

## **TREASURY ANNOUNCES COMPLETION OF THE AMERICAN INTERNATIONAL GROUP RECAPITALIZATION TRANSACTION**

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WASHINGTON – The U.S. Department of the Treasury announced today that the previously reported recapitalization transaction with American International Group (AIG), the Federal Reserve Bank of New York (FRBNY) and the AIG Credit Facility Trust (Trust) has been completed.

With the closing of the recapitalization, AIG repaid the FRBNY a total of \$47 billion, including the outstanding balance on the original \$85 billion credit facility provided to AIG in September 2008 at the height of the financial crisis. Treasury now owns 1.655 billion shares of AIG common stock (approximately 92 percent of the company) and approximately \$20 billion of preferred equity interests in two AIG subsidiaries. Treasury's total cash investment in AIG is now \$68 billion. Treasury expects to exit its investments in AIG over time, subject to market conditions, in order to recoup taxpayer funds.

“Treasury welcomes the culmination of AIG’s recapitalization plan, which is a vital part of that company’s turnaround and puts Treasury in an excellent position to begin realizing value for taxpayers,” said Treasury Secretary Tim Geithner. “I would especially like to thank Bob Benmosche and the entire leadership of AIG, who transformed this institution in less than two years under very trying circumstances. Our extraordinary and hard working staff here at Treasury and the great team at the Federal Reserve also deserve high praise for helping make this day a reality.”

“Treasury remains optimistic that taxpayers will get back every dollar of their investment in AIG,” Geithner added.

### **For additional background:**

Treasury Department Statement on AIG’s Transaction Agreement, December 8, 2010:  
[http://www.financialstability.gov/latest/pr\\_12082010.html](http://www.financialstability.gov/latest/pr_12082010.html)

Treasury Update on AIG Investment Valuation, November 1, 2010:  
[http://www.financialstability.gov/latest/pr\\_11012010.html](http://www.financialstability.gov/latest/pr_11012010.html)

Treasury Releases Two-Year Retrospective Report on the Troubled Asset Relief Program, October 5, 2010: [http://www.financialstability.gov/latest/pr\\_10052010.html](http://www.financialstability.gov/latest/pr_10052010.html)  
Statement by the US Treasury Department on AIG Exit Plan, September 30, 2010:  
[http://www.financialstability.gov/latest/pr\\_09302010.html](http://www.financialstability.gov/latest/pr_09302010.html)

Treasury Names Two Appointees to AIG's Board of Directors, April 1, 2010:  
[http://www.financialstability.gov/latest/tg\\_04012010.html](http://www.financialstability.gov/latest/tg_04012010.html)

U.S. Treasury and Federal Reserve Board Announce Participation in AIG Restructuring Plan,  
March 2, 2009: <http://www.financialstability.gov/latest/tg44.html>

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