

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces Pricing of \$5.0 Billion of AIG Common Stock

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WASHINGTON – Today, the U.S. Department of the Treasury announced that it has agreed to sell 163,934,426 shares of its American International Group, Inc. (AIG) common stock at \$30.50 per share in an underwritten public offering. The aggregate proceeds to Treasury from the common stock offering are expected to be approximately \$5.0 billion. As part of Treasury's offering, AIG agreed to purchase 98,360,656 shares at the public offering price of \$30.50 per share – representing approximately \$3.0 billion of Treasury's expected proceeds from the sale. Treasury has granted the underwriters a 30-day over-allotment option with respect to approximately 24.6 million additional shares of AIG common stock.

The common stock offering priced today (assuming no exercise of the underwriters' over-allotment option) will reduce Treasury's remaining investment in AIG to \$25.0 billion, consisting of approximately 895.7 million shares of common stock; and Treasury's percentage ownership of AIG's outstanding shares of common stock will also decline from approximately 61 percent to 55 percent.

During the financial crisis, overall support for AIG through Treasury and the Federal Reserve totaled approximately \$182 billion. After giving effect to today's common stock sale (assuming no exercise of the underwriters' over-allotment option), the government's remaining investments of approximately \$25.0 billion would represent an 86 percent reduction from that original \$182 billion commitment.

In addition to principal repayments, which have reduced the government's remaining outstanding investment to \$25.0 billion, the Federal Reserve and Treasury have also received additional income beyond that from interest, fees, and other gains. That additional income beyond principal repayments totals \$14 billion, including approximately \$13 billion from the Federal Reserve's investment and approximately \$1 billion from Treasury's investment.

Today's announcement is part of Treasury's ongoing efforts to wind down the Troubled Asset Relief Program (TARP). Nearly 83 percent (\$344 billion) of the \$416 billion funds disbursed for TARP have already been recovered to date through repayments and other income – before including any expected proceeds from today's announcement. For more details on Treasury's lifetime cost estimates for TARP programs, please visit Treasury's Monthly 105(a) Report to Congress on TARP at this [link](#).

BofA Merrill Lynch, Barclays, Citigroup, Credit Suisse, Deutsche Bank Securities, Goldman, Sachs & Co., J.P. Morgan, Macquarie Capital, Morgan Stanley, UBS Investment Bank and Wells Fargo Securities acted as Joint Book-Runners for the offering. Co-managers of the offering included Blaylock Robert Van, LLC, Castle Oak Securities, L.P., Drexel Hamilton, Lebenthal & Co., LLC, Loop Capital Markets, Mischler Financial Group, Inc., Muriel Siebert & Co. Inc., Ramirez & Co, Inc., Toussaint Capital and The Williams Capital Group, L.P. Greenhill & Co. continues to serve as Treasury's financial agent with respect to the management and disposition of Treasury's investment in AIG.

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