

U.S. DEPARTMENT OF THE TREASURY

Press Center

AIG Repays Taxpayers \$1.5 Billion, Treasury's Preferred Equity Investment Now Repaid in Full

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WASHINGTON – Today, the U.S. Department of the Treasury announced that AIG repaid taxpayers an additional \$1.5 billion. With this transaction, Treasury's preferred equity investment related to AIG has now been repaid in full – more than one year ahead of schedule.

During the financial crisis, overall support for AIG through Treasury and the Federal Reserve Bank of New York (FRBNY) totaled approximately \$182 billion. With today's repayment, the government's remaining outstanding investment is now \$45 billion, which represents a more than 75 percent reduction from that original commitment. The remaining \$45 billion investment consists of:

Treasury's investment (\$35.7 billion) for which it holds 1.248 billion shares of AIG common stock (70 percent of outstanding common stock).

The FRBNY's loan to Maiden Lane III (\$9 billion), which is collateralized by assets with a current value well in excess of the outstanding loan value.

"In the dark days of the financial crisis, when commitments to AIG totaled \$182 billion, few would have believed that we'd already be able to reduce that amount by more than 75 percent, or that we may be able to recover every single dollar invested in the company," said Assistant Secretary for Financial Stability Tim Massad. "This demonstrates the significant progress that AIG and the government have made in restructuring the company's business so that it can repay taxpayers."

Today's \$1.5 billion repayment fully retires the government's remaining preferred equity investment in the AIG-owned entity AIA Aurora LLC (AIA SPV) – a special purpose vehicle that holds ordinary shares in AIA Group Limited (AIA). Under a previous [agreement](#) between AIG and Treasury signed earlier this month, AIG was not required to repay this preferred equity investment until May 2013.

In March 2012 alone, Treasury has recovered more than \$14.6 billion on its investment in AIG. That includes \$6 billion in proceeds from the sale of common stock and \$8.6 billion in repayments of the preferred equity interests.

Today's announcement is part of Treasury's ongoing efforts to wind down the Troubled Asset Relief Program (TARP). More than 80 percent (\$333 billion) of the \$414 billion funds disbursed for TARP have already been recovered to date through repayments and other income. For more details on Treasury's lifetime cost estimates for TARP programs, please visit Treasury's Monthly 105(a) Report to Congress on TARP at this [link](#).

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