

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Receives Nearly \$1 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 \$972 million. The payment was funded primarily through the scheduled release of escrowed proceeds from AIG's sale of its American Life Insurance Co., or ALICO, subsidiary to MetLife, Inc. on November 1, 2010. 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.

During the financial crisis, the U.S. Government's support for AIG totaled approximately \$182 billion.

After today's repayment, the U.S. Government's remaining outstanding investment in AIG through Treasury, including common and preferred interests, is \$50 billion. In addition, the Federal Reserve Bank of New York has loans to Maiden Lane II and III of \$17.5 billion, including principal and accrued interest outstanding. These Federal Reserve Bank of New York loans are collateralized by assets with a current value of approximately \$30.7 billion, well in excess of the outstanding loan balances.

Overall, Treasury has received \$317 billion in repayments and other income from its TARP investments – nearly 77 percent of the \$413 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 \$20.3 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 \$12.4 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](#)

[Treasury Announces Expected Proceeds from the Offering of MetLife Stock by American International Group, March 2, 2011](#)

[Federal Reserve Statistical Release \(Form H.4.1\)](#)

[U.S. Department of the Treasury Office of Financial Stability](#)

