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**AIG REPAYS APPROXIMATELY \$1 BILLION
TO UNITED STATES DEPARTMENT OF THE TREASURY,
REDUCING GOVERNMENT'S INTERESTS IN AIG**

**AIA SPV Balance Reduced to Approximately \$8.4 Billion
After Partial Release of MetLife Sale Escrow**

U.S. Taxpayers Recoup Nearly \$45 Billion from AIG in 2011

Sixth Major Payment in 2011

Taxpayers A Step Closer to Recouping Investment in AIG

NEW YORK, Nov. 1, 2011 -- American International Group, Inc. (NYSE: AIG) announced today that it had paid the United States Department of the Treasury ("Treasury") \$972 million to reduce the liquidation preference on one of the special purpose vehicles ("SPVs") created as part of the government's assistance to AIG.

AIG's payment to the Treasury came primarily from funds released from the escrow held in connection with AIG's sale to MetLife, Inc. ("MetLife") of American Life Insurance Company last year. As a result of the payment Tuesday, the remaining liquidation preference Treasury holds in the AIA Aurora LLC ("the AIA SPV") was reduced to approximately \$8.4 billion.

"We continue to make steady progress toward our goal of America's taxpayers recouping their entire investment in AIG," said AIG President and Chief Executive Officer Robert H. Benmosche. "I am confident that AIG's employees will continue to work hard so we can achieve this goal."

The non-controlling, nonvoting, callable, preferred equity interests in the AIA SPV were created by AIG and the Federal Reserve Bank of New York ("FRBNY") on December 1, 2009, in exchange for a reduction of the balance outstanding and the maximum credit available under the original \$85 billion credit facility provided by the FRBNY to AIG in September 2008. The original liquidation preference for the AIA SPV was \$16 billion.

The money paid today is the sixth major payment to the government in 2011 and brings the total repaid in 2011 to approximately \$45 billion.

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AIG Repays Approximately \$1 Billion to U.S. Department of the Treasury...

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American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

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