



**American International
Group, Inc.**

Corporate Responsibility

**106,000 people around the world making a difference.
For our customers. For our communities. For our shareholders.**



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About This Report

This is AIG's first written report summarizing our efforts and achievements in corporate responsibility. AIG has used the Global Reporting Initiative (GRI) as a guide in developing the content for this report as well as input from numerous stakeholder groups.

AIG is one of the largest organizations in the world with operations in over 130 countries and jurisdictions. This report does not fully catalogue the broad range of corporate responsibility initiatives by the parent corporation and its subsidiaries. We encourage you to visit our website www.aig.com/responsibility which offers more comprehensive information and is frequently updated with our latest news.

Throughout this report, you will find this symbol which indicates that more detail on the selected topic is available online.



For additional information, email: corporate.responsibility@aig.com

April, 2007

A History of Commitment



Since our founding nearly a century ago, the AIG Companies (collectively “AIG”) have committed resources to developing products and services that address the needs of our clients and have promoted a corporate culture that values integrity, diversity, innovation and excellence.

AIG recognizes that investments in support of our customers, employees and the communities in which we operate are critical to our success. AIG’s ongoing efforts to be an outstanding corporate citizen and promote responsible and sustainable business practices are essential to our long-term business objective of creating value for our shareholders and serving the interests of our clients.

Left to right:

As a response to the increasing incidence of tuberculosis in the 1940s and 1950s, AIG subsidiary Philamlife introduced the first X-ray vans in the country. The vans offered free X-ray and fluoroscopy services in remote areas.

AIG is funding radiology equipment for New York Downtown Hospital to dramatically improve its diagnostic and emergency preparedness capabilities.

Office building at No. 17 The Bund in Shanghai China that served as the home of AIG predecessor companies from 1927 until the onset of World War II. Today the building houses the organization’s AIA Shanghai branch.

The AIG Tower in Hong Kong completed in 2005 has been recognized for its sustainable and efficient design and construction.

About AIG

AIG headquarters at
70 Pine Street, New York City

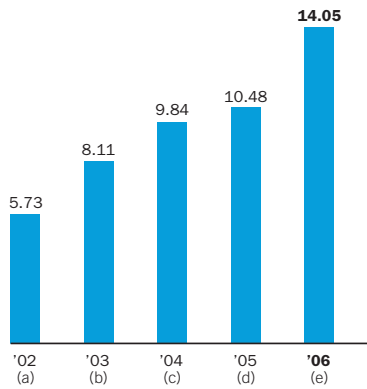


American International Group, Inc. (AIG), world leaders in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

Financial Highlights

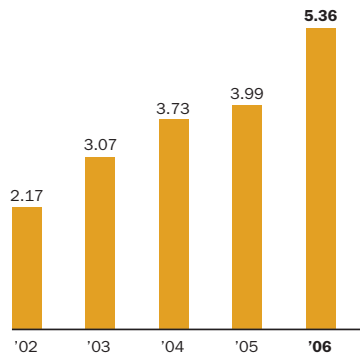
Net Income

(billions of dollars)



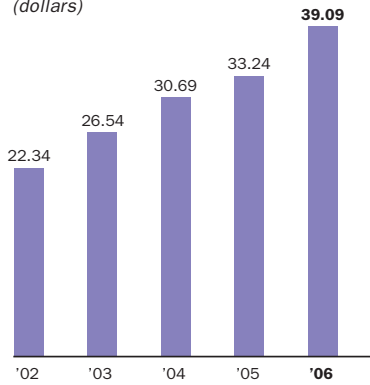
Net Income per Common Share—Diluted

(dollars)



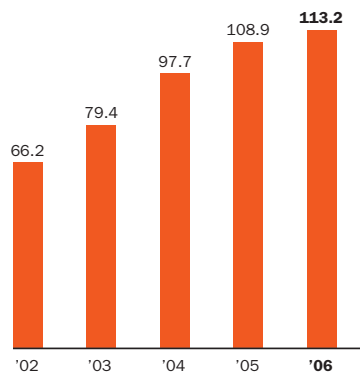
Book Value per Common Share

(dollars)



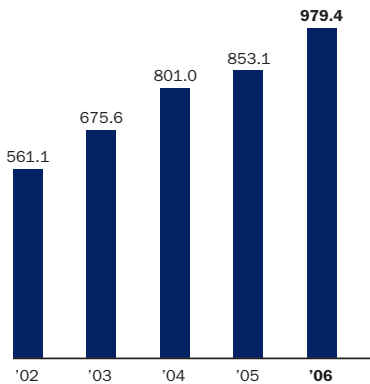
Revenues

(billions of dollars)



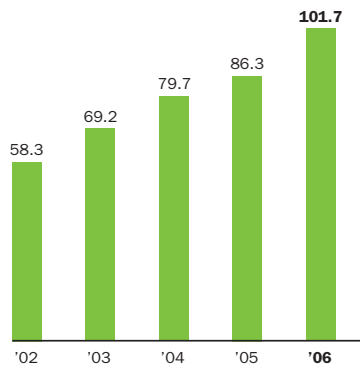
Assets

(billions of dollars)



Shareholders' Equity

(billions of dollars)



- (a) 2002 included General Insurance loss reserve charge of \$1.34 billion and FAS 133 gains of \$20 million.
- (b) 2003 included FAS 133 losses of \$697 million.
- (c) 2004 included \$729 million in current year catastrophe-related losses, \$144 million loss related to the cumulative effect of an accounting change, \$553 million charge for a change in estimate for asbestos and environmental reserves, and \$315 million of FAS 133 gains.
- (d) 2005 included \$2.11 billion in current year catastrophe-related losses, \$1.19 billion for General Insurance fourth quarter reserve charge, \$1.15 billion of settlement charges, and \$1.53 billion of FAS 133 gains.
- (e) 2006 included a \$34 million gain related to the cumulative effect of an accounting change and \$1.42 billion of FAS 133 losses.

Message from Martin Sullivan

Because opportunities to do good never cease, our efforts will continue to grow with the hope that we can help make the world a more prosperous and livable place.

Since C.V. Starr founded AIG's insurance operations in Shanghai in 1919, our commitment to the communities we serve has been of paramount importance. Throughout our history, AIG has seen that our company's success is firmly connected to the well being of those around us. Over the years, AIG companies have invested in local economies and in the essential services of those communities. Today, AIG is one of the world's leading insurance and financial service firms. The company has operations in over 130 countries and jurisdictions, more than 106,000 employees, millions of clients, and plays an increasingly significant role in creating sustainable communities.

As AIG's Chief Executive Officer, it is my firm belief that AIG must strive to be a leader in all areas of corporate social responsibility. The first step is to review how we operate and the

products and services that we provide for our clients. For example, AIG companies have long experience in helping our clients recover from natural disasters and establishing programs to mitigate losses. Our environmental insurance operations lead the way in providing solutions that help foster a cleaner environment. AIG financial assets underwrite economic development programs around the world, and we carefully review the environmental, social and governance aspects of our investments.

Giving back to those communities that support us in our business ventures is the essence of our corporate responsibility philosophy. Our philanthropic activities target community-based projects that sustain livelihoods and build capacity at a local level. We also support



Martin J. Sullivan
President and
Chief Executive Officer

and encourage our employees worldwide to participate in AIG-sponsored programs focused on community development. For example, employees provide vital volunteer support to public schools and a network of nonprofit agencies across New York City. In disaster-struck areas ranging from New Orleans to Indonesia, and from Guatemala to Pakistan, AIG employees partner with on-the-ground organizations to provide critical relief and restore shattered communities.

As part of our long-term growth objectives, we have responsibilities toward numerous constituencies. Supporting the welfare and careers of our employees is the most immediate way we can make a difference. At AIG, we have long emphasized the hiring, training and promotion of individuals from the countries in which we operate. Today, the vast majority of AIG's international operations are managed by nationals of the countries in which we do business.

As you continue reading, you will find many examples of our strong commitment to corporate social responsibility. Because opportunities to do good never cease, our efforts will continue to grow with the hope that we can help make the world a more prosperous and livable place.

Martin J. Sullivan
President and
Chief Executive Officer

Business and Society

AIG has over 69 million customers worldwide.

Insurance and financial services play an important role in our economy and society. AIG takes our business responsibilities seriously and is focused on how we can have the most positive impact on our clients, our shareholders, our employees and the communities in which we operate. That is why the principles of sustainability and citizenship are integrated into our core business model. This strategy has proven to be successful over the years and remains a focus of our future growth.

Encouraging Best Business Practices

AIG takes pride in our insurance underwriting discipline that identifies risks that others often overlook and encourages best business practices among our clients. As one of the leading insurers in the world, AIG plays an important role in disseminating the latest risk management techniques that promote sustainability and responsibility such as enhancing product and workplace safety, raising building standards and strengthening corporate governance. This focus has made a particular difference in the environment, where AIG is a leader in helping clients to identify and mitigate the impact of their operations.

AIG was named one of the Global 100 most sustainable companies in the world in January 2007 by Corporate Knights Inc. and Innovest Strategic Value Advisors Inc., a leading research firm specializing in analyzing "non traditional" drivers of risk and shareholder value, including companies' performance on social, environmental and strategic governance issues.



Creating Financial Stability

Research has shown that countries where people save more grow at a faster pace economically. Insurance acts to stabilize the finances of individuals, families and organizations by indemnifying those who suffer loss or harm. The stability provided by insurance encourages individuals and businesses to create wealth with the assurance that their resources can be protected from losses. Insurance brings together pools of capital that are available for long-term local investments. Insurance reserves are largely invested in government securities and in cash deposits at local banks, contributing to the development of domestic capital markets. These funds are subsequently invested in projects and programs that a country deems appropriate to achieve its own national economic priorities.

AIG has always been a strong advocate of the hiring and training of local staff throughout its global operations.

Promoting Economic Development

AIG's sustainable growth is tied to the strength of local economies. From our beginnings, a central focus of AIG's strategy has been to invest in the countries where we operate and support important nation-building and educational projects, among others, that improve and contribute to greater social well-being. AIG is now among the world's largest investors in government securities and other investments that fuel economic and infrastructure growth. Throughout the world, our investments have helped open hospitals and schools, build critical infrastructure, establish mortgage lending markets and fund many other essential undertakings that enhance economic growth and benefit people in the markets we serve. ➡

Investing in People

AIG has always been a strong advocate of the hiring and training of local staff throughout its global operations. The diverse skills associated with the insurance industry such as investment analysis, actuarial sciences, computer programming, risk assessment and business management are transferable to other sectors of the economy. Today, most of AIG's international operations are managed by nationals of the countries in which we do business.

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The DBG Construction Solutions practice has provided a wide range of risk management services to Boh Bros. Construction Co., LLC. (Boh Bros.)—a valued client for more than 20 years—as they worked to rebuild devastated areas of New Orleans following Hurricane Katrina.



Corporate Governance

AIG's Board of Directors and management have taken many steps to enhance the effective functioning of the Board and the interests of shareholders and other stakeholders. These enhancements have put AIG on the leading edge of progressive corporate governance.

AIG's Corporate Governance Guidelines are available on AIG's website and reflect many of the organization's corporate governance practices. These include provisions relating to the percentage of independent directors on the Board, the size of the Board, a separate non-executive Chairman and Chief Executive Officer, a term limit for the Chairman, mandatory director retirement age, number of outside directorships, director meeting attendance, a majority voting provision with respect to the election of directors, the consideration of shareholder nominees for directors, the composition of the committees of the Board, approval of the Chief Executive Officer's compensation by the Board, and guidelines applicable to charitable giving and political contributions.

In addition, AIG is providing greater transparency in financial disclosures and is enhancing the financial control environment and regulatory compliance.

Board Committees

The Board of Directors of AIG performs many of its functions through committees of the Board. The Board has a Nominating and Corporate Governance Committee, Compensation and Management Resources Committee, Finance Committee, Audit Committee, Public Policy and Social Responsibility Committee, and Regulatory, Compliance and

Legal Committee. The Charter of each of the Committees is available on AIG's website.

The role of the Nominating and Corporate Governance Committee is to identify individuals qualified to become Board members and recommend these individuals to the Board for nomination as members of the Board and its committees, to advise the Board on corporate governance matters and to oversee the evaluation of the Board.

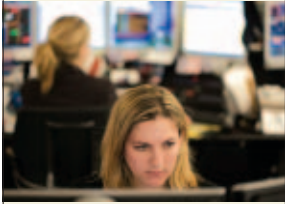
The Compensation and Management Resources Committee oversees the administration of AIG's compensation programs, determines the compensation of the Chief Executive Officer, approves the compensation of other senior executives under its purview, makes recommendations with respect to the compensation programs applicable to senior executives and other employee compensation and oversees AIG's management development and succession planning programs.

The Finance Committee assists the Board in its oversight responsibilities by reviewing and making recommendations to the Board with respect to AIG's financial and investment policies, provides strategic guidance to management as to AIG's capital structure, use of capital in its businesses, methods of financing its businesses and other related strategic initiatives and has the power to approve certain issuances, investments, dispositions and other transactions and matters.

The Audit Committee assists the Board in its oversight of the integrity of AIG's financial statements, AIG's compliance with legal and regulatory requirements, the qualifications, independence and performance of AIG's independent auditor and the performance of AIG's internal audit function.

The Public Policy and Social Responsibility Committee is responsible for reviewing the position and policies of AIG that relate to current and emerging corporate social responsibility and political and public policy issues of significance to AIG that may affect business operations, performance or corporate reputation.

The Regulatory, Compliance and Legal Committee assists the Board in its oversight of AIG's handling of legal, regulatory and compliance matters.



Corporate Compliance

AIG has built its success upon a reputation for fair dealing, integrity and ethical business practices. AIG now requires that all employees complete formal ethics training developed and monitored by AIG Corporate Compliance. The company has two Codes of Business Conduct and Ethics: one for all employees and another for Directors, Executive Officers and Senior Financial Officers. ➔ Everyone is required to confirm that they adhere to the stated principles and procedures set forth in the applicable code. An on-line course helps employees better familiarize themselves with the Code of Conduct and focus on building ethical leadership.

AIG has made extensive use of external and internal guest lecturers who lead business programs designed to raise awareness of corporate governance issues. These programs include seminars on compliance, the requirements of the Sarbanes-Oxley Act in the United States and topics relating to regulatory issues.

AIG Compliance Help Line

Available 24 hours a day, seven days a week, the AIG Compliance Help Line is an anonymous reporting service that allows employees to voice their concerns freely to internal legal representatives on topics such as conflicts of interest, gifts and entertainment, securities laws, theft and fraud, intellectual property, environmental issues, health and safety violations, political contributions, workplace violence and data protection and privacy. The AIG Compliance Help Line is answered by an outside service provider unrelated to AIG, with translators available for over 75 languages. AIG prohibits retaliation against any employee who in good faith reports any suspected or potential violation of the AIG Code of Conduct or law.



AIG has built its success upon a reputation for fair dealing, integrity and ethical business practices.



Sustainable Investments

“AIGGIG believes that, as an investor, we must actively manage the risks and opportunities related to environmental, social and ethical trends. We also believe that we must consider the management of our own business to ensure that we adhere to the same standards that we demand of our investments. Through this alignment of interests between ourselves, our clients and the world around us, we will achieve superior investment returns and enhance our own profitability.”

Win J. Neuger

Executive Vice President and
Chief Investment Officer, AIG

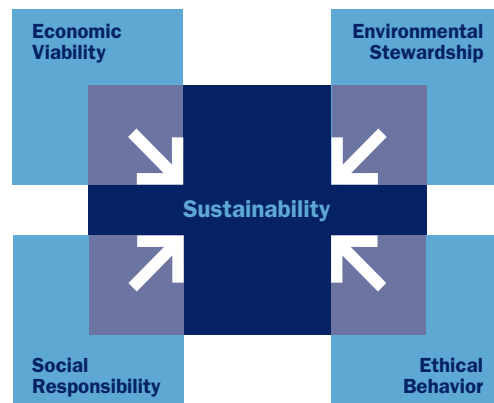
AIG’s Asset Management operations manage institutional, retail and private fund assets in addition to AIG insurance company invested assets. As part of AIG’s investment operations, AIG Global Investment Group (AIGGIG) is a worldwide leader in asset management, with extensive capabilities in equity, fixed income, hedge funds, private equity and global real estate.

AIGGIG believes the consideration of sustainability is an integral part of the analysis and management of investment portfolios. The issues considered with regard to investment sustainability are primarily those related to the environment,

including greenhouse gas emission, to corporate governance, and to society, collectively referred to as “ESG” issues. AIGGIG has a policy on sustainable investment and has very well established and thorough review processes for evaluating risks and opportunities arising from investments worldwide. AIGGIG identifies and monitors the ESG issues that could have a material impact on investment value or business profitability. To the extent that ESG issues constitute a business or investment risk, an assessment of the potential severity of the risk and potential mitigating factors is developed. AIGGIG monitors and wherever possible provides managers and analysts with materials and guidance on ESG issues.

AIGGIG likewise monitors emerging developments that affect its investments and products, and this may include issues identified by external organizations, monitoring the actions of other businesses and investors, and participating in the ongoing discussion on ESG issues and principles at all levels. AIGGIG also monitors its policy to be

AIGGIG incorporates a range of social, environmental and governance criteria in our investment decision-making to promote long-term sustainability and growth.





In 2005, AIGGIG launched Corporate Social Responsibility (CSR) Funds that invest in Japanese companies with a strong record of corporate social responsibility. The funds are offered to institutional and individual investors in Japan to provide them with an opportunity to support socially responsible companies while obtaining strong risk-adjusted investment returns. Participating companies are screened and evaluated by Institutional Shareholder Services.

consistent with any policies developed at the AIG corporate level and reviews its policies annually with the AIG Board of Directors Public Policy and Social Responsibility Committee.

As part of its investment process, AIGGIG allocates private equity investments to projects and technologies that support socially responsible causes. In response to market demands, AIGGIG has developed several socially responsible investment vehicles.

Over the years, AIG has invested in a wide range of minority-owned firms and moved towards developing “green funds” that benefit the environment as well as developing and managing socially responsible initiatives. In addition, AIG Global Real Estate, an arm of AIGGIG, invests in and develops sustainable building projects. ➡

Investments

As part of its sustainability initiatives, AIGGIG is allocating additional private equity investments to carbon finance projects, technologies or assets that contribute to greenhouse gas emission mitigation. AIGGIG's private equity investments can include select investments in energy efficiency, alternative energy including renewables and late-stage clean technologies. The organization has also developed a Sustainable Investment Group that has capabilities for assessing critical solutions to other current sustainable development challenges.

Socially Responsible Investing


AIGGIG's socially responsible investment initiatives, divided among business divisions, include funds investing in companies in Hong Kong, Japan, India, Malaysia and the United States. ➡

AIGGIG has years of experience in socially responsible investing and in managing assets within the socially responsible criteria and parameters of its clients.



AIGGIG is an investor in renewable energy projects including geothermal. (Pictured) Caithness Energy, Navy I Geothermal Plant, China Lake, CA.

Access to Financial Services



Wherever there are customers, we reach out.

AIG's proud tradition of investing in new and underserved markets has helped broaden access to financial services and create wealth in communities around the world. Today, AIG continues this tradition through "microinsurance" initiatives that provide affordable products and services for low-income clients. AIG's efforts are helping the working poor reduce risks, grow businesses and accumulate assets for the benefit of their families and communities. ➡

Uganda

Over a decade ago AIG Uganda began to offer a low-cost credit life insurance policy coupled with a microloan. This product repays the loan in the event of the client's death, not only mitigating the financial stress on a grieving family, but also limiting the lending institution's risk, thereby allowing more loans to be made. Through the creation of a new product tailored to the needs of this emerging market, AIG Uganda supported expansion of microfinance operations in Africa to help more micro-entrepreneurs lift themselves out of poverty.

India

In December 2005, Tata AIG launched a group livestock policy, insuring over 20,000 cattle for a rural "self-help group" in the Indian State of Andhra Pradesh. Most of these cattle owners are village women who live below the poverty line and are being assisted by a national poverty alleviation program that focuses on microfinancing to help create financial independence.

In August 2006 Tata AIG Life initiated a groundbreaking microinsurance venture in India which established distribution relationships with over 50 NGOs and rural community groups and is training up to 2,000 women in rural areas to become sales agents. Tata AIG Life is the first company in India to launch microinsurance products tailored to the requirements of the rural population. ➡

Philippines

AI G subsidiary PhilamLife has launched the first microinsurance product in the Philippines. Insurance Commissioner Evangeline Escobillo commented that the product “truly takes to heart the needs of millions of Filipinos for an insurance product that is affordable, available everywhere and convenient... It is my sincere hope that someday, all our countrymen will have some form of life insurance protection, [and this] is a solid first step towards that vision.”



AI G’s efforts are helping the working poor reduce risks, grow businesses and accumulate assets for the benefit of their families and communities.

The Wall Street Journal

Agents of Change: Insurers Seek Growth In Developing Markets Micropolicies Sell In India and Uganda; Covering a Cow for \$10

By Ian McDonald, Liam Plevin and Eric Bellman
12 February 2007, A1

JHALAWAR, India—Last year, global insurance giant American International Group Inc. opened a garage-size office in this dusty town of about 50,000. Coming up soon here: a policy that insures a cow for a \$10 annual premium.

Seeking potential sources of future growth, AI G and its international rivals are racing to sell insurance in the developing world, from sprawl-

ing markets like India to smaller ones like Romania and Nicaragua. In remote areas, insurers must teach the concept of insurance to populations who have never bought any. Sometimes, as in parts of northern Uganda, the local language doesn’t even have a word for it.

To penetrate these markets, insurers are devising unusual policies, charging as little as 50 cents to insure everything from television sets to burial costs. They’re forgoing

traditional documentation requirements, sometimes selling life insurance to people who don’t know when they were born.

Instead of relying entirely on agents, AI G and many others are partnering in some markets with nonprofit microloan programs, operations that lend small amounts of money to the poor. Many microlenders provide a form of life insurance that will pay off the loan and sometimes also compensate survivors if the debtor dies. AI G currently has roughly 2.25 million life-insurance

policies on microloan recipients, mostly in Uganda, Mexico, India and Brazil.

Microlenders say that providing insurance can benefit borrowers by teaching them greater financial sophistication. It’s a “natural extension of our role,” says Scott Graham, senior manager of strategic alliances for Washington, D.C.-based Finca International, a nonprofit that operates microlending programs in 21 countries....

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Environmental Responsibility

In February 2007 Stowe Mountain Resort, a member company of AIG, earned the Audubon Green Community Award from Audubon International, a leading non-profit environmental organization for its Spruce Peak development. Stowe is the first mountain resort in the US to earn the award, which recognizes environmental achievement and is a milestone en route to earning a rigorous designation as a Certified Audubon Sustainable Community.



Stowe Mountain Resort, a member company of AIG, earned Audubon International's Green Community Award.

AIG is committed to upholding the highest level of environmental responsibility and integrity in our business operations throughout the world. We take pride in our tradition of helping our customers uphold environmental standards and performance through our core business offerings.

Climate Change

AIG was the first US-based insurance organization to adopt a policy to manage the risks and capture the business opportunities associated with climate change. We were also the first insurer to join the United States Climate Action Partnership, calling for federal legislation that limits greenhouse gas emissions. AIG recognizes that climate change poses risks to human health and well being, risks to ecosystems and their balance, and risks to the customers and markets we serve. AIG is committed to the development of strategic products, services and policies designed to help our customers and our company mitigate causes of climate change and improve environmental stewardship. ➡ Ceres, a leading national network of investment funds, environmental organizations and other public

interest groups working to advance environmental stewardship, has praised AIG's position on climate change.

AIG has established an Office of Environment and Climate Change to coordinate the organization's ongoing effort to address this issue. We are actively working to reduce the carbon footprint of our operations and participate in the Carbon Disclosure Project. AIG Global Investment Group has also joined the Investor Network on Climate Risk, a network of institutional investors and financial institutions focused on the financial risks and investment opportunities posed by climate change.

Insurance

AIG Environmental® is the leading provider of environmental insurance products and services, with over 25 years of industry experience. It offers a variety of environmental insurance solutions that are designed to respond to the environmental and pollution exposures faced by business. AIG Environmental® has been instrumental in helping business owners, developers, banks, and prospective purchasers, among other parties, insure contaminated properties. For example, just a decade ago thousands of properties across the United



States sat vacant because developers were unwilling to assume the liability risks associated with ownership or development of these sites. This all changed when state and federal governments became involved and crafted legislation to create Voluntary Cleanup Programs to address these concerns. AIG Environmental® played a role by working with various state and industry groups to design programs and tailor insurance products to complement this legislative framework. ➔

Real Estate

As an investor and developer, AIG Global Real Estate, part of AIG Global Investment Group, applies the most sophisticated innovations in design with an emphasis on environmental sustainability wherever possible. It is dedicated to practices such as: the remediation and redevelopment of contaminated property, use of environmentally sustainable construction materials, and energy-efficient design and technology in development of new projects.

AIG Global Real Estate and AIG Environmental® are leaders in the remediation of brownfield projects. The company co-developed a landmark project in Atlanta, Georgia that converted the contaminated 138-acre site of a former steel mill located in the city's center into an award-winning office-retail-residential complex.

Today, Atlantic Station is a national model for smart growth and sustainable development. It combines an attractive mix of affordable, middle-income, and upscale housing with world-class office space, restaurants, theaters, and retailers. When complete, Atlantic Station will feature approximately six million square feet of office buildings, two million square feet of retail and entertainment, 5,000 residential units and 1,000 hotel units. In addition to generating an estimated 18,000 local jobs, Atlantic Station is benefiting the public by reducing highway congestion, improving air quality, adding 2,850 new trees, restoring stream banks and tributaries and contributing an estimated \$5 million in cash and in-kind donations to the community and local charities. ➔

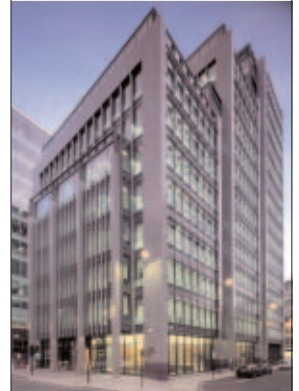
Spruce Peak, a \$400 million project at Stowe Mountain Resort in Vermont, broke ground in 2003 and includes significant natural habitat preservation

(more than 2,000 surrounding acres placed into conservation), fine residences, a new luxury hotel, a golf course designed and built to meet Audubon International Certification, water and energy conservation, minimal use of toxics, public transportation, and environmental education in collaboration with the University of Vermont. "Spruce Peak has shown a strong commitment to embodying the ideals of sustainability, economic vitality, environmental protection and social responsibility," said Peter Bronski, Manager of Audubon's Sustainable Communities Program.

Facilities

In its own facilities, AIG also promotes collaborative environmental stewardship through energy conservation, recycling, employee engagement and sustainable building design and construction. For example, AIG Global Real Estate has developed "green" office buildings for our corporate facilities in London, Dublin, Zurich, Puerto Rico and Hong Kong. These buildings are setting new standards for design and efficiency, including water conservation features, reduced construction waste, and use of shading devices. ➔

AIG is committed to upholding the highest level of environmental responsibility and integrity in its business operations throughout the world.



AIG Global Real Estate has developed "green" office buildings for our corporate facilities in London, Dublin, Zurich, Puerto Rico and Hong Kong.

Atlantic Station was named one of Sierra Club's Best Developments in America for 2005 and was awarded the Phoenix Award for Best National Brownfield Redevelopment from the U.S. Environmental Protection Agency in 2004. Atlantic Station's 171 17th Street building is the first ever high-rise office building to be awarded the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Silver-Core and Shell Certification.



Investing in our People

AIG employees volunteer with New York Cares, a community organization that provides hands-on services for New Yorkers in need. In 2006, AIG established its first “Summer of Service” Day on Saturday, July 29, in partnership with New York Cares. Over 130 New York colleagues helped to refurbish the Joseph R. Drake School (PS 48) in the Bronx, painting hallway murals, organizing classrooms and libraries, and sprucing up playgrounds to prepare the school for the upcoming school year.



By providing opportunities for advancement, skills training and a balanced work life, we aim to realize the full potential of our diverse workforce.

AIG and its subsidiaries employ over 106,000 people in more than 130 countries and jurisdictions. We endeavor to create a work environment where skills, knowledge and enthusiasm drive our global leadership position. We recognize that competitive employee programs are the key to our ability to attract and retain the best talent. By providing opportunities for advancement, skills training and a balanced work life, we aim to realize the full potential of our diverse workforce.

As a leading insurance organization, we work to reduce and mitigate risk for our clients. We do the same for our employees: offering benefits that ensure more productive and healthier worksites. As a sustainable business, we believe that our longer-term approach to employee health accrues a net gain to society and our bottom line. ➡

Benefits

We take occupational safety and the overall health and well-being of our employees seriously. Our workers' compensation programs contribute to safer and healthier worksites worldwide. Beyond offering medical, disability and retirement plans to all full-time, US-based employees, AIG goes one step further by adding preventative health services, work place education and family support programs to its roster of benefits as well as recognizing same-sex partnerships. These initiatives carry measurable results such as improved workforce health and productivity.

AIG companies around the world also have numerous progressive human resource initiatives aimed at strengthening employees' family life. Since employee morale and productivity are influenced by the well-being of their families, AIG takes measures to respond at a country level wherever possible.

AIG Foundation Scholarships

The AIG Foundation offers scholarship grants for undergraduate or graduate degree programs to dependent children of AIG companies' full-time employees and exclusive agents. An independent, third-party administrator evaluates candidates on the basis of academic potential, personal promise and financial need. In 2006, 376 young men and women around the world attended college with AIG Foundation scholarships.

Adoption

Over 10 years ago, AIG became one of the first companies in the United States to provide adoption benefits to employees. The company has been recognized for its exemplary leadership on this issue and the Center for Adoption Research has presented AIG with the Corporations That Care award. The AIG Adoption Assistance Program reimburses eligible employees for expenses incurred during the adoption process and offers up to a lifetime maximum of \$15,000 for two adoptions per employee. Since the program began, AIG has supported over 200 adoptions.

Volunteerism

AIG has a long-standing tradition of giving back to the communities in which it operates, whether through volunteerism or other forms of outreach. AIG values volunteerism and encourages everyone to play an active role in the community. In addition to planned service activities, company employees quickly respond in the wake of disasters. In the aftermath of Hurricane Katrina and the Indian Ocean Tsunami, AIG employees worked on the ground to support international medical and relief agencies. In Jakarta, for example, volunteers from AIU Indonesia unloaded supplies of food items which were airlifted to tsunami-stricken areas.

To recognize the outstanding volunteer efforts of employees, AIG American General sponsors a Community Spirit Awards program. Award recipients each designate a \$2,500 grant to the organizations they served. Up to 20 employee volunteers nationwide are honored annually.



Diversity

“AIG’s diverse workforce cultivates innovation and creates new opportunities. And, just as importantly, it makes for a fascinating place to come to work every day.”

Martin J. Sullivan

President and
Chief Executive Officer, AIG

Honored by the Executive Leadership Council

AIG is committed to the highest standards of inclusiveness and a culture that encourages leadership and offers equal growth opportunities for all employees. We aspire to be an employer of choice, providing a rewarding and team-oriented environment where a diverse group of professionals with integrity and vision work continuously to enhance our position as a formidable competitor and global market leader. In responding to a diverse marketplace, we are committed to our customer base, products, suppliers, communities, and employees to create a multicultural and diverse organization.

A commitment to diversity has been a guiding business principle at AIG since our origins in Shanghai in 1919. As one of the world’s leading international insurance and financial services organizations, we attribute much of our success to our employees’ ability to find opportunities and

serve global customers in a wide variety of markets. We focus on growth opportunities worldwide and know that our expansion in new diverse markets will require the efforts of an equally diverse workforce. A diverse workforce cultivates innovation and enhances our position as a global market leader. In executing our strategy, AIG businesses, throughout our global franchise, actively access a growing range of resources to attract, retain and develop diverse talent. ➡

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Diversity cultivates innovation and enhances AIG's position as a global market leader.

Terri D. Austin, the Chief Diversity Officer of AIG, is pictured with employees who are members of the National Black MBA Association and others who had been interns with INROADS, the national organization whose mission is to develop and place minority youth in business and industry. AIG is a proud supporter of both organizations.

AIG Chief Diversity Officer

Terri D. Austin, the Chief Diversity Officer of AIG, is responsible for providing executive oversight and leadership for AIG's diversity efforts worldwide. Ms. Austin is responsible for expanding and implementing AIG's diversity initiatives in the workforce, as well as those relating to AIG products, suppliers, vendors and customers.

Supplier Diversity Program

"The objective of our supplier diversity program is to ensure that Minority and Women Business Enterprises (MWBs) have sufficient opportunities to provide AIG and its subsidiaries with goods and services. We believe that our supplier base should be as diverse as our product mix, client base and the communities in which we operate and serve. We are developing a database of MWBs which will facilitate the successful execution of our strategy and programs." Keith Duckett, AIG Vice President of Administration

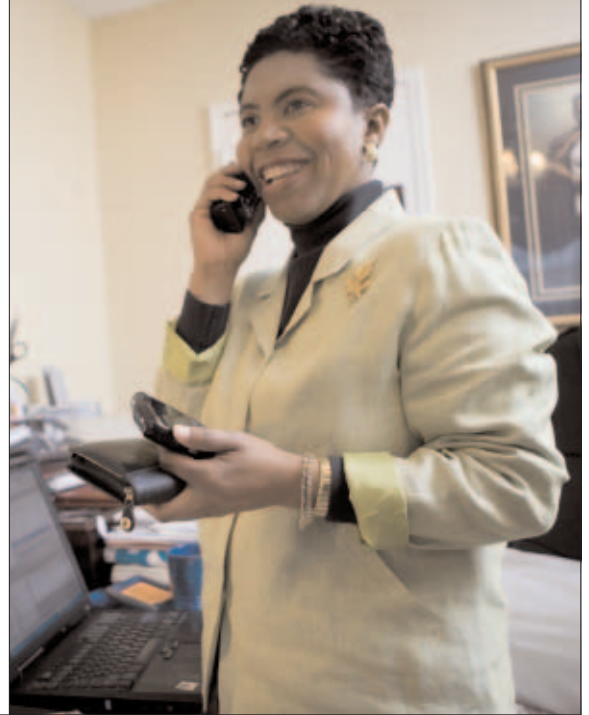
Disability

AIG is reaching out to people with disabilities to cultivate their potential as an integral part of the company's diverse global workforce. A primary focus of the diversity program will include disability initiatives like providing educational forums and developing products and services to better serve people with disabilities. AIG partners with the National Business & Disability Council, which is the leading national corporate resource for hiring, working with, and marketing to people with disabilities. The company also participates in the Wall Street Business and Disability Group, National Disability Mentoring Day and hosts interns from the Emerging Leaders Program.

Philanthropy: Paths to Empowerment

AIG has committed over \$1 million to Count Me In, an organization that helps women entrepreneurs grow their businesses, including Sandi Webster (pictured right), Founder and President of Consultants 2 Go in Newark, NJ.

AIG's Corporate Giving Program uses our global reach to develop philanthropic partnerships with organizations that share our corporate values of entrepreneurship, innovation, diversity and empowerment.



AIG CEO Martin Sullivan has joined the Board of Directors for the Committee Encouraging Corporate Philanthropy (CECP), the only international forum of business CEOs and Chairpersons pursuing a mission focused exclusively on corporate philanthropy.

ACCION International



AIG, its subsidiaries and employees have a legacy of contributing back to the communities in which we operate. AIG's Corporate Giving Program uses our global reach to develop philanthropic partnerships with organizations that share our corporate values of entrepreneurship, innovation, diversity and empowerment. AIG subsidiaries around the world also have active philanthropic programs that are engaged with local needs and priorities. In addition, AIG encourages contributions by its employees by matching their support to eligible nonprofit organizations—up to \$3,000 per calendar year—as well as to the AIG Disaster Relief Fund. ➔ Some examples of recent contributions include:

Empowering Entrepreneurs

AIG builds upon its investment in underserved markets through the development of innovative, capacity-building initiatives that empower entrepreneurs. AIG is improving the range and quality of resources available to small business owners, creating economic well-being for families and communities worldwide.

Microfinance AIG has committed more than \$7 million to the microfinance organizations ACCION International and FINCA International to

build capacity to move their microfinance operations “beyond credit.” AIG is funding the development of innovative microfinance products that meet the demand of the world's working poor for savings, insurance, remittances and other products to ensure financial security.

Count Me In AIG is partnering with Count Me In and its Make Mine a \$Million Business program to help successful women entrepreneurs access the capital and resources they need to grow their businesses, creating new economic opportunities in communities across the United States.

Health and Human Dignity

AIG is making a difference by building on its core business competencies to help people with disabilities live independent, full and productive lives. As the world's population ages and new advances in medical science allow people whose injuries were once life-threatening to have a new lease on life, disabilities will become an even more prevalent social and economic issue.

Disabled Sports USA Rehabilitation, independence and integration into civic life are critical issues facing the disabled, as technological advances outpace the support systems available. AIG is bridging that gap by providing empowerment

and access to the disabled. AIG is the lead national sponsor for Disabled Sports USA, which helps individuals with permanent disabilities rebuild strength and transition back to independent lives in their communities.

ORBIS International AIG is a global sponsor of ORBIS International, an organization that aims to eliminate avoidable blindness in the world's poorest countries. ORBIS volunteers and staff have treated over 3 million people for blindness-related diseases and trained more than 120,000 local medical professionals in 85 countries. AIG has pledged \$5 million to expand ORBIS' programs in China, India, Vietnam, Bangladesh, Ethiopia and help enable program growth in Latin America.

Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) AIG is a corporate member of the GBC and our subsidiary American International Assurance Company, Ltd. (AIA) has joined the Thailand Business Coalition on AIDS to develop an evaluation and accreditation program to provide credited premium value to companies implementing workplace HIV/AIDS education for employees.

Education

High-quality education is critical to communities in which we operate. AIG adopts a rigorous approach towards education funding, partnering with innovative organizations that provide young people from diverse backgrounds with the resources they need to succeed.

Donors Choose Through a \$2 million partnership with Donors Choose, AIG is helping underserved students in 100,000 public schools across the United States access the resources they need to succeed in the classroom. Donors Choose has created an online "philanthropic marketplace" whereby anyone can direct contributions to specific teacher projects.

SIFE AIG is a global sponsor of Students in Free Enterprise (SIFE), which challenges diverse, high-performing student university teams in 40 countries around the world, in partnership with local businesses and faculty advisors, to become social entrepreneurs, creating sustainable programs to foster opportunities for those in need in their communities.

Communities

Worldwide, AIG and its subsidiaries are active in the community, developing hundreds of strategic relationships with nonprofits to meet needs identified by communities at the local, regional and international level.

South Africa AIG South Africa sponsors two national schools in deprived areas of Johannesburg and is actively involved in projects such as classroom construction, teacher training, donation of school supplies and employee-student programs. AIG also supports the Student Sponsorship Programme, providing employee volunteer mentors and scholarship funding for disadvantaged high school and university students in South Africa.

Operation Healthy Heart AIG supports the East Meets West Foundation's Operation Healthy Heart program, which will provide access and funding for heart surgeries for more than 250 poor children in Vietnam, and increase capacity for heart surgeries in Ho Chi Minh City.

AIG Barretstown and Beyond Program AIG and the American Ireland Fund have committed \$1 million to Barretstown, a Dublin-based member of the Hole in the Wall Gang Camp Association that helps children with cancer therapeutic recreation and other services; the program will bring best practices developed at Barretstown to hospital centers throughout Europe.

Nan Shan Foundation AIG's Taiwan subsidiary Nan Shan supports the Executive Yuan's Council of Indigenous Peoples in its efforts to rebuild homelands that have been destroyed by earthquakes, typhoons and other natural disasters.

New York Downtown Hospital AIG has committed \$1.4 million to New York Downtown Hospital to fund radiology equipment that will dramatically improve the hospital's diagnostic and emergency preparedness capabilities, improving health and saving lives in the community surrounding AIG's headquarters in lower Manhattan.

AIG American General donates more than \$1 million each year to the communities where it operates, primarily focused on health and human services, education, community improvement, and arts and culture. In 2005, AIG American General supported over 130 organizations.



Disabled Sports USA



ORBIS International



AIG, the principal sponsor of Manchester United Football Club, has launched the "AIG Goals for Kids" program. For each goal that Manchester United scores during the 2006-2007 season, AIG will donate £1,000 to UNICEF and selected children's charities in the United Kingdom or Ireland.

Disaster Relief

The AIG Disaster Relief Fund partnered with CHF International to rebuild the Peunayong Market in Banda Aceh, Indonesia that was destroyed in the Tsunami. Reopened in July 2006, the market is a primary place for retail trade of fish and meat products and now benefits an estimated 75,000 market service providers, suppliers and customers throughout the region.

Photo credit: CHF International



Few companies match AIG's expertise in disaster preparedness and response.

Few companies match AIG's expertise in disaster preparedness and response. We do some of our best work in the aftermath of catastrophes and are proud to provide critical relief to rebuild homes, reestablish businesses and restore livelihoods.

In the face of unprecedented recent natural disasters, including Hurricane Katrina, the Indian Ocean Tsunami and earthquakes in South Asia and Indonesia, AIG and its employees have moved beyond their professional responsibilities to donate their time, money and resources to assist devastated communities during the moments of crisis, and beyond.

The AIG Disaster Relief Fund was established to direct our organization's giving toward victims of disasters and is supported by donations from AIG and its employees. Together, AIG and the Disaster Relief Fund contributed over \$10 million in 2005-2006, as well as countless volunteer hours toward disaster relief efforts worldwide.

Indian Ocean Tsunami

The Tsunami of December 26, 2004, destroyed entire communities and obliterated livelihoods along the Indian Ocean coastline, including in Indonesia, Sri Lanka, India and Thailand. AIG and its employees responded immediately to this historic disaster. The AIG Disaster Relief Fund partnered with Give2Asia and local organizations to provide emergency relief supplies, reconstruct infrastructure and restore businesses and livelihoods. Over \$4 million was contributed to the work of organizations on the ground that are creating new means of livelihood, building communities, helping

The AIG Disaster Relief Fund received numerous accolades for its work and generosity in Indonesia and was nominated for several awards, including the U.S. Secretary of State Award for Corporate Excellence and the Corporate Citizenship Award of the U.S. Chamber of Commerce.



After the 2004 Tsunami, AIG worked with Give2Asia to bring social services, vocational training and life skills to Aceh's street children.



children at risk, and enabling communities to better prepare for future natural disasters.

The AIG Disaster Relief Fund received numerous accolades for its work and generosity in Indonesia and was nominated for several awards, including the U.S. Secretary of State Award for Corporate Excellence and the Corporate Citizenship Award of the U.S. Chamber of Commerce.

Hurricane Katrina

Hurricane Katrina caused unprecedented destruction to the coastlines of Alabama, Louisiana and Mississippi in August 2005. AIG moved swiftly to assist hurricane victims and its own displaced employees. In a coordinated effort, AIG and the Disaster Relief Fund contributed more than \$3 million for Katrina relief efforts, which have been directed to the state emergency funds and local relief organizations.

Earthquake in Indonesia

An earthquake in May 2006 struck near the Indonesian city of Yogyakarta killing an estimated 5,900 people and leaving as many as one million homeless. It also destroyed houses, markets, schools, clinics and many other structures. AIG has a long history in Indonesia and immediately donated \$1 million to support recovery and humanitarian efforts. In addition, AIG companies based in Indonesia and Singapore were major contributors of relief supplies—all of which were distributed within 24 hours of their arrival to the area.

South Asia Earthquake

On October 8, 2005, an earthquake ravaged parts of Pakistan, India and Afghanistan, taking more than 73,000 lives, injuring close to 70,000 people and leaving more than 3.5 million people

homeless. AIG and its employees contributed \$1.3 million to the AIG Disaster Relief Fund in support of relief efforts in the areas affected by the earthquake. The Fund worked with the International Organization for Migration (IOM) and the International Rescue Committee to procure and deliver food, shelter, medical relief and building materials for displaced persons.

Disaster Preparedness

AIG has committed \$600,000 to the International Rescue Committee (IRC), a world leader in relief and resettlement for refugees fleeing political and humanitarian disasters, to develop the AIG Emergency Response and Preparedness Program. The Program boosts the capabilities of the IRC's Emergency Response Team by funding intensive training and a logistical center in Dubai to coordinate rapid emergency response deployments of personnel and supplies throughout Africa and Asia. Establishing best practices and eliminating potential supply bottlenecks in advance will ultimately save lives and expedite rebuilding when disasters occur.

AIG and the Disaster Relief Fund together contributed over \$10 million in 2005-2006, as well as countless volunteer hours toward disaster relief efforts worldwide.

Left:

The AIG Disaster Relief Fund supported International Organization for Migration's (IOM) development of an Emergency Rapid Response Team that brings immediate assistance to those affected by disasters, including these victims of a landslide in Pakistan in March, 2007.

Building temporary shelters after the Indonesian earthquake in May, 2006.





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