AIG WRAP-UP: Treasury Sells Final Shares of AIG Common Stock, Positive Return on Overall $182 Billion AIG Commitment Is Now $22.7 Billion

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Yesterday, Treasury announced the sale of its final shares of AIG common stock. Including the proceeds from this latest offering, 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.

Assistant Secretary Massad noted that AIG is a “dramatically different company” today compared to four years ago. Since the financial crisis, AIG has undertaken a significant restructuring effort, which put it in a stronger position to repay taxpayers. The size of the company has been cut nearly in half as AIG sold non-core assets and focused on its core insurance operations. AIG's Financial Products unit (AIGFP) is continuing to be wound down and has cut its legacy derivatives exposure by more than 90 percent to date.

And over the last 19 months, Treasury has conducted six public offerings of AIG common stock, selling a total of 1,655,037,962 shares (originally 92 percent of AIG’s outstanding common stock) at an average price of $31.18. Treasury's $20.7 billion AIG common stock offering in September 2012 alone represented the largest single U.S. common stock offering in history.
The infographic below provides an overview of the effort to restructure AIG and recover the $182 billion Treasury and Federal Reserve commitment – with a profit for taxpayers.
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**Timeline of Treasury Investment and Federal Reserve Assistance Related to AIG**

**Outstanding commitment**, billions of dollars

- **$200 billion**
- **$150 billion**
- **$100 billion**
- **$50 billion**
- **$0 billion**

- **Sep '08**
- **Sep '09**
- **Mar '10**
- **Sep '10**
- **Mar '11**
- **Sep '11**
- **Mar '12**
- **Sep '12**

1. **Sep. 16, 2008**
   - Fed establishes $65 billion credit facility for AIG.

2. **Oct. 1, 2008**
   - Fed commits additional $36 billion to AIG in the form of a Securities Borrowing Facility.

3. **Nov. 10, 2008**
   - Treasury makes $40 billion 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 $20 billion to AIG through TARP. Fed restructures its commitment, including a $25 billion reduction in its credit facility in exchange for preferred interests in the special purpose vehicles holding two of AIG’s largest foreign life insurance subsidiaries (AIA and Alico).

5. **Oct. 2010**
   - AIG prices sale of share in its subsidiary AIA for $20 billion in an initial public offering.

6. **Nov. 2010**
   - MetLife completes acquisition of AIG subsidiary ALICO for $16 billion.

7. **Jan. 14, 2011**
   - Fed, Treasury, AIG, and Credit Facility Trust close recapitalization:
     - (1) Fed loans to AIG are paid off while Federal loans to Maiden Lane II and III remain;
     - (2) Fed’s remaining AIA/ALICO preferred interests are transferred to Treasury;
     - (3) Treasury receives 1.8 million common shares (94%) 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. **Mar. 2012**
   - AIG prices sale of additional AIA shares for $6 billion and also completes repayment of Treasury preferred interests. Treasury sells 207 million shares ($6.6 billion) of AIG common stock, reducing its remaining common stock stake to 79% from 77%.

9. **May 2012**
   - Treasury sells 199 million shares ($3.75 billion) of AIG common stock, reducing its remaining common stock stake to 61% from 70%.

10. **Aug. 2012**
    - Treasury sells 187 million shares ($5.75 billion) of AIG common stock, reducing its remaining common stock stake to 53% from 61%.

11. **Aug. 2012**
    - Sale of final remaining securities held in Maiden Lane II, Total gain from the Maiden Lane II portfolio for the Fed is $6.08 billion.

12. **Aug. 2012**
    - Treasury agrees to sell $673 million shares ($2.7 billion) of AIG common stock. This reduces its remaining stake to 10% from 53%.

13. **Sep. 2012**
    - Treasury agrees to sell all of its remaining 234 million shares ($7.6 billion) of AIG common stock.

**Dec. 2012**

- Treasury sells final shares of AIG stock (9.5% of stock) for $22.7 billion, positive return.
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