



**national
public finance
guarantee**

Operating Supplement

Third Quarter 2011

Safe Harbor Disclosure

This Operating Supplement includes statements that are not historical or current facts and are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “believe,” “anticipate,” “project,” “plan,” “expect,” “intend,” “will likely result,” “looking forward” or “will continue,” and similar expressions identify forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, including, among other risks and uncertainties, the possibility that the Company will experience severe losses or liquidity needs due to increased deterioration in its insurance portfolios and in particular, due to the performance of CDOs including multi-sector, CMBS and CRE CDOs and RMBS, uncertainty regarding whether the Company will realize, or will be delayed in realizing, insurance loss recoveries expected in disputes with sellers/servicers of RMBS transactions at the levels recorded in its financial statements, the possibility that loss reserve estimates are not adequate to cover potential claims, the Company’s ability to access capital and the Company’s exposure to significant fluctuations in liquidity and asset values within the global credit markets, in particular in the ALM business, the Company’s ability to fully implement its strategic plan, including its ability to achieve high stable ratings for National or any other insurance subsidiaries, and the Company’s ability to commute certain of its insured exposures, including as a result of limited available liquidity, the Company’s ability to favorably resolve litigation claims against the Company, and changes in general economic and competitive conditions. These and other factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying the Company’s forward-looking statements are discussed under the “Risk Factors” section in MBIA Inc.’s most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which may be updated or amended in the Company’s subsequent filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. The Company undertakes no obligation to publicly correct or update any forward-looking statement if it later becomes aware that such result is not likely to be achieved.

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⁽¹⁾ This report is unaudited.

U.S. Public Finance Insurance
(National Public Financial Guarantee Corporation)
Adjusted Book Value

	9/30/11	12/31/10	Change Per Share
	Per Share	Per Share	
Reported Book Value	\$ 18.36	\$ 15.48	\$ 2.88
Reverse: Unrealized (Gains) Losses Included in OCI	(0.59)	0.21	(0.80)
Plus: Net Unearned Premium Revenue, After Tax ^{(1) (2)}	6.85	7.54	(0.69)
Adjusted Book Value ⁽³⁾	\$ 24.62	\$ 23.23	\$ 1.39
MBIA Inc. Common Shares Outstanding (000)	193,158	199,746	

Change by Component

\$25						
\$24	0.62	(0.19)	(0.02)	0.98	24.62	
\$23	23.23					
\$22						
\$21						
	12/31/2010	Revenue Items	Operating Expenses	Insurance Loss Estimates	All Other Changes	9/30/2011

(1) As of September 30, 2011 and December 31, 2010, the discount rate on Financial Guarantee insurance installment premiums was the risk-free rate as defined by GAAP insurance contracts.

(2) The amounts consist of Financial Guarantee insurance premiums, net of Deferred Acquisition Costs.

(3) A non-GAAP measure.

U.S. Public Finance Insurance
(primarily National Public Finance Guarantee Corporation)

Net Premiums Written ⁽¹⁾⁽²⁾

(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2011					
Financial Guarantee	\$ (317)	\$ (3,329)	\$ (8,407)		\$ (12,053)
Insured Derivatives	-	-	-	-	-
Total	\$ (317)	\$ (3,329)	\$ (8,407)	\$ -	\$ (12,053)
2010					
Financial Guarantee	\$ 2,991	\$ (2,126)	\$ 83,557	\$ (5,879)	\$ 78,543
Insured Derivatives	93	-	1,960	-	2,053
Total	\$ 3,084	\$ (2,126)	\$ 85,517	\$ (5,879)	\$ 80,596

Net Premiums Earned ⁽²⁾

(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2011					
Financial Guarantee	\$ 88,887	\$ 105,785	\$ 147,155	\$ -	\$ 341,827
Insured Derivatives	122	1,461	110	-	1,693
Total	\$ 89,009	\$ 107,246	\$ 147,265	\$ -	\$ 343,520
2010					
Financial Guarantee	\$ 113,372	\$ 117,219	\$ 99,620	\$ 111,546	\$ 441,757
Insured Derivatives	102	103	155	122	482
Total	\$ 113,474	\$ 117,322	\$ 99,775	\$ 111,668	\$ 442,239

Refundings and Other Accelerations ⁽²⁾

(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2011					
Financial Guarantee	\$ 12,446	\$ 30,595	\$ 78,751	\$ -	\$ 121,792
Insured Derivatives	-	1,346	-	-	1,346
Total	\$ 12,446	\$ 31,941	\$ 78,751	\$ -	\$ 123,138
2010					
Financial Guarantee	\$ 26,060	\$ 31,127	\$ 17,765	\$ 31,631	\$ 106,583
Insured Derivatives	-	-	22	-	22
Total	\$ 26,060	\$ 31,127	\$ 17,787	\$ 31,631	\$ 106,605

⁽¹⁾ Net premiums written (NPW) represents premiums received or due in the current period on upfront policies and the present value of installment premiums expected to be collected in future periods on policies closed in the current period. NPW also reflects changes in actual or expected installment premium collections for policies written in prior periods.

⁽²⁾ Premiums written and earned differ from amounts reported for National Public Finance Guarantee Corporation due to U.S. public finance policies that were subsequently determined to have refunded prior to the reinsurance agreement with MBIA Insurance Corporation that became effective on 1/1/09. The premiums associated with those refunded issues were returned to MBIA Insurance Corporation.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Net Unearned Premium Amortization
and Premiums Collected and Expected (Cash)
As of September 30, 2011
(dollars in millions)

Financial Guarantee and Insured Derivative Premium Amortization

	Net Unearned Premiums	Expected Future Premium Earnings ⁽¹⁾				Total	Premiums Collected and Expected (Cash) ⁽²⁾
		Upfront	Installments	Accretion			
3rd Qtr. 2011	\$ 2,572					5	
4th Qtr. 2011	2,504	64	4	2	70	7	
2012	2,250	237	17	8	262	22	
2013	2,021	212	17	8	237	19	
2014	1,812	193	16	8	217	19	
2015	1,621	175	16	7	198	18	
2016-2020	893	657	71	33	761	88	
2021-2025	447	389	57	25	471	74	
2026 and thereafter	-	323	124	42	489	187	
Total		\$ 2,250	\$ 322	\$ 133	\$ 2,705	\$ 439	

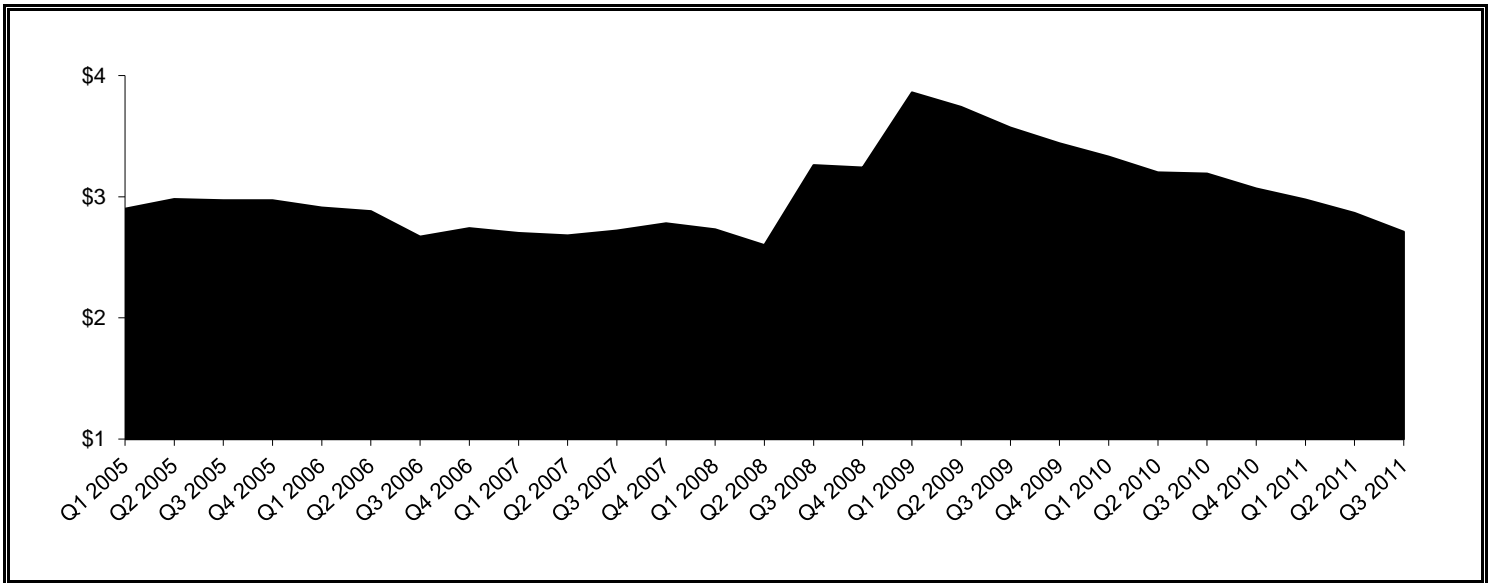
⁽¹⁾ Actual future premium earnings will differ from the current projection due to the addition of new business and refundings.

⁽²⁾ Represents installment-based future net, undiscounted collections.

Rollforward of Financial Guarantee Gross Premium Receivable
As of September 30, 2011
(dollars in millions)

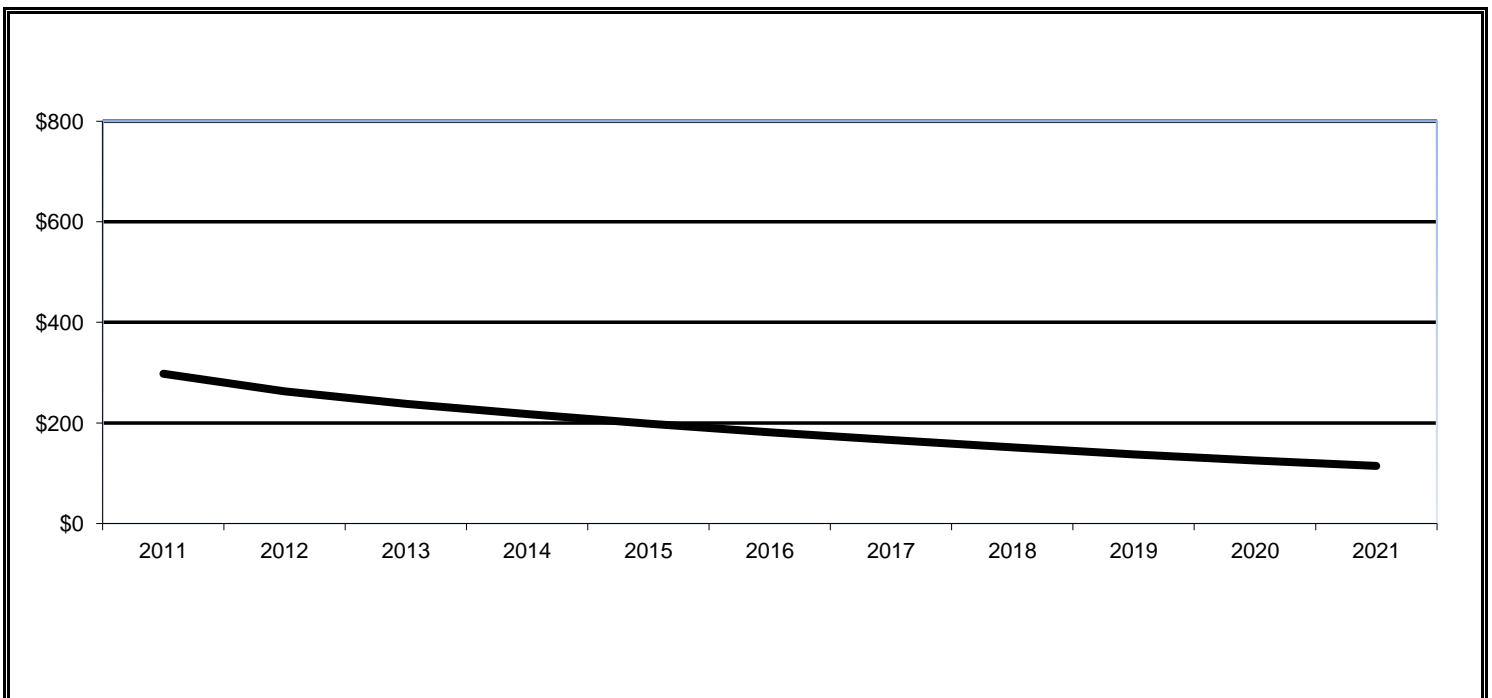
Premium Receivable as of December 31, 2010	Premium Payments Received	Premium from New Business Written	Adjustments			Premium Receivable as of September 30, 2011	Reinsurance Premium Payable as of September 30, 2011
			Changes in Expected Term of Policies	Accretion of Premium Receivable Discount	Other		
\$ 319	\$ (13)	\$ -	\$ (9)	\$ 7	\$ (3)	\$ 301	\$ -

**U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Reservoir of Future Net Premium Earnings ⁽¹⁾⁽²⁾
As of September 30, 2011
(dollars in billions)**



(1) Proforma U.S. Public Finance insurance premium earnings prior to 2/17/09 Transformation.
(2) Non-GAAP measure.

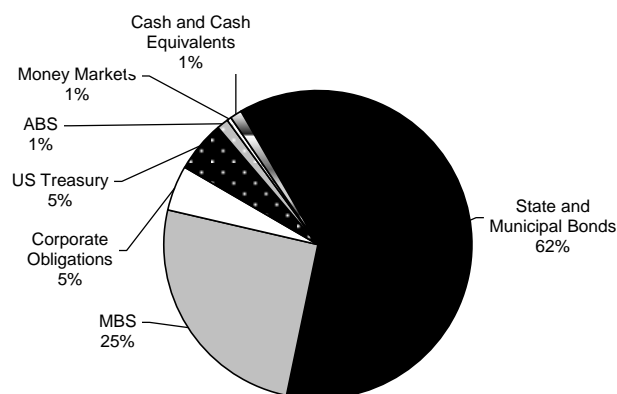
**Net Future Annual Premium Earnings
As of September 30, 2011
(dollars in millions)**



U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Investment Portfolio Including Cash and Cash Equivalents
As of September 30, 2011
(dollars in thousands)

<u>Investments</u> ⁽¹⁾	<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>Book Yield</u>
Fixed-Maturity Securities:				
Tax Exempt	\$2,779,009	53%	\$ 2,710,539	4.22%
Taxable	2,240,541	42	2,135,593	4.07
Short-Term	255,544	5	253,878	2.17
Total	5,275,094	100%	\$ 5,100,010	4.06%
Cash and Cash Equivalents	66,385			
Total Fixed Income Including Cash and Cash Equivalents	5,341,479			
Investments Held as Trading	162,389			
Other	17,782			
Total	\$5,521,650			

Total Fixed Income Investments
Including Cash and Cash Equivalents
Market Value Outstanding \$5,341,479



<u>Maturity Profile</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Quality Distribution of Long-Term Investments</u>	
			<u>Market Value Outstanding \$ 5,019,550</u>	
Cash and Cash Equivalents	\$ 66,385	1.3%		
Within 1 Year	255,544	4.8%		
1 to 5 Years	440,583	8.2%	<u>Rating</u>	<u>% of Market Value</u>
5 to 10 Years	827,621	15.5%	Aaa	44%
10 to 15 Years	522,502	9.8%	Aa	42
15 to 20 Years	699,848	13.1%	A	11
More than 20 Years	2,528,996	47.3%	Baa	2
Total Fixed Income Including Cash and Cash Equivalents	\$5,341,479	100.0%	NR	1
				<u>100.0%</u>

Long-Term average maturity: 11.27 years

Duration: 5.89 years

⁽¹⁾ Includes Asset Swap with notional amount of \$1.350 billion; the total market value of encumbered assets totals \$1.420 billion.

National Public Finance Guarantee Corporation
Insured Portfolio Losses
(dollars in millions)

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Loss and Loss Adjustment Expense (LAE) Reserves and Insurance Loss Recoverable					
Beginning Gross Loss and LAE Reserves	\$ 215	\$ 197	\$ 179	\$ -	\$ 215
Beginning Gross Insurance Loss Recoverable	(71)	(72)	(85)	-	(71)
Beginning Gross Reserves	144	125	94	-	144
Ceded Reserves	-	-	-	-	-
Net Reserves	144	125	94	-	144
Change in Actual and Expected Payments	6	5	68	-	79
Change in Actual and Expected Salvage	(2)	(14)	(58)	-	(74)
Net (Payments), Collections and Other	(23)	(22)	(65)	-	(110)
Net Reserves	125	94	39	-	39
Ceded Reserves	-	-	-	-	-
Gross Reserves	125	94	39	-	39
Gross Loss and LAE Reserves	197	179	182	-	182
Gross Insurance Loss Recoverable	\$ (72)	\$ (85)	\$ (143)	\$ -	\$ (143)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Loss and Loss Adjustment Expense (LAE) Reserves and Insurance Loss Recoverable					
Beginning Gross Loss and LAE Reserves	\$ 173	\$ 208	\$ 217	\$ 223	\$ 173
Beginning Gross Insurance Loss Recoverable	(41)	(16)	(16)	(68)	(41)
Beginning Gross Reserves	132	192	201	155	132
Ceded Reserves	-	-	-	-	-
Net Reserves	132	192	201	155	132
Change in Actual and Expected Payments	43	14	57	39	153
Change in Actual and Expected Salvage	(17)	(4)	(51)	(8)	(80)
Net (Payments), Collections and Other	34	(1)	(52)	(42)	(61)
Net Reserves	192	201	155	144	144
Ceded Reserves	-	-	-	-	-
Gross Reserves	192	201	155	144	144
Gross Loss and LAE Reserves	208	217	223	215	215
Gross Insurance Loss Recoverable	\$ (16)	\$ (16)	\$ (68)	\$ (71)	\$ (71)

Insured Credit Derivatives Mark-to-Market
(dollars in millions)

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Insured Credit Derivatives Mark-to-Market					
Beginning Net Derivative Asset/(Liability)	\$ (10)	\$ (10)	\$ (9)	\$ -	\$ (10)
Unrealized Derivative Gain (Loss)	-	-	-	-	-
Unrealized Gain (Loss) - Ceded from MBIA Corp.	-	-	-	-	-
Credit Impairments	-	-	-	-	-
Income Statement Mark-to-Market	-	0	-	-	-
Unearned Premium Revenue	-	1	-	-	1
Ending Net Derivative Asset/(Liability)	\$ (10)	\$ (9)	\$ (9)	\$ -	\$ (9)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Insured Credit Derivatives Mark-to-Market					
Beginning Net Derivative Asset/(Liability)	\$ (9)	\$ (9)	\$ (9)	\$ (10)	\$ (9)
Unrealized Derivative Gain (Loss)	-	-	-	-	-
Unrealized Gain (Loss) - Ceded from MBIA Corp.	-	-	-	-	-
Credit Impairments	-	-	-	-	-
Income Statement Mark-to-Market	-	-	-	-	-
Unearned Premium Revenue	-	-	(2)	-	(2)
Ending Net Derivative Asset/(Liability)	\$ (9)	\$ (9)	\$ (10)	\$ (10)	\$ (10)

National Public Finance Guarantee Corporation

Liquidity Position ⁽¹⁾
(dollars in millions)

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents:	\$ 9	\$ 95	\$ 109	\$ -	\$ 9
Premiums	2	2	8	-	12
Net Investment Income	63	56	58	-	177
Other	-	1	-	-	1
Total Inflows	65	59	66	-	190
Gross Loss & LAE Payments	22	23	68	-	113
Operating & Other Expenses ⁽²⁾	143	62	51	-	256
Total Outflows	165	85	119	-	369
Operating Cash Flow	(100)	(26)	(53)	-	(179)
Financing Activities	(11)	11	11	-	11
Investing Activities	197	29	(2)	-	224
Net Cash Flow	86	14	(44)	-	56
Ending Cash & Cash Equivalents:	\$ 95	\$ 109	\$ 65	\$ -	\$ 65
Other Liquid Assets ^{(3) (4)}	281	224	80	-	80
Ending Liquidity Position	\$ 376	\$ 333	\$ 145	\$ -	\$ 145

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents:	\$ 28	\$ 3	\$ 255	\$ 44	\$ 28
Premiums	5	13	65	7	90
Net Investment Income	70	64	68	63	265
Other	1	27	-	5	33
Total Inflows	76	104	133	75	388
Gross Loss & LAE Payments	8	6	52	49	115
Operating & Other Expenses	26	11	12	27	76
Total Outflows	34	17	64	76	191
Operating Cash Flow	42	87	69	(1)	197
Financing Activities	-	(8)	8	-	-
Investing Activities	(67)	173	(288)	(34)	(216)
Net Cash Flow	(25)	252	(211)	(35)	(19)
Ending Cash & Cash Equivalents:	\$ 3	\$ 255	\$ 44	\$ 9	\$ 9
Other Liquid Assets ⁽³⁾	326	200	404	281	281
Ending Liquidity Position	\$ 329	\$ 455	\$ 448	\$ 290	\$ 290

- (1) Presented on a direct cash flow basis for transactions settled within the reporting periods. Ending Liquidity Position excludes assets that are not readily available for sale, such as, designated to alternative investment strategy portfolios.
- (2) During the first nine months of 2011, National paid \$194 million to MBIA Inc. pursuant to the company's tax sharing agreement.
- (3) Includes other assets deemed to be liquid but not included in cash and cash equivalents, such as money market funds, commercial paper and other investments with expected maturities of less than 12 months.
- (4) Net of \$112.7 million payable to MBIA Corp. for refunded premiums in third quarter 2011.

**U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)**

**Insurance Expenses
(dollars in thousands)**

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Compensation	\$ 2,677	\$ 3,343	\$ 3,492	\$ -	\$ 9,512
Fees and Professional Services	12,461	12,769	11,806	-	37,036
Building and Equipment	2,709	2,432	2,329	-	7,470
Other	<u>716</u>	<u>784</u>	<u>600</u>	<u>-</u>	<u>2,100</u>
Gross Insurance Expenses	18,563	19,328	18,227	-	56,118
Ceding Commissions (Received)/Paid	<u>654</u>	<u>1,593</u>	<u>1,121</u>	<u>-</u>	<u>3,368</u>
Net Insurance Expenses	19,217	20,921	19,348	-	59,486
Deferred Acquisition (Costs)	<u>(715)</u>	<u>(1,600)</u>	<u>(1,124)</u>	<u>-</u>	<u>(3,439)</u>
Operating Expenses	<u>\$ 18,502</u>	<u>\$ 19,321</u>	<u>\$ 18,224</u>	<u>\$ -</u>	<u>\$ 56,047</u>

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Compensation	\$ 2,504	\$ 3,869	\$ 2,525	\$ 2,815	\$ 11,714
Fees and Professional Services	8,188	9,195	10,885	11,620	39,888
Building and Equipment	1,474	2,814	2,767	1,817	8,872
Other	<u>801</u>	<u>982</u>	<u>788</u>	<u>752</u>	<u>3,323</u>
Gross Insurance Expenses	12,967	16,860	16,965	17,004	63,797
Ceding Commissions (Received)/Paid	<u>3,082</u>	<u>1,652</u>	<u>18,598</u>	<u>754</u>	<u>24,085</u>
Net Insurance Expenses	16,049	18,512	35,563	17,758	87,882
Deferred Acquisition (Costs)	<u>(3,100)</u>	<u>(1,657)</u>	<u>(18,599)</u>	<u>(757)</u>	<u>(24,113)</u>
Operating Expenses	<u>\$ 12,949</u>	<u>\$ 16,855</u>	<u>\$ 16,964</u>	<u>\$ 17,001</u>	<u>\$ 63,769</u>

National Public Finance Guarantee Corporation
Statutory Balance Sheets Summary
(dollars in millions)

	9/30/2011	12/31/2010
Assets:		
Cash and Investments	\$ 5,310	\$ 5,446
Asset Swap Facility	1,350	1,775
Other Assets	74	69
Total Assets	\$ 6,734	\$ 7,290
Liabilities:		
Unearned Premiums	2,585	2,873
Loss and LAE Reserves ⁽¹⁾	29	96
Contingency Reserve	1,400	1,473
Asset Swap Facility	1,350	1,775
Other Liabilities	161	165
Total Liabilities	5,525	6,382
Total Policyholders' Surplus	1,209	908
Total Liabilities and Policyholders' Surplus	\$ 6,734	\$ 7,290

Financial and Ratio Information
(dollars in millions)

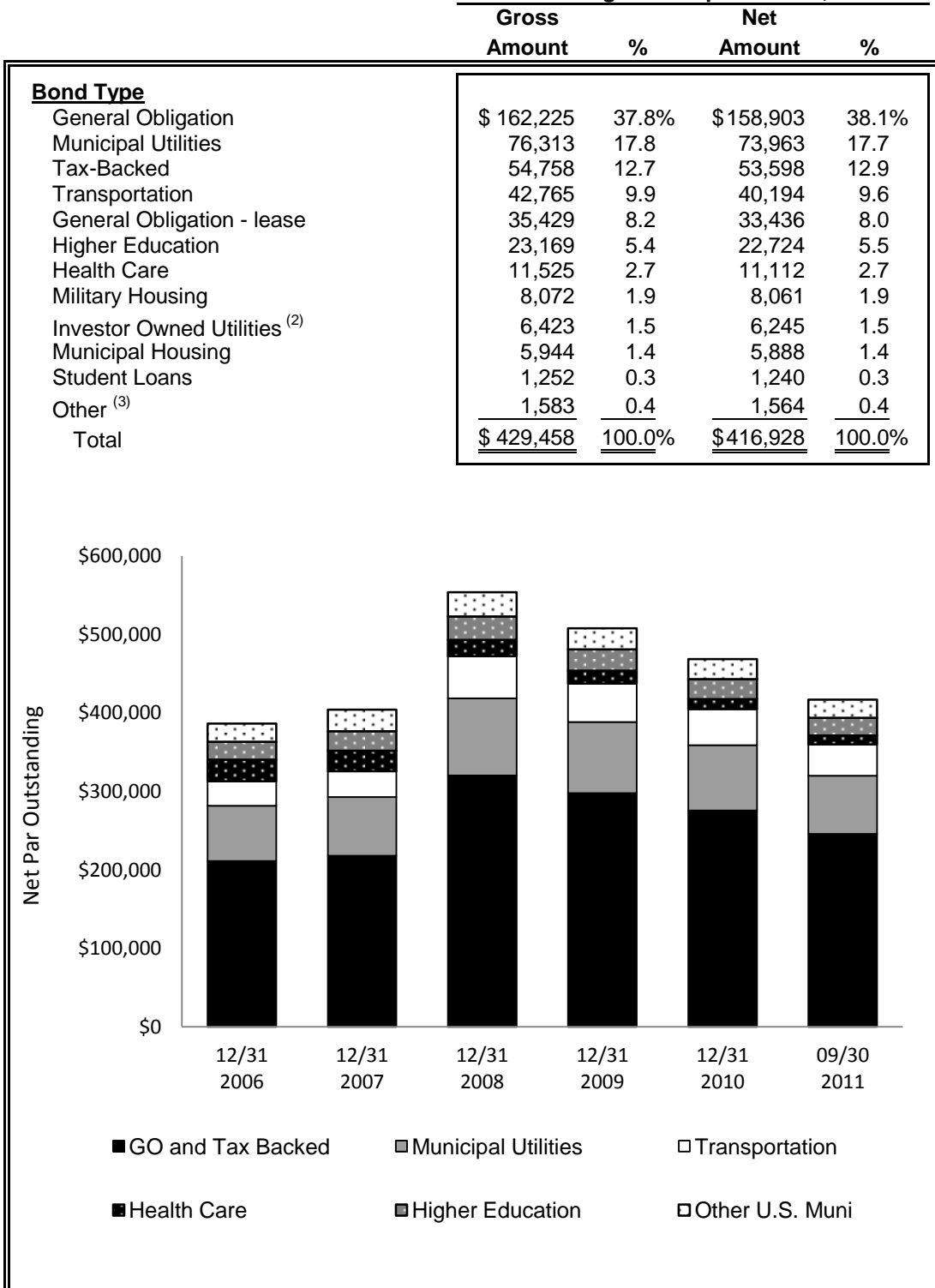
Statutory Basis		
	9/30/2011	12/31/2010
Balance Sheet		
Policyholders' Surplus	\$ 1,209	\$ 908
Contingency Reserve	1,400	1,473
Statutory Capital	2,609	2,381
Unearned Premium Reserve	2,585	2,873
Present Value of Installment Premiums ⁽¹⁾	265	282
Premium Resources ⁽²⁾	2,850	3,155
Loss and LAE Reserves ⁽¹⁾	29	96
Total Claims-Paying Resources	\$ 5,488	\$ 5,632
Net Debt Service Outstanding	\$ 665,490	\$ 752,420
Capital Ratio	255:1	316:1
Claims-Paying Resources Ratio	148:1	166:1

⁽¹⁾ At September 30, 2011 and December 31, 2010, the discount rate was 4.19%.

⁽²⁾ The amounts consist of Financial Guarantee insurance premiums and Insured Derivative revenue.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Insured Portfolio Profile
Par Value by Bond Type
(dollars in millions)

Outstanding as of September 30, 2011⁽¹⁾



(1) Net of refunded issues and reinsurance; including \$9.5 billion of reinsurance ceded by FGIC to third parties.

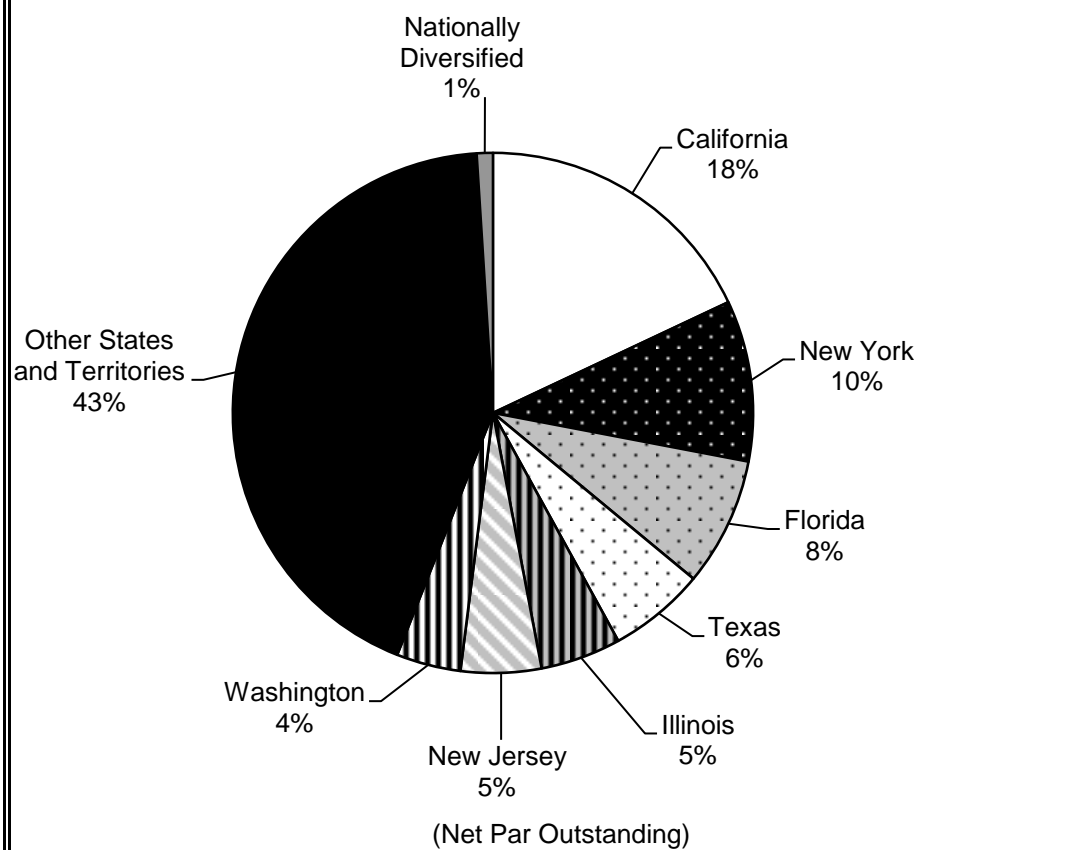
(2) Includes Investor-Owned Utilities, Industrial Development and Pollution Control Revenue bonds.

(3) Includes certain non-profit enterprises and stadium related financings.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Insured Portfolio Profile
Par Value by Geography
(dollars in millions)

Outstanding as of September 30, 2011 ⁽¹⁾

	Gross		Net	
	Amount	%	Amount	%
<u>United States</u>				
California	\$ 76,403	17.8%	\$ 73,988	17.8%
New York	42,849	10.0	41,313	9.9
Florida	32,240	7.5	31,425	7.5
Texas	26,507	6.2	25,918	6.2
Illinois	22,522	5.2	21,708	5.2
New Jersey	20,019	4.7	19,564	4.7
Washington	15,295	3.6	15,087	3.6
Pennsylvania	13,596	3.2	13,013	3.1
Michigan	12,930	3.0	12,612	3.0
Massachusetts	10,921	2.5	10,347	2.5
Subtotal	<u>273,282</u>	<u>63.7</u>	<u>264,975</u>	<u>63.5</u>
Other States & Territories	152,609	35.5	148,395	35.6
Nationally Diversified	3,567	0.8	3,558	0.9
Total	<u>\$ 429,458</u>	<u>100.0%</u>	<u>\$ 416,928</u>	<u>100.0%</u>



⁽¹⁾ Net of refunded issues and reinsurance; including \$9.5 billion of reinsurance ceded by FGIC to third parties.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Insured Portfolio - 50 Largest Credits
Gross Par Outstanding as of September 30, 2011
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding
1	California General Obligation	CA	a3	\$ 4,822
2	Massachusetts General Obligation	MA	aa3	3,204
3	New Jersey Transportation Trust Fund Authority	NJ	aa3	2,602
4	MTA Commuter & Transit Transportation Revenue	NY	a2	2,538
5	State of Washington General Obligation	WA	aa2	2,506
6	Illinois General Obligation	IL	a3	2,454
7	The Port Authority of New York and New Jersey	NY	a1	2,231
8	New York State Lease	NY	aa3	2,209
9	New York City General Obligation	NY	aa3	2,091
10	Connecticut General Obligation	CT	aa3	2,068
11	Wisconsin General Obligation	WI	aa3	2,057
12	Miami-Dade County Airport	FL	a3	1,997
13	Chicago O'Hare General Airport	IL	a2	1,987
14	Puerto Rico General Obligation	PR	bbb3	1,967
15	Long Island Power Authority Electric	NY	a3	1,925
16	City of Houston Combined Utility System Revenue Bonds	TX	a3	1,893
17	Florida State General Obligation	FL	aa1	1,839
18	Chicago General Obligation	IL	a2	1,777
19	Oregon School Boards Association General Obligation	OR	aa3	1,633
20	Puerto Rico Electric Power Authority	PR	bbb1	1,627
21	Metropolitan Washington Airports Authority	DC	aa3	1,621
22	Dallas-Fort Worth International Airport	TX	a1	1,608
23	Regents of the University of California	CA	aa3	1,607
24	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	aa2	1,579
25	State of California Economic Recovery Bonds	CA	a3	1,579
26	City of Chicago Board of Education	IL	a2	1,532
27	New York City Water	NY	aa2	1,498
28	New York State Local Government Assistance Corporation	NY	a2	1,495
29	Triboro Bridge & Tunnel Authority	NY	a1	1,479
30	Pennsylvania General Obligation	PA	aa3	1,472
31	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	1,431
32	Los Angeles Unified School District General Obligation	CA	aa3	1,416
33	Illinois Metropolitan Pier & Exposition Authority	IL	aa3	1,411
34	Clark County School District General Obligation	NV	aa2	1,378
35	Army Hawaii Family Housing	HI	aa2	1,348
36	Wayne County Airport Authority	MI	a2	1,338
37	San Francisco International Airport	CA	a2	1,332
38	Seattle Port and Airport Revenue	WA	aa3	1,326
39	Illinois Regional Transportation Authority	IL	aa2	1,324
40	New York City Transitional Finance Authority Sales Tax	NY	aa2	1,310
41	California State Public Works Board Lease	CA	bbb3	1,306
42	City of Detroit Sewage Disposal System	MI	a2	1,294
43	New Jersey Turnpike Authority	NJ	a2	1,279
44	Honolulu City and County General Obligation	HI	aa3	1,223
45	Denver City and County Airport System	CO	a1	1,217
46	Detroit City Water System	MI	a3	1,175
47	New York State Dormitory State Personal Income Tax	NY	aa2	1,145
48	Atlanta City Water & Sewer	GA	a3	1,132
49	Michigan State Building Authority Lease	MI	a1	1,122
50	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,107
	Total			\$ 86,511
				\$ 86,511
			Total Portfolio Exposure	\$ 429,458
	50 Largest Credits Gross Par Outstanding as % of Total Portfolio			20.1%

⁽¹⁾ Internal credit ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the view of National Public Finance Guarantee Corporation. They are subject to revision at anytime and do not constitute investment advice. National Public Finance Guarantee Corporation ratings symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g. aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.).

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Credit Quality Distribution ⁽¹⁾
as of September 30, 2011
(dollars in millions)

	Gross Par Outstanding	
	Amount	%
Public Finance		
AAA	\$ 23,554	5.5%
AA	193,554	45.1%
A	167,174	38.9%
BBB	42,324	9.8%
<BBB	2,852	0.7%
Total	\$ 429,458	100.0%

⁽¹⁾ Ratings as of the end of the period, as last provided by the rating agencies, which may be out-of-date. Ratings are derived using the S&P Priority Method; where S&P's underlying rating is used, when available, Moody's underlying rating is used if the S&P underlying rating is not available and an internal underlying rating is used if neither S&P's nor Moody's underlying ratings are available. For credits where National has insured a credit that was already insured by another bond insurer, the underlying rating used is the higher of the underlying rating of the uninsured credit or the bond insurer's credit rating.

Top 10 Below Investment Grade (BIG) Credits ⁽¹⁾

Obligor Name	Below Investment Grade (BIG) Exposure (Gross)
1 San Joaquin Hills Transportation Corridor Agency Toll Road	\$ 609
2 Harris County-Houston Sports Authority	436
3 AHERF Delaware Valley Obligated Group	152
4 Capital Projects Fin Auth FL Universities Student Hsg 2001F-1	131
5 Basketball Properties Ltd Miami Heat	124
6 Detroit City GO	115
7 George L. Smith Georgia World Congress Center Authority	113
8 Pace University	111
9 Jefferson County GO	96
10 Contra Costa County PFA Multiple Project Areas	80
	\$ 1,967
Total BIG Gross Par Exposure	\$ 2,852
Total National Gross Par Outstanding	\$ 429,458
Top 10 BIG Gross Par Exposure as % of National Gross Par Outstanding	0.5%
Total BIG Gross Par Exposure as % of National Gross Par Outstanding	0.7%
Total BIG Gross Par Exposure as % of National Gross Par Outstanding by National ratings	0.5%

⁽¹⁾ Ratings as of the end of the period, as last provided by the rating agencies, which may be out-of-date. Ratings are derived using the S&P Priority Method; where S&P's underlying rating is used, when available, Moody's underlying rating is used if the S&P underlying rating is not available and an internal underlying rating is used if neither S&P's nor Moody's underlying ratings are available. For credits where National has insured a credit that was already insured by another bond insurer, the underlying rating used is the higher of the underlying rating of the uninsured credit or the bond insurer's credit rating.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)

Gross Par - Scheduled Amortization

As of September 30, 2011
(dollars in millions)

	Scheduled Gross Par Amortization	Ending Gross Par Outstanding
3rd Qtr. 2011		\$ 429,458
4th Qtr. 2011	7,270	422,188
1st Qtr. 2012	5,337	416,851
2nd Qtr. 2012	6,498	410,353
3rd Qtr. 2012	8,632	401,721
4th Qtr. 2012	6,758	394,963
2013	25,460	369,503
2014	23,738	345,765
2015	23,319	322,446
2016-2020	107,553	214,893
2021-2025	88,157	126,736
2026-2030	66,655	60,081
2031 and thereafter	<u>60,081</u>	-
Total	<u>\$ 429,458</u>	

Gross Debt Service - Scheduled Amortization

As of September 30, 2011
(dollars in millions)

	Scheduled Gross Debt Service Amortization	Ending Gross Debt Service Outstanding
3rd Qtr. 2011		\$ 687,642
4th Qtr. 2011	12,570	675,072
1st Qtr. 2012	10,676	664,396
2nd Qtr. 2012	11,394	653,002
3rd Qtr. 2012	14,141	638,861
4th Qtr. 2012	11,748	627,113
2013	45,332	581,781
2014	42,522	539,259
2015	40,969	498,290
2016-2020	180,895	317,395
2021-2025	136,944	180,451
2026-2030	96,563	83,888
2031 and thereafter	<u>83,888</u>	-
Total	<u>\$ 687,642</u>	

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