



Consumer Finance

Overview *...since 1920 and the commitment continues*

Company Description

- 1920 – Founded in Evansville, Indiana
- 1982 – Acquired by American General
- 2001 – AIG acquired American General
- 2003 – Acquired Wilmington Finance, Inc.
- 2007 – Acquired Ocean Finance and Mortgages Limited in U.K.



Market Focus

- Consumer lending
- Mortgages, retail sales finance and non-real estate loans
- Credit insurance

Market Reach

- 1,500+ branches in 45 states, Puerto Rico and the U.S. Virgin Islands
- Two million customers
- National wholesale real estate operation

AGF's Strategic Fit Within AIG

- Non-correlated from an earnings perspective
- Product distribution synergies derived from AGF's
 - National branch network
 - Two million customers
 - Financing relationships with 28,000 merchants
- Strong returns on equity

Objectives and Goals

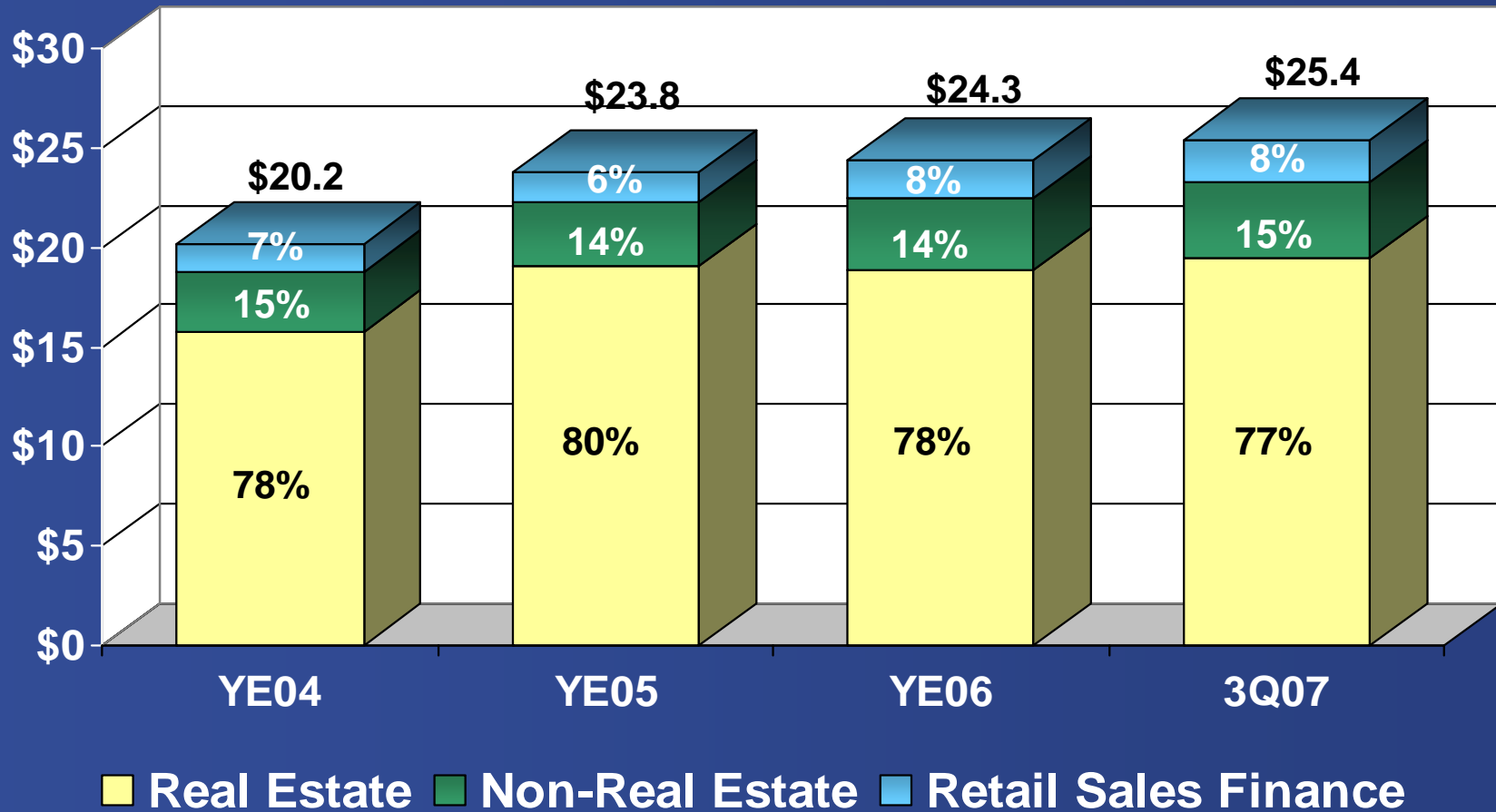
- Earnings Growth 15% or more per year
- ROE 15% or more
- Manage credit quality by product within established target ranges

	Target Ranges			
	60+ Day Delinquency		Net Charge-off	
Real Estate	3.0%	- 4.0%	0.75%	- 1.25%
Non-Real Estate	5.0%	- 6.0%	5.0%	- 6.5%
Retail	2.0%	- 3.0%	3.0%	- 4.0%

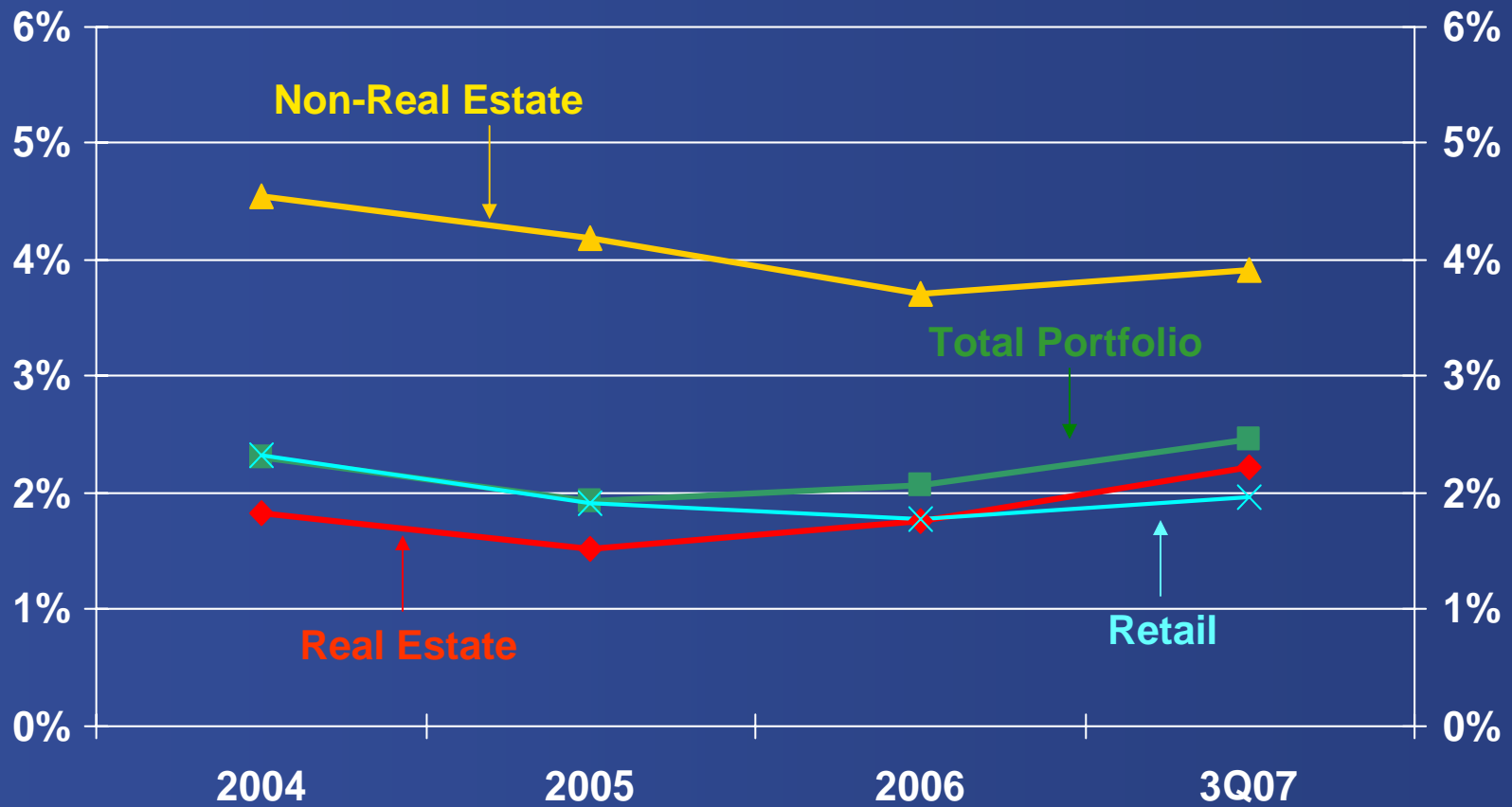
Portfolio Mix

\$ in Billions

Total Receivables Before Allowance



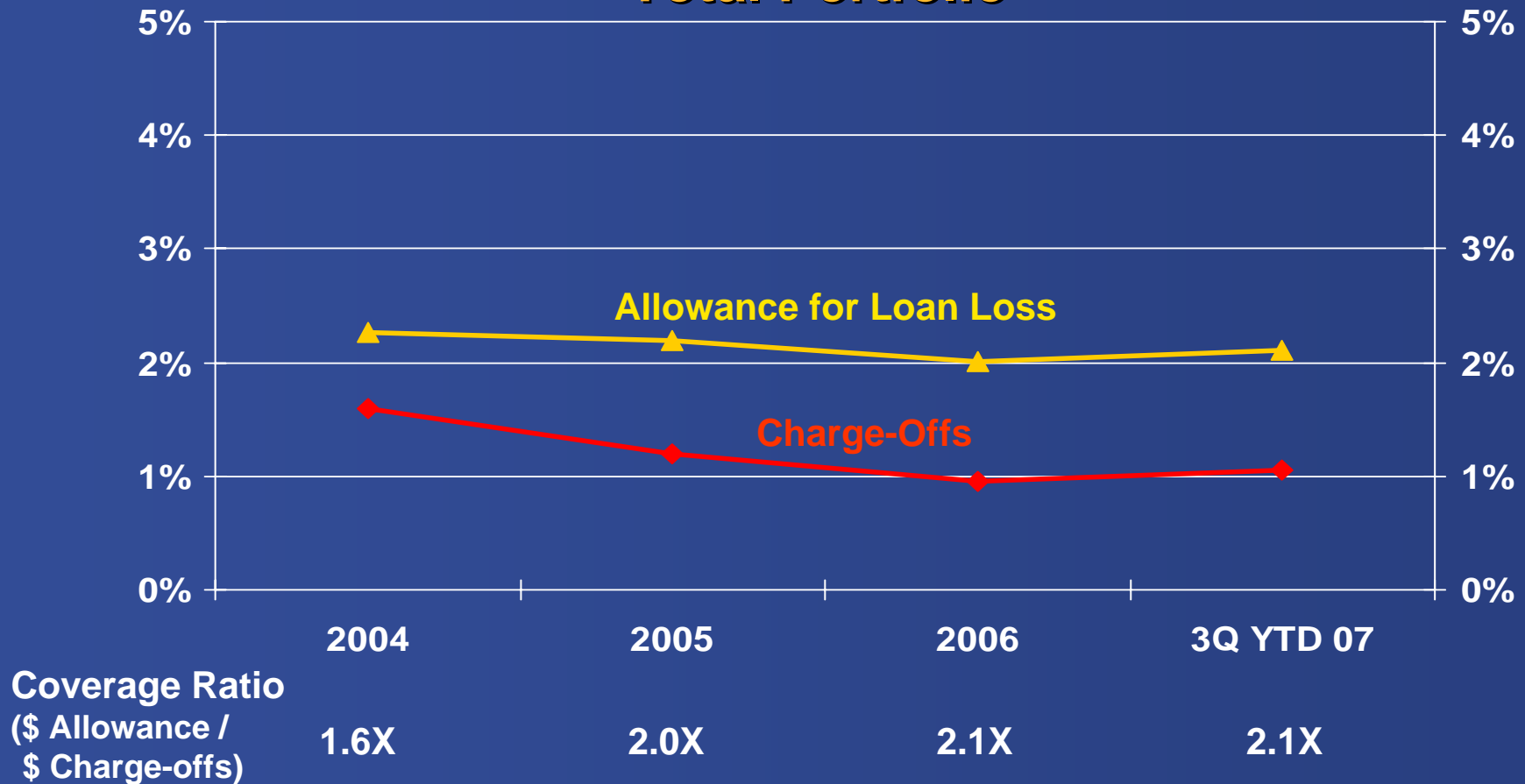
60+ Day Delinquency by Product



Better than or within targets and substantially better than the industry.

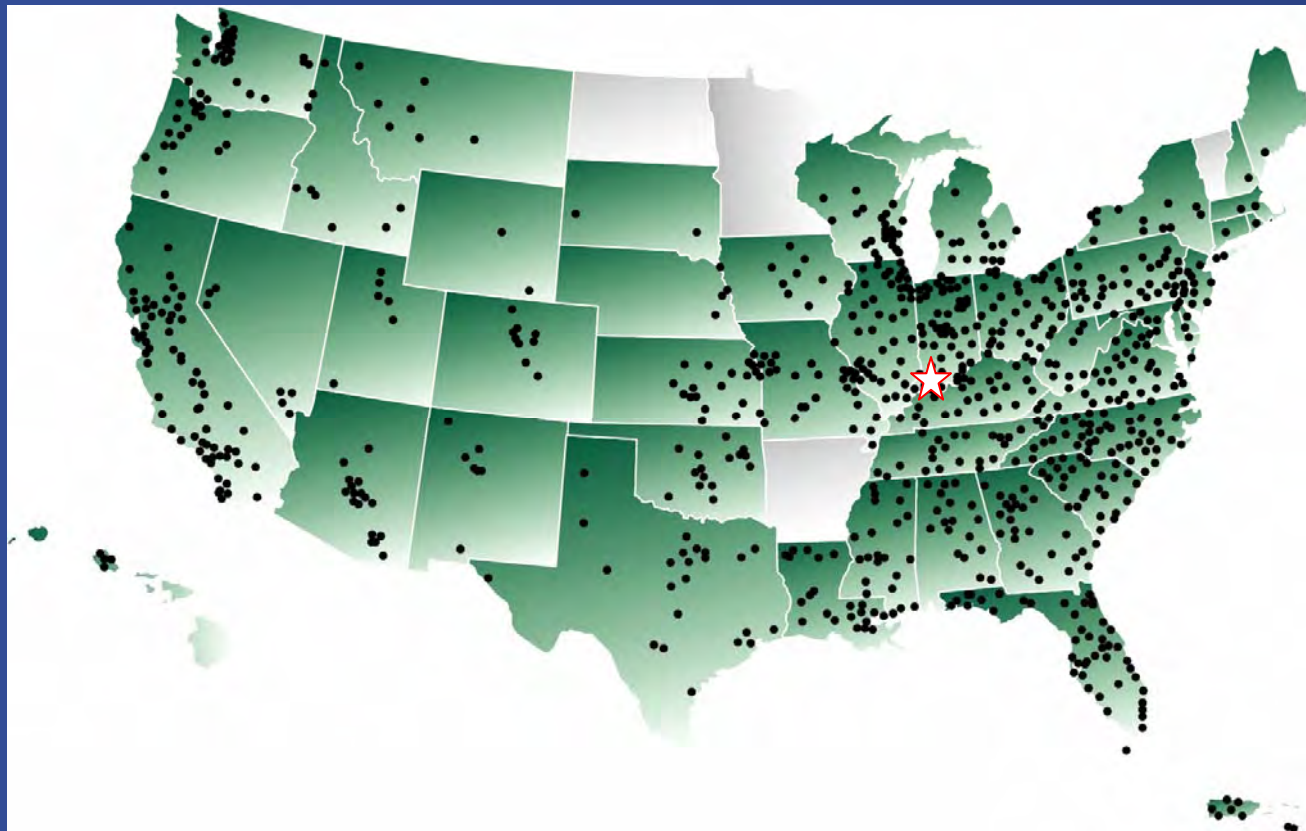
Strong Credit Quality

Total Portfolio



Also better than or within targets and substantially better than the industry.

Geographically Dispersed Operations



3Q07 Receivables Before Allowance

California	14%
Florida	6%
Ohio	5%
Illinois	4%
Virginia	4%
N. Carolina	4%
Pennsylvania	4%
Colorado	4%
Tennessee	4%
Indiana	3%
Georgia	3%
Washington	3%
New York	3%
Other	39%

During 2005 and 2006 AGF held its underwriting ground in CA and FL and the concentrations in those states are less than most securitizations, which did not.

AGF Real Estate Businesses

- Continue to provide loans to sub-prime borrowers through our branch network.
- Originate, purchase and sell/retain real estate loans through channels other than our branches (re-underwritten by AGF to our specifications).
 - Wilmington Finance, Inc., has a network of 9 wholesale and retail production sales offices.
 - MorEquity, Inc., services approximately 57,000 real estate loans totaling \$11.0 billion at 3Q07.
- Track trends in over 350 markets and continually adjust underwriting standards.

What Makes AGF Different

- Portfolio Composition
 - AGF's mortgage portfolio is principally comprised of:
 - First mortgage, fixed rate, full income documentation, 30-year amortization, owner occupant, single family residence, less than market maximum LTV loans.
- Underwriting Controls
 - All loans on AGF's balance sheet were underwritten (or re-underwritten, if the loan was purchased) by AGF employees to AGF guidelines.
- Sub-prime Industry Experience
 - 87 years lending in cities, towns, countryside to Middle America.
- Did not chase market down in credit quality.
- Offered no negative amortization or Option ARM products.
- Not dependent on securitization for funding.

Branch Operations Model

- Each branch originates and services loans based upon a “high touch,” relationship approach to lending.
- Local, well-trained personnel and management with many years of experience.
- Centrally supported and controlled through a state-of-the-art underwriting system.
- Branch management incentive compensation conditional upon credit quality performance.

Seasoned Branch Management

At September 30, 2007

<u>Employee Position</u>	<u>Average Time with Company</u>
Branch Manager	7.8 Years
District Manager	13.8 Years
Associate Director of Operations	19.1 Years
Director of Operations	24.7 Years
Senior Director of Operations	27.8 Years

Causes of U.S. Residential Mortgage Market Issues

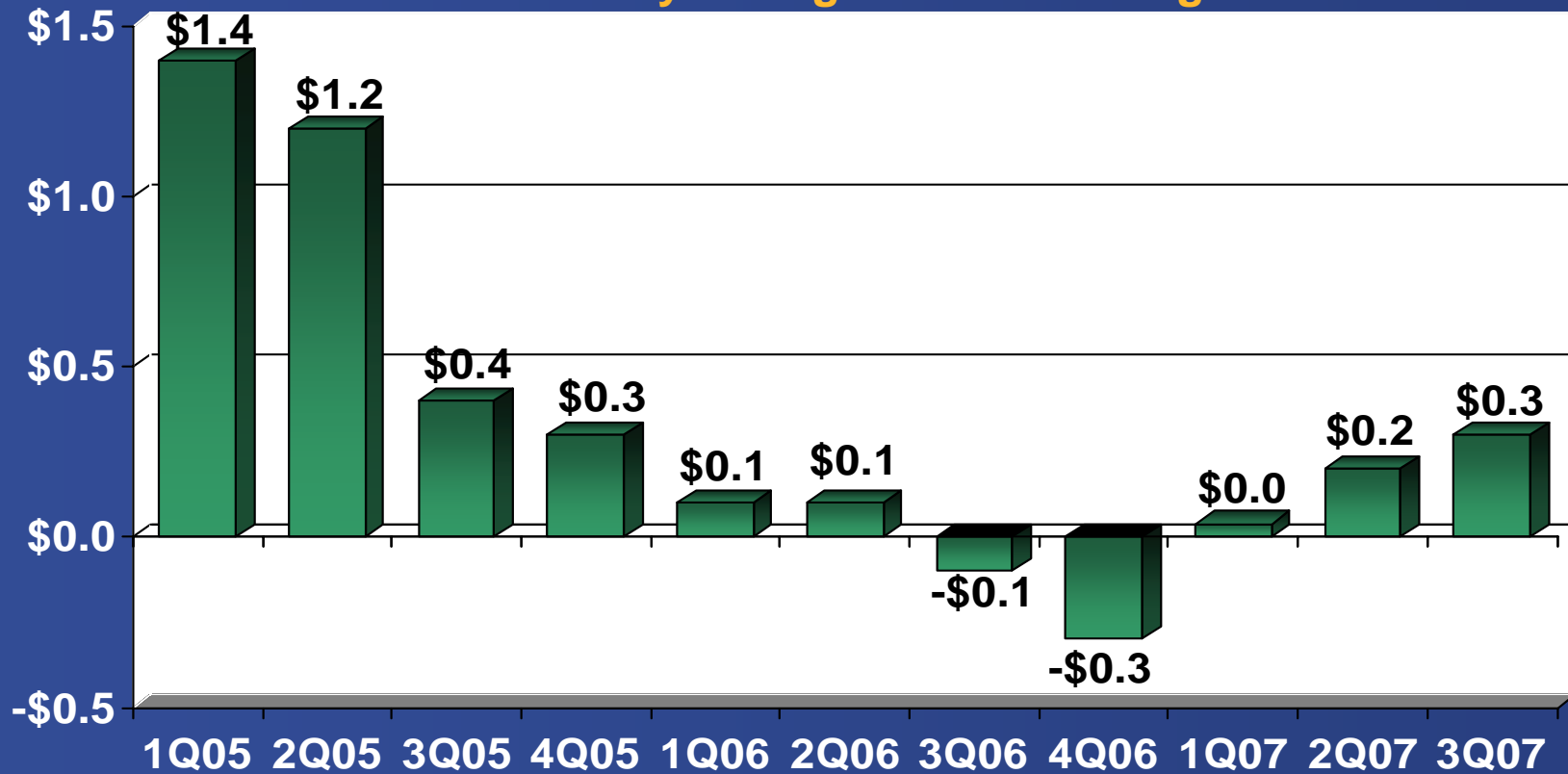
- Over the past few years...
 - Low rates and rapidly appreciating home price
 - Speculative investors, no money down
 - Strong ABS investor appetite
 - Exotic and aggressive loan products introduced
 - Originators chasing volume by loosening underwriting guidelines, beginning summer of 2005
- More recently...
 - Higher rates and dropping home values
 - Waning refinancing volume
 - Lower margins and reduced Wall Street appetite
 - New regulatory guidelines issued

AGF Real Estate Loan Growth

Chose to maintain underwriting discipline rather than portfolio growth in the recent mortgage downturn

\$ in Billions

Quarterly Change in Outstandings

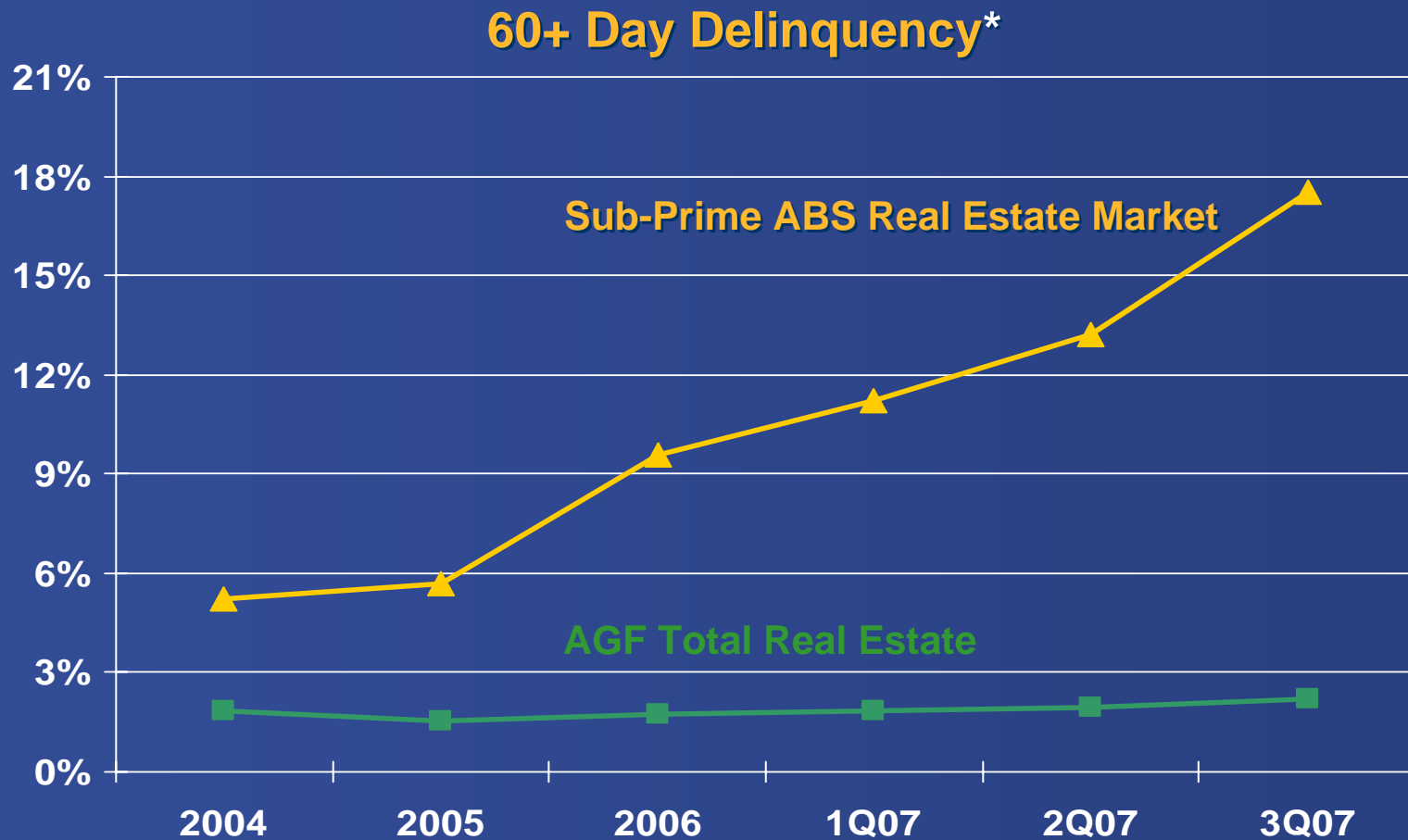


Risk Mitigating Practices

Real Estate Portfolio

- 97% of mortgages were underwritten with full income verification.
- 87% are fixed-rate mortgages; only about 10% of the total mortgage portfolio re-sets interest rates between 4Q2007 and the end of 2008.
- Adjustable rate mortgage (ARM) borrowers are qualified on a fully-indexed and fully-amortizing basis at origination.
- No delegation of underwriting to unrelated parties.
- No Option ARMs or negatively amortizing products.
- Substantially all loans are:
 - First mortgages (91%)
 - To owner occupant borrowers (94%)
- Geographically diverse portfolio.

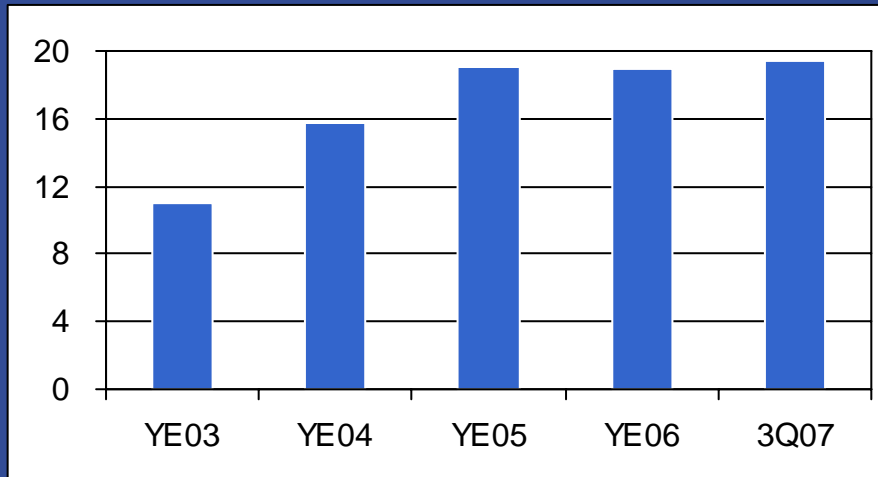
AGF vs. “Sub-Prime ABS Market”



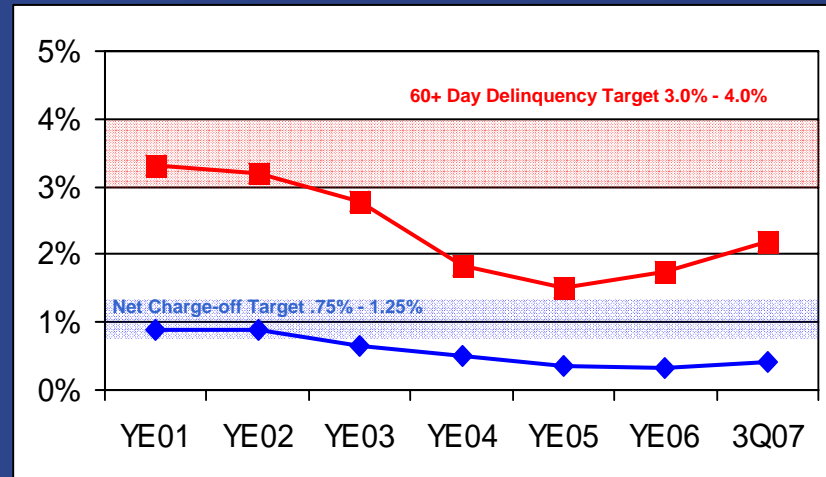
* Source: Company and industry reports

Total Real Estate

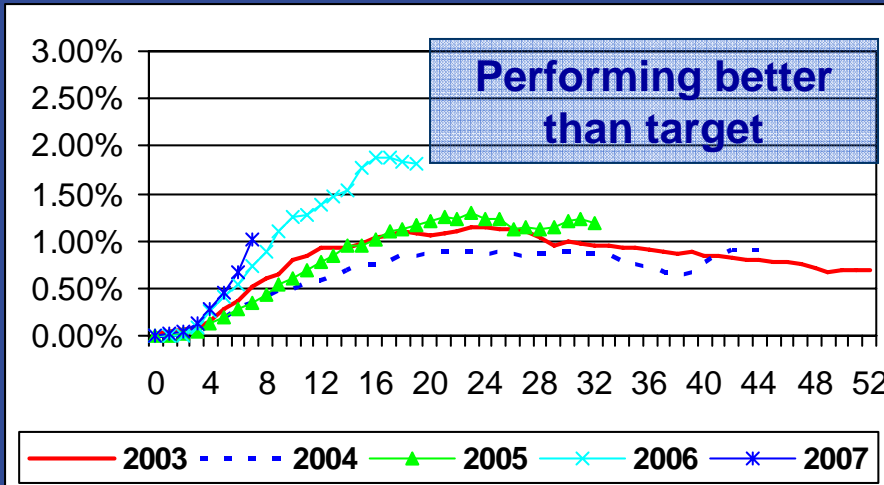
Outstandings, \$ in Billions



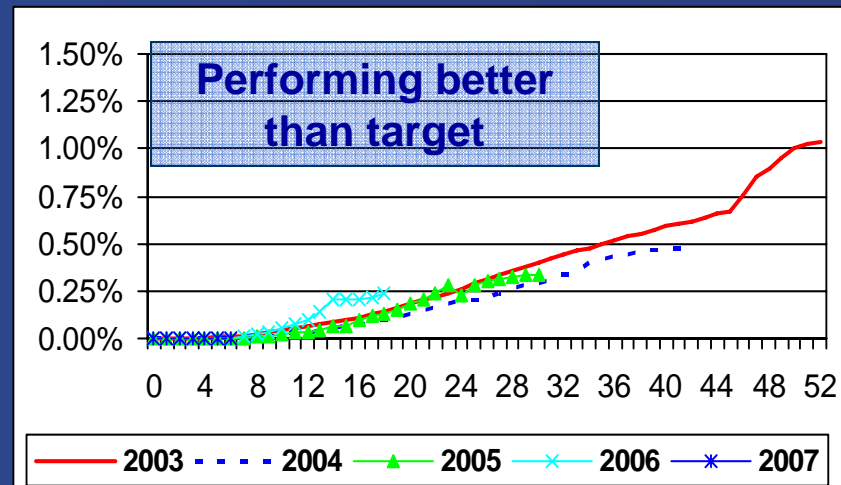
Credit Quality



60+ Day Delinquency (By Year of Origination)

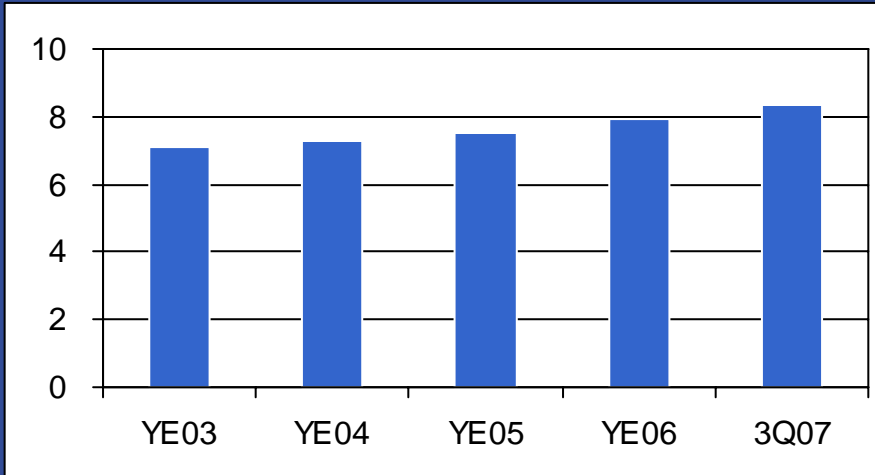


Cumulative Charge-off (By Year of Origination)

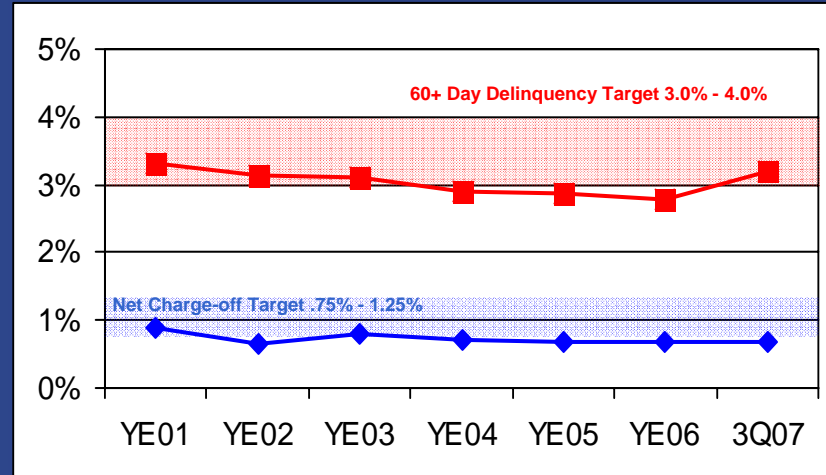


Branch Real Estate

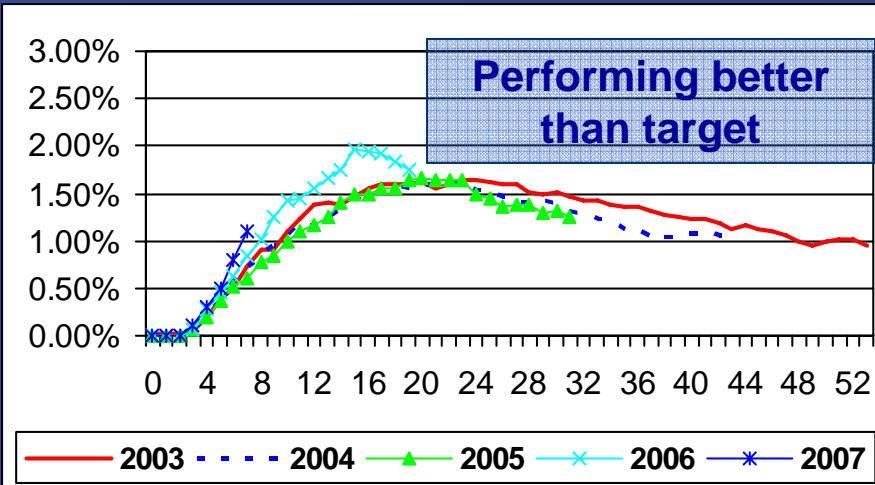
Outstandings, \$ in Billions



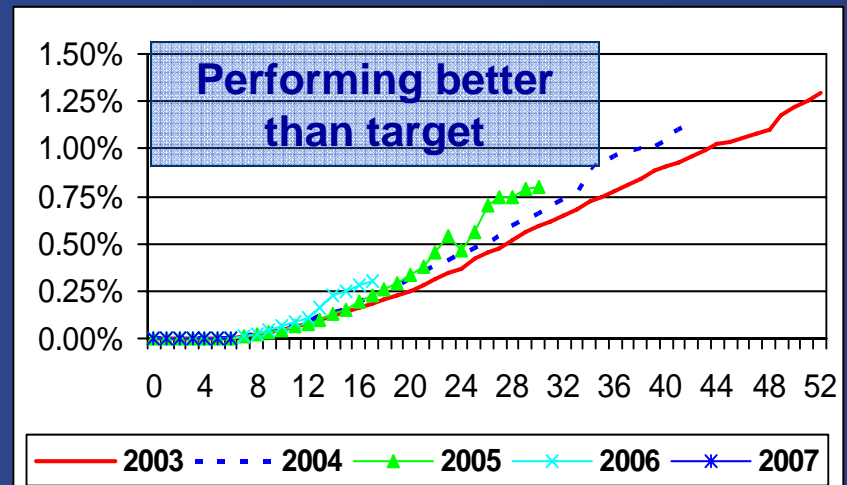
Credit Quality



60+ Day Delinquency (By Year of Origination)

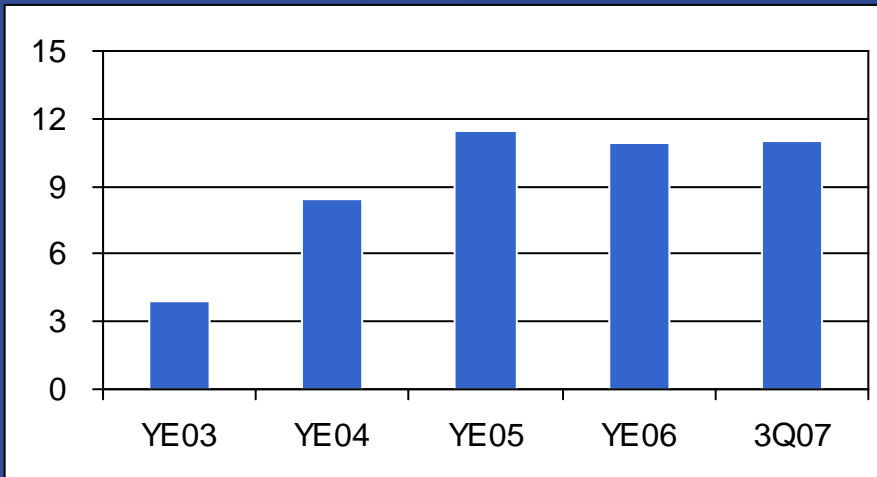


Cumulative Charge-off (By Year of Origination)

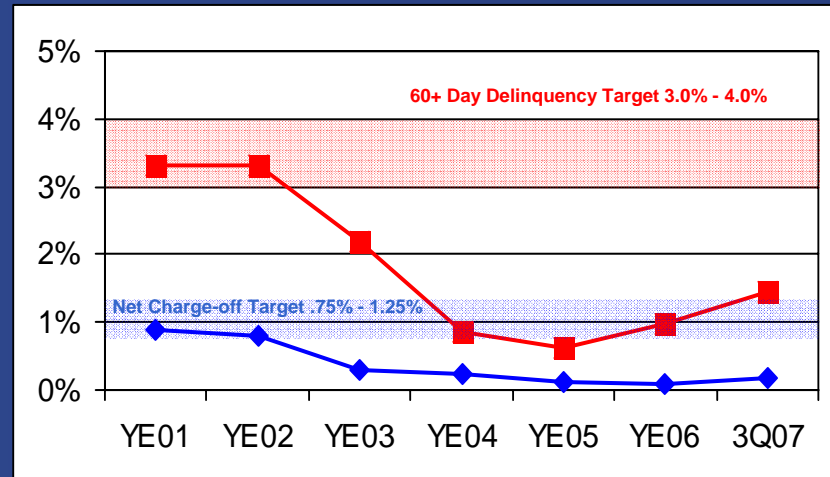


Centrally Serviced Real Estate

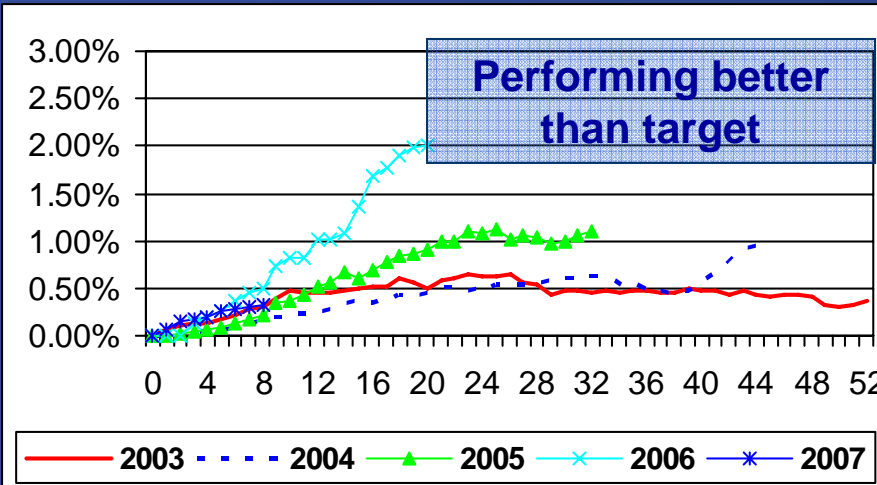
Outstandings, \$ in Billions



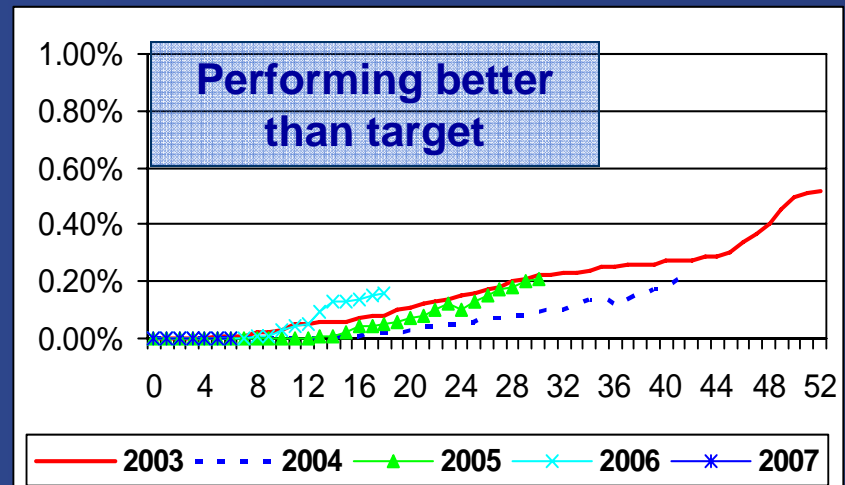
Credit Quality



60+ Day Delinquency (By Year of Origination)

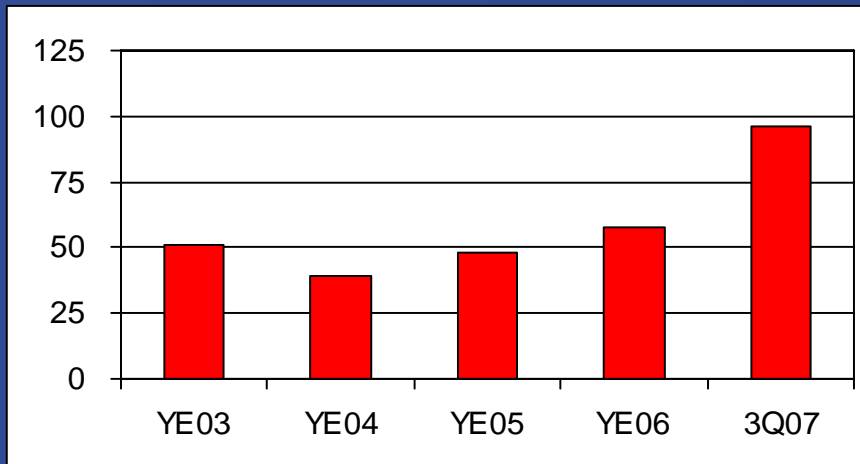


Cumulative Charge-off (By Year of Origination)

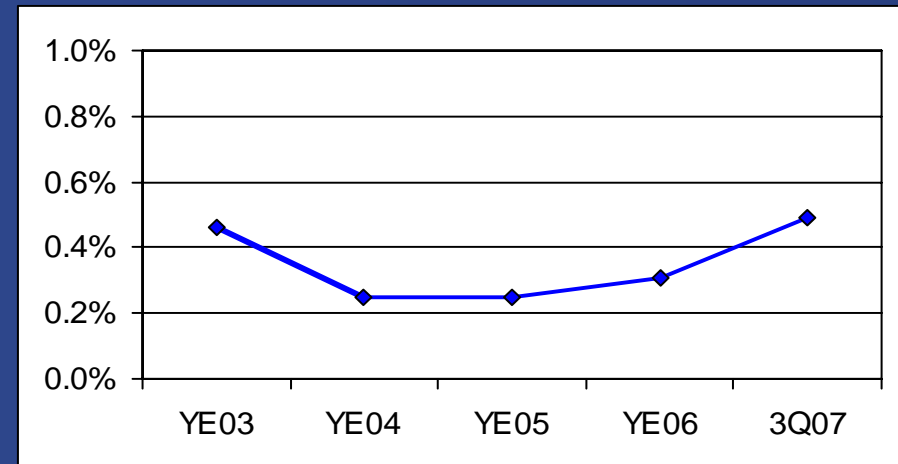


Real Estate Owned

REO Outstanding (\$ in Millions)



% REO to Net Real Estate Receivables



Year over Year Comparisons

- Minor increase in losses
- Time from completion of foreclosure to sale of property has remained stable

AGF – Summary

- At the end of the third quarter, AGF's real estate loan portfolio reached \$19.5 billion, compared to \$19.2 billion at the end of the second quarter.
 - The increase in the 2007 vintage production is the result of balanced growth from both our centralized real estate and branch operations which met both strict underwriting guidelines and return hurdles.
- AGF maintained its time-tested, disciplined underwriting approach throughout the residential real estate boom, continually re-evaluating guidelines and adjusting as appropriate, resulting in:
 - Lower volume
 - Better than targeted delinquency and charge-off
 - Better than industry-experienced delinquency and charge-off
- AGF believes that the housing market will likely continue to deteriorate for the remainder of 2007 and 2008, but the company's business model and strict underwriting approach are time-tested and disciplined, allowing the company to pursue opportunities.

Opportunities

- Well positioned – time-tested, disciplined underwriting
- Access to capital/funding
- 150+ competitors have withdrawn
- Transaction/deal pipeline is full



Consumer Finance

Question & Answer Session

Real Estate Portfolio at 9/30/07

	Total Portfolio	FICO (≥ 660)	FICO (620 - 659)	FICO (< 620)
Outstandings	\$19.5 Billion	\$9.8 Billion	\$3.3 Billion	\$6.1 Billion
LTV	80%	84%	80%	75%
60+%	2.22%	0.94%	2.53%	4.07%
2007 Vintage	\$3.2 Billion	\$1.0 Billion	\$665.1 Million	\$1.5 Billion
LTV	78%	83%	79%	74%
60+%	0.43%	0.11%	0.36%	0.68%
2006 Vintage	\$3.6 Billion	\$1.2 Billion	\$682.8 Million	\$1.7 Billion
LTV	80%	86%	80%	75%
60+%	2.61%	1.15%	2.17%	3.89%
2005 Vintage	\$5.0 Billion	\$3.0 Billion	\$894.9 Million	\$1.1 Billion
LTV	82%	85%	82%	76%
60+%	2.49%	1.16%	3.55%	5.06%
2004 Vintage	\$4.7 Billion	\$3.6 Billion	\$590.2 Million	\$538.1 Million
LTV	82%	83%	80%	75%
60+%	1.68%	0.83%	3.27%	5.62%
LTV Greater than 95.5%	\$3.6 Billion	\$3.0 Billion	\$390.9 Million	\$172.4 Million
LTV	99%	99%	99%	98%
60+%	1.93%	1.42%	3.96%	6.12%
Low Documentation	\$512.1 Million	\$283.5 Million	\$152.2 Million	\$76.4 Million
LTV	76%	78%	75%	70%
60+%	2.73%	1.93%	3.55%	4.07%
Interest-Only	\$1.7 Billion	\$1.4 Billion	\$290.0 Million	\$21.7 Million
LTV	89%	89%	88%	79%
60+%	2.09%	1.49%	4.36%	10.23%

This table is for informational purposes only. AGF's loan underwriting process does not use FICO scores as a primary determinant for credit decisions. AGF uses proprietary risk scoring models in making credit decisions. Delinquency figures are shown as a percentage of outstanding loan balances, consistent with mortgage lending practice.

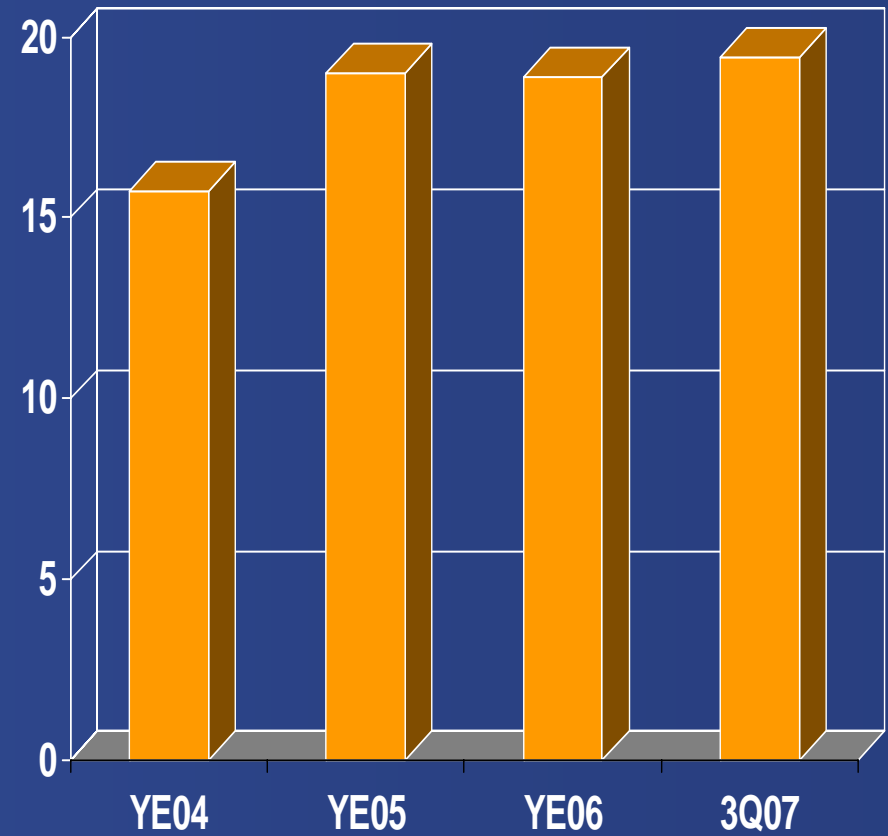
Total Real Estate

At or YTD
Sept. 30, 2007

Total Real Estate

Description	<ul style="list-style-type: none"> • Mortgage loans • 77% of total portfolio
Terms	<ul style="list-style-type: none"> • Predominantly first liens • Closed-end and revolving • Generally 30-year loans
Average Balance	\$88,000
Risk Adjusted Yield	<ul style="list-style-type: none"> • Yield 8.4% • Charge-off 0.4% • RAY* 8.0%
Additional Information	<ul style="list-style-type: none"> • Wholesale and acquired portfolios are individually re-underwritten and centrally serviced

Outstandings, \$ in Billions



* Risk-adjusted yield

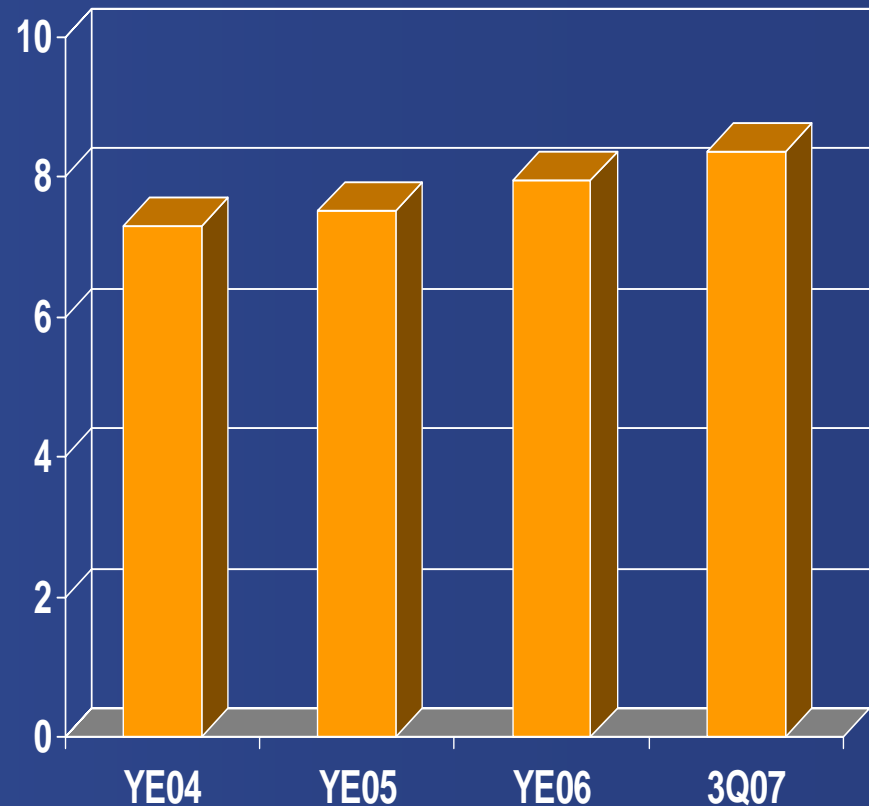
Branch Real Estate

At or YTD
Sept. 30, 2007

Branch Real Estate

Description	<ul style="list-style-type: none"> • Mortgage loans • 33% of total portfolio
Terms	<ul style="list-style-type: none"> • First or second liens • Predominantly fixed-rate • 15- to 30-year loans
Average Balance	\$52,000
Risk Adjusted Yield	<ul style="list-style-type: none"> • Yield 11.2% • Charge-off 0.7% • RAY* 10.5%
Additional Information	<ul style="list-style-type: none"> • Branch originated and serviced • Centralized underwriting review

Outstandings, \$ in Billions



* Risk-adjusted yield

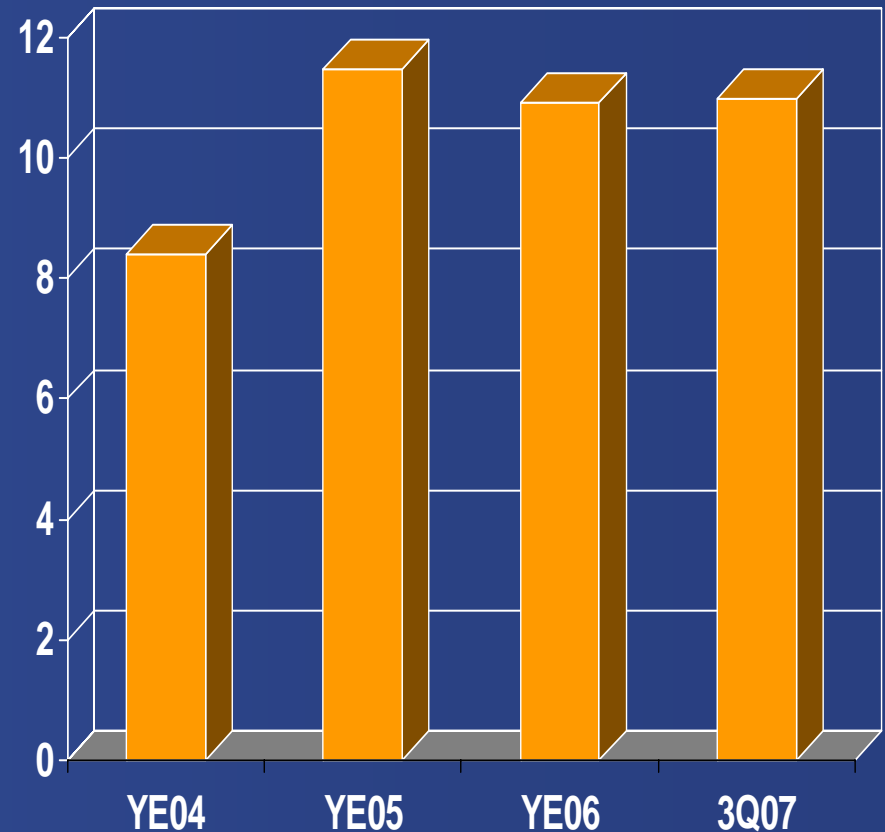
Centralized Real Estate

At or YTD
Sept. 30, 2007

Centralized Real Estate

Description	<ul style="list-style-type: none"> • Mortgage loans • 44% of total portfolio
Terms	<ul style="list-style-type: none"> • Predominantly first liens • Closed-end and revolving • Generally 30-year loans
Average Balance	\$193,000
Risk Adjusted Yield	<ul style="list-style-type: none"> • Yield 6.2% • Charge-off 0.2% • RAY* 6.0%
Additional Information	<ul style="list-style-type: none"> • Wholesale and acquired portfolios are individually re-underwritten and centrally serviced

Outstandings, \$ in Billions



* Risk-adjusted yield

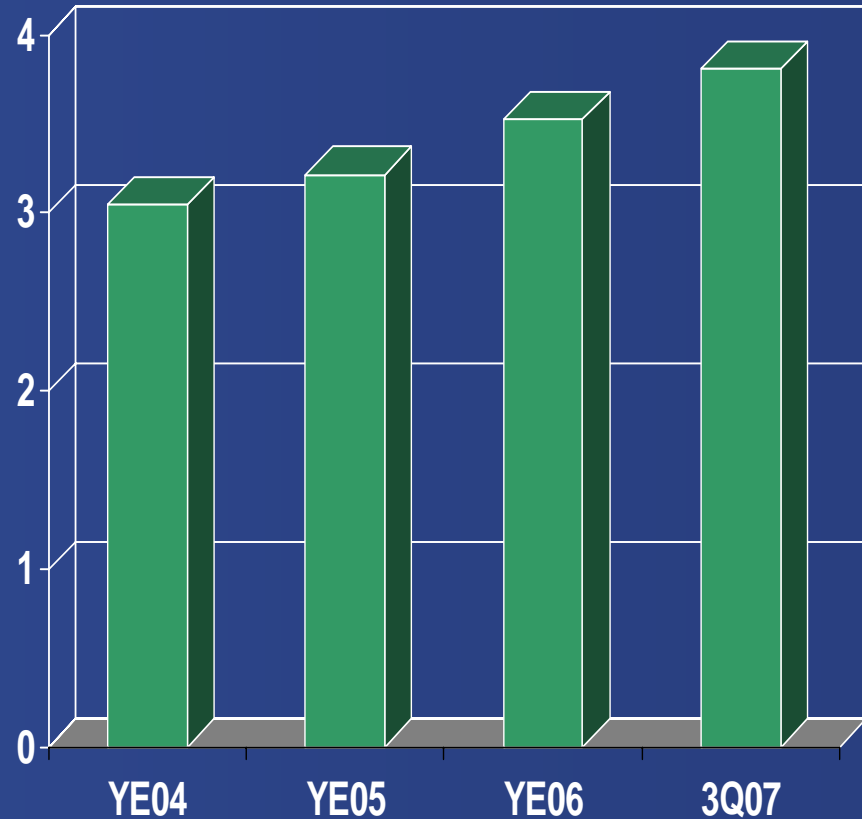
Non-Real Estate

At or YTD
Sept. 30, 2007

Non-Real Estate

Description	<ul style="list-style-type: none"> • Traditional consumer loans • 15% of portfolio 						
Terms	<ul style="list-style-type: none"> • Primarily closed-end • Typically 3 to 5 years 						
Average Balance (YE06)	<ul style="list-style-type: none"> • 19 month life • Balance of \$3,900 						
Risk Adjusted Yield	<table> <tr> <td>• Yield</td> <td>20.7%</td> </tr> <tr> <td>• Charge-off</td> <td>3.9%</td> </tr> <tr> <td>• RAY*</td> <td><u>16.8%</u></td> </tr> </table>	• Yield	20.7%	• Charge-off	3.9%	• RAY*	<u>16.8%</u>
• Yield	20.7%						
• Charge-off	3.9%						
• RAY*	<u>16.8%</u>						
Additional Information	<ul style="list-style-type: none"> • Branch originated and serviced 						

Outstandings, \$ in Billions



* Risk-adjusted yield

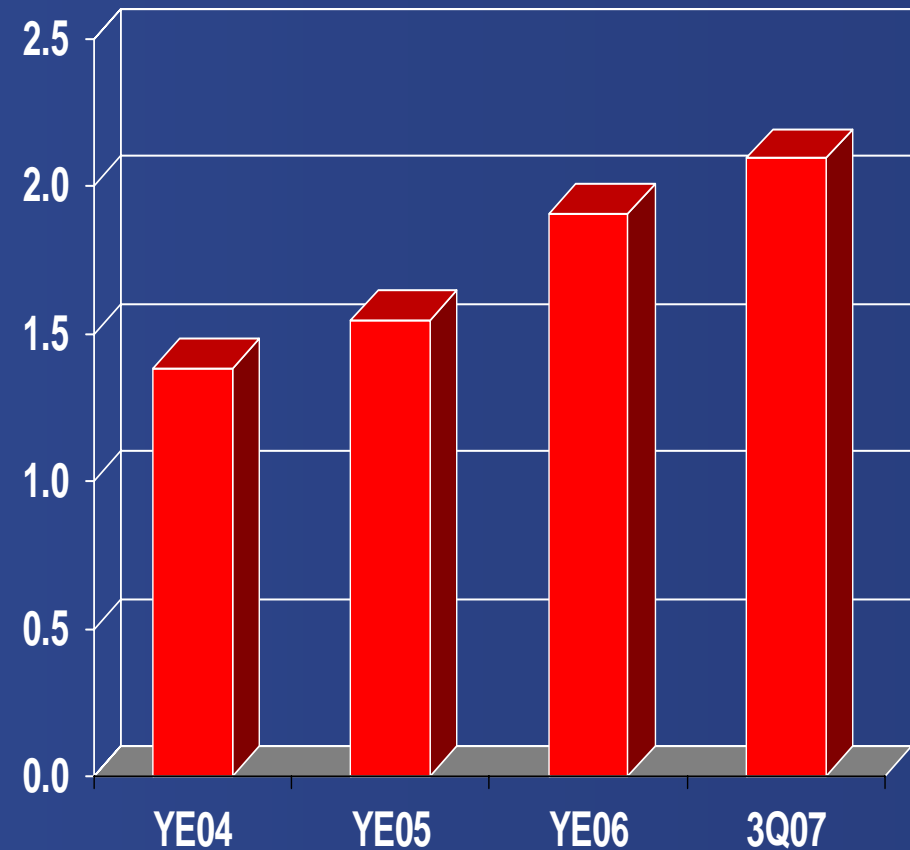
Retail Sales Finance

At or YTD
Sept. 30, 2007

Retail Sales Finance

Description	<ul style="list-style-type: none"> • Retail contracts and private label merchant credit cards • 8% of total portfolio
Terms	<ul style="list-style-type: none"> • Closed-end and revolving • Purchase money security interest
Average Balance (YE06)	<ul style="list-style-type: none"> • 11 month life • Balance of \$2,200
Risk Adjusted Yield	<ul style="list-style-type: none"> • Yield 11.8% • Charge-off 2.1% • RAY* 9.7%
Additional Information	<ul style="list-style-type: none"> • 28,000 merchant relationships • Significant source of new loan customers

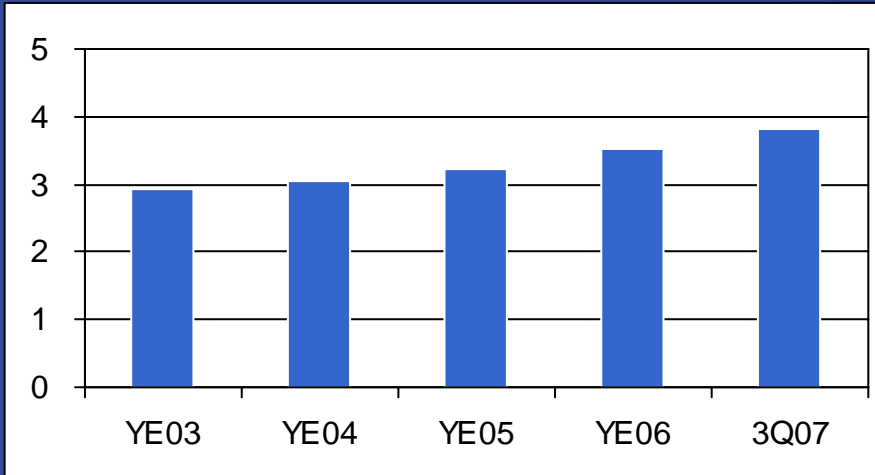
Outstandings, \$ in Billions



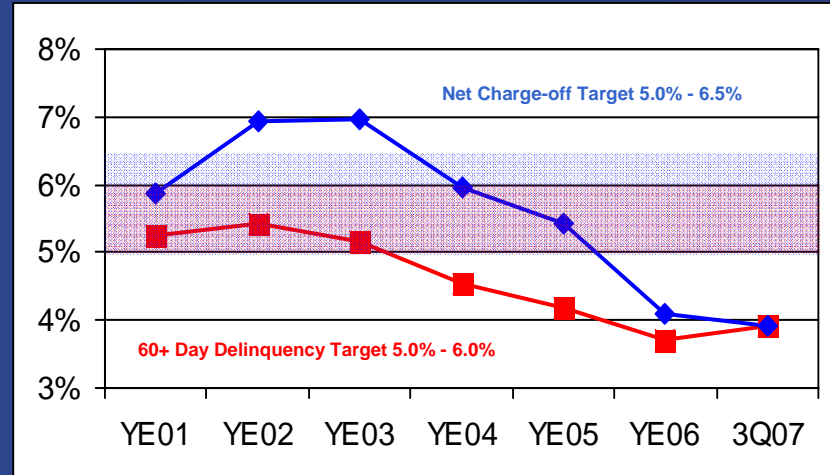
* Risk-adjusted yield

Non-Real Estate

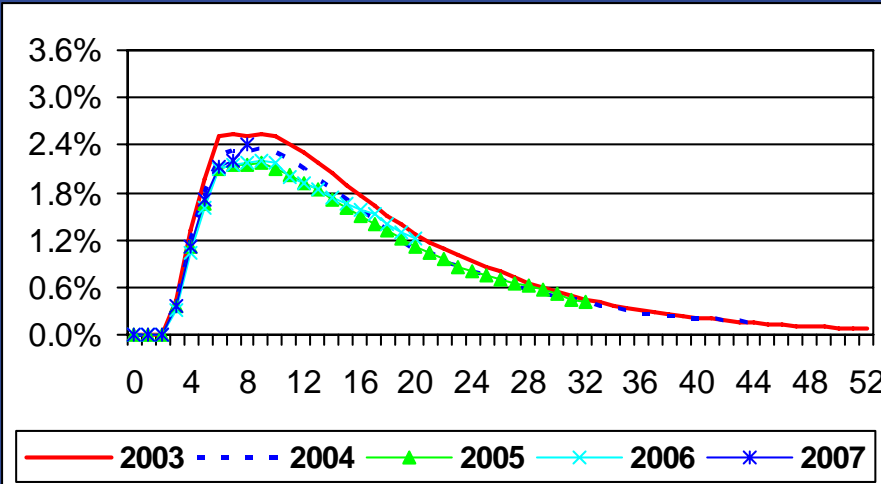
Outstandings, \$ in Billions



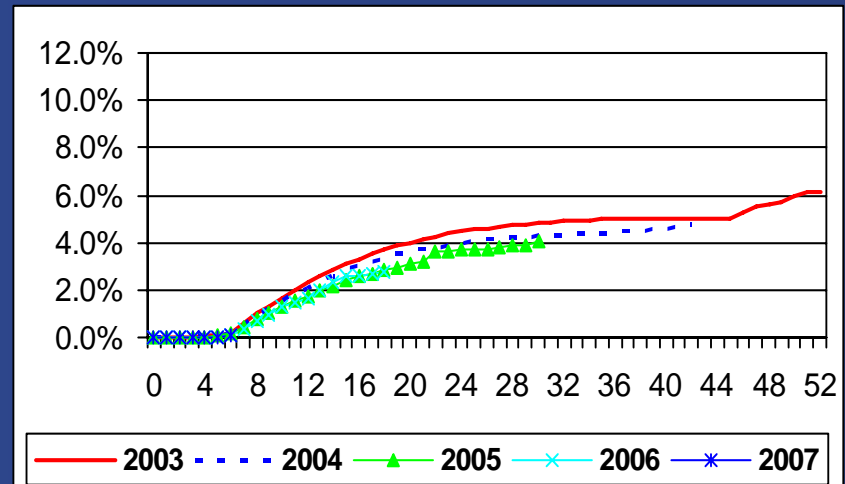
Credit Quality



60+ Day Delinquency (By Year of Origination)

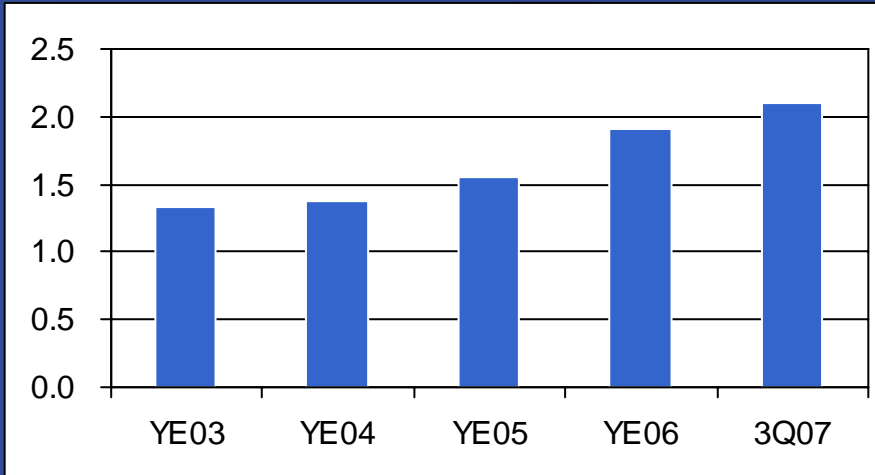


Cumulative Charge-off (By Year of Origination)

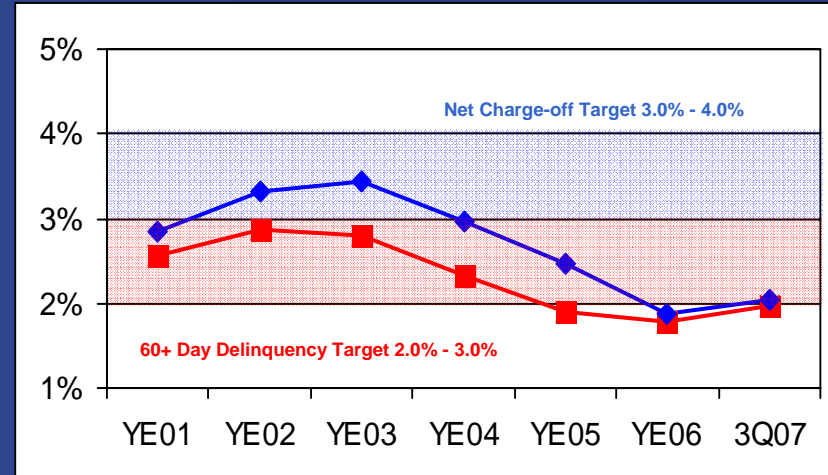


Retail

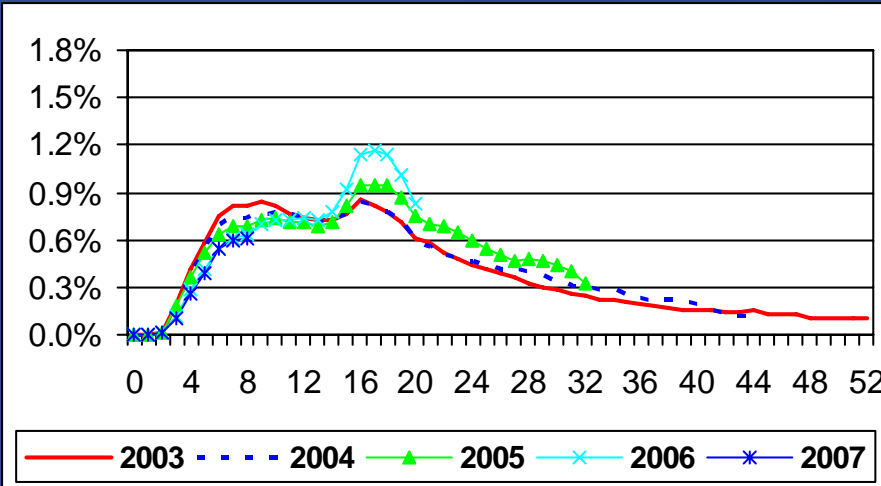
Outstandings, \$ in Billions



Credit Quality



60+ Day Delinquency (By Year of Origination)



Cumulative Charge-off (By Year of Origination)

