## Attachment B to FRBNY Statement dated January 19, 2010

purchases WL III'S 5 CD03. conjunction termination with the of related CDS and similar instruments, hes witigated its COS Alg's liquiditu issues in connection with 6 n a Similar SECOND CLOSING exposules Multi- Sector Maiden Love II, LLC ("ML II") and AIG, 16 NEW YORK--Dec. #, 2008--American International Group, Inc. (AIG) today announced that a financing entity recently created by the Federal Reserve Bank of New York (FRBNY) thas purchased an additional [\$8.6] billion in par amount of multi-sector collateralized debt obligations (Multi-Sector CDOs), including \$[\_\_\_] billion of Multi-e Sector CDOs previously held by AIGFP as a result of the exercise of 2a-7 Puts. As a result, the associated credit default swap contracts (CDS) written by AIG Financial Products Corp. (AIGFP) have been terminated. Similar 6nd instruments The financing entity, known as Maiden Lane, HI, is designed to pritigate AIG's Hquidity issues in connection with its CDSs and similar derivative instruments written on multisector CDOs, fo date, Maiden Lane III has purchased approximately [\$62.1] billion in par amount of CDOs. The associated notional amount of AIGFP CDS transactions have been terminated in connection with all of these purchases. with net The purchase of the additional \$[\$.69 billion of multi-sector CDOs was funded by icounterpointes of approximately \$ billion of borrowings under Maiden Lanc III's term loan facility with the FRBNY and the surrender by AIGFP of approximately \$ billion in collateral previously posted by AIGFP to CDS counterparties in respect of the terminated CDS. AIG provided \$5 billion in equity funding, and the FRBNY will provide up to approximately \$30 billion in senior funding, to Maiden Lane III, of which approximately \$ billion has been funded to effect purchases of CDOs. Maiden Lane III will collect cash flows from the assets it owns and pay a distribution to AIG for its equity interest once principal and interest owing to the FRBNY on the senior loan have been paid down in full. Upon payment in full of the FRBNY's senior loan and AIG's equity interest, all remaining amounts received by the entity will be paid 67 percent to the FRBNY and 33 percent to AIG. ATG and the NY Fed continue to work to structure the termination of approximately.

in remaining physical settlement CDS and/or the purchase by Maiden Lane III of the related Multi-Sector CDOs. In addition, AIGEP [and FRBNY?] continue(s) to analyze possible means of eliminating AIGFP's exposure under approximately \$[9.8] billion of "cash-settled" or "pay as-you-go" CDS in respect of protected baskets of reference credits, including single name CDS securities and loans.

Boilerplate

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