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PRESS RELEASE

New York Fed Sells Remainder of Maiden Lane III LLC Securities; Marks End of AIG-Related Assistance; Approximately \$6.6 Billion Net Gain Generated for U.S. Public from the Portfolio

August 23, 2012

The Federal Reserve Bank of New York (New York Fed) today announced the sale of the remaining securities in the Maiden Lane III LLC (ML III) portfolio. The New York Fed's management of the ML III portfolio will result in a net gain for the benefit of the public of approximately \$6.6 billion, including \$737 million in accrued interest on the New York Fed's loan to ML III.

Net proceeds from past sales, conducted by BlackRock Solutions, as well as cash flow the securities generated while held by ML III, enabled the full repayment of the New York Fed's loan, plus interest, on June 14, 2012 and AIG's equity contribution to ML III, plus interest, on July 16, 2012.

William C. Dudley, president of the New York Fed, said, "The completion of the sale of the Maiden Lane III portfolio marks the end of an important chapter—our assistance to AIG—that was undertaken to stabilize the financial system in the midst of the financial crisis. I am pleased that we were able to achieve our principal goal, which was to protect the U.S. economy from the potentially devastating effects of AIG's failure, while demonstrating sound stewardship of taxpayer interests. I am proud of and commend all of the people at the New York Fed who worked tirelessly and diligently to get us here."

Today's announcement on ML III follows the successful wind-down of Maiden Lane II LLC (ML II) in February 2012, which resulted in a net gain of approximately \$2.8 billion for the taxpayer. It also follows the January 2011 termination of the New York Fed's extension of credit to AIG, which produced approximately \$8.2 billion in interest and fees. When taken together, the total net profit to taxpayers from the New York Fed's assistance to AIG and AIG-related facilities was \$17.7 billion.

Net proceeds from the final sale of ML III securities will be reported as part of the portfolio's normal reporting schedule on October 15, 2012. In keeping with previously declared policy, the New York Fed will also provide further details regarding all ML III transactions, including an account showing the acquirer and the price paid for each individual security, on November 23, 2012.

For more information on the Maiden Lane vehicles, visit **Maiden Lane Transactions**.

For more information on the Fed's actions with respect to AIG, visit **Actions Related to AIG**.

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