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AIG Discloses Counterparties

American International Group, Inc. (AIG)

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AIG DISCLOSES COUNTERPARTIES TO CDS, GIA AND SECURITIES LENDING TRANSACTIONS

NEW YORK, March 15, 2009 – American International Group, Inc. (AIG) recognizes the importance of upholding a high degree of transparency with respect to the use of public funds. As a result, after close consultation with the Federal Reserve, AIG is disclosing information identifying certain credit default swap counterparties, municipal counterparties and securities lending counterparties. Before disclosing this information, AIG consulted with the Federal Reserve about the potential public benefit of counterparty disclosure and the potential that such disclosure would cause competitive harm to AIG or its counterparties.

Severe valuation losses on the super senior multi-sector credit default swap portfolio of AIG Financial Products Corp. (AIGFP) triggered collateral provisions in the swap contracts, creating a liquidity crisis for AIG in September 2008. The Federal Reserve Bank of New York (FRBNY) provided an emergency \$85 billion loan to AIG to meet short-term cash needs. The aid received by AIG helped avoid severe financial disruptions by providing liquidity to important financial institutions and municipalities.

Using funds from the emergency loan, financial counterparties listed on Attachment A (all attachments are posted online at http://www.aig.com/Related-Resources_385_136430.html) received a total of \$22.4 billion in collateral relating to CDS transactions from AIGFP between September 16, 2008 and December 31, 2008. This amount represents funds provided to such counterparties after the date on which AIG began receiving government assistance. The counterparties received additional collateral from AIG prior to September 16, 2008.

On November 10, 2008, AIG and the FRBNY established Maiden Lane III, a financing entity, to purchase the securities underlying certain CDS contracts from the counterparties to such contracts, allowing the cancellation of the contracts. Attachment B lists payments made by Maiden Lane III to such counterparties.

Municipalities in the states listed on Attachment C received a total of \$12.1 billion from AIGFP between September 16, 2008 and December 31, 2008 in satisfaction of Guaranteed Investment Agreement (GIA) obligations. GIAs are structured investments with a guaranteed rate of return. Municipalities typically use GIAs to invest the proceeds from bond issuances until the funds are needed.

Public aid was also used to satisfy obligations to financial counterparties related to AIG's securities lending operations. Securities lending counterparties listed on Attachment D received \$43.7 billion from September 18, 2008 to December 31, 2008.

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AIG has used the balance of the public aid it received during that time period for other purposes, including the funding of Maiden Lane II and III, debt repayment and capital support for some of its businesses.

AIG Chairman and Chief Executive Officer Edward M. Liddy said that the counterparty and collateral information show that billions in government assistance flowed to dozens of financial counterparties and municipalities during a time of acute stress in the economy.

Mr. Liddy emphasized that AIG's disclosure of the counterparties does not change AIG's commitment to maintaining the confidentiality of its business transactions. "Our decision to disclose these transactions was made following conversations with the counterparties and the recognition of the extraordinary nature of these transactions," Mr. Liddy said.

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American International Group, Inc., 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.

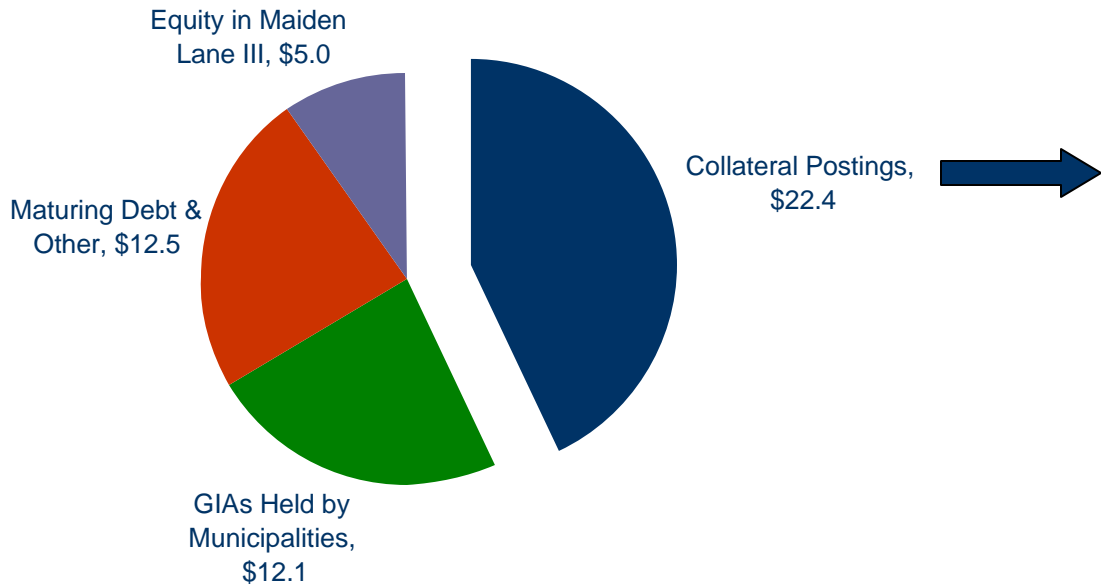
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Attachment A - Collateral Postings Under AIGFP CDS [†]

Use of Direct Support to AIG from 9/16/08-12/31/08

AIGFP Related Uses: \$52.0 bn



<u>Counterparty</u>	<u>Amount Posted (\$ bn)</u>
Societe Generale	\$4.1
Deutsche Bank	2.6
Goldman Sachs	2.5
Merrill Lynch	1.8
Calyon	1.1
Barclays	0.9
UBS	0.8
DZ Bank	0.7
Wachovia	0.7
Rabobank	0.5
KFW	0.5
JPMorgan	0.4
Banco Santander	0.3
Danske	0.2
Reconstruction Finance Corp	0.2
HSBC Bank	0.2
Morgan Stanley	0.2
Bank of America	0.2
Bank of Montreal	0.2
Royal Bank of Scotland	0.2
Top 20 CDS Total	\$18.3
Other	4.1
Total Collateral Postings	\$22.4

[†]The collateral amounts reflected in Schedule A represent funds provided by AIG to the counterparties indicated after September 16, 2008, the date on which AIG began receiving government assistance. The counterparties received additional collateral from AIG prior to this date, and AIG's SEC report relating to ML III reflects the aggregate amount of collateral that counterparties were entitled to retain pursuant to the terms of the ML III transaction.



Attachment B – Maiden Lane III Payments to AIGFP CDS Counterparties

Institution (Counterparty may differ)	Maiden Lane III Payments Made to Counterparties	Maiden Lane III Payments Made to AIGFP
Deutsche Bank	\$2.8	
Landesbank Baden-Wuerttemberg	0.1	
Wachovia	0.8	
Calyon	1.2	
Rabobank	0.3	
Goldman Sachs	5.6	
Société Générale	6.9	
Merrill Lynch	3.1	
Bank of America	0.5	
The Royal Bank of Scotland	0.5	
HSBC Bank USA	0.0*	
Deutsche Zentral-Genossenschaftsbank	1.0	
Dresdner Bank AG	0.4	
UBS	2.5	
Barclays	0.6	
Bank of Montreal	0.9	
Other payments to AIGFP under Shortfall Agreement		\$2.5
Total	\$27.1	\$2.5

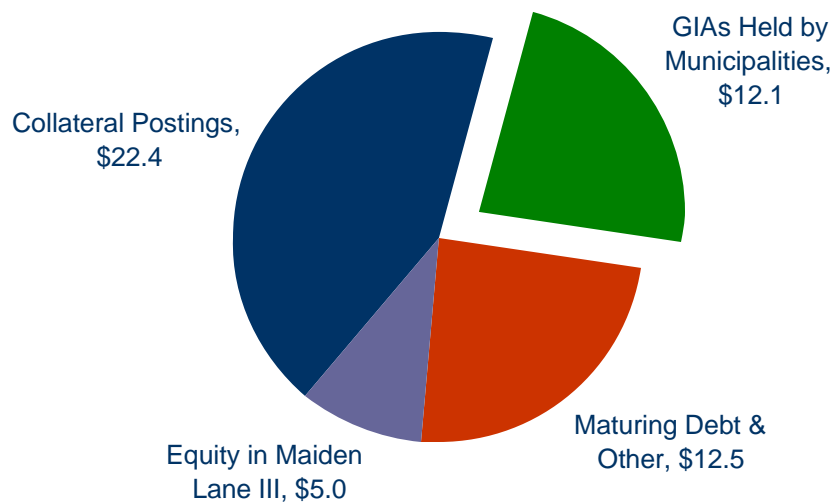
* Amount rounds to zero



Attachment C – Payments Under Guaranteed Investment Agreements

Use of Direct Support to AIG from 9/16/08-12/31/08

AIGFP Related Uses: \$52.0 bn



<u>State</u>	<u>Amount (\$ bn)</u>
California	\$1.02
Virginia	1.01
Hawaii	0.77
Ohio	0.49
Georgia	0.41
Colorado	0.36
Illinois	0.35
Massachusetts	0.34
Kentucky	0.29
Oregon	0.27
Delaware	0.26
New York	0.21
New Jersey	0.21
Mississippi	0.18
Washington	0.17
Pennsylvania	0.15
Florida	0.15
Rhode Island	0.14
Arizona	0.12
Texas	<u>0.10</u>
Top 20 Total	\$7.00
Other	5.10
Total GIAs	\$12.10



Attachment D – Payments to AIG Securities Lending Counterparties

Use of Direct Support to AIG from 9/16/08-12/31/08

(\$ billions)

Institution	Payments to Counterparties by U.S. Securities Lending
Barclays	\$7.0
Deutsche Bank	6.4
BNP Paribas	4.9
Goldman Sachs	4.8
Bank of America	4.5
HSBC	3.3
Citigroup	2.3
Dresdner Kleinwort	2.2
Merrill Lynch	1.9
UBS	1.7
ING	1.5
Morgan Stanley	1.0
Societe Generale	0.9
AIG International Inc.	0.6
Credit Suisse	0.4
Paloma Securities	0.2
Citadel	<u>0.2</u>
Total	\$43.7