

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Announces Pricing of Public Offering of AIG Common Stock

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WASHINGTON – Today, the U.S. Department of the Treasury announced that it has agreed to sell 200,000,000 shares of its American International Group (AIG) common stock at \$29.00 per share as part of AIG's public equity offering. The underwriters in the offering have a 30-day option to purchase up to 45,000,000 additional shares of common stock from Treasury on the same terms and conditions. The aggregate gross proceeds to Treasury from the offering are expected to be approximately \$5.8 billion (\$7.1 billion if the underwriters exercise their option in full).

"Today's announcement represents an important milestone as we continue to exit our stake in AIG and wind down TARP," said Treasury Secretary Tim Geithner. "The decision to provide this assistance was exceptionally difficult, but it's clear today that it was essential to stopping a financial panic, preventing a severe economic collapse, and helping save American jobs."

During the financial crisis, the U.S. Government's support for AIG totaled approximately \$180 billion.

After today's transaction, the U.S. Government's remaining outstanding investment in AIG through Treasury's Troubled Asset Relief Program is \$53.1 billion (without giving effect to exercise of the underwriters' option). In addition, the Federal Reserve Bank of New York has loans to Maiden Lane II and III (\$23.6 billion, including principal and accrued interest outstanding). These Federal Reserve Bank of New York loans are collateralized by assets with value well in excess of the outstanding loan balances (\$39.4 billion).

After today's offering, Treasury's remaining investment in AIG will consist of 1.455 billion shares of common stock (1.410 billion shares if the underwriters exercise their option in full), and approximately \$11.4 billion of preferred equity interests. Treasury's percentage ownership of AIG's outstanding shares of common stock will decline from approximately 92 percent to 77 percent (74 percent if the underwriters exercise their option in full) – reflecting Treasury's sale of a portion of its common shares and AIG's issuance of 100 million new common shares as part of the offering.

Earlier today, Chrysler Financial repaid \$5.9 billion in TARP funds to taxpayers. Combined with the \$5.8 billion in expected proceeds from AIG's public offering (\$7.1 billion if the underwriters exercise their option in full), today's transactions are expected to produce a total of \$11.7 billion in repayments to taxpayers (\$13.0 billion if the underwriters exercise their option in full).

With today's proceeds, taxpayers will have recovered 75 percent of the funds disbursed for the overall TARP program. The non-partisan, independent Congressional Budget Office estimates that the lifetime cost of TARP will total \$19 billion – less than 3 percent of the \$700 billion originally authorized for that program.

[This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities described above.](#)

