

Investor Presentation

4th Quarter 2008



The Hartford Financial Services Group, Inc.

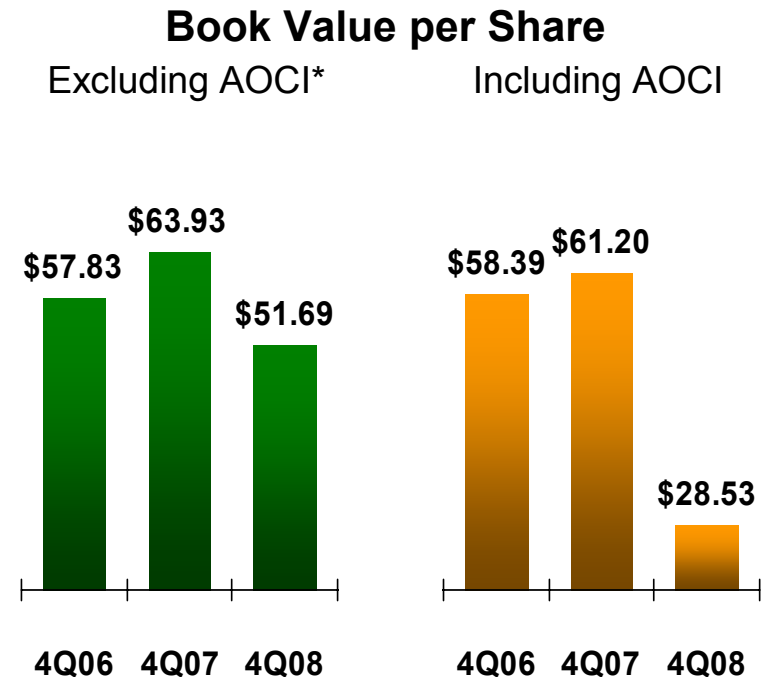
Safe Harbor Statement

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about The Hartford's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in The Hartford's press release issued on February 5, 2009, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, our 2007 Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

The discussion in this presentation of The Hartford's financial performance includes financial measures that are not derived from generally accepted accounting principles, or GAAP. Information regarding these non-GAAP and other financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in the Investor Financial Supplement for the fourth quarter of 2008, in The Hartford's press release issued on February 5, 2009, and in the Investor Relations section of The Hartford's website at www.thehartford.com.

Key results for the fourth quarter of 2008

- ✓ Net loss of \$806 million, or \$2.71 per diluted share, including a net realized capital loss of \$610 million
- ✓ Core earnings* were a loss of \$208 million, or \$0.72 per diluted share
 - Strong P&C underwriting results, including significant favorable prior year development
 - Lower investment income due to losses in partnerships and other alternative investments and lower yields on fixed maturities
 - Recorded a charge against goodwill of \$597 million, after-tax, in Life reporting units

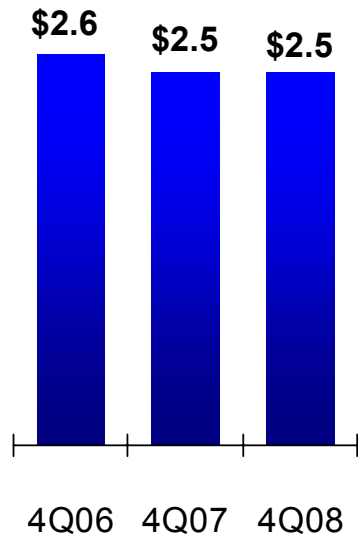


*Denotes financial measures not calculated based on generally accepted accounting principles.

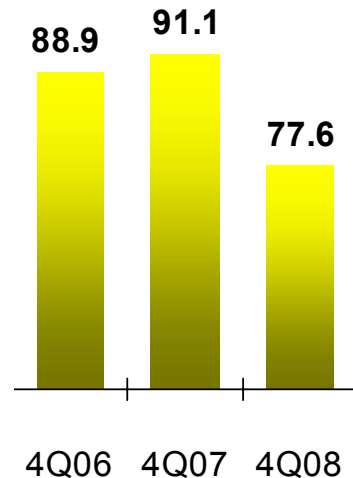
Property Casualty topped off a strong year with very good performance in the fourth quarter of 2008

Property & Casualty Ongoing Operations

Written Premium*
(\$ in billions)



Combined Ratio



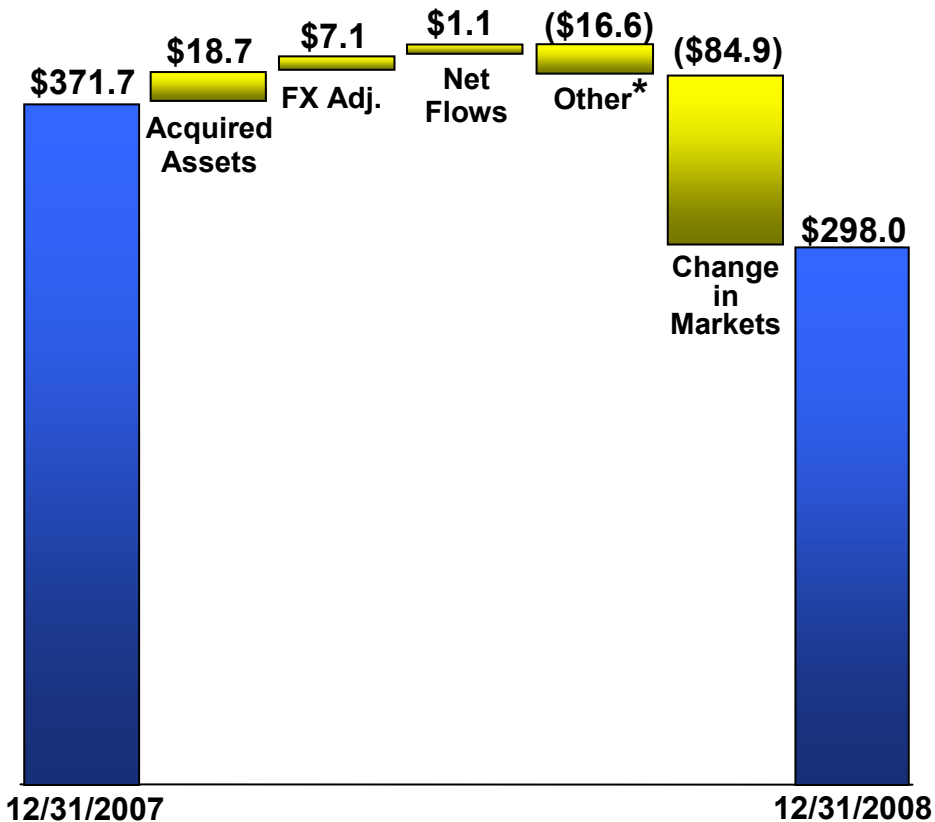
- ✓ Core earnings in the fourth quarter were \$452 million, 9% above 4Q07
- ✓ Ongoing operations combined ratio was 77.6 points in the quarter, including
 - \$95 million, pre-tax, or 3.7 points, of net favorable current accident year reserve adjustments
 - \$195 million, pre-tax, or 7.6 points, of net favorable prior year development
- ✓ Pre-tax net investment income was \$162 million, 62% lower than 4Q07, driven by:
 - \$167 million loss from limited partnerships and other alternative investments
 - Lower yields on fixed maturities

*Denotes financial measure not calculated based on generally accepted accounting principles.

Life operations finished 2008 with \$298 billion of assets under management

Assets Under Management

December 31, 2007 – December 31, 2008
(\$ in billions)



- ✓ Life operations 4Q08 core earnings were a loss of \$261 million
 - Fee income declined \$331 million from 4Q07 as falling equity markets reduced account values
 - Net investment income on available-for-sale securities was \$638 million, versus \$878 million in 4Q07
 - Goodwill charge of \$274 million, after-tax, in Individual Markets

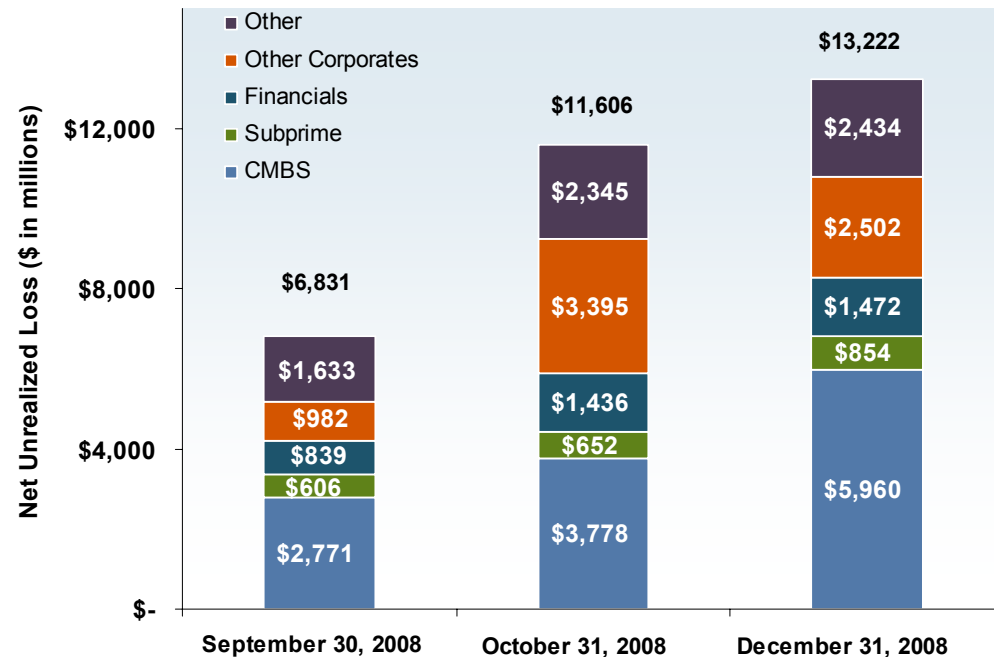
- ✓ Individual life insurance in force rose 9% over 4Q07

- ✓ Group benefits premiums up 4% over 4Q07

*Change in value of assets managed by Hartford Life, separate from policyholder account value, that support the businesses of Hartford Life

We expect assets in an unrealized loss position will substantially recover in a severe recession

Pre-tax Net Unrealized Losses



- ✓ As of December 31, 2008 we had \$13.2 billion of net unrealized losses
- ✓ In 4Q08 we saw significant spread widening across all asset classes and sectors largely due to continued macroeconomic pressures
- ✓ We expect these securities to substantially recover over time

Fourth quarter OTTI of \$419 pre-tax, pre-DAC were largely for trading flexibility, not due to anticipated credit losses

4Q08 Impairments

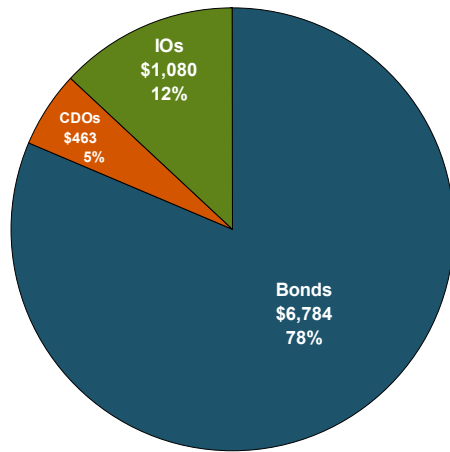
(\$ in millions)	
Trading Flexibility	\$249
Additional Impairments on Securities Previously Impaired	97
New Credit Impairments	73
Total	\$419

- ✓ The majority of fourth quarter impairments were for trading flexibility
 - The majority of these securities were lower-rated Corporate securities
 - We did not assert our intent to hold these securities until recovery
- ✓ Credit concerns on new securities accounted for only \$73 million of impairments
- ✓ Total impairments were at the low end of guidance provided at the Investor Day presentation

Our CMBS portfolio is highly rated with significant credit protection

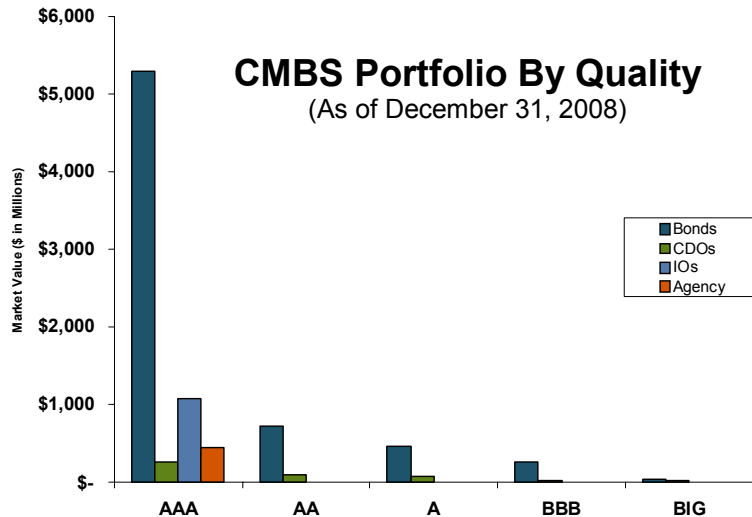
CMBS Portfolio By Subsector

Fair Value of \$8.3 billion as of December 31, 2008



CMBS Portfolio By Quality

(As of December 31, 2008)



- ✓ Total exposure to CMBS is 10% of our invested assets as of December 31, 2008
 - While overweight CMBS, we remain underweight commercial mortgage whole loans from a Life Insurance industry perspective
 - 90% is rated AAA or AA
 - Weighted average credit protection of 21%
- ✓ Underlying collateral is broadly diversified by geography, property type and maturity date
 - Maturities of the underlying collateral over the next twelve months represent roughly 5% of the portfolio
- ✓ We continue to evaluate the portfolio under stress scenarios

Credit Protection

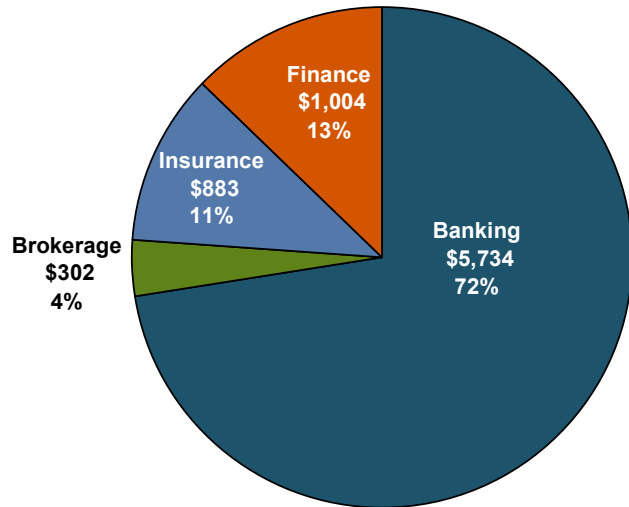
(As of December 31, 2008)

	AAA	AA	A	BBB	BB & BELOW
CMBS Bonds	24.4%	16.4%	12.2%	5.3%	4.4%
CMBS CDOs	29.7%	21.3%	18.2%	19.4%	57.0%

Exposure to the financial services sector is highly rated and well diversified

Financials by Subsector

Fair Value of \$7.9 billion as of December 31, 2008



Financials by Credit Quality

(As of December 31, 2008)

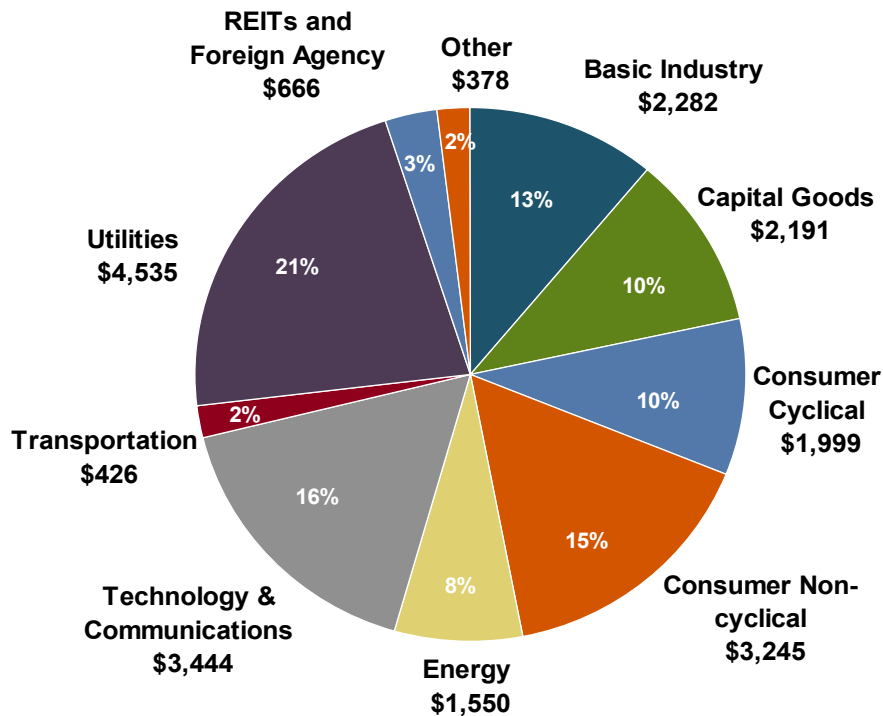
(\$in millions)	Book Value	Fair Value	Net Unrealized Gain/Loss	% of Book Value
AAA	\$ 728	\$ 628	\$ (100)	8%
AA	2,067	1,780	(287)	22%
A	5,479	4,606	(873)	58%
BBB	1,015	816	(199)	11%
BB & BELOW	106	93	(13)	1%
Total	\$ 9,395	\$ 7,923	\$ (1,472)	100%

- ✓ Total fixed income and equity exposure to financial services was \$7.9 billion, or 9% of our portfolio as of December 31, 2008
- ✓ Financials are well diversified with approximately 90% rated A or higher
 - Banking exposure is balanced between large U.S. and European banks
 - U.S. regional banks account for 13% of holdings
- ✓ Exposure to European Tier 1 Capital is \$900 million and is concentrated in large universal banks integral to the financial system
- ✓ Unrealized losses on BBB and lower rated financial services exposure is minimal, largely due to prior impairments

Outside of financials, we are underweight in subsectors most exposed to a recession

Non-Financial Corporates By Subsector

Fair Value of \$20.7 billion as of December 31, 2008



Below Investment Grade Non-Financials

(As of December 31, 2008)
(\$ in millions)

Book Value	Market Value	Net Unrealized Gain/Loss	% of Invested Assets (MV)
\$ 1,404	\$ 1,205	\$ (199)	1.4%

- ✓ Non-financial corporate investments of \$20.7 billion represent 23% of our portfolio
 - Well diversified with limited issuer concentrations
 - Only \$1.2 billion or 1% of the portfolio is below investment grade exposure

- ✓ The portfolio is largely consistent with the broad domestic credit universe, but with notably less exposure to retailers and consumer cyclicals
 - Less than 10% of holdings are in retail, automotive, lodging/gaming or other sectors that are highly sensitive to an economic downturn

- ✓ We have hedged almost all lodging exposure and a sizable amount of retail and automotive exposure

We continue to reduce our risk profile while balancing risk and return to drive superior performance

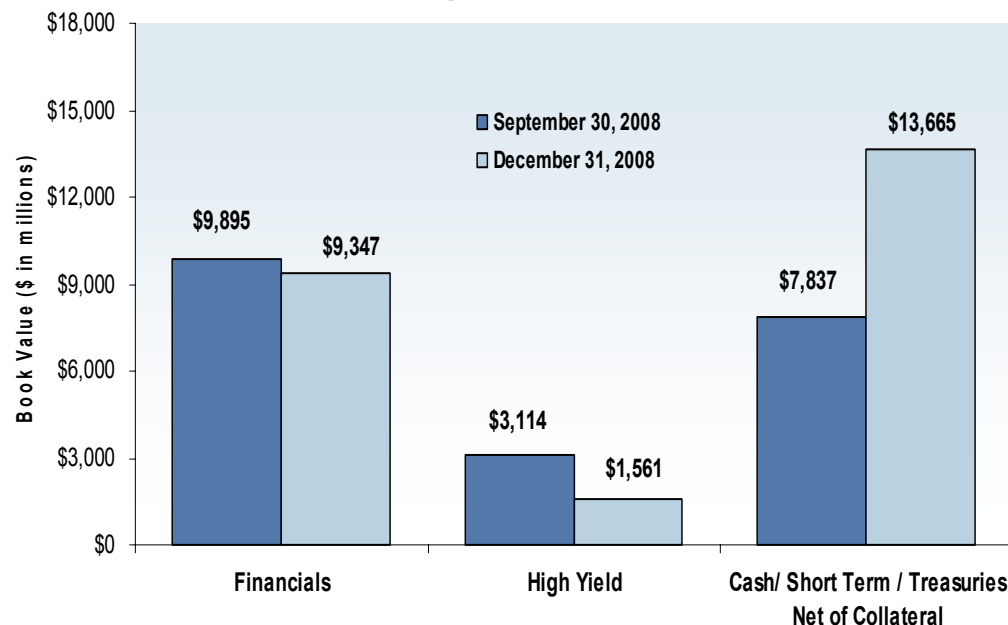
✓ Fourth quarter actions were focused on reducing portfolio risk and improving liquidity:

- Sold over \$500 million of exposure to financials
- Reduced corporate below investment grade exposure by \$1.5 billion
- Eliminated all first loss tranches of credit derivatives where we assume exposure
- Submitted redemption requests for the majority of our hedge fund exposure
- Increased holdings of short terms and Treasuries by \$6.0 billion

✓ Long term, we intend to move to a portfolio that balances risk, value and capital preservation

- Simplify and balance asset composition while improving the overall credit quality
- Reduce exposure to structured assets in CMBS and ABS
- Deploy short term and Treasury holdings to prudent assets only as we reduce risk in other areas of the portfolio

Portfolio Changes Since September 2008



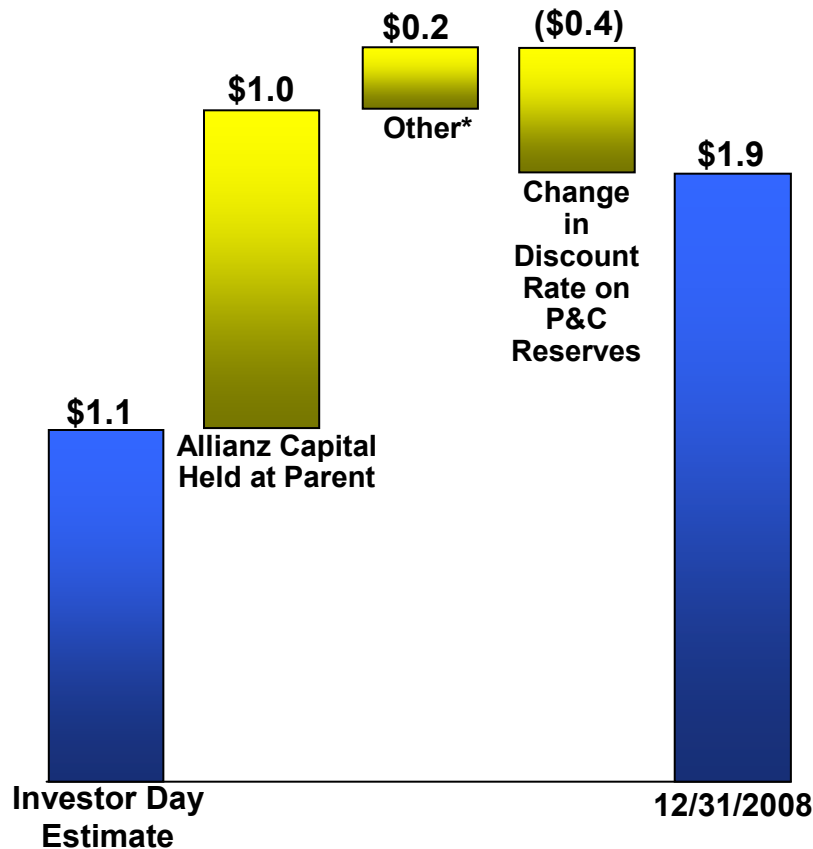
The Hartford finished 2008 well capitalized

- ✓ Property and casualty subsidiaries capitalized above levels consistent with those historically associated with “AA” level companies
- ✓ Life company preliminary year end RBC ratio of 385%
- ✓ \$1.9 billion of cash and other investments available at the holding company and the P&C subsidiaries
- ✓ \$500 million contingent capital facility remains untapped
 - Trust is pre-funded and capital is available in five business days
 - No conditions to The Hartford’s exercise
- ✓ Access to a \$1.9 billion revolving credit facility
 - Expires in August 2012
 - Company is in compliance with all covenants

The Hartford finished 2008 with \$1.9 billion of additional capital resources at the holding and property casualty companies

Year End Capital Resources At Holding Company and Property & Casualty Subsidiaries

(\$ in billions)

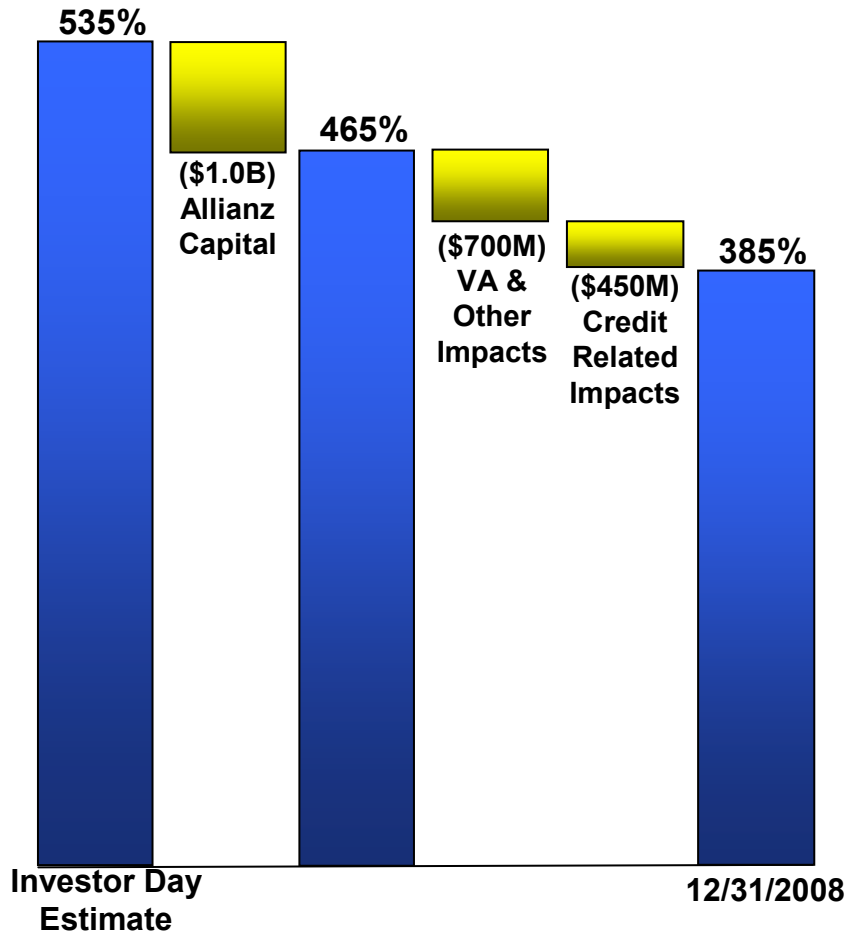


*Primarily changes in statutory income and other changes in surplus

- ✓ Holding company retained \$1 billion previously assumed to go to Life company
- ✓ Decline in risk-free interest rates to all-time lows affected P&C reserve discounting and reduced the Company's additional capital resources by about \$400 million
- ✓ Other changes netted to a benefit of \$200 million

The Hartford finished 2008 with a preliminary RBC ratio at its Life operations of 385%

Hartford Life & Accident Risk Based Capital Ratio



- ✓ Year-end RBC lower than projected at December Investor Day due to:
 - \$1.0 billion of Allianz proceeds retained at holding company
 - VA and other includes:
 - Impact of AG39 cash flow testing was \$600 million greater than anticipated
 - Yen strengthened more than anticipated increasing reserves by \$150 million
 - Projection assumed Yen/\$ level of 93
 - Various non-AG39 VA impacts and changes in the calculation of risk based capital netted to a benefit of \$50 million
 - Credit-related impacts were worse than expected, primarily driven by additional declines in the value of commercial real estate investments supporting our market value adjusted fixed annuity that are marked-to-market for statutory purposes

Perspectives on 2009 capital

- ✓ The Hartford is well capitalized entering 2009
- ✓ Property and casualty operations expected to generate excess capital above their capital requirements and the parent company's cash needs
- ✓ Life operations outlook heavily dependent on equity and credit market performance in 2009
 - Capital markets too volatile and uncertain for precise year-end RBC ratio forecast
 - Isolating equity market sensitivity only, expect to be able to maintain a Life RBC ratio of 325 down to a year-end S&P 500 of 700 with existing enterprise-wide excess capital resources
 - No provision for credit-related or other market impacts
 - \$500 million contingent capital facility and \$1.9 billion revolving credit facility remain untapped
 - The Hartford continues to pursue alternatives to reduce capital volatility

We modified our VA dynamic hedging program to emphasize statutory capital protection

- ✓ Statutory VA reserves are less sensitive to changes in volatility (vega) and interest rates (rho) than the SFAS 157 GAAP liability
- ✓ We implemented changes to our hedging program during the fourth quarter to better protect statutory capital
 - Reduced degree of vega and rho hedging
 - Improved our year-end statutory capital position
- ✓ Fourth quarter net realized loss of \$384 million, after-tax
 - Primarily due to under hedging of vega, basis risk and intraday market volatility
 - GMWB GAAP liability increased \$4.1 billion in the quarter
- ✓ Over time, hedging program modifications will better protect statutory capital from equity market declines and increase GAAP net income sensitivity

2009 core earnings guidance of \$5.80 to \$6.20 assumes:

- ✓ 9% total return on equity markets (including 7.2% stock appreciation and 1.8% dividends) with S&P 500 at 903 at December 31, 2008
- ✓ No effect, positive or negative, from 3Q09 DAC unlock
- ✓ \$160 million of pre-tax underwriting losses in P&C Other Operations
- ✓ Yield on limited partnerships and other alternative investments of (9%)
- ✓ A catastrophe ratio of 3.0% - 3.5%
- ✓ Diluted weighted average shares outstanding of 326.1 million for full year 2009

Questions and Answers



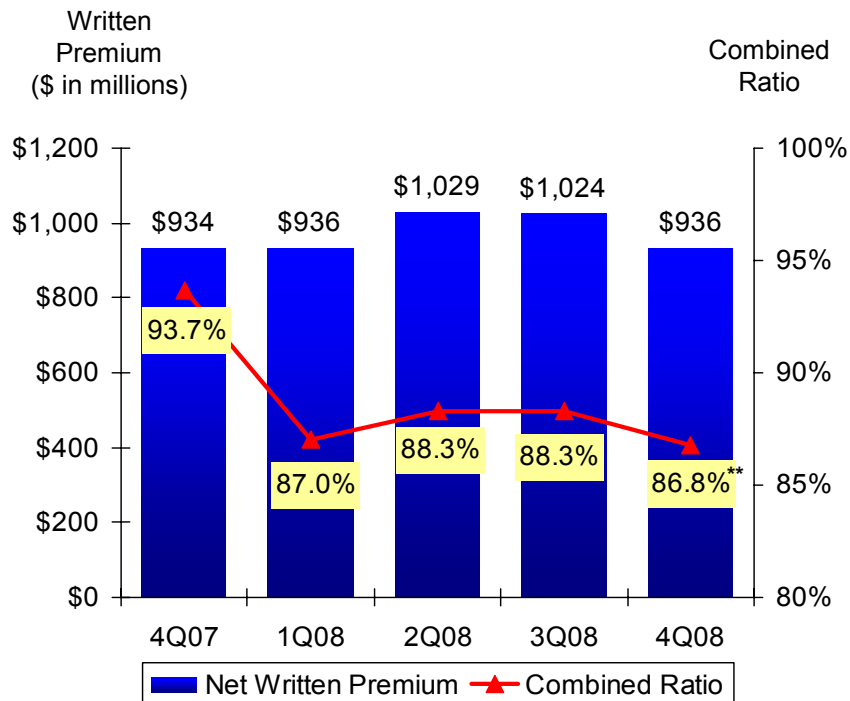
The Hartford Financial Services Group, Inc.

Appendix



Personal Lines delivered consistently strong profitability in 2008 with full year combined ratio* of 87.6%

Personal Lines Written Premium and Accident Year X-CAT Combined Ratio



*Excluding catastrophes and prior year development

**4Q08 includes a 3.4 point reduction due to current accident year reserve releases related to the first three quarters of 2008

†4Q07 includes 1.9 points of current accident year reserve strengthening related to the first three quarters of 2007

✓ **Personal Lines reported combined ratios* of 86.8%** and 87.6% for 4Q08 and full year, respectively**

- 4Q08 loss & LAE ratio* improved a net 1.4 points compared to 4Q07 excluding the net effect of current accident year reserve changes**†
- New business trends are positive, with 4Q08 new business premium 9% above 4Q07
- AARP continued to grow with 4Q08 written premium 3% higher than prior year period

✓ **2008 progress and action plans**

- Deployed a more sophisticated version of Dimensions agency auto to 35 states, providing lift to both flow volume and issue rates
- Added over 1,000 new agents in 2008, expanding our agency distribution to approximately 8,000

Full year 2008 results

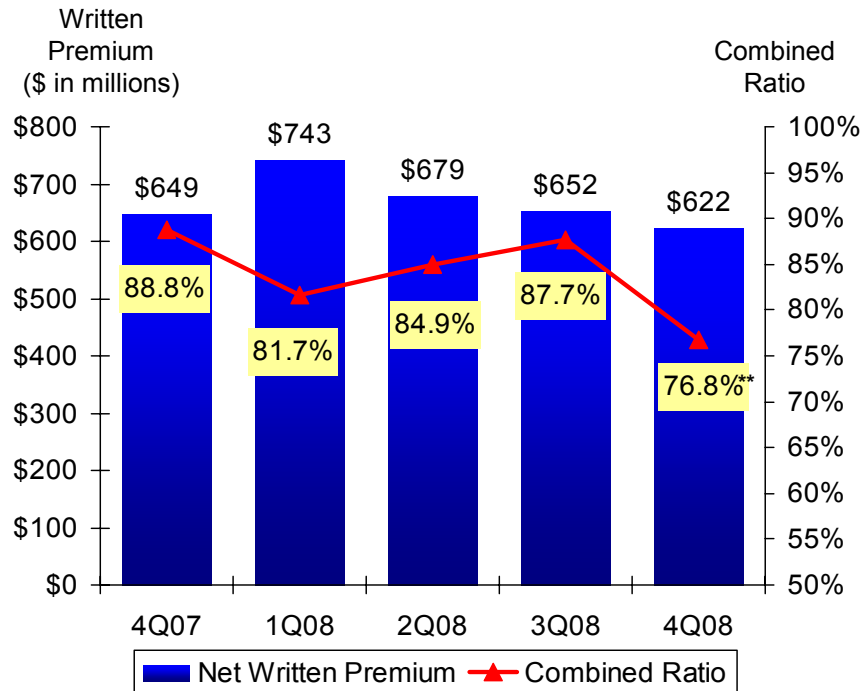
Written Premium Growth: (1%)
Combined Ratio*: 87.6%

2009 guidance

Flat to 3%
89.5% to 92.5%

Small Commercial delivered outstanding results in 2008 with strong underwriting profitability and growth in key product lines

Small Commercial Written Premium and Accident Year X-CAT Combined Ratio



* Excludes catastrophes and prior year development

**4Q08 includes a 4.4 point reduction due to current accident year reserve releases related to the first three quarters of 2008

✓ Combined ratios* were outstanding at 76.8%** for 4Q08 and 82.8% for full year

- Favorable written pricing trends continue, increasing 1% in 4Q08, 4 points better than prior year quarter and 3 points better than 3Q08
- Policies in force grew 2% over 4Q07
- The Payroll Alliance business continued to outperform the market as 4Q08 new business premiums increased 17% above 4Q07

✓ 2008 progress and action plans

- Added 900 agents to the distribution footprint, bringing total to over 7,500
- Expanded access to key markets by launching new products and enhancing existing offerings
- Taking targeted pricing actions in certain business classes, which is affecting pricing trends

Full year 2008 results

Written Premium Growth: (2%)

Combined Ratio*: 82.8%

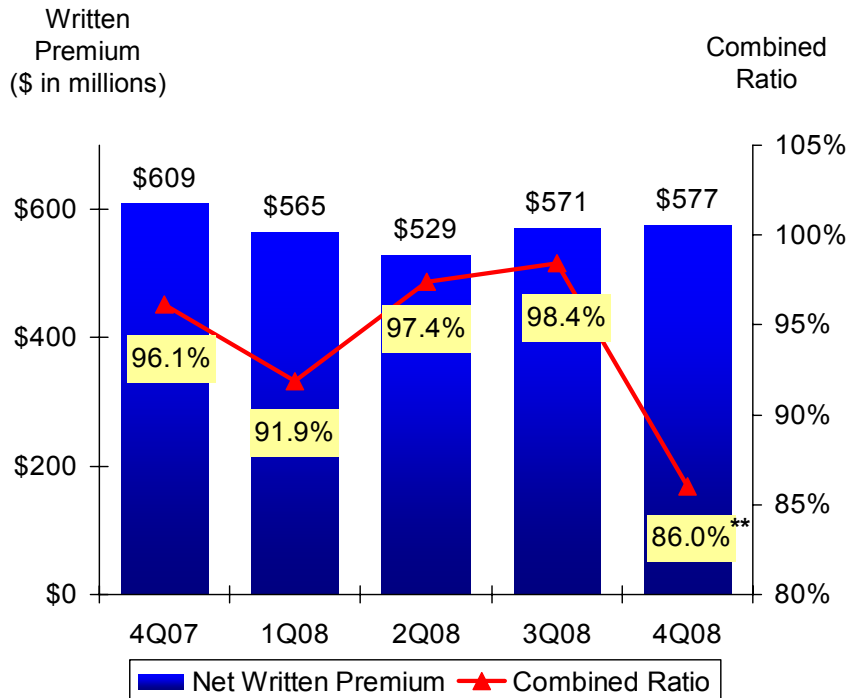
2009 guidance

(2%) to 1%

85.0% to 88.0%

Middle Market continues to strike a balance between profitability and new business growth

Middle Market Written Premium and Accident Year X-CAT Combined Ratio



* Excludes catastrophes and prior year development

**4Q08 includes a 5.1 point reduction due to current accident year reserve releases related to the first three quarters of 2008

✓ 4Q08 results demonstrate sophisticated underwriting capabilities and focused growth

- 4Q08 and full year new business premium grew 8% and 7%, respectively, over the prior year periods
 - Driven by targeting workers' compensation business in select industries and regions
- Policies in force were 3% higher at year-end 2008 than at the end of 2007, while full year premium retention increased 1 point to 79%
- Middle market reported a 4Q08 combined ratio* of 86.0%** as compared to 96.1% for the prior year
 - The full year 2008 combined ratio* of 93.4% was flat to 2007 in spite of declining earned premium

✓ 2008 progress and action plans

- Written pricing continued its positive trend
 - 4Q08 written pricing decreased 3% compared to a 6% decrease in 4Q07 and a 5% decrease in 3Q08

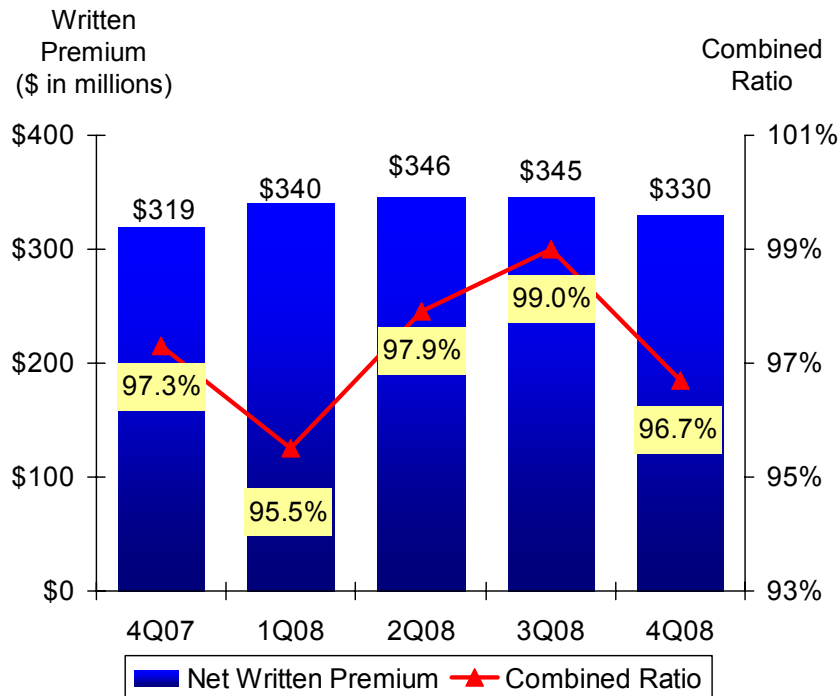
Full year 2008 results

2009 guidance

Written Premium Growth:	(4%)	(6%) to (3%)
Combined Ratio*:	93.4%	93.5% to 96.5%

Specialty Commercial continues to exhibit disciplined underwriting competency and strong results

Specialty Commercial Written Premium and Accident Year X-CAT Combined Ratio



* Excludes catastrophes and prior year development

- ✓ **Specialty delivered combined ratios* of 96.7% and 97.3% for 4Q08 and full year, respectively**
 - 4Q08 written premium grew 3% year-over-year driven by casualty and professional liability lines
- ✓ **Specialty Commercial continues to be underweight in its exposure to the sub-prime credit crisis**
 - Majority of professional liability premium is from privately held and small professional liability risks
 - Exposure is predominantly on high excess layers with modest limits exposed
- ✓ **2008 progress and action plans**
 - National accounts business experienced increased flow and hit ratios in the 4th quarter
 - Professional liability continues to move toward privately held risks, yielding lower volatility

Full year 2008 results

Written Premium Growth: (4%)

Combined Ratio*: 97.3%

2009 guidance

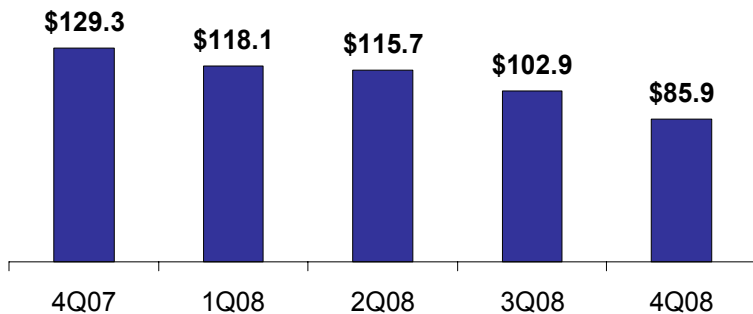
(2%) to 1%

96.5% to 99.5%

Volatile market conditions impacted variable annuity sales and assets under management

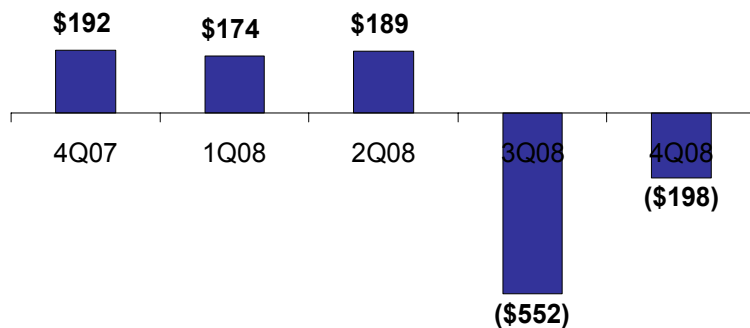
(\$ in billions)

Individual Annuity Assets Under Management



(\$ in millions)

Individual Annuity Core Earnings*



✓ Fourth Quarter 2008 Results

- Individual annuity assets under management were \$85.9 billion with falling equity markets reducing variable annuity account values by \$38.2 billion over the past 12 months
- Deposits for individual annuity were \$2.0 billion, including \$848 million of fixed annuity deposits
- Individual annuity net outflows were \$1.4 billion with variable annuity surrender ratio at 12.8%

✓ Key Initiatives

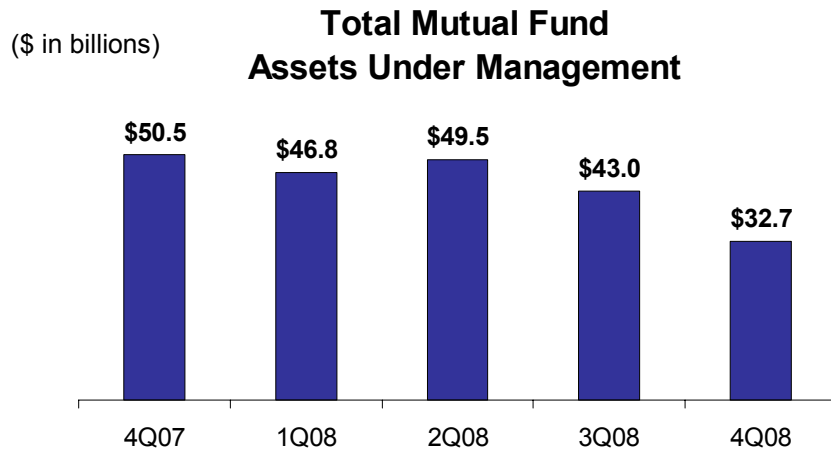
- Develop new suite of annuity solutions
- Continue to deepen relationships through wholesaler realignment

✓ Full Year 2009 guidance

- Variable annuity deposits: \$3.0 to \$5.0 billion
- Variable annuity net flows: (\$8.2) to (\$6.2) billion
- Individual annuity ROA: 63 to 66 bps

* Includes DAC unlock of (\$721), after tax, for 3Q08 and goodwill charge of (\$274), after tax, for 4Q08

Mutual Funds sales declined for the quarter, but remained strong given the current market conditions



* Includes DAC unlock of (\$1), after tax

✓ Fourth Quarter 2008 Results

- Retail mutual fund deposits were \$2.6 billion versus \$3.5 billion a year ago, reflecting challenging market conditions
- In a volatile quarter for the markets and industry, retail mutual fund outflows were a modest \$1.0 billion

✓ Key Initiatives

- Drive Retail Mutual Fund wholesaling strategy
 - Focus on deeper penetration of advisors and fund diversification efforts

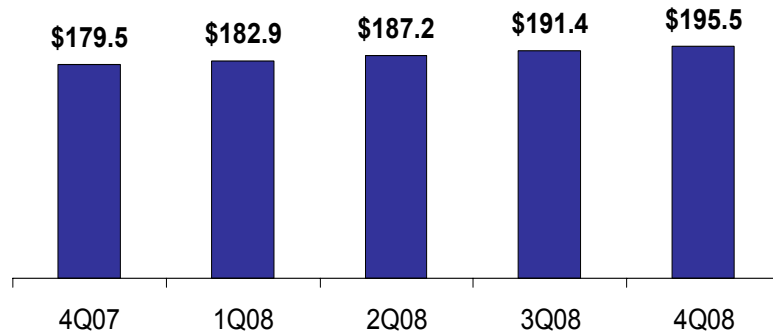
✓ Full Year 2009 guidance

- Retail mutual fund deposits: \$9.0 to \$11.0 billion
- Retail mutual fund net flows: \$0.6 to \$2.6 billion
- Other Retail ROA: 4 to 7 bps

Individual life in-force remains solid driven by distribution expansion and diversification efforts

Individual Life In-Force

(\$ in billions)

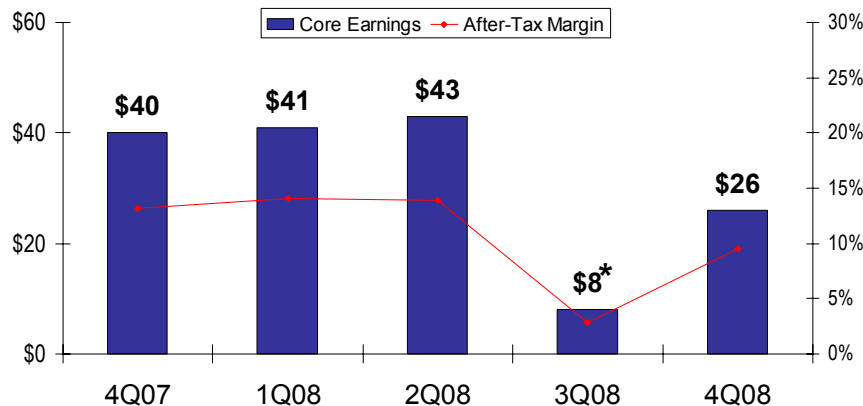


✓ Fourth Quarter 2008 Results

- Life insurance in-force increased to \$195 billion, or 9% higher than 4Q07
- Sales of \$70 million were 21% below 4Q07
- Year-over-year term life sales increased by 40%
- Variable life sales fell 53% from the prior year period, reflecting the impact of volatile equity markets

Individual Life Core Earnings & After-Tax Margin

(\$ in millions)



* Includes DAC unlock of (\$37), after-tax

✓ Key Initiatives

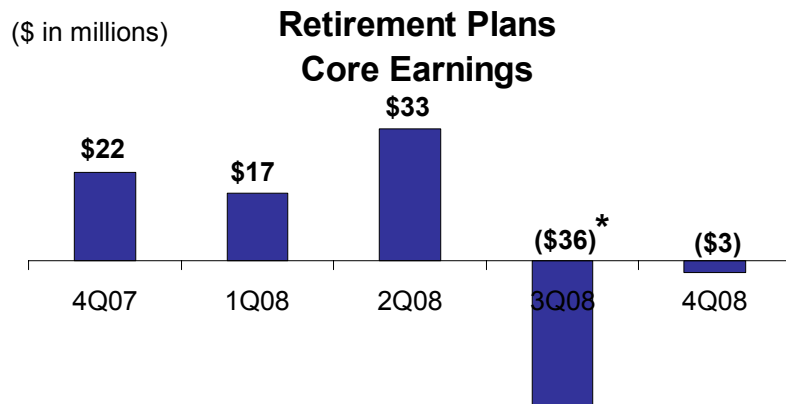
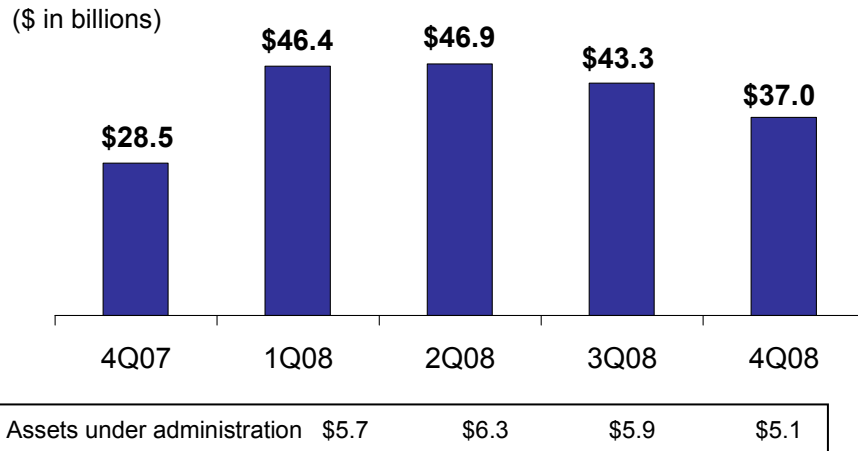
- Expand distribution opportunities
- Maintain competitive product portfolio and continue diversification efforts

✓ Full year 2009 guidance

- In-force growth: 7% to 9%
- After-Tax Margin: 12% to 14%

Retirement Plans increased deposits by 40% over 4Q07 driven by our acquisitions

Retirement Plans Assets Under Management



* Includes DAC unlock of (\$48), after tax

✓ Fourth Quarter 2008 Results

- Deposits of \$2.0 billion grew 40% from \$1.4 billion in 4Q07, driven by acquisitions
- Excluding the effect of acquisitions, ongoing contributions in 401(k) and 403(b)/457 plans increased 13% over 4Q07
- Net flows were (\$57) million compared to \$254 million in 4Q07; excluding the effect of acquisitions, net flows increased to \$342 million

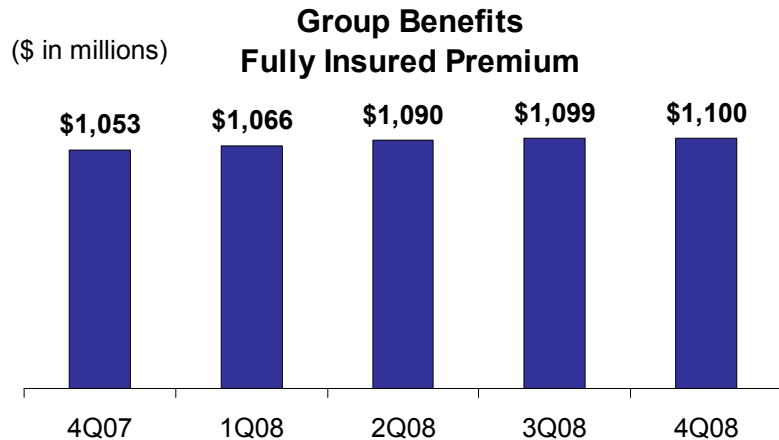
✓ Key Initiatives

- Continue integration of acquisitions
- Expand growth in 403(b) market through investment and leveraging regulatory changes
- Offer defined benefit/defined contribution solution to target market segments

✓ Full year 2009 guidance

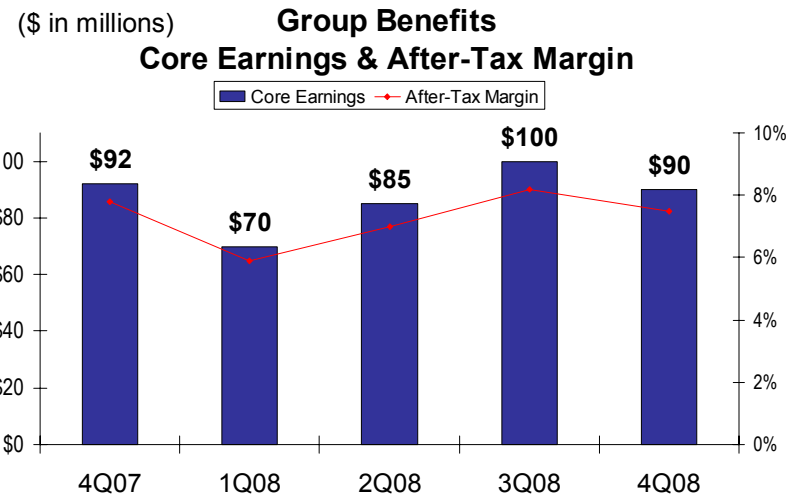
- Deposits: \$8.0 to \$9.0 billion
- Net flows: \$0.5 to \$1.5 billion
- ROA: 7 to 10 bps

Group Benefits grew premium in both disability and life reflecting strong sales and persistency



✓ Fourth Quarter 2008 Results

- Strong sales and persistency drove a 7% increase in fully insured premium, excluding premium from the medical stop loss business sold in early 2007
- Sales increased 4% from 4Q07 driven by group disability and group life, with good balance across all market segments
- Core earnings of \$90 million versus \$92 million in 4Q07



✓ Key Initiatives

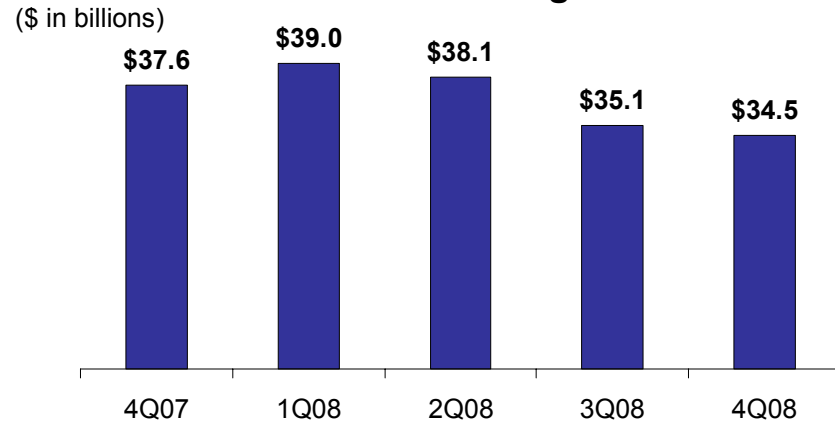
- Maintain strong underwriting, pricing and claims management discipline
- Retain leadership position in group life and group disability markets through clinical model expansion
- Offer employers a total absence management solution
- Differentiate The Hartford in the voluntary marketplace

✓ Full year 2009 guidance

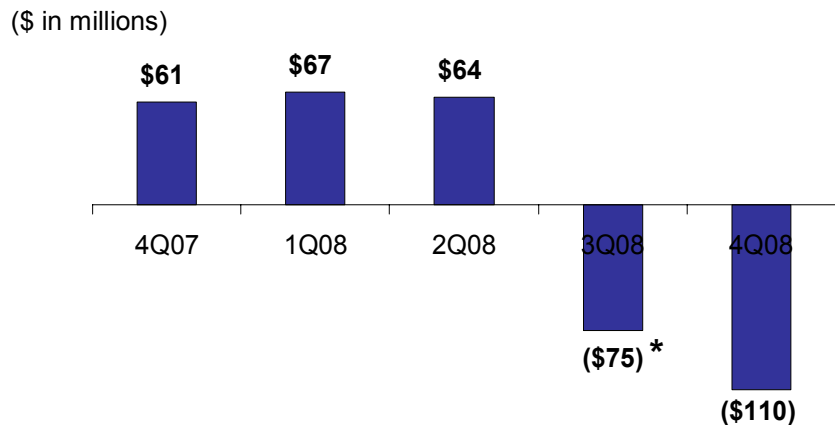
- Fully insured premium: \$4.6 – \$4.7 billion
- Loss ratio: 71% - 74%
- Expense ratio: 26% - 28%
- After-Tax Margin: 6.0% - 6.4%

Japan's variable annuity sales have been affected by equity market volatility and increased domestic competition

Japan Annuity Assets Under Management



International Core Earnings



* Includes DAC unlock (\$125), after tax

✓ Fourth Quarter 2008 Results

- Japan VA deposits were \$291 million, compared to \$1.1 billion in 4Q07, reflecting market pressures and aggressive domestic competition
- Japan fixed annuity deposits of \$43 million, an increase of 115% over 4Q07
- Total annuity net outflows were \$1.1 billion - VA surrender ratio decreased to 3.8%

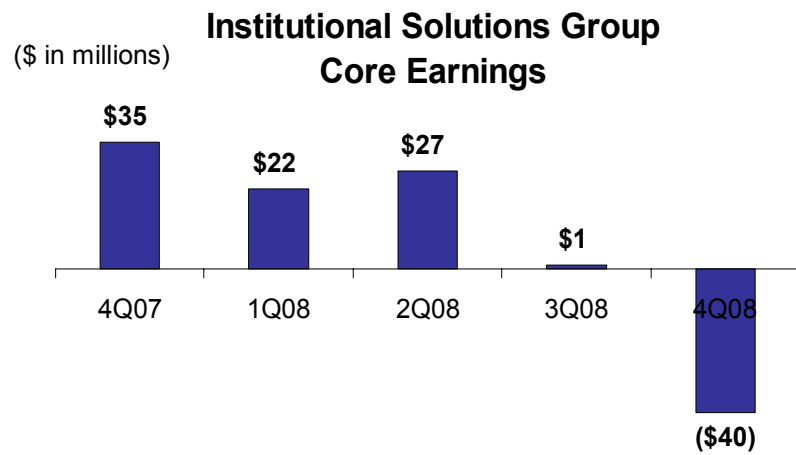
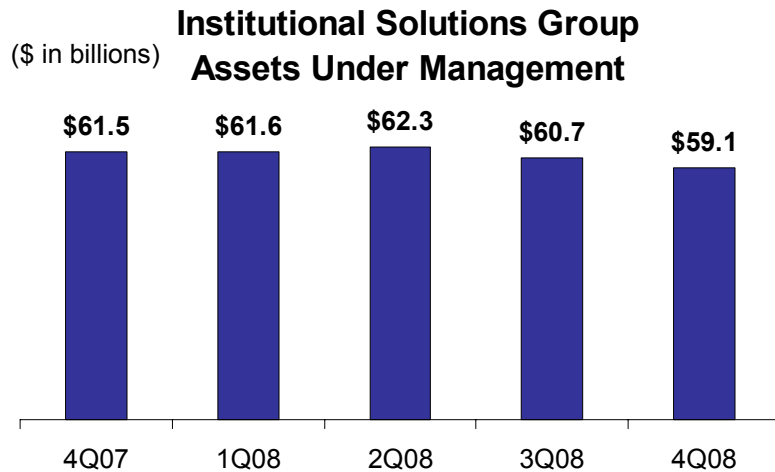
✓ Key Initiatives

- Progressing with Japan re-pricing and de-risking of product portfolio
- Revisiting Japan expense base in light of new sales environment

✓ Full year 2009 guidance

- Japan VA deposits: \$0.8 to \$1.5 billion
- Japan VA net flows: (\$1.2) to (\$0.5) billion
- ROA on Japan operations: 46 to 56 bps

Institutional Solutions' AUM was resilient given the current market turmoil



✓ Fourth Quarter 2008 Results

- Deposits were \$0.9 billion versus \$1.5 billion in 4Q07
- Net flows were (\$337) million compared to \$402 million in 4Q07
- Retirement income payout annuity deposits increased 175% year over year to \$107 million

✓ Key Initiatives

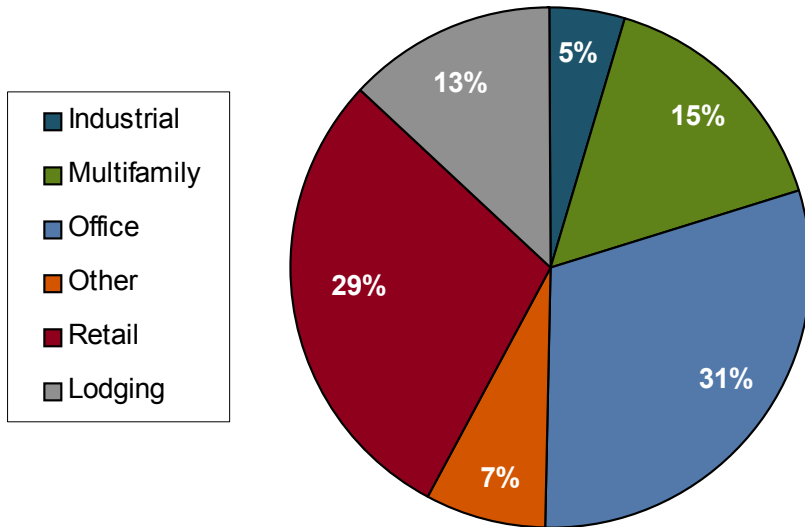
- Continue to grow market leadership positions in our primary products
- Maintain opportunistic and disciplined approach in capturing new business opportunities
- Continue expansion of retirement income annuity platforms
- Expand growth of institutional mutual funds through marketing to consultants, record keepers and plan sponsors

✓ Full year 2009 guidance

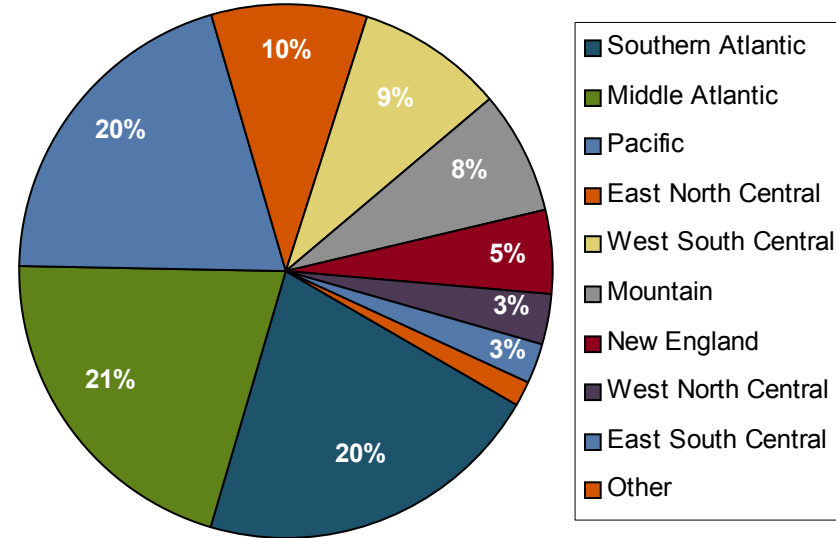
- Deposits: \$3.5 to \$5.5 billion
- Net flows: (\$2.0) to \$0.0 billion
- ROA: 7 to 11 bps

Our CMBS portfolio is well diversified: By property type, geographic region and maturity profile

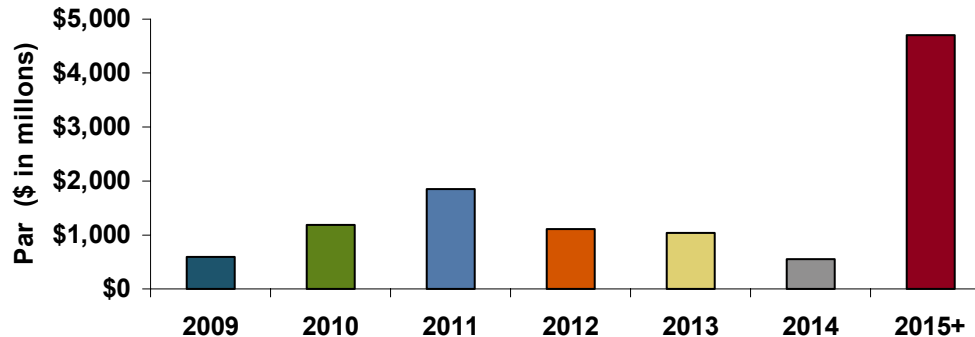
CMBS Bond Collateral by Property Type



CMBS Bond Collateral by Region



CMBS Bond Collateral Maturity Distribution



CMBS Bonds – Current Rating as of December 31, 2008

Book Value

<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 2,057	\$ 455	\$ 175	\$ 36	\$ 37	\$ 2,760
2004	667	85	65	23	-	840
2005	1,142	475	325	55	-	1,997
2006	2,562	385	469	385	40	3,841
2007	981	438	148	134	5	1,706
Total	\$ 7,409	\$ 1,838	\$ 1,182	\$ 633	\$ 82	\$ 11,144

Market Value

<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 1,869	\$ 299	\$ 102	\$ 27	\$ 25	\$ 2,322
2004	576	35	22	10	-	643
2005	847	152	127	27	-	1,153
2006	1,498	110	168	140	12	1,928
2007	504	128	45	60	1	738
Total	\$ 5,294	\$ 724	\$ 464	\$ 264	\$ 38	\$ 6,784

Market Value to Book Value

	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	91%	66%	58%	75%	69%	84%
2004	86%	41%	35%	44%	-	77%
2005	74%	32%	39%	49%	100%	58%
2006	58%	29%	36%	36%	31%	50%
2007	51%	29%	30%	44%	24%	43%
Total	71%	39%	39%	42%	48%	61%

CMBS Bonds – Original Rating as of December 31, 2008

Par Value at Original Rating

(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 1,168	\$ 498	\$ 844	\$ 136	\$ 99	\$ 2,745
2004	645	84	86	27	-	842
2005	1,123	443	346	100	5	2,017
2006	2,516	397	526	458	35	3,932
2007	976	443	157	152	3	1,731
Total	\$ 6,428	\$ 1,865	\$ 1,959	\$ 873	\$ 142	\$ 11,267

Book Value at Original Rating

(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 1,180	\$ 502	\$ 844	\$ 138	\$ 96	\$ 2,760
2004	644	84	85	27	-	840
2005	1,118	444	346	89	-	1,997
2006	2,547	398	490	392	14	3,841
2007	981	438	148	136	3	1,706
Total	\$ 6,470	\$ 1,866	\$ 1,913	\$ 782	\$ 113	\$ 11,144

Market Value at Original Rating

(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 1,070	\$ 400	\$ 667	\$ 113	\$ 72	\$ 2,322
2004	555	33	41	14	-	643
2005	829	126	148	50	-	1,153
2006	1,478	117	184	144	5	1,928
2007	504	128	45	60	1	738
Total	\$ 4,436	\$ 804	\$ 1,085	\$ 381	\$ 78	\$ 6,784

Market Value to Par Value at Original Rating

	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	92%	80%	79%	83%	73%	85%
2004	86%	39%	48%	50%	-	76%
2005	74%	29%	43%	50%	-	57%
2006	59%	29%	35%	32%	13%	49%
2007	52%	29%	29%	39%	33%	43%
Total	69%	43%	55%	44%	54%	60%

CMBS CDOs – Current Rating as of December 31, 2008

Book Value

<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 180	\$ 96	\$ 79	\$ 64	\$ 31	\$ 450
2004	129	17	31	11	14	202
2005	94	62	65	10	1	232
2006	242	91	81	15	-	429
2007	139	106	101	12	-	358
2008	43	22	24	3	-	92
Total	\$ 827	\$ 394	\$ 381	\$ 115	\$ 46	\$ 1,763

Market Value

<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 59	\$ 29	\$ 17	\$ 7	\$ 7	\$ 119
2004	38	6	9	2	3	58
2005	37	15	12	2	-	66
2006	76	25	20	2	-	123
2007	45	19	11	1	-	76
2008	13	5	3	-	-	21
Total	\$ 268	\$ 99	\$ 72	\$ 14	\$ 10	\$ 463

Market Value to Book Value

	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	33%	31%	21%	11%	23%	27%
2004	30%	32%	29%	18%	21%	29%
2005	40%	25%	18%	19%	12%	28%
2006	31%	27%	25%	13%	-	29%
2007	32%	18%	11%	11%	-	21%
2008	30%	22%	12%	9%	-	23%
Total	32%	25%	19%	13%	22%	26%

CMBS CDOs - Original Rating as of December 31, 2008

Par Value at Original Rating						
<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 367	\$ 114	\$ 35	\$ 13	\$ -	\$ 529
2004	200	29	14	9	-	252
2005	159	63	67	10	-	299
2006	376	128	73	20	-	597
2007	151	116	98	27	-	392
2008	43	22	24	7	-	96
Total	\$ 1,296	\$ 472	\$ 311	\$ 86	\$ -	\$ 2,165

Book Value at Original Rating						
<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 291	\$ 112	\$ 34	\$ 13	\$ -	\$ 450
2004	157	24	13	8	-	202
2005	123	41	59	9	-	232
2006	282	65	67	15	-	429
2007	145	104	97	12	-	358
2008	43	22	24	3	-	92
Total	\$ 1,041	\$ 368	\$ 294	\$ 60	\$ -	\$ 1,763

Market Value at Original Rating						
<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 88	\$ 25	\$ 5	\$ 1	\$ -	\$ 119
2004	48	7	2	1	-	58
2005	46	10	9	1	-	66
2006	94	14	14	1	-	123
2007	46	19	10	1	-	76
2008	13	5	3	-	-	21
Total	\$ 335	\$ 80	\$ 43	\$ 5	\$ -	\$ 463

Market Value to Par Value at Original Rating						
	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	24%	22%	14%	13%	-	23%
2004	24%	23%	17%	13%	-	23%
2005	29%	15%	14%	10%	-	22%
2006	25%	11%	19%	5%	-	21%
2007	30%	17%	10%	4%	-	19%
2008	30%	22%	11%	3%	-	22%
Total	26%	17%	14%	7%	-	21%

Sub-prime RMBS – Current Rating as of December 31, 2008

Book Value						
<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB &Below	Total
2003 & Prior	\$ 49	\$ 162	\$ 60	\$ 32	\$ 34	\$ 337
2004	112	349	8	10	-	479
2005	90	543	154	24	23	834
2006	77	126	18	120	143	484
2007	42	40	38	47	134	301
Total	\$ 370	\$ 1,220	\$ 278	\$ 233	\$ 334	\$ 2,435

Market Value						
<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB &Below	Total
2003 & Prior	\$ 41	\$ 136	\$ 43	\$ 26	\$ 20	\$ 266
2004	81	277	7	7	-	372
2005	71	367	77	16	18	549
2006	69	56	9	50	54	238
2007	27	10	18	26	75	156
Total	\$ 289	\$ 846	\$ 154	\$ 125	\$ 167	\$ 1,581

Market Value to Book Value						
	AAA	AA	A	BBB	BB &Below	Total
2003 & Prior	84%	84%	72%	81%	59%	79%
2004	73%	79%	81%	76%	-	78%
2005	78%	68%	50%	70%	78%	66%
2006	90%	45%	52%	41%	38%	49%
2007	64%	24%	48%	55%	56%	51%
Total	78%	69%	55%	54%	50%	65%

Sub-prime RMBS - Original Rating as of December 31, 2008

Par Value at Original Rating						
(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 79	\$ 199	\$ 83	\$ 4	\$ 20	\$ 385
2004	114	361	1	2	-	478
2005	91	797	-	-	62	950
2006	487	57	2	4	10	560
2007	296	77	144	68	10	595
Total	\$ 1,067	\$ 1,491	\$ 230	\$ 78	\$ 102	\$ 2,968

Book Value at Original Rating						
(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 79	\$ 189	\$ 66	\$ 3	\$ -	\$ 337
2004	114	362	1	2	-	479
2005	91	740	-	-	3	834
2006	426	56	1	1	-	484
2007	264	26	6	4	1	301
Total	\$ 974	\$ 1,373	\$ 74	\$ 10	\$ 4	\$ 2,435

Market Value at Original Rating						
(\$ in millions)	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	\$ 64	\$ 153	\$ 48	\$ 1	\$ -	\$ 266
2004	83	288	-	1	-	372
2005	70	478	-	-	1	549
2006	210	28	-	-	-	238
2007	139	10	4	3	-	156
Total	\$ 566	\$ 957	\$ 52	\$ 5	\$ 1	\$ 1,581

Market Value to Par Value at Original Rating						
	AAA	AA	A	BBB	BB & Below	Total
2003 & Prior	80%	77%	58%	33%	2%	69%
2004	73%	80%	62%	29%	-	78%
2005	78%	60%	-	-	1%	58%
2006	43%	50%	2%	-	-	43%
2007	47%	12%	2%	5%	2%	26%
Total	53%	64%	23%	7%	1%	53%

ABS Consumer Loans – Current Rating as of December 31, 2008

Book Value

<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
Auto	\$ 135	\$ 29	\$ 142	\$ 209	\$ 30	\$ 545
Student Loan	294	332	138	-	-	764
Credit Card	419	6	108	351	58	942
Total	\$ 848	\$ 367	\$ 388	\$ 560	\$ 88	\$ 2,251

Market Value

<i>(\$ in millions)</i>	AAA	AA	A	BBB	BB & Below	Total
Auto	\$ 109	\$ 27	\$ 103	\$ 162	\$ 20	\$ 421
Student Loan	159	244	84	-	-	487
Credit Card	367	3	97	248	39	754
Total	\$ 635	\$ 274	\$ 284	\$ 410	\$ 59	\$ 1,662

Market Value to Book Value

	AAA	AA	A	BBB	BB & Below	Total
Auto	81%	96%	72%	78%	66%	77%
Student Loan	54%	73%	61%	-	-	64%
Credit Card	88%	61%	89%	71%	68%	80%
Total	75%	75%	73%	73%	67%	74%

Top 25 Financial Services Exposures as of December 31, 2008

(\$ in millions)	Issuer	Book Value	Fair Value	Net Unrealized Loss
1	JPMORGAN CHASE & CO	522	438	(84)
2	GENERAL ELECTRIC CO	388	291	(97)
3	BANK OF AMERICA CORP	344	250	(94)
4	CITIGROUP INC	311	252	(59)
5	CREDIT SUISSE GROUP AG	303	243	(60)
6	BARCLAYS PLC	276	178	(98)
7	UBS AG	258	174	(84)
8	ROYAL BANK OF SCOTLAND GROUP PLC	244	143	(101)
9	GOLDMAN SACHS GROUP INC	242	224	(18)
10	DEUTSCHE BANK AG	240	191	(49)
11	MERRILL LYNCH	229	232	3
12	HSBC HOLDINGS PLC	217	194	(23)
13	AMERICAN EXPRESS COMPANY	213	193	(20)
14	WELLS FARGO & COMPANY	204	173	(31)
15	BANK OF NEW YORK MELLON CORP	170	177	7
16	UNICREDIT SPA	165	125	(40)
17	SUNTRUST BANKS INC	164	157	(7)
18	WACHOVIA BANK NA	163	200	37
19	BNP PARIBAS	160	105	(55)
20	BERKSHIRE HATHAWAY INC.	146	148	2
21	BANCO SANTANDER SA	145	110	(35)
22	RABOBANK NEDERLAND NV	135	95	(40)
23	AMERICAN INTERNATIONAL GROUP INC	134	87	(47)
24	AETNA INC	123	106	(17)
25	UNITEDHEALTH GROUP INCORPORATED	122	113	(9)
Subtotal		5,618	4,599	(1,019)
All Other		3,777	3,324	(453)
Total Corporate Financial Services		9,395	7,923	(1,472)

Top Financial Services Tier 1 Capital Exposure as of December 31, 2008

Top 5 by US Issuer				
(\$ in millions)				
<u>Issuer Parent</u>		<u>BV</u>	<u>MV</u>	<u>URL</u>
BANK OF AMERICA CORP	\$	273	\$ 180	\$ (92)
JPMORGAN CHASE & CO		254	177	(76)
SUNTRUST BANKS INC		109	101	(8)
METLIFE INC		100	76	(24)
GOLDMAN SACHS GROUP INC/THE		96	92	(4)
All Other US Issuers		925	834	(94)
Total	\$	1,757	\$ 1,460	\$ (298)

✓ Our \$2.6 billion of Tier 1 capital exposure is distributed over 70 issuers in 13 countries

- Largest concentrations are U.S. and Europe which account for 90% of Tier 1 capital exposure

Top 5 by European Issuer				
(\$ in millions)				
<u>Issuer Parent</u>		<u>BV</u>	<u>MV</u>	<u>URL</u>
UBS AG	\$	172	\$ 92	\$ (80)
ROYAL BANK OF SCOTLAND GROUP PLC		160	77	(83)
BARCLAYS PLC		145	65	(80)
BNP PARIBAS		134	79	(55)
SOCIETE GENERALE		116	73	(43)
All Other European Issuers		855	488	(367)
Total	\$	1,582	\$ 874	\$ (708)