,801	(7.7)	640,966	639,277	0.3
AIG SunAmerica	1,628,304	1,696,910	(4.0)	553,918	638,535	(13.3)
<b>Net Sales</b>						
AIG VALIC	2,229,990	1,838,179	21.3	863,817	599,980	44.0
AIG SunAmerica	857,134	507,044	69.0	361,988	62,330	480.8
<b>TOTAL NET SALES</b>	<b>\$ 3,087,124</b>	<b>\$ 2,345,223</b>	<b>31.6%</b>	<b>\$ 1,225,805</b>	<b>\$ 662,310</b>	<b>85.1%</b>
<b>EFFECTIVE TAX RATES:</b>						
Net Income	30.48%	30.53%		30.49%	29.96%	
Realized Capital Gains (Losses)	33.58%	34.76%		34.04%	34.44%	

- (a) Includes Other Financial Services Companies and Intercompany Reclassifications.
- (b) At September 30, 2003, AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$45 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, John McStay Investment Counsel, L.P. and certain overseas variable annuity operations.