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AIG TO SELL AIG LIFE INSURANCE COMPANY OF CANADA **TO BMO FINANCIAL GROUP**

NEW YORK, Jan 13, 2009 -- American International Group, Inc. (AIG) announced today an agreement to sell AIG Life Insurance Company of Canada (AIG Life of Canada) to BMO Financial Group (BMO). AIG Life of Canada, headquartered in Toronto, Canada, offers a wide range of insurance and wealth products, including universal life and term life insurance plans, critical illness plans, permanent plans and immediate annuities.

Under the terms of the transaction, BMO will acquire AIG Life of Canada for approximately C\$375 million (or approximately US \$308 million) in cash, subject to any change in net worth between September 30, 2008 and closing.

The transaction, which is expected to close by June 1, 2009, is subject to certain conditions, including approvals by the appropriate regulatory authorities.

"Our management team is excited about becoming an integral part of one of Canada's premier financial institutions," said Peter McCarthy, President and CEO of AIG Life of Canada. "As part of the BMO Financial Group, we look forward to serving our clients and distribution partners and building on our reputation for providing innovative insurance solutions for Canadians."

"We look forward to welcoming the 300 employees and 400,000 customers of AIG Life of Canada," said Bill Downe, President and CEO, BMO Financial Group. "Acquiring AIG Life of Canada will strengthen BMO's overall financial planning, wealth and retirement offering, giving us the ability to expand our client relationships through a comprehensive line up of products."

J.P. Morgan Securities acted as financial advisor to AIG on this transaction. Blackstone Advisory Services provided financial advice to AIG in connection with AIG's global restructuring program.

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ABOUT AIG

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.

ABOUT AIG LIFE OF CANADA

AIG Life of Canada is based in Toronto with sales offices in Montreal, Calgary and Vancouver, and is a member of New York-based American International Group, Inc. AIG Life of Canada manufactures and sells a full suite of individual life insurance products including term life, whole life, universal life, annuities and critical illness insurance.

AIG Life of Canada is organized into three operating divisions: Agency (more than 5,000 active advisors across Canada), Direct (direct-to-consumer marketing operations) and Group (traditional employee benefits insurance).

ABOUT BMO FINANCIAL GROUP

BMO Financial Group is a highly diversified North American financial services organization that provides a broad range of retail banking, wealth management, and investment banking products and solutions to more than seven million clients and customers across Canada. BMO offers a range of innovative and easy-to-understand insurance solutions that includes: life and disability insurance on mortgages, loans and lines of credit; MasterCard Outstanding Balance insurance; DirectTerm life insurance; Personal Accident Protection, critical illness, and travel insurance. BMO Nesbitt Burns and its predecessor companies have been helping investors meet their financial goals since 1912. Today, BMO Nesbitt Burns has more than 74 branches and 1400 Investment Advisors (as of December 31, 2008).

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