

AMERICAN INTERNATIONAL GROUP, INC.  
70 PINE STREET  
NEW YORK, N.Y. 10270

EDWARD M. LIDDY  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER



March 17, 2009

Dear Colleagues,

I'm sure that the controversy over the AIG Financial Products retention contracts has been as painful for you as it has been for me. The contracts, put in place more than a year ago, were intended to maintain stability at AIGFP when the large risks related to AIGFP transactions starting coming to light. In retrospect, we can all debate whether it was the right thing to do, but today's reality is that they are contracts and the unanimous opinion of internal and external legal counsel is that breaking the contracts would expose AIG and taxpayers to much greater financial risk.

The public reaction, fanned by screaming headlines, is understandable. Many people today face real hardships in a difficult economy and the perception of large, unjust bonuses has enraged many. Still, some have carried the reaction too far. A statement by a United States senator that AIG employees should consider suicide is unfathomable, especially for one of our nation's leaders.

What can we do? Keep doing what we're doing: working to resolve our financial difficulties, repay the government and set our businesses on a path for prosperity. None of us asked for this situation, but the professional and honorable thing to do is to look past the criticism and work as hard as we can to support and reassure customers and pursue our recovery plan.

The controversy we are dealing with won't go away until we repay the government, so let's stay focused on achieving that goal.

Sincerely,

A handwritten signature in black ink that reads "Edward M. Liddy". The signature is written in a cursive style with a large, sweeping flourish at the end.