



Global Restructuring Plan

September 28, 2008
Draft for Discussion

AIG Agenda

I. Global Restructuring Plan

II. Appendix

- A. Assumptions / Key Risks of Disposition Model
- B. Downside Case Assumptions
- C. Federal Facility Roll Forward
- D. Parent Company Assets
- E. Equity Roll Forward
- F. Summary of Independent Sum-of-the-Parts Valuations
- G. Bankers / Lawyers / Advisors for Dispositions
- H. Individual Business Descriptions

AIG Summary

AIG is focused on three primary objectives:

1. Ensure AIG meets its obligations to all creditors and policyholders
2. Repay the Federal Reserve by 12/31/09
 - Drawdown as of Friday, 9/26/08: \$49 bn
 - Estimated balance at 12/31/08: \$67 bn including PIK interest and commitment fee, net of \$8 bn of repayment
3. Maintain a vibrant core business with a rating of A or better that is strategically well positioned and capable of providing shareholder value

AIG Summary

Achieving these objectives requires aggressive initiatives in several areas:

1. Attack liability issues causing liquidity drain
 - The primary drains on liquidity related to FP are maturing liabilities and collateral calls related to the CDS portfolio, GICs, Commodities Index and other derivative transactions
 - Securities Lending
2. Sell in a deliberate, disciplined manner with a sense of urgency – get ahead of the curve
 - Protect creditors & policyholders
 - Prevent franchise erosion to realize full valuation
 - Protect against future liquidity problems / ratings issues
 - Calibrate size of transactions to maximize buyer interest and reflect current capital market conditions
 - Consistent with insurance regulations, move cash from sales proceeds into holding company to allow debt repayment
3. Carefully manage expenses, cash flows and capital
4. Begin creation of a viable ongoing core

AIG Sources and Uses

AIG's principal sources of liquidity to repay the government will come from asset sales

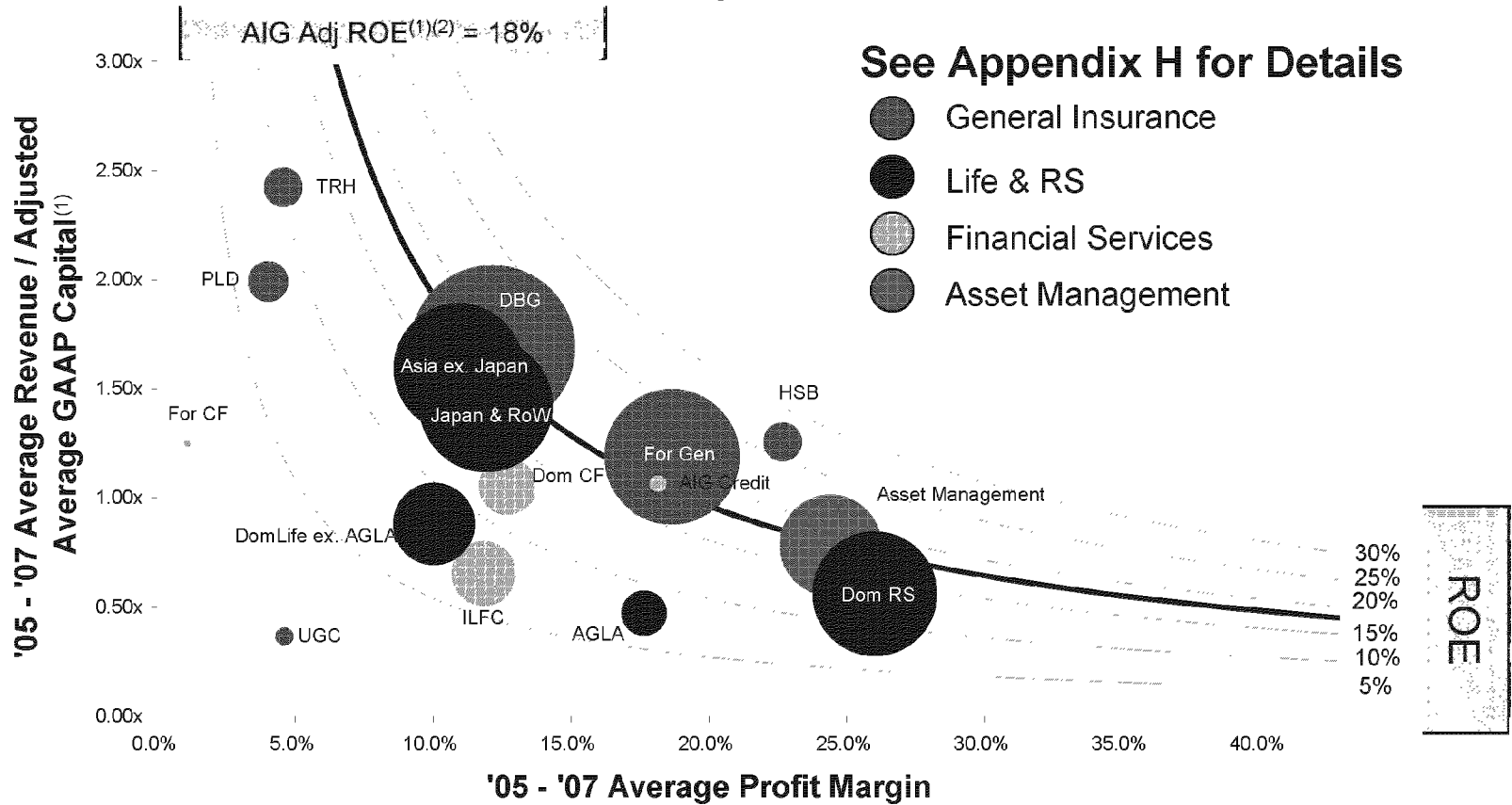
Sources of Liquidity	Net Cash to Parent	Uses of Liquidity	Cash Use
Business dispositions ⁽¹⁾	\$78.9 bn ⁽¹⁾	Fed Facility Repayment	\$79.9 bn
InterCo loan repayment	\$1.0 bn		
Discrete corporate assets	\$1.4 bn	Accrued Interest & Facility Fee	\$6.6 bn
Sub-total	\$81.3 bn		
Sale of 51% of AIA	\$9.0 bn		
Sub-total	\$90.3 bn	Repayments of Other Principal & Interest	\$3.1 bn
Additional future asset sales	TBD		
Residual liquidity from FP	TBD	Available liquidity	\$3.7 bn
Future capital raise	TBD		
Total	\$93.3 bn	Total	\$93.3 bn

(1) Includes 49% sale of AIA (2) Figures are in after tax amounts (2) Net of repayments on FR principal and interest

AIG ROE and Mix

AIG has an attractive and valuable portfolio of businesses.

ROE Breakdown by Business



○ = \$1.5 Bn of 2007 net income

(1) Adjusted GAAP Capital excludes AOCI FAS 133 / RCG (2) Adjusted Net Income excludes RCG/L's, FAS 133 and OTTI

AIG AIG's Businesses are Well Positioned in Key Markets

AIG's leading market positions and competitive advantages have already generated significant buyer interest.

Domestic P&C

- #1 Insurer by premium
- #1 in D&O and professional liability
- #1 E&S carrier
- #1 Commercial umbrella
- #1 Environmental liability
- #1 Equipment breakdown
- PCG insures 1/3+ of the *Forbes 400 Richest Americans*

Foreign General

- Operates in 80 countries
- Most extensive international P&C network
- #1 A&H globally
- #1 A&H in Shanghai
- #1 Financial lines in Europe

Financial Services

- Highest fleet value of any aircraft lessor
- One of the largest consumer finance organizations in U.S.
- Largest U.S. insurance premium finance provider

Foreign Life & Retirement Services

- #1 Market share in Hong Kong (25% of total industry profits), Philippines (34%), Singapore (45%) and Thailand (77%)
- #1 Foreign insurer in Brazil and China
- Top 5 insurer in Indonesia, Malaysia, Taiwan and Vietnam
- #5 Insurer in Japan
- #3 Insurer in Russia

Domestic Life & Retirement Services

- #1 Term life
- #1 Insurance issued
- #1 Structured settlements
- #1 FA issuer and largest through banks
- #1 Group annuities in K-12 market

Asset Management

- One of the top seven money managers in the world (includes 1st & 3rd party assets)
- Largest US independent broker-dealer organization
- #1 in "Overall Ratings" by pension investors in Tokyo

These businesses could not be recreated today

AIG Businesses to Be Sold

Category	Companies	
Previously Identified as Non-core	<ul style="list-style-type: none"> • PLD • TRH • AI Credit 	<ul style="list-style-type: none"> • Rail Services • CFG Poland • AGLA
Customers at Heightened Degree of Risk / Management Issues	<ul style="list-style-type: none"> • Private Bank • Hartford Steam Boiler • Unibanco JV 	<ul style="list-style-type: none"> • ILFC • Global Real Estate • Other 3rd Party Asset Management
Slower Growth / Liquidity Risk / Market Concentration	<ul style="list-style-type: none"> • Domestic Life • Domestic Retirement 	<ul style="list-style-type: none"> • Star Life • Edison Life • Nan Shan
Miscellaneous	<ul style="list-style-type: none"> • Philam 	<ul style="list-style-type: none"> • Remaining CFG
Stars	<ul style="list-style-type: none"> • ALICO 	<ul style="list-style-type: none"> • AIA

AIG Businesses to Be Kept

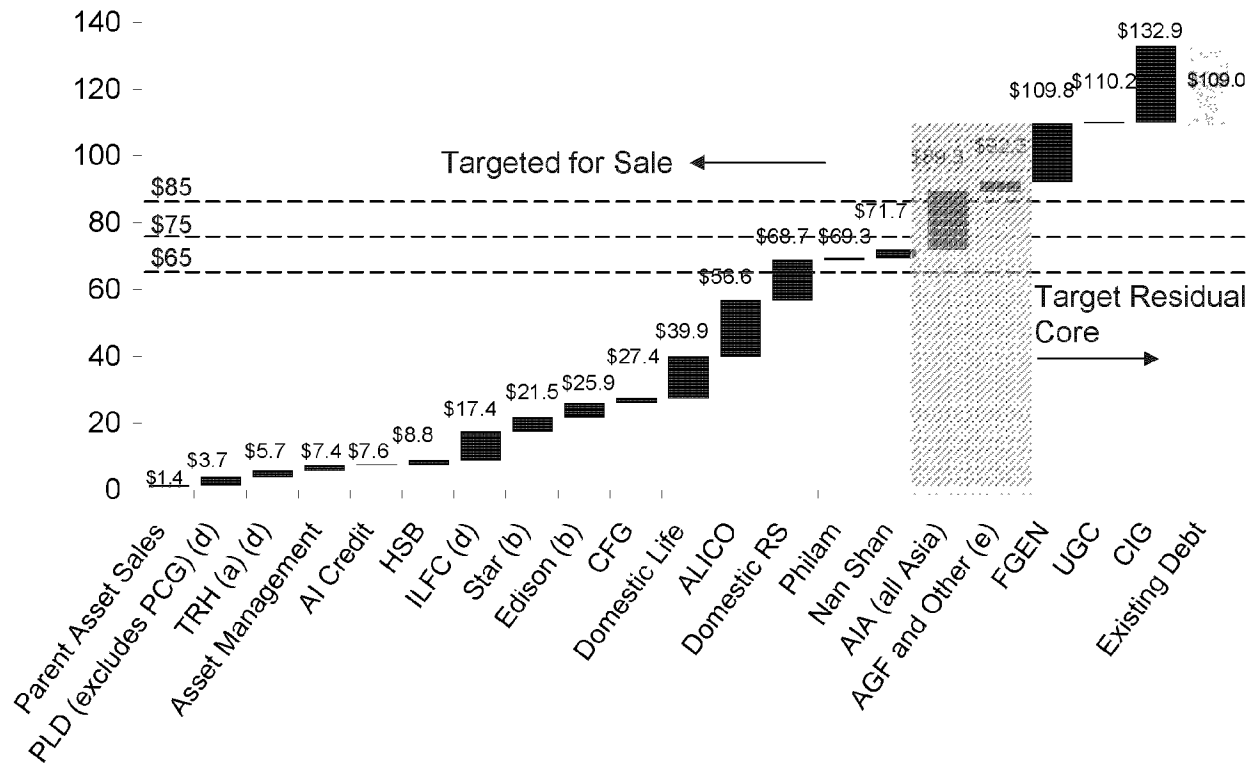
(\$ millions)	12 Months Ended 12/31/07		12/31/2007	
	Revenues	After-tax Income ⁽¹⁾	Assets	Book Value
Core Insurance				
Commercial Insurance ⁽²⁾	\$26,835	\$5,222	\$99,104 ⁽³⁾	\$21,851
Foreign General	<u>12,701</u>	<u>2,527</u>	<u>43,442</u>	<u>12,634</u>
Sub- total	\$39,536	\$7,749	\$142,546	\$34,485
AIA (51%) ⁽³⁾	\$12,151	<u>\$659</u>	\$77,748	<u>\$5,309</u>
Total	\$51,687	\$8,408	\$220,204	\$39,794
Difficult to Sell in Current Market				
UGC	\$1,041	(\$407)	\$5,161	\$2,278
AGF	2,843	137	30,124	2,896
FP Run-off	<u>n.m.</u>	<u>n.m.</u>	<u>n.a.</u>	<u>n.m.</u>
Total	\$3,884	(\$269)	\$35,285	\$5,174
Unallocated Parent Co. Expenses		(\$364)		
Interest on Parent Debt		<u>(\$795)</u>		
Total		\$6,979		

(1) Excludes RCG / (L) (2) Excludes Life Settlements and Includes HSB assets (3) Minority interest reflected in after-tax income and book value

AIG Sources of Value

AIG's significant underlying asset values should provide adequate proceeds to meet our obligations.

Cumulative Disposition Value (\$ bn)



Value of Remaining Entities, net of HoldCo debt and hybrids is ~\$16.7 bn (c)

a) Reflects AIG's 59% stake of current market capitalization; b) Average Valuation reflects appraisal value as of 3/31/08 at 8% discount rate and 10 years of new business; c) Debt excludes mandatory convertibles; d) Sales proceeds reduced by cash trapped at regulated subsidiaries for sales of PLD, TRH and ILFC (e) \$92.3 bn at AGF and Other excludes \$1.0 bn of intercompany loan repayment at the time of sale

AIG Cash Tax Analysis

AIG's projected NOL carryover is expected to be fully exhausted as a result of planned dispositions

	<i>Total NOL Carryover Available</i>						<i>\$29,000</i>
<i>(\$ millions)</i>							
Deal	Proceeds	Tax Basis	Gain/ (Loss)	Tax @ 36% ⁽²⁾	Proceeds, less tax	NOL Carryover	
PLD	\$4,000	\$2,995	\$1,005	\$0	\$4,000	\$27,995	
TRH	2,150	440	1,710	0	2,150	26,285	
Asset Management	1,730	1,020	710	0	1,730	25,575	
A.I. Credit	200	224	0	0	200	25,575	
HSB	1,240	870	370	0	1,240	25,205	
ILFC	10,000	(517)	10,517	0	10,000	14,688	
Star	4,130	520	3,610	0	4,130	11,078	
Edison	4,380	1,990	2,390	0	4,380	8,688	
CFG	1,530	80	1,450	0	1,530	7,238	
DOM - Life	12,810	TBD (1)	0	400 (3)	12,410	7,238	
ALICO	18,340	6,790	11,550	1,552	16,788	0	
DOM - RS	12,040	TBD (1)	0	0	12,040	0	
Philam	1,010	20	990	356	654	0	
AIA	24,170	5,930	18,240	6,566	17,604	0	
Nan Shan	3,500	360	3,140	1,130	2,370	0	
AGF	3,000	3,230	0	0	3,000	0	
Sub-Total	\$104,230		\$55,682	\$10,005	\$94,225		
Other Asset Sales and Intercompany Loan Repayments					2,400		
Total Proceeds					\$96,625		

Key Assumptions:

- Management estimates as of 9/26/08
- Utilization of non-life seller for each transaction

(1) It is not expected these transactions will create significant taxable gains (2) Estimated tax due to AIRCO upon recapture of XXX business. This liability is not sheltered by NOLs

AIG Issues for Consideration

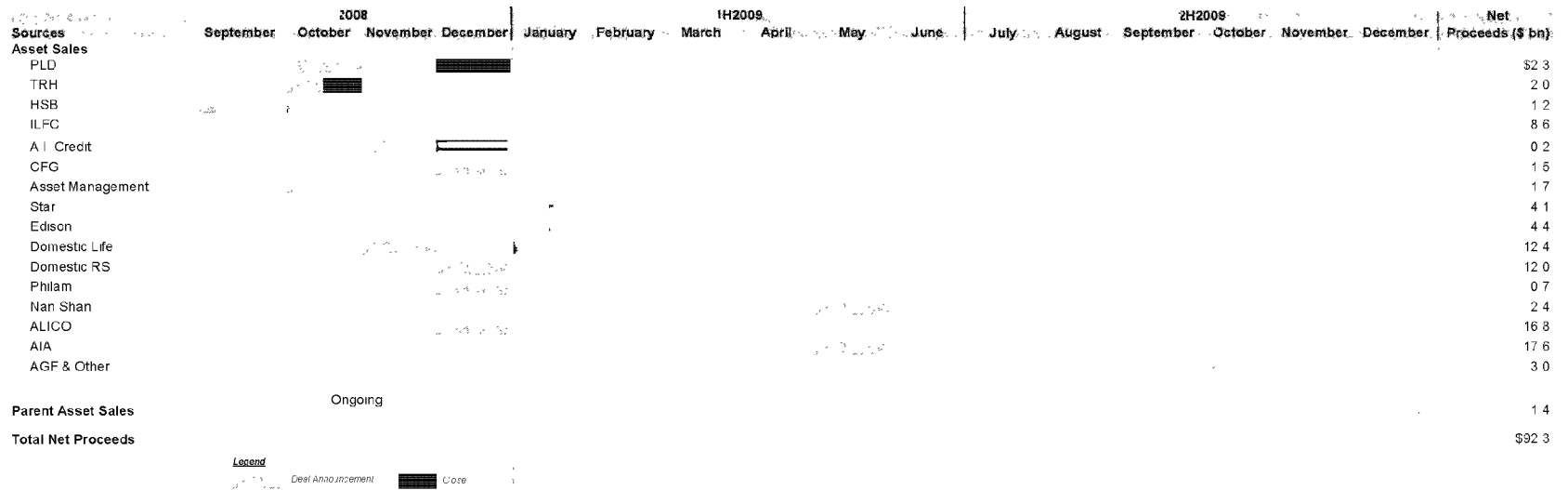
Cash generated by the sale of the following businesses could be trapped in regulated entities for some period of time.

- **PLD:** Estimated proceeds (\$4.0 bn) from a sale of PLD will flow into the various domestic P&C companies that own the marketing platform and dedicated PLD legal entities
- **TRH:** 59% ownership of Transatlantic is split between AIG, Inc., 26% (\$0.9 bn of estimated proceeds) and American Home Assurance Company 33% (\$1.2 bn) domiciled in NY
- **Unibanco JV:** A sale of ALICO's share in its Brazilian JV for approximately \$1 bn would require Delaware DOI approval to remit to Parent, as ALICO is already near / at its limit on dividends for 2008 without prior DOI approval
- **ILFC:** The targeted valuation for ILFC (\$10.0 – \$12.0 bn) includes ownership by the domestic insurance companies

Company	Proceeds, Net (\$ bn)	Cash Retained for Regulatory Capital	Free Cash Flow to Parent from Sales
PLD (excludes PCG)	\$4.0	(\$1.7)	\$2.3
TRH	2.2	(0.2)	2.0
ILFC	10.0	(1.4)	8.6
All Others Including Parent Asset Sales	80.5	0.0	80.5
Total	\$96.6	(\$3.3)	\$93.3
Unibanco (Included in ALICO)	0.9	(0.9)	0.0

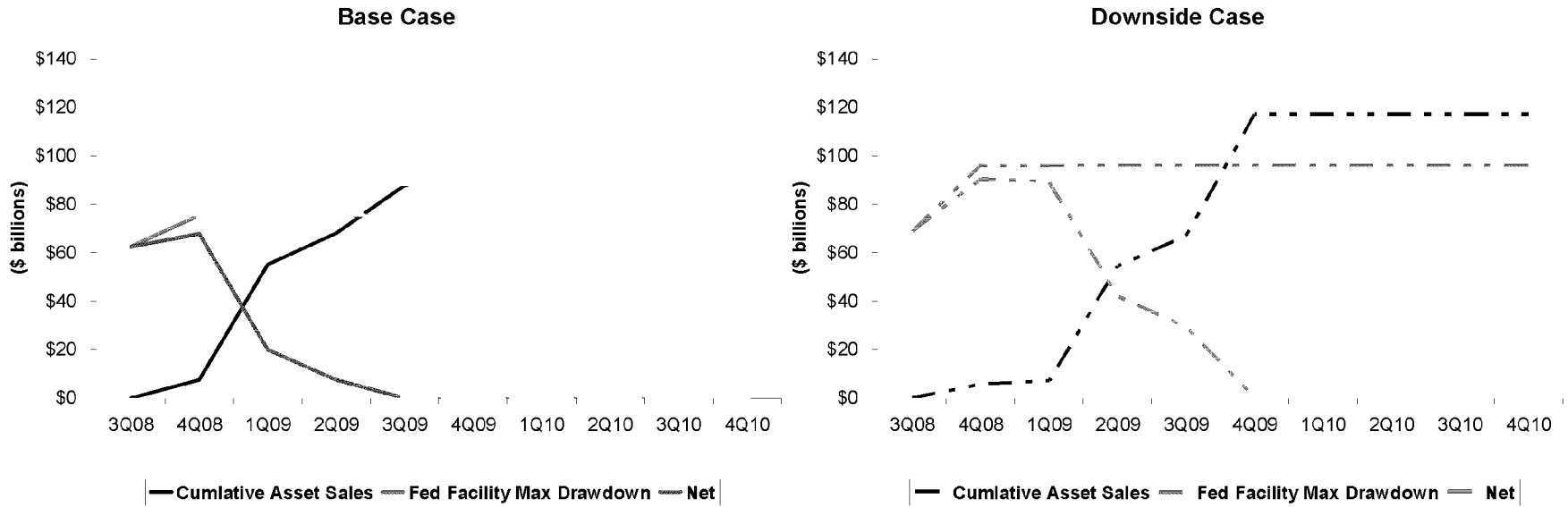
AIG Liquidity Timeline

An aggressive timeline is recommended to dispose of assets due to the risk of deterioration of AIG's businesses and the significant cost of the Fed Facility.



AIG Fed Facility Drawdown vs. Asset Sales

Asset sales exceeding the drawdown under the Fed facility are used to pay down corporate debt



Note: Assumptions for the base and downside cases can be found in the appendix

AIG Potential Earnings Power

If AIG is able to execute successfully, we will emerge as a company with \$7.1 bn of projected earnings power.

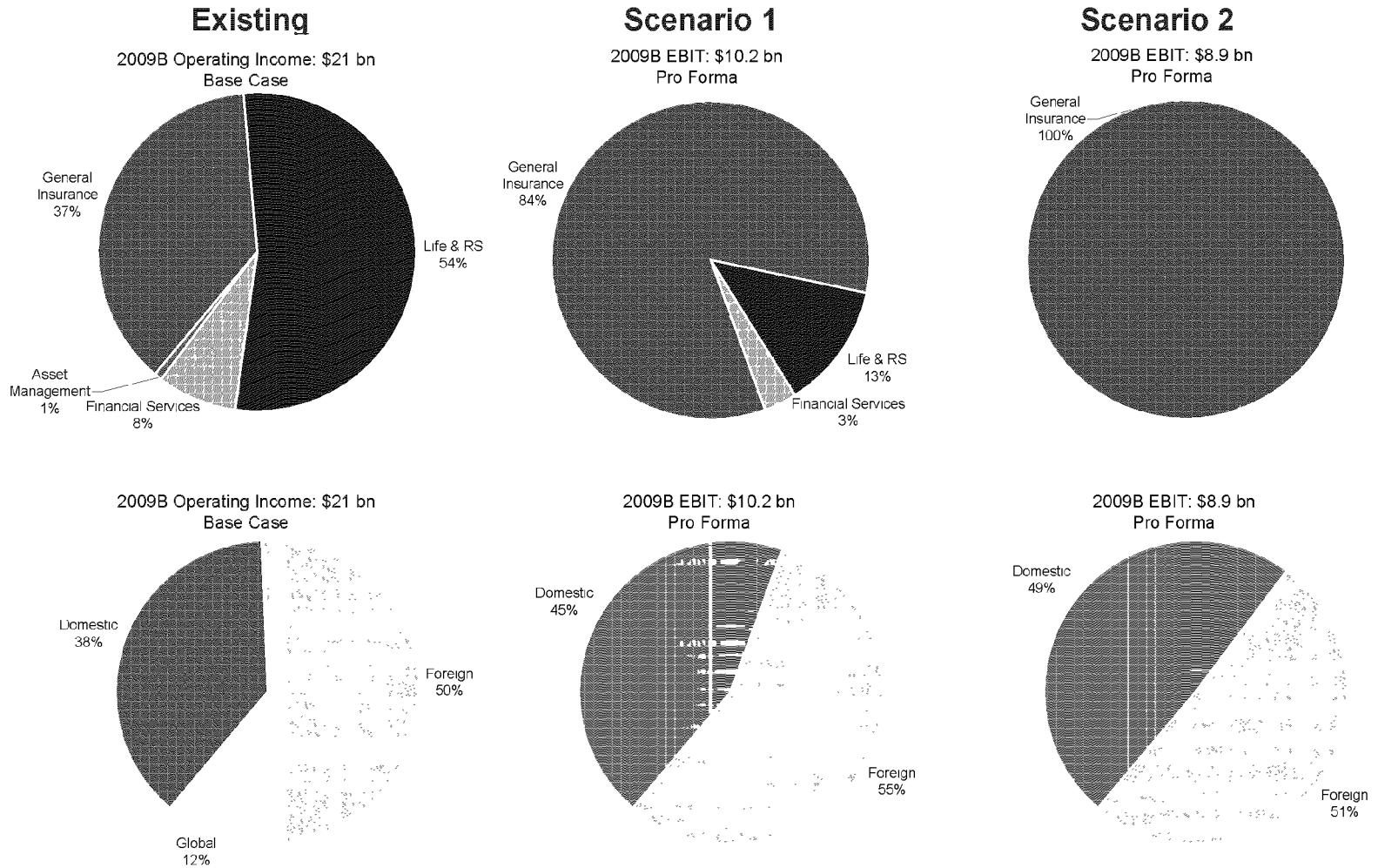
2010 Results (\$ billion, except per share data)

	Scenario 1 Inc. AGF & 51% AIA	Scenario 2 Exc. 100% AIA & AGF
Earnings Power		
EBIT ⁽¹⁾	\$10.2	\$8.9
Interest	3.5	2.1
Net Income	4.1 ⁽²⁾	4.5
Shares Outstanding	13.4	13.4
EPS	\$0.31	\$0.33
General Insurance Cash Flow		
Commercial Insurance ⁽³⁾		\$1.2
FGEN ⁽²⁾		0.5
Total After-tax Cash Flow Available to Parent		\$1.7

(1) Pre-tax operating income excludes unallocated Parent Company Expenses, after tax of \$300 mm and interest expense of \$1.35 bn (2) Lower net income results from interest on unpaid Fed facility in 2010 (3) Assumes CIG dividend capacity at 10% of statutory surplus. FGEN dividend capacity is a management estimate. Amounts shown above are in excess of the dividend required to cover US taxes on the business units' earnings.

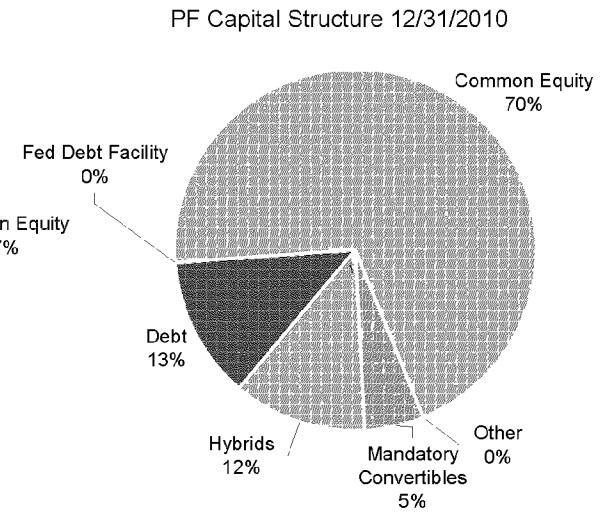
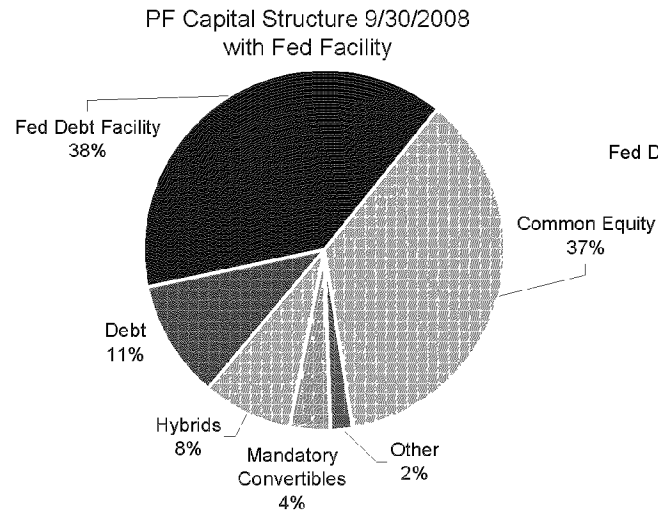
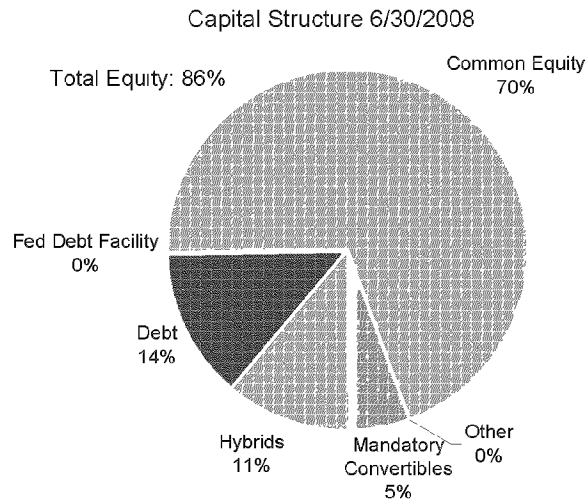
AIG Pro Forma Business Mix

Dispositions would shift the business mix from 37% to 84% General Insurance, including AGF and 51% of AIA and 100% without



AIG Pro Forma Capital Structure

In the end state, AIG's debt-to-total capitalization is in the beyond the AA range but EBIT-to-interest coverage is low



	6/30/2008	9/30/2008 PF	12/31/2010 PF	Target Leverage Ratios	
				AA / Aa	A
ROE	n.m.	n.m.	5.8%		
Moody's Fin Leverage Ratio	19.4%	49.1%	18.5%	20 - 30%	30 - 40%
S&P Fin Leverage Ratio	13.6%	49.8%	12.8%	15 - 25%	25 - 35%
Debt / Cap (incl. Hybrids)	30.4%	61.6%	30.1%		
EBIT / Interest Expense	n.m.	4.3x	3.9x		

AIG Valuation

In the end state, we project a stock price of \$2.66 – \$3.33 per share and market capitalization of \$36 – \$45 bn, including the impact of the 79.9% Fed stake. Implied price-to-book multiples at those prices are 0.47x – 0.59x

2010 EPS Valuation (\$ bn, except per share)					
P/E	EPS	\$/Share	Market Cap	BVPS	Implied P/B
8x	\$0.33	\$2.66	\$35.6	\$5.64	0.47x
9x	\$0.33	\$3.00	\$40.1	\$5.64	0.53x
10x	\$0.33	\$3.33	\$44.5	\$5.64	0.59x

AIG PF Peers	9/22/2008			BEST Estimates		P/E Multiples		BVPS	P/B
	Share Price	Shares Out	Market Cap	2008	2009	2008	2009	Latest	Latest
ACE	\$59.79	333.2	\$19,925	\$8.09	\$7.85	7.4x	7.6x	\$48.99	1.22x
ALL	44.27	541.5	23,973	5.38	5.94	8.2x	7.4x	\$36.10	1.23x
CB	58.10	360.6	20,948	5.95	5.79	9.8x	10.0x	\$39.20	1.48x
CINF	30.19	162.4	4,902	2.20	2.31	13.7x	13.1x	\$29.06	1.04x
CNA	28.52	269.0	7,672	3.52	3.53	8.1x	8.1x	\$34.74	0.82x
HIG	58.45	301.3	17,611	8.69	10.05	6.7x	5.8x	\$55.50	1.05x
TRV	46.53	590.8	27,490	5.90	5.87	7.9x	7.9x	\$43.56	1.07x
WRB	24.75	162.9	4,031	3.30	3.36	7.5x	7.4x	\$20.00	1.24x
HGIC	37.88	28.7	1,087	2.80	3.45	13.5x	11.0x	\$24.48	1.55x
SIGI	25.16	52.7	1,325	2.06	2.14	12.2x	11.8x	\$19.32	1.30x
Media						15x	9.0x		2.0x
						8.2x	8.0x		2.2x



Appendix

AIG Key Assumptions / Key Risks

- **Bank Bailout Fund:** Treasury proposals for the bailout fund provide no meaningful relief to AIG liquidity squeeze
- **Projected Drawdown:** Maximum draw under the facility during the fourth quarter of 2008 is \$75 bn in AIG Treasury's base case. The downside case includes additional draws for further Sec Lending deterioration or reduction in AIG FP asset monetization
- **Debt Roll:** Assumes CP & maturing parent company debt through 2009 is funded by the Fed Facility
- **Downgrade Risk:** Downgrades of parent would result in significant additional liquidity demands
- **FP & Sec Lending:** No additional cost beyond 3Q08 assumed for a solution for FP or Sec Lending
- **Tax on Sale:** Taxable proceeds should be substantially offset by loss carryovers, currently estimated at \$29 bn
- **MIP:** Operating MIP debt of \$14.6 bn has matching assets to pay off liabilities when due
- **Hybrids & Convertibles:** Remain outstanding during the modeled period (through 2010)
- **DL / DRS:** Potential loss on sale of DL / DRS companies of up to \$20 bn is not tax deductible
- **CDS on CDOs:** No assumption has been made for recovery of the FP CDS portfolio before 2011, nor any further deterioration beyond that expected in 3Q08
- **Fed Facility Balance:** The proposed business plan leaves a \$3 bn balance on the Fed facility, which could be repaid through additional asset sales, a return of FP collateral or a recapitalization. For modeling purposes we have assumed a sale of AGF for approximately book value.
- **Distributable Earnings:** The 2009 cash flow model includes \$1.3 bn in dividends from subs, while 2010 assumes \$0.9 bn in dividends from subs are available to repay parent principal & interest.
- **2010 Earnings:** Projected 2010 after-tax earnings of \$4.5 bn, including \$3.1 bn CIG, \$2.3 bn Foreign Gen, (\$0.8) bn UGC, projecting 5% growth over 2009 budget

AIG B. Downside Case Assumptions

- **Valuation Discount:** At least 5% discount to all valuations
- **Sale Execution Lag:** One quarter lag in all dispositions other than PLD, TRH, and Asset Management
- **Additional Cash Needed:** The downside case projects an additional \$6.3 bn of cash needed in 3Q08 and \$21.9 bn in 4Q08 primarily due to assumptions of an additional \$7.9 bn in Securities Lending needs in the life companies and the assumed failure of FP to liquidate \$7 bn of unencumbered assets.
- **Overdraw of Fed Facility:** Facility overdrawn starting in 4Q08. Maximum projected need in the downside case is \$96 bn in 2Q09.

AIG C. Federal Facility

AIG's plan assumes maximum utilization of the Fed Facility in 4Q08

<i>(\$ billions)</i>	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Total
Starting Balance	\$0.00	\$62.54	\$66.53	\$23.30	\$11.91	\$0.00	\$61.00
PIK Interest Accrued + Commitment Fee	1.54	2.35	1.62	0.76	0.29	0.00	6.56
Drawdown / (Repayment)	<u>61.00</u>	<u>1.64</u>	<u>(44.84)</u>	<u>(12.15)</u>	<u>(12.20)</u>	<u>0.00</u>	<u>(67.56)</u>
Ending Balance	\$62.54	\$66.53	\$23.30	\$11.91	\$0.00	\$0.00	\$0.00
Max Intra-quarter Draw	62.54	75.31	71.46	24.96	16.50	0.00	

Note: Assume PIK interest on Federal Facility accrues to outstanding balance on revolver; b) Management estimates as of 9/26/08

AIG D. Asset Sales

In addition to the sale of businesses, we are selling unencumbered assets held at Parent or FP. We expect these sales could generate up to \$1.4 bn of gross proceeds.

Asset	Proceeds⁽¹⁾ (\$bn)
Stowe Ski Resort	\$0.3
San Juan Marriott Hotel (Puerto Rico)	0.1
Orange County Golf Course	0.0
Blackstone	0.8
Kushner Residential Portfolio (NJ Condos)	<u>0.5</u>
Total Gross Proceeds	\$1.7
Discount	20%
Total Gross Proceeds less Discount	\$1.4

(1) Business unit estimates: most are at cost: no assumed tax or GAAP gain or loss

AIG E. Shareholders' Equity

Pro Forma ROE in 2010 is 6.1% while debt / total cap at 28.3% with repayment of Fed facility in 3Q09.

(\$ billions)	<u>3Q08</u>	<u>4Q08</u>	<u>1Q09</u>	<u>2Q09</u>	<i>Estimated</i>		<u>1Q10</u>	<u>2Q10</u>	<u>3Q10</u>	<u>4Q10</u>
					<u>3Q09</u>	<u>4Q09</u>				
Existing Debt, excludes MIP	17.01	14.52	13.86	13.85	12.85	12.85	12.00	12.00	11.75	11.00
Fed Facility	62.54	66.53	23.30	11.91	0.00	0.00	0.00	0.00	0.00	0.00
Mandatory Convertibles	5.88	5.88	5.88	5.88	5.88	5.88	5.88	5.88	5.88	5.88
Total Hybrids	12.87	12.87	12.87	12.87	12.87	12.87	12.87	12.87	12.87	12.87
Total Debt	98.30	99.79	55.91	44.50	31.59	31.59	30.74	30.74	30.49	29.74
Beginning Shareholders' Equity	\$78.1	\$61.4	\$60.8	\$70.8	\$66.8	\$70.8	\$71.0	\$72.1	\$73.2	\$74.3
After-Tax Pro Forma Earnings	(19.70)	0.70	1.39	0.84	(1.35)	1.06	1.12	1.12	1.11	1.11
Gain/(Loss) on Sales	0.00	(0.81)	9.19	(4.33)	7.95	(0.86)	0.00	0.00	0.00	0.00
Reversal of FP Marks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fed Preferred Equity	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization of Commitment Fee	0.00	(0.53)	(0.53)	(0.53)	(2.63)	0.00	0.00	0.00	0.00	0.00
New Preferred Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Common Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Shareholders' Equity	\$61.4	\$60.8	\$70.8	\$66.8	\$70.8	\$71.0	\$72.1	\$73.2	\$74.3	\$75.4
PF Shares Outstanding		13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38
BVPS		\$4.54	\$5.29	\$4.99	\$5.29	\$5.31	\$5.39	\$5.47	\$5.56	\$5.64
Total Capitalization	159.7	160.6	126.7	111.3	102.4	102.6	102.8	104.0	104.8	105.2
Debt (incl Hybrids) / Total Cap (incl Hybrids)	61.6%	62.2%	44.1%	40.0%	30.9%	30.8%	29.9%	29.6%	29.1%	28.3%
Annual ROE						2.9%				6.1%

Note: Management estimates as of 9/26/08

AIG F. Summary of Independent Valuations

The valuations of AIG operating divisions contained in these reports ranged from \$68 bn to \$166 bn

(\$ in millions)

Source	MS	ML	WB	CS ⁽¹⁾	JPM / GS	Mgmt / BX
Date	9/18/08	7/16/08	11/27/08	9/16/08	9/14/08	9/14/08
Domestic General	21,390	29,015	38,233	23,973	31,000-39,000	39,000
Foreign General	18,956	16,576	18,909	36,540	13,000-16,000	14,000
General Insurance	40,346	45,591	57,143	60,513	44,000-55,000	53,000
Domestic Life & Retirement	23,159	21,763	25,193	27,667	23,000-27,000	25,000
Foreign Life & Retirement	39,689	52,630	66,581	69,048	36,000-40,000	53,000
Life & Retirement Services	62,848	74,393	91,774	96,715	59,000-67,000	78,000
Aircraft Leasing	7,514	9,180	7,610	n/a	-	7,000
Consumer Finance	157	1,162	1,987	n/a	2,000	2,000
AIG FP	-	2,905	324	n/a	-	-
Other	523	196	1,389	n/a	-	-
Financial Services	8,194	13,443	11,310	9,155	2,000	9,000
Asset Management	3,237	6,138	14,208	5,717	1,000	2,000
Total Operating Divisions	114,625	139,565	174,434	172,100	105,000-125,000	142,000
Corporate & Other	(19,214)	(15,992)	(10,176)	(5,783)	(37,000)	(34,000)
Other and Minority Interest	(5,631)	-	-	-	-	-
Total AIG	89,780	123,573	164,258	166,317	68,000-88,000	108,000

(1) CS analysis excludes losses associated with FP; published figures include (198,380) value for Financial Services including FP.

AIG G. Bankers / Lawyers / Advisors

We are proceeding with engaging advisors for the proposed transactions and will coordinate process and dispositions with the Fed and NAIC.

AIG Segment	Investment Bank	Lawyers	Other
1. Strategic matters	• Blackstone; JP Morgan	• S&C; Weil Gotshal	
2. PLD	• Bank of America	• Sidley Austin	
3. AIG FP (all inclusive)	• Blackstone	• Weil Gotshal	
4. AI Credit	• Blackstone	• Sidley Austin	
5. Railcar	• Blackstone	• TBD	
6. CFG-Poland	• Deutsche Bank	• Dewey LeBoeuf	
7. Edison/Star	• Goldman: CA only	• Debevoise	• Actuarial: TBD
8. HSB	• KBW: to be agreed	• S&C	
9. ILFC	• Blackstone: form agreed; fees open	• Millbank	
10. TRH	• Goldman Sachs: worked on split off	• S&C	
11. AGLA	• JPM, Goldman: proposed; worked on securitization	• Debevoise	• Tillinghast
12. Private Bank	• UBS	• Lenz & Staehlin	
13. Global Real Estate	• Merrill Lynch	• Simpson Thacher	
14. DL/DRS	• JPM	• S&C	• MMR, Tillinghast, E&Y
15. DRS/VALIC	• JPM	• S&C	• MMR, Tillinghast, E&Y
16. CEF	• Blackstone	• Weil Gotshal	
17. Asset Mgt.	• UBS	• Lenz & Staehlin, Simpson Thacher	
18. ALICO	• MSDW, Citi	• TBD	• Actuarial: TBD
19. Nan Shan	• TBD	• TBD	
20. AIA	• Citi, GS, Private Placement	• TBD	• Actuarial: TBD



Appendix H: Business Unit Descriptions

AIG Commercial Insurance Group (CIG)

Business Overview

Commercial P&C coverage in US & Canada. Worldwide programs for US multinationals

- **Lines of Business:** Property, Executive Liability, Primary /Excess Casualty, Risk Management, Environmental Liability, Healthcare, Workers' Compensation
- **Distribution Channels:** Global Brokers, National Brokers, Regional Brokers, Wholesalers; over 3,500 independent brokerage firms and agencies

Process / Timing

Targeted part of residual core

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
NPW	\$23,104	\$24,312	\$24,112	2.2%
UW Profit	(3,424)	2,336	3,501	n/m
NII	2,403	3,411	3,879	27.1%
Op Inc ex RCG	(1,021)	5,747	7,380	n/m
RCG / (L)	201	98	(75)	n/m
PT Operating Income	(\$820)	\$5,845	\$7,305	n/m
Loss Ratio	95.1%	70.2%	66.9%	
Expense Ratio	19.5%	19.8%	18.7%	
Combined Ratio	114.6%	90.0%	85.5%	
CATs	1,747	-	100	
Combined Ratio (ex CATs)	106.3%	90.0%	85.1%	
AT ROE	(4.0%)	32.4%	25.9%	

Valuations (\$ million)	Earnings Estimates - ex AOCI		
	2008	2009	Latest
CIG	2,575	2,910	21,604
Peer Median Multiples ¹	8.0x	7.8x	1.16x
Implied Value	20,505	22,587	25,077
Average Value	20,505	22,587	25,077

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$21.5	\$29.0
CS ⁽³⁾	\$18.9	\$24.3
MS ⁽³⁾	N/A	\$22.1
WB ⁽³⁾	\$33.4	\$33.9

Note: (1) Peers include: ACE, ALL, CB, CINF, CAN, HIG, TRV, XL; (2) Book Value based valuation only; (3) Earnings based valuation only

AIG Hartford Steam Boiler (HSB)

Business Overview

Equipment Breakdown and Specialty Insurance

- **Core business lines:** Engineered Lines / Equipment Breakdown Insurance, Specialty Property Insurance, Specialty Products, Engineering and Inspection Services
- **Distribution Channels:** Reinsurance under white label arrangements, brokers and independent agents

Process / Timing

AIG has engaged KBW and Sullivan & Cromwell as advisors and is targeting a 4Q08 close

- Travelers, Alleghany, Berkshire Hathaway, Chubb, Munich Re and other reinsurers are potential buyers

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
NPW	658	734	803	10.5%
Underwriting Profit	189	202	198	2.5%
NII	69	73	76	4.8%
Op Inc ex RCG	258	275	274	3.1%
RCG / (L)	6	4	1	n/m
PT Operating Income	264	279	275	2.1%
Loss Ratio	26.4%	24.9%	30.4%	
Expense Ratio	45.1%	46.1%	44.1%	
Combined Ratio	71.5%	71.0%	74.5%	
CATs	22	-	-	
Combined Ratio (ex CATs)	68.2%	71.0%	74.5%	
AT ROE	30.1%	28.1%	26.6%	

Valuations (\$ million)	Earnings Estimates		BV ex AOCI
	2008	2009	Est
HSB	151	163	670
Peer Median Multiples ¹	10.2x	11.8x	1.33x
Implied Value	1,544	1,930	894
Average Value	151		
Market Discount	15%		
Estimated Value	1,238		

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$1.0	\$1.0

Note: (1) Peers include: MKL, PHL, WRB, AGI, SUR, FPIC, HCC, MIG, ORI, PRA, RLI, ZNT; (2) Book Value based valuation only

AIG Personal Lines Division (PLD)

Business Overview

Primarily auto (80%) with the exception of Private Client Group (PCG) (20%)

- **Operating Segments:** aigdirect.com, Agency and PCG
- **Distribution:** 4 call centers (Direct); 24,166 Agents/Brokers (Agency); 1,299 Agents/Brokers (PCG)

Process / Timing

AIG granted TRV a 10-day exclusive and expects to sign an agreement within 3 months

- Bank of America and Sidley Austin have been engaged as our advisors.
- Nationwide, Hartford, Liberty Mutual, Zurich and Allstate are other interested buyers
- AIG will retain Private Client Group because of synergies with commercial insurance

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
NPW	\$4,653	\$4,654	\$4,808	1.7%
Underwriting Profit	(19)	206	(162)	192.0%
NII	217	225	231	3.2%
Op Inc ex RCG	198	431	69	(41.0%)
RCG / (L)	(3)	1	(2)	(18.4%)
PT Operating Income	\$195	\$432	\$67	(41.4%)
Loss Ratio	76.94%	71.17%	77.95%	
Expense Ratio	23.76%	24.39%	25.51%	
Combined Ratio	100.70%	95.56%	103.46%	
CATs	114	-	75	
Combined Ratio (ex CATs)	98.25%	95.56%	101.85%	
AT ROE	6.6%	14.1%	2.8%	

Valuations (\$ million)	Earnings Estimates			EV ex AOCI
	2008E	2009E	Latest	
PLD	102	154	3,658	
Peer Median Multiples ¹	13.0x	13.3x	1.59x	
Implied Value	1,336	2,036	5,825	
Average Value	1,066			
Bid Received	1,000			
Estimated Cash to Parent	2,194			

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$3.5	\$5.0
CS ⁽³⁾	\$0.4	\$0.5
MS ⁽³⁾	N/A	\$0.5
WB ⁽³⁾	\$1.6	\$2.1

Note: (1) Peers include: ALL, MCY, PGR, SAF, ERIE, HMN, STFC; (2) Book Value based valuation only; (3) Earnings based valuation only

AIG Mortgage Guaranty (UGC)

Business Overview

Mortgage insurance and private education loan credit insurance

- **Core business lines:** Domestic 1st & 2nd lien mortgage insurance, domestic private education loan insurance, International mortgage insurance
- **Distribution Channels:** Direct sales relationships with banks, thrifts, mortgage finance and student lending companies

Process / Timing

Difficult to market asset given current market conditions that will be retained until the end of loan term

- **2nd Lien:** Exiting the 2nd lien businesses in 3Q08
- Selected sales of international operations

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
NPW	628	866	1,143	34.9%
Underwriting Profit	241	191	(792)	n/m
NII	123	140	158	13.3%
Op Inc ex RCG	364	331	(634)	n/m
RCG / (L)	(1)	(3)	(3)	73.2%
PT Operating Income	363	328	(637)	n/m
Loss Ratio	26.01%	47.21%	168.62%	
Expense Ratio	23.07%	23.41%	21.16%	
Combined Ratio	49.08%	70.62%	189.78%	
CATs	10	-	-	
Combined Ratio (ex CATs)	47.17%	70.62%	189.78%	
AT ROE	11.8%	10.3%	(16.8%)	

Valuations (\$ million)	Earnings Estimates		BV ex AOCI
	2008	2009	2008
UGC	(1,135)	(804)	2,144
Peer Median Multiples ¹	-0.6x	-2.3x	0.17x
Implied Value	N.M.	N.M.	362
Average Value	1.7x		

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	N/A	N/A
CS ⁽³⁾	N/A	N/A
MS ⁽³⁾	N/A	N/A
WB ⁽³⁾	N/A	N/A

Note: (1) Peers include: MTG, PMI, RDN; (2) Book Value based valuation only; (3) Earnings based valuation only

AIG Transatlantic Holdings (TRH)

Business Overview

Transatlantic offers reinsurance capacity on both a treaty and facultative basis both in the U.S. and abroad

- Provides structures programs for a full range of property and casualty products with an emphasis on specialty risk

Process / Timing

AIG has engaged Goldman and Sullivan & Cromwell as advisors and plans to move forward with sale immediately

- Fortress and Validus are potential buyers

	2005	2006	2007	
(\$ millions, unless otherwise specified)	Actual	Actual	Actual	CAGR
NPW	3,466	3,633	3,953	6.8%
Underwriting Profit	(420)	143	182	n/m
NI	343	435	470	17.1%
Op Inc ex RCG	(77)	578	652	n/m
RCG / (L)	38	5	9	n/m
PT Operating Income	(39)	583	661	n/m
Loss Ratio	85.0%	68.3%	67.6%	
Expense Ratio	27.2%	27.8%	27.8%	
Combined Ratio	112.2%	96.2%	95.4%	
CATs	463	0	2	
Combined Ratio (ex CATs)	97.2%	96.2%	95.2%	
AT ROE	0.5%	15.9%	15.7%	

Valuations (\$ million)	Earnings Estimates		IV ex AOCI
	2008	2009	Latest
TRH	456	456	2,107
Peer Median Multiples ¹	6.8x	7.0x	0.91x
Implied Value	3,084	3,185	1,908
Average Value	721		
Bid Received	151		
Estimated Cash to Parent	1,963		

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$2.0	\$2.0
CS ⁽³⁾	\$2.3	\$2.9
MS ⁽³⁾	N/A	\$4.4
WB ⁽³⁾	\$2.8	\$2.8

Note: (1) Peers include: ALV GR, CS FP, AGN NA, FORB BB; (2) 20% discount to market value; (3) Earnings based valuation only

AIG Foreign General

Business Overview

Targeted operation in foreign P&C markets

- **Core business lines:** Commercial Lines, A&H, Personal Lines, Marine & Energy, Aviation, Worldsource, Risk Management. Approx. 49% Commercial, 51% Consumer (including Loyalty).
- **Distribution:** Broker, Independent Agents, Direct and Bancassurance

Process / Timing

While Foreign GEN is currently viewed as a core operation, AIG has received indications of interest from HSBC, Berkshire Hathaway and ACE

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
NPW	10,021	11,401	13,051	14.1%
Underwriting Profit	1,572	1,781	1,771	6.1%
NII	944	1,484	1,388	21.3%
Op Inc ex RCG	2,516	3,265	3,159	12.1%
RCG / (L)	85	(37)	(22)	n/m
PT Operating Income	2,601	3,228	3,137	9.8%
Loss Ratio	54.04%	48.86%	50.55%	
Expense Ratio	31.80%	33.60%	34.96%	
Combined Ratio	83.84%	82.46%	85.51%	
CATs	293	-	24	
Combined Ratio (ex CATs)	80.05%	82.46%	84.77%	
AT ROE	21.6%	23.2%	21.8%	

Valuations (\$ million)	All Earnings Estimates			BV ex AOCL
	2008	2009	Latest	
FGEN	1,946	2,172	13,230	
Peer Median Multiples ¹	8.3x	6.2x	0.91x	
Implied Value	16,126	13,550	12,027	
Average Value	3,907			
Bid Received	7,500			

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$13.0	\$19.0
CS ⁽³⁾	\$14.6	\$18.8
MS ⁽³⁾	N/A	\$19.0
WB ⁽³⁾	\$18.4	\$18.9

Note: (1) Peers include: ALV GR, CS FP, AGN NA, FORB BB; (2) Book Value based valuation only; (3) Earnings based valuation only

AIG Domestic Life

Business Overview

Life and annuity products distributed through retail and wholesale channels in the US and Canada

- **Core Products:** Life, Annuities, Accident & Health (A&H)
- **Distribution:** 3,330 Career agents, 50K+ independent agents, wholesale, employer, affinity and direct to consumer

Process / Timing

AIG has engaged JPMorgan as bankers

- Targeted close of sale in 1Q09
- Prospective buyers include Allianz, China Life, Prudential, MetLife and Manulife

(\$ millions)	2006		2007	CAGR
	2005 Actual	Actual	Actual	
PDOC	7,959	8,096	8,105	0.9%
POC	5,447	5,543	5,836	3.5%
NII	3,733	3,778	3,991	3.4%
SOPO3-1	-	-	4	n/m
Total Net Investment Income	3,733	3,778	3,995	3.4%
Total Revenue	9,180	9,321	9,831	3.5%
Operating Income ex RCG / (L)	1,460	1,132	1,445	(0.5%)
RCG / (L)	35	(215)	(803)	n/m
PT Operating Income	1,495	917	642	(34.5%)
AT ROE	10.0%	7.3%	8.7%	

Valuations (\$ million)	Earnings Estimates - Vex AOCI		
	2008	2009	2010
DLC	1,024	1,088	11,235
Peer Median Multiples ¹	10.0x	9.0x	1.20x
Implied Value	10,280	9,750	13,482
Average Value	10,280	9,750	13,482
Market Discount			5%
Estimated Value			12,808

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$8.5	\$11.5
MS ⁽³⁾	N/A	\$9.3
WB ⁽³⁾	\$9.9	\$11.5

Note: (1) Peers include: (1) Peers include: HIG, LNC, MET, NFS, PNK, PFG, PL, PRU, SFG, TMK, AFL, GNW, UNM; (2) Book Value based valuation only; (3) Earnings based valuation only

AIG Domestic Retirement Services

Business Overview

Retirement savings products and income solutions.
Group retirement plans for not-for-profit defined contribution market

- **Major products:** Fixed annuities, Group retirement, 403(b) and defined contribution plans, Variable annuities and retirement income solutions
- **Distribution:** Over 275,000 financial professionals licensed to sell AIG RS products

Process / Timing

AIG has engaged JPM as advisor and Sullivan & Cromwell as legal counsel

- Allianz, AXA, China Life, HSBC, ING, Great West Life, Manulife, Prudential, and Lincoln National have expressed interest
- Targeted close of transaction in 2Q09

(\$ millions)	2006		2007	CAGR
	2005 Actual	Actual	Actual	
PDOC	16,681	16,478	17,141	1.4%
Fee Income	937	1,057	1,190	12.7%
NII	6,226	6,488	6,497	2.2%
Total Revenue	7,163	7,545	7,687	3.6%
Operating Income ex RCG / (L)	2,441	2,727	2,755	6.2%
RCG / (L)	(277)	(404)	(1,408)	125.5%
PT Operating Income	2,164	2,323	1,347	(21.1%)
AT ROE	15.2%	15.0%	13.4%	
Net Spreads, as reported:				
Group Retirement	2.89%	2.91%	2.81%	
Individual Fixed Annuities	2.60%	2.89%	3.07%	
Individual Variable Annuities	2.61%	2.94%	2.74%	

Valuations (\$ million)	Earnings Estimates		Max AIG
	2008	2009	Est
DRS	1,426	1,664	11,807
Peer Median Multiples ¹	10.0x	9.0x	1.20x
Implied Value	14,315	14,912	14,168
Average Value	4,455		
Market Discount			5%
Estimated Value			2,043

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$8.0	\$13.5
MS ⁽³⁾	N/A	\$13.8
WB ⁽³⁾	\$15.3	\$22.6

Note: (1) Peers include: (1) Peers include: HIG, LNC, MET, NFS, PNX, PFG, PL, PRU, SFG, TMK, AFL, GNW, UNM; (2) Book Value based valuation only; (3) Earnings based valuation only



Business Overview

Flagship life insurance company for Southeast Asia and the leading life insurer in the region

- **Distribution:** Extensive network of branches, subsidiaries, and affiliated spans Australia, Brunei, China, Guam, Hong Kong, India, Indonesia, Macau, Malaysia, New Zealand, Singapore, South Korea, Thailand and Vietnam

Process / Timing

AIG has engaged Citi and Goldman as advisors

- Allianz, MetLife, Munich Re, Sun Life and Manulife are all potential bidders
- Targeted sale in 3Q09

PT Operating Income (\$ million)	2005	2006	2007	CAGR
AIA(B)	565	754	836	21.6%
AIA Life	682	1,054	988	20.4%
Australia	17	39	32	37.5%
AIA	1,264	1,846	1,855	21.2%

Valuations (\$ million)	2008E	2009E	EV ex AOCI Latest
AIA	1,219	1,280	10,083
Peer Median Multiples ¹	20.0x	20.0x	2.24x
Implied Value	24,384	25,603	22,537
Average Value	25.7x		

Note: (1) Peers include: AFL, PRU LN, MFC CN, AGN NA, CS FP

AIG Nan Shan

Business Overview

Taiwan's second-largest life insurer in terms of total premiums

Process / Timing

Targeted sale in 3Q09

(\$ millions)	2006		2007	CAGR
	2005 Actual	Actual	Actual	
PDOC	6,437	6,943	7,796	10.1%
NII	1,339	1,488	1,658	11.3%
Total Revenue	6,312	6,418	6,522	1.6%
Operating Income ex RCG / (L)	603	654	899	22.1%
RCG / (L)	(257)	41	(62)	(50.9%)
PT Operating Income	346	695	837	55.5%

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽³⁾	\$5.5	\$8.0

Valuations (\$ million)	Earnings Estimates		AV ex AOCI
	2008E	2009E	Latest
Nan Shan	382	401	4,121
Peer Median Multiples ¹	13.4x	11.1x	2.24x
Implied Value	5,109	4,469	9,211
Average Value	26x		
Estimated Value	3,500		

Note: (1) Peers include: AFL, PRU LN, MFC CN, AGN NA, CS FP; (2) Partial adjustment for shortfall in economic capital; (3) Book Value based valuation only



Business Overview

PhilAm is the leader in the Philippine life and health market

Process / Timing

- Bank of Philippine Island (BPI) expressed interest
- Target sale in 2Q09

(\$ millions)	2007		% Δ
	2006 Actual	Actual	
PDOC	292	321	9.9%
NII	202	239	18.3%
Total Revenue	494	560	13.4%
Insured Policy Losses and Benefits	320	376	17.5%
PT Operating Income	72	231	220.8%

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$1.0	\$1.5

Valuations (\$ million)	Earnings Estimates		Vex AOCI Rates
	2008E	2009E	
PhilAm	51	53	789
Peer Median Multiples ¹	13.4x	11.1x	2.24x
Implied Value	676	591	1,764
Average Value	FOI		

Note: (1) Peers include: AFL, PRU LN, MFC CN, AGN NA, CS FP ; (2) Book Value based valuation only

AIG Star / Edison

Business Overview

Contribute to AIG's growing life insurance presence in Japan through the sale of life, accident and health, and retirement services products via agents, brokers and bank partners

- Domestic Japanese life insurer with agency distribution models. Set to merge on 1/1/09

Process / Timing

- Goldman and Debevoise have been engaged
- Targeting sale for 1Q09
- Prospective buyers include Japanese mutuals, MetLife, Prudential and Tokyo Marine

Valuations (\$ million)	Earnings Estimates		BV ex AOCI
	2008	2009E	
Star / Edison	711	732	5,572
Peer Median Multiples ¹	11.7x	9.8x	1.94x
Implied Value	8,341	7,207	10,831
Average Value	7.4x		

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$15.5	\$24.0

**Appraisal Values of \$ 4.1 bn for Star and \$4.4 for Edison as of 3/31/08
based on 8% discount rate and 10 years of new business**

Note: (1) Peers include: AFL, INGA NA, PRU LN, AGN NA; (2) Book Value based valuation only



Business Overview

One of the largest life insurance companies in the world with operations in 50 countries

- **Distribution:** ALICO's operations cover Japan, UK, Brazil, Continental Europe, the Middle East, Latin America, South Asia and the Caribbean
- **Market Position:** Top 5 market position in 20 markets

Process / Timing

Engaging Morgan Stanley and Citi as advisors

- Target sale date of 1Q09

(\$ millions)	2005	2006	2007	CAGR (%)
	Actual	Actual	Actual	
PDOC	26,652	29,677	38,878	20.8%
POC	7,297	7,980	9,271	12.7%
NII	4,222	4,033	3,271	(12.0%)
SOP 03-1	-	-	1,495	
Total Net Investment Income	4,222	4,033	4,766	6.2%
Total Revenue	11,519	12,013	14,037	10.4%
Operating Income ex RCG / (L)	2,024	2,454	2,369	8.2%
RCG / (L)	(36)	146	(307)	192.0%
PT Operating Income	1,988	2,600	2,062	1.8%
AT ROE	18.4%	18.4%	15.5%	

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽²⁾	\$15.5	\$24.0

Valuation (\$ million)	2008	2009	2009
	Actual	Actual	Estimate
ALICO	1,812	2,011	10,328
Peer Median Multiples ¹	11.7x	9.8x	1.94x
Implied Value	21,254	19,791	20,076
Average Value	10.37x		
Market Discount	-10.0%		
Estimated Value	18,336		

Note: (1) Peers include: AFL, INGA NA, PRU LN, AGN NA; (2) Book Value based valuation only



Business Overview

International Consumer Finance operations

- **Countries:** Hong Kong, Taiwan, Philippines, Thailand, India, China, Poland, Russia, Argentina, Mexico, Brazil and Colombia
- **Products:** Sales Finance, Credit Cards, Mortgages, Auto Loans, Personal Loans and Deposits

Process / Timing

- Poland and Taiwan sale processes underway
- Other country operations to follow
- Expected Sale in 1Q09

	2005	2006	2007	
(\$ millions)	Actual	Actual	Actual	CAGR
Receivables	\$3,249	\$3,720	\$4,819	21.8%
Revenues ex RCG (L)	606	581	741	10.6%
PT Operating Income ex RCG (L)	68	11	14	(54.6%)
AT ROE	12.6%	(1.9%)	(4.1%)	

Estimated value of 1.5 bn base on appraisal value and factors a 10% discount to market



Business Overview

Aircraft leasing, aircraft sales, fleet management and re-marketing services, and asset value and loan guarantees

- **Products:** Full service operating leases, finance leases and fleet management services
- **Distribution:** Primarily direct channel

Process / Timing

- Expected Sale in 1Q09
- Expression of interest: American Aerospace & Emirate Dev't, TPG, Carlyle, Greenbriar, Leonard Green & Partners, Lucadia, Eton Park, Highbridge, TCW, CITIC, CIC, Temasek, Berkshire Hathaway, CS Julius Baer, KIA, Norwegian Sovereign, Qatar, Dubai, Bahrain and Abu Dhabi

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
Revenues ex RCG (L)	3,578	4,143	4,721	14.9%
PT Operating Income ex RCG (L)	679	639	900	15.1%
AT ROE	7.7%	6.5%	8.8%	

Third Party Valuation (\$ bn)		
Company	Low	High
Citi ⁽¹⁾	\$5.5	\$6.5
CS ⁽²⁾	\$2.2	\$2.9
MS ⁽²⁾	N/A	\$7.5
WB ⁽²⁾	\$7.6	\$9.1

Base on a gross valuation of \$10 bn, \$8.6 bn will be available to dividend up to Parent

Note: (1) Book Value based valuation only; (2) Earnings based valuation only

AIG American General Finance (AGF)

Business Overview

Founded in 1920, AGF is one of the largest consumer finance organization in the U.S. with \$29bn in assets

- **Core business:** AGF's key businesses include mortgages, retail sales finance, non-real estate loans and credit insurance
- **Distribution:** Over 1,600 branches in 45 states plus U.S. Virgin Islands and Puerto Rico

Process / Timing

- As a mortgage lender, the Company's performance is at a cyclical low despite outperforming peers.
- Plan expects AGF to be held

(\$ millions)	2005	2006	2007	CAGR
	Actual	Actual	Actual	
Receivables	23,722	24,337	25,513	3.7%
Revenues ex RCG (L)	2,903	3,030	2,886	(0.3%)
PT Op Inc ex RCG (L)	771	730	180	(51.7%)
ROE	19.1%	17.0%	4.8%	

Third Party Valuation (\$ bn)		
Company	Low	High
Citi	N/A	N/A
CS	N/A	N/A
MS	N/A	N/A
WB	N/A	N/A

Valuation	AI Earnings Estimate	WEX AOCI
(\$ millions)	2008E	2008E
AGF	60	2999
Peer Median Multiples ⁽²⁾	13.6x	1.11x
Implied Value	818	3,319
Average Value	206	
Market Premium	5.6%	
Estimated Value	\$3,000	

Note: (1) Valuation includes AGF and Other Financial Services businesses which exclude FP, ILFC and CFG (2) Peers include AXP, BAC, C, GS, JPM, WB and BX