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**AIG SIGNS DEFINITIVE AGREEMENT WITH FEDERAL RESERVE BANK
OF NEW YORK FOR \$85 BILLION CREDIT FACILITY**

NEW YORK, September 23, 2008 - American International Group, Inc. (AIG) today announced that it has signed a definitive agreement with the Federal Reserve Bank of New York for a two-year, \$85 billion revolving credit facility. Interest will accrue at a rate based on 3-month LIBOR plus 8.50%. The facility provides for an initial gross commitment fee of 2% of the total facility on the closing date. AIG will also pay a commitment fee on undrawn amounts at the rate of 8.50% per annum. Interest and the commitment fees are generally payable through an increase in the outstanding balance under the facility.

AIG is required to repay the facility from, among other things, the proceeds of certain asset sales and issuances of debt or equity securities. These mandatory repayments permanently reduce the amount available to be borrowed under the facility. Under the agreement, AIG will issue a new series of Convertible Participating Serial Preferred Stock to a trust that will hold the Preferred Stock for the benefit of the United States Treasury. The Preferred Stock will be entitled to participate in any dividends paid on the common stock, with the payments attributable to the Preferred Stock being approximately, but not in excess of, 79.9% of the aggregate dividends paid. The Preferred Stock will vote with the common stock on all matters, and will hold approximately, but not in excess of, 79.9% of the aggregate voting power. The Preferred Stock will be convertible into common stock following a special shareholders meeting to amend AIG's restated certificate of incorporation.

Borrowings under the facility are conditioned on the Federal Reserve Bank of New York being reasonably satisfied with, among other things, AIG's corporate governance. The facility contains customary affirmative and negative covenants, including a requirement to maintain a minimum amount of liquidity and a requirement to use reasonable efforts to cause the composition of the Board of Directors of AIG to be satisfactory to the trust holding the Preferred Stock within 10 days after the establishment of the trust.

AIG Chairman and Chief Executive Officer Edward M. Liddy said, "AIG made an exhaustive effort to address its liquidity needs through private sector financing, but was unable to do so in the current environment. This facility was the company's best alternative. We are pleased to have finalized the terms of the facility, and are already developing a plan to sell assets, repay the facility and emerge as a smaller but profitable company. Importantly, AIG's insurance subsidiaries remain strong, liquid and well-capitalized."

The facility will be secured by a pledge of the capital stock and assets of certain of AIG's subsidiaries, subject to exclusions for certain property the pledge of which is not permitted by AIG debt instruments, as well as exclusions of assets of regulated subsidiaries, assets of foreign subsidiaries and assets of special purpose vehicles.

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It should be noted that the remarks made in this press release may contain projections concerning financial information and statements concerning future economic performance and events, plans and objectives relating to management, operations, products and services, and assumptions underlying these projections and statements. It is possible that AIG's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these projections and statements. Factors that could cause AIG's actual results to differ, possibly materially, from those in the specific projections and statements are discussed in Item 1A. Risk Factors of AIG's Annual Report on Form 10-K for the year ended December 31, 2007, and in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of AIG's Quarterly Report on Form 10-Q for the period ended June 30, 2008. AIG is not under any obligation (and expressly disclaims any such obligations) to update or alter its projections and other statements whether as a result of new information, future events or otherwise.

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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