



Capital Markets

Overview of AIGFP “Super Senior” Business

What the Presentation Will Cover Today

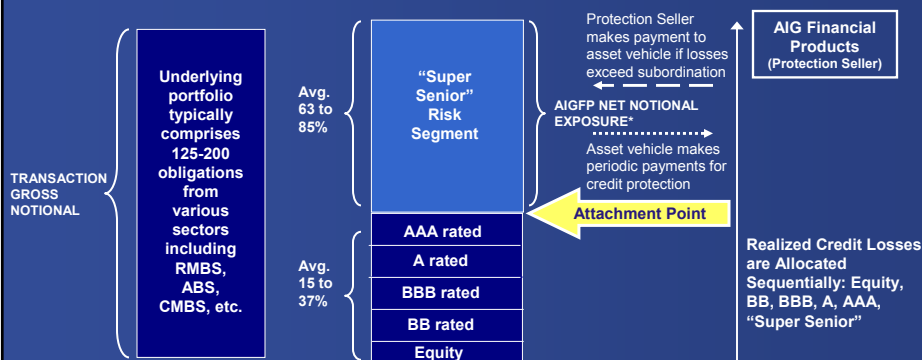
- “Super Senior” Definition
 - *No expected realized losses*
- Portfolio Underwriting Standards
 - *Careful portfolio selection combined with remote attachment points*
- Experience: Actual vs. Expectations
 - *Performance difference among sub-prime vintages is not artificial*
- Accounting Valuation Methodology
 - *Divergence of accounting valuation from economic realities*
- Questions and Answers
- Portfolio Statistics

AIG Financial Products “Super Senior” Portfolio Construction

- There is no uniform definition for “Super Senior” risk across the market. AIGFP defines “Super Senior” risk as the risk associated with that portion of its bespoke, highly negotiated credit derivatives portfolio where, even under worst-case assumptions for the replenishment and performance of the underlying assets, there is no expected loss.
- Following due diligence, the “Super Senior” portion of AIGFP’s credit derivatives portfolio is constructed using an AIGFP proprietary model that incorporates highly conservative assumptions (including recovery rates significantly below those used by the rating agencies and underlying ratings that, in all cases, are equal to, or lower, than those publicly assigned). All underlying obligations are individually stressed and modeled to create an overall loss distribution for the entire portfolio. While agency models and attachment points are useful verification tools, AIGFP always builds and models each “Super Senior” transaction with its own, more conservative assumptions.
- The attachment point for the “Super Senior” portion of each portfolio, as determined by the AIGFP model, is calculated as a minimum threshold above which there is no expected loss to AIGFP, even under extreme recessionary conditions. These modeled conditions are worse than any experienced in history since World War II and are assumed to adversely affect the performance of each underlying obligor throughout the life of the transaction. Each transaction is then negotiated to ensure that the final attachment point exceeds the modeled attachment point, giving AIGFP an additional cushion of subordination to its risk position.

Typical Tranche Structure of a Multi-Sector CDO including “Super Senior” Segment

The portfolio reflects a large notional amount, but poses remote risk. The “Super Senior” risk portion is the last tranche to suffer losses, which are allocated sequentially within the capital structure. The structure would have to take losses that erode all of the tranches below the “Super Senior” level before AIGFP would be at risk.



Hypothetical Example of Underlying CDO Reflecting the Various Rated Risk Layers

* AIGFP Net Notional Exposure is “net of transaction subordination”

Summary Statistics “Super Senior” Credit Derivatives*

Transaction Type	Corporate	European Mortgage	Multi-Sector CDOs	
			Transactions w/Mixed Collateral, including Sub-Prime	Transactions w/No Sub-Prime Collateral
Gross Notional (\$ Billion)	\$354.3	\$167.7	\$84.4	\$21.6
AIGFP Net Notional Exposure (\$ Billion)	\$280.6	145.4	\$62.4	\$17.1
Number of Transactions	93	37	104	14
Weighted Average Subordination (%)	20.8%	13.2%	23.2%	14.8%
Average Number of Obligors / Transaction	1,158	83,994	192	119
Expected Maturity (Years)	2.2**	2.4**	4.2***	4.4***

*All data is as of November 25, 2007, unless otherwise indicated.

**Majority of transactions have Regulatory Capital Calls from January 2008
***Sourced from Transaction Trustee Reports



Overall Approach to “Super Senior” Transactions

All of our Trades Combine the Strengths of Careful Asset Due Diligence, Selection and Review with those of the Rigors and Framework Provided by our Bespoke Modeling

- Across every transaction in our portfolio, we achieve positive selection of assets through a number of means.
- We investigate the motivations of the originating banks, with many deals being driven by regulatory capital management rather than risk transfer.
- Initially we undertake due diligence on banks, investment managers and originators to ensure that they have the required experience, track record and an appropriate approach to risk.
- For each transaction we agree specific collateral eligibility criteria, rating requirements, concentration limits and portfolio maintenance characteristics.
- When appropriate we review and agree all of the collateral on a name-by-name basis.
- We aim to avoid or reduce exposure to certain risk factors and so achieve highly diversified portfolios that outperform the broader originator portfolios.
- For each transaction we agree specific structural features including performance covenants.
- Each transaction type and portfolio is then subject to specific credit analysis and rigorous detailed modeling.



Credit Underwriting - Corporate Transactions

Each and Every Transaction Passes Through the Same Process of Careful Selection and Due Diligence

- An analysis of each name in the portfolio to assign an internal rating ('AIGFP rating') to each name. The AIGFP rating (which in all cases is equal to, or lower than, those publicly assigned) is then used for modeling purposes.
- Review of current market spreads for each name, where available, to ensure rating reflects all current available information.
- For the Small & Medium Enterprise Loan (SME) deals we review all of the originating banks' underwriting standards, including for example:
 - The extent to which account officers are empowered to make lending decisions
 - Whether credit officers can be overruled and if so by whom and how often
 - Current breakdown of the overall loan book and our portfolio by geography and industry
 - The bank's internal rating procedures, its construction and criteria along with a review of its application to both loan and obligor ratings
 - Establish proof that the Bank's internal rating system is seasoned enough to enable them to have built transition matrices so as to help validate the ratings
- Investigation of any industry or geographic concentrations in the loan pool and review of any potentially mitigating factors.

Credit Underwriting - European Residential Mortgages

Thorough Review of all Underwriting, Processes and Performance

- Understanding of the bank's lending philosophy, and the extent (if any) to which this has changed in recent times
- Underwriting standards and credit approval procedures including:
 - What (and how many) individual officers are empowered to make lending decisions
 - What loan size can be approved by different individuals/groups
 - To what extent has the approval system become automated and, if so, what are the procedures for permitting any overrides
 - What criteria do the credit officers or automated system use to make the lending decision
- Loss and recovery experience of the Bank
- Historic experience - annual losses over past 10 years, or as far back as the bank can provide records
- Monitoring of delinquencies, work out and recovery procedures
- What groups and procedures are in place to monitor and manage delinquencies
- Bank policies on workout and foreclosure

Credit Underwriting – Multi-Sector CDO Transactions

Highly Selective Review of Manager, Collateral and Proposed Structure

- **Review and analysis of the Investment Manager (on all transactions) including:**
 - What is the ownership structure of the organisation?
 - Review of all personnel and their suitability to both the assets and the structure
 - What is the track record and the past performance of the manager in all asset classes?
 - What risk retention / incentive policy is in place for key employees?
- **Analysis of all of the collateral portfolio including:**
 - The eligibility criteria for all securities
 - What is the single security / obligor concentration limits proposed?
 - How diverse is the portfolio geographically?
 - How diverse is the portfolio when measured by sector or industry?
 - What is the maturity / expected amortization profile of the assets and the portfolio overall?
 - Review of agency ratings of securities and portfolio weighted average rating factor
 - Currency and interest rate exposures and hedging requirements
- **Analysis of all of the key transaction terms including:**
 - The term of any proposed reinvestment period
 - What, if any, are the management trading discretions?
 - What portfolio quality triggers we have in place
 - The Over-Collateralisation (O/C) and Interest Coverage tests
 - All of the early amortization events and the procedures to follow

AIGFP - Portfolio Models Overview

Simple, Specific, Highly Conservative Models

- **Over the last decade, AIGFP has developed many models for portfolio fundamental credit risk analysis:**
 - Different asset classes are analyzed with different models, e.g., Dutch residential mortgages, German SMEs, etc.
 - Data has been mostly collected from counterparty banks, OECD and Central Banks over the last decade.
- **Model-building is guided by a few principles:**
 - AIGFP always builds its own models for each asset class, and never relies on third party models, though these are used for robustness checks.
 - Models are simple, data-driven, and actuarial. They are not pricing models, but models to analyze fundamentals.
 - Individual portfolio obligations are simulated.
- **Models are calibrated to be worse than the worst post-WWII recession, in each country (the “Worst Case”):**
 - Models produce portfolio loss distributions by simulating individual underlying portfolio obligation credit performance.
 - Underwriting standards are based on quantiles of the loss distribution.

Credit Modeling - Residential Mortgage Portfolios

Stressed Analysis of Line by Line Data on all Transactions

- **AIGFP's prime residential mortgage portfolio consists of loans originated and held by European banks:**
 - Banks supply historical data; combined with data from other sources
 - Due diligence with originating bank to understand data
 - Transactions rejected if data not credible
 - Macroeconomic data used to calibrate to the Worst Case; stress added to historical data to produce the Worst Case scenario
- **Mortgage models simulate each individual loan in the portfolio:**
 - All individual loan characteristics reviewed and stressed, including:
 - Loan to Value
 - Borrower employment status
 - Property location
 - Prepayment is beneficial to AIGFP as this causes the portfolio to amortize, reducing our exposure

Credit Modeling - Corporate Portfolios & Multi-Sector CDOs

We Always Construct the Worst Case Portfolio

- **Corporate portfolios are modeled based on simulating rating transitions of individual firms:**
 - The ratings used are those assigned by AIGFP credit officers if possible, or we review and stress originating banks own internal rating system following its prior review and stress by at least one major rating agency.
 - Transactions are treated as occurring entirely during the Worst Case recession scenario.
- **Multi-Sector CDOs are rated to the worst possible portfolio that the CDO managers may construct:**
 - CDO managers can select final portfolio following review of reference obligations and criteria agreed with AIGFP and agencies; AIGFP models worst portfolio as per criteria.
 - Model takes as inputs agency ratings and adds stress to these ratings.
 - Modeling takes account of AIGFP portfolio management covenants.
- **AIGFP's use and view of agency ratings:**
 - Agencies can rank relative risk, but we do not rely on their associated default probabilities.
 - AIGFP stresses ABS/RMBS/CMBS/CDO ratings and all recovery rates.
 - The AIGFP Worst Case associates loss likelihoods for each rating.

Past Performance Corporate Loans and European Residential Mortgages

*Extremely Low Loss Rates in Reference Pools with
Attachment Points Always Very Significantly Higher*

The realized losses* in our underlying reference pools have been extremely small relative to our attachment points, reflecting the positive selection of the portfolios, the motivations and the highly conservative modeling.

	<u>AIGFP Net Notional Exposure</u>	<u>Total Losses in Reference Pool to Date</u>	<u>Weighted Average Attachment Point</u>	<u>Multiple of Losses Required Before AIGFP Has any Loss</u>
Corporate Loans	\$280.6 BN	0.07%	20.8%	297x
European Mortgages	\$145.4 BN	0.03%	13.2%	440x

* As of October 31, 2007



Multi-Sector CDOs What Differentiates our Transactions?

Careful Portfolio Selection Combined with Remote Attachment Points

- Strong adherence to the proven conservative underwriting approach.
- Highly diversified and granular pools of positively selected reference obligations.
- Attachment points are calculated to be extremely remote with significant AAA rated tranches below our position.
- Calculated attachment points are only a minimum and are non negotiable .
- Extensive due diligence carried out before any transaction is agreed.
- Conservative portfolio and obligor limits.
- Highly conservative modeling
 - Worst case assumptions used for all portfolio construction
 - Significant haircuts and stresses applied to all inputs



Multi-Sector CDOs What Differentiates our Reference Obligations?

Very Little Exposure to the Problematic Vintages of 2006 & 2007

- **We stopped committing to any new Multi-Sector CDOs with sub-prime collateral at the end of 2005:**
 - Through our continuous surveillance of the market we began to see evidence that underwriting standards were beginning to decline in a material way.
 - Very limited reinvestment has given us some small exposures.
 - Total 2006 and 2007 sub-prime collateral makes up just 5.3% of the Gross Transaction Notional of our multi-sector CDOs with mixed collateral, including sub-prime.
- **Issuance vintage is key in determining underlying asset performance:**
 - Collateral has already experienced significant price appreciation.
 - Some originators appear to have utilized more robust underwriting standards than in later vintages.
- **Transaction lives expected to be short:**
 - Many deals already amortizing our exposure.
 - All managed deals have triggers to end reinvestment.
 - Triggers to further divert cashflows to accelerate amortization if deals underperform.
- **Ongoing surveillance from both managers and AIGFP:**
 - Regular manager dialogue.
 - Continuous review, surveillance and stress testing of all reference obligations.
 - Continuous monitoring of all covenants.



Sub-Prime RMBS: Models vs. Reality Moody's: 2005 and 2006

AIGFP Models Significantly Stress for our Core Exposures

Downgrade Experience vs. Model Stress

	2005 Vintage			2006 Vintage		
	% of All Moody's Rated Sub-Prime	AIGFP Model Stress*	AIGFP Experience	% of All Moody's Rated Sub-Prime	AIGFP Model Stress**	AIGFP Experience
Aaa	0.0%	31.5 – 37.5	0.0%	0.0%	26.3 – 31.5	0.0%
Aa	0.0%	32.4 – 37.8	0.0%	0.0%	27.0 – 32.4	0.0%
A	0.6%	26.6 – 29.3	0.8%	56.1%	23.8 – 26.6	47.8%
Baa	5.1%	31.8 – 35.7	3.8%	82.8%	27.2 – 31.8	74.4%
Ba	18.9%	40.3 – 47.1	15.3%	93.7%	32.3 – 40.3	86.4%

* AIGFP model predictions over 24 - 36 months
** AIGFP model predictions over 12 - 24 months

Rating Agency transition data provided as of October 2007 by JPMorgan Chase & Co.
AIGFP Experience data compiled from Bloomberg



Sub-Prime RMBS: Models vs. Reality S&P: 2005 and 2006

Vintages for our Core Exposures perform Significantly Better than those of 2006

Downgrade Experience vs. Model Stress

	2005 Vintage			2006 Vintage		
	% of All S&P's Rated Sub-Prime	AIGFP Model Stress*	AIGFP Experience	% of All S&P's Rated Sub-Prime	AIGFP Model Stress**	AIGFP Experience
AAA	0.0%	31.5 – 37.5	0.0%	0.5%	26.3 – 31.5	0.0%
AA	1.4%	32.4 – 37.8	0.0%	4.9%	27.0 – 32.4	0.0%
A	6.3%	26.6 – 29.3	0.8%	29.0%	23.8 – 26.6	47.8%
BBB	27.9%	31.8 – 35.7	3.8%	50.1%	27.2 – 31.8	74.4%
BB	28.0%	40.3 – 47.1	15.3%	70.9%	32.3 – 40.3	86.4%

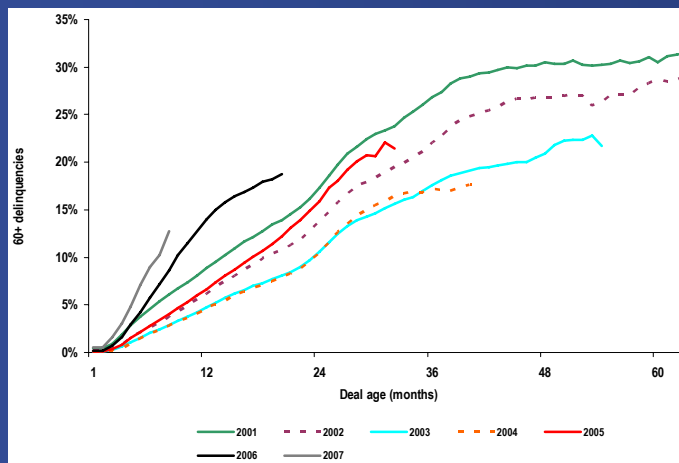
* AIGFP model predictions over 24 - 36 months
** AIGFP model predictions over 12 – 24 months

Rating Agency transition data provided as of October 2007 by JPMorgan Chase & Co.
AIGFP Experience data compiled from Bloomberg



Sub-Prime ARMS Delinquencies by Vintage of Origination

The Performance Differences Among Vintages are Not Artificial



Delinquencies are based on current collateral balance

Data provided as of October 2007 by JPMorgan Chase & Co.



Our Multi-Sector CDO Exposure to Sub-Prime Collateral by Vintage

Mezzanine Transactions	Pre 2004	2004	2005	2006	2007	Total
	3.6%	19.3%	33.7%	4.1%	2.9%	63.6%
High Grade Transactions	Pre 2004	2004	2005	2006	2007	Total
	2.4%	14.2%	26.4%	2.3%	2.0%	47.3%

Percentages shown are of Gross Transaction Notional



FAQs?

- Q.** What if you write off all 2006 and 2007 sub-prime, regardless of rating, with zero recovery?
- A.** If we wrote off all of 2006 and 2007 sub-prime collateral from every rating category, with absolutely zero recovery, then the high grade transactions would show a loss of \$314 million across 3 transactions and the remaining transactions would have an average remaining subordination of 12.9%. The mezzanine transactions would show a loss of \$7 million across just 1 transaction and the remaining transactions would have an average remaining subordination of 31.5%
- Q.** What if late 2005 sub-prime is also impacted; what would happen to all of your transactions if you wrote off all BBB rated and below sub-prime collateral from the entire 2nd half of 2005 and still wrote off all of 2006 and 2007 as well, regardless of rating, again all with zero recovery?
- A.** If we wrote off all BBB rated and lower sub-prime collateral from the entire 2nd half of 2005 and still wrote off all sub-prime collateral from 2006 and 2007 as well, regardless of rating, with zero recovery, then the high grade transactions would have no further loss and the weighted average remaining subordination would drop only marginally, to 12.4%. The mezzanine deals would now show a loss of \$59 million across 3 transactions and the remaining transactions would have an average remaining subordination of 26.4%
- Q.** What if we wrote off all of the BBB rated and lower sub-prime collateral from the 2nd half of 2005, all of the sub-prime from 2006 and 2007 regardless of rating and, in addition, write off all CDO's rated A or lower regardless of vintage or collateral, all with zero recovery?
- A.** If we wrote off all of the BBB rated and lower sub-prime collateral from the 2nd half of 2005, all the sub-prime from 2006 and 2007 regardless of rating, and all of the CDO's rated A or lower, regardless of vintage or collateral, all with zero recovery, then the high grade transactions would show a loss of \$421 million across 6 transactions and the remaining transactions would have an average remaining subordination of 10.7%. The mezzanine deals would show a loss of \$169 million across 4 transactions and the remaining transactions would have an average outstanding subordination of 21.4%



Accounting Valuations

- GAAP Fair Value standards
- The challenges of acquiring market information
- Why do we use a model?
- Economics versus Accounting
- Valuation Outlook for the remainder of 2007

Binomial Expansion Technique

The Challenges of Valuation

- Why do we have to use a model?
 - There is no readily available market pricing for our multi-sector CDO transactions.
 - There is limited market pricing for reference collateral.
 - The market recognizes a basis between the prices of cash and synthetic securities.
 - Our multi-sector CDO transactions are complex structures and are highly customized.

Binomial Expansion Technique*

Simple and Established Model Using Market Data Inputs

- The BET methodology was originally developed by Moody's for rating portfolio credit products and is transparent, widely used by market participants and in the public domain.
- All model parameters are derived from independent market sources
 - Market implied credit spreads for collateral pool
 - Diversity Score
 - Weighted Average Life
 - Recovery Rates for each reference obligation

* Moody's Investors Service, December 13, 1996

Binomial Expansion Technique

Market Credit Spreads used to Derive Default Probabilities

- We use market credit spreads for the reference obligations to calculate a probability of loss.
- We replace a large collateral pool of correlated assets with a smaller pool of *idealized* homogeneous, independent assets.
- The size of the idealized pool, i.e. the number of assets, is given by the Diversity Score.
- The Binomial Expansion Technique allows us to derive a loss distribution through time for the portfolio.
- Monte Carlo simulation will enable us to value all of the important features of each transaction.

AIGFP's "Super Senior" Credit Derivative Business is a "Money Good" Portfolio

- All of our trades combine the strengths of careful asset due diligence, selection and review with those of the rigors and framework provided by our bespoke modeling.
- Each and every transaction passes through the same process of careful selection and due diligence and credit review; including a second review and approval by the AIG Head Office Credit Risk Management Team.
- Simple, specific, highly conservative models.
- We always construct and stress test to the Worst Case portfolio.
- Very little exposure to the problematic vintages of 2006 and 2007.



Capital Markets

Appendix*

**All data is as of November 25, 2007, unless otherwise indicated*

** AIGFP Net Notional Exposure is Net of All Transaction Subordination*

Summary Statistics “Super Senior” Credit Derivatives

Transaction Type	Corporate	European Mortgage	Multi-Sector CDOs	
			Transactions w/Mixed Collateral, including Sub-Prime	Transactions w/No Sub-Prime Collateral
Gross Notional (\$ Billion)	\$354.3	\$167.7	\$84.4	\$21.6
AIGFP Net Notional Exposure (\$ Billion)	\$280.6	145.4	\$62.4	\$17.1
Number of Transactions	93	37	104	14
Weighted Average Subordination (%)	20.8%	13.2%	23.2%	14.8%
Average Number of Obligors / Transaction	1,158	83,994	192	119
Expected Maturity (Years)	2.2*	2.4*	4.2**	4.4**

*Majority of transactions have Regulatory Capital Calls from January 2008

**Sourced from Transaction Trustee Reports



AIG

Capital Markets A1

Summary of Key Statistics for Multi-Sector CDOs with Mixed Collateral, Including Sub-Prime (\$ Billion)

High Grade Collateral

(Predominantly AA Rated)

• Total Gross Transaction Notional:	53.5
• AIGFP Net Notional Exposure:	43.9
• Number of Transactions:	45
• Average Attachment:	15.3%

Mezzanine Collateral

(Predominantly BBB Rated)

• Total Gross Transaction Notional:	30.8
• AIGFP Net Notional Exposure:	18.5
• Number of Transactions:	59
• Average Attachment:	37.0%

Sub-Prime Reference Obligations

• Gross Sub-Prime Notional:	25.3
• AIGFP Net Sub-Prime Notional:	17.4
• Average Sub-Prime:	47.3%
• Avg. HPA for Sub-Prime Collateral:	20.6%
• Average Cum. Loss Rate:	1.3%
• Average FICO:	627

Sub-Prime Reference Obligations

• Gross Sub-Prime Notional:	19.6
• AIGFP Net Sub-Prime Notional:	8.6
• Average Sub-Prime:	63.6%
• Avg. HPA for Sub-Prime Collateral:	20.9%
• Average Cum. Loss Rate:	1.2%
• Average FICO:	626

Information shown is sourced from LoanPerformance except in the following circumstances:

- Underlying Reference Obligation data is sourced from Intex
- Loss Data is sourced from CSFB's "Locus" system
- Sector Categorization is compiled from Individual Transaction Trustee Reports and Moody's and S&P data



***“Super Senior” Exposure
Corporate Loans***

Corporate Loan Portfolio by Primary Jurisdiction

	AIGFP Net Notional Exposure (\$ BN)	Percentage of Total	Current Average Subordination	Realized Pool Losses to Date %	Weighted Average Maturity (years)		Number of Deals
					To First Call *	To Maturity	
<i>Primarily Single Country Exposure Portfolio</i>							
Germany	18.6	6.6	23.0	0.09	2.5	9.2	10
U.S.A.	65.4	23.3	19.9	0.11	3.6	5.4	26
Netherlands	5.6	2.0	15.4	Nil	2.1	46.1	1
Portugal	4.1	1.5	11.6	0.07	0.9	11.9	1
UK	2.4	0.8	24.4	Nil	1.2	14.0	1
France	2.1	0.7	21.0	Nil	1.2	1.2	1
Australia/New Zealand	1.8	0.6	9.0	Nil	1.9	3.4	1
Finland	1.2	0.4	18.0	Nil	1.2	7.2	1
Belgium	0.3	0.1	12.1	0.27	6.4	6.4	1
<i>Regional Exposure Portfolio</i>							
U.S.A. Majority	88.3	31.6	25.2	0.13	1.9	5.7	24
W. Europe Majority	77.3	27.5	17.5	Nil	1.7	8.8	18
Asia/Australia Majority	12.5	4.5	13.8	Nil	0.9	3.3	6
Emerging Market	<u>1.0</u>	<u>0.4</u>	<u>29.0</u>	Nil	<u>1.1</u>	<u>1.1</u>	<u>2</u>
Total	280.6	100.0	20.8	0.07	2.2	7.4	93

* The vast majority of deals have regulatory calls from January 2008. We expect that these calls will be exercised over the next 12-18 months as the different originating banks in Europe are able to adopt the new Basle II Capital standards. The call date listed in the chart is the first non regulatory call.

***“Super Senior” Exposure
European Residential Mortgages***



European Residential Mortgages Summary by Geography

	AIGFP Net Notional Exposure (\$ BN)	% of Total Exposure	Current Average Subordination %	Realized Losses to Date % of Pool	Weighted Average Maturity (years)		Number of Transactions
					To First Call*	To Maturity	
Denmark	38.5	26.5	9.2	0.00	0.8	32.0	3
France	37.5	25.8	8.2	0.01	2.1	31.7	7
Germany	33.7	23.2	16.8	0.11	2.6	41.7	19
Netherlands	22.4	15.4	21.7	0.01	4.9	13.0	4
Sweden	9.7	6.7	12.9	0.00	2.1	34.8	2
UK	1.9	1.3	10.0	0.00	1.4	31.4	1
Spain	<u>1.7</u>	<u>1.1</u>	<u>8.7</u>	<u>0.00</u>	<u>8.6</u>	<u>37.5</u>	<u>1</u>
Total	145.4	100.0	13.2	0.03	2.4	30.2	37

* All of these deals have regulatory calls from January 2008. We expect that these calls will be exercised over the next 12-18 months as the different originating banks in Europe are able to adopt the new Basle II Capital standards. The call date listed in the chart is the first non regulatory call.



AIG

Capital Markets A6

***“Super Senior” Multi-Sector CDO Exposure
Consisting of Mixed Collateral,
including Sub-Prime:***

Mezzanine Collateral Underlying Summary



Summary of Transaction Current Status

Gross Notional (\$)	30.8 BN			
AIGFP Net Notional Exposure (\$)	18.5BN	Max: 940 MM	Min: 34 MM	Avg: 314 MM
Number of Transactions	59			
Managed Transactions	32			
Static Transactions	27			
Average Number of Obligors	172			
Weighted Average AIGFP Attachment Point	37.0%	Max: 69.6%	Min: 24.5%	
Average % of AIGFP Subordination that is AAA Rated by at least one agency	37.0%	Max: 63.7%	Min: 7.4%	
Average Subordinated AAA Tranche Thickness	13.9%	Max: 31.6%	Min: 2.4%	
Number of Transactions that are Amortizing	40			

Information used in this presentation is sourced from LoanPerformance except in the following circumstances:

- Underlying Reference Obligation data is sourced from Intex
- Rating Information is sourced from Bloomberg
- Loss Data is sourced from CSFB's "Locus" system
- Sector Categorization is compiled from Individual Transaction Trustee Reports and Moody's and S&P data

Summary of Reference Obligations in our Transactions:

	Sub-Prime	Other RMBS	CDO	CMBS	Other ABS	Non ABS	Total
Classifications	63.6%	17.3%	6.3%	7.5%	4.4%	0.9%	100.0%
Rating	AAA	AA	A	BBB	BB	<BB	NR
	2.3%	4.5%	12.3%	62.6%	9.0%	8.2%	1.1%
							100.0%

Percentages shown are of Gross Transaction Notional



Recent Rating Performance

Underlying Reference Obligations in our Transactions

	<u>Moody's</u>	<u>S&P</u>
% of Sub-Prime Upgraded Since Deal Inception	0.7%	0.4%
% of Sub-Prime Downgraded Since Deal Inception	6.6%	11.5%

Overall Transaction

Deals with Junior Tranches on Negative Review	9	21
Junior Tranches Downgraded	3	6
AIGFP Tranche Downgraded	None	None

Underlying Sub-Prime Reference Obligations

	AAA	AA	A	BBB	BB	<BB	Total						
Rating	0.3%	1.0%	5.5%	41.5%	7.8%	7.5%	63.6%						
	Pre 2004	2004	2005	2006	2007	Total							
Vintage	3.6%	19.3%	33.7%	4.1%	2.9%	63.6%							
	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total
Vintage by Quarter	13.6%	11.3%	5.7%	3.1%	1.4%	1.2%	0.6%	0.8%	1.4%	1.2%	0.4%	0.0%	40.7%
	AAA	AA	A	BBB	BB	<BB	Total						
2006 Vintage	0.1%	0.2%	0.1%	0.9%	0.6%	2.2%	4.1%						
	AAA	AA	A	BBB	BB	<BB	Total						
2007 Vintage	0.1%	0.2%	0.4%	1.3%	0.8%	0.1%	2.9%						

Percentages shown are of Gross Transaction Notional



Additional Sub-Prime Breakdown

Avg. % of Sub-Prime Collateral that is 2 nd Lien	2.0%			
Avg. % of Sub-Prime Collateral with 2 nd Lien >90%	0.8%			
Average LTV at Inception	81.1			
Avg. HPA on Reference Sub-Prime Bonds	20.8%	Max: 46.3%	Min: 11.9%	
Current Average 12 mos CPR Rate	38.8%			
Average FICO Score	626			
Average Loan Type	Floating 61.9%	2 Yr ARM 45.3%	3 Yr ARM 12.6%	Fixed 38.1%
<u>Sub-Prime Originators</u>	New Century 5.6%			
	Ameriquest 4.9%			
	Countrywide 3.8%			
	Option 1 3.6%			
	Fremont 2.9%			
<u>State Concentration</u>				California 22.5%
				Florida 5.7%
				Texas 5.0%
				New York 4.6%
				Michigan 0.7%
Current Weighted Average Loss Rate on Sub-Prime	1.2%			

Percentages shown are of Total Sub-Prime



Underlying CDO Reference Obligations Breakdown

	High Grade	Mezz	Other ABS	CMBS	Other	Total		
Classifications	0.7%	3.2%	0.3%	0.8%	1.3%	6.3%		
	AAA	AA	A	BBB	BB	<BB	NR	Total
Rating	0.2%	0.7%	1.1%	3.8%	0.2%	0.1%	0.2%	6.3%
	Pre 2003	2003	2004	2005	2006	2007	Total	
Vintage	0.4%	0.5%	1.9%	2.5%	0.8%	0.2%	6.3%	
	Pre 2003	2003	2004	2005	2006	2007	Total	
Other RMBS by Vintage	0.3%	2.1%	6.4%	6.8%	1.3%	0.4%	17.3%	

Percentages shown are of Gross Transaction Notional



***“Super Senior” Multi-Sector CDO Exposure
Consisting of Mixed Collateral,
including Sub-Prime:***

High Grade Collateral Underlying Summary



Summary of Transaction Current Status

Gross Notional (\$)	53.5 BN			
AIGFP Net Notional Exposure (\$)	43.9 BN	Max:	Min:	Avg:
		2.2 BN	91 MM	976 MM
Number of Transactions	45			
Managed Transactions	24			
Static Transactions	21			
Average Number of Obligors	203			
Weighted Average AIGFP Attachment Point	15.3%	Max:	Min:	
		46.2%	10.0%	
Average % of AIGFP Subordination that is AAA Rated	43.1%	Max:	Min:	
		86.1%	0.0%	
Average Subordinated AAA Tranche Thickness	7.4%	Max:	Min:	
		39.7%	0.0%	
Number of Transactions that are Amortizing	28			

Information used in this presentation is sourced from LoanPerformance except in the following circumstances:

- Underlying Reference Obligation data is sourced from Intex
- Rating Information is sourced from Bloomberg
- Loss Data is sourced from CSFB's "Locus" system
- Sector Categorization is compiled from Individual Transaction Trustee Reports and Moody's and S&P data



Summary of Underlying Reference Obligations in our Transactions:

	Sub-Prime	Other RMBS	CDO	CMBS	Other ABS	Non ABS	Total	
Classifications	47.3%	28.2%	15.0%	6.9%	2.3%	0.3%	100.0%	
	AAA	AA	A	BBB	BB	<BB	NR	
Rating	28.9%	38.6%	27.1%	2.5%	0.6%	0.2%	2.1%	100.0%

Percentages shown are of Gross Transaction Notional



Recent Rating Performance

Underlying Reference Obligations in our Transactions

	<u>Moody's</u>	<u>S&P</u>
% of Sub-Prime Upgraded Since Deal Inception	0.8%	0.8%
% of Sub-Prime Downgraded Since Deal Inception	0.8%	1.6%

Overall Transaction

Deals with Junior Tranches on Negative Review	4	1
Junior Tranches Downgraded	1	None
AIGFP Tranche Downgraded	None	None

Underlying Sub-Prime Reference Obligations

	AAA	AA	A	BBB	BB	<BB	Total
Rating	4.1%	21.6%	19.3%	1.8%	0.4%	0.1%	47.3%

	Pre 2004	2004	2005	2006	2007	Total
Vintage	2.4%	14.2%	26.4%	2.3%	2.0%	47.3%

	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total
Vintage by Quarter	6.7%	9.5%	5.8%	4.3%	1.2%	0.5%	0.3%	0.3%	0.7%	0.8%	0.5%	0.0%	30.6%

	AAA	AA	A	BBB	BB	<BB	Total
2006 Vintage	0.7%	0.8%	0.5%	0.2%	0.1%	0.0%	2.3%

	AAA	AA	A	BBB	BB	<BB	Total
2007 Vintage	0.5%	0.8%	0.4%	0.2%	0.1%	0.0%	2.0%

Percentages shown are of Gross Transaction Notional



Additional Sub-Prime Breakdown

Avg. % of Sub-Prime Collateral that is 2 nd Lien	1.9%			
Avg. % of Sub-Prime Collateral with 2 nd Lien >90%	0.6%			
Average LTV at Inception	81.2			
Avg. HPA on Reference Sub-Prime Bonds	20.6%	Max: 44.0%	Min: 10.8%	
Current Average 12 month CPR Rate	38.0%			
Average FICO Score	627			

	<u>Floating</u>	<u>2 Yr ARM</u>	<u>3 Yr ARM</u>	<u>Fixed</u>
Average Loan Type	62.1%	44.0%	14.2%	37.9%

Sub-Prime Originators

Countrywide	4.8%
Ameriquest	4.6%
New Century	4.1%
Lehman	2.8%
Fremont	2.6%

State Concentration

California	23.0%
Florida	6.2%
Texas	4.8%
New York	4.3%
Michigan	0.7%

Current Weighted Average Loss Rate on Sub-Prime	1.3%
---	------

Percentages shown are of Total Sub-Prime

Underlying CDO Reference Obligations Breakdown

Classifications	High Grade	Mezzanine	Other ABS	CMBS	Other	Total		
	2.8%	8.1%	0.6%	1.1%	2.4%	15.0%		
Rating	AAA	AA	A	BBB	BB	<BB	NR	Total
	5.1%	7.6%	1.5%	0.3%	0.1%	0.0%	0.4%	15.0%
Vintage	Pre 2003	2003	2004	2005	2006	2007	Total	
	0.8%	1.3%	6.3%	4.8%	1.5%	0.3%	15.0%	
Other RMBS by Vintage	Pre 2003	2003	2004	2005	2006	2007	Total	
	0.4%	1.0%	7.4%	16.1%	2.4%	0.9%	28.2%	

Percentages shown are of Gross Transaction Notional



Exposure to Other Specified Asset Classes

Credit Derivatives or Cash Investments

(\$ Billion)

<u>Exposure</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>Total</u>
RMBS	4.9 75.7%	0.9 14.7%	0.4 6.9%	0.1 1.9%	0.0 0.7%	6.4 100.0%

U.S. RMBS Accounts for just 5.4% of Total RMBS Exposure

CMBS	4.5 72.5%	1.1 17.3%	0.5 7.5%	0.2 2.6%		6.3 100.0%
------	--------------	--------------	-------------	-------------	--	---------------

Monoline	1.2* 100.0%					0.4 100.0%
----------	----------------	--	--	--	--	---------------

*\$222 MM has a Further Secondary Monoline Wrap



***Cash Multi-Sector CDO Exposure
Consisting of Mixed Collateral,
including Sub-Prime:***

Mezzanine Collateral Underlying Summary



Summary of Transaction Current Status

AIGFP Net Notional Exposure	2.4 BN	Max: 200 MM	Min: 4 MM	Avg: 40 MM
Number of Transactions	60			
Managed Transactions	30			
Static Transactions	30			
Average Number of Obligor	159			
Weighted Average AIGFP Attachment Point	27.9%	Max: 59.6%	Min: 11.7%	
Number of Transactions that are Amortizing	29			
Rating of Exposure		Moody's	S&P	
	AAA	44	55	
	AA	2	5	
	NR	14	0	

Information used in this presentation is sourced from LoanPerformance except in the following circumstances:

- Underlying Collateral Data is sourced from Intex
- Rating Information is sourced from Bloomberg
- Loss Data is sourced from CSFB's "Locus" system
- Sector Categorization is sourced from Individual Transaction Trustee Reports along with Moody's and S&P data



Summary of Reference Obligations in our Transactions:

	Sub-Prime	Other RMBS	CDO	CMBS	Other ABS	Non ABS		Total
Classifications	66.6%	16.1%	4.7%	7.0%	5.1%	0.5%		100.0%
Rating	AAA	AA	A	BBB	BB	<BB	NR	
	2.3%	5.1%	14.0%	59.1%	10.4%	8.2%	0.9%	100.0%

Percentages shown are of Gross Transaction Notional



Recent Rating Performance

Underlying Reference Obligations in our Transactions

	<u>Moody's</u>	<u>S&P</u>
% of Sub-Prime Upgraded Since Deal Inception	0.8%	1.0%
% of Sub-Prime Downgraded Since Deal Inception	5.9%	11.5%

Overall Transaction

Deals with Junior Tranches on Negative Review	7	10
Junior Tranches Downgraded	1	5
AIGFP Tranche Downgraded	None	1

Underlying Sub-Prime Reference Obligations

	AAA	AA	A	BBB	BB	<BB	Total						
Rating	0.4%	0.9%	7.1%	41.6%	8.8%	7.8%	66.6%						
	Pre 2004	2004	2005	2006	2007	Total							
Vintage	3.3%	25.0%	33.6%	2.7%	2.0%	66.6%							
	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total
Vintage by Quarter	15.0%	10.9%	5.2%	2.6%	1.0%	0.7%	0.4%	0.6%	0.8%	0.8%	0.3%	0.0%	38.3%
	AAA	AA	A	BBB	BB	<BB	Total						
2006 Vintage	0.1%	0.2%	0.1%	0.6%	0.3%	1.4%	2.7%						
	AAA	AA	A	BBB	BB	<BB	Total						
2007 Vintage	0.1%	0.2%	0.3%	1.0%	0.4%	0.0%	2.0%						

Percentages shown are of Gross Transaction Notional



Additional Sub-Prime Breakdown

Avg. % of Sub-Prime Reference Collateral that is 2 nd Lien	3.7%				
Avg. % of Sub-Prime Reference Collateral with 2 nd Lien >90%	0.9%				
Average LTV at Inception	81.0				
Avg. HPA on Underlying Sub-Prime Bonds	20.1%		Max: 33.4%	Min: 12.2%	
Current Average 12 mos CPR Rate	40.7%				
Average FICO Score	628				
		Floating	2 Yr ARM	3 Yr ARM	Fixed
Average Loan Type	60.8%	43.7%	13.2%	39.2%	
<u>Top 5 Sub-Prime Originators</u>	New Century	6.6%			<u>Concentration by State</u>
	Ameriquest	5.8%			California
	Countrywide	4.6%			Florida
	Fremont	3.5%			Texas
	Option One	3.3%			New York
					Michigan
Current Weighted Average Loss Rate on Sub-Prime	1.3%				

Percentages shown are of Total Sub-Prime

Underlying CDO Reference Obligations Breakdown

	High Grade	Mezz	Other ABS	CMBS	Other	Total		
Classifications	0.4%	2.5%	0.5%	0.7%	0.6%	4.7%		
	AAA	AA	A	BBB	BB	<BB	NR	Total
Rating	0.1%	0.6%	0.7%	2.9%	0.2%	0.1%	0.1%	4.7%
	Pre 2003	2003	2004	2005	2006	2007	Total	
Vintage	0.2%	0.2%	1.0%	2.3%	0.9%	0.1%	4.7%	
	Pre 2003	2003	2004	2005	2006	2007	Total	
Other RMBS by Vintage	0.3%	2.1%	7.1%	5.5%	0.9%	0.2%	16.1%	

Percentages shown are of Gross Transaction Notional



***Cash Multi-Sector CDO Exposure
Consisting of Mixed Collateral,
including Sub-Prime:***

High Grade Collateral Underlying Summary

Summary of Transaction Current Status

AIGFP Net Notional Exposure (\$)	1.1 BN	Max: 250 MM	Min: 14 MM	Avg: 133 MM
Number of Transactions	8			
Managed Transactions	4			
Static Transactions	4			
Average Number of Obligors	180			
Weighted Average AIGFP Attachment Point	15.6%	Max: 37.0%	Min: 11.4%	
Number of Transactions that are Amortizing	2			
Rating of Exposure		Moody's	S&P	
	AAA	8	8	

Information used in this presentation is sourced from LoanPerformance except in the following circumstances:

- Underlying Collateral Data is sourced from Intex
- Rating Information is sourced from Bloomberg
- Loss Data is sourced from CSFB's "Locus" system
- Sector Categorization is sourced from Individual Transaction Trustee Reports along with Moody's and S&P data



Summary of Underlying Reference Obligations in our Transactions:

	Sub-Prime	Other RMBS	CDO	CMBS	Other ABS	Non ABS	Total
Classifications	45.4%	24.6%	12.0%	15.4%	2.3%	0.3%	100.0%
Rating	AAA	AA	A	BBB	BB	<BB	NR
	31.2%	28.6%	29.0%	4.8%	0.5%	0.4%	5.5%
							100.0%

Percentages shown are of Gross Transaction Notional



Recent Rating Performance

Underlying Reference Obligations in our Transactions

	<u>Moody's</u>	<u>S&P</u>
% of Sub-Prime Upgraded Since Deal Inception	0.3%	0.7%
% of Sub-Prime Downgraded Since Deal Inception	0.9%	1.6%

Overall Transaction

Deals with Junior Tranches on Negative Review	1	None
Junior Tranches Downgraded	None	None
AIGFP Tranche Downgraded	None	None

Underlying Sub-Prime Reference Obligations

Rating	AAA	AA	A	BBB	BB	<BB	Total
	4.1%	18.2%	19.1%	3.6%	0.4%	0.0%	45.4%

Vintage	Pre 2004	2004	2005	2006	2007	Total
	1.6%	12.9%	28.8%	1.5%	0.6%	45.4%

Vintage by Quarter	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Total
	5.0%	5.2%	8.3%	10.4%	1.2%	0.2%	0.0%	0.1%	0.1%	0.3%	0.1%	0.0%	30.9%

2006 Vintage	AAA	AA	A	BBB	BB	<BB	Total
	0.2%	0.1%	0.8%	0.4%	0.0%	0.0%	1.5%

2007 Vintage	AAA	AA	A	BBB	BB	<BB	Total
	0.2%	0.2%	0.2%	0.0%	0.0%	0.0%	0.6%

Percentages shown are of Gross Transaction Notional



Additional Sub-Prime Breakdown

Avg. % of Reference Transaction Collateral that is 2nd Lien 2.5%

Avg. % of Reference Transaction with 2nd Lien >90% 0.4%

Average LTV at Inception 81.0

Avg. HPA on Underlying Sub-Prime Bonds 16.3% Max: 29.5% Min: 11.1%

Current Average 12 month CPR Rate 36.6%

Average FICO Score 627

	<u>Floating</u>	<u>2 Yr ARM</u>	<u>3 Yr ARM</u>	<u>Fixed</u>
Average Loan Type	64.9%	45.5%	16.6%	35.1%

Top 5 Sub-Prime Originators

Countrywide	8.2%
Ameriquest	5.3%
Lehman	5.2%
New Century	4.6%
First Franklin	3.1%

State Concentration

California	24.5%
Florida	6.7%
Texas	4.4%
New York	3.8%
Michigan	0.6%

Current Weighted Average Loss Rate on Sub-Prime 1.0%

Percentages shown are of Total Sub-Prime

Underlying CDO Reference Obligations Breakdown

Classifications	High Grade	Mezzanine	Other ABS	CMBS	Other	Total		
	2.3%	5.2%	1.0%	1.6%	1.9%	12.0%		
Rating	AAA	AA	A	BBB	BB	<BB	NR	Total
	4.9%	3.3%	2.1%	0.9%	0.0%	0.0%	0.8%	12.0%
Vintage	Pre 2003	2003	2004	2005	2006	2007	Total	
	0.6%	1.2%	4.7%	3.2%	2.0%	0.3%	12.0%	
Other RMBS by Vintage	Pre 2003	2003	2004	2005	2006	2007	Total	
	1.5%	1.2%	7.3%	12.8%	1.5%	0.3%	24.6%	

Percentages shown are of Gross Transaction Notional



Nightingale Finance Ltd. - SIV

- Nightingale Finance Ltd. is a Structured Investment Vehicle (SIV) managed by AIGFP Capital Management.
- AIGFP holds both Capital Notes and Senior Debt of the SIV.
- The SIV holds no direct sub-prime assets and only \$306 million of CDOs of ABS.
- The total net exposure to sub-prime through the \$306 million of CDOs of ABS owned is \$49 million.
- AIGFP has the resources to purchase any additional debt as it matures if required.

Total SIV Liabilities

Senior Debt (AAA/Aaa)	\$2.05BN
REPO Funding	\$0.16BN
Capital Notes (BBB/B3)	<u>\$0.30BN</u>
Total	\$2.51BN

AIGFP – Holdings

Capital Notes	\$35.25MM
Senior Debt	\$1.5BN
REPO Facility	\$158MM

Max additional AIGFP funding exposure \$549 MM

Dec 07: \$0
1st Qtr 08: \$25MM
2nd Qtr 08: \$357MM
3rd Qtr 08: \$167MM

