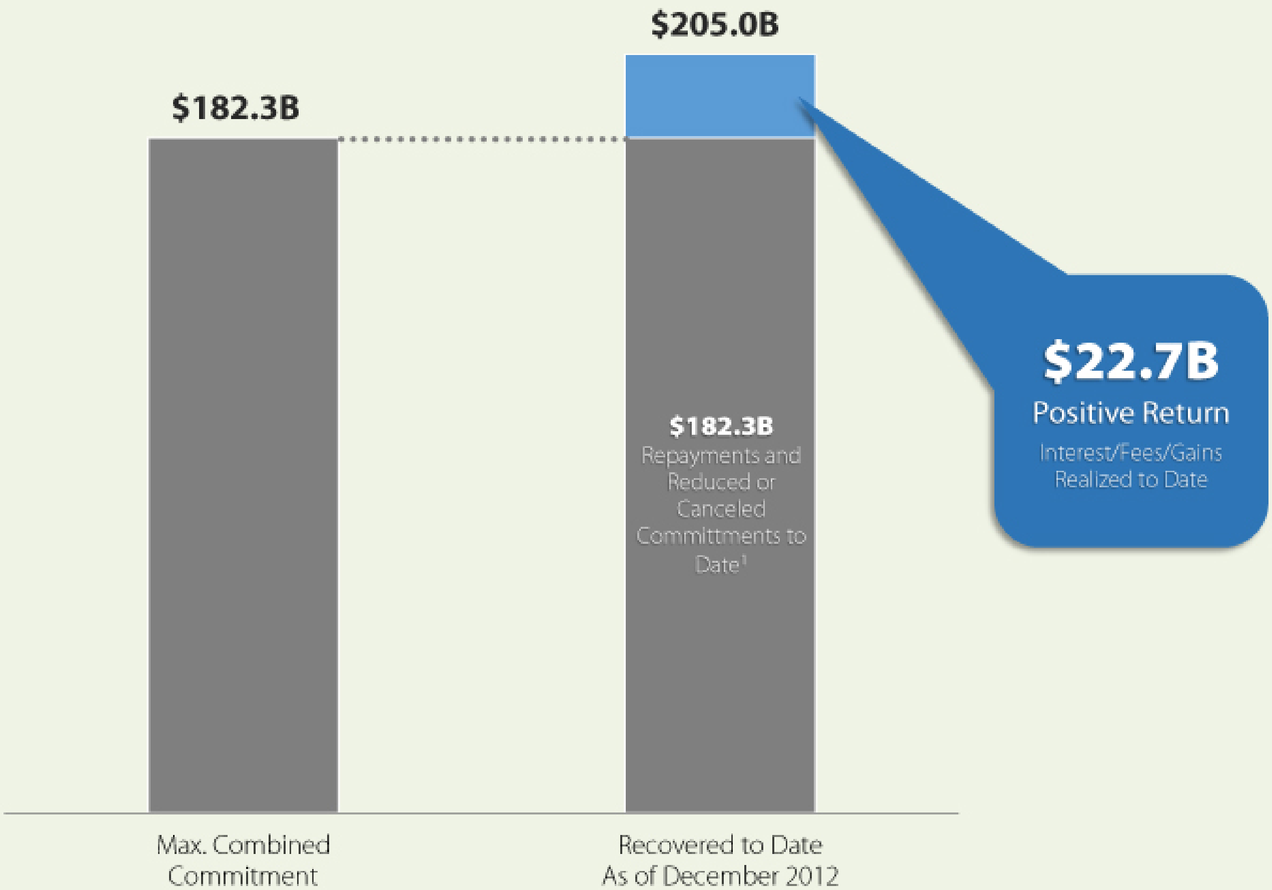
Treasury Sells Its Final Shares of AIG Common Stock

Bringing the Overall **Positive Return** on the Federal Reserve and Treasury $182.3 Billion Commitment to **$22.7 Billion**.

Total Treasury and Federal Reserve Commitments to AIG

Billions of dollars



Breakdown of Treasury Investment and Federal Reserve Assistance Related to AIG

Billions of dollars

	Max. Combined Commitment[2]	Repayments and Canceled/Reduced Commitments[3]	Interest/Fees/Gains to Date	Total Recovered
Federal Reserve	**$112.5 billion**	**$112.5 billion**	**$17.7 billion**	**$130.2 billion**
FRBNY Loans to AIG[4]	$35.0 billion	$35.0 billion	$6.8 billion	$41.8 billion
AIA/ALICO SPVs, Preferred Interests	$25.0 billion	$25.0 billion	$1.4 billion	$26.4 billion

Maiden Lane II[5]	$22.5 billion	$22.5 billion	$2.8 billion	$25.3 billion
Maiden Lane III[6]	$30.0 billion	$30.0 billion	$6.6 billion	$36.6 billion
Treasury	**$69.8 billion**	**$69.8 billion**	**$5.0 billion**	**$74.8 billion**
Preferred Stock	$22.3 billion	$22.3 billion	$0.9 billion	$23.2 billion
Common Stock[7]	$47.5 billion[8]	$47.5 billion	$4.1 billion	$51.6 billion
Total	**$182.3 billion**	**$182.3 billion**	**$22.7 billion**	**$205.0 billion**

Timeline of Treasury Investment and Federal Reserve Assistance Related to AIG

Outstanding commitment[9], billions of dollars

1 **Sep. 16, 2008**
Fed establishes $85B credit facility for AIG.

2 **Oct. 8, 2008**
Fed commits additional $37.8B to AIG in the form of a Securities

7 **Jan. 14, 2011**
Fed, Treasury, AIG, and Credit Facility Trust close recapitalization: (1) Fed loans to AIG are paid off while Fed loans to Maiden Lane II and III remain; (2) Fed's remaining AIA/ALICO preferred interests are transferred to Treasury; and (3) Treasury

12 **Mar. 2012**
AIG prices sale of additional AIA shares for $6B, and also completes repayment of Treasury preferred interests. Treasury sells 207M shares ($6.0B) of AIG common stock, reducing its remaining common stock stake to 70% from 77%.

Borrowing Facility.

3 **Nov. 10, 2008**
Treasury makes $40B TARP investment in AIG to reduce Fed credit facility. Fed authorizes loans to Maiden Lane II and III to purchase mortgage-related assets from AIG and its counterparties.

4 **Mar. 2, 2009**
Treasury commits additional $30B to AIG through TARP. Fed restructures its commitment, including a $25B reduction in its credit facility in exchange for preferred interests in special purpose vehicles holding two of AIG's largest foreign life insurance subsidiaries (AIA and ALICO).

5 **Oct. 2010**
AIG prices sale of shares in its subsidiary AIA for $20.5B in an initial public offering.

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and (3) Treasury receives 1.655B common shares (92%) of AIG stock. Previously committed but unspent TARP funds are used to complete the transaction, as well as proceeds from AIA and ALICO sales.

8 **Feb. 2011**
AIG completes the sale of subsidiary Star/Edison to Prudential Financial, Inc. for $4.8B.

9 **May 2011**
Treasury sells 200M shares ($5.8B) of AIG common stock, reducing its remaining common stock stake to 77% from 92%. Also, $2B of undrawn TARP commitment is canceled.

10 **Aug. 2011**
AIG closes the sale of subsidiary Nan Shan for $2.2B.

11 **Feb. 28, 2012**
Sale of final remaining securities held in Maiden Lane II, other than certain zero-factor

13 **May 2012**
Treasury sells 189M shares ($5.75B) of AIG common stock, reducing its remaining common stock stake to 61% from 70%.

14 **Aug. 2012**
Treasury sells 189M shares ($5.75B) of AIG common stock, reducing its remaining common stock stake to 53% from 61%.

15 **Aug. 2012**
Sale of final remaining securities held in Maiden Lane III. Total gain from the Maiden Lane III portfolio for the Fed is $6.6B.

16 **Sep. 2012**
Treasury agrees to sell 637M shares ($20.7B) of AIG common stock. This reduces its remaining stake to 16% from 53%.

Nov. 2010
MetLife completes acquisition of AIG subsidiary ALICO for $16.2B.

securities that were subsequently sold. Total gain from the Maiden Lane II portfolio for the Fed is $2.8B.

17 **Dec. 2012**
Treasury agrees to sell all of its remaining 234M shares ($7.6B) of AIG common stock.

Notes

Numbers may not sum due to rounding. Gives effect to offering commenced December 10.

(1) Primary sources of repayments include sales (and sales of shares) of AIG's foreign life insurance subsidiaries (AIA, ALICO, Nan Shan, Star/Edison), the cash flows from and sale of mortgage-related assets formerly held by AIG and its counterparties (Maiden Lane II and III), and Treasury common stock sales. Figure also includes canceled/reduced commitments.

(2) The maximum combined commitments from Treasury and the Federal Reserve were $182 billion. These commitments were never fully drawn at any point in time, and the form of the commitments changed at various points in time in connection with restructurings of the commitments. (See timeline below for further details.) To avoid double counting, this chart presents the maximum amounts of the commitments as of immediately prior to the January 2011 recapitalization, with an adjustment for the common stock received by Treasury in the recapitalization in exchange for preferred stock.

(3) In addition to repayments, this column includes canceled or reduced commitments, including the difference between the amount the Board of Governors authorized the FRBNY to lend to Maiden Lane II and Maiden Lane III and the amount ultimately lent to those vehicles; the cancellation of remaining undrawn Federal Reserve credit facility in the January 2011 recapitalization and the cancelation of Treasury's Series G preferred stock commitment in May 2011.

(4) The FRBNY's original $85 billion credit facility commitment was reduced to $60 billion in November 2008 in connection with the $40 billion TARP investment in AIG. The credit facility commitment was further reduced to $35 billion in December 2009 in connection with AIG's transfer of the AIA Aurora LLC and ALICO Holdings LLC preferred interests to the New York Fed. Prior to the restructurings, however, the maximum amount loaned under the facility was $72 billion. Interest fees and gains also include $0.08 billion from Securities Borrowing Facility created in October 2008 and repaid in full in December 2008.

(5) The maximum combined commitment figure refers to the amount the Federal Reserve Board of Governors authorized the Federal Reserve Bank of New York to lend to Maiden Lane II LLC. Ultimately, the maximum amount the Federal Reserve lent was $19.5 billion.

(6) The maximum combined commitment figure refers to the amount the Federal Reserve Board of Governors authorized the Federal Reserve Bank of New York to lend to Maiden Lane III LLC. Ultimately, the maximum amount the Federal Reserve lent was $24.3 billion.

(7) The FRBNY established its AIG credit facility in September 2008 before TARP was passed – and, in partial consideration, AIG agreed to issue an equity interest in the company to a separate trust, managed by independent trustees, for the benefit of the U.S. Treasury. Then, in November 2008, Treasury purchased preferred stock in AIG with TARP funds – the proceeds from which were used to refinance a portion of the FRBNY credit facility and strengthen AIG's capital structure. Additionally, the TARP preferred stock Treasury purchased in November 2008 was subsequently converted to common stock as part of a broader recapitalization plan that was completed in January 2011 among Treasury, the Federal Reserve, the independent trustees for the AIG trust, and AIG.

(8) Treasury's AIG common stock holdings include shares acquired in exchange for preferred stock purchased with TARP funds (TARP shares) and shares received from the AIG trust (non-TARP shares). Overall, including both TARP (1.092 billion shares) and non-TARP shares (563 million shares), Treasury's AIG common stock holdings originally totaled approximately 1.655 billion shares with a cash cost-basis of $47.5 billion. This cash cost basis reflects the cash cost of the TARP preferred shares converted to common stock ($47.5 billion), as well as the fact the U.S. Treasury's cost basis in non-TARP shares is deemed to be zero.

(9) Repayments occurred over the life of the commitment. However, the reduced commitment is not reflected until the January 2011 recapitalization transaction.

SOURCE: U.S. TREASURY
FEDERAL RESERVE
AIG

U.S. Department of the Treasury
December 2012