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AIG, U.S. DEPARTMENT OF TREASURY COMPLETE \$40 BILLION PREFERRED STOCK SALE UNDER TARP

Sale is Part of AIG's Comprehensive Solution Announced on November 10th

NEW YORK, November 25, 2008 - American International Group, Inc. (AIG) said today that the U.S. Department of the Treasury has purchased four million shares of AIG Series D Preferred Stock and a warrant to purchase a number of shares of common stock of AIG equal to 2 percent of the issued and outstanding shares of common stock of AIG on the date of the investment for \$40 billion under the U.S. Department of the Treasury's Troubled Assets Relief Program.

AIG will use the proceeds to reduce its outstanding borrowings under the original credit agreement extended to AIG by the Federal Reserve Bank of New York in September. The maximum capacity of that credit agreement will be reduced from \$85 billion to \$60 billion.

The Series D Preferred Stock, \$5 par value per share, will pay a dividend of 10 percent annually. The warrant has a term of 10 years and is exercisable for up to 53,798,766 shares of common stock, at an exercise price equal to the par value of the common stock at time of exercise. The securities have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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American International Group, Inc. (AIG), a world leader 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 Ireland and Tokyo.

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