

# U.S. DEPARTMENT OF THE TREASURY

## Press Center

### Treasury Receives \$2 Billion TARP Repayment from American International Group (AIG)

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**WASHINGTON** – Today, the U.S. Department of the Treasury announced that it had received an additional repayment from American International Group (AIG) of \$2.15 billion funded through the proceeds from the previously announced sale of AIG's Nan Shan life insurance subsidiary. The proceeds were used to pay back the U.S. taxpayers' investment in AIG through the redemption of an equal portion of Treasury's preferred equity interests in AIA Aurora LLC, a subsidiary of AIG.

"This is another important milestone in AIG's remarkable turnaround," said Assistant Secretary for Financial Stability Tim Massad. "We continue to make progress in recovering the taxpayers' investments in AIG."

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

After today's repayment, the U.S. Government's remaining outstanding investment in AIG through Treasury is \$51 billion. In addition, the Federal Reserve Bank of New York has loans to Maiden Lane II and III (\$18.8 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 (\$31.7 billion).

Overall, Treasury has received \$313 billion in repayments and other income from its TARP investments – more than 76 percent of the \$412 billion disbursed under the program to date.

#### Background on Treasury Investment in AIG

In January 2011, AIG completed a recapitalization transaction which resulted in AIG repaying all the outstanding loans provided by the Federal Reserve Bank of New York. Also at that time, Treasury received 1.655 billion shares of AIG common stock (approximately 92 percent of AIG's outstanding common stock) and \$20.4 billion in preferred equity interests in AIG. Since then Treasury has sold 200 million shares of AIG for proceeds of \$5.8 billion and AIG has made payments to Treasury, including the repayment announced today, of \$11.4 billion on the preferred equity interests.

#### For additional background:

Treasury Announces Pricing of AIG Common Stock, May 24, 2011

Treasury Announces Completion of the American International Group Recapitalization Transaction, January 14, 2011

Treasury Department Statement on AIG's Transaction Agreement, December 8, 2010

