

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Announces \$750 Million in Additional Expected Proceeds from AIG Common Stock Sale

8/6/2012

Brings Overall Expected Proceeds from Offering to \$5.75 Billion and Will Reduce Treasury Common Stock Stake to 53 Percent

WASHINGTON – Today, the U.S. Department of the Treasury announced that it expects to receive an additional \$750 million from its underwritten public offering of American International Group, Inc. (AIG) common stock. The underwriters have exercised their over-allotment option in full to purchase approximately 24.6 million additional shares of AIG common stock at the public offering price of \$30.50 per share.

On August 3, Treasury agreed to sell approximately 163.9 million shares of AIG common stock at \$30.50 per share in an underwritten public offering for expected proceeds of approximately \$5.0 billion. The exercise of the over-allotment option increases Treasury's expected proceeds from the public offering to approximately \$5.75 billion and the total number of shares sold in the offering to approximately 188.5 million.

Overall, the offering is expected to reduce Treasury's remaining investment in AIG to approximately \$24.2 billion, consisting of approximately 871.1 million shares of common stock; and reduce Treasury's percentage ownership of AIG's outstanding shares of common stock from 61 percent to 53 percent.

During the financial crisis, overall support for AIG through Treasury and the Federal Reserve totaled approximately \$182 billion. After giving effect to the offering, the government's remaining investment of approximately \$24.2 billion would represent a nearly 87 percent reduction from that original \$182 billion commitment.

In addition to principal repayments, which have reduced the government's remaining outstanding investment to \$24.2 billion, the Federal Reserve and Treasury have also received additional income beyond that from interest, fees, and other gains. That additional income beyond principal repayments totals \$14 billion, including approximately \$13 billion from the Federal Reserve's investment and approximately \$1 billion from Treasury's investment.

Today's announcement is part of Treasury's ongoing efforts to wind down the Troubled Asset Relief Program (TARP). Nearly 83 percent (\$344 billion) of the \$416 billion funds disbursed for TARP have already been recovered to date through repayments and other income – before including any expected proceeds from today's announcement. 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](#).

###

