



# **American International Group, Inc.**

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## **Supplementary Financial Data**

### **Third Quarter 2005**

This report should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005 filed with the Securities and Exchange Commission.

**American International Group, Inc.**  
**Supplementary Restated Financial Data**

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*Notice – Restatement.* American International Group, Inc. (AIG) has restated its financial statements for the quarter and nine months ended September 30, 2004, and will restate the years ended December 31, 2004, 2003 and 2002, along with 2001 and 2000 for purposes of preparation of the Selected Consolidated Financial Data for 2001 and 2000, and quarterly financial information for 2004 and 2003 and the first two quarters of 2005.

**American International Group, Inc.**

**Investor Relations**

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**American International Group, Inc.**  
**Consolidated Statement of Income**  
(in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004 (Restated)	2005	2004 (Restated)
<b>Revenues:</b>				
Premiums and other considerations	\$ 17,244	\$ 17,237	\$ 52,470	\$ 49,418
Net investment income	5,629	4,501	16,196	13,563
Realized capital gains (losses)	79	(83)	216	(88)
Other revenues (1)	3,409	3,625	12,660	9,685
Total revenues	<u>26,361</u>	<u>25,280</u>	<u>81,542</u>	<u>72,578</u>
<b>Benefits and expenses:</b>				
Incurred policy losses and benefits	16,503	15,166	45,665	42,273
Insurance acquisition and other operating expenses	7,381	6,023	20,966	17,719
Total benefits and expenses	<u>23,884</u>	<u>21,189</u>	<u>66,631</u>	<u>59,992</u>
<b>Income before income taxes, minority interest and cumulative effect of an accounting change</b>	<u>2,477</u>	<u>4,091</u>	<u>14,911</u>	<u>12,586</u>
Income taxes (benefits):				
Current	372	203	2,355	2,639
Deferred	334	1,061	2,204	1,196
Total income tax	<u>706</u>	<u>1,264</u>	<u>4,559</u>	<u>3,835</u>
<b>Income before minority interest and cumulative effect of an accounting change</b>	1,771	2,827	10,352	8,751
Minority interest	(54)	(142)	(329)	(317)
<b>Income before cumulative effect of an accounting change</b>	1,717	2,685	10,023	8,434
Cumulative effect of an accounting change, net of tax (2)	-	-	-	(144)
<b>Net income</b>	<u>\$ 1,717</u>	<u>\$ 2,685</u>	<u>\$ 10,023</u>	<u>\$ 8,290</u>
<b>Earnings per common share:</b>				
Basic	\$ 0.66	\$ 1.04	\$ 3.86	\$ 3.18
Diluted (3)	\$ 0.65	\$ 1.02	\$ 3.82	\$ 3.14
<b>Average outstanding shares:</b>				
Basic	2,597	2,606	2,597	2,608
Diluted (3)	2,624	2,638	2,624	2,639

Note: (1) Includes the unrealized gain (loss) attributable to the effect of hedging activities that do not qualify for hedge accounting treatment under FAS 133 "Accounting for Derivative Instruments and Hedging Activities", including the related foreign exchange gains and losses.

(2) 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".

(3) Assumes conversion of contingently convertible bonds due to the adoption of EITF Issue No. 04-8 "Accounting Issues Related to Certain Features of Contingently Convertible Debt and the Effect on Diluted Earnings per share."

# American International Group, Inc.

## Consolidated Statement of Segment Operations

(in millions, except per share amounts)

	Three Months Ended September 30,		
	2005	2004 (Restated)	%
			Chg
<b>General insurance</b>			
Net premiums written (1)	\$ 10,307	\$ 10,292	0.1 %
Net premiums earned (1)	10,130	9,886	2.5
Losses and loss expenses incurred (1)	8,964	7,962	12.6
Underwriting expenses (1)	2,378	2,045	16.3
Underwriting profit (loss) (1) (2)	(1,212)	(121)	NM
Net investment income	980	743	31.9
Income (loss) before realized capital gains (losses) (1)	(232)	622	NM
Realized capital gains (losses)	106	(13)	NM
Operating income (loss) (1)	(126)	609	NM
<b>Life insurance &amp; retirement services</b>			
GAAP premiums	7,114	7,351	(3.2)
Deposits and other considerations not included in revenues under GAAP	8,308	9,878	(15.9)
Premiums, deposits and other considerations	15,422	17,229	(10.5)
Net investment income	4,649	3,758	23.7
Pricing net investment gains (3)	88	31	183.9
Income before realized capital gains (losses) (4)	2,335	2,068	12.9
Realized capital gains (losses) (3)	(210)	(441)	NM
Operating income (4)	2,125	1,627	30.6
<b>Financial services</b>			
Operating income excluding FAS 133	601	620	(3.1)
FAS 133 (5)	(369)	785	NM
Operating income (6)	232	1,405	(83.5)
<b>Asset management operating income</b>			
Operating income excluding FIN46R and FAS 133	448	355	26.2
FIN46R	77	115	(33.0)
FAS 133	18	90	(80.0)
Operating income (7)	543	560	(3.0)
Other realized capital gains (losses)	95	340	(72.1)
Other income (deductions) - net (8)	(392)	(450)	NM
<b>Income before income taxes, minority interest and cumulative effect of an accounting change</b>	<u>2,477</u>	<u>4,091</u>	(39.5)
Income taxes	706	1,264	NM
<b>Income before minority interest and cumulative effect of an accounting change</b>	1,771	2,827	(37.4)
Minority interest, after tax:			
Income before realized capital gains (losses)	(48)	(140)	NM
Realized capital gains (losses)	(6)	(2)	NM
<b>Income before cumulative effect of an accounting change</b>	1,717	2,685	(36.1)
Cumulative effect of an accounting change, net of tax (9)	-	-	NM
<b>Net income</b>	<u>\$ 1,717</u>	<u>\$ 2,685</u>	(36.1)
Realized capital gains (losses), net of tax (10)	54	(45)	NM
FAS 133 gains (losses), excluding realized capital gains (losses), net of tax	(134)	390	NM
<b>Adjusted net income (11)</b>	<u>\$ 1,797</u>	<u>\$ 2,340</u>	(23.2)
Effect of catastrophe related losses, net of tax	\$ 1,569	\$ 512	
<b>Per share - diluted (12):</b>			
Net income	\$ 0.65	\$ 1.02	(36.3) %
Adjusted net income (11)	0.68	0.89	(23.6) %
Effect of catastrophe related losses, net of tax	\$ 0.60	\$ 0.19	
<b>Average outstanding shares - diluted (12)</b>	2,624	2,638	
<b>Effective tax rate:</b>			
Net income	28.5%	30.9%	
Adjusted net income (11)	30.2%	31.6%	
	<b>September 30,</b>	<b>December 31,</b>	
	<b>2005</b>	<b>2004</b>	
		<b>(Restated)</b>	
<b>Book value per share</b>	\$ 34.40	\$ 31.02	10.9 %

(See Accompanying Notes on Page 4)

# American International Group, Inc.

## Consolidated Statement of Segment Operations

(in millions, except per share amounts)

	Nine Months Ended September 30,		
	2005	2004	%
		(Restated)	Chg
<b>General insurance</b>			
Net premiums written (1)	\$ 31,740	\$ 30,534	3.9 %
Net premiums earned (1)	30,502	28,356	7.6
Losses and loss expenses incurred (1)	23,364	21,553	8.4
Underwriting expenses (1)	7,061	5,850	20.7
Underwriting profit (1) (2)	77	953	(91.9)
Net investment income	3,067	2,361	29.9
Income before realized capital gains (losses) (1)	3,144	3,314	(5.1)
Realized capital gains (losses)	337	176	91.5
Operating income (1)	3,481	3,490	(0.3)
<b>Life insurance &amp; retirement services</b>			
GAAP premiums	21,968	21,062	4.3
Deposits and other considerations not included in revenues under GAAP	29,018	29,490	(1.6)
Premiums, deposits and other considerations	50,986	50,552	0.9
Net investment income	13,129	11,202	17.2
Pricing net investment gains (3)	269	176	52.8
Income before realized capital gains (losses) (4)	7,057	6,152	14.7
Realized capital gains (losses) (3)	(358)	(459)	NM
Operating income (4)	6,699	5,693	17.7
<b>Financial services</b>			
Operating income excluding FAS 133	1,744	1,678	3.9
FAS 133 (5)	1,691	699	141.9
Operating income (6)	3,435	2,377	44.5
<b>Asset management operating income</b>			
Operating income excluding FIN46R and FAS 133	1,341	1,114	20.4
FIN46R	189	147	28.6
FAS 133	127	241	(47.3)
Operating income (7)	1,657	1,502	10.3
Other realized capital gains (losses)	(32)	19	NM
Other income (deductions) - net (8)	(329)	(495)	NM
<b>Income before income taxes, minority interest and cumulative effect of an accounting change</b>	14,911	12,586	18.5
Income taxes	4,559	3,835	NM
<b>Income before minority interest and cumulative effect of an accounting change</b>	10,352	8,751	18.3
Minority interest, after tax:			
Income before realized capital gains (losses)	(313)	(309)	NM
Realized capital gains (losses)	(16)	(8)	NM
<b>Income before cumulative effect of an accounting change</b>	10,023	8,434	18.8
Cumulative effect of an accounting change, net of tax (9)	-	(144)	NM
<b>Net income</b>	\$ 10,023	\$ 8,290	20.9
Realized capital gains (losses), net of tax (10)	132	(49)	NM
FAS 133 gains (losses), excluding realized capital gains (losses), net of tax	1,599	617	159.2
Cumulative effect of an accounting change, net of tax (9)	-	(144)	NM
<b>Adjusted net income (11)</b>	\$ 8,292	\$ 7,866	5.4
Effect of catastrophe related losses, net of tax	\$ 1,569	\$ 512	
<b>Per share - diluted (12):</b>			
Net income	\$ 3.82	\$ 3.14	21.7 %
Adjusted net income (11)	3.16	2.98	6.0
Effect of catastrophe related losses, net of tax	\$ 0.60	\$ 0.19	
<b>Average outstanding shares - diluted (12)</b>	2,624	2,639	
<b>Effective tax rate:</b>			
Net income	30.6%	30.5%	
Adjusted net income (11)	30.1%	30.6%	

(See Accompanying Notes on Page 4)

# American International Group, Inc.

## Consolidated Statement of Segment Operations

### Notes

- (1) Net premiums written includes net reinstatement premium cost of \$258 million for the three months and nine months ended September 30, 2005, and none for the three months and nine months ended September 30, 2004. Losses and loss expenses incurred includes catastrophe losses of \$1.848 billion and \$736 million for the three months and nine months ended September 30, 2005 and 2004, respectively. Underwriting expenses includes catastrophe related losses of \$7 million for the three months and nine months ended September 30, 2005.
- (2) Underwriting profit (loss), a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.
- (3) For purposes of this presentation, pricing net investment gains are segregated out of total realized gains (losses). They represent certain amounts of realized capital gains where gains are an inherent element in pricing certain life products in some foreign countries.
- (4) Includes catastrophe related losses of \$12 million and \$5 million for the three months and nine months ended September 30, 2005 and 2004, respectively.
- (5) Includes the unrealized gain (loss) attributable to the effect of hedging activities that do not qualify for hedge accounting treatment under FAS 133 "Accounting for Derivative Instruments and Hedging Activities", including the related foreign exchange gains and losses.
- (6) Includes catastrophe related losses of \$62 million in both the three months and nine months ended September 30, 2005.
- (7) Includes catastrophe related losses of \$6 million in both the three months and nine months ended September 30, 2005.
- (8) Includes catastrophe related losses of \$246 million and \$74 million for the three months and nine months ended September 30, 2005 and 2004, respectively.
- (9) 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".
- (10) Includes no effect for the three months and nine months ended September 30, 2005, a loss of \$109 million, net of tax and \$39 million, net of tax for the three months and nine months ended September 30, 2004, respectively, attributable to FAS 133.
- (11) Adjusted net income excludes realized capital gains (losses) which includes pricing net investment gains, cumulative effect of an accounting change and FAS 133 "Accounting for Derivative Instruments and Hedging Activities".
- (12) Assumes conversion of contingently convertible bonds due to the adoption of EITF Issue No. 04-8 "Accounting Issues Related to Certain Features of Contingently Convertible Debt and the Effect on Diluted Earnings per Share" of \$3 million and \$2 million, net of tax, for both of the three months ended September 30, 2005 and 2004, respectively, and \$8 million, net of tax for both of the nine months ended September 30, 2005 and 2004, respectively.

# American International Group, Inc.

## Consolidated Balance Sheet

(in millions)

	<b>September 30, 2005</b>	<b>December 31, 2004 (Restated)</b>
<b>Assets:</b>		
<b>Investments, financial services assets and cash:</b>		
Fixed maturities	\$ 387,701	\$ 365,677
Equity securities	22,735	17,851
Mortgage loans on real estate, policy, collateral and guaranteed loans - net of allowance	23,541	22,463
Financial services assets:		
Flight equipment primarily under operating leases, net of accumulated depreciation	35,535	32,130
Securities available for sale, at market value	37,872	32,768
Trading securities, at market value	6,667	3,142
Spot commodities, at market value	234	95
Unrealized gain on swaps, options and forward transactions	20,427	22,670
Trading assets	909	3,331
Securities purchased under agreements to resell, at contract value	12,129	26,272
Finance receivables, net of allowance	27,701	23,574
Securities lending collateral, at cost (approximates market value)	57,627	49,169
Other invested assets	24,808	22,471
Short-term investments, at cost (approximates market value)	16,238	16,102
Cash	2,108	2,009
<b>Total investments, financial services assets and cash</b>	<b>676,232</b>	<b>639,724</b>
Investment income due and accrued	5,955	5,556
Premiums and insurance balances receivable, net of allowance	15,177	14,788
Reinsurance assets, net of allowance	22,023	19,857
Deferred policy acquisition costs	32,083	29,740
Investments in partially owned companies	1,149	1,496
Real estate and other fixed assets, net of accumulated depreciation	6,841	6,192
Separate and variable accounts	61,157	57,741
Goodwill	8,354	8,556
Income taxes receivable - current	-	109
Other assets	14,426	16,283
<b>Total assets</b>	<b>\$ 843,397</b>	<b>\$ 800,042</b>
<b>Liabilities:</b>		
Reserve for losses and loss expenses	\$ 71,161	\$ 62,371
Reserve for unearned premiums	24,228	23,094
Future policy benefits for life and accident and health insurance contracts	108,461	104,756
Policyholders' contract deposits	227,241	216,474
Other policyholders' funds	10,682	10,280
Reserve for commissions, expenses and taxes	5,096	4,539
Insurance balances payable	4,178	3,686
Funds held by companies under reinsurance treaties	3,948	3,404
Income taxes payable	8,551	6,768
Financial services liabilities:		
Borrowings under obligations of guaranteed investment agreements	19,953	18,919
Securities sold under agreements to repurchase, at contract value	10,694	23,581
Trading liabilities	1,707	2,304
Securities and spot commodities sold but not yet purchased, at market value	5,223	4,866
Unrealized loss on swaps, options and forward transactions	15,721	17,611
Trust deposits and deposits due to banks and other depositors	4,255	4,248
Commercial paper	7,723	6,724
Notes, bonds, loans and mortgages payable	66,270	59,683
Commercial paper	1,978	2,969
Notes, bonds, loans and mortgages payable	7,411	5,502
Liabilities connected to trust preferred stock	1,489	1,489
Separate and variable accounts	61,157	57,741
Minority interest	5,120	4,584
Securities lending payable	58,430	49,972
Other liabilities	23,245	23,750
<b>Total liabilities</b>	<b>753,922</b>	<b>719,315</b>
<b>Preferred shareholders' equity in subsidiary companies</b>	<b>193</b>	<b>199</b>
<b>Shareholders' equity:</b>		
Common stock	6,878	6,878
Additional paid-in capital	2,249	2,094
Unrealized appreciation of investments, net of taxes	10,660	10,419
Cash flow hedging activities, net of taxes	(27)	(53)
Foreign currency translation adjustments, net of taxes	(1,259)	(724)
Retirement plan liabilities adjustment, net of taxes	(199)	(129)
Retained earnings	73,246	64,254
Treasury stock, at cost	(2,266)	(2,211)
<b>Total shareholders' equity</b>	<b>89,282</b>	<b>80,528</b>
<b>Total liabilities, preferred shareholders' equity in subsidiary companies and shareholders' equity</b>	<b>\$ 843,397</b>	<b>\$ 800,042</b>

## American International Group, Inc. General Insurance Operating Statistics

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
Gross premiums written	\$ 13,292	\$ 12,883	3.2 %	\$ 40,990	\$ 39,948	2.6 %
Ceded premiums written	<u>2,985</u>	<u>2,591</u>	15.2	<u>9,250</u>	<u>9,414</u>	(1.7)
Net premiums written	10,307	10,292	0.1	31,740	30,534	3.9
Net premiums earned	10,130	9,886	2.5	30,502	28,356	7.6
Paid losses	5,439	4,931	10.3	16,203	14,428	12.3
Change in net loss reserves	3,492	3,010	16.0	6,807	7,216	(5.7)
Foreign exchange effect	<u>33</u>	<u>21</u>	57.1	<u>354</u>	<u>(91)</u>	NM
Losses and loss expenses incurred (1)	8,964	7,962	12.6	23,364	21,553	8.4
Statutory underwriting expenses (2)	2,448	2,139	14.4	7,150	6,294	13.6
Underwriting profit (loss) (1) (2) (3)	(1,212)	(121)	NM	77	953	(91.9)
Net investment income						
Interest and dividends	870	676	28.7	2,466	1,924	28.2
Partnership income	153	126	21.4	674	517	30.4
Other income (4)	55	41	34.1	260	226	15.0
Investment expense	<u>(98)</u>	<u>(100)</u>	NM	<u>(333)</u>	<u>(306)</u>	NM
Total	980	743	31.9	3,067	2,361	29.9
<b>Operating income (loss) before realized capital gains (losses) (1) (2)</b>	(232)	622	NM	3,144	3,314	(5.1)
Realized capital gains (losses)	<u>106</u>	<u>(13)</u>	NM	<u>337</u>	<u>176</u>	91.5
<b>Operating income (loss) (1) (2)</b>	<u>\$ (126)</u>	<u>\$ 609</u>	NM %	<u>\$ 3,481</u>	<u>\$ 3,490</u>	(0.3)
<b>Net loss and loss expense reserve</b>				\$ 54,554	\$ 43,954	24.1 %
<b>Underwriting ratios:</b>						
Loss ratio (1)	88.49	80.53		76.60	76.01	
Expense ratio (2)	23.75	20.78		22.53	20.61	
Combined ratio	112.24	101.31		99.13	96.62	
Combined ratio excluding catastrophe losses	91.61	93.87		92.28	94.02	
<b>Foreign exchange impact on growth of worldwide net premiums written:</b>						
Growth in original currency	(0.4) %			3.0 %		
Foreign exchange impact	0.5			0.9		
Growth as reported in U.S. \$	0.1 %			3.9 %		

Note: (1) Includes \$39 million and \$157 million of additional Domestic Brokerage Group losses incurred resulting from increased labor and material costs related to the 2004 Florida hurricanes in the three months and nine months ended September 30, 2005, respectively.

(2) Includes \$100 million accrual for the nine months ended September 30, 2005 to cover current estimate of liability in connection with certain policies of workers compensation insurance written between 1985 and 1996.

(3) Underwriting profit (loss), a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

(4) Other income is comprised principally of real estate income, changes in market value associated with trading portfolios and income from securities lending.

**American International Group, Inc.**  
**General Insurance Operating Statistics**  
**Excluding Catastrophe Losses**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004	% Chg	2005	2004	% Chg
		(Restated)			(Restated)	
Net premiums written (1)	\$ 10,565	\$ 10,292	2.7 %	\$ 31,998	\$ 30,534	4.8 %
Net premiums earned (1)	10,388	9,886	5.1	30,760	28,356	8.5
Losses and loss expenses incurred (1) (2)	7,116	7,226	(1.5)	21,516	20,817	3.4
Statutory underwriting expenses (3)	2,441	2,139	14.1	7,143	6,294	13.5
Underwriting profit (loss) (4)	901	615	46.5	2,190	1,689	29.7
Net investment income (5)	980	743	31.9	3,067	2,361	29.9
<b>Operating income before realized capital gains (losses) (1) (2) (3)</b>	1,881	1,358	38.5	5,257	4,050	29.8
Realized capital gains (losses)	106	(13)	NM	337	176	91.5
<b>Operating income (1) (2) (3)</b>	<u>\$ 1,987</u>	<u>\$ 1,345</u>	47.7 %	<u>\$ 5,594</u>	<u>\$ 4,226</u>	32.4
<b>Net loss and loss expense reserve</b>				\$ 54,554	\$ 43,954	24.1 %
<b>Underwriting ratios:</b>						
Loss ratio (1) (2)	68.50	73.09		69.95	73.41	
Expense ratio (1) (3)	23.11	20.78		22.33	20.61	
Combined ratio	91.61	93.87		92.28	94.02	
<b>Foreign exchange impact on growth of worldwide net premiums written:</b>						
Growth in original currency	2.1 %			3.9 %		
Foreign exchange impact	0.6			0.9		
Growth as reported in U.S. \$	2.7 %			4.8 %		

Note: (1) Net premiums written excludes net reinstatement premium cost of \$258 million for the three months and nine months ended September 30, 2005 and none for the three months and nine months ended September 30, 2004. Losses and loss expenses incurred excludes catastrophe losses of \$1.848 billion and \$736 million for the three months and nine months ended September 30, 2005 and 2004, respectively.

(2) Includes \$39 million and \$157 million of additional Domestic Brokerage Group losses incurred resulting from increased labor and material costs related to the 2004 Florida hurricanes in the three months and nine months ended September 30, 2005, respectively.

(3) Includes \$100 million accrual for the nine months ended September 30, 2005 to cover current estimate of liability in connection with certain policies of workers compensation insurance written between 1985 and 1996.

(4) Underwriting profit (loss), a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

**American International Group, Inc.**  
**Domestic Brokerage Group Insurance Operating Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
Net premiums written (1)	\$ 5,505	\$ 5,749	(4.2) %	\$ 17,077	\$ 16,751	1.9 %
Net premiums earned (1)	5,613	5,517	1.7	16,780	15,537	8.0
Losses and loss expenses incurred (1)(2)	5,577	4,877	14.4	14,382	13,200	9.0
Statutory underwriting expenses (3)	1,055	916	15.2	3,157	2,750	14.8
Underwriting profit (loss) (1)(2)(3)(4)	(969)	(206)	NM	(807)	(153)	NM
Net investment income						
Interest and dividends	522	379	37.7	1,474	1,075	37.1
Partnership income	120	143	(16.1)	378	426	(11.3)
Other income (5)	12	53	(77.4)	187	189	(1.1)
Investment expense	(77)	(86)	NM	(284)	(251)	NM
Total	577	489	18.0	1,755	1,439	22.0
<b>Operating income (loss) before realized capital gains (losses) (1)(2)(3)(4)</b>	<b>(392)</b>	<b>283</b>	<b>NM</b>	<b>948</b>	<b>1,286</b>	<b>(26.3)</b>
Realized capital gains (losses)	80	(6)	NM	236	89	165.2
<b>Operating income (loss) (1)(2)(3)(4)</b>	<b>\$ (312)</b>	<b>\$ 277</b>	<b>NM %</b>	<b>\$ 1,184</b>	<b>\$ 1,375</b>	<b>(13.9) %</b>
<b>Underwriting ratios:</b>						
Loss ratio (1)(2)	99.37	88.41		85.71	84.96	
Expense ratio (1)(3)	19.18	15.93		18.49	16.42	
Combined ratio	118.55	104.34		104.20	101.38	
Combined ratio excluding catastrophe losses	94.24	96.98		96.06	98.77	

Note: (1) Net premiums written includes net reinstatement premium cost of \$122 million for the three months and nine months ended September 30, 2005. Losses and loss expenses incurred includes catastrophe losses of \$1.25 billion and \$406 million for the three months and nine months ended September 30, 2005 and 2004, respectively.

(2) Includes \$39 million and \$157 million of additional losses incurred resulting from increased labor and material costs related to the 2004 Florida hurricanes for the three months and nine months ended September 30, 2005, respectively.

(3) Includes \$100 million accrual for the nine months ended September 30, 2005 to cover current estimate of liability in connection with certain policies of workers compensation insurance written between 1985 and 1996.

(4) Underwriting profit (loss), a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

(5) Other income is comprised principally of real estate income, changes in market value associated with trading portfolios and income from securities lending.

**American International Group, Inc.**  
**Personal Lines Insurance Operating Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
Net premiums written (1)	\$ 1,191	\$ 1,098	8.5 %	\$ 3,550	\$ 3,308	7.3 %
Net premiums earned (1)	1,182	1,088	8.6	3,459	3,194	8.3
Losses and loss expenses incurred (1)	940	826	13.8	2,602	2,397	8.6
Statutory underwriting expenses (1)	282	239	18.0	812	695	16.8
Underwriting profit (loss) (1)(2)	(35)	27	NM	73	131	(44.3)
Net investment income (3)	54	49	10.2	160	137	16.8
<b>Operating income before realized capital gains (losses) (1)(2)</b>	19	76	(75.0)	233	268	(13.1)
Realized capital gains (losses)	(1)	-	NM	(4)	3	NM
<b>Operating income (1)(2)</b>	<u>\$ 18</u>	<u>\$ 76</u>	(76.3) %	<u>\$ 229</u>	<u>\$ 271</u>	(15.5) %
<b>Underwriting ratios:</b>						
Loss ratio (1)	79.51	75.85		75.23	75.04	
Expense ratio (1)	23.68	21.76		22.88	21.00	
Combined ratio	103.19	97.61		98.11	96.04	
Combined ratio excluding catastrophe losses	97.38	95.34		96.14	95.26	

Note: (1) Net premiums written includes net reinstatement premium cost of \$2 million for the three months and nine months ended September 30, 2005. Losses and loss expenses incurred includes catastrophe losses of \$60 million and \$25 million for the three months and nine months ended September 30, 2005 and 2004, respectively. Statutory underwriting expenses includes catastrophe related losses of \$7 million for both the three months and nine months ended September 30, 2005.

(2) Underwriting profit (loss), a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

(3) The majority of the income is attributable to interest and dividends.

**American International Group, Inc.**  
**Mortgage Guaranty (UGC) Insurance Operating Statistics**  
(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
Net premiums written	\$ 149	\$ 163	(8.6) %	\$ 459	\$ 453	1.3 %
Net premiums earned	114	135	(15.6)	397	398	(0.3)
Losses and loss expenses incurred (1)	36	44	(18.2)	96	92	4.3
Statutory underwriting expenses	35	42	(16.7)	106	118	(10.2)
Underwriting profit (1)(2)	40	60	(33.3)	194	216	(10.2)
Net investment income (3)	32	30	6.7	91	89	2.2
<b>Operating income before realized capital gains (losses) (1)</b>	72	90	(20.0)	285	305	(6.6)
Realized capital gains (losses)	-	1	-	-	(2)	-
<b>Operating income (1)</b>	<u>\$ 72</u>	<u>\$ 91</u>	(20.9) %	<u>\$ 285</u>	<u>\$ 303</u>	(5.9) %
<b>Underwriting ratios:</b>						
Loss ratio (1)	31.22	32.57		24.06	22.98	
Expense ratio	23.35	25.71		23.13	26.01	
Combined ratio	54.57	58.28		47.19	48.99	
Combined ratio excluding catastrophe losses	45.64	58.28		44.63	48.99	

Note: (1) Includes catastrophe losses of \$10 million for the three months and nine months ended September 30, 2005.

(2) Underwriting profit, a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

(3) The majority of the income is attributable to interest and dividends.

**American International Group, Inc.**  
**Transatlantic Holdings, Inc. Insurance Operating Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004	% Chg	2005	2004	% Chg
Net premiums written (1)	\$ 858	\$ 987	(13.1) %	\$ 2,627	\$ 2,822	(6.9) %
Net premiums earned (1)	844	940	(10.2)	2,594	2,729	(4.9)
Losses and loss expenses incurred (1)	975	810	20.4	2,232	2,049	8.9
Statutory underwriting expenses	249	266	(6.4)	710	751	(5.5)
Underwriting profit (loss) (1)(2)	(375)	(122)	NM	(342)	(46)	NM
Net investment income (3)	87	75	16.0	256	220	16.4
<b>Operating income before realized capital gains (losses) (1)</b>	(288)	(47)	NM	(86)	174	NM
Realized capital gains (losses)	13	4	225.0	24	14	71.4
<b>Operating income (loss) (1)</b>	\$ (275)	\$ (43)	NM %	\$ (62)	\$ 188	NM %
<b>Underwriting ratios:</b>						
Loss ratio (1)	115.42	86.12		86.05	75.09	
Expense ratio (1)	28.94	26.89		27.00	26.61	
Combined ratio	144.36	113.01		113.05	101.70	
Combined ratio excluding catastrophe losses	97.70	95.47		97.86	95.66	

Note: (1) Net premiums written includes net reinstatement premium cost of \$40 million for the three months and nine months ended September 30, 2005. Losses and loss expenses incurred includes catastrophe losses of \$355 million and \$165 million for the three months and nine months ended September 30, 2005 and 2004, respectively.

(2) Underwriting profit (loss), a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

(3) The majority of the income is attributable to interest and dividends.

**American International Group, Inc.**  
**Foreign General Insurance Operating Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004	% Chg	2005	2004	% Chg
	_____	(Restated)		_____	(Restated)	
Net premiums written (1)	\$ 2,604	\$ 2,295	13.5 %	\$ 8,027	\$ 7,200	11.5 %
Net premiums earned (1)	2,377	2,206	7.8	7,272	6,498	11.9
Losses and loss expenses incurred (1)	1,436	1,405	2.2	4,052	3,815	6.2
Statutory underwriting expenses (2)	827	676	22.3	2,365	1,980	19.4
Underwriting profit (1)(2)(3)	127	120	5.8	959	805	19.1
Net investment income						
Interest and dividends	179	142	26.1	497	409	21.5
Partnership income	28	(17)	NM	287	85	237.6
Other income (4)	41	(16)	NM	60	25	140.0
Investment expense	(19)	(9)	NM	(40)	(43)	NM
Total	229	100	129.0	804	476	68.9
<b>Operating income before realized capital gains (losses) (1)(2)</b>	356	220	61.8	1,763	1,281	37.6
Realized capital gains (losses)	10	(18)	NM	72	50	44.0
<b>Operating income (1)(2)</b>	<u>\$ 366</u>	<u>\$ 202</u>	81.2 %	<u>\$ 1,835</u>	<u>\$ 1,331</u>	37.9 %
<b>Underwriting ratios:</b>						
Loss ratio (1)	60.42	63.70		55.72	58.72	
Expense ratio (1)(2)	31.79	29.51		29.46	27.51	
Combined ratio	92.21	93.21		85.18	86.23	
Combined ratio excluding catastrophe losses	81.80	86.85		81.78	84.07	
<b>Foreign exchange impact on growth of Foreign General net premiums written:</b>						
Growth in original currency	11.5 %			8.2 %		
Foreign exchange impact	2.0			3.3		
Growth as reported in U.S. \$	13.5 %			11.5 %		

Note: (1) Net premiums written includes net reinstatement premium cost of \$94 million for the three months and nine months ended September 30, 2005. Losses and loss expenses incurred includes catastrophe losses of \$173 million and \$140 million for the three months and nine months ended September 30, 2005 and 2004, respectively.

(2) Includes the results of wholly owned AIU agencies.

(3) Underwriting profit, a GAAP measure, is statutory underwriting profit (loss) adjusted primarily for changes in the deferral of policy acquisition costs. This adjustment is necessary to present the financial statements in accordance with GAAP.

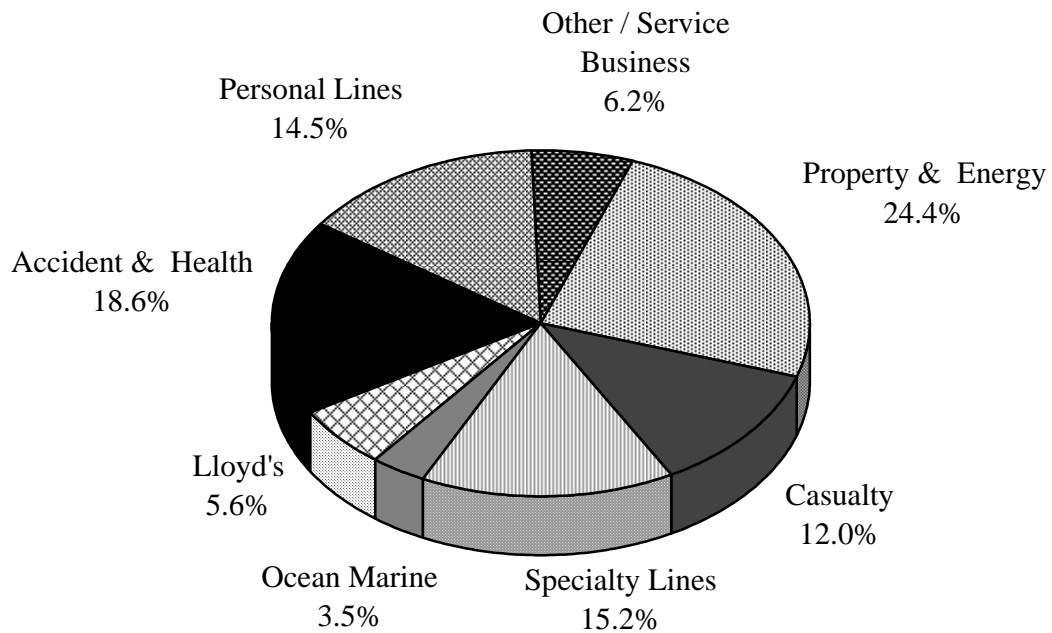
(4) Other income is comprised principally of real estate income, changes in market value associated with trading portfolios and income from securities lending.

# American International Group, Inc.

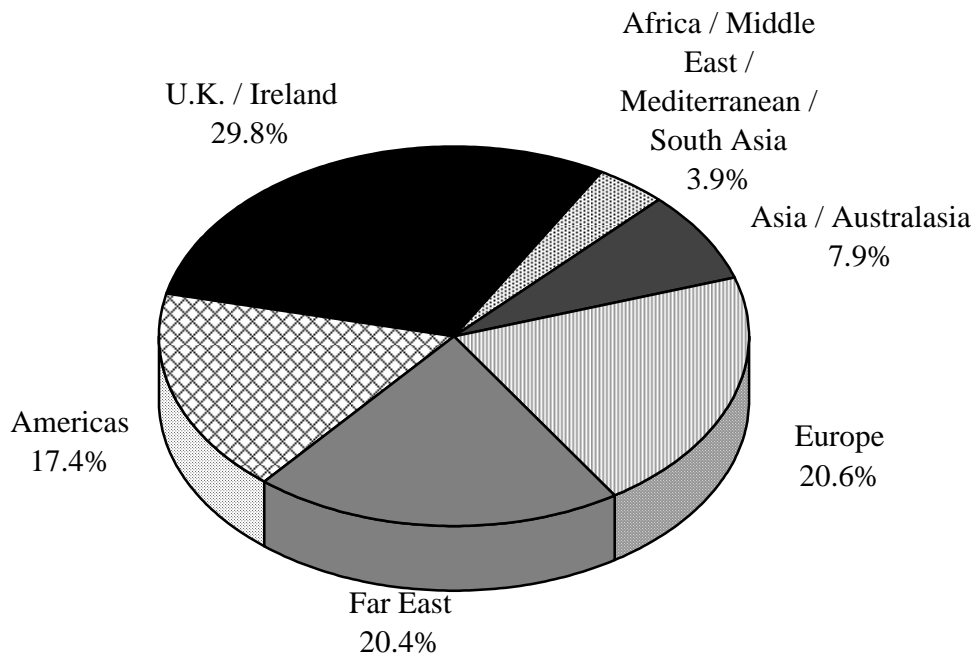
## Foreign General Insurance

Nine Months Ended September 30, 2005

### Gross Premiums Written by Division



### Gross Premiums Written by Region



**Gross Premiums Written**  
**\$13.0 billion**

**American International Group, Inc.**  
**Life Insurance & Retirement Services Operating Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>Premiums, deposits and other considerations (1)</b>	\$ <u>15,422</u>	\$ <u>17,229</u>	(10.5) %	\$ <u>50,986</u>	\$ <u>50,552</u>	0.9 %
<b>Revenues:</b>						
GAAP premiums (2)	\$ 7,114	\$ 7,351	(3.2) %	\$ 21,968	\$ 21,062	4.3 %
Net investment income	4,649	3,758	23.7	13,129	11,202	17.2
Pricing net investment gains (3)	<u>88</u>	<u>31</u>	183.9	<u>269</u>	<u>176</u>	52.8
<b>Total revenues including pricing net investment gains and excluding realized capital gains (losses)</b>	<u>11,851</u>	<u>11,140</u>	6.4	<u>35,366</u>	<u>32,440</u>	9.0
<b>Total benefits and expenses</b>	<u>9,516</u>	<u>9,072</u>	4.9	<u>28,309</u>	<u>26,288</u>	7.7
<b>Operating income including pricing net investment gains and excluding realized capital gains (losses)</b>	2,335	2,068	12.9	7,057	6,152	14.7
Realized capital gains (losses) (3)	<u>(210)</u>	<u>(441)</u>	NM	<u>(358)</u>	<u>(459)</u>	NM
<b>Operating income (4)</b>	\$ <u>2,125</u>	\$ <u>1,627</u>	30.6 %	\$ <u>6,699</u>	\$ <u>5,693</u>	17.7 %
<b>Worldwide foreign exchange impact on growth of:</b>						
<b>GAAP premiums (2)</b>						
Growth in original currency	(5.0) %			1.6 %		
Foreign exchange impact	1.8			2.7		
Growth as reported in U.S. \$	(3.2)			4.3		
<b>Premiums, deposits and other considerations (1)</b>						
Growth in original currency	(11.5)			(0.9)		
Foreign exchange impact	1.0			1.8		
Growth as reported in U.S. \$	(10.5) %			0.9 %		

	September 30, 2005	December 31, 2004
<b>Life insurance in-force (5)</b>	\$ 1,866,343	\$ 1,858,094

- Note: (1) Premiums, deposits and other considerations represent aggregate business activity during the respective periods presented on a non-GAAP basis.
- (2) Includes approximately \$640 million of a single premium from a reinsurance transaction involving terminal funding pension business, which is offset by a similar increase in benefit reserves, in the three months and nine months ended September 30, 2004.
- (3) For purposes of this presentation, pricing net investment gains are segregated out of total realized capital gains (losses). They represent certain amounts of realized capital gains where gains are an inherent element in pricing certain life products in some foreign countries.
- (4) Includes \$12 million and \$5 million of catastrophe related losses for both the three months and nine months ended September 30, 2005 and 2004, respectively.
- (5) 2005 includes the effect of the non-renewal of a single large group life case of \$36 billion and 2005 and 2004 include Tata AIG Life Insurance Company, Ltd.

**American International Group, Inc.**  
**Domestic Life Insurance & Retirement Services Operating Statistics**  
(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>Premiums, deposits and other considerations (1)</b>	\$ <u>5,547</u>	\$ <u>6,597</u>	(15.9) %	\$ <u>18,180</u>	\$ <u>20,915</u>	(13.1) %
<b>Revenues:</b>						
GAAP premiums	\$ 1,606	\$ 1,591	0.9 %	\$ 4,770	\$ 4,640	2.8 %
Net investment income	<u>2,450</u>	<u>2,343</u>	4.6	<u>7,349</u>	<u>6,975</u>	5.4
<b>Total revenues excluding realized capital gains (losses)</b>	<u>4,056</u>	<u>3,934</u>	3.1	<u>12,119</u>	<u>11,615</u>	4.3
<b>Total benefits and expenses</b>	<u>3,156</u>	<u>3,070</u>	2.8	<u>9,305</u>	<u>8,958</u>	3.9
<b>Operating income before realized capital gains (losses)</b>	900	864	4.2	2,814	2,657	5.9
Realized capital gains (losses)	<u>(114)</u>	<u>(76)</u>	NM	<u>(199)</u>	<u>(159)</u>	NM
<b>Operating income (2)</b>	\$ <u>786</u>	\$ <u>788</u>	(0.3) %	\$ <u>2,615</u>	\$ <u>2,498</u>	4.7 %

	September 30, December 31,	
	2005	2004
<b>Life insurance in-force (3)</b>	\$ 803,445	\$ 772,251

- Note: (1) Premiums, deposits and other considerations represent aggregate business activity during the respective periods presented on a non-GAAP basis.  
(2) Includes \$12 million and \$5 million of catastrophe related losses for both the three months and nine months ended September 30, 2005 and 2004, respectively.  
(3) Includes the effect of the non-renewal of a single large group life case of \$36 billion as of September 30, 2005.

**American International Group, Inc.**  
**Domestic Life Insurance & Retirement Services Product Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>GAAP premiums:</b>						
Life insurance	\$ 522	\$ 502	4.0 %	\$ 1,555	\$ 1,411	10.2 %
Home service	201	202	(0.5)	606	612	(1.0)
Group life/health	256	303	(15.5)	755	858	(12.0)
Payout annuities (1)	375	372	0.8	1,118	1,126	(0.7)
Retirement services						
Group retirement products	91	77	18.2	261	231	13.0
Individual fixed annuities	24	15	60.0	72	43	67.4
Individual variable annuities	119	101	17.8	345	300	15.0
Individual annuities - runoff (2)	18	19	(5.3)	58	59	(1.7)
<b>Total GAAP premiums</b>	<u>1,606</u>	<u>1,591</u>	0.9	<u>4,770</u>	<u>4,640</u>	2.8
<b>Premiums, deposits and other considerations (3):</b>						
Life insurance	798	762	4.7	2,399	2,141	12.1
Home service	232	240	(3.3)	716	730	(1.9)
Group life/health	256	306	(16.3)	756	848	(10.8)
Payout annuities	550	518	6.2	1,624	1,638	(0.9)
Retirement services						
Group retirement products	1,384	1,450	(4.6)	4,161	4,141	0.5
Individual fixed annuities	1,498	2,348	(36.2)	5,912	7,966	(25.8)
Individual variable annuities	781	916	(14.7)	2,457	3,257	(24.6)
Individual annuities - runoff (2)	48	57	(15.8)	155	194	(20.1)
<b>Total premiums, deposits and other considerations</b>	<u>5,547</u>	<u>6,597</u>	(15.9)	<u>18,180</u>	<u>20,915</u>	(13.1)
<b>Net investment income:</b>						
Life insurance	311	318	(2.2)	1,035	963	7.5
Home service	146	150	(2.7)	447	448	(0.2)
Group life/health	36	32	12.5	104	93	11.8
Payout annuities	230	200	15.0	679	600	13.2
Retirement services						
Group retirement products	569	550	3.5	1,665	1,617	3.0
Individual fixed annuities	863	772	11.8	2,509	2,267	10.7
Individual variable annuities	54	58	(6.9)	165	180	(8.3)
Individual annuities - runoff (2)	241	263	(8.4)	745	807	(7.7)
<b>Total net investment income</b>	<u>2,450</u>	<u>2,343</u>	4.6	<u>7,349</u>	<u>6,975</u>	5.4
<b>Operating income before realized capital gains (losses):</b>						
Life insurance	174	188	(7.4)	577	544	6.1
Home service	62	64	(3.1)	211	219	(3.7)
Group life/health	17	1	NM	60	36	66.7
Payout annuities	20	33	(39.4)	114	99	15.2
Retirement services						
Group retirement products	284	272	4.4	834	806	3.5
Individual fixed annuities	271	212	27.8	763	663	15.1
Individual variable annuities	41	52	(21.2)	128	152	(15.8)
Individual annuities - runoff (2)	31	42	(26.2)	127	138	(8.0)
<b>Total operating income before realized capital gains (losses) (4)</b>	<u>900</u>	<u>864</u>	4.2	<u>2,814</u>	<u>2,657</u>	5.9
Realized capital gains (losses)	(114)	(76)	NM	(199)	(159)	NM
<b>Domestic operating income (4)</b>	<u>\$ 786</u>	<u>\$ 788</u>	(0.3) %	<u>\$ 2,615</u>	<u>\$ 2,498</u>	4.7 %

Note: (1) Includes structured settlements, single premium immediate annuities and terminal funding annuities.

(2) Represents runoff annuity business sold through discontinued distribution relationships.

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

(4) Includes \$12 million and \$5 million of catastrophe related losses for the three months and nine months ended September 30, 2005 and 2004, respectively.

**American International Group, Inc.**  
**Domestic Life Insurance & Retirement Services Other Data**  
(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004	% Chg	2005	2004	% Chg
<b>Life insurance</b>						
Periodic premium sales (1):						
Individual/retail	\$ 148	\$ 118	25.4 %	\$ 401	\$ 353	13.6 %
Institutional markets	2	5	(60.0)	4	25	(84.0)
<b>Total periodic sales</b>	150	123	22.0	405	378	7.1
Unscheduled and single deposits	59	82	(28.0)	414	302	37.1
Life insurance reserves				21,475	19,948	7.7
<b>Home service</b>						
Life/Accident & Health sales (1)	25	25	-	80	84	(4.8)
Fixed annuity sales	20	27	(25.9)	77	82	(6.1)
Total insurance reserves				7,248	7,146	1.4
<b>Group life/health</b>						
Annualized earned premium				1,104	1,260	(12.4)
<b>Payout annuities</b>						
Insurance reserves				12,319	10,752	14.6
<b>Group retirement products</b>						
Deposits (2)	1,599	1,774	(9.9)	4,838	4,930	(1.9)
<b>Net flows</b>						
Group retirement products (2)	75	884	(91.5)	976	1,678	(41.8)
Individual fixed annuities	474	1,700	(72.1)	3,161	6,185	(48.9)
Individual variable annuities	(58)	261	NM	81	1,342	(94.0)
<b>Subtotal</b>	491	2,845	(82.7)	4,218	9,205	(54.2)
Individual annuities - runoff	(427)	(343)	NM	(1,271)	(947)	NM
<b>Total</b>	\$ 64	\$ 2,502	(97.4) %	\$ 2,947	\$ 8,258	(64.3) %
<b>Surrender rates</b>						
Group retirement products (2)	10.7% (3)	6.9%		9.2% (3)	8.5% (3)	
Individual fixed annuities	8.3%	5.9%		7.6%	5.7%	
Individual variable annuities	12.2%	10.7%		11.8%	10.4%	

Note: (1) Life insurance sales represent premiums from new sales that are expected to be collected over a one year period.  
(2) Includes group retirement annuities and group mutual funds.  
(3) Excluding the loss of a single account declined to be written at an inadequate profit level in the three months ended September 30, 2005 as well as in 2004, the surrender rate was 8.2 percent for the three months ended September 2005, and 8.1 percent and 6.9 percent for the nine months ended September 30, 2005 and 2004, respectively.

**American International Group, Inc.**  
**Domestic Life Insurance & Retirement Services Other Data**  
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<b>Spread information</b>				
<b>Group Retirement Products</b>				
Base investment income	\$ 512	\$ 502	\$ 1,529	\$ 1,490
Partnerships	49	21	74	52
Other enhancements	8	27	62	75
<b>Total net investment income</b>	<b>\$ 569</b>	<b>\$ 550</b>	<b>\$ 1,665</b>	<b>\$ 1,617</b>
Base Yield	6.20%	6.32%	6.24%	6.37%
Partnerships (1)	0.37%	0.13%	0.11%	0.08%
Other enhancements (2)	0.10%	0.34%	0.26%	0.32%
<b>Total</b>	<b>6.67%</b>	<b>6.79%</b>	<b>6.61%</b>	<b>6.77%</b>
Cost of funds	3.80%	3.85%	3.74%	3.84%
Net spread rate, as reported	2.87%	2.94%	2.87%	2.93%
Net spread rate excluding partnerships and other enhancements	2.40%	2.47%	2.50%	2.53%
<b>Individual Fixed Annuities</b>				
Base investment income	\$ 798	\$ 728	\$ 2,353	\$ 2,109
Partnerships	66	26	114	83
Other enhancements	(1)	18	42	75
<b>Total net investment income</b>	<b>\$ 863</b>	<b>\$ 772</b>	<b>\$ 2,509</b>	<b>\$ 2,267</b>
Base Yield	5.84%	5.98%	5.87%	6.06%
Partnerships (1)	0.33%	0.07%	0.14%	0.09%
Other enhancements (2)	-0.01%	0.15%	0.10%	0.21%
<b>Total</b>	<b>6.16%</b>	<b>6.20%</b>	<b>6.11%</b>	<b>6.36%</b>
Cost of funds	3.56%	3.73%	3.56%	3.76%
Net spread rate, as reported	2.61%	2.47%	2.56%	2.60%
Net spread rate excluding partnerships and other enhancements	2.28%	2.25%	2.31%	2.30%
<b>Individual Variable Annuities</b>				
Base investment income	\$ 53	\$ 58	\$ 157	\$ 171
Other enhancements	1	-	8	9
<b>Total net investment income</b>	<b>\$ 54</b>	<b>\$ 58</b>	<b>\$ 165</b>	<b>\$ 180</b>
Base Yield	5.51%	5.59%	5.45%	5.49%
Other enhancements (2)	0.15%	-0.02%	0.27%	0.29%
<b>Total</b>	<b>5.66%</b>	<b>5.57%</b>	<b>5.72%</b>	<b>5.78%</b>
Cost of funds	3.11%	3.20%	3.09%	3.18%
Net spread rate, as reported	2.55%	2.37%	2.63%	2.59%
Net spread rate excluding other enhancements	2.40%	2.39%	2.36%	2.30%
<b>General and separate account reserves</b>				
Group retirement products (3)			\$ 58,414	\$ 53,134
Individual fixed annuities			54,028	49,056
Individual variable annuities			27,686	24,981
Individual annuities - runoff			19,488	20,904
<b>Total</b>			<b>\$ 159,616</b>	<b>\$ 148,075</b>

Note: (1) Includes incremental impact to base yield of investments in hedge funds and private equity funds.

(2) Includes incremental impact to base yield of gains on calls, dollar roll income, prepayment fees and trading gains (losses).

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

**American International Group, Inc.**  
**Foreign Life Insurance & Retirement Services Operating Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>Premiums, deposits and other considerations (1)</b>	\$ <u>9,875</u>	\$ <u>10,632</u>	(7.1) %	\$ <u>32,806</u>	\$ <u>29,637</u>	10.7 %
<b>Revenues:</b>						
GAAP premiums (2)	\$ 5,508	\$ 5,760	(4.4) %	\$ 17,198	\$ 16,422	4.7 %
Net investment income	2,199	1,415	55.4	5,780	4,227	36.7
Pricing net investment gains (3)	<u>88</u>	<u>31</u>	183.9	<u>269</u>	<u>176</u>	52.8
<b>Total revenues including pricing net investment gains and excluding realized</b>	<u>7,795</u>	<u>7,206</u>	8.2	<u>23,247</u>	<u>20,825</u>	11.6
<b>Total benefits and expenses</b>	<u>6,360</u>	<u>6,002</u>	6.0	<u>19,004</u>	<u>17,330</u>	9.7
<b>Operating income including pricing net investment gains and excluding realized capital gains (losses)</b>	1,435	1,204	19.2	4,243	3,495	21.4
Realized capital gains (losses) (3)	<u>(96)</u>	<u>(365)</u>	NM	<u>(159)</u>	<u>(300)</u>	NM
<b>Operating income</b>	\$ <u>1,339</u>	\$ <u>839</u>	59.6 %	\$ <u>4,084</u>	\$ <u>3,195</u>	27.8 %
<b>Worldwide foreign exchange impact on growth of:</b>						
<b>GAAP premiums (2)</b>						
Growth in original currency	(6.6) %			1.2 %		
Foreign exchange impact	2.2			3.5		
Growth as reported in U.S. \$	(4.4)			4.7		
<b>Premiums, deposits and other considerations (1)</b>						
Growth in original currency	(8.8)			7.8		
Foreign exchange impact	1.7			2.9		
Growth as reported in U.S. \$	(7.1) %			10.7 %		

	September 30,	December 31,
	2005	2004
<b>Life insurance in-force (4)</b>	\$ 1,062,898	\$ 1,085,843

- Note: (1) Premiums, deposits and other considerations represent aggregate business activity during the respective periods presented on a non-GAAP basis.
- (2) Includes approximately \$640 million of a single premium from a reinsurance transaction involving terminal funding pension business, which is offset by a similar increase in benefit reserves, in the three months and nine months ended September 30, 2004.
- (3) For purposes of this presentation, pricing net investment gains are segregated out of total realized capital gains (losses). They represent certain amounts of realized capital gains where gains are an inherent element in pricing certain life products in some foreign countries.
- (4) Includes Tata AIG Life Insurance Company, Ltd.

**American International Group, Inc.**  
**Foreign Life Insurance & Retirement Services Product Statistics**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>GAAP premiums:</b>						
Life insurance	\$ 3,674	\$ 3,526	4.2 %	\$ 11,675	\$ 11,096	5.2 %
Personal accident & health	1,258	1,084	16.1	3,746	3,171	18.1
Group products (1)	469	1,028	(54.4)	1,447	1,828	(20.8)
Retirement services						
Individual fixed annuities	81	106	(23.6)	257	282	(8.9)
Individual variable annuities	26	16	62.5	73	45	62.2
<b>Total GAAP premiums</b>	<u>5,508</u>	<u>5,760</u>	(4.4)	<u>17,198</u>	<u>16,422</u>	4.7
<b>Premiums, deposits and other considerations (2):</b>						
Life insurance	4,844	4,313	12.3	15,959	13,610	17.3
Personal accident & health	1,274	1,083	17.6	3,779	3,204	17.9
Group products	763	1,292	(40.9)	2,400	2,703	(11.2)
Retirement services						
Individual fixed annuities	2,406	3,528	(31.8)	9,087	8,892	2.2
Individual variable annuities	588	416	41.3	1,581	1,228	28.7
<b>Total premiums, deposits and other considerations</b>	<u>9,875</u>	<u>10,632</u>	(7.1)	<u>32,806</u>	<u>29,637</u>	10.7
<b>Net investment income:</b>						
Life insurance	1,270	1,024	24.0	3,583	3,041	17.8
Personal accident & health	66	46	43.5	176	133	32.3
Group products	158	107	47.7	425	308	38.0
Retirement services						
Individual fixed annuities	486	254	91.3	1,240	680	82.4
Individual variable annuities	229	(12)	NM	382	78	389.7
Intercompany adjustments	(10)	(4)	NM	(26)	(13)	NM
<b>Total net investment income</b>	<u>2,199</u>	<u>1,415</u>	55.4	<u>5,780</u>	<u>4,227</u>	36.7
<b>Pricing net investment gains (3)</b>	<u>88</u>	<u>31</u>	183.9	<u>269</u>	<u>176</u>	52.8
<b>Operating income excluding pricing net investment gains and realized capital gains (losses):</b>						
Life insurance	842	740	13.8	2,484	2,119	17.2
Personal accident & health	325	299	8.7	989	850	16.4
Group products	81	62	30.6	236	196	20.4
Retirement services						
Individual fixed annuities	99	73	35.6	266	161	65.2
Individual variable annuities	10	3	233.3	25	6	316.7
Intercompany adjustments	(10)	(4)	NM	(26)	(13)	NM
<b>Total operating income including pricing net investments gains and excluding realized capital gains (losses)</b>	<u>1,435</u>	<u>1,204</u>	19.2	<u>4,243</u>	<u>3,495</u>	21.4
Realized capital gains (losses) (3)	(96)	(365)	NM	(159)	(300)	NM
<b>Foreign operating income</b>	<u>\$ 1,339</u>	<u>\$ 839</u>	59.6 %	<u>\$ 4,084</u>	<u>\$ 3,195</u>	27.8 %

- Note: (1) Includes approximately \$640 million of a single premium from a reinsurance transaction involving terminal funding pension business, which is offset by a similar increase in benefit reserves, in the three months and nine months ended September 30, 2004.
- (2) Premiums, deposits and other considerations represent aggregate business activity during the respective periods presented on a non-GAAP basis.
- (3) For purposes of this presentation, pricing net investment gains are segregated out of total realized capital gains (losses). They represent certain amounts of realized capital gains where gains are an inherent element in pricing certain life products in some foreign countries.

**American International Group, Inc.**  
**Foreign Life Insurance & Retirement Services Other Data**

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>First year premiums (1)</b>						
<b>Life insurance</b>						
Japan	\$ 246	\$ 167	47.3 %	\$ 766	\$ 513	49.3 %
China	32	26	23.1	88	82	7.3
Asia excluding Japan and China (2)	387	357	8.4	1,519	1,170	29.8
All other regions	50	47	6.4	148	144	2.8
<b>Total</b>	<u>715</u>	<u>597</u>	19.8	<u>2,521</u>	<u>1,909</u>	32.1
<b>Personal accident &amp; health</b>						
Japan	195	178	9.6	564	534	5.6
China	8	8	-	24	23	4.3
Asia excluding Japan and China	81	61	32.8	219	180	21.7
All other regions	27	25	8.0	81	76	6.6
<b>Total</b>	<u>311</u>	<u>272</u>	14.3	<u>888</u>	<u>813</u>	9.2
<b>Group products</b>						
Japan	3	4	(25.0)	10	17	(41.2)
Asia excluding Japan and China	32	32	-	103	59	74.6
All other regions	167	149	12.1	503	485	3.7
<b>Total</b>	<u>202</u>	<u>185</u>	9.2	<u>616</u>	<u>561</u>	9.8
<b>Total first year premiums</b>						
Japan	444	349	27.2	1,340	1,064	25.9
China	40	34	17.6	112	105	6.7
Asia excluding Japan and China	500	450	11.1	1,841	1,409	30.7
All other regions	244	221	10.4	732	705	3.8
<b>Total</b>	<u>1,228</u>	<u>1,054</u>	16.5	<u>4,025</u>	<u>3,283</u>	22.6
<b>Total annuity production</b>						
Japan	2,413	3,577	(32.5)	9,322	9,192	1.4
China	8	-	NM	66	-	NM
Asia excluding Japan and China	144	157	(8.3)	262	352	(25.6)
All other regions	430	210	104.8	1,018	576	76.7
<b>Total</b>	<u>\$ 2,995</u>	<u>\$ 3,944</u>	(24.1) %	<u>10,668</u>	<u>10,120</u>	5.4
<b>Life insurance reserves as of September 30,</b>						
Life insurance				92,041	81,200	13.4
Personal accident & health				5,743	4,635	23.9
Group products				7,981	7,168	11.3
<b>Retirement services reserves as of September 30,</b>						
Individual fixed annuities				39,540	27,120	45.8
Individual variable annuities				5,368	3,385	58.6
<b>Policy and contract claims reserves as of September 30,</b>						
Personal accident & health				431	390	10.5
Group medical				\$ 215	\$ 198	8.6 %

Note: (1) Represents premium recorded within the first policy year from new sales and generally includes 10 percent of single premium receipts for Life Insurance products and an equivalent amount for limited pay, short duration products.

(2) The majority of the increase is attributable to significant new sales generated by limited pay, short duration endowments written in Nan Shan for the nine month period ended September 30, 2004.

# American International Group, Inc.

## Financial Services Operating Statistics

(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>Revenues:</b>						
Aircraft Finance	\$ 943	\$ 808	16.7 %	\$ 2,661	\$ 2,320	14.7 %
Capital Markets (1)	390	388	0.5	956	1,028	(7.0)
Consumer Finance	940	762	23.4	2,664	2,178	22.3
Other	20	26	(23.1)	61	79	(22.8)
Total revenues before FAS 133	2,293	1,984	15.6	6,342	5,605	13.1
FAS 133 (2):						
AIGFP	(359)	805	NM	1,750	730	139.7
<b>Total revenues</b>	<b>\$ 1,934</b>	<b>\$ 2,789</b>	<b>(30.7) %</b>	<b>\$ 8,092</b>	<b>\$ 6,335</b>	<b>27.7 %</b>
<b>Operating income:</b>						
Aircraft Finance	\$ 175	\$ 183	(4.4) %	\$ 535	\$ 497	7.6 %
Capital Markets (1)	217	211	2.8	508	536	(5.2)
Consumer Finance	198	208	(4.8)	677	593	14.2
Other	11	18	(38.9)	24	52	(53.8)
Operating income before FAS 133 (2)	601	620	(3.1)	1,744	1,678	3.9
FAS 133 (2):						
ILFC	(10)	(20)	NM	(59)	(31)	NM
AIGFP	(359)	805	NM	1,750	730	139.7
Total FAS 133	(369)	785	NM	1,691	699	141.9
<b>Total operating income (3)</b>	<b>\$ 232</b>	<b>\$ 1,405</b>	<b>(83.5) %</b>	<b>\$ 3,435</b>	<b>\$ 2,377</b>	<b>44.5 %</b>

Note: (1) Certain transactions entered into by AIGFP generate tax credits and benefits which are included in income taxes on the consolidated statement of income. The amount of tax credits and benefits for the three months ended September 30, 2005 and 2004 are \$23 million and \$24 million respectively, and \$63 million and \$88 million for the nine months ended September 30, 2005 and 2004, respectively.

(2) Includes the unrealized gain (loss) attributable to economic hedges not qualifying for hedge accounting treatment under FAS 133, including the related foreign exchange gains and losses.

(3) Includes \$62 million of catastrophe related losses for both the three months and nine months ended September 30, 2005.

**American International Group, Inc.**  
**International Lease Finance Corporation (ILFC)**  
**Aircraft Leases, Orders and Options**  
September 30, 2005

<u>Aircraft Type:</u>	<u>Number of Aircraft</u>		
<u>Aircraft Type:</u>	<u>In Fleet</u>	<u>Orders</u>	<u>Options</u>
<b><u>Airbus:</u></b>			
A300-600R	6	0	0
A310-200	0	0	0
A310-300	7	0	0
A318	0	0	0
A319	84	59	0
A320-200	108	74	0
A321-100	12	0	0
A321-200	42	33	0
A330-200	47	18	0
A330-300	17	7	0
A340-300	15	0	0
A340-600	8	7	0
A380	0	5	0
A380F	0	5	0
<b><u>Boeing:</u></b>			
737-300/400/500	58	0	0
737-600/700/800	144	72	9
747-300	2	0	0
747-400	13	2	0
747-400ERF	4	0	0
757-200	64	0	0
767-200	4	0	0
767-300	52	1	0
777-200B	31	11	0
777-300	15	17	3
<b><u>McDonnell Douglas:</u></b>			
MD-11	8	0	0
MD-82/MD-83	8	0	0
DC10-30	2	0	0
<b>Total</b>	<b>751</b>	<b>311</b>	<b>12</b>

In fleet includes 17 finance leases.

Orders include 3 used aircraft commitments.

**American International Group, Inc.**  
**Asset Management Operating Statistics (1)**  
(dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004 (Restated)	% Chg	2005	2004 (Restated)	% Chg
<b>Revenues:</b>						
Guaranteed investment contracts						
Domestic	\$ 719	\$ 658	9.3 %	\$ 2,201	\$ 1,966	12.0 %
Foreign	171	98	74.5	488	294	66.0
Institutional asset management (2)	279	248	12.5	776	729	6.4
Brokerage service and mutual funds	67	62	8.1	192	185	3.8
Other	94	45	108.9	269	168	60.1
<b>Total</b>	<u>\$ 1,330</u>	<u>\$ 1,111</u>	19.7 %	<u>\$ 3,926</u>	<u>\$ 3,342</u>	17.5 %
<b>Operating income (3):</b>						
Guaranteed investment contracts						
Domestic	\$ 240	\$ 202	18.8 %	\$ 746	\$ 672	11.0 %
Foreign	18	11	63.6	48	31	54.8
Institutional asset management (2)	78	83	(6.0)	235	197	19.3
Brokerage service and mutual funds	20	17	17.6	50	54	(7.4)
Other	92	42	119.0	262	160	63.8
<b>Total excluding FIN46R and FAS 133</b>	448	355	26.2	1,341	1,114	20.4
FIN46R (4):						
Institutional asset management	77	115	(33.0)	189	147	28.6
FAS 133:						
Guaranteed investment contracts	18	90	(80.0)	127	241	(47.3)
<b>Total including FIN46R and FAS 133</b>	<u>\$ 543</u>	<u>\$ 560</u>	(3.0) %	<u>\$ 1,657</u>	<u>\$ 1,502</u>	10.3 %

- Note: (1) AIG's third party assets under management, including mutual funds and institutional accounts, totaled approximately \$59 billion at September 30, 2005, and over \$47 billion at September 30, 2004.
- (2) Includes AIG Global Investment Group and certain smaller asset management operations.
- (3) Includes \$6 million of catastrophe related losses in both the three months and nine months ended September 30, 2005.
- (4) Includes the results of certain AIG managed private equity and real estate funds that are consolidated effective December 31, 2003 pursuant to FIN46R, "Consolidation of Variable Interest Entities".

**American International Group, Inc.**  
**Asset Management Other Data**  
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<b>Guaranteed investment contracts:</b>				
<b>Deposits</b>				
Domestic	\$ 4	\$ 1,964	\$ 2,255	\$ 8,771
Foreign	1,823	1,876	5,598	3,995
<b>Total</b>	<u>1,827</u>	<u>3,840</u>	<u>7,853</u>	<u>12,766</u>
<b>Reserves</b>				
Domestic			40,424	44,229
Foreign			9,262	8,069
<b>Total</b>			<u>49,686</u>	<u>52,298</u>
<b>Domestic Spread Information</b>				
Base investment income	549	565	1,682	1,649
Partnerships	143	73	439	236
Other enhancements	26	20	80	81
<b>Total net investment income</b>	<u>\$ 718</u>	<u>\$ 658</u>	<u>\$ 2,201</u>	<u>\$ 1,966</u>
Base Yield	5.34%	5.25%	5.28%	5.38%
Partnerships (1)	0.82%	0.27%	0.85%	0.36%
Other enhancements (2)	0.25%	0.18%	0.25%	0.26%
<b>Total</b>	6.41%	5.70%	6.38%	6.00%
Cost of funds	4.33%	4.08%	4.07%	3.27%
Net spread rate, as reported	2.08%	1.63%	2.31%	2.73%
Net spread rate excluding partnerships and other enhancements	1.02%	1.17%	1.21%	2.11%

Note: (1) Includes incremental impact to base yield of investments in hedge funds, private equity funds and affordable multi-housing partnerships.

(2) Includes incremental impact to base yields of gains on calls, dollar roll income, prepayment fees and trading gains (losses).

**American International Group, Inc.**  
**Other Income (Deductions) - net**  
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004 (Restated)	2005	2004 (Restated)
Income from unconsolidated subsidiaries	\$ (211)	\$ (17)	\$ (115)	\$ 84
Pension and stock compensation expense	(107)	(8)	(255)	(84)
Interest expense	(123)	(109)	(358)	(321)
Unallocated corporate overhead and related	(95)	(41)	(209)	(182)
FAS 133 adjustment	145	(275)	642	8
Other	(1)	-	(34)	-
Total other income (deductions) - net	\$ <u>(392)</u>	\$ <u>(450)</u>	\$ <u>(329)</u>	\$ <u>(495)</u>

# American International Group, Inc.

## Cash and Invested Assets

September 30, 2005

(dollars in millions)

	General Insurance	Life Insurance & Retirement Services	Financial Services	Asset Management	Other	Total Company	Percent of Total
Bonds held to maturity, at amortized cost	\$ 21,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,532	3.1 %
Bonds available for sale, at market value	47,406	277,402	1,352	36,034	0	362,194	52.7
Bonds trading securities, at market value	0	951	0	3,024	0	3,975	0.6
Preferred stocks, at market value	1,526	733	10	0	0	2,269	0.3
Common stocks available for sale, at market value	4,876	7,022	0	263	207	12,368	1.8
Common stocks trading, at market value	377	7,278	0	443	0	8,098	1.2
Policy loans	3	7,029	2	48	0	7,082	1.0
Collateral and guaranteed loans - net	4	1,281	155	497	320	2,257	0.3
Mortgage loans on real estate - net	15	9,830	73	4,284	0	14,202	2.1
Investment income due and accrued	1,087	4,416	17	434	1	5,955	0.9
Real estate	600	2,992	25	909	32	4,558	0.7
Flight equipment under operating leases, net of accumulated depreciation	0	0	35,535	0	0	35,535	5.2
Finance receivables, net of allowance	0	0	27,701	0	0	27,701	4.0
Securities purchased under agreements to resell	0	5	12,124	0	0	12,129	1.8
Unrealized gain on swaps	0	0	20,427	0	0	20,427	3.0
Spot commodities, at market value	0	0	234	0	0	234	0.0
Trading assets	0	0	909	0	0	909	0.1
Trading securities, at market value	0	0	6,667	0	0	6,667	1.0
Securities available for sale, at market value	0	0	37,872	0	0	37,872	5.5
Securities lending collateral	6,108	40,439	0	11,080	0	57,627	8.4
Other invested assets	6,099	6,611	1,200	10,681	217	24,808	3.6
Short-term investments	1,366	3,236	228	6,298	0	11,128	1.6
Time deposits	563	962	214	181	0	1,920	0.3
Cash-interest bearing	729	2,112	190	158	1	3,190	0.5
Operating cash	191	581	383	952	1	2,108	0.3
<b>Total cash and invested assets</b>	<b>\$ 92,482</b>	<b>\$ 372,880</b>	<b>\$ 145,318</b>	<b>\$ 75,286</b>	<b>\$ 779</b>	<b>\$ 686,745</b>	<b>100.0 %</b>
<b>Percent of total company</b>	<b>13.4%</b>	<b>54.3%</b>	<b>21.2%</b>	<b>11.0%</b>	<b>0.1%</b>	<b>100.0%</b>	
<b>Rate of return on invested assets (1)</b>	<b>4.7%</b>	<b>4.9%</b>					

Note: (1) Annualized net investment income divided by the average sum of cash and invested assets at the beginning and end of the period.

# American International Group, Inc.

## Cash and Invested Assets

September 30, 2005

(dollars in millions)

	General Insurance			Percent of Total
	Domestic	Foreign	Total	
Bonds held to maturity, at amortized cost	\$ 21,532	\$ 0	\$ 21,532	23.3 %
Bonds available for sale, at market value	31,097	16,309	47,406	51.3
Bonds trading securities, at market value	0	0	0	0.0
Preferred stocks, at market value	1,525	1	1,526	1.7
Common stocks available for sale, at market value	3,587	1,289	4,876	5.3
Common stocks trading, at market value	377	0	377	0.4
Policy loans	0	3	3	0.0
Collateral and guaranteed loans - net	0	4	4	0.0
Mortgage loans on real estate - net	10	5	15	0.0
Investment income due and accrued	783	304	1,087	1.2
Real estate	234	366	600	0.6
Flight equipment under operating leases, net of accumulated depreciation	0	0	0	0.0
Finance receivables, net of allowance	0	0	0	0.0
Securities purchased under agreements to resell	0	0	0	0.0
Unrealized gain on swaps	0	0	0	0.0
Spot commodities, at market value	0	0	0	0.0
Trading assets	0	0	0	0.0
Trading securities, at market value	0	0	0	0.0
Securities available for sale, at market value	0	0	0	0.0
Securities lending collateral	1,353	4,755	6,108	6.6
Other invested assets	5,156	943	6,099	6.6
Short-term investments	878	488	1,366	1.5
Time deposits	16	547	563	0.6
Cash-interest bearing	262	467	729	0.7
Operating cash	92	99	191	0.2
<b>Total cash and invested assets</b>	<b>\$ 66,902</b>	<b>\$ 25,580</b>	<b>\$ 92,482</b>	<b>100.0 %</b>
<b>Percent of total company</b>	<b>9.7%</b>	<b>3.7%</b>	<b>13.4%</b>	

# American International Group, Inc.

## Cash and Invested Assets

September 30, 2005

(dollars in millions)

	Life Insurance & Retirement Services			Percent of Total
	Domestic	Foreign	Total	
Bonds held to maturity, at amortized cost	\$ 0	\$ 0	\$ 0	0.0 %
Bonds available for sale, at market value	145,652	131,750	277,402	74.4
Bonds trading securities, at market value	112	839	951	0.3
Preferred stocks, at market value	437	296	733	0.2
Common stocks available for sale, at market value	217	6,805	7,022	1.9
Common stocks trading, at market value	1	7,277	7,278	2.0
Policy loans	2,979	4,050	7,029	1.9
Collateral and guaranteed loans - net	0	1,281	1,281	0.3
Mortgage loans on real estate - net	7,721	2,109	9,830	2.6
Investment income due and accrued	2,142	2,274	4,416	1.2
Real estate	376	2,616	2,992	0.8
Flight equipment under operating leases, net of accumulated depreciation	0	0	0	0.0
Finance receivables, net of allowance	0	0	0	0.0
Securities purchased under agreements to resell	0	5	5	0.0
Unrealized gain on swaps	0	0	0	0.0
Spot commodities, at market value	0	0	0	0.0
Trading assets	0	0	0	0.0
Trading securities, at market value	0	0	0	0.0
Securities available for sale, at market value	0	0	0	0.0
Securities lending collateral	38,141	2,298	40,439	10.8
Other invested assets	5,196	1,415	6,611	1.8
Short-term investments	1,615	1,621	3,236	0.9
Time deposits	0	962	962	0.3
Cash-interest bearing	861	1,251	2,112	0.5
Operating cash	59	522	581	0.1
<b>Total cash and invested assets</b>	<b>\$ 205,509</b>	<b>\$ 167,371</b>	<b>\$ 372,880</b>	<b>100.0 %</b>
<b>Percent of total company</b>	<b>29.9%</b>	<b>24.4%</b>	<b>54.3%</b>	

# American International Group, Inc.

## Cash and Invested Assets

September 30, 2005

(dollars in millions)

### Financial Services

	Aircraft Finance	Capital Markets	Consumer Finance	Other Financial Services	Total	Percent of Total
Bonds held to maturity, at amortized cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0 %
Bonds available for sale, at market value	0	0	1,352	0	1,352	0.9
Bonds trading securities, at market value	0	0	0	0	0	0.0
Preferred stocks, at market value	0	0	10	0	10	0.0
Common stocks available for sale, at market value	0	0	0	0	0	0.0
Common stocks trading, at market value	0	0	0	0	0	0.0
Policy loans	0	0	2	0	2	0.0
Collateral and guaranteed loans - net	155	0	0	0	155	0.1
Mortgage loans on real estate - net	0	0	63	10	73	0.1
Investment income due and accrued	0	0	17	0	17	0.0
Real estate	0	0	25	0	25	0.0
Flight equipment under operating leases, net of accumulated depreciation	35,535	0	0	0	35,535	24.5
Finance receivables, net of allowance	0	0	27,382	319	27,701	19.1
Securities purchased under agreements to resell	0	12,124	0	0	12,124	8.3
Unrealized gain on swaps	0	20,427	0	0	20,427	14.1
Spot commodities, at market value	0	234	0	0	234	0.2
Trading assets	0	909	0	0	909	0.6
Trading securities, at market value	0	6,667	0	0	6,667	4.6
Securities available for sale, at market value	0	37,872	0	0	37,872	26.1
Securities lending collateral	0	0	0	0	0	0.0
Other invested assets	328	282	517	73	1,200	0.8
Short-term investments	47	0	165	16	228	0.2
Time deposits	0	207	7	0	214	0.1
Cash-interest bearing	77	62	47	4	190	0.1
Operating cash	0	3	314	66	383	0.2
<b>Total cash and invested assets</b>	<b>\$ 36,142</b>	<b>\$ 78,787</b>	<b>\$ 29,901</b>	<b>\$ 488</b>	<b>\$ 145,318</b>	<b>100.0 %</b>
<b>Percent of total company</b>	<b>5.3%</b>	<b>11.5%</b>	<b>4.4%</b>	<b>0.0%</b>	<b>21.2%</b>	

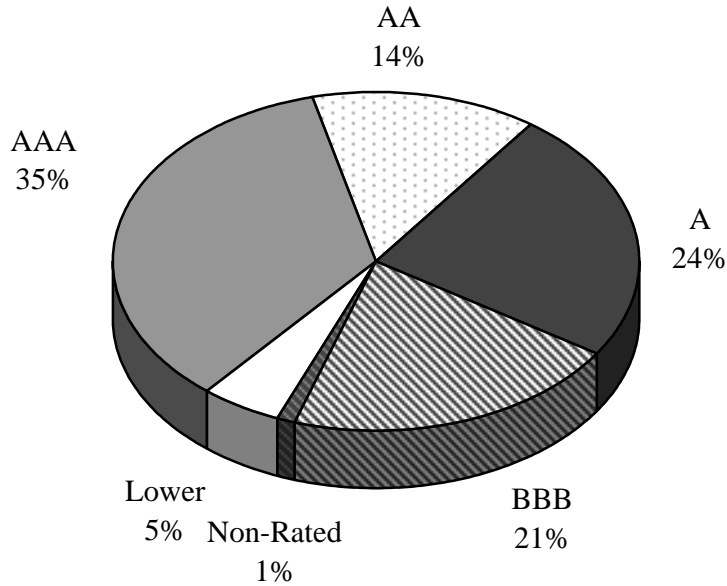
# American International Group, Inc.

## Worldwide Insurance and Asset Management

### Bond Portfolio

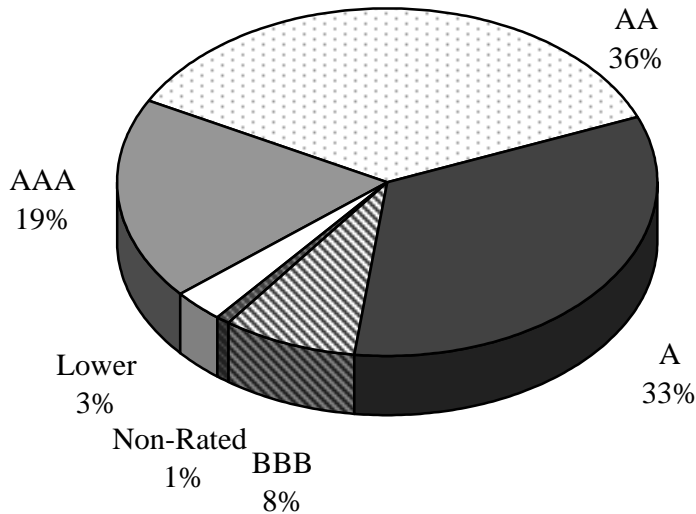
September 30, 2005

#### Total Domestic Bond Portfolio Ratings



Domestic Bonds \$233.1 billion
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#### Total Foreign Bond Portfolio Ratings \*



Foreign Bonds \$153.2 billion billion
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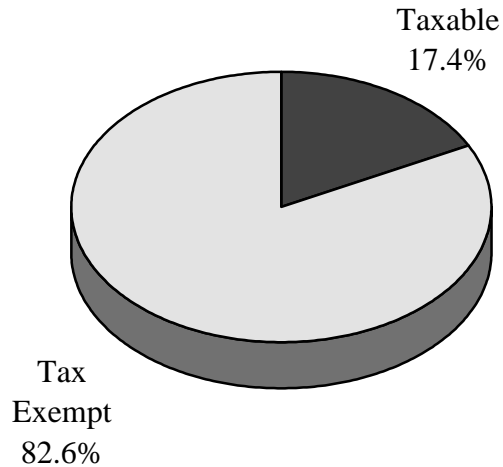
\* Ratings by nationally recognized rating agencies or similar foreign services. AIG reviews the credit quality of the foreign portfolio non-rated fixed income investments.

**American International Group, Inc.**  
**Domestic Insurance and Asset Management**  
**Bond Portfolio**  
September 30, 2005

**Domestic General Insurance**

**Bond Ratings**

AAA.....	73.6%
AA.....	17.9%
A.....	6.8%
BBB.....	0.9%
Non-Rated.....	< 0.1%
Lower.....	0.8%



Domestic General Insurance Bonds  
\$52.6 billion

**Domestic Life Insurance & Retirement Services  
and Asset Management**

**Bond Ratings**

AAA.....	23.3%
AA.....	13.3%
A.....	28.9%
BBB.....	26.9%
Non-Rated.....	0.3%
Lower.....	7.3%

Domestic Life Insurance &  
Retirement Services and  
Asset Management Bonds  
\$180.5 billion

## **Comment on Regulation G**

This financial supplement includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures in accordance with Regulation G are included within the relevant tables.

Throughout this financial supplement, 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, in some cases revenues, net income, operating income and related rates of performance are shown exclusive of realized capital gains (losses), cumulative effect of an accounting change in 2004, the effect of FIN46R, the effect of FAS 133 and the effect of the catastrophe related 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 business performance for such period.

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.

Life and retirement services production (premiums, deposits and other considerations), gross premiums written, net premiums written and combined ratios are presented 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.