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**AIG CAPITAL INDIA PRIVATE LIMITED RECEIVES RBI APPROVAL FOR NBFC
VENTURE**

NEW YORK and MUMBAI, October 19, 2006 -- AIG Capital India Private Limited, an indirect subsidiary of American International Group, Inc. (AIG), today announced it has received regulatory approval from the Reserve Bank of India (RBI) to operate as a wholly owned Non Bank Finance Company (NBFC). The registration will permit AIG Capital India to launch any of the 19 permitted financial services in India's fast growing retail financial services market.

Commenting on the development Mr. Sunil Mehta, Country Head & CEO, AIG Companies India said, "We are delighted to receive the NBFC registration from Reserve Bank of India and are committed to building a robust asset management and consumer finance franchise in India. We believe that the Indian financial services sector offers strong growth potential which we are well poised to develop and grow."

AIG Capital India, with the support of AIG's financial services and asset management subsidiaries, intends to offer asset management and consumer finance products and services in the Indian market.

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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.