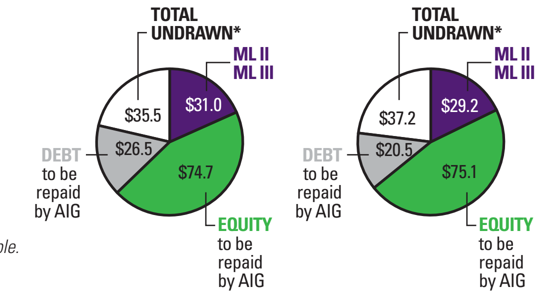
Understanding AIG's Obligations to the U.S. Government

Support provided to AIG includes a Federal Reserve Bank of New York (FRBNY) Revolving Credit Facility, a U.S. Treasury Department direct equity investment in AIG through TARP, which includes a commitment to provide cash funding, and an FRBNY preferred equity interest in Alico and AIA special purpose vehicles (SPVs). At September 30, 2010, AIG owed the U.S. government an outstanding debt and equity balance of $95.6 billion. The balance outstanding on the FRBNY loans to the Maiden Lane II and Maiden Lane III SPVs, $14.1 billion and $15.1 billion, respectively, are not obligations of AIG and are not reflected on AIG's balance sheet.

as of **6/30/2010** as of **9/30/2010**



** AIG has not drawn the full amount of the government assistance available. The Total Undrawn is the remaining balance available to AIG on the Treasury Series F commitment and the FRBNY Revolving Credit Facility.*

	as of 6/30/2010	as of 9/30/2010
Total Outstanding Assistance *Does not include AIG's participation in the FRBNY Commercial Paper Funding Facility*	**$132.1 billion**	**$124.8 billion**
Outstanding debt and equity balance requiring repayment by AIG *The difference between the government assistance outstanding and the balance requiring repayment is attributable to the outstanding on the Maiden Lane II and III loans.*	**$101.2 billion**	**$95.6 billion**

DEBT **FRBNY Revolving Credit Facility** *($29.18 billion available capacity at 9/30/10)*

The Federal Reserve Bank of New York (FRBNY) initially provided AIG with a revolving credit facility of $85 billion. That facility was reduced to $60 billion in November 2008 with proceeds from the Treasury's TARP share purchase, and to $35 billion in December 2009, when AIG closed two transactions with the FRBNY that reduced the debt AIG owed the FRBNY by $25 billion in exchange for the FRBNY's acquisition of preferred equity interests in the AIA and Alico SPVs(see below). As of September 30, 2010, the facility availability was reduced to $29.18 billion as a result of mandatory prepayments relating to asset sales. The outstanding balance includes accumulated interest and fees. Accumulated interest does not reduce the available balance of the revolving credit facility. *(Refer to page 11 for discussion of capital structure and ranking of obligations.)*

6/30/2010	9/30/2010
$6.0 billion	$6.2 billion
$20.5 billion	$14.3 billion

EQUITY **U.S. Dept. of Treasury TARP Series D/E Shares** *($40 billion authorized)*

Treasury purchased Series D cumulative preferred stock from AIG in November 2008. AIG used the proceeds to pay down the FRBNY Revolving Credit Facility. These shares were later exchanged for Series E noncumulative preferred shares. Unpaid dividends on the Series D shares were added to the liquidation preference of the Series E shares.

6/30/2010	9/30/2010
$41.6 billion	$41.6 billion

EQUITY **U.S. Dept. of Treasury TARP Series F Shares** *($29.835 billion authorized)*

Through the purchase of AIG's Series F noncumulative preferred shares, the Treasury has committed to provide to AIG up to $29.835 billion to meet liquidity and capital needs in exchange for an increase in the aggregate liquidation preference of the Series F shares

6/30/2010	9/30/2010
$7.5 billion	$7.5 billion

EQUITY **Preferred Interests in the AIA and Alico SPVs held by FRBNY** *($25 billion authorized)*

In December 2009, AIG transferred to the FRBNY preferred equity interests in newly-formed special purpose vehicles (SPVs) in exchange for a $25 billion reduction of the balance outstanding and the maximum credit available under the FRBNY Credit Facility. The FRBNY holds a preferred interest in the AIA SPV for $16 billion and a preferred interest in the Alico SPV for $9 billion.

6/30/2010	9/30/2010
$25.6 billion	$26.0 billion

FRBNY Investment in AIG-related RMBS **Maiden Lane II SPV** *($22.5 billion authorized)*

In November 2008, FRBNY created this SPV to provide AIG liquidity by purchasing residential mortgage backed securities from AIG life insurance and retirement services companies. FRBNY provided a loan to Maiden Lane II for the purchases. It also terminated a previously established securities lending arrangement with AIG. The actual amount funded was $19.5 billion. Loans to ML II are expected to be repaid with the proceeds from the interest and principal payments or from the liquidation of the assets in the facility.

6/30/2010	9/30/2010
$14.7 billion	$14.1 billion

FRBNY Investment in AIG-related CDOs **Maiden Lane III SPV** *($30 billion authorized)*

In November 2008, FRBNY created this SPV to provide AIG liquidity by purchasing collateralized debt obligations (CDOs) from AIG Financial Products Corp. counterparties in connection with the termination of credit default swaps (CDSs) and surrender of the collateral by AIGFP. FRBNY provided a loan to the SPV for the purchases. The actual amount funded was $24.3 billion. Loans to ML III are expected to be repaid with the proceeds from the interest and principal payments or from the liquidation of the assets in the facility

6/30/2010	9/30/2010
$16.3 billion	$15.1 billion