EXHIBIT E

PROJECTED FINANCIAL AND OPERATING RESULTS ASSOCIATED WITH SCENARIO TWO

(revised as of October 21, 2010)

Balance Sheet

(Dollars in Millions) Pre-Adjustment for Post-Projections for End of Year: Consummation Consummation Consummation 6/30/10 12/31/10 Transactions 12/31/10 2011 2012 2013 2014 2015 2016 2017 Assets Invested assets Bonds (1) \$4,268 \$4,512 \$(430) \$4,082 \$4,378 \$4,121 \$4,770 \$4,978 \$5,476 \$5,872 \$6,148 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 5,732 (430) 5,302 5,210 5,376 5,604 5,938 6,270 6,644 7,049 Other Assets (1) 323 64 (56)8 8 8 R 8 8 8 Total Assets \$6,204 \$5,796 \$(486) \$5,310 \$5,218 \$5,384 \$5,612 \$5,945 \$6,278 \$6,652 \$7,057 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 2,824 (1,811)1,013 1,961 1,734 1,474 1,310 1,158 1,055 977 Other Liabilities 91 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** \$4,705 \$5,223 \$(1,811) \$3,412 \$4,255 \$3,928 \$3,580 \$3,338 \$3,114 \$2,947 \$2,810 Surplus as regards Policyholders \$1,500 \$573 \$1,325 \$1,898 \$963 \$1,455 \$2.031 \$2,608 \$3,164 \$3,705 \$4,247 Total Liabilities and Surplus \$6,204 \$5,796 \$(486) \$5,310 \$5,218 \$5,384 \$5,612 \$5,945 \$6,278 \$6,652 \$7.057 Qualified Statutory Capital \$1,880 \$1,002 \$1,325 \$2,327 \$1,480 \$2,052 \$2,706 \$3,353 \$3,972 \$4,570 \$5,164

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

		Pre- Consummation	Adjustment for Consummation	Post- Consummation	Projections for En	d of Year;					
	6/30/10	12/31/10	Transactions	12/31/10	2011	2012	2013	2014	2015	2016	2017
Surplus Reconciliation							2010	2011	2010	2010	2017
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)	(5,138)	35	(5,103)	(7,304)	(7, 259)	(6,952)	(6,568)	(6,165)	(5,737)	(5,282)
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	1,290	1,340	2,507	3,053	3,323	3,515	3,668	3,781	3.869
Junior Surplus Notes	0	0	0	0	0	0	0	0	0	0	0
Total Surplus	\$1,500	\$573	\$1,325	\$1,898	\$963	\$1,455	\$2,031	\$2,608	\$3,164	\$3,705	\$4,247
Unassigned Surplus Reconciliation											
Beginning Balance	\$0	\$(4,161)	\$0	\$(4,161)	\$(5,103)	\$(7,304)	\$(7,259)	\$(6,952)	\$(6,568)	\$(6,165)	\$(5,737)
Net Income	0	(593)	35	(558)	(2,118)	120	378	449	460	479	501
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	Ó	Ó	0	0	0
Ending Balance	\$(4,161)	\$(5,138)	\$35	\$(5,103)	\$(7,304)	\$(7,259)	\$(6,952)	\$(6,568)	\$(6,165)	\$(5,737)	\$(5,282)

Balance Sheet

(Dollars in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Assets										ALL CONTRACTOR OF A DESCRIPTION OF A DESCRIPANTE A DESCRIPANTE A DESCRIPANTE A DESCRIPTION OF A DESCRIPTIONO			2000
Invested assets													
Bonds (1)	\$6,600	\$7,460	\$7,948	\$8,472	\$9,006	\$9,547	\$10,108	\$10,904	\$11,517	\$12,151	\$12,806	\$13,499	\$14,216
Stocks	222	229	236	243	250	258	265	0	0	0	0	0	\$14,210 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	7,477	7,929	8,405	8,919	9,448	9,997	10.564	11,153	11,775	12.423	13.091	13,787	14,518
Other Assets (1)	8	8	8	8	8	8	8	8	8	12,420	8	10,707	
Total Assets	\$7,485	\$7,937	\$8,413	\$8,927	\$9,455	\$10,005	\$10,571	\$11,161	\$11,783	\$12,430	\$13,099	\$13,795	\$14,526
						\$10,000	010,071	φ11,101	\$11,705	\$12,430	\$15,099	\$13,795	\$14,526
Liabilities													
Unearned Premiums Reserve	\$787	\$696	\$613	\$535	\$466	\$408	\$355	\$307	\$262	\$222	\$185	\$153	\$120
Loss and LAE Reserves	944	904	882	877	888	909	940	\$73	1,016	1.058	1,097	1.136	1,179
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	24 897
Total Liabilities	\$2,721	\$2,633	\$2,567	\$2,521	\$2,495	\$2,484	\$2,487	\$2,494	\$2,513	\$2,534	\$2,553	\$2,194	\$2,220
					•=,	•2,101	¥2,101	\$2,404	\$2,010	\$2,004	\$2,000	\$2,194	\$2,220
Surplus as regards Policyholders	\$4,764	\$5,303	\$5,846	\$6,406	\$6,961	\$7,520	\$8,084	\$8,667	\$9,270	\$9,896	\$10,546	\$11,601	\$12,306
								40,001	40,210	\$3,030	\$10,040	\$11,001	\$12,300
Total Liabilities and Surplus	\$7,485	\$7,937	\$8,413	\$8,927	\$9,455	\$10,005	\$10,571	\$11,161	\$11,783	\$12,430	\$13,099	\$13,795	\$14,526
					11,100	1.1.000	+10,071	¢11,101	\$11,705	\$12,43V	\$15,099	\$13,795	\$14,520
Qualified Statutory Capital	\$5,730	\$6,312	\$6,894	\$7,490	\$8,076	\$8,664	\$9,252	\$9,857	\$10,481	\$11,126	\$11,792	\$12,482	\$13,202
						+-1001	C. C	40,001	Q10,401	VI1,120	\$11,75Z	\$12,402	915,20Z

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

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Surplus Reconciliation								2020	LOLO	LOLI	LOLO	2023	2030
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	(4,834)	(4,349)	(3,917)	(3,386)	(2,850)	(2,302)	(1,745)	(1.169)	(569)	55	696	1.742	2,439
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	2,435
Segregated Account Surplus Notes	3,938	3,992	4,034	4,062	4,082	4,094	4,100	4,107	4,110	4,113	4,120	4,129	4,137
Junior Surplus Notes	0	0	69	69	69	69	69	69	69	69	69	69	69
Total Surplus	\$4,764	\$5,303	\$5,846	\$6,406	\$6,961	\$7,520	\$8,084	\$8,667	\$9,270	\$9,896	\$10,546	\$11,601	\$12,306
Unassigned Surplus Reconciliation													
Beginning Balance	\$(5,282)	\$(4,834)	\$(4,349)	\$(3,917)	\$(3,386)	\$(2,850)	\$(2,302)	\$(1,745)	\$(1,169)	\$(569)	\$55	\$696	\$1,742
Net Income	490	521	465	561	560	567	575	590	622	641	659	680	713
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	Ó	ó	0	Ó	0	380	(10)
Ending Balance	\$(4,834)	\$(4,349)	\$(3,917)	\$(3,386)	\$(2,850)	\$(2,302)	\$(1,745)	\$(1,169)	\$(569)	\$55	\$696	\$1,742	\$2,439

Balance Sheet

(Dollars in Millions)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Assets											2011	LUIL	2040
Invested assets													
Bonds (1)	\$15,006	\$15,806	\$16,645	\$17,512	\$18,182	\$19,178	\$19,988	\$20,998	\$22,061	\$23,172	\$24,353	\$25,592	\$26,893
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	15,163	15,972	16,820	17,697	18,375	19,375	20,188	21,200	22,261	23,375	24,558	25,799	27,102
Other Assets (1)	8	8	8	8	8	8	20,100	8	8	20,075			
Total Assets	\$15,170	\$15,980	\$16,828	\$17,705	\$18,383	\$19,382	\$20,195	\$21,208	\$22,269	\$23,382	804.500	8	8
	446		410,020	•11,100	010,000	919,302	520,195	\$21,200	\$22,209	\$23,382	\$24,566	\$25,807	\$27,109
Liabilities													
Unearned Premiums Reserve	\$97	\$80	\$65	\$53	\$43	\$33	\$25	\$21	\$18	\$1 6	\$14	\$12	\$11
Loss and LAE Reserves	1,250	1,316	1.412	1,498	642	653	76	50	19	(23)	(19)	(15)	
Other Liabilities	24	24	24	24	24	24	24	24	24	(23)	24	()	(11)
Contingency Reserve	820	747	676	611	553	501	451	404	363	325	290	24 259	24
Total Liabilities	\$2,190	\$2,167	\$2,177	\$2,186	\$1,262	\$1,211	\$576	\$500	\$425	\$342	\$309	\$281	232 \$257
				421100	+1120E	01,211	Q 070	\$000	3423	\$342	\$309	\$201	\$257
Surplus as regards Policyholders	\$12,980	\$13,812	\$14,651	\$15,519	\$17,121	\$18,171	\$19,619	\$20,708	\$21,844	\$23,040	\$24,257	\$25,526	\$26,853
										1201010	VL-1,207	\$20,020	\$20,000
Total Liabilities and Surplus	\$15,170	\$15,980	\$16,828	\$17,705	\$18,383	\$19,382	\$20,195	\$21,208	\$22,269	\$23,382	\$24,566	\$25,807	\$27,109
													42.7,100
Qualified Statutory Capital	\$13,800	\$14,559	\$15,327	\$16,129	\$17,674	\$18,672	\$20,070	\$21,112	\$22,208	\$23,365	\$24,546	\$25,785	\$27,085
											the second se		

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

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Surplus Reconciliation										2040	2041	2042	2043
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	
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	26 3,552
Unassigned Surplus	3.101	3,921	4,772	5,650	6,554	7,588	8,621	9,688	10,799	11,962	13,183	,	
Bank Settlement Notes	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000				14,456	15,786
Segregated Account Surplus Notes	4.150	4,162	4,150	4,139	4.838				2,000	2,000	2,000	2,000	2,000
Junior Surplus Notes	69					4,855	5,269	5,291	5,316	5,349	5,345	5,341	5,337
Total Surplus	the second se	69	69	69	69	69	69	69	69	69	69	69	69
i otal Surplus	\$12,980	\$13,812	\$14,651	\$15,519	\$17,121	\$18,171	\$19,619	\$20,708	\$21,844	\$23,040	\$24,257	\$25,526	\$26,853
Unassigned Surplus Reconciliation													
Beginning Balance	\$2.420	\$2 101	60.001	64 770	65 050								
Beginning Balance	\$2,439	\$3,101	\$3,921	\$4,772	\$5,650	\$6,554	\$7,588	\$8,621	\$9,688	\$10,799	\$11,962	\$13,183	\$14,456
Net Income	585	747	781	\$4 ,772 813	\$5,650 846	\$6,554 982	\$7,588 984	\$8,621 1,020	\$9,688 1,070	\$10,799 1,125	\$11,962 1,185	\$13,183 1,242	\$14,456 1,304
Net Income Change in Equity in Affiliates	585 0	4-1-2-2	1 - 1		1 1	1 . 1				+	4		
Net Income Change in Equity in Affiliates Additions to Contingency Reserves	585 0 (10)	747	781		846	1 . 1	984	1,020	1,070 0	1,125 0	1,185 0	1,242 0	1,304 0
Net Income Change in Equity in Affiliates Additions to Contingency Reserves Release of Contingency Reserves	585 0	747 0	781 0	813 0	846 0	982 0	984 0	1,020 0 (2)	1,070 0 (1)	1,125 0 (1)	1,185 0 (1)	1,242 0 (1)	1,304 0 (1)
Net Income Change in Equity in Affiliates Additions to Contingency Reserves	585 0 (10)	747 0 (8)	781 0 (7)	813 0 (5)	846 0 (5)	982 0 (4)	984 0 (3)	1,020 0	1,070 0	1,125 0	1,185 0	1,242 0	1,304 0

Balance Sheet

(Dollars in Millions)

	2044	2045	2046	2047	2048	2049	2050
Assets							
Invested assets							
Bonds (1)	\$28,256	\$29,689	\$31,193	\$32,774	\$34,434	\$36,178	\$38,011
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	28,466	29,900	31,406	32,987	34,647	36,392	38,061
Other Assets (1)	8	8	8	8	8	8	8
Total Assets	\$28,474	\$29,908	\$31,413	\$32,994	\$34,655	\$36,400	\$38,069
Liabilities				. –			
Unearned Premiums Reserve	\$10	\$9	\$8	\$7	\$5	\$4	\$3
Loss and LAE Reserves	(7)	(3)	(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	\$235	\$217	\$198	\$179	\$161	\$146	\$28
Surplus as regards Policyholders	\$28,239	\$29,691	\$31,215	\$32,815	\$34,494	\$36,254	\$38,041
Total Liabilities and Surplus	\$28,474	\$29,908	\$31,413	\$32,994	\$34,655	\$36,400	\$38,069
Qualified Statutory Capital	\$28,446	\$29.877	\$31,381	\$32,963	\$34,625	\$36,371	\$38,041

⁽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	17,176	18,631	20,158	21,758	23,436	25,196	26,983
Bank Settlement Notes	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Segregated Account Surplus Notes	5,334	5,331	5,329	5,329	5,329	5,329	5,329
Junior Surplus Notes	69	69	69	69	69	69	69
Total Surplus	\$28,239	\$29,691	\$31,215	\$32,815	\$34,494	\$36,254	\$38,041
Unassigned Surplus Reconciliation							
Beginning Balance	\$15,786	\$17,176	\$18,631	\$20,158	\$21,758	\$23,436	\$25,196
Net Income	1,365	1,434	1,506	1,532	1,662	1,746	1,670
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	\$17,176	\$18,631	\$20,158	\$21,758	\$23,436	\$25,196	\$26,983

Income Statement

(Dollars in Millions)					for the second of the second	Series and a series of the second series of the second s		11 YO R R. LEWIS CO. P. 44 LANSING MICH. 103	and the second se	, rolei ororin engegan
	Pre-	Adjustment for	Post-							
	Consummation	Consummation	Consummation							
	2nd Half 2010	Transactions	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	334	294	294	371	353	373	403
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	\$715	\$629	\$593	\$625	\$576	\$576	\$587
Loss and Expenses										
Losses and LAE	\$1,002	\$0	\$1,002	\$2,714	\$417	\$137	\$114	\$67	\$60	\$54
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	\$1,103	\$0	\$1,103	\$2,833	\$509	\$214	\$176	\$116	\$97	\$86
Pre-tax Income	\$(593)	\$35	\$(558)	\$(2,118)	\$120	\$378	\$449	\$460	\$479	\$501
Taxes	0	0	0	0	0	0	0	0	0	0
Net Income	\$(593)	\$35	\$(558)	\$(2,118)	\$120	\$378	\$449	\$460	\$479	\$501

Income Statement (Dollars in Millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenue													
Premiums Eanied	\$166	\$148	\$136	\$125	\$112	\$98	\$90	\$81	\$76	\$67	\$61	\$55	\$53
Investment Income	419	444	467	505	516	538	554	579	617	648	673	703	739
Contractual Adjustment to XOL	0	0	0	D	0	0	0	0	0	0	0	0	0
Fee and Other Income	5	4	з	D	0	0	0	0	0	0	0	0	0
Total Revenue	\$590	\$596	\$605	\$630	\$628	\$636	\$644	\$660	\$693	\$714	\$734	\$757	\$792
Loss and Expenses													
Losses and LAE	\$70	\$48	\$115	\$45	\$45	\$45	\$47	\$48	\$50	\$52	\$54	\$56	\$58
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	\$99	\$75	\$141	\$70	\$68	\$68	\$69	\$70	\$71	\$73	\$75	\$77	\$79
Pre-tax Income	\$490	\$521	\$465	\$561	\$560	\$567	\$575	\$590	\$622	\$641	\$659	\$680	\$713
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	\$490	\$521	\$465	\$561	\$560	\$567	\$575	\$590	\$622	\$641	\$659	\$680	\$713

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	770	798	839	881	921	1,017	1,023	1.035	1,086	1,141	1.199	1,257	1.320
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	\$666	\$832	\$869	\$906	\$943	\$1,036	\$1,038	\$1,045	\$1,093	\$1,148	\$1.205	\$1,262	\$1,324
Loss and Expenses													
Losses and LAE	\$60	\$64	\$67	\$72	\$76	\$33	\$33	\$4	\$3	\$1	\$(1)	\$(1)	\$(1)
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	\$81	\$85	\$88	\$93	\$97	\$54	\$54	\$25	\$24	\$22	\$20	\$20	\$20
Pre-tax Income	\$585	\$747	\$781	\$813	\$846	\$982	\$984	\$1,020	\$1,070	\$1,125	\$1,185	\$1,242	\$1,304
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	\$585	\$747	\$781	\$813	\$846	\$982	\$984	\$1,020	\$1,070	\$1,125	\$1,185	\$1,242	\$1,304

Income Statement (Dollars in Millions)

	2044	2045	2046	2047	2048	2049	2050
Revenue							
Premiums Earned	\$4	\$3	\$2	\$3	\$2	\$2	\$2
Investment Income	1,382	1,452	1,524	1,601	1,681	1,765	1,853
Contractual Adjustment to XOL	0	0	0	0	0	0	0
Fee and Other Income	0	0	0	0	0	0	(164)
Total Revenue	\$1,386	\$1,455	\$1,527	\$1,603	\$1,683	\$1,767	\$1,691
Loss and Expenses							
Losses and LAE	\$0	\$0	\$0	so	\$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	\$1,365	\$1,434	\$1,506	\$1,582	\$1,662	\$1,746	\$1,670
Taxes	0	0	0	0	0	0	0
Net Income	\$1,365	\$1,434	\$1,506	\$1,582	\$1,662	\$1,746	\$1,670

Cash Flow Statement

(Dollars in Millions)									1011-1960-96607 D05114	
	Pre-	Adjustment for	Post-	Projections for End	d of Year:					
	Consummation	Consummation	Consummation							
	2nd Half 2010	Transactions	2nd Half 2010	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	45	11	57	199	204	230	258	280	312	341
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)	(453)	(478)	(452)	(171)	(109)	(72)	(57)	(43)	(39)
Operating Expenses	(63)	0	(63)	(120)	(93)	(78)	(62)	(49)	(37)	(32)
Interest Expense	0	0	Ó		Ó	Ó	Ó	0	ó	Ó
Accrued Other Expenses	(58)	0	(58)	0	0	0	0	0	0	0
Tax Refund (Payment)	(3)	0			0	0	0	0	0	0
Reinsurance Recovery	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	\$138	\$(430)	\$(292)	\$(184)	\$96	\$176	\$228	\$263	\$313	\$342
Cash From Investments										
Investments (Acquired)/Sold	\$(433)	\$430	\$(2)	\$(291)	\$(493)	\$(662)	\$(487)	\$(726)	\$(642)	\$(519)
Principal Amortization (Including Intercompany Loans)	295	0	295	475	397	486	259	199	329	177
Net Cash from Investments	\$(138)	\$430	\$292	\$184	\$(96)	\$(176)	\$(228)	\$(526)	\$(313)	\$(342)
Cash from Financing										
Capital and Paid-in Surplus	\$0	\$0	\$0	\$0	\$0	\$0	so	\$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

	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	359	373	407	428	454	480	507	533	572	602	632	564	698
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 Affiliales	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	(30)	(30)	(25)	(20)	(14)	(11)	(9)	(8)	(3)	(6)	(8)	(8)	(7)
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	\$365	\$376	\$412	\$431	\$460	\$485	\$513	\$809	\$577	\$602	\$628	\$658	\$689
Cash From Investments													
Investments (Acquired)/Sold	\$(661)	\$(1,152)	\$(753)	\$(887)	\$(841)	\$(988)	\$(893)	\$(1,210)	\$(927)	\$(1,003)	\$(1,009)	\$(992)	\$(1,043)
Principal Amortization (Including Intercompany Loans)	296	776	341	457	381	503	380	402	350	402	381	334	354
Net Cash from Investments	\$(365)	\$(376)	\$(412)	\$(431)	\$(460)	\$(485)	\$(513)	\$(809)	\$(577)	\$(602)	\$(628)	\$(658)	\$(689)
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	30	\$0 0	0	0
Dividends on AMPS	0	0	0	0	0 0	0	0	0	ő	ő	ő	ő	0
Amortization of Debt / Preferred	ő	õ	õ	ő	0	0	0	0	ő	ő	0	0	0
Amortization of Bank Settlement Notes	0	õ	õ	0	0	0	õ	0	ő	0	0	ő	0
Amortization of Segregated Account Surplus Notes	õ	õ	õ	ő	õ	ő	õ	ŏ	ő	ő	0	0	ŏ
Net Cash from Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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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

	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	731	757	796	836	877	906	955	994	1,042	1,095	1,148	1,205	1,265
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 Affiliales	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	D	0	0	0
Loss Payments	23	16	15	3	(233)	(5)	(153)	(7)	(9)	(11)	1	1	1
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	D	0	0	0
Accrued Other Expenses	0	0	0	0	0	0	0	0	0	D	0	0	0
Tax Refund (Payment)	0	0	0	0	0	0	0	0	0	D	0	0	0
Reinsurance Recovery	0	0	0	0	0	0		0	0	D	0	0	0
Commutations and Other	0	0	0	0	0	0	0	0	0	D	0	0	0
Net Cash from Operations	\$751	\$769	\$805	\$832	\$634	\$888	\$789	\$971	\$1,017	\$1,067	\$1,132	\$1,189	\$1,248
Cash From Investments													
Investments (Acquired)/Sold	\$(1.134)	\$(1,138)	\$(1,201)	\$(1,270)	\$(1,094)	\$(1,503)	\$(1,285)	\$(1,472)	\$(1,601)	\$(1,630)	\$(1,733)	\$(1,820)	\$(1,915)
Principal Amortization (Including Intercompany Loans)	382	369	395	438	460	614	496	501	584	563	600	631	668
Principal Amortization (Including Intercompany Loans) Net Cash from Investments	382	369	395	438	460	614	496	501	584	563	600	631	668
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing	382 \$(751)	369 \$(769)	395 \$(805)	438 \$(832)	460 \$(634)	614 \$(888)	496 \$(789)	501 \$(971)	584 \$(1.017)	563 \$(1.067)	600 \$(1.132)	631 \$(1.189)	668 \$(1.248)
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus	382 \$(751) \$0	369 \$(769) \$0	395 \$(805) \$0	438 \$(832) \$0	460 \$(634) \$0	614 \$(888) \$0	496 \$(789) \$0	501 \$(971) \$0	584 \$(1.017) \$0	563 \$(1,067) \$0	600 \$(1,132) \$0	631 \$(1,189) \$0	668 \$(1.248) \$0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG	382 \$(751) \$0 0	369 \$(769) \$0 0	395 \$(805) \$0 0	438 \$(832) \$0 0	460 \$(634) \$0 0	614 \$(888)	496 \$(789) \$0 0	501 \$(971)	584 \$(1,017) \$0 0	563 \$(1.067) \$0 0	600 \$(1,132) \$0 0	631 \$(1.189)	668 \$(1.248) \$0 0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS	382 \$(751) \$0 0	369 \$(769) \$0 0 0	395 \$(805) \$0 0 0	438 \$(832) \$0 0 0	460 \$(634) \$0 0 0	614 \$(888) \$0	496 \$(789) \$0 0 0	501 \$(971) \$0	584 \$(1.017) \$0 0 0	563 \$(1,067) \$0	600 \$(1.132) \$0 0 0	631 \$(1,189) \$0	668 \$(1.248) \$0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred	382 \$(751) \$0 0 0 0	369 \$(769) \$0 0 0 0	395 \$(805) \$0 0 0 0	438 \$(832) \$0 0 0 0	\$(634) \$(634) \$0 0 0 0	614 \$(888) \$0	496 \$(789) \$0 0 0 0	501 \$(971) \$0	584 \$(1.017) \$0 0 0 0	563 \$(1.067) \$0 0	600 \$(1.132) \$0 0 0 0	631 \$(1,189) \$0	668 \$(1.248) \$0 0 0 0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles	382 \$(751) \$0 0 0 0 0	369 \$(769) \$0 0 0 0 0	395 \$(805) \$0 0 0 0 0	438 \$(832) \$0 0 0 0 0	\$(634) \$(634) \$0 0 0 0 0	614 \$(888) \$0 0 0 0 0 0	496 \$(789) \$0 0 0 0 0 0	501 \$(971) \$0 0 0 0 0	584 \$(1.017) \$0 0 0 0 0	563 \$(1.067) \$0 0 0 0	600 \$(1.132) \$0 0 0 0 0	631 \$(1,189) \$0 0 0 0 0	668 \$(1.248) \$0 0 0 0 0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles Amortization of Segregated Account Surplus Notes	382 \$(751) \$0 0 0 0 0 0 0	369 \$(769) \$0 0 0 0 0 0 0	395 \$(805) \$0 0 0 0 0 0 0 0	438 \$(832) \$0 0 0 0 0 0 0 0	460 \$(634) \$0 0 0 0 0 0 0	614 \$(888) \$0 0 0 0 0 0 0 0	496 \$(789) \$0 0 0 0 0 0 0	501 \$(971) \$0 0 0 0 0 0 0 0	584 \$(1.017) \$0 0 0 0 0 0 0 0	563 \$(1.067) \$0 0 0 0 0 0 0	600 \$(1.132) \$0 0 0 0 0 0 0 0 0	631 \$(1.189) \$0 0 0 0 0 0 0	668 \$(1.248) \$0 0 0 0 0 0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles	382 \$(751) \$0 0 0 0 0	369 \$(769) \$0 0 0 0 0	395 \$(805) \$0 0 0 0 0	438 \$(832) \$0 0 0 0 0	\$(634) \$(634) \$0 0 0 0 0	614 \$(888) \$0 0 0 0 0 0	496 \$(789) \$0 0 0 0 0 0	501 \$(971) \$0 0 0 0 0	584 \$(1.017) \$0 0 0 0 0	563 \$(1.067) \$0 0 0 0	600 \$(1.132) \$0 0 0 0 0	631 \$(1,189) \$0 0 0 0 0	668 \$(1.248) \$0 0 0 0 0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles Amortization of Segregated Account Surplus Notes Net Cash from Financing	382 \$(751) \$0 0 0 0 0 0 0	369 \$(769) \$0 0 0 0 0 0 0	395 \$(805) \$0 0 0 0 0 0 0 0	438 \$(832) \$0 0 0 0 0 0 0 0	460 \$(634) \$0 0 0 0 0 0 0	614 \$(888) \$0 0 0 0 0 0 0 0	496 \$(789) \$0 0 0 0 0 0 0	501 \$(971) \$0 0 0 0 0 0 0 0	584 \$(1.017) \$0 0 0 0 0 0 0 0	563 \$(1.067) \$0 0 0 0 0 0 0	600 \$(1.132) \$0 0 0 0 0 0 0 0 0	631 \$(1.189) \$0 0 0 0 0 0 0	668 \$(1.248) \$0 0 0 0 0 0
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles Amortization of Segregated Account Surplus Notes	382 \$(751) \$0 0 0 0 0 0 0 50	369 \$(769) \$0 0 0 0 0 0 50	395 \$(805) \$0 0 0 0 0 0 0 50	438 \$(832) \$0 0 0 0 0 0 50	460 \$(634) \$0 0 0 0 0 0 0 50	614 \$(888) \$0 0 0 0 0 0 0 0 50	496 \$(789) \$0 0 0 0 0 0 0 50	501 \$(971) \$0 0 0 0 0 0 0 50	\$84 \$(1.017) \$0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$63 \$(1.067) \$0 0 0 0 0 0 0 50	\$00 \$(1.132) \$0 0 0 0 0 0 0 0 50	\$0 \$(1.189) \$0 0 0 0 0 0 0 50	\$0 \$0 0 0 0 0 50 \$0 0 0 50
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles Amortization of Segregated Account Surplus Notes Net Cash from Financing	382 \$(751) \$0 0 0 0 0 0 0 50	369 \$(769) \$0 0 0 0 0 0 50	395 \$(805) \$0 0 0 0 0 0 0 50	438 \$(832) \$0 0 0 0 0 0 50	460 \$(634) \$0 0 0 0 0 0 0 50	614 \$(888) \$0 0 0 0 0 0 0 0 50	496 \$(789) \$0 0 0 0 0 0 0 50	501 \$(971) \$0 0 0 0 0 0 0 50	\$84 \$(1.017) \$0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$63 \$(1.067) \$0 0 0 0 0 0 0 50	\$00 \$(1.132) \$0 0 0 0 0 0 0 0 50	\$0 \$(1.189) \$0 0 0 0 0 0 0 50	\$0 \$0 0 0 0 0 50 \$0 0 0 50
Principal Amortization (Including Intercompany Loans) Net Cash from Investments Cash from Financing Capital and Paid-in Surplus Dividends to AFG Dividends on AMPS Amortization of Debt / Preferred Amortization of Bank Settlement Noles Amortization of Segregated Account Surplus Notes Net Cash from Financing Net Change in Cash and Cash Equivalents	382 \$(751) \$0 0 0 0 0 0 0 0 0 50 \$0	369 \$(769) \$0 0 0 0 0 0 50 \$0	395 \$(805) \$0 0 0 0 0 0 0 50 \$0	438 \$(832) \$0 0 0 0 0 0 0 0 50 \$0	460 \$(634) \$0 0 0 0 0 0 0 0 50 \$0	614 \$(888) \$0 0 0 0 0 0 0 0 50 \$0	496 \$(789) \$0 0 0 0 0 0 0 50 \$0	501 \$(971) \$0 0 0 0 0 0 0 \$0 \$0 \$0 \$0	\$84 \$(1.017) \$0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$63 \$(1.067) \$0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	600 \$(1,132) \$0 0 0 0 0 0 0 0 0 0 50 \$0	631 \$(1,189) \$0 0 0 0 0 0 0 0 0 50 \$0	\$0 \$(1.248) \$0 0 0 0 0 0 0 50 \$0 \$0

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2044	2045	2046	2047	2048	2049	2050
\$2	\$2	\$2	\$1	\$1	\$1	\$0
1,328	1,394	1,464	1,536	1,613	1,694	1,778
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1	1	1	0	0	0	0
(21)	(21)	(21)	(21)	(21)	(21)	(21)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$1,311	\$1,376	\$1,445	\$1,517	\$1,593	\$1,673	\$1,757
\$(2,009)	\$(2,115)	\$(2,226)	\$(2.343)	\$(2.466)	\$(2,596)	\$(2,732)
						974
	and the second s					\$(1.757)
0(1.011)	•(1,010)	•(1,110)	•(•(1,000)	•(()(0)(0)	•(11101)
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
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0	0	0	0	0	0	0
0	0	0	0	0	0	0
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-	\$2 1,328 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$2 \$2 1,328 1,394 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$2 \$2 \$2 \$2 1,328 1,394 1,464 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

Memo Items: (Dollars in Millions)										
		Adjustment for Consummation		1						
	12/31/10	Transactions	12/31/10	2011	2012	2013	2014	2015	2016	2017
Bank Settlement Notes	\$2,000	\$0	\$2,000	\$2,051	\$2,156	\$2,266	\$2,381	\$2,503	\$2,630	\$2,764
Beginning Balance PIK Interest	\$2,000		\$2,000		\$2,156	\$2,200	\$2,301 121	\$2,503	\$2,630 134	\$2,764
Amortization	0		0		0	0	0	0	0	0
Ending Balance	\$2,051		\$2,051		\$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		\$2,675	\$3,258	\$3,694	\$4,075	\$4,435	\$4,774
PIK Interest	0		C		136	166	188	208	226	243
Additions	50		1,408		473	287	206	162	120	93
Surplus Notes Received by AAC	0	()	(68)		(26)	(17)	(13)	(10)	(7)	(5)
Amortization	0		01.010	· · · · ·	0	0	0	0	0	0
Ending Balance	\$50	\$1,290	\$1,340	\$2,675	\$3,258	\$3,694	\$4,075	\$4,435	\$4,774	\$5,106
Junior Surplus Notes										
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PIK Interest	C	0	0		0	0	0	0	0	0
Additions	C		0		0	0	0	0	0	0
Amortization					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			\$119	\$151	\$176	\$198	\$218	\$236
Additions	C		68		26	17	13	10	7	5
PiK Interest	C				6	8	9	10	11	12
Amortization	C			·	0	0	0	0	0	0
End Balance	\$0	\$68	\$68	\$119	\$151	\$176	\$198	\$218	\$236	\$253
Loss Payments - General Account:										
Loss Payments - Gross of Remediation	\$26				\$13	\$13	\$4	\$3	\$3	\$8
Remediation	(1)				0	0	0	0	0	0
Net Loss Payments	\$25	\$0	\$25	5 \$14	\$13	\$13	\$4	\$3	\$3	\$8
Cash Loss Payments	\$26	\$0	\$20	\$14	\$13	\$13	\$4	\$3	\$3	\$8
Cash Remediation Receipts	(1)				0	Q	0	0	0	0
Loss Payments - Segregated Account:	\$25	\$0	\$25	5 \$14	\$13	\$13	\$4	\$3	\$3	\$8
Loss Payments - Gross of Remediation	\$176	\$1,811	\$1,987	\$1,752	\$630	\$383	\$274	\$217	\$159	\$124
Remediation	\$17C			1	\$630 0	3363	\$2/4 0	\$217 0	\$159 0	3124
Net Loss Payments	\$176		\$1,987		\$630	\$383	\$274	\$217	\$159	\$124
Cash Loss Payments	\$126	\$453	\$578	5438	\$158	\$96	\$69	\$54	\$40	\$31
Remediation Receipts	(+		0 0	0	0	0	0	0	0
Segregated Account Surplus Notes	50	1,358	1,408	3 1,314	473	287	206	162	120	93
Junior Surplus Notes	(0 0	0	0	0	0	0	0
	\$176	\$1,811	\$1,987	\$1,752	\$630	\$383	\$274	\$217	\$159	\$124

Memo Items:

1	Dol	lars	ın	MI	llions)
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	2010	2010	0000	0004	0000	2023	2024	2025	2026	2027	2028	2029	2030
Bank Settlement Notes	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2028	2029	2030
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)	05 400	65 405	66 707	00 400	66.440	60 700	67 4 40	67 510	\$7.000	60.240	CO 740	\$9,196	£0.674
Beginning Balance PIK Interest	\$5,106 260	\$5,435 277	\$5,767 294	\$6,102 311	\$6,442 329	\$6,790 346	\$7,148 365	\$7,519 383	\$7,909 403	\$8,316 424	\$8,743 446	39,190 469	\$9,674 493
Additions	73	58	254	30	20	13	7	363	403	424	440	409	493
Surplus Notes Received by AAC	(4)	(3)	(2)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	ő	0
Amortization	0	0	0	0	0	0	0	0	0	0	0	õ	ő
Ending Balance	\$5,435	\$5,767	\$6,102	\$6,442	\$6,790	\$7,148	\$7,519	\$7,909	\$8,316	\$8,743	\$9,196	\$9,674	\$10,176
Junior Surplus Notes													
Beginning Balance	\$0	\$0	\$0	\$69	\$70	\$72	\$74	\$76	\$78	\$80	\$82	\$84	\$86
PIK Interest	0	0	0	2	2	2	2	2	2	2	2	2	2
Additions	0	0	69	0	0	0	0	0	0	0	0	0	0
Amortization	0 \$0	0 \$0	0	0	0	0 \$74	0 \$76	0 \$78	0 \$80	0 \$82	0	0 \$86	0 \$88
Ending Balance	20	20	\$69	\$70	\$72	\$14	\$10	2/8	280	\$6Z	\$84	\$00	200
Surplus Notes Received by AAC													
Beg Balance	\$253	\$270	\$287	\$303	\$320	\$337	\$355	\$374	\$393	\$413	\$435	\$457	\$480
Addtitions	4	3	2	1	1	1	0	0	0	0	0	(0)	(0)
PIK Interest	13	14	15	15	16	17	18	19	20	21	22	23	24
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
End Balance	\$270	\$287	\$303	\$320	\$337	\$355	\$374	\$393	\$413	\$435	\$457	\$480	\$505
Loss Payments - General Account:													
Loss Payments - Gross of Remediation	\$6	\$11	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Remediation	õ	0	0	õ	0	0	0	0	0	Ű	0	0	0
Net Loss Payments	\$6	\$11	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Cash Loss Payments	\$6	\$11	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Cash Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0 \$5
Lass Baumanta - Segregated Associate	\$6	\$11	\$10	\$10	\$7	\$7	\$7	\$6	\$2	\$5	\$5	\$5	\$5
Loss Payments - Segregated Account: Loss Payments - Gross of Remediation	\$97	\$77	\$127	\$40	\$27	\$17	\$9	\$9	\$4	S4	\$10	\$12	\$10
Remediation	291	\$// 0	\$127	\$40 0	\$27 0	\$17 0	0	29 29	34 0	54 0	\$10 0	\$12 0	0
Net Loss Payments	\$97	\$77	\$127	\$40	\$27	\$17	\$9	\$9	\$4	\$4	\$10	\$12	\$10
rescues rayinence	<i>401</i>	4.1	¥121	4 +0	421	• • •	4 0	*0	* 1	4 1	4.0	***	\$,5
Cash Loss Payments	\$24	\$19	\$15	\$10	\$7	\$4	\$2	\$2	\$1	\$1	\$3	\$3	\$3
Remediation Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Segregated Account Surplus Notes	73	58	44	30	20	13	7	7	3	3	8	9	8
Junior Surplus Notes	0	0	69	0	0	0	0	0	0	0	0	0	0
	\$97	\$77	\$127	\$40	\$27	\$17	\$9	\$9	\$4	\$4	\$10	\$12	\$10

Memo Items: (Dollars in Millions)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Bank Settlement Notes				* 0.440				A7 077	#0 057	60 070	00.404	CO 500	£10.075
Beginning Balance	\$5,547	\$5,829	\$6,127	\$6,439	\$6,768	\$7,113	\$7,475	\$7,857	\$8,257	\$8,678	\$9,121 465	\$9,586 489	\$10,075 514
PIK Interest	283 0	297 0	312 0	328 0	345 0	363 0	381 0	401 0	421 0	443 0	405	489	0
Amortization .	\$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
Ending Balance	\$5,629	\$0,1Z7	\$0,439	30,700	\$7,115	\$1,415	\$7,657	\$0,20 <i>1</i>	40,010	90,121	49,500	\$10,075	\$10,505
Segregated Account Surplus Notes (Net of Surplus Notes													
Received by AAC)													
Beginning Balance	\$10,176	\$10,707	\$11,266	\$11,828	\$12,420	\$13,753	\$14,470	\$15,623	\$16,441	\$17,306	\$18,221	\$19,146	\$20,118
PIK Interest	519	546	575	603	633	701	738	797	839	883	929	976	1,026
Additions	12	13	(13)	(10)	699	16	458	22	26	32	(4)	(4)	(4)
Surplus Notes Received by AAC	0	(0)	0	0	(0)	(0)	(44)	0	0	0	0	0	0
Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$10,707	\$11,266	\$11,828	\$12,420	\$13,753	\$14,470	\$15,623	\$16,441	\$17,306	\$18,221	\$19,146	\$20,118	\$21,141
Junior Surplus Notes													
Beginning Balance	\$88	\$90	\$93	\$95	\$97	\$100	\$102	\$105	\$108	\$111	\$113	\$116	\$119
PIK Interest	2	2	2	2	2	3	3	3	3	3	3	3	3
Additions	õ	õ	0	0	0	õ	õ	0	0	ō	0	0	0
Amortization	ō	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	\$90	\$93	\$95	\$97	\$100	\$102	\$105	\$108	\$111	\$113	\$116	\$119	\$122
-													
Surplus Notes Received by AAC												2025	0.70
Beg Balance	\$505	\$530	\$557	\$586	\$616	\$647	\$680	\$759	\$797	\$833	\$880	\$925	\$972
Additions	(0)	0	(0)	(0)	0	0	44	(0)	(0)	(0)	(0)	(0)	(0) 50
PIK Interest	26	27	28 0	30	31 0	33 0	35 0	39 0	41 0	43 0	45 0	47 0	50
Amortization	0 \$530	0 \$557	\$586	0 \$616	\$647	\$680	\$759	\$797	\$838	\$880	\$925	\$972	\$1.022
End Balance	\$330	\$007	\$260	2010	\$047	2000	\$759	\$191	\$0 . 30	\$000	3920	\$91Z	\$1,022
Loss Payments - General Account:													
Loss Payments - Gross of Remediation	\$(27)	\$(20)	\$(11)	\$O	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remediation	0	0	0	0	0	0	0	0	0	D	0	0	0
Net Loss Payments	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Loss Payments	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Remediation Receipts	s(27) 0	Q(20)	Q(11) 0	0	0	0	0	0	õ	Ď	0	Õ	õ
Cash Remodulion Receipts	\$(27)	\$(20)	\$(11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss Payments - Segregated Account:	+(=-)	+()	•()	•••		•••	•••		4.5				
Loss Payments - Gross of Remediation	\$17	\$17	\$(17)	\$(14)	\$932	\$22	\$611	\$29	\$34	\$43	\$(5)	\$(5)	\$(5)
Remediation	0	0	0	0	0	0	0	0	0	0	0	0	Ó
Net Loss Payments	\$17	\$17	\$(17)	\$(14)	\$932	\$22	\$611	\$29	\$34	\$43	\$(5)	\$(5)	\$(5)
Cash Loss Payments	\$4	\$4	\$(A)	\$(2)	\$233	\$5	\$153	\$7	\$9	\$11	\$(1)	\$(1)	\$(1)
Remediation Receipts	34 0	\$4 0	\$(4) 0	\$(3) 0	\$233	35 0	3155 0	37 0	29 29	0	ə(I) 0	\$(I) 0	S(1) 0
Segregated Account Surplus Notes	12	13	(13)	(10)	699	16	458	22	26	32	(4)	(4)	(4)
Junior Surplus Notes	0	0	(13)	(10)	099	0	430	0	20	0	(4)	(4)	(4)
Junior Julpius Notes	\$17	\$17	\$(17)	\$(14)	\$932	\$22	\$611	\$29	\$34	\$43	\$(5)	\$(5)	\$(5)
	\$17	Ψ()	$\varphi(1)$	φ(H4)	400Z	Ψ22	4011	920	<i>Q</i> .04	φ-+0	0(0)	a(0)	0(0)

Memo Items:

	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	\$21,141	\$22,215	\$23,345	\$24,534	\$25,785	\$27,100	\$28,482
PIK Interest	1,078	1,133	1,191	1,251	1,315	1,382	1,453
Additions	(4)	(3)	(2)	(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	\$22,215	\$23,345	\$24,534	\$25,785	\$27,100	\$28,482	\$29,935
Junior Surplus Notes	6100	6105	\$129	\$132	\$135	\$139	\$142
Beginning Balance	\$122	\$125	\$129	\$132	\$135	\$139	\$142
PIK Interest	3 0	3	3	3	0	4	4
Additions	0	0	0	0	0	0	0
Amortization			\$132	\$135	\$139	\$142	\$146
Ending Balance	\$125	\$129	\$132	\$135	\$139	\$142	\$140
Surplus Notes Received by AAC							
Beg Balance	\$1,022	\$1,074	\$1,129	\$1,186	\$1,247	\$1,311	\$1,377
Additions	(0)	(0)	(0)	(0)	(0)	(0)	(0)
PIK Interest	52	55	58	61	64	67	70
Amortization	0	0	0	0	0	0	0
End Balance	\$1,074	\$1,129	\$1,186	\$1,247	\$1,311	\$1,377	\$1,448
Loss Devenante - Conservation							
Loss Payments - General Account: Loss Payments - Gross of Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remediation	0	0	0	0	0	0	õ
Net Loss Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Loss Payments	\$ 0	20	ψŪ	\$ 0	ψu	φu	÷
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	\$(5)	\$(4)	\$(3)	\$(0)	\$(0)	\$(0)	\$(0)
Remediation	0	0	0	0	0	0	0
Net Loss Payments	\$(5)	\$(4)	\$(3)	\$(0)	\$(0)	\$(0)	\$(0)
Cash Loss Payments	\$(1)	\$(1)	\$(1)	\$(0)	\$(0)	\$(0)	\$(0)
Remediation Receipts	0	0	0	0	0	0	0
Segregated Account Surplus Notes	(4)	(3)	(2)	(0)	(0)	(0)	(0)
Junior Surplus Notes	(4)	(3)	(2)	0	(0)	(0)	0
vanior darpida hotea	\$(5)	\$(4)	\$(3)	\$(0)	\$(0)	\$(0)	\$(0)
	φ(J)	w(*)	\$(J)	÷(0)	<i>w</i> (0)	÷(0)	÷(0)

Ambac Assurance Corporation

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

Year	2050
Bonds Investments in Subsidiaries (Stocks) Cash & Cash Equivalents Intercompany Loans Total Claims Paying Resources	\$38,011 0 50 0 \$38,061
Segregated Account Surplus Notes (Net of Surplus Notes Received by AAC) Bank Settlement Notes Total Surplus Notes	\$29,935 \$14,999 \$44,934
Recovery of Surplus Note Principal and Interest	85%
Excess Claims Paying Resources	\$0
Junior Surplus Notes	\$146
Recovery of Junior Surplus Note Principal and Interest	0%