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AIG PROVIDES UPDATE ON FEDERAL RESERVE BORROWINGS

NEW YORK, October 24, 2008 – American International Group, Inc. (AIG) today provided detail of its usage of the two-year, \$85 Billion Revolving Credit Facility and the separate \$37.8 Billion Securities Lending Agreement arranged with the Federal Reserve Bank of New York.

As of October 22, 2008, AIG had outstanding borrowings of \$72 billion under the \$85 billion credit facility. AIG is using the funds from this facility primarily for collateral obligations related to the AIG Financial Products Corp. credit default swap portfolio and for general corporate purposes.

In addition, AIG subsidiaries had received \$18 billion in cash collateral in exchange for third-party investment grade fixed income securities borrowed by the New York Fed under AIG's Securities Lending program. This arrangement, under which the New York Fed can borrow up to \$37.8 billion in securities, provides liquidity to the Securities Lending program while providing enhanced credit protection to the NY Fed by giving them possession of third-party investment grade fixed income securities.

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The Federal Reserve statistical release is posted at
<http://www.federalreserve.gov/releases/h41/current/h41.pdf>.

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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