

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): October 21, 2004

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.)
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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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial Information

Item 2.02. Results of Operations and Financial Condition.

On October 21, 2004, American International Group, Inc. issued a press release announcing its results for the quarter ended September 30, 2004. 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 21, 2004

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 October 21, 2004.

NEWS

[AIG LOGO]

Contact: Charlene M. Hamrah (Investment Community)
 (212) 770-7074
 Joe Norton (News Media)
 (212) 770-3144

AIG REPORTS THIRD QUARTER 2004 NET INCOME OF \$2.51 BILLION
 (\$0.95 PER SHARE) AND NET INCOME EXCLUDING REALIZED CAPITAL
 GAINS AND LOSSES OF \$2.54 BILLION (\$0.97 PER SHARE);
 BOTH INCLUDE NET CATASTROPHE LOSSES OF
 \$512.2 MILLION (\$0.19 PER SHARE)

NEW YORK, NY, October 21, 2004 - American International Group, Inc. (AIG) today reported third quarter 2004 net income of \$2.51 billion or \$0.95 per share, compared to \$2.34 billion or \$0.89 per share in the third quarter of 2003. Third quarter 2004 net income excluding realized capital gains (losses), was \$2.54 billion or \$0.97 per share, compared to \$2.58 billion or \$0.98 per share in the same period of 2003. Third quarter 2004 after tax net catastrophe losses from hurricanes and typhoons were \$512.2 million or \$0.19 per share, compared to after tax net catastrophe losses of \$46.2 million or \$0.02 per share in the third quarter of 2003. Third quarter 2004 net income excluding realized capital gains (losses) and catastrophe losses increased 16.5 percent to \$3.06 billion or \$1.16 per share, compared to \$2.62 billion or \$1.00 per share in the same period of 2003.

THIRD QUARTER
 (in millions, except per share amounts)

	2004	2003	Change	PER SHARE		
				2004	2003	Change
Net income	\$2,512.5	\$2,336.5	7.5%	\$0.95	\$0.89	6.7%
Realized capital gains (losses), net of tax	(31.6)	(241.6)	-	(0.02)	(0.09)	-
Net income, excluding realized capital gains (losses), net of tax	2,544.1	2,578.1	(1.3)	0.97	0.98	(1.0)
Catastrophe losses, net of tax	(512.2)	(46.2)	-	(0.19)	(0.02)	-
Net income, excluding realized capital gains (losses) and catastrophe losses, net of tax	\$3,056.3	\$2,624.3	16.5%	\$1.16	\$1.00	16.0%
Average shares outstanding				2,628.3	2,627.6	

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Net income for the first nine months of 2004 rose 22.3 percent to \$8.03 billion or \$3.05 per share, compared to \$6.57 billion or \$2.50 per share in the first nine months of 2003. For the first nine months of 2004, net income excluding realized capital gains (losses) and the cumulative effect of an accounting change increased 12.3 percent to \$8.39 billion or \$3.19 per share, compared to \$7.46 billion or \$2.84 per share in the same period of 2003. After tax net catastrophe losses for the first nine months of 2004 were \$512.2 million or \$0.19 per share, compared to \$46.2 million or \$0.02 per share in the same period of 2003. For the first nine months of 2004, net income excluding realized capital gains (losses), the cumulative effect of an accounting change and catastrophe losses increased 18.5 percent to \$8.90 billion or \$3.38 per share, compared to \$7.51 billion or \$2.86 per share in the same period of 2003.

NINE MONTHS
(in millions, except per share amounts)

	2004	2003	Change	PER SHARE		
				2004	2003	Change
Net income	\$8,030.4	\$6,566.9	22.3%	\$3.05	\$2.50	22.0%
Realized capital gains (losses), net of tax	(173.5)	(897.8)	-	(0.07)	(0.34)	-
Cumulative effect of an accounting change, net of tax*	(181.4)	-	-	(0.07)	-	-
Net income, excluding realized capital gains (losses) and cumulative effect of an accounting change, net of tax	8,385.3	7,464.7	12.3	3.19	2.84	12.3
Catastrophe losses, net of tax	(512.2)	(46.2)	-	(0.19)	(0.02)	-
Net income, excluding realized capital gains (losses), cumulative effect of an accounting change and catastrophe losses, net of tax	\$8,897.5	\$7,510.9	18.5%	\$3.38	\$2.86	18.2%
Average shares outstanding				2,630.0	2,627.7	

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

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Income before income taxes and minority interest for the third quarter of 2004 was \$3.96 billion, a 13.0 percent increase over \$3.50 billion in the third quarter of 2003. Income before income taxes, minority interest and cumulative effect of an accounting change for the first nine months of 2004 was \$12.64 billion, a 28.2 percent increase over \$9.86 billion in the same period of 2003. The following chart provides a summary of the realized capital gains (losses) and catastrophe losses included in these results:

	NINE MONTHS			THIRD QUARTER		
	2004	2003	Change	2004	2003	Change
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Income before income taxes, minority interest and cumulative effect of an accounting change	\$12,637.7	\$9,857.8	28.2%	\$3,957.4	\$ 3,503.5	13.0%
Realized capital gains (losses)	(248.5)	(1,347.8)	-	(44.4)	(359.3)	-
Catastrophe Losses:						
Domestic Brokerage Group	405.8	47.5	-	405.8	47.5	-
Personal Lines	24.7	5.0	-	24.7	5.0	-
Transatlantic Holdings, Inc. (a)	165.0	3.5	-	165.0	3.5	-
Foreign General	140.3	16.5	-	140.3	16.5	-
Life (Home Service) (b)	4.7	-	-	4.7	-	-
Minority owned companies - AIG share:						
Allied World Assurance Holdings, Ltd	39.4	-	-	39.4	-	-
IPC Holdings, Ltd.	24.4	-	-	24.4	-	-
Fuji Fire & Marine Insurance Company Limited	10.0	-	-	10.0	-	-
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Total Catastrophe Losses	(814.3)	(72.5)	-	(814.3)	(72.5)	-
Income before income taxes, minority interest, cumulative effect of an accounting change, realized capital gains (losses) and catastrophe losses	\$13,700.5	\$11,278.1	21.5%	\$4,816.1	\$3,935.3	22.4%

(a) AIG's share is \$99.0 million in 2004 and \$2.1 million in 2003.

(b) Relates to minor property-casualty subsidiaries currently in runoff.

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HIGHLIGHTS OF THE THIRD QUARTER 2004 INCLUDE:

	2004 ----	2003 ----	Change -----
CONSOLIDATED			
Net Income, excluding realized capital gains (losses)	\$2.54 BILLION	\$2.58 billion	(1.3%)
Net Income, excluding realized capital gains (losses) and catastrophe losses	\$3.06 BILLION	\$2.62 billion	16.5%
Shareholders' Equity At September 30 and December 31	\$78.9 BILLION	\$71.3 billion	10.7%
Retained Earnings At September 30 and December 31	\$68.4 BILLION	\$61.0 billion	12.1%
Return on Equity (a) At September 30 and December 31			
As presented	16.4%	17.2%	
Excluding catastrophe losses	17.1%	17.3%	
Consolidated Assets At September 30 and December 31	\$776 BILLION	\$678 billion	14.5%
Revenues (b)	\$25.41 BILLION	20.31 billion	25.1%
Insurance Cash Flow (c)	\$14.93 BILLION	\$12.46 billion	19.8%
GENERAL INSURANCE			
Net Premiums Written	\$10.73 BILLION	\$8.97 billion	19.7%
Operating Income (excluding realized capital gains (losses))	\$894.3 MILLION	\$1.32 billion	(32.0%)
Operating Income (excluding realized capital gains (losses) and catastrophe losses)	\$1.63 BILLION	\$1.39 billion	17.5%
Net Investment Income	\$869.0 MILLION	\$741.9 million	17.1%
Loss and Loss Adjustment Reserves At September 30 and December 31	\$43.82 BILLION	\$36.65 billion	19.6%
Combined Ratio	99.89	93.05	
Catastrophe Loss Ratio	7.13	0.88	
Combined Ratio, excluding catastrophe losses	92.76	92.17	
Cash Flow	\$3.64 BILLION	\$3.58 billion	1.7%

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	2004 ----	2003 ----	Change -----
LIFE INSURANCE & RETIREMENT SERVICES (d)			
GAAP Premiums	\$7.37 BILLION	\$5.58 billion	32.1%
Premiums, Deposits and Other Considerations	\$17.25 BILLION	\$13.49 billion	27.9%
Operating Income (excluding realized capital gains (losses))	\$2.19 BILLION	\$1.83 billion	19.9%
FINANCIAL SERVICES			
Operating Income	\$655.5 MILLION	\$608.3 million	7.8%
ASSET MANAGEMENT (d)(e)			
Operating Income	\$353.1 MILLION	\$208.1 million	69.6%

- (a) See reconciliation to GAAP ROE in the supplementary earnings data.
- (b) Represents the sum of General Insurance net premiums earned, GAAP Life Insurance & Retirement Services premiums, net investment income, Financial Services commissions, transactions and other fees, Asset Management commissions and other fees and fee income and net investment income with respect to Guaranteed Investment Contracts (GICs), and realized capital gains (losses).
- (c) In addition to General Insurance cash flow, includes Life Insurance & Retirement Services cash flow for investment, which generates the investment income necessary to meet policyholder obligations and to provide a profit margin to shareholders, as well as net cash flow from GICs.
- (d) 2003 is restated to conform to 2004 presentation.
- (e) Includes the results of certain AIG managed private equity and real estate funds consolidated effective December 31, 2003 pursuant to FIN46R, "Consolidation of Variable Interest Entities". For the third quarter and nine months 2004, operating income includes \$116 million and \$147 million, respectively, of third-party limited partner earnings offset in Minority Interest Expense.

Commenting on AIG's results, AIG Chairman, M.R. Greenberg said, "AIG had third quarter net income of \$2.51 billion, up 7.5 percent, even after accounting for the unprecedented succession of storms, which included four hurricanes and three typhoons. Excluding realized capital gains (losses) and catastrophe losses, net income in the third quarter of 2004 increased 16.5 percent over a year ago. For the first nine months of 2004, net income was a record \$8.03 billion, up 22.3 percent. Excluding realized capital gains (losses), cumulative effect of an accounting change and catastrophe losses, net income for the first nine months increased 18.5 percent.

"This storm season was the most costly in history, and it resulted in a tragic loss of life. AIG's third quarter 2004 after tax catastrophe losses of \$512.2 million compare to average annual after tax catastrophe losses over the prior 15 years of approximately \$50 million. The importance of AIG's claims handling expertise, strong financial position and diverse business mix is evident in this quarter's results.

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"For many years, the insurance industry has sought the ability to set up catastrophe reserves specifically to provide for serious events, such as those in the third quarter. The U.S. Congress and Treasury have not supported these efforts. However, I would hope that, following the impact of these destructive storms, more attention will be paid to this matter.

GENERAL INSURANCE

"General Insurance had a strong quarter in the U.S. and around the world. General Insurance operating income excluding realized capital gains (losses) in the third quarter of 2004 was \$894.3 million compared to \$1.32 billion a year ago. Excluding catastrophe losses and realized capital gains (losses), General Insurance operating income increased 17.5 percent. Net premiums written were a record \$10.73 billion, up 19.7 percent over a year ago. The General Insurance combined ratio was 99.89, or 92.76 excluding catastrophe losses, compared to 93.05, or 92.17 excluding catastrophe losses, a year ago.

"Worldwide General Insurance net investment income was \$869.0 million, an increase of 17.1 percent. Strong cash flow in our business resulted in increased interest and dividend income. We also had good realizations from our private equity investments compared to the prior year. General Insurance cash flow totaled \$3.64 billion and \$10.35 billion in the third quarter and nine months of 2004, respectively, compared to \$3.58 billion and \$9.49 billion a year earlier.

"Underwriting is a process of careful risk by risk selection as well as pricing discipline. We will maintain this approach in order to assure that AIG receives adequate returns for the risks we accept. While industry pricing has eroded more than it should have in some classes of business, we are still able to identify profitable opportunities and build attractive new business as a result of our broad product line and extensive distribution reach.

"At September 30, 2004, General Insurance net loss and loss adjustment reserves totaled \$43.82 billion, an increase of \$3.04 billion (\$2.30 billion excluding catastrophe losses) and \$7.17 billion (\$6.44 billion excluding catastrophe losses) for the third quarter and nine months, respectively.

"In the United States, the Domestic Brokerage Group had excellent premium growth of 20.6 percent in the third quarter. We continue to benefit from a flight to quality in a number of key lines of business. Net premiums written were a record \$6.19 billion. The combined ratio was 101.76, or 94.95 excluding catastrophe losses, compared to 94.78, or 93.74 excluding catastrophe losses, in the third quarter of 2003.

"The Domestic Personal Lines business had good premium growth. Third quarter underwriting performance was solid, even with the impact of catastrophes. Third quarter operating income was \$72.7 million, or \$97.4 million excluding catastrophe losses, compared to \$74.9 million, or \$79.9 million excluding catastrophe losses, a year ago. Net premiums written were \$1.09 billion, up 18.7 percent over a year ago. The combined ratio

was 97.69, or 95.41 excluding catastrophe losses, compared to 97.20, or 96.66 excluding catastrophe losses, a year ago.

"HSB Group, Inc. had outstanding underwriting results and continues to expand its global client base. The third quarter 2004 combined ratio was 74.42 including catastrophe losses.

"United Guaranty Corporation (UGC) had another good quarter. Premiums grew and refinancings continued to decline as interest rates rose. UGC's delinquency ratio remains well below the industry average. UGC is moving forward with plans to enter new international markets.

"The results of Transatlantic Holdings, Inc. were impacted by the high level of catastrophes in the quarter. The third quarter combined ratio was 113.01, or 95.47 excluding catastrophe losses, compared to 96.16, or 95.76 excluding catastrophe losses, a year ago. Net premiums written grew 9.6 percent, to \$987.4 million.

"AIG's Foreign General Insurance operations had excellent results even though they were adversely impacted by the Asia typhoons and hurricanes in the Caribbean. Premiums in the third quarter were up 23.4 percent to \$2.30 billion. The combined ratio was 92.95, or 86.61 excluding catastrophe losses, compared to 88.31, or 87.39 excluding catastrophe losses, a year ago.

"The Far East region had excellent growth. In Japan, corporate and personal accident business expanded. Commercial lines in Europe continue to exhibit strong growth, as did our personal lines operations in Brazil and Latin America. Additionally, our joint venture in India has expanded its commercial lines leadership among the private sector companies.

LIFE INSURANCE & RETIREMENT SERVICES

"Worldwide Life Insurance & Retirement Services had outstanding results. Operating income before realized capital gains (losses) was a record \$2.19 billion, an increase of 19.9 percent, compared to \$1.83 billion in the third quarter of 2003. Worldwide Life Insurance & Retirement Services GAAP premiums were \$7.37 billion, an increase of 32.1 percent over the third quarter of 2003. Premiums, deposits and other considerations totaled \$17.25 billion, up 27.9 percent compared to the third quarter of 2003. Cash flow continues to be outstanding.

"AIG's Foreign Life Insurance & Retirement Services operations had outstanding results. Operating income excluding realized capital gains (losses) was a record \$1.23 billion in the third quarter compared to \$992.6 million a year ago. GAAP premiums were \$5.78 billion, up 38.8 percent. Excluding a reinsurance transaction involving the group products segment's terminal funding business, third quarter 2004 GAAP premiums increased approximately 23 percent. Premiums, deposits and other considerations were \$10.65 billion, compared to \$6.09 billion in the third quarter of 2003.

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"In Japan, we have an agreement and have obtained regulatory approvals that will enable the Sumitomo Life Insurance Company to market insurance products underwritten by ALICO. Sumitomo will initially market ALICO's cancer insurance coverage through the Sumitomo sales channel of approximately 40,000 sales representatives. ALICO and Sumitomo have also agreed to consider expanding the relationship to include other insurance products in the future.

"Our life insurance businesses in Japan - ALICO, AIG Star Life, and AIG Edison Life - all had good results in the quarter, benefiting from their financial strength, diversified product portfolio and broad distribution. Total first year premiums increased 31.3 percent.

"In China, our life operations also had a good quarter. Life insurance first year premiums were up 23.4 percent, significantly in excess of the industry average. The timing of sales contests can affect the quarter-over-quarter and sequential sales results. Additionally, personal accident sales reflect the repricing of certain key products to improve profit margins.

"AIG's Domestic Life Insurance & Retirement Services businesses are on target for the quarter. Domestic Life Insurance & Retirement Services operating income excluding realized capital gains (losses) totaled \$962.1 million in the third quarter of 2004, an increase of 15.0 percent compared to \$836.4 million in the third quarter of 2003. GAAP premiums were \$1.59 billion, up 12.2 percent. Premiums, deposits and other considerations were \$6.60 billion compared to \$7.40 billion in the third quarter of 2003 with a significant part of the decrease related to lower fixed annuity sales that resulted from our disciplined response to inadequate competitor pricing.

"Life Insurance results from term, universal and structured settlement products were particularly strong. Restructuring at the home services business, AGLA, is proceeding under a new president who has significant experience in this business. He is implementing structural changes and developing new strategies. We believe this is a potentially valuable distribution channel that will be able to make a meaningful contribution to our overall growth.

"Domestic retirement services had a good quarter as all three main businesses - group retirement products and individual fixed and variable annuities - reported solid growth in operating income due to improvements in U.S. equity markets and increased fixed annuity balances over the past year.

FINANCIAL SERVICES

"Financial Services had operating income of \$655.5 million in the third quarter of 2004, compared to \$608.3 million a year ago.

"International Lease Finance Corporation reported operating income of \$204.3 million in the quarter, compared to \$190.5 million in the third quarter of 2003. Excluding the impact of the securitization of approximately \$2 billion in aircraft in late 2003 and early 2004, these results would have increased approximately 12.8 percent from third quarter 2003. Lease rates have firmed considerably, as a result of strong demand spurred by a rapidly recovering global commercial aviation market, especially in Asia. Sales have begun to pick up, and we expect them to be even stronger in future periods.

"Capital Markets operating income was \$247.7 million, up modestly from the second quarter of 2004 and third quarter of 2003. We have a diverse product portfolio. The consolidation of AIG Trading Group into AIG Financial Products Corp. continues to meet its strategic objective of providing clients a full range of solutions.

"Consumer Finance again had excellent results in both domestic and foreign operations. Operating income increased 17.5 percent to \$203.9 million. In the United States, credit quality remains strong and receivables grew significantly. Foreign consumer finance operations performed very well as the operations in Poland continued its strong growth and the Hong Kong credit card business benefited from the strengthening local economy.

ASSET MANAGEMENT

"Asset Management operating income was \$353.1 million in the third quarter of 2004 compared to \$208.1 million last year. Third quarter 2004 institutional asset management results include \$116 million in third party limited partner earnings from certain AIG managed private equity and real estate funds, now required to be consolidated according to FIN46R. Assets under management grew \$1 billion to over \$50 billion. Guaranteed Investment Contracts (GICs) will continue to be sold on an opportunistic basis.

"In the Other Income/Deductions - net category, AIG reported a loss of \$93.1 million in the third quarter of 2004 (\$19.4 million loss excluding the catastrophe losses of minority owned companies), compared to a loss of \$97.7 million a year earlier. The underlying improvement continues to be primarily attributable to increased income related to SunAmerica partnership investments."

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Please see the attached statement with respect to the New York State Attorney General's investigation of certain brokerage practices.

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

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

www.aigwebcast.com

The call will be archived at the same URL through Friday, October 29, 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 June 30, 2004 and AIG's 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) and catastrophe 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 net income and operating income excluding catastrophe losses because those losses are deemed to be significant for the third quarter and nine months 2004. AIG believes that this separate presentation is both meaningful and useful for users of AIG's financial information.

AIG presents life and retirement services production (premiums, deposits and other considerations), net premiums written and combined ratios in accordance with accounting principles prescribed or permitted by insurance regulatory authorities because these are standard measures of performance used in the insurance industry and thus allow for more meaningful comparisons with AIG's insurance competitors.

AMERICAN INTERNATIONAL GROUP, INC.
FINANCIAL HIGHLIGHTS*
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
GENERAL INSURANCE OPERATIONS:						
Net Premiums Written	\$ 31,323,183	\$ 26,052,589	20.2 %	\$ 10,729,852	\$ 8,965,455	19.7 %
Net Premiums Earned	29,048,877	23,331,101	24.5	10,323,613	8,289,994	24.5
Underwriting Profit	1,366,889	1,669,578	(18.1)	25,314	573,192	(95.6)
Net Investment Income	2,618,471	2,257,238	16.0	868,991	741,897	17.1
Income before Realized Capital Gains (Losses)	3,985,360	3,926,816	1.5	894,305	1,315,089	(32.0)
Realized Capital Gains (Losses)	18,854	(330,725)	-	(39,436)	(74,748)	-
OPERATING INCOME	4,004,214	3,596,091	11.3	854,869	1,240,341	(31.1)
OPERATING INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES) AND CATASTROPHE LOSSES	\$ 4,721,160	\$ 3,999,316	18.0 %	\$ 1,630,105	\$ 1,387,589	17.5 %
Loss Ratio	75.65	73.87		80.02	73.65	
Expense Ratio	19.65	18.94		19.87	19.40	
Combined Ratio	95.30	92.81		99.89	93.05	
Combined Ratio, excluding Catastrophe Losses	92.77	92.50		92.76	92.17	
LIFE INSURANCE & RETIREMENT SERVICES OPERATIONS (a):						
GAAP Premiums	\$ 21,101,450	\$ 16,984,067	24.2 %	\$ 7,366,479	\$ 5,578,209	32.1 %
Net Investment Income	11,642,075	9,945,410	17.1	3,871,547	3,344,908	15.7
Income before Realized Capital Gains (Losses)	6,408,402	5,315,640	20.6	2,192,044	1,828,923	19.9
Realized Capital Gains (Losses)	(106,323)	(656,518)	-	(25,286)	(123,609)	-
OPERATING INCOME	6,302,079	4,659,122	35.3	2,166,758	1,705,314	27.1
FINANCIAL SERVICES OPERATING INCOME	1,787,737	1,761,717	1.5	655,526	608,346	7.8
ASSET MANAGEMENT OPERATING INCOME (a)(b)	868,697	578,096	50.3	353,058	208,148	69.6
Other Realized Capital Gains (Losses) (a)	(161,014)	(360,517)	-	20,321	(160,988)	-
Other Income (Deductions) - net	(164,038)	(376,699)	-	(93,147)	(97,674)	-
INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE	12,637,675	9,857,810	28.2	3,957,385	3,503,487	13.0
Income Taxes	4,036,409	3,004,488	-	1,279,811	1,068,372	-
INCOME BEFORE MINORITY INTEREST AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE	8,601,266	6,853,322	25.5	2,677,574	2,435,115	10.0
Minority Interest, after-tax -						
Income before Realized Capital Gains (Losses)	(381,848)	(283,828)	-	(162,627)	(94,074)	-
Realized Capital Gains (Losses)	(7,621)	(2,593)	-	(2,479)	(4,550)	-
INCOME BEFORE CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE	8,211,797	6,566,901	25.0	2,512,468	2,336,491	7.5
Cumulative Effect of an Accounting Change, net of tax (c)	(181,431)	0	-	0	0	-
NET INCOME	8,030,366	6,566,901	22.3	2,512,468	2,336,491	7.5
REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	(173,522)	(897,835)	-	(31,612)	(241,582)	-
CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE, NET OF TAX (c)	(181,431)	0	-	0	0	-
NET INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES) AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE, NET OF TAX	8,385,319	7,464,736	12.3	2,544,080	2,578,073	(1.3)
CATASTROPHE LOSSES, NET OF TAX	(512,206)	(46,215)	-	(512,206)	(46,215)	-
NET INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES), CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE AND CATASTROPHE LOSSES, NET OF TAX	\$ 8,897,525	\$ 7,510,951	18.5 %	\$ 3,056,286	\$ 2,624,288	16.5 %

AMERICAN INTERNATIONAL GROUP, INC.
FINANCIAL HIGHLIGHTS*
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
PER SHARE - DILUTED:						
NET INCOME	\$ 3.05	\$ 2.50	22.0 %	\$ 0.95	\$ 0.89	6.7 %
REALIZED CAPITAL GAINS (LOSSES), NET OF TAX	(0.07)	(0.34)	-	(0.02)	(0.09)	-
CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE, NET OF TAX (c)	(0.07)	0.00	-	0.00	0.00	-
NET INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES) AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE, NET OF TAX	3.19	2.84	12.3	0.97	0.98	(1.0)
CATASTROPHE LOSSES, NET OF TAX	(0.19)	(0.02)	-	(0.19)	(0.02)	-
NET INCOME, EXCLUDING REALIZED CAPITAL GAINS (LOSSES), CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE AND CATASTROPHE LOSSES, NET OF TAX	\$ 3.38	\$ 2.86	18.2 %	\$ 1.16	\$ 1.00	16.0 %
AVERAGE DILUTED COMMON SHARES OUTSTANDING						
	2,630,030	2,627,740		2,628,330	2,627,557	

* Including reconciliation in accordance with Regulation G.

(a) 2003 is restated to conform to 2004 presentation.

(b) Includes the results of certain AIG managed private equity and real estate funds consolidated effective December 31, 2003 pursuant to FIN46R, "Consolidation of Variable Interest Entities". For the third quarter and nine months 2004, operating income includes \$116 million and \$147 million, respectively, of third-party limited partner earnings offset in Minority Interest Expense.

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

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

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
GENERAL INSURANCE:						
Domestic Brokerage Group	\$ 2,144,495	\$ 2,017,553	6.3 %	\$ 524,953	\$ 630,050	(16.7) %
Personal Lines	250,134	172,913	44.7	72,668	74,861	(2.9)
Mortgage Guaranty	296,226	319,167	(7.2)	94,706	100,590	(5.8)
Transatlantic Holdings	174,015	276,509	(37.1)	(47,116)	100,683	-
Foreign General (a)	1,120,135	1,135,522	(1.4)	248,976	407,187	(38.9)
Intercompany Adjustments	355	5,152	-	118	1,718	-
Realized Capital Gains (Losses)	18,854	(330,725)	-	(39,436)	(74,748)	-
LIFE INSURANCE & RETIREMENT SERVICES (b):						
Domestic						
Life Insurance	671,597	595,679	12.7	231,060	205,437	12.5
Home Service	300,164	298,622	0.5	92,068	96,455	(4.5)
Group Life/Health	71,418	87,910	(18.8)	26,636	29,938	(11.0)
Payout Annuities (c)	105,617	95,550	10.5	34,937	34,873	0.2
Retirement Services						
Group Retirement Products	805,818	675,491	19.3	271,563	230,250	17.9
Individual Fixed Annuities	662,826	491,778	34.8	211,904	159,393	32.9
Individual Variable Annuities	132,209	36,543	261.8	52,074	23,435	122.2
Individual Annuities - Runoff (d)	138,191	161,985	(14.7)	41,953	56,679	(26.0)
Intercompany Adjustments	(277)	(215)	-	(102)	(88)	-
Realized Capital Gains (Losses)	(170,414)	(326,942)	-	(17,804)	(123,908)	-
Foreign						
Life Insurance	2,298,186	2,046,056	12.3	796,396	700,729	13.7
Personal Accident & Health	851,012	608,349	39.9	299,977	211,212	42.0
Group Products	198,195	149,554	32.5	61,892	54,729	13.1
Retirement Services						
Individual Fixed Annuities	180,525	79,188	128.0	73,109	30,122	142.7
Individual Variable Annuities	6,379	(412)	-	3,500	26	-
Intercompany Adjustments	(13,458)	(10,438)	-	(4,923)	(4,267)	-
Realized Capital Gains (Losses)	64,091	(329,576)	-	(7,482)	299	-
FINANCIAL SERVICES:						
Aircraft Finance	546,877	548,357	(0.3)	204,282	190,472	7.3
Capital Markets	663,835	728,663	(8.9)	247,729	240,642	2.9
Consumer Finance	579,408	488,553	18.6	203,914	173,592	17.5
Other (e)	(2,383)	(3,856)	-	(399)	3,640	-
ASSET MANAGEMENT (b):						
Guaranteed Investment Contracts						
Domestic	446,284	360,579	23.8	131,787	122,256	7.8
Foreign	31,121	32,091	(3.0)	10,634	12,412	(14.3)
Institutional Asset Management (f)(g)	337,926	141,689	138.5	194,477	53,793	261.5
Brokerage Services and Mutual Funds	53,366	43,737	22.0	16,160	19,687	(17.9)
Other Realized Capital Gains (Losses) (b)	(161,014)	(360,517)	-	20,321	(160,988)	-
Other Income (Deductions) - net	(164,038)	(376,699)	-	(93,147)	(97,674)	-
INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE	12,637,675	9,857,810	28.2	3,957,385	3,503,487	13.0
INCOME BEFORE INCOME TAXES, MINORITY INTEREST, REALIZED CAPITAL GAINS (LOSSES) AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE	\$ 12,886,158	\$ 11,205,570	15.0 %	\$ 4,001,786	\$ 3,862,832	3.6 %

- (a) Foreign General insurance excludes the foreign operations of Transatlantic Holdings, Inc.
- (b) 2003 is restated to conform to 2004 presentation.
- (c) Includes Structured Settlements, Single Premium Immediate Annuities and Terminal Funding Annuities.
- (d) Represents runoff annuity business sold through merger related discontinued distribution relationships.
- (e) Includes other financial services companies and intercompany reclassifications.
- (f) Includes AIG Global Investment Group and certain smaller asset management operations.
- (g) Includes the results of certain AIG managed private equity and real estate funds consolidated effective December 31, 2003 pursuant to FIN46R, "Consolidation of Variable Interest Entities". For the third quarter and nine months

2004, operating income includes \$116 million and \$147 million, respectively, of third-party limited partner earnings offset in Minority Interest Expense.

AMERICAN INTERNATIONAL GROUP, INC.
OPERATING INCOME EXCLUDING CATASTROPHE LOSSES
(IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
GENERAL INSURANCE:						
Domestic Brokerage Group	\$ 2,550,295	\$ 2,065,053	23.5%	\$ 930,753	\$ 677,550	37.4%
Personal Lines	274,834	177,913	54.5	97,368	79,861	21.9
Mortgage Guaranty	296,226	319,167	(7.2)	94,706	100,590	(5.8)
Transatlantic Holdings	339,015	280,009	21.1	117,884	104,183	13.2
Foreign General (a)	1,260,435	1,152,022	9.4	389,276	423,687	(8.1)
Intercompany Adjustments	355	5,152	--	118	1,718	--
Realized Capital Gains (Losses)	18,854	(330,725)	--	(39,436)	(74,748)	--
LIFE INSURANCE & RETIREMENT SERVICES (b):						
Domestic						
Life Insurance	671,597	595,679	12.7	231,060	205,437	12.5
Home Service	304,853	298,622	2.1	96,757	96,455	0.3
Group Life/Health	71,418	87,910	(18.8)	26,636	29,938	(11.0)
Payout Annuities (c)	105,617	95,550	10.5	34,937	34,873	0.2
Retirement Services						
Group Retirement Products	805,818	675,491	19.3	271,563	230,250	17.9
Individual Fixed Annuities	662,826	491,778	34.8	211,904	159,393	32.9
Individual Variable Annuities	132,209	36,543	261.8	52,074	23,435	122.2
Individual Annuities - Runoff(d)	138,191	161,985	(14.7)	41,953	56,679	(26.0)
Intercompany Adjustments	(277)	(215)	--	(102)	(88)	--
Realized Capital Gains (Losses)	(170,414)	(326,942)	--	(17,804)	(123,908)	--
Foreign						
Life Insurance	2,298,186	2,046,056	12.3	796,396	700,729	13.7
Personal Accident & Health	851,012	608,349	39.9	299,977	211,212	42.0
Group Products	198,195	149,554	32.5	61,892	54,729	13.1
Retirement Services						
Individual Fixed Annuities	180,525	79,188	128.0	73,109	30,122	142.7
Individual Variable Annuities	6,379	(412)	--	3,500	26	--
Intercompany Adjustments	(13,458)	(10,438)	--	(4,923)	(4,267)	--
Realized Capital Gains (Losses)	64,091	(329,576)	--	(7,482)	299	--
FINANCIAL SERVICES:						
Aircraft Finance	546,877	548,357	(0.3)	204,282	190,472	7.3
Capital Markets	663,835	728,663	(8.9)	247,729	240,642	2.9
Consumer Finance	579,408	488,553	18.6	203,914	173,592	17.5
Other (e)	(2,383)	(3,856)	--	(399)	3,640	--
ASSET MANAGEMENT (b):						
Guaranteed Investment Contracts						
Domestic						
	446,284	360,579	23.8	131,787	122,256	7.8
Foreign						
	31,121	32,091	(3.0)	10,634	12,412	(14.3)
Institutional Asset Management (f)(g)	337,926	141,689	138.5	194,477	53,793	261.5
Brokerage Services and Mutual Funds	53,366	43,737	22.0	16,160	19,687	(17.9)
Other Realized Capital Gains (Losses) (b)	(161,014)	(360,517)	--	20,321	(160,988)	--
Other Income (Deductions) - net	(90,250)	(376,699)	--	(19,359)	(97,674)	--
INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE						
	13,451,952	9,930,310	35.5	4,771,662	3,575,987	33.4
INCOME BEFORE INCOME TAXES, MINORITY INTEREST, REALIZED CAPITAL GAINS (LOSSES) AND CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE						
	\$ 13,700,435	\$ 11,278,070	21.5%	\$ 4,816,063	\$ 3,935,332	22.4%

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

(b) 2003 is restated to conform to 2004 presentation.

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

(d) Represents runoff annuity business sold through merger related discontinued distribution relationships.

(e) Includes other financial services companies and intercompany reclassifications.

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

(g) Includes the results of certain AIG managed private equity and real estate funds consolidated effective December 31, 2003 pursuant to FIN46R, "Consolidation of Variable Interest Entities". For the third quarter and nine months 2004, operating income includes \$116 million and \$147 million, respectively, of third-party limited partner earnings offset in Minority Interest Expense.

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

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
GENERAL INSURANCE OPERATIONS:						
NET PREMIUMS WRITTEN						
Domestic Brokerage Group	\$17,546,457	\$ 14,733,497	19.1%	\$ 6,185,893	\$ 5,130,155	20.6%
Personal Lines	3,288,360	2,703,786	21.6	1,091,397	919,174	18.7
Mortgage Guaranty	452,647	390,012	16.1	162,838	148,525	9.6
Transatlantic Holdings	2,822,052	2,472,186	14.2	987,385	901,255	9.6
Foreign General (a)	7,213,667	5,753,108	25.4	2,302,339	1,866,346	23.4
TOTAL	31,323,183	26,052,589	20.2	10,729,852	8,965,455	19.7
OPERATING INCOME (LOSS)						
Domestic Brokerage Group (b)	2,144,495	2,017,553	6.3	524,953	630,050	(16.7)
Personal Lines (b)	250,134	172,913	44.7	72,668	74,861	(2.9)
Mortgage Guaranty	296,226	319,167	(7.2)	94,706	100,590	(5.8)
Transatlantic Holdings (b)	174,015	276,509	(37.1)	(47,116)	100,683	--
Foreign General (a)(b)(c)	1,120,135	1,135,522	(1.4)	248,976	407,187	(38.9)
Intercompany Adjustments	355	5,152	--	118	1,718	--
TOTAL BEFORE REALIZED CAPITAL GAINS (LOSSES)	3,985,360	3,926,816	1.5	894,305	1,315,089	(32.0)
Realized Capital Gains (Losses)	18,854	(330,725)	--	(39,436)	(74,748)	--
OPERATING INCOME	\$ 4,004,214	\$ 3,596,091	11.3%	\$ 854,869	\$ 1,240,341	(31.1)%
COMBINED RATIO:						
Domestic Brokerage Group	97.71	94.66		101.76	94.78	
Personal Lines	96.28	97.90		97.69	97.20	
Mortgage Guaranty	51.56	46.57		56.02	57.58	
Transatlantic Holdings	101.70	96.59		113.01	96.16	
Foreign General (a)	88.72	87.81		92.95	88.31	
TOTAL	95.30	92.81		99.89	93.05	
OPERATING INCOME EXCLUDING CATASTROPHE LOSSES:						
Domestic Brokerage Group (b)	\$ 2,550,295	\$ 2,065,053	23.5%	\$ 930,753	\$ 677,550	37.4%
Personal Lines (b)	274,834	177,913	54.5	97,368	79,861	21.9
Mortgage Guaranty	296,226	319,167	(7.2)	94,706	100,590	(5.8)
Transatlantic Holdings (b)	339,015	280,009	21.1	117,884	104,183	13.2
Foreign General (a)(b)(c)	1,260,435	1,152,022	9.4	389,276	423,687	(8.1)
Intercompany Adjustments	355	5,152	--	118	1,718	--
TOTAL BEFORE REALIZED CAPITAL GAINS (LOSSES) AND CATASTROPHE LOSSES	\$ 4,721,160	\$ 3,999,316	18.0%	\$ 1,630,105	\$ 1,387,589	17.5%
COMBINED RATIO EXCLUDING CATASTROPHE LOSSES:						
Domestic Brokerage Group	95.22	94.29		94.95	93.74	
Personal Lines	95.50	97.71		95.41	96.66	
Mortgage Guaranty	51.56	46.57		56.02	57.58	
Transatlantic Holdings	95.66	96.44		95.47	95.76	
Foreign General (a)	86.56	87.49		86.61	87.39	
TOTAL	92.77	92.50		92.76	92.17	

* Including reconciliation in accordance with Regulation G.

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

(b) Pretax catastrophe losses for the third quarter and nine months 2004 by segment were: Domestic Brokerage Group \$405.8 million, Personal Lines \$24.7 million, Transatlantic Holdings \$165.0 million and Foreign General \$140.3 million. Pretax catastrophe losses for the third quarter and nine months 2003 by segment were: Domestic Brokerage Group \$47.5 million, Personal Lines \$5.0 million, Transatlantic Holdings \$3.5 million and Foreign General \$16.5 million.

(c) Operating income reflects lower net investment income due to timing of private equity and partnership distributions. Excluding catastrophe losses, third quarter and nine months 2004 underwriting profit rose 23.4% and 27.4%, respectively, compared to the same periods in 2003.

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
GENERAL INSURANCE OPERATIONS:						
Losses and Loss Expenses Paid (a)	\$ 14,804,950	\$ 12,883,057	14.9%	\$ 5,221,897	\$ 4,492,735	16.2%
Change in Loss and Loss Expense Reserve (b)	7,171,751	4,350,660	64.8	3,038,962	1,612,699	88.4
Losses and Loss Expenses Incurred	21,976,701	17,233,717	27.5	8,260,859	6,105,434	35.3
Net Loss and Loss Expense Reserve	43,818,839	35,091,537	24.9			
UNDERWRITING PROFIT	1,366,889	1,669,578	(18.1)	25,314	573,192	(95.6)
UNDERWRITING PROFIT EXCLUDING CATASTROPHE LOSSES	\$ 2,102,689	\$ 1,742,078	20.7%	\$ 761,114	\$ 645,692	17.9%
FOREIGN EXCHANGE IMPACT ON GROWTH OF NET PREMIUMS WRITTEN WORLDWIDE						
Growth in Original Currency	17.9%			18.0%		
Foreign Exchange Impact	2.3			1.7		
Growth as Reported in U.S.\$	20.2			19.7		
FOREIGN GENERAL (c)						
Growth in Original Currency	16.3			16.8		
Foreign Exchange Impact	9.1			6.6		
Growth as Reported in U.S.\$	25.4%			23.4%		

(a) The paid loss ratios for the three months ended September 30, 2004 and 2003 were 50.58 and 54.20, respectively. The paid loss ratios for the nine months ended September 30, 2004 and 2003 were 50.96 and 55.22, respectively. Additionally, 2004 paid losses were impacted by the inclusion of GE personal lines business, which was acquired at the end of August 2003.

(b) Excluding catastrophe losses the change in loss and loss expense reserve for the third quarter and nine months 2004 is \$2.30 billion and \$6.44 billion, respectively.

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

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003(a)	CHANGE	2004	2003 (a)	CHANGE
	----	-----	-----	----	-----	-----
LIFE INSURANCE & RETIREMENT SERVICES OPERATIONS:						
GAAP PREMIUMS						
DOMESTIC						
Life Insurance	\$ 1,406,979	\$ 1,314,112	7.1 %	\$ 501,196	\$ 476,331	5.2%
Home Service	611,866	625,160	(2.1)	201,802	207,198	(2.6)
Group Life/Health	858,509	764,441	12.3	303,630	252,557	20.2
Payout Annuities (b)	1,126,019	1,008,417	11.7	372,099	291,040	27.9
Retirement Services						
Group Retirement Products	231,118	179,934	28.4	76,680	66,773	14.8
Individual Fixed Annuities	42,672	35,221	21.2	15,130	15,286	(1.0)
Individual Variable Annuities	300,073	239,624	25.2	100,748	86,632	16.3
Individual Annuities - Runoff(c)	58,570	61,212	(4.3)	18,970	21,644	(12.4)
	-----	-----		-----	-----	
TOTAL	4,635,806	4,228,121	9.6	1,590,255	1,417,461	12.2
FOREIGN						
Life Insurance	11,134,903	9,436,567	18.0	3,540,875	3,052,480	16.0
Personal Accident & Health	3,171,509	2,186,005	45.1	1,084,220	746,818	45.2
Group Products (d)	1,831,621	944,799	93.9	1,028,667	311,770	229.9
Retirement Services						
Individual Fixed Annuities	282,340	174,020	62.2	105,866	43,025	146.1
Individual Variable Annuities	45,271	14,555	211.0	16,596	6,655	149.4
	-----	-----		-----	-----	
TOTAL	16,465,644	12,755,946	29.1	5,776,224	4,160,748	38.8
TOTAL GAAP PREMIUMS	21,101,450	16,984,067	24.2	7,366,479	5,578,209	32.1
	-----	-----		-----	-----	
PREMIUMS, DEPOSITS AND OTHER CONSIDERATIONS (e)						
DOMESTIC						
Life Insurance	2,136,998	2,001,279	6.8	761,474	700,791	8.7
Home Service	729,976	731,748	(0.2)	240,171	247,189	(2.8)
Group Life/Health	848,052	772,121	9.8	305,625	264,286	15.6
Payout Annuities	1,637,463	1,285,634	27.4	517,938	413,658	25.2
Retirement Services						
Group Retirement Products	4,141,837	4,004,615	3.4	1,450,316	1,504,783	(3.6)
Individual Fixed Annuities	7,965,803	8,184,894	(2.7)	2,347,659	3,267,439	(28.1)
Individual Variable Annuities	3,256,985	2,485,438	31.0	916,373	915,906	0.1
Individual Annuities - Runoff	194,048	275,229	(29.5)	56,771	83,559	(32.1)
	-----	-----		-----	-----	
TOTAL	20,911,162	19,740,958	5.9	6,596,327	7,397,611	(10.8)
FOREIGN						
Life Insurance	13,653,845	10,934,430	24.9	4,331,513	3,639,050	19.0
Personal Accident & Health	3,204,417	2,186,288	46.6	1,082,720	745,084	45.3
Group Products (d)	2,707,106	1,547,272	75.0	1,292,898	464,445	178.4
Retirement Services						
Individual Fixed Annuities	8,892,027	1,665,722	433.8	3,527,922	915,536	285.3
Individual Variable Annuities	1,227,917	903,940	35.8	415,775	323,803	28.4
	-----	-----		-----	-----	
TOTAL	29,685,312	17,237,652	72.2	10,650,828	6,087,918	75.0
TOTAL PREMIUMS, DEPOSITS AND OTHER CONSIDERATIONS	\$ 50,596,474	\$ 36,978,610	36.8 %	\$ 17,247,155	\$13,485,529	27.9%

(a) Restated to conform to 2004 presentation.

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

(c) Represents runoff annuity business sold through merger related discontinued distribution relationships.

(d) Third quarter and nine months 2004 include approximately \$640 million of premium from a reinsurance transaction involving terminal funding business. This single premium amount is offset by a similar amount of benefits incurred.

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

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003 (a)	CHANGE	2004	2003 (a)	CHANGE
	----	-----	-----	----	-----	-----
LIFE INSURANCE & RETIREMENT SERVICES OPERATIONS:						
NET INVESTMENT INCOME						
DOMESTIC						
Life Insurance	\$ 1,093,782	\$ 965,940	13.2 %	\$ 361,935	\$ 348,041	4.0%
Home Service	528,442	510,721	3.5	177,106	171,406	3.3
Group Life/Health	92,610	87,240	6.2	31,360	30,417	3.1
Payout Annuities	599,870	510,526	17.5	199,539	190,532	4.7
Retirement Services						
Group Retirement Products	1,617,303	1,521,965	6.3	550,772	523,289	5.3
Individual Fixed Annuities	2,266,743	1,837,075	23.4	772,046	643,176	20.0
Individual Variable Annuities	179,631	172,265	4.3	57,856	63,982	(9.6)
Individual Annuities - Runoff	807,064	971,515	(16.9)	262,547	279,697	(6.1)
Intercompany Adjustments	(277)	(215)	-	(102)	(88)	-
	----	----		----	----	
TOTAL	7,185,168	6,577,032	9.2	2,413,059	2,250,452	7.2
FOREIGN						
Life Insurance	3,248,316	2,779,462	16.9	1,066,520	895,565	19.1
Personal Accident & Health	133,221	118,478	12.4	46,406	42,067	10.3
Group Products	311,121	248,538	25.2	108,329	79,434	36.4
Retirement Services						
Individual Fixed Annuities	700,230	230,910	203.2	254,831	81,304	213.4
Individual Variable Annuities	77,477	1,428	-	(12,675)	353	-
Intercompany Adjustments	(13,458)	(10,438)	-	(4,923)	(4,267)	-
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TOTAL	4,456,907	3,368,378	32.3	1,458,488	1,094,456	33.3
TOTAL NET INVESTMENT INCOME	\$ 11,642,075	\$ 9,945,410	17.1 %	\$ 3,871,547	\$ 3,344,908	15.7%

(a) Restated to conform to 2004 presentation.

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003 (a)	CHANGE	2004	2003 (a)	CHANGE
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LIFE INSURANCE & RETIREMENT SERVICES OPERATIONS:						
OPERATING INCOME						
DOMESTIC						
Life Insurance	\$ 671,597	\$ 595,679	12.7 %	\$ 231,060	\$ 205,437	12.5%
Home Service (b)	300,164	298,622	0.5	92,068	96,455	(4.5)
Group Life/Health	71,418	87,910	(18.8)	26,636	29,938	(11.0)
Payout Annuities	105,617	95,550	10.5	34,937	34,873	0.2
Retirement Services						
Group Retirement Products	805,818	675,491	19.3	271,563	230,250	17.9
Individual Fixed Annuities	662,826	491,778	34.8	211,904	159,393	32.9
Individual Variable Annuities	132,209	36,543	261.8	52,074	23,435	122.2
Individual Annuities - Runoff	138,191	161,985	(14.7)	41,953	56,679	(26.0)
Intercompany Adjustments	(277)	(215)	-	(102)	(88)	-
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TOTAL DOMESTIC BEFORE REALIZED CAPITAL GAINS (LOSSES)	2,887,563	2,443,343	18.2	962,093	836,372	15.0
Realized Capital Gains (Losses)	(170,414)	(326,942)	-	(17,804)	(123,908)	-
	-----	-----		-----	-----	
DOMESTIC OPERATING INCOME	2,717,149	2,116,401	28.4	944,289	712,464	32.5
FOREIGN						
Life Insurance	2,298,186	2,046,056	12.3	796,396	700,729	13.7
Personal Accident & Health	851,012	608,349	39.9	299,977	211,212	42.0
Group Products	198,195	149,554	32.5	61,892	54,729	13.1
Retirement Services						
Individual Fixed Annuities	180,525	79,188	128.0	73,109	30,122	142.7
Individual Variable Annuities	6,379	(412)	-	3,500	26	-
Intercompany Adjustments	(13,458)	(10,438)	-	(4,923)	(4,267)	-
	-----	-----		-----	-----	
TOTAL FOREIGN BEFORE REALIZED CAPITAL GAINS (LOSSES)	3,520,839	2,872,297	22.6	1,229,951	992,551	23.9
Realized Capital Gains (Losses)	64,091	(329,576)	-	(7,482)	299	-
	-----	-----		-----	---	
FOREIGN OPERATING INCOME	3,584,930	2,542,721	41.0	1,222,469	992,850	23.1
WORLDWIDE LIFE INSURANCE & RETIREMENT SERVICES BEFORE REALIZED CAPITAL GAINS (LOSSES)						
	6,408,402	5,315,640	20.6	2,192,044	1,828,923	19.9
Realized Capital Gains (Losses)	(106,323)	(656,518)	-	(25,286)	(123,609)	-
	-----	-----		-----	-----	
WORLDWIDE OPERATING INCOME	\$ 6,302,079	\$ 4,659,122	35.3 %	\$ 2,166,758	\$ 1,705,314	27.1%

(a) Restated to conform to 2004 presentation.

(b) Third quarter and nine months 2004 include \$4.7 million of catastrophe losses relating to minor property-casualty subsidiaries currently in run-off.

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003(a)	CHANGE	2004	2003(a)	CHANGE
LIFE INSURANCE & RETIREMENT SERVICES OPERATIONS:						
DOMESTIC - OTHER DATA						
LIFE INSURANCE						
Periodic Premium Sales (b):						
Individual/Retail	\$ 352,653	\$ 257,140	37.1%	\$ 118,113	\$ 86,470	36.6%
Institutional Markets	24,941	58,140	(57.1)	4,681	21,400	(78.1)
	-----	-----		-----	-----	
Total Periodic Sales	377,594	315,280	19.8	122,794	107,870	13.8
Unscheduled & Single Deposits	301,941	292,000	3.4	81,461	122,660	(33.6)
Life Insurance Reserves	19,947,986	18,910,064	5.5			
HOME SERVICE						
Product Sales						
Life/Accident & Health(b)	83,936	83,449	0.6	25,240	28,899	(12.7)
Fixed Annuity	82,477	90,433	(8.8)	26,779	31,433	(14.8)
Total Insurance Reserves	7,145,737	7,011,640	1.9			
GROUP LIFE/HEALTH						
Annualized Earned Premium	1,259,600	1,235,143	2.0			
PAYOUT ANNUITIES						
Insurance Reserves	10,741,500	9,215,714	16.6			
GROUP RETIREMENT PRODUCTS						
Deposits(c)	4,930,205	4,357,237	13.1	1,774,610	1,627,976	9.0
NET FLOWS						
Group Retirement Products (c)	1,678,045	2,508,621	(33.1)	884,424	955,084	(7.4)
Individual Fixed Annuities	6,184,979	7,003,561	(11.7)	1,699,809	2,838,099	(40.1)
Individual Variable Annuities	1,341,821	857,134	56.5	260,921	361,988	(27.9)
Individual Annuities - Runoff	(946,985)	(812,092)	-	(343,110)	(228,792)	-
	-----	-----		-----	-----	
TOTAL	\$ 8,257,860	\$ 9,557,224	(13.6)%	\$ 2,502,044	\$ 3,926,379	(36.3)%
SURRENDER RATES						
Group Retirement Products (c)	8.5%(d)	5.6%		6.9%	5.8%	
Individual Fixed Annuities	5.7%	5.0%		5.9%	5.0%	
Individual Variable Annuities	10.4%	10.8%		10.7%	10.3%	
GENERAL AND SEPARATE ACCOUNT RESERVES						
Group Retirement Products (c)	\$53,133,975	\$ 47,935,048	10.8%			
Individual Fixed Annuities	49,056,345	39,723,444	23.5			
Individual Variable Annuities	24,981,443	21,699,887	15.1			
Individual Annuities - Runoff	20,903,810	21,876,106	(4.4)			
	-----	-----				
TOTAL	\$148,075,573	\$ 131,234,485	12.8%			

(a) Restated to conform to 2004 presentation.

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

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

(d) Excluding the loss of a single account declined to be written at an inadequate profit level in first quarter 2004, the surrender rate was 6.9 percent.

	NINE MONTHS ENDED SEPTEMBER 30, 2004	2003 (a)	CHANGE	THREE MONTHS ENDED SEPTEMBER 30, 2004	2003 (a)	CHANGE
LIFE INSURANCE & RETIREMENT SERVICES OPERATIONS:						
FOREIGN - OTHER DATA						
FIRST YEAR PREMIUMS						
LIFE INSURANCE						
Japan	\$ 513,217	\$ 424,797	20.8%	\$ 167,233	\$ 145,305	15.1%
China	81,891	54,584	50.0	25,976	21,057	23.4
Asia excluding Japan and China	1,164,933	1,275,497	(8.7)	361,420	381,759	(5.3)
All Other Regions	174,910	142,808	22.5	51,953	51,589	0.7
TOTAL	1,934,951	1,897,686	2.0	606,582	599,710	1.1
PERSONAL ACCIDENT & HEALTH						
Japan	533,649	315,437	69.2	178,254	114,371	55.9
China	22,566	22,897	(1.4)	7,814	8,651	(9.7)
Asia excluding Japan and China	177,295	143,484	23.6	60,159	47,163	27.6
All Other Regions	79,504	69,309	14.7	26,299	23,861	10.2
TOTAL	813,014	551,127	47.5	272,526	194,046	40.4
GROUP PRODUCTS						
Japan	16,614	18,514	(10.3)	4,096	6,478	(36.8)
Asia excluding Japan and China	60,021	37,287	61.0	32,065	13,452	138.4
All Other Regions	484,954	407,127	19.1	148,829	105,147	41.5
TOTAL	561,589	462,928	21.3	184,990	125,077	47.9
TOTAL FIRST YEAR PREMIUMS						
Japan	1,063,480	758,748	40.2	349,583	266,154	31.3
China	104,457	77,481	34.8	33,790	29,708	13.7
Asia excluding Japan and China	1,402,249	1,456,268	(3.7)	453,644	442,374	2.5
All Other Regions	739,368	619,244	19.4	227,081	180,597	25.7
TOTAL	3,309,554	2,911,741	13.7	\$ 1,064,098	\$ 918,833	15.8%
RETIREMENT SERVICES RESERVES						
Individual Fixed Annuities	27,120,037	7,332,977	269.8			
Individual Variable Annuities	\$ 3,385,188	\$ 1,363,115	148.3%			

FOREIGN EXCHANGE IMPACT ON GROWTH OF:

GAAP PREMIUMS

WORLDWIDE

Growth in Original Currency	19.7 %	28.8%
Foreign Exchange Impact	4.5	3.3
Growth as Reported in U.S. \$	24.2	32.1
FOREIGN		
Growth in Original Currency	23.1	34.5
Foreign Exchange Impact	6.0	4.3
Growth as Reported in U.S. \$	29.1	38.8

PREMIUMS, DEPOSITS AND OTHER CONSIDERATIONS(b)

WORLDWIDE

Growth in Original Currency	33.9	26.1
Foreign Exchange Impact	2.9	1.8
Growth as Reported in U.S. \$	36.8	27.9
FOREIGN		
Growth in Original Currency	65.9	70.9
Foreign Exchange Impact	6.3	4.1
Growth as Reported in U.S. \$	72.2 %	75.0%

(a) Restated to conform to 2004 presentation.

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

	NINE MONTHS ENDED SEPTEMBER 30,			THREE MONTHS ENDED SEPTEMBER 30,		
	2004	2003	CHANGE	2004	2003	CHANGE
	----	----	-----	----	----	-----
FINANCIAL SERVICES:						
REVENUES						
Aircraft Finance	\$ 2,403,703	\$ 2,271,892	5.8%	\$ 841,270	\$ 785,034	7.2%
Capital Markets	1,161,021	1,242,324	(6.5)	426,424	434,229	(1.8)
Consumer Finance	2,177,749	1,957,482	11.3	762,091	664,677	14.7
Other (a)	25,466	24,013	6.1	8,277	1,940	326.6
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TOTAL	5,767,939	5,495,711	5.0	2,038,062	1,885,880	8.1
OPERATING INCOME						
Aircraft Finance	546,877	548,357	(0.3)	204,282	190,472	7.3
Capital Markets	663,835	728,663	(8.9)	247,729	240,642	2.9
Consumer Finance	579,408	488,553	18.6	203,914	173,592	17.5
Other (a)	(2,383)	(3,856)	-	(399)	3,640	-
	-----	-----		-----	-----	
TOTAL	1,787,737	1,761,717	1.5	655,526	608,346	7.8

ASSET MANAGEMENT (b)(c):						
REVENUES						
Guaranteed Investment Contracts						
Domestic	1,729,726	1,539,920	12.3	584,549	515,795	13.3
Foreign	294,391	313,910	(6.2)	97,862	101,119	(3.2)
Institutional Asset Management (d)	717,511	456,315	57.2	242,741	156,399	55.2
Brokerage Services and Mutual Funds	185,268	148,281	24.9	61,957	51,242	20.9
	-----	-----		-----	-----	
TOTAL	2,926,896	2,458,426	19.1	987,109	824,555	19.7
OPERATING INCOME						
Guaranteed Investment Contracts						
Domestic	446,284	360,579	23.8	131,787	122,256	7.8
Foreign	31,121	32,091	(3.0)	10,634	12,412	(14.3)
Institutional Asset Management (d)(e)	337,926	141,689	138.5	194,477	53,793	261.5
Brokerage Services and Mutual Funds	53,366	43,737	22.0	16,160	19,687	(17.9)
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TOTAL (e)	868,697	578,096	50.3	353,058	208,148	69.6

GUARANTEED INVESTMENT CONTRACTS						
DEPOSITS						
Domestic	8,770,544	6,445,799	36.1	1,964,352	2,690,357	(27.0)
Foreign	3,995,339	2,911,165	37.2	1,875,512	461,054	306.8
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TOTAL	12,765,883	9,356,964	36.4	\$3,839,864	\$ 3,151,411	21.8%
RESERVES						
Domestic	44,484,847	37,613,846	18.3			
Foreign	8,069,313	7,163,674	12.6			
	-----	-----				
TOTAL	\$52,554,160	\$44,777,520	17.4%			
EFFECTIVE TAX RATES:						
Net Income	31.94%	30.48%		32.34%	30.49%	
Realized Capital Gains (Losses)	33.23%	33.58%		34.39%	34.04%	

(a) Includes other financial services companies and intercompany reclassifications.

(b) 2003 is restated to conform to 2004 presentation.

(c) At September 30, 2004, AIG's third party assets under management, including mutual funds and institutional accounts, totaled over \$50 billion.

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

(e) Includes the results of certain AIG managed private equity and real estate funds consolidated effective December 31, 2003 pursuant to FIN46R, "Consolidation of Variable Interest Entities". For the third quarter and nine months 2004, operating income includes \$116 million and \$147 million, respectively, of third-party limited partner earnings offset in Minority Interest Expense.

ADDITIONAL RECONCILIATION IN ACCORDANCE WITH REGULATION G

	NINE MONTHS ENDED SEPTEMBER 30, 2004 ----	TWELVE MONTHS ENDED DECEMBER 31, 2003 ----
RETURN ON EQUITY RECONCILIATION		
Return on Equity, GAAP basis	14.3 %	14.1 %
Percent Related to Reconciliation	2.1 ---	3.1 ---
Return on Equity, as presented (a)	16.4	17.2
Catastrophe Losses	0.7 ---	0.1 ---
Return on Equity, as presented excluding Catastrophe Losses	17.1 %	17.3 %

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

NEW YORK STATE ATTORNEY GENERAL INVESTIGATION

As previously disclosed, on October 14, 2004, the New York State Attorney General brought a lawsuit challenging certain insurance brokerage practices related to contingent commissions. Neither AIG nor any of its subsidiaries is a defendant in that action, although the lawsuit names several insurance companies, including AIG subsidiaries, as participants in the challenged practices, and two employees of an AIG subsidiary have pleaded guilty in connection with the Attorney General's investigation. AIG expects there will be additional investigations, and that various parties, including insureds and shareholders, will assert claims against AIG or its subsidiaries. AIG is actively investigating these matters, but the extent, timing and outcome of any related claims are uncertain. AIG cannot at this time estimate its potential costs related to these matters and accordingly, no reserve is being established in AIG's financial statements at this time. In the opinion of AIG management, AIG's ultimate liability for these matters is not likely to have a material adverse effect on AIG's consolidated financial condition, although it is possible that the effect would be material to AIG's consolidated results of operations for an individual reporting period.