

Contact: Christina Pretto (News Media)
212-770-7083

Teri Watson (Investment Community)
212-770-7074

AIG TO SELL AIA TO PRUDENTIAL FOR APPROXIMATELY \$35.5 BILLION

**Transaction to yield approximately \$25 billion in cash upon closing
To repay Federal Reserve Bank of New York**

**Transaction underscores AIG's high priority
To repay taxpayers as quickly as possible**

NEW YORK, March 1, 2010 – American International Group, Inc. (AIG) (NYSE: AIG) announced today a definitive agreement for the sale of the AIA Group, Limited (AIA), one of the world's largest pan-Asian life insurance companies, to Prudential plc for approximately \$35.5 billion, including approximately \$25 billion in cash, \$8.5 billion in face value of equity and equity-linked securities, and \$2.0 billion in face value of preferred stock of Prudential, subject to closing adjustments.

The cash portion of the proceeds from the sale, the largest to date in AIG's ongoing restructuring efforts, will be used to redeem preferred interests with a liquidation preference of approximately \$16 billion held by the Federal Reserve Bank of New York (FRBNY) in the special purpose vehicle formed to hold the interests in AIA, and to repay approximately \$9 billion under the FRBNY Credit Facility. AIG intends to monetize the \$10.5 billion in face value of Prudential securities over time, subject to market conditions, following the lapse of agreed-upon minimum holding periods. All net cash proceeds from the monetization of these securities will be used to repay any outstanding debt under the FRBNY Credit Facility.

"In considering two viable, very attractive alternatives to successfully monetize AIA, including an initial public offering, we decided that a sale to Prudential enables AIG to realize value on a faster track to repay U.S. taxpayers," said Bob Benmosche, AIG President and Chief Executive Officer. "This transaction, the most significant milestone to date in our ongoing effort to repay taxpayers, also gives us greater flexibility to move forward with AIG's restructuring and focus on enhancing the value of our key insurance businesses, which will benefit all stakeholders.

"Combining Prudential, which has long been committed to enhancing its profile in Asia, and AIA, a remarkable Asian franchise, will create an unrivalled life insurance powerhouse in Asia, one of the world's fastest growing markets. This transaction assures AIA of a well-respected, highly-rated, financially strong partner in which its management, customers, employees, agent sales force, and distribution partners can have confidence. Indeed, in undertaking this transaction, both we and Prudential are committed to preserving the AIA brand and the unique strengths of each of our sales forces, which is key to capitalizing on AIA's long term potential," Mr. Benmosche concluded.

--more--

AIG to Sell AIA to Prudential Plc For Approximately \$35.5 Billion

March 1, 2010

Page two

Founded 160 years ago, Prudential is a leading international financial services provider. The transaction includes all of the companies of the AIA Group operating in 15 geographical markets across Asia Pacific, including the company's international network of more than 320,000 agents and approximately 23,500 employees serving the holders of more than 23 million in-force policies and the more than 10 million participating members of its clients for group life, medical, credit life coverage, and pension products.

The transaction has been approved by the boards of directors of both AIG and Prudential, and is expected to close by the end of 2010. The transaction is subject to approval by Prudential shareholders, regulatory approvals, and customary closing conditions.

#

AIG is a leading international insurance organization with operations in more than 130 countries and jurisdictions. 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 around the world. AIG common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

The AIA Group is a leading pan-Asian life insurance organization that traces its roots in the Asia Pacific region back more than 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 320,000 agents and 23,500 employees across 15 geographical markets, AIA serves over 23 million customers in the region.

#