

EXHIBIT F

PROJECTED FINANCIAL AND OPERATING RESULTS ASSOCIATED WITH SCENARIO THREE

Scenario 3

Balance Sheet

(Dollars in Millions)

| | 6/30/10 | Pre-Consummation 12/31/10 | Adjustment for Consummation Transactions | Post-Consummation 12/31/10 | Projections for End of Year: | | | | | | |
|---|----------------|------------------------------|--|-------------------------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assets | | | | | | | | | | | |
| Invested assets | | | | | | | | | | | |
| Bonds ⁽¹⁾ | \$4,268 | \$4,508 | \$(451) | \$4,056 | \$4,854 | \$4,962 | \$6,536 | \$6,637 | \$7,045 | \$7,356 | \$7,571 |
| Stocks | 511 | 175 | 0 | 175 | 181 | 186 | 192 | 197 | 203 | 209 | 216 |
| Intercompany Loans | 790 | 732 | 0 | 732 | 596 | 499 | 330 | 449 | 541 | 513 | 636 |
| Cash & Cash Equivalents | 313 | 313 | 0 | 313 | 313 | 313 | 313 | 313 | 50 | 50 | 50 |
| Total Cash and Investments | 5,881 | 5,728 | (451) | 5,277 | 5,944 | 5,960 | 7,370 | 7,596 | 7,839 | 8,129 | 8,472 |
| Other Assets ⁽¹⁾ | (1,682) | 67 | (60) | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total Assets | \$6,204 | \$5,796 | \$(511) | \$5,285 | \$5,952 | \$5,968 | \$7,378 | \$7,604 | \$7,847 | \$8,136 | \$8,480 |
| Liabilities | | | | | | | | | | | |
| Unearned Premiums Reserve | \$2,211 | \$1,946 | \$0 | \$1,946 | \$1,753 | \$1,573 | \$1,407 | \$1,257 | \$1,124 | \$1,003 | \$891 |
| Loss and LAE Reserves | 2,022 | 4,071 | (1,900) | 2,170 | 1,938 | 2,688 | 3,846 | 3,457 | 3,158 | 2,973 | 2,843 |
| Other Liabilities | 2,097 | 24 | 0 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Contingency Reserve | 380 | 429 | 0 | 429 | 517 | 597 | 675 | 745 | 808 | 865 | 917 |
| Total Liabilities | \$6,710 | \$6,470 | \$(1,900) | \$4,570 | \$4,232 | \$4,883 | \$5,952 | \$5,484 | \$5,115 | \$4,866 | \$4,676 |
| Surplus as regards Policyholders | \$(506) | \$(675) | \$1,389 | \$715 | \$1,720 | \$1,086 | \$1,426 | \$2,120 | \$2,732 | \$3,270 | \$3,804 |
| Total Liabilities and Surplus | \$6,204 | \$5,796 | \$(511) | \$5,285 | \$5,952 | \$5,968 | \$7,378 | \$7,604 | \$7,847 | \$8,136 | \$8,480 |
| Qualified Statutory Capital | \$(125) | \$(245) | \$1,389 | \$1,144 | \$2,237 | \$1,683 | \$2,101 | \$2,865 | \$3,540 | \$4,135 | \$4,721 |

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

| | 6/30/10 | Pre-Consummation 12/31/10 | Adjustment for Consummation Transactions | Post-Consummation 12/31/10 | Projections for End of Year: | | | | | | |
|--|----------------|------------------------------|--|-------------------------------|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Surplus Reconciliation | | | | | | | | | | | |
| Common Stock | \$82 | \$82 | \$0 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 |
| Preferred Stock | 26 | 26 | 0 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Gross Paid-in and Contributed Surplus | 3,552 | 3,552 | 0 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 |
| Unassigned Surplus | (4,161) | (6,385) | 35 | (6,350) | (6,939) | (8,276) | (8,440) | (8,081) | (7,711) | (7,365) | (6,932) |
| Bank Settlement Notes | 2,000 | 2,000 | 0 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Segregated Account Surplus Notes | 0 | 50 | 1,354 | 1,404 | 2,998 | 3,701 | 4,205 | 4,540 | 4,783 | 4,975 | 5,075 |
| Junior Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Surplus | \$1,500 | \$(675) | \$1,389 | \$715 | \$1,720 | \$1,086 | \$1,426 | \$2,120 | \$2,732 | \$3,270 | \$3,804 |
| Unassigned Surplus Reconciliation | | | | | | | | | | | |
| Beginning Balance | \$0 | \$(4,161) | \$0 | \$(4,161) | \$(6,350) | \$(6,939) | \$(8,276) | \$(8,440) | \$(8,081) | \$(7,711) | \$(7,365) |
| Net Income | 0 | (1,840) | 35 | (1,805) | (506) | (1,262) | (92) | 423 | 427 | 397 | 479 |
| Change in Equity in Affiliates | 0 | (335) | 0 | (335) | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Additions to Contingency Reserves | 0 | (49) | 0 | (49) | (87) | (80) | (78) | (71) | (63) | (57) | (52) |
| Release of Contingency Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$(4,161) | \$(6,385) | \$35 | \$(6,350) | \$(6,939) | \$(8,276) | \$(8,440) | \$(8,081) | \$(7,711) | \$(7,365) | \$(6,932) |

Scenario 3

Balance Sheet

(Dollars in Millions)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assets | | | | | | | | | | | | | |
| Invested assets | | | | | | | | | | | | | |
| Bonds ⁽¹⁾ | \$7,965 | \$8,770 | \$9,192 | \$9,671 | \$10,211 | \$10,809 | \$11,429 | \$12,288 | \$12,965 | \$13,668 | \$14,395 | \$15,165 | \$15,963 |
| Stocks | 222 | 229 | 236 | 243 | 250 | 258 | 265 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intercompany Loans | 605 | 190 | 172 | 154 | 141 | 143 | 141 | 198 | 208 | 221 | 235 | 239 | 252 |
| Cash & Cash Equivalents | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Total Cash and Investments | 8,843 | 9,240 | 9,649 | 10,118 | 10,652 | 11,259 | 11,885 | 12,536 | 13,224 | 13,939 | 14,681 | 15,453 | 16,265 |
| Other Assets ⁽¹⁾ | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total Assets | \$8,851 | \$9,247 | \$9,657 | \$10,126 | \$10,660 | \$11,267 | \$11,893 | \$12,544 | \$13,231 | \$13,947 | \$14,688 | \$15,461 | \$16,273 |
| Liabilities | | | | | | | | | | | | | |
| Unearned Premiums Reserve | \$787 | \$696 | \$613 | \$535 | \$466 | \$408 | \$355 | \$307 | \$262 | \$222 | \$185 | \$153 | \$120 |
| Loss and LAE Reserves | 2,768 | 2,708 | 2,638 | 2,608 | 2,641 | 2,733 | 2,835 | 2,942 | 3,061 | 3,184 | 3,311 | 3,444 | 3,587 |
| Other Liabilities | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Contingency Reserve | 966 | 1,009 | 1,048 | 1,084 | 1,116 | 1,143 | 1,168 | 1,190 | 1,211 | 1,229 | 1,246 | 881 | 897 |
| Total Liabilities | \$4,545 | \$4,437 | \$4,323 | \$4,252 | \$4,248 | \$4,308 | \$4,382 | \$4,463 | \$4,558 | \$4,660 | \$4,767 | \$4,502 | \$4,628 |
| Surplus as regards Policyholders | \$4,305 | \$4,811 | \$5,334 | \$5,874 | \$6,412 | \$6,959 | \$7,510 | \$8,081 | \$8,673 | \$9,287 | \$9,921 | \$10,959 | \$11,644 |
| Total Liabilities and Surplus | \$8,850 | \$9,247 | \$9,657 | \$10,126 | \$10,660 | \$11,267 | \$11,892 | \$12,544 | \$13,231 | \$13,947 | \$14,688 | \$15,461 | \$16,273 |
| Qualified Statutory Capital | \$5,271 | \$5,819 | \$6,381 | \$6,958 | \$7,528 | \$8,102 | \$8,678 | \$9,271 | \$9,884 | \$10,517 | \$11,168 | \$11,840 | \$12,541 |

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Surplus Reconciliation | | | | | | | | | | | | | |
| Common Stock | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 |
| Preferred Stock | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Gross Paid-in and Contributed Surplus | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 |
| Unassigned Surplus | (6,505) | (6,043) | (5,703) | (5,197) | (4,688) | (4,168) | (3,639) | (3,092) | (2,520) | (1,927) | (1,316) | (302) | 363 |
| Bank Settlement Notes | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Segregated Account Surplus Notes | 5,150 | 5,193 | 5,239 | 5,274 | 5,303 | 5,329 | 5,352 | 5,375 | 5,396 | 5,417 | 5,440 | 5,463 | 5,484 |
| Junior Surplus Notes | 0 | 0 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 |
| Total Surplus | \$4,305 | \$4,811 | \$5,334 | \$5,874 | \$6,412 | \$6,959 | \$7,510 | \$8,081 | \$8,673 | \$9,287 | \$9,921 | \$10,959 | \$11,644 |
| Unassigned Surplus Reconciliation | | | | | | | | | | | | | |
| Beginning Balance | \$(6,932) | \$(6,505) | \$(6,043) | \$(5,703) | \$(5,197) | \$(4,688) | \$(4,168) | \$(3,639) | \$(3,092) | \$(2,520) | \$(1,927) | \$(1,316) | \$(302) |
| Net Income | 469 | 498 | 372 | 535 | 534 | 540 | 546 | 561 | 592 | 612 | 628 | 649 | 681 |
| Change in Equity in Affiliates | 6 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 0 | 0 | 0 | 0 | 0 |
| Additions to Contingency Reserves | (49) | (42) | (39) | (37) | (32) | (27) | (25) | (22) | (21) | (18) | (17) | (15) | (16) |
| Release of Contingency Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 380 | 0 |
| Ending Balance | \$(6,505) | \$(6,043) | \$(5,703) | \$(5,197) | \$(4,688) | \$(4,168) | \$(3,639) | \$(3,092) | \$(2,520) | \$(1,927) | \$(1,316) | \$(302) | \$363 |

Scenario 3

Balance Sheet

(Dollars in Millions)

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assets | | | | | | | | | | | | | |
| Invested assets | | | | | | | | | | | | | |
| Bonds ⁽¹⁾ | \$16,841 | \$17,733 | \$18,662 | \$19,622 | \$19,673 | \$20,742 | \$21,619 | \$22,708 | \$23,855 | \$25,056 | \$26,332 | \$27,670 | \$29,076 |
| Stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intercompany Loans | 106 | 116 | 125 | 135 | 143 | 146 | 149 | 152 | 151 | 153 | 155 | 157 | 159 |
| Cash & Cash Equivalents | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Total Cash and Investments | 16,997 | 17,899 | 18,837 | 19,807 | 19,866 | 20,938 | 21,818 | 22,910 | 24,056 | 25,259 | 26,537 | 27,877 | 29,284 |
| Other Assets ⁽¹⁾ | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total Assets | \$17,005 | \$17,907 | \$18,845 | \$19,815 | \$19,874 | \$20,946 | \$21,826 | \$22,918 | \$24,064 | \$25,267 | \$26,545 | \$27,885 | \$29,292 |
| Liabilities | | | | | | | | | | | | | |
| Unearned Premiums Reserve | \$97 | \$80 | \$65 | \$53 | \$43 | \$33 | \$25 | \$21 | \$18 | \$16 | \$14 | \$12 | \$11 |
| Loss and LAE Reserves | 3,771 | 3,962 | 4,156 | 4,345 | 724 | 726 | 110 | 75 | 37 | (9) | (7) | (6) | (4) |
| Other Liabilities | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Contingency Reserve | 820 | 747 | 676 | 611 | 553 | 501 | 451 | 404 | 363 | 325 | 290 | 259 | 232 |
| Total Liabilities | \$4,712 | \$4,813 | \$4,921 | \$5,033 | \$1,344 | \$1,284 | \$610 | \$525 | \$443 | \$357 | \$321 | \$290 | \$263 |
| Surplus as regards Policyholders | \$12,293 | \$13,094 | \$13,923 | \$14,782 | \$18,530 | \$19,661 | \$21,216 | \$22,394 | \$23,621 | \$24,910 | \$26,224 | \$27,595 | \$29,029 |
| Total Liabilities and Surplus | \$17,005 | \$17,907 | \$18,844 | \$19,815 | \$19,874 | \$20,946 | \$21,826 | \$22,918 | \$24,064 | \$25,267 | \$26,545 | \$27,885 | \$29,292 |
| Qualified Statutory Capital | \$13,112 | \$13,841 | \$14,599 | \$15,393 | \$19,083 | \$20,162 | \$21,667 | \$22,798 | \$23,984 | \$25,235 | \$26,513 | \$27,854 | \$29,261 |

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Surplus Reconciliation | | | | | | | | | | | | | |
| Common Stock | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 |
| Preferred Stock | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Gross Paid-in and Contributed Surplus | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 |
| Unassigned Surplus | 992 | 1,776 | 2,591 | 3,433 | 4,299 | 5,404 | 6,513 | 7,661 | 8,857 | 10,110 | 11,426 | 12,798 | 14,233 |
| Bank Settlement Notes | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Segregated Account Surplus Notes | 5,503 | 5,520 | 5,534 | 5,552 | 8,434 | 8,460 | 8,905 | 8,935 | 8,967 | 9,002 | 9,001 | 8,999 | 8,998 |
| Junior Surplus Notes | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 | 137 |
| Total Surplus | \$12,293 | \$13,094 | \$13,923 | \$14,782 | \$18,530 | \$19,661 | \$21,216 | \$22,394 | \$23,621 | \$24,910 | \$26,224 | \$27,595 | \$29,029 |
| Unassigned Surplus Reconciliation | | | | | | | | | | | | | |
| Beginning Balance | \$363 | \$992 | \$1,776 | \$2,591 | \$3,433 | \$4,299 | \$5,404 | \$6,513 | \$7,661 | \$8,857 | \$10,110 | \$11,426 | \$12,798 |
| Net Income | 551 | 712 | 744 | 776 | 808 | 1,053 | 1,059 | 1,101 | 1,155 | 1,215 | 1,280 | 1,342 | 1,408 |
| Change in Equity in Affiliates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions to Contingency Reserves | (10) | (8) | (7) | (5) | (5) | (4) | (3) | (2) | (1) | (1) | (1) | (1) | (1) |
| Release of Contingency Reserves | 87 | 80 | 78 | 71 | 63 | 57 | 52 | 49 | 42 | 39 | 37 | 32 | 27 |
| Ending Balance | \$992 | \$1,776 | \$2,591 | \$3,433 | \$4,299 | \$5,404 | \$6,513 | \$7,661 | \$8,857 | \$10,110 | \$11,426 | \$12,798 | \$14,233 |

Scenario 3

Balance Sheet

(Dollars in Millions)

| | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assets | | | | | | | |
| Invested assets | | | | | | | |
| Bonds ⁽¹⁾ | \$30,549 | \$32,097 | \$33,723 | \$35,431 | \$37,226 | \$39,112 | \$41,093 |
| Stocks | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intercompany Loans | 160 | 161 | 162 | 163 | 163 | 164 | 0 |
| Cash & Cash Equivalents | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Total Cash and Investments | 30,759 | 32,308 | 33,935 | 35,644 | 37,439 | 39,325 | 41,143 |
| Other Assets ⁽¹⁾ | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total Assets | \$30,767 | \$32,316 | \$33,943 | \$35,652 | \$37,447 | \$39,333 | \$41,150 |
| Liabilities | | | | | | | |
| Unearned Premiums Reserve | \$10 | \$9 | \$8 | \$7 | \$5 | \$4 | \$3 |
| Loss and LAE Reserves | (3) | (1) | 0 | 0 | 0 | 0 | 0 |
| Other Liabilities | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Contingency Reserve | 208 | 187 | 166 | 148 | 132 | 117 | 0 |
| Total Liabilities | \$239 | \$218 | \$198 | \$179 | \$161 | \$146 | \$28 |
| Surplus as regards Policyholders | \$30,527 | \$32,097 | \$33,745 | \$35,473 | \$37,286 | \$39,187 | \$41,123 |
| Total Liabilities and Surplus | \$30,767 | \$32,316 | \$33,943 | \$35,652 | \$37,447 | \$39,333 | \$41,150 |
| Qualified Statutory Capital | \$30,735 | \$32,284 | \$33,910 | \$35,621 | \$37,417 | \$39,304 | \$41,123 |

⁽¹⁾ Reclassifies approx. \$8 million "Other Assets" as "Bonds"

| | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Surplus Reconciliation | | | | | | | |
| Common Stock | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 | \$82 |
| Preferred Stock | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Gross Paid-in and Contributed Surplus | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 | 3,552 |
| Unassigned Surplus | 15,733 | 17,304 | 18,952 | 20,680 | 22,493 | 24,395 | 26,330 |
| Bank Settlement Notes | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Segregated Account Surplus Notes | 8,997 | 8,995 | 8,995 | 8,995 | 8,995 | 8,995 | 8,995 |
| Junior Surplus Notes | 137 | 137 | 137 | 137 | 137 | 137 | 137 |
| Total Surplus | \$30,527 | \$32,097 | \$33,745 | \$35,473 | \$37,286 | \$39,187 | \$41,123 |
| Unassigned Surplus Reconciliation | | | | | | | |
| Beginning Balance | \$14,233 | \$15,733 | \$17,304 | \$18,952 | \$20,680 | \$22,493 | \$24,395 |
| Net Income | 1,475 | 1,550 | 1,628 | 1,710 | 1,796 | 1,887 | 1,818 |
| Change in Equity in Affiliates | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions to Contingency Reserves | (1) | (1) | (0) | (1) | (1) | (1) | (1) |
| Release of Contingency Reserves | 25 | 22 | 21 | 18 | 17 | 15 | 118 |
| Ending Balance | \$15,733 | \$17,304 | \$18,952 | \$20,680 | \$22,493 | \$24,395 | \$26,330 |

Scenario 3

Income Statement

(Dollars in Millions)

| | Pre- Consummation 2nd Half 2010 | Adjustment for Consummation Transactions | Post- Consummation 2nd Half 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|---------------------------------------|--|--|----------------|------------------|---------------|--------------|--------------|--------------|--------------|
| Revenue | | | | | | | | | | |
| Premiums Earned | \$360 | \$0 | \$360 | \$369 | \$324 | \$289 | \$245 | \$216 | \$196 | \$178 |
| Investment Income | 140 | 35 | 174 | 333 | 322 | 318 | 447 | 429 | 449 | 479 |
| Contractual Adjustment to XOL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee and Other Income | 10 | 0 | 10 | 12 | 11 | 10 | 9 | 8 | 7 | 6 |
| Total Revenue | \$510 | \$35 | \$545 | \$714 | \$657 | \$617 | \$701 | \$652 | \$652 | \$663 |
| Loss and Expenses | | | | | | | | | | |
| Losses and LAE | \$2,249 | \$0 | \$2,249 | \$1,100 | \$1,827 | \$631 | \$216 | \$176 | \$217 | \$152 |
| Operating Expenses | 63 | 0 | 63 | 120 | 93 | 78 | 62 | 49 | 37 | 32 |
| Additional Write-downs | 38 | 0 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loss and Expenses | \$2,350 | \$0 | \$2,350 | \$1,220 | \$1,919 | \$709 | \$277 | \$226 | \$255 | \$184 |
| Pre-tax Income | \$(1,840) | \$35 | \$(1,805) | \$(506) | \$(1,262) | \$(92) | \$423 | \$427 | \$397 | \$479 |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income | \$(1,840) | \$35 | \$(1,805) | \$(506) | \$(1,262) | \$(92) | \$423 | \$427 | \$397 | \$479 |

Scenario 3

Income Statement

(Dollars in Millions)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | | | | | | | | | | | | | |
| Premiums Earned | \$166 | \$148 | \$136 | \$125 | \$112 | \$98 | \$90 | \$81 | \$76 | \$67 | \$61 | \$55 | \$53 |
| Investment Income | 493 | 515 | 535 | 569 | 578 | 600 | 619 | 647 | 688 | 722 | 751 | 784 | 824 |
| Contractual Adjustment to XOL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee and Other Income | 5 | 4 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | \$663 | \$667 | \$673 | \$694 | \$690 | \$698 | \$708 | \$728 | \$764 | \$789 | \$812 | \$839 | \$877 |
| Loss and Expenses | | | | | | | | | | | | | |
| Losses and LAE | \$165 | \$141 | \$275 | \$135 | \$133 | \$135 | \$140 | \$145 | \$150 | \$156 | \$163 | \$169 | \$176 |
| Operating Expenses | 30 | 27 | 26 | 25 | 23 | 23 | 22 | 22 | 22 | 21 | 21 | 21 | 21 |
| Additional Write-downs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loss and Expenses | \$194 | \$168 | \$301 | \$159 | \$156 | \$158 | \$162 | \$167 | \$172 | \$177 | \$184 | \$190 | \$197 |
| Pre-tax Income | \$469 | \$498 | \$372 | \$535 | \$534 | \$540 | \$546 | \$561 | \$592 | \$612 | \$628 | \$649 | \$681 |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income | \$469 | \$498 | \$372 | \$535 | \$534 | \$540 | \$546 | \$561 | \$592 | \$612 | \$628 | \$649 | \$681 |

Scenario 3

Income Statement

(Dollars in Millions)

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 |
|--------------------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | | | | | | | | | | | | | |
| Premiums Earned | \$42 | \$34 | \$30 | \$25 | \$22 | \$19 | \$15 | \$10 | \$8 | \$6 | \$6 | \$5 | \$4 |
| Investment Income | 860 | 892 | 937 | 984 | 1,029 | 1,092 | 1,102 | 1,118 | 1,172 | 1,232 | 1,295 | 1,357 | 1,425 |
| Contractual Adjustment to XOL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee and Other Income | (146) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | \$755 | \$926 | \$967 | \$1,009 | \$1,051 | \$1,111 | \$1,117 | \$1,128 | \$1,180 | \$1,238 | \$1,300 | \$1,363 | \$1,429 |
| Loss and Expenses | | | | | | | | | | | | | |
| Losses and LAE | \$183 | \$193 | \$202 | \$212 | \$222 | \$37 | \$37 | \$6 | \$4 | \$2 | \$0 | \$0 | \$0 |
| Operating Expenses | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Additional Write-downs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loss and Expenses | \$204 | \$214 | \$223 | \$233 | \$243 | \$58 | \$58 | \$27 | \$25 | \$23 | \$21 | \$21 | \$21 |
| Pre-tax Income | \$551 | \$712 | \$744 | \$776 | \$808 | \$1,053 | \$1,059 | \$1,101 | \$1,155 | \$1,215 | \$1,280 | \$1,342 | \$1,408 |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income | \$551 | \$712 | \$744 | \$776 | \$808 | \$1,053 | \$1,059 | \$1,101 | \$1,155 | \$1,215 | \$1,280 | \$1,342 | \$1,408 |

Income Statement

(Dollars in Millions)

| | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | | | | | | | |
| Premiums Earned | \$4 | \$3 | \$2 | \$3 | \$2 | \$2 | \$2 |
| Investment Income | 1,493 | 1,568 | 1,646 | 1,729 | 1,815 | 1,906 | 2,002 |
| Contractual Adjustment to XOL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee and Other Income | 0 | 0 | 0 | 0 | 0 | 0 | (164) |
| Total Revenue | \$1,496 | \$1,571 | \$1,649 | \$1,731 | \$1,817 | \$1,908 | \$1,840 |
| Loss and Expenses | | | | | | | |
| Losses and LAE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operating Expenses | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Additional Write-downs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loss and Expenses | \$21 | \$21 | \$21 | \$21 | \$21 | \$21 | \$21 |
| Pre-tax Income | \$1,475 | \$1,550 | \$1,628 | \$1,710 | \$1,796 | \$1,887 | \$1,818 |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income | \$1,475 | \$1,550 | \$1,628 | \$1,710 | \$1,796 | \$1,887 | \$1,818 |

Scenario 3

Cash Flow Statement

(Dollars in Millions)

| | Pre-Consummation 2nd Half 2010 | Adjustment for Consummation Transactions | Post-Consummation 2nd Half 2010 | Projections for End of Year: | | | | | | |
|---|-----------------------------------|--|------------------------------------|------------------------------|---------------|------------------|----------------|----------------|----------------|----------------|
| | | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Cash From Operations | | | | | | | | | | |
| Net Installment Premiums | \$88 | \$0 | \$88 | \$176 | \$145 | \$123 | \$96 | \$82 | \$75 | \$66 |
| Investment Portfolio Receipts | 44 | 12 | 57 | 198 | 231 | 253 | 331 | 353 | 385 | 415 |
| Securities Receivable | 0 | 11 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurer Commutation | 6 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Premiums | 16 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivable From Affiliates | 6 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee Income | 6 | 0 | 6 | 12 | 11 | 10 | 9 | 8 | 7 | 6 |
| Dividends from Everspan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Interest Receivable | 40 | 0 | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss Payments | (25) | (475) | (501) | 321 | (336) | 1,057 | (250) | (218) | (201) | (174) |
| Operating Expenses | (63) | 0 | (63) | (120) | (93) | (78) | (62) | (49) | (37) | (32) |
| Interest Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Other Expenses | (58) | 0 | (58) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Refund (Payment) | (3) | 0 | (3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurance Recovery | 205 | 0 | 205 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commutations and Other | (126) | 0 | (126) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Operations | \$137 | \$(451) | \$(314) | \$587 | \$(42) | \$1,365 | \$123 | \$176 | \$229 | \$281 |
| Cash From Investments | | | | | | | | | | |
| Investments (Acquired)/Sold | \$(429) | \$451 | \$23 | \$(1,048) | \$(357) | \$(1,853) | \$(413) | \$(667) | \$(588) | \$(487) |
| Principal Amortization (Including Intercompany Loans) | 292 | 0 | 292 | 461 | 400 | 488 | 289 | 229 | 359 | 207 |
| Net Cash from Investments | \$(137) | \$451 | \$314 | \$(587) | \$42 | \$(1,365) | \$(123) | \$(439) | \$(229) | \$(281) |
| Cash from Financing | | | | | | | | | | |
| Capital and Paid-in Surplus | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends to AFG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends on AMPS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Debt / Preferred | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Bank Settlement Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Segregated Account Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Financing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Change in Cash and Cash Equivalents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$(263) | \$0 | \$0 |
| Cash Equivalents - Beginning of Period | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$50 | \$50 |
| Cash Equivalents - End of Period | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$313 | \$50 | \$50 | \$50 |

Cash Flow Statement

(Dollars in Millions)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cash From Operations | | | | | | | | | | | | | |
| Net Installment Premiums | \$61 | \$57 | \$53 | \$47 | \$43 | \$39 | \$37 | \$33 | \$30 | \$27 | \$25 | \$23 | \$20 |
| Investment Portfolio Receipts | 430 | 441 | 473 | 490 | 513 | 540 | 570 | 598 | 640 | 673 | 707 | 743 | 780 |
| Securities Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurer Commutation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Premiums | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivable From Affiliates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee Income | 5 | 4 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends from Everspan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 273 | 0 | 0 | 0 | 0 | 0 |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss Payments | (160) | (155) | (159) | (128) | (70) | (16) | (15) | (14) | (9) | (12) | (13) | (13) | (11) |
| Operating Expenses | (30) | (27) | (26) | (25) | (23) | (23) | (22) | (22) | (22) | (21) | (21) | (21) | (21) |
| Interest Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Refund (Payment) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurance Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commutations and Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Operations | \$307 | \$320 | \$344 | \$384 | \$463 | \$540 | \$570 | \$868 | \$640 | \$667 | \$697 | \$732 | \$767 |
| Cash From Investments | | | | | | | | | | | | | |
| Investments (Acquired)/Sold | \$(633) | \$(1,126) | \$(713) | \$(868) | \$(873) | \$(1,070) | \$(980) | \$(1,300) | \$(1,024) | \$(1,105) | \$(1,116) | \$(1,107) | \$(1,165) |
| Principal Amortization (Including Intercompany Loans) | 326 | 806 | 370 | 484 | 410 | 530 | 411 | 432 | 384 | 438 | 419 | 375 | 398 |
| Net Cash from Investments | \$(307) | \$(320) | \$(344) | \$(384) | \$(463) | \$(540) | \$(570) | \$(868) | \$(640) | \$(667) | \$(697) | \$(732) | \$(767) |
| Cash from Financing | | | | | | | | | | | | | |
| Capital and Paid-in Surplus | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends to AFG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends on AMPS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Debt / Preferred | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Bank Settlement Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Segregated Account Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Financing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Change in Cash and Cash Equivalents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Equivalents - Beginning of Period | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |
| Cash Equivalents - End of Period | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |

Cash Flow Statement

(Dollars in Millions)

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 |
|---|----------------|----------------|----------------|----------------|---------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash From Operations | | | | | | | | | | | | | |
| Net Installment Premiums | \$18 | \$17 | \$15 | \$13 | \$11 | \$9 | \$8 | \$5 | \$5 | \$4 | \$4 | \$3 | \$3 |
| Investment Portfolio Receipts | 817 | 848 | 890 | 935 | 981 | 978 | 1,031 | 1,072 | 1,124 | 1,181 | 1,239 | 1,301 | 1,365 |
| Securities Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurer Commutation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Premiums | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivable From Affiliates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends from Everspan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss Payments | 21 | 14 | 6 | (6) | (961) | (9) | (163) | (10) | (10) | (12) | 0 | 0 | 0 |
| Operating Expenses | (21) | (21) | (21) | (21) | (21) | (21) | (21) | (21) | (21) | (21) | (21) | (21) | (21) |
| Interest Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Refund (Payment) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurance Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commutations and Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Operations | \$835 | \$858 | \$891 | \$921 | \$10 | \$957 | \$854 | \$1,047 | \$1,098 | \$1,152 | \$1,222 | \$1,283 | \$1,347 |
| Cash From Investments | | | | | | | | | | | | | |
| Investments (Acquired)/Sold | \$(1,263) | \$(1,276) | \$(1,338) | \$(1,413) | \$(527) | \$(1,618) | \$(1,397) | \$(1,598) | \$(1,733) | \$(1,771) | \$(1,881) | \$(1,976) | \$(2,079) |
| Principal Amortization (Including Intercompany Loans) | 428 | 418 | 447 | 492 | 517 | 660 | 543 | 551 | 636 | 618 | 659 | 693 | 732 |
| Net Cash from Investments | \$(835) | \$(858) | \$(891) | \$(921) | \$(10) | \$(957) | \$(854) | \$(1,047) | \$(1,098) | \$(1,152) | \$(1,222) | \$(1,283) | \$(1,347) |
| Cash from Financing | | | | | | | | | | | | | |
| Capital and Paid-in Surplus | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends to AFG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends on AMPS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Debt / Preferred | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Bank Settlement Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Segregated Account Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Financing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Change in Cash and Cash Equivalents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Equivalents - Beginning of Period | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |
| Cash Equivalents - End of Period | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |

Cash Flow Statement

(Dollars in Millions)

| | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash From Operations | | | | | | | |
| Net Installment Premiums | \$2 | \$2 | \$2 | \$1 | \$1 | \$1 | \$0 |
| Investment Portfolio Receipts | 1,433 | 1,505 | 1,580 | 1,658 | 1,741 | 1,828 | 1,919 |
| Securities Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurer Commutation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Premiums | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Receivable From Affiliates | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends from Everspan | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Expenses | (21) | (21) | (21) | (21) | (21) | (21) | (21) |
| Interest Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Refund (Payment) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurance Recovery | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commutations and Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Operations | \$1,415 | \$1,486 | \$1,561 | \$1,639 | \$1,721 | \$1,808 | \$1,899 |
| Cash From Investments | | | | | | | |
| Investments (Acquired)/Sold | \$(2,181) | \$(2,296) | \$(2,416) | \$(2,543) | \$(2,677) | \$(2,817) | \$(2,964) |
| Principal Amortization (Including Intercompany Loans) | 766 | 810 | 856 | 904 | 956 | 1,009 | 1,066 |
| Net Cash from Investments | \$(1,415) | \$(1,486) | \$(1,561) | \$(1,639) | \$(1,721) | \$(1,808) | \$(1,899) |
| Cash from Financing | | | | | | | |
| Capital and Paid-in Surplus | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Dividends to AFG | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends on AMPS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Debt / Preferred | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Bank Settlement Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Segregated Account Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash from Financing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Change in Cash and Cash Equivalents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Equivalents - Beginning of Period | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |
| Cash Equivalents - End of Period | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |

Memo Items:

(Dollars in Millions)

| | Pre-Consumption 12/31/10 | Adjustment for Consumption Transactions | Post-Consumption 12/31/10 | Projections for End of Year: | | | | | | |
|--|-----------------------------|---|------------------------------|------------------------------|---------|---------|---------|---------|---------|---------|
| | | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Bank Settlement Notes | | | | | | | | | | |
| Beginning Balance | \$2,000 | \$0 | \$2,000 | \$2,051 | \$2,156 | \$2,266 | \$2,381 | \$2,503 | \$2,630 | \$2,764 |
| PIK Interest | 51 | 0 | 51 | 105 | 110 | 116 | 121 | 128 | 134 | 141 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$2,051 | \$0 | \$2,051 | \$2,156 | \$2,266 | \$2,381 | \$2,503 | \$2,630 | \$2,764 | \$2,905 |
| Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC) | | | | | | | | | | |
| Beginning Balance | \$0 | \$0 | \$0 | \$1,404 | \$3,070 | \$3,929 | \$4,634 | \$5,205 | \$5,713 | \$6,197 |
| PIK Interest | 0 | 0 | 0 | 72 | 157 | 200 | 236 | 265 | 291 | 316 |
| Additions | 0 | 1,475 | 1,475 | 1,653 | 740 | 530 | 354 | 257 | 202 | 107 |
| Surplus Notes Received by AAC | 0 | (71) | (71) | (60) | (38) | (26) | (19) | (14) | (10) | (7) |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$0 | \$1,404 | \$1,404 | \$3,070 | \$3,929 | \$4,634 | \$5,205 | \$5,713 | \$6,197 | \$6,613 |
| Junior Surplus Notes | | | | | | | | | | |
| Beginning Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| PIK Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Surplus Notes Received by AAC | | | | | | | | | | |
| Beg Balance | \$0 | \$0 | \$0 | \$71 | \$134 | \$179 | \$214 | \$244 | \$271 | \$294 |
| Additions | 0 | 71 | 71 | 60 | 38 | 26 | 19 | 14 | 10 | 7 |
| PIK Interest | 0 | 0 | 0 | 4 | 7 | 9 | 11 | 12 | 14 | 15 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| End Balance | \$0 | \$71 | \$71 | \$134 | \$179 | \$214 | \$244 | \$271 | \$294 | \$317 |
| Loss Payments - General Account: | | | | | | | | | | |
| Loss Payments - Gross of Remediation | \$26 | \$0 | \$26 | \$40 | \$93 | \$146 | \$136 | \$135 | \$136 | \$140 |
| Remediation | (1) | 0 | (1) | (3) | (4) | (3) | (4) | (3) | (3) | (2) |
| Net Loss Payments | \$25 | \$0 | \$25 | \$38 | \$89 | \$142 | \$132 | \$132 | \$133 | \$138 |
| Cash Loss Payments | \$26 | \$0 | \$26 | \$40 | \$93 | \$146 | \$136 | \$135 | \$136 | \$140 |
| Cash Remediation Receipts | (1) | 0 | (1) | (3) | (4) | (3) | (4) | (3) | (3) | (2) |
| | \$25 | \$0 | \$25 | \$38 | \$89 | \$142 | \$132 | \$132 | \$133 | \$138 |
| Loss Payments - Segregated Account: | | | | | | | | | | |
| Loss Payments - Gross of Remediation | \$176 | \$1,900 | \$2,076 | \$2,204 | \$987 | \$707 | \$472 | \$343 | \$269 | \$143 |
| Remediation | 0 | 0 | 0 | (909) | 0 | (1,377) | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$176 | \$1,900 | \$2,076 | \$1,295 | \$987 | \$(670) | \$472 | \$343 | \$269 | \$143 |
| Cash Loss Payments | \$126 | \$475 | \$601 | \$551 | \$247 | \$177 | \$118 | \$86 | \$67 | \$36 |
| Remediation Receipts | 0 | 0 | 0 | (909) | 0 | (1,377) | 0 | 0 | 0 | 0 |
| Segregated Account Surplus Notes | 50 | 1,425 | 1,475 | 1,653 | 740 | 530 | 354 | 257 | 202 | 107 |
| Junior Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$176 | \$1,900 | \$2,076 | \$1,295 | \$987 | \$(670) | \$472 | \$343 | \$269 | \$143 |

Memo Items:

(Dollars in Millions)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|
| Bank Settlement Notes | | | | | | | | | | | | | |
| Beginning Balance | \$2,905 | \$3,053 | \$3,209 | \$3,373 | \$3,545 | \$3,726 | \$3,916 | \$4,115 | \$4,325 | \$4,546 | \$4,778 | \$5,021 | \$5,277 |
| PIK Interest | 148 | 156 | 164 | 172 | 181 | 190 | 200 | 210 | 221 | 232 | 244 | 256 | 269 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$3,053 | \$3,209 | \$3,373 | \$3,545 | \$3,726 | \$3,916 | \$4,115 | \$4,325 | \$4,546 | \$4,778 | \$5,021 | \$5,277 | \$5,547 |
| Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC) | | | | | | | | | | | | | |
| Beginning Balance | \$6,613 | \$7,025 | \$7,426 | \$7,851 | \$8,286 | \$8,738 | \$9,209 | \$9,702 | \$10,220 | \$10,762 | \$11,332 | \$11,933 | \$12,565 |
| PIK Interest | 337 | 358 | 379 | 400 | 423 | 446 | 470 | 495 | 521 | 549 | 578 | 609 | 641 |
| Additions | 80 | 46 | 49 | 37 | 30 | 27 | 23 | 24 | 21 | 21 | 23 | 23 | 21 |
| Surplus Notes Received by AAC | (5) | (4) | (3) | (2) | (1) | (1) | (1) | (0) | (0) | (0) | (0) | (0) | (0) |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$7,025 | \$7,426 | \$7,851 | \$8,286 | \$8,738 | \$9,209 | \$9,702 | \$10,220 | \$10,762 | \$11,332 | \$11,933 | \$12,565 | \$13,226 |
| Junior Surplus Notes | | | | | | | | | | | | | |
| Beginning Balance | \$0 | \$0 | \$0 | \$137 | \$140 | \$144 | \$148 | \$152 | \$155 | \$159 | \$163 | \$168 | \$172 |
| PIK Interest | 0 | 0 | 0 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Additions | 0 | 0 | 137 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$0 | \$0 | \$137 | \$140 | \$144 | \$148 | \$152 | \$155 | \$159 | \$163 | \$168 | \$172 | \$176 |
| Surplus Notes Received by AAC | | | | | | | | | | | | | |
| Beg Balance | \$317 | \$338 | \$359 | \$380 | \$401 | \$423 | \$445 | \$468 | \$493 | \$518 | \$545 | \$573 | \$602 |
| Additions | 5 | 4 | 3 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| PIK Interest | 16 | 17 | 18 | 19 | 20 | 22 | 23 | 24 | 25 | 26 | 28 | 29 | 31 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| End Balance | \$338 | \$359 | \$380 | \$401 | \$423 | \$445 | \$468 | \$493 | \$518 | \$545 | \$573 | \$602 | \$633 |
| Loss Payments - General Account: | | | | | | | | | | | | | |
| Loss Payments - Gross of Remediation | \$138 | \$143 | \$142 | \$116 | \$60 | \$7 | \$7 | \$6 | \$2 | \$5 | \$5 | \$5 | \$5 |
| Remediation | (5) | (4) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$133 | \$139 | \$142 | \$116 | \$60 | \$7 | \$7 | \$6 | \$2 | \$5 | \$5 | \$5 | \$5 |
| Cash Loss Payments | \$138 | \$143 | \$142 | \$116 | \$60 | \$7 | \$7 | \$6 | \$2 | \$5 | \$5 | \$5 | \$5 |
| Cash Remediation Receipts | (5) | (4) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$133 | \$139 | \$142 | \$116 | \$60 | \$7 | \$7 | \$6 | \$2 | \$5 | \$5 | \$5 | \$5 |
| Loss Payments - Segregated Account: | | | | | | | | | | | | | |
| Loss Payments - Gross of Remediation | \$107 | \$62 | \$202 | \$49 | \$40 | \$36 | \$31 | \$32 | \$29 | \$28 | \$31 | \$31 | \$28 |
| Remediation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$107 | \$62 | \$202 | \$49 | \$40 | \$36 | \$31 | \$32 | \$29 | \$28 | \$31 | \$31 | \$28 |
| Cash Loss Payments | \$27 | \$15 | \$16 | \$12 | \$10 | \$9 | \$8 | \$8 | \$7 | \$7 | \$8 | \$8 | \$7 |
| Remediation Receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Segregated Account Surplus Notes | 80 | 46 | 49 | 37 | 30 | 27 | 23 | 24 | 21 | 21 | 23 | 23 | 21 |
| Junior Surplus Notes | 0 | 0 | 137 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$107 | \$62 | \$202 | \$49 | \$40 | \$36 | \$31 | \$32 | \$29 | \$28 | \$31 | \$31 | \$28 |

Memo Items:

(Dollars in Millions)

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Bank Settlement Notes | | | | | | | | | | | | | |
| Beginning Balance | \$5,547 | \$5,829 | \$6,127 | \$6,439 | \$6,768 | \$7,113 | \$7,475 | \$7,857 | \$8,257 | \$8,678 | \$9,121 | \$9,586 | \$10,075 |
| PIK Interest | 283 | 297 | 312 | 328 | 345 | 363 | 381 | 401 | 421 | 443 | 465 | 489 | 514 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$5,829 | \$6,127 | \$6,439 | \$6,768 | \$7,113 | \$7,475 | \$7,857 | \$8,257 | \$8,678 | \$9,121 | \$9,586 | \$10,075 | \$10,589 |
| Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC) | | | | | | | | | | | | | |
| Beginning Balance | \$13,226 | \$13,921 | \$14,647 | \$15,408 | \$16,211 | \$19,920 | \$20,962 | \$22,477 | \$23,653 | \$24,891 | \$26,196 | \$27,530 | \$28,933 |
| PIK Interest | 675 | 710 | 747 | 786 | 827 | 1,016 | 1,069 | 1,146 | 1,206 | 1,269 | 1,336 | 1,404 | 1,476 |
| Additions | 20 | 16 | 14 | 17 | 2,882 | 26 | 490 | 30 | 31 | 36 | (1) | (1) | (1) |
| Surplus Notes Received by AAC | (0) | 0 | 0 | 0 | 0 | (0) | (45) | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$13,921 | \$14,647 | \$15,408 | \$16,211 | \$19,920 | \$20,962 | \$22,477 | \$23,653 | \$24,891 | \$26,196 | \$27,530 | \$28,933 | \$30,407 |
| Junior Surplus Notes | | | | | | | | | | | | | |
| Beginning Balance | \$176 | \$181 | \$185 | \$190 | \$195 | \$200 | \$205 | \$210 | \$216 | \$221 | \$227 | \$232 | \$238 |
| PIK Interest | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$181 | \$185 | \$190 | \$195 | \$200 | \$205 | \$210 | \$216 | \$221 | \$227 | \$232 | \$238 | \$244 |
| Surplus Notes Received by AAC | | | | | | | | | | | | | |
| Begin Balance | \$633 | \$665 | \$699 | \$734 | \$772 | \$811 | \$853 | \$941 | \$989 | \$1,039 | \$1,092 | \$1,148 | \$1,207 |
| Additions | 0 | (0) | (0) | (0) | (0) | 0 | 45 | (0) | (0) | (0) | (0) | (0) | (0) |
| PIK Interest | 32 | 34 | 36 | 37 | 39 | 41 | 43 | 48 | 50 | 53 | 56 | 59 | 62 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| End Balance | \$665 | \$699 | \$734 | \$772 | \$811 | \$853 | \$941 | \$989 | \$1,039 | \$1,092 | \$1,148 | \$1,207 | \$1,268 |
| Loss Payments - General Account: | | | | | | | | | | | | | |
| Loss Payments - Gross of Remediation | \$(27) | \$(20) | \$(11) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Remediation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$(27) | \$(20) | \$(11) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Loss Payments | | | | | | | | | | | | | |
| Cash Loss Payments | \$(27) | \$(20) | \$(11) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Remediation Receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$(27) | \$(20) | \$(11) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Loss Payments - Segregated Account: | | | | | | | | | | | | | |
| Loss Payments - Gross of Remediation | \$26 | \$22 | \$19 | \$23 | \$3,843 | \$35 | \$654 | \$40 | \$42 | \$47 | \$(2) | \$(2) | \$(2) |
| Remediation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$26 | \$22 | \$19 | \$23 | \$3,843 | \$35 | \$654 | \$40 | \$42 | \$47 | \$(2) | \$(2) | \$(2) |
| Cash Loss Payments | | | | | | | | | | | | | |
| Cash Loss Payments | \$7 | \$5 | \$5 | \$6 | \$961 | \$9 | \$163 | \$10 | \$10 | \$12 | \$(0) | \$(0) | \$(0) |
| Remediation Receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Segregated Account Surplus Notes | 20 | 16 | 14 | 17 | 2,882 | 26 | 490 | 30 | 31 | 36 | (1) | (1) | (1) |
| Junior Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$26 | \$22 | \$19 | \$23 | \$3,843 | \$35 | \$654 | \$40 | \$42 | \$47 | \$(2) | \$(2) | \$(2) |

Memo Items:

(Dollars in Millions)

| | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 |
|--|----------|----------|----------|----------|----------|----------|----------|
| Bank Settlement Notes | | | | | | | |
| Beginning Balance | \$10,589 | \$11,129 | \$11,697 | \$12,293 | \$12,920 | \$13,579 | \$14,272 |
| PIK Interest | 540 | 568 | 597 | 627 | 659 | 693 | 728 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$11,129 | \$11,697 | \$12,293 | \$12,920 | \$13,579 | \$14,272 | \$14,999 |
| Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC) | | | | | | | |
| Beginning Balance | \$30,407 | \$31,957 | \$33,585 | \$35,297 | \$37,097 | \$38,989 | \$40,978 |
| PIK Interest | 1,551 | 1,630 | 1,713 | 1,800 | 1,892 | 1,988 | 2,090 |
| Additions | (1) | (1) | (1) | (0) | (0) | (0) | (0) |
| Surplus Notes Received by AAC | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$31,957 | \$33,585 | \$35,297 | \$37,097 | \$38,989 | \$40,978 | \$43,068 |
| Junior Surplus Notes | | | | | | | |
| Beginning Balance | \$244 | \$251 | \$257 | \$264 | \$270 | \$277 | \$284 |
| PIK Interest | 6 | 6 | 7 | 7 | 7 | 7 | 7 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | \$251 | \$257 | \$264 | \$270 | \$277 | \$284 | \$292 |
| Surplus Notes Received by AAC | | | | | | | |
| Begin Balance | \$1,268 | \$1,333 | \$1,401 | \$1,472 | \$1,547 | \$1,626 | \$1,709 |
| Additions | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| PIK Interest | 65 | 68 | 71 | 75 | 79 | 83 | 87 |
| Amortization | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| End Balance | \$1,333 | \$1,401 | \$1,472 | \$1,547 | \$1,626 | \$1,709 | \$1,796 |
| Loss Payments - General Account: | | | | | | | |
| Loss Payments - Gross of Remediation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Remediation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Loss Payments | | | | | | | |
| Cash Loss Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Remediation Receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Loss Payments - Segregated Account: | | | | | | | |
| Loss Payments - Gross of Remediation | \$(2) | \$(2) | \$(1) | \$(0) | \$(0) | \$(0) | \$(0) |
| Remediation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Loss Payments | \$(2) | \$(2) | \$(1) | \$(0) | \$(0) | \$(0) | \$(0) |
| Cash Loss Payments | | | | | | | |
| Cash Loss Payments | \$(0) | \$(0) | \$(0) | \$(0) | \$(0) | \$(0) | \$(0) |
| Remediation Receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Segregated Account Surplus Notes | (1) | (1) | (1) | (0) | (0) | (0) | (0) |
| Junior Surplus Notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$(2) | \$(2) | \$(1) | \$(0) | \$(0) | \$(0) | \$(0) |

Ambac Assurance Corporation
Recovery of Surplus Note Principal and Interest Supporting Calculations
(Dollars in Millions)

| Year | 2050 |
|---|-----------------|
| Bonds | \$41,093 |
| Investments in Subsidiaries (Stocks) | 0 |
| Cash & Cash Equivalents | 50 |
| Intercompany Loans | 0 |
| Total Claims Paying Resources | \$41,143 |
| Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC) | \$43,068 |
| Bank Settlement Notes | \$14,999 |
| Total Surplus Notes | \$58,067 |
| Recovery of Surplus Note Principal and Interest | 71% |
| Excess Claims Paying Resources | \$0 |
| Junior Surplus Notes | \$292 |
| Recovery of Junior Surplus Note Principal and Interest | 0% |