



**American International Assurance  
Company, Limited**

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## Media Release

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### ***AIG MOVING FORWARD WITH ACCELERATED SEPARATION OF AIA AIA TO BE PLACED IN SPECIAL PURPOSE VEHICLE AND POSITIONED AS INDEPENDENT, PAN-ASIAN FRANCHISE***

HONG KONG, June 25, 2009 – American International Group, Inc. (AIG) today announced that it has entered into an agreement with the Federal Reserve Bank of New York (FRBNY) positioning the American International Assurance Company, Limited (AIA), a leading pan-Asian life insurance franchise, for an initial public offering, depending on market conditions.

Under the agreement, AIG will contribute the equity of AIA to a special purpose vehicle (SPV) in exchange for preferred and common interests in the SPV. The FRBNY will receive preferred interests in the AIA SPV of US\$16 billion, which will reduce the debt owed by AIG to the FRBNY under the FRBNY credit facility by an equivalent amount. The face value of the preferred interests represents a percentage of the estimated fair market value of AIA. AIG will hold the common interests in the AIA SPV and will benefit from the fair market value of AIA in excess of the preferred interests as the SPV monetizes its stake in the company in the future.

AIG expects this transaction to close in the second half of 2009 subject to customary closing conditions, including regulatory approvals.

“This action accelerates the move of AIA toward separation and helps maintain the value of the franchise,” said Mark Wilson, Group Chief Executive Officer & President. “Securing the value of this well-capitalized, pan-Asian insurer is in the best interests of policyholders, distribution partners and shareholders. We are very excited to begin this new chapter in the life of one of the world’s leading life insurance companies.”

According to the FRBNY: “The agreements further the goals of enabling AIG to fully repay the assistance that it has received from U.S. taxpayers and advancing the company’s global restructuring process. The exchange of senior secured debt for preferred equity interests reduces AIG’s financial leverage and facilitates the independence of key subsidiaries.”

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The AIA Group is a leading pan-Asian life insurance organisation with a unique heritage of serving the world's most dynamic region for 90 years. It provides consumers and businesses with products and services for life insurance, retirement planning, accident and health insurance as well as wealth management solutions. Through an extensive network of 250,000 agents and 20,000 employees across 14 geographical markets, the AIA Group serves over 20 million customers in the region.

The AIA Group has branch offices, subsidiaries and affiliates located in jurisdictions including Australia, Brunei, China, Hong Kong, India, Indonesia, Macau, Malaysia, New Zealand, Singapore, South Korea, Taiwan, Thailand and Vietnam. Subject to regulatory approvals, AIG intends to incorporate the Philam Group of Companies, based in the Philippines into the AIA Group.

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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