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AIG ANNOUNCES INVESTMENT IN MICROCRED NANCHONG

*AIG to Own 18% of MicroCred Nanchong and To Be
Exclusive Provider of Micro Insurance to MNC's Clients for Two Years*

BEIJING and NEW YORK, August 26, 2008— American International Group, Inc. (AIG) today announced that it has acquired 18 percent of MicroCred Nanchong, China (MNC) and the exclusive right to sell micro insurance to MNC clients for two years. MNC is the first wholly foreign-owned micro credit company in China. In addition to AIG, MNC is jointly owned by the International Finance Corporation, KfW Bankengruppe, and MicroCred S.A. AIG Micro Financial Servicessm, a unit dedicated to providing financial services and products to low income individuals and micro entrepreneurs worldwide, will spearhead AIG's involvement with MNC.

MNC began operations in October of 2007 and currently offers its clients a micro loan product with an average loan size of RMB 25,000 (approximately \$3,600). It plans to introduce a small business loan product with an average loan size of approximately RMB 75,000 (approximately \$11,000) in mid 2008 for micro and small enterprises located in the Nanchong municipality. The company established its first branch and main office in the Jialing district.

Nanchong, the second most populated municipality in Sichuan, has a population of 7.3 million. There are more than 108,000 registered micro and small enterprises in Nanchong.

"We are excited to be part of the first wholly owned foreign micro credit company in China," said Olin Wethington, Chairman, AIG Companies in China. "We look forward to bringing financial products and services to individual entrepreneurs and small businesses in the Nanchong municipality, especially those outside of urban areas."

"This strategic collaboration, through MNC, will enable AIG to broaden the choice and availability of financial products to the small business sector in the Nanchong municipality," said Rick Pfeiffer, Chairman and CEO of AIG Consumer Finance Group and a member of AIG's Micro Financial Servicessm advisory board. "By providing access to financial products that otherwise may not be readily available, MNC helps to support their development and growth."

AIG Micro Financial Services coordinates AIG's efforts to provide financial services products to low income individuals and micro entrepreneurs worldwide and seeks opportunities to invest in and partner with microfinance institutions worldwide. Headquartered in New York City, AIG Micro Financial Services draws across the breadth of AIG, specifically American International Underwriters, American Life Insurance Company, AIG Financial Services and AIG Investments to become the single contact point for AIG's microfinance and micro-insurance businesses. AIG currently has more than 1.2 million micro-insurance policies in force in Colombia, Guatemala, Honduras, India, Indonesia, Mexico, Nicaragua, Pakistan, Uganda, Kenya and South Africa.

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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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