2012

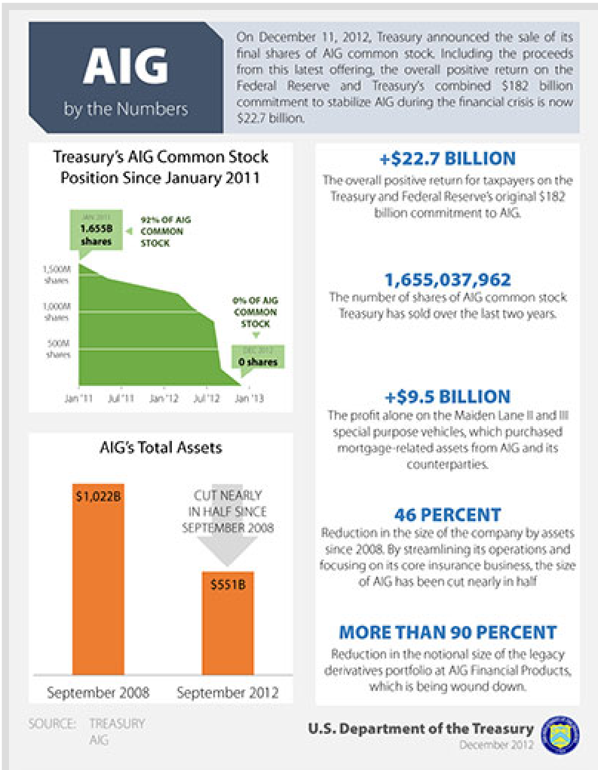
Investment In American International Group

United States: Department of the Treasury

- Home
- About TARP
- TARP Programs
  - Auto Industry
  - Bank Investment Programs
  - Credit Market Programs
  - Executive Compensation
  - Housing
  - **Investment in AIG**
    - Program Status
- Reports
- Program Agreements
- News Room
- About OFS
- Doing Business with OFS
- Contact Us

Home » Initiatives » Financial Stability » TARP Programs » TARP Programs » Investment in AIG

Investment in American International Group (AIG)



Program Purpose & Overview

At the height of the financial crisis in September 2008, American International Group (AIG) was on the brink of failure. At the time, AIG was the largest provider of conventional insurance in the world. Millions depended on it for their life savings and it had a huge presence in many critical financial markets, including municipal bonds. AIG's failure would have been devastating to global financial markets and the stability of the broader economy. Therefore, the Federal Reserve and Treasury acted to prevent AIG's disorderly failure.

Read more about program status.

Key Facts

The U.S. government acted to prevent the disorderly failure of AIG, after concluding that such a failure would have caused catastrophic damage to the financial system and the economy.

Treasury, the FRBNY, and AIG completed a restructuring plan for AIG that enabled the company to restore its financial condition and fully repay taxpayers.

In December 2012, Treasury sold its remaining 234,169,156 shares of AIG common stock in an underwritten public offering for aggregate proceeds of approximately $7.6 billion.

The overall positive return on the Federal Reserve and Treasury's combined $182 billion commitment to stabilize AIG during the financial crisis is now $22.7 billion, with Treasury realizing a positive return of $5.0 billion and the Federal Reserve realizing a positive return of $17.7 billion.

Resources

- AIG Infographic and Timeline
- Program Documents
- Press Releases

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