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American International Group, Inc.  
 As of June 30, 2004

Meeting with the Commission Bancaire  
 Paris, January XX, 2005

Background Information

American International Group Inc., (AIG) is one of the largest insurance/financial services companies in the world with over \$736.0 billion in assets and \$73.6 billion in shareholder equity as of June 30, 2004. During the first six months of 2004, AIG generated total revenue of \$47.4 billion and operating income of \$8.7 billion. Due to its strong financial position and operating results AIG is rated as AAA rating by S&P and Moodys. It provides insurance and financial services through a variety of distribution channels in approximately 130 countries and jurisdictions around the world. AIG is separated into four primary business lines: General Insurance; Life Insurance and Retirement Savings; Financial Services and Asset Management, including both domestic and international operations. AIG has a significant number of functionally regulated entities within the holding company structure.

The AIG conglomerate structure came under the purview of the Office of Thrift Supervision (OTS) oversight and supervision in 1999 when AIG receive approval of its application for a federal savings bank charter. Simultaneous with the approval, AIG became a diversified unitary thrift holding company under the regulatory authority of OTS. In May 2000, AIG established AIG Federal Savings Bank (AIGFSB), a denovo institution, in Wilmington, Delaware. AIGs affiliates, The Starr Foundation, C.V. Starr & Co., Inc., Trust and C.V. Starr & Co., Inc., also became thrift holding companies under OTS supervision as defined by the Home Owners Loan Act.

We have completed five full examinations of AIG-FSB (the thrift institution). AIG-FSB is strong and our holding company examination did not reveal any major concerns at AIG or any of its major subsidiaries. While we are still gaining familiarity with the AIG financial conglomerate, given the conglomerates overall strong financial strength we have assigned a holding company rating of Above Average.

The Supervisory Responsibilities of OTS

OTS has statutory authority to regulate the consolidated holding company structure for holding companies that control one or more thrift institutions. As such, AIG and its subsidiaries are subject to consolidated supervision by OTS, a bureau of the U.S. Department of the Treasury. OTS has broad supervisory authority. In conducting examinations, OTS is authorized by statute to have access to any books and records of a savings and loan holding company that the agency determines are necessary to carry out its supervisory responsibilities, including any unregulated subsidiaries.

In addition, AIG and its subsidiaries will become subject to consolidated supervision under the European Union (EU) Financial Conglomerates Directive (FCD) as of January 1, 2005. The FCD applies to financial conglomerates controlling licensed financial services providers (banks, securities and insurance companies) in the EU.

As part of its supervision, OTS will conduct continuous on-site reviews of AIG and its subsidiaries. This will

include off-site and targeted onsite reviews. OTS is in the process of conducting its first review of AIG as a financial conglomerate. While the primary focus of OTSs review efforts will be on AIGs financial services businesses, OTS has the statutory authority to look more broadly at any AIG business, including the unregulated businesses, to assess undue risks to the regulated financial services entities.

#### Scope of the Review

OTS is conducting a top down, risk-focused review of AIG. This is the first review of this holding company that is being conducted according to the procedures contained in Section 940 of the OTS Holding Company Handbook for Large and Complex Enterprises (Conglomerates), November 2003. As the first financial conglomerate review, it is important for OTS to determine AIGs organizational structure and reporting hierarchy, and the relationships between the regulated business units and the unregulated business units. We are also reviewing AIGs preparation for compliance with the FCD. Additional steps are being performed to assess items that are key to AIGs compliance with the capital adequacy, risk concentration, intra-group transactions and internal controls/risk management requirements of the FCD. These same elements are important safety and soundness issues OTS routinely reviews during examinations at the conglomerate level of its largest and most complex thrift holding companies.

OTSs objective is to supervise AIG consistent with its risk profiles and to cooperate and coordinate with supervisors, foreign and domestic, responsible for supervising the various AIG regulated entities. We are conducting our review at the top-tier level, with additional reviews being performed for certain individual firms within the financial sector. We are comparing business strategies and organization structure against principal risks and evaluating how these risks are managed.

Our approach during this review is two-pronged:

Since this is the first financial conglomerate review of AIG, we are taking a broad overview approach to better understand and evaluate the conglomerate, identifying conditions and issues requiring further analysis and investigation. Areas being addressed include:

Organizational Structure, Corporate Governance, and Management Oversight

Risk Management (incorporating business strategy, principal risks and how they are measured, monitored, controlled and reported)

Internal and External Audit and the Control Environment

In addition to the broad overview, we are addressing several specific safety and soundness areas, such as:

Compliance (laws, rulings, regulations, anti-money laundering, consumer)

Capital Markets (funding, commercial paper, derivatives, lines of credit, liquidity)

Individual Risks (such as credit, reputation, foreign exchange, currency translation, off-balance sheet,

concentrations, intra-company, special purpose entities, insurance and reinsurance risks)

Capital (adequacy, allocation, and approach to capital allocation economic and regulatory)

Specific business lines (banking and insurance)

Supervisory Findings to date:

#### I. Overview - How AIG manages its operations

##### Corporate Governance

The capabilities and effectiveness of the board and senior management are specifically evident by the conglomerates strong earnings performance, significant level of capital, existing group-wide solvency, conservative asset base, and its favorable position in the capital markets. As of June 30, 2004, AIG is managed by a 16-member directorate, which includes the chairman of the board/chief executive officer, along with four senior officers. Directors and senior management have extensive insurance/business experience and exhibit a conservative operating philosophy. Furthermore, senior management is highly respected in the industry.

Based on a review of board minutes along with the minutes of other board committees it is apparent that the directors are involved in the affairs of the conglomerate and are kept informed of pertinent matters through various management prepared reports. Guidance is provided to senior management and the staff through board-adopted policies and procedures, an operating budget, which are reviewed annually by the directors.

The audit committee is composed entirely of independent directors. During the twelve-month period ended June 30, 2004, ten meetings were held to review the activities and independence of AIGs external audit