



**national
public finance
guarantee**

Operating Supplement

Second Quarter 2010

Safe Harbor Disclosure

This Operating Supplement contains forward-looking statements. Important factors such as general market conditions and the competitive environment could cause actual results to differ materially from those projected in these forward-looking statements. Risk factors are detailed in our 10-K, which is available on our website, www.mbia.com. The company undertakes no obligation to revise or update any forward-looking statements to reflect changes in events or expectations.

In addition, the definitions of the non-GAAP terms that are included in this slide deck may be found on our website at www.mbia.com.

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⁽¹⁾ This report is unaudited.

National Public Financial Guarantee Corporation
Adjusted Book Value

	06/30 2010	12/31 2009	Change Per Share
	Per Share	Per Share	Per Share
Reported Book Value	\$ 14.97	\$ 13.52	\$ 1.45
Reverse: Unrealized (Gains) Losses Included in OCI	(0.35)	(0.05)	(0.30)
Analytic Book Value	<u>14.62</u>	<u>13.47</u>	<u>1.15</u>
Plus: Net Unearned Premium Revenue, After Tax ^{(1) (2)}	7.85	8.32	(0.47)
Plus: Loss Provision ⁽³⁾	(1.04)	(1.09)	0.05
Adjusted Book Value ⁽⁴⁾	<u>\$ 21.43</u>	<u>\$ 20.70</u>	<u>\$ 0.73</u>
MBIA Inc. Common Shares Outstanding (000)	201,512	204,668	

Change by Component

Component	Change (\$)
12/31/2009	20.70
Revenue Items	0.54
Operating Expenses	(0.10)
Insurance Losses Estimates	(0.05)
All Other Changes	0.34
6/30/2010	21.43

(1) At June 30, 2010 and December 31, 2009, the discount rate on Financial Guarantee insurance installment premiums was the weighted-average risk free rate as defined by applicable GAAP accounting principles.

(2) The amounts consist of Financial Guarantee insurance premiums.

(3) The loss provision is calculated by assuming a 12% loss rate on the stream of future premium earnings, as estimated by the Company.

(4) A non-GAAP measure.

National Public Finance Guarantee Corporation

Net Premiums Written ⁽¹⁾

(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
2010					
Financial Guarantee	\$ 3,910	\$ (58)			\$ 3,852
Insured Derivatives	93	-			93
Total	\$ 4,003	\$ (58)	\$ -	\$ -	\$ 3,945
2009					
Financial Guarantee	\$ 3,866,164	\$ 8,633	\$ (16,058)	\$ (11,183)	\$ 3,847,556
Insured Derivatives	4,851	33	4,570	-	9,454
Total	\$ 3,871,015	\$ 8,666	\$ (11,488)	\$ (11,183)	\$ 3,857,010

Net Premiums Earned

(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
2010					
Financial Guarantee	\$ 114,291	\$ 119,287			\$ 233,578
Insured Derivatives	102	103			205
Total	\$ 114,393	\$ 119,390	\$ -	\$ -	\$ 233,783
2009					
Financial Guarantee	\$ 149,846	\$ 133,000	\$ 142,857	\$ 137,016	\$ 562,719
Insured Derivatives	56	129	200	543	928
Total	\$ 149,902	\$ 133,129	\$ 143,057	\$ 137,559	\$ 563,647

Refundings and Other Accelerations

(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
2010					
Financial Guarantee	\$ 26,753	\$ 33,026			\$ 59,779
Insured Derivatives	-	-			-
Total	\$ 26,753	\$ 33,026	\$ -	\$ -	\$ 59,779
2009					
Financial Guarantee	\$ 36,147	\$ 29,028	\$ 46,494	\$ 41,949	\$ 153,618
Insured Derivatives	-	25	78	438	541
Total	\$ 36,147	\$ 29,053	\$ 46,572	\$ 42,387	\$ 154,159

⁽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.

National Public Finance Guarantee Corporation
Net Unearned Premium Amortization
and Premiums Collected and Expected (Cash)
As of June 30, 2010
(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			
2nd Qtr. 2010	\$ 3,060					5	
3rd Qtr. 2010	2,980	75	5	2	82	5	
4th Qtr. 2010	2,902	73	5	2	80	7	
2011	2,609	274	19	9	302	21	
2012	2,345	246	18	8	272	22	
2013	2,105	222	18	8	248	20	
2014	1,886	202	17	8	227	20	
2015-2019	1,048	761	77	34	872	93	
2020-2024	533	452	63	26	541	80	
2025 and thereafter	-	393	140	44	577	205	
Total		\$ 2,698	\$ 362	\$ 141	\$ 3,201	\$ 478	

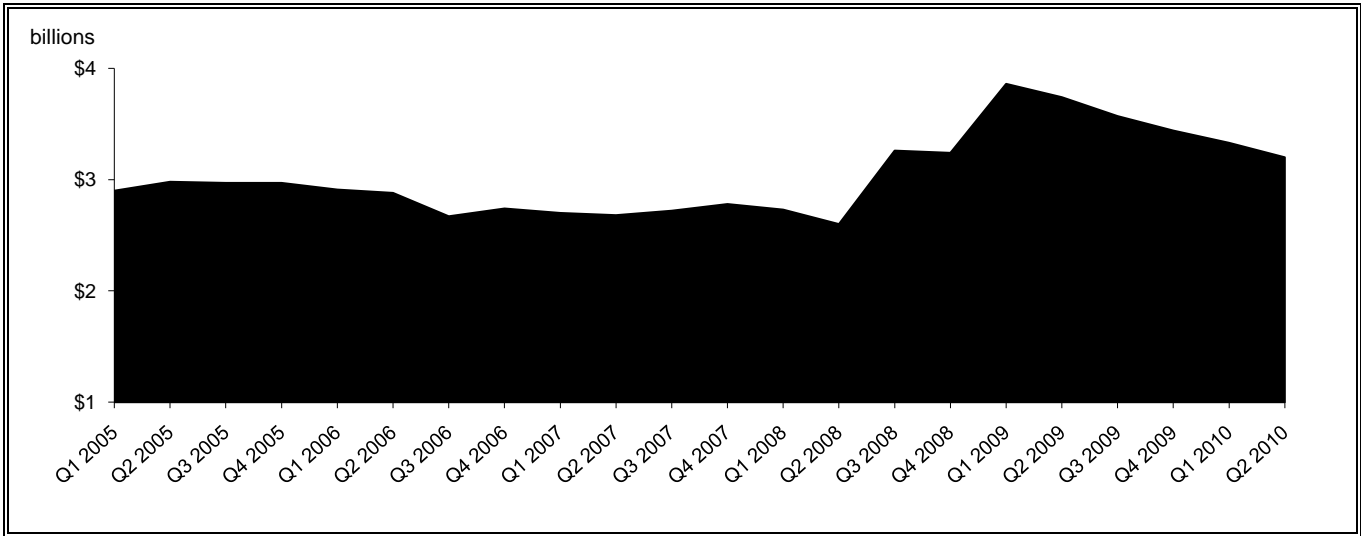
⁽¹⁾ Actual future premium earnings will differ from the current projection due to the addition of new business and refundings.

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

Rollforward of Financial Guarantee Gross Premium Receivable
As of June 30, 2010
(dollars in millions)

Premium Receivable as of December 31, 2009	Premium Payments Received	Premium from New Business Written	Adjustments			Premium Receivable as of June 30, 2010	Reinsurance Premium Payable as of June 30, 2010
			Changes in Expected Term of Policies	Accretion of Premium Receivable Discount	Other		
\$ 345	\$ (8)	\$ -	\$ -	\$ 4	\$ (12)	\$ 329	\$ -

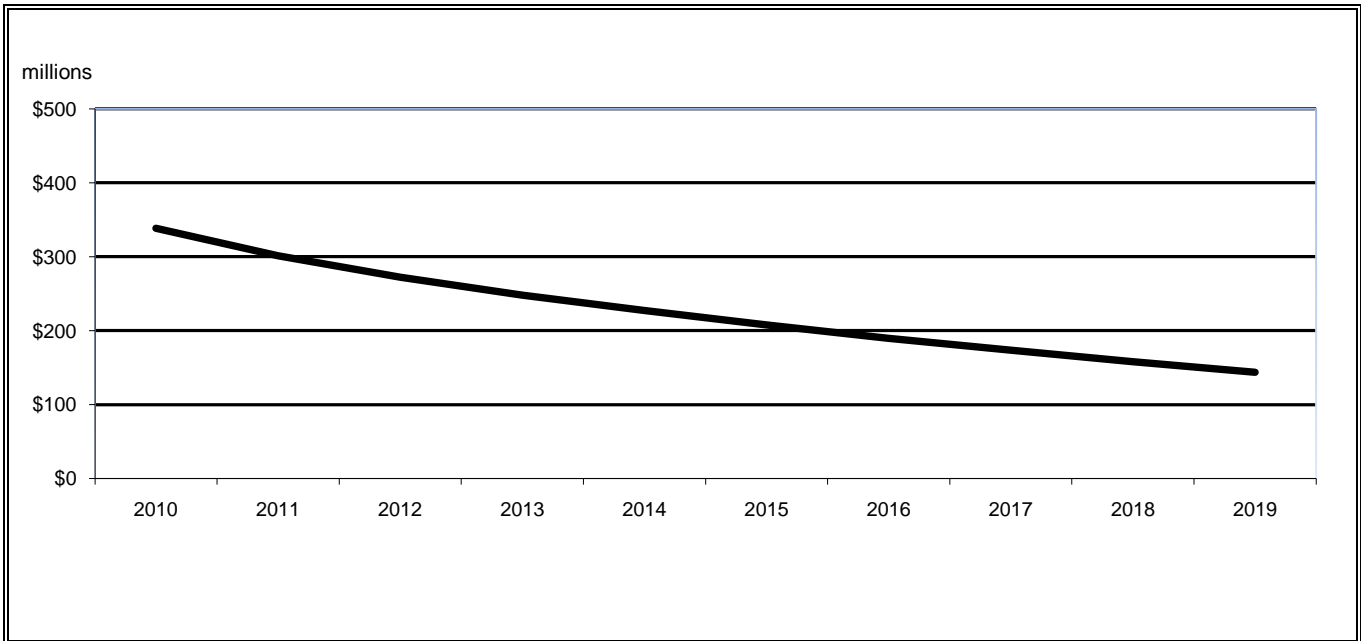
National Public Finance Guarantee Corporation
Reservoir of Future Net Premium Earnings ⁽¹⁾⁽²⁾
As of June 30, 2010



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

⁽²⁾ Non-GAAP measure.

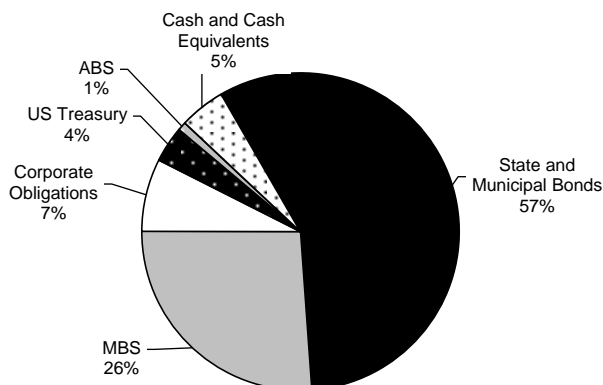
Net Future Premium Earnings
As of June 30, 2010



National Public Finance Guarantee Corporation
Investment Portfolio Including Cash and Cash Equivalents
As of June 30, 2010
(dollars in thousands)

<u>Investments</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>Pre-tax Yield ⁽¹⁾</u>	<u>Annualized Income ⁽²⁾</u>
Fixed-Maturity Securities:					
Tax Exempt	\$ 2,630,691	51%	\$ 2,616,168	4.44%	\$116,147
Taxable	2,256,129	43	2,165,237	4.60	99,641
Short-Term	<u>337,916</u>	<u>6</u>	<u>333,312</u>	3.75	<u>12,493</u>
Total US Public Finance Insurance Fixed Income	5,224,736	<u>100%</u>	<u>\$ 5,114,717</u>	4.46%	<u>\$228,281</u>
Cash and Cash Equivalents	<u>255,168</u>				
Total Investments Including Cash and Cash Equivalents	<u>\$ 5,479,904</u>				

Total U.S. Public Finance Insurance Fixed Income Investments
Including Cash and Cash Equivalents
Market Value Outstanding \$5,479,904



<u>Maturity Profile</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Quality Distribution of Long-Term Investments</u>	
Cash and Cash Equivalents	\$ 255,168	4.7%	<u>Market Value Outstanding \$4,886,820</u>	
Within 1 Year	337,916	6.2%	<u>Rating</u>	<u>% of Market Value</u>
1 to 5 Years	777,205	14.2%	Aaa	48%
5 to 10 Years	259,704	4.7%	Aa	41
10 to 15 Years	387,397	7.1%	A	10
15 to 20 Years	546,420	9.9%	Baa	<u>1</u>
More than 20 Years	<u>2,916,094</u>	<u>53.2%</u>		<u>100%</u>
Total Investments Including Cash and Cash Equivalents	<u>\$ 5,479,904</u>	<u>100.0%</u>		

Long-Term average maturity: 11.67 years
Duration: 5.55 years

⁽¹⁾ Estimated pre-tax yields on assets (based on amortized cost) at the end of the reporting quarter.
⁽²⁾ Before taxes, if applicable, based on indicated yields.

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

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Loss and Loss Adjustment Expense (LAE) Reserves					
Beginning Net Case Reserves	\$ 172,879	\$ 208,042	\$ -	\$ -	\$ 172,879
Case Activity	25,895	10,262	-	-	36,157
Net Payments	(6,957)	(1,068)	-	-	(8,025)
Expected Recoveries on Paid Losses	16,225	124	-	-	16,349
Ending Net Case Reserves	<u>208,042</u>	<u>217,360</u>	<u>-</u>	<u>-</u>	<u>217,360</u>
Net Loss and LAE Reserves	208,042	217,360	-	-	217,360
Ceded Loss and LAE Reserves	-	-	-	-	-
Gross Loss and LAE Reserves	<u>\$ 208,042</u>	<u>\$ 217,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,360</u>

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Loss and Loss Adjustment Expense (LAE) Reserves					
Beginning Net Case Reserves	\$ 185,485	\$ 239,583	\$ 194,244	\$ 219,036	\$ 185,485
Case Activity	57,748	5,250	28,708	2,195	93,901
Net Payments	(3,707)	(81,568)	(9,368)	(42,633)	(137,276)
Expected Recoveries on Paid Losses	57	30,979	5,452	(5,719)	30,769
Ending Net Case Reserves	<u>239,583</u>	<u>194,244</u>	<u>219,036</u>	<u>172,879</u>	<u>172,879</u>
Net Loss and LAE Reserves	239,583	194,244	219,036	172,879	172,879
Ceded Loss and LAE Reserves	-	-	-	-	-
Gross Loss and LAE Reserves	<u>\$ 239,583</u>	<u>\$ 194,244</u>	<u>\$ 219,036</u>	<u>\$ 172,879</u>	<u>\$ 172,879</u>

National Public Finance Guarantee Corporation
Insured Credit Derivatives Mark-to-Market
(dollars in thousands)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD
Insured Credit Derivatives Mark-to-Market					
Beginning Net Derivative Asset/(Liability)	\$ (8,667)	\$ (8,742)	\$ -	\$ -	\$ (8,667)
Unrealized Gain (Loss) - Ceded/Assigned from MBIA Corp.	(84)	47	-	-	(37)
Credit Impairments	-	-	-	-	-
Income Statement Mark-to-Market	(84)	47	-	-	(37)
Unearned Premium Revenue	9	103	-	-	112
Ending Net Derivative Asset/(Liability)	<u>\$ (8,742)</u>	<u>\$ (8,592)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,592)</u>

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Insured Credit Derivatives Mark-to-Market					
Beginning Net Derivative Asset/(Liability)	\$ -	\$ (5,129)	\$ (5,840)	\$ (9,246)	\$ -
Unrealized Gain (Loss) - Ceded/Assigned from MBIA Corp.	(355)	188	(11)	35	(143)
Credit Impairments	-	-	-	-	-
Income Statement Mark-to-Market	(355)	188	(11)	35	(143)
Unearned Premium Revenue	(4,774)	(899)	(3,395)	544	(8,524)
Ending Net Derivative Asset/(Liability)	<u>\$ (5,129)</u>	<u>\$ (5,840)</u>	<u>\$ (9,246)</u>	<u>\$ (8,667)</u>	<u>\$ (8,667)</u>

National Public Finance Guarantee Corporation

Cashflow ⁽¹⁾
(dollars in millions)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents:	\$ 103	\$ 189	\$ -	\$ -	\$ 103
Premiums	5	13	-	-	18
Net Investment Income	70	64	-	-	134
Other	1	27	-	-	28
Total Inflows	76	104	-	-	180
Gross Loss & LAE Payments	8	6	-	-	14
Operating & Other Expenses	26	11	-	-	37
Total Outflows	34	17	-	-	51
Operating Cash Flow	42	87	-	-	129
Financing Activities	-	(8)	-	-	(8)
Investing Activities	44	33	-	-	77
Net Cash Flow	86	112	-	-	198
Ending Cash & Cash Equivalents:	\$ 189	\$ 301	\$ -	\$ -	\$ 301

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents:	\$ 5	\$ 307	\$ 401	\$ 320	\$ 5
Premiums	-	12	44	9	65
Net Investment Income	15	63	65	68	211
Other	-	1	-	-	1
Total Inflows	15	76	109	77	277
Gross Loss & LAE Payments	-	91	18	62	171
Operating & Other Expenses	2	19	18	5	44
Total Outflows	2	110	36	67	215
Operating Cash Flow	13	(34)	73	10	62
Financing Activities	228	5	-	-	233
Investing Activities	61	123	(154)	(227)	(197)
Net Cash Flow	302	94	(81)	(217)	98
Ending Cash & Cash Equivalents:	\$ 307	\$ 401	\$ 320	\$ 103	\$ 103

(1) Represents cash flow presented on a direct cash flow basis; whereas, the Company's GAAP financial statements are reported on an indirect cash flow basis.

National Public Finance Guarantee Corporation

Insurance Expenses
(dollars in thousands)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date
Compensation	\$ 2,504	\$ 3,869	\$ -	\$ -	\$ 6,373
Fees and Professional Services	8,188	9,195	-	-	17,383
Building and Equipment	1,474	2,814	-	-	4,288
Premium Taxes	18	5	-	-	24
Other	<u>783</u>	<u>976</u>	<u>-</u>	<u>-</u>	<u>1,760</u>
Gross Insurance Expenses	12,967	16,860	-	-	29,827
Ceding Commissions (Received)	<u>3,082</u>	<u>1,652</u>	<u>-</u>	<u>-</u>	<u>4,733</u>
Net Insurance Expenses	16,049	18,512	-	-	34,561
Deferred Acquisition (Costs) Expenses	<u>(3,100)</u>	<u>(1,657)</u>	<u>-</u>	<u>-</u>	<u>(4,757)</u>
Operating Expenses	<u>\$ 12,949</u>	<u>\$ 16,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,804</u>

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year to Date
Compensation	\$ 2,715	\$ 4,367	\$ 4,588	\$ 5,129	\$ 16,799
Fees and Professional Services	4,445	14,574	5,017	12,846	36,882
Building and Equipment	199	486	511	475	1,671
Premium Taxes	-	2	2	2	6
Other	<u>431</u>	<u>1,145</u>	<u>897</u>	<u>578</u>	<u>3,051</u>
Gross Insurance Expenses	7,790	20,574	11,015	19,030	58,409
Ceding Commissions (Received)	<u>764,898</u>	<u>3,279</u>	<u>2,102</u>	<u>1,745</u>	<u>772,024</u>
Net Insurance Expenses	772,688	23,853	13,117	20,775	830,433
Deferred Acquisition (Costs) Expenses	<u>(764,898)</u>	<u>(3,279)</u>	<u>(2,102)</u>	<u>(1,751)</u>	<u>(772,030)</u>
Operating Expenses	<u>\$ 7,790</u>	<u>\$ 20,574</u>	<u>\$ 11,015</u>	<u>\$ 19,024</u>	<u>\$ 58,403</u>

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

	6/30/2010	12/31/2009
Assets:		
Cash and Investments	\$ 5,235	\$ 5,205
Asset Swap Facility	1,775	1,675
Other Assets	154	95
Total Assets	\$ 7,164	\$ 6,975
Liabilities:		
Unearned Premiums	2,959	3,126
Loss and LAE Reserves	135	136
Contingency Reserve	1,427	1,404
Asset Swap Facility	1,775	1,675
Other Liabilities	106	43
Total Liabilities	6,402	6,384
Total Policyholders' Surplus	762	591
Total Liabilities and Policyholders' Surplus	\$ 7,164	\$ 6,975

Financial and Ratio Information
(dollars in millions)

Statutory Basis	6/30/2010	12/31/2009
Balance Sheet		
Policyholders' Surplus	\$ 762	\$ 591
Contingency Reserve	1,427	1,404
Statutory Capital	2,189	1,995
Unearned Premium Reserve	2,959	3,126
Present Value of Installment Premiums ⁽¹⁾	261	270
Premium Resources ⁽²⁾	3,220	3,396
Loss and LAE Reserves ⁽¹⁾	135	136
Total Claims-Paying Resources	\$ 5,544	\$ 5,527
Net Debt Service Outstanding	\$ 780,791	\$ 821,688
Capital Ratio ⁽³⁾	357:1	412:1
Claims-Paying Resources Ratio ⁽⁴⁾	177:1	189:1

⁽¹⁾ At June 30, 2010 and December 31, 2009, the discount rate was 5.09%.

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

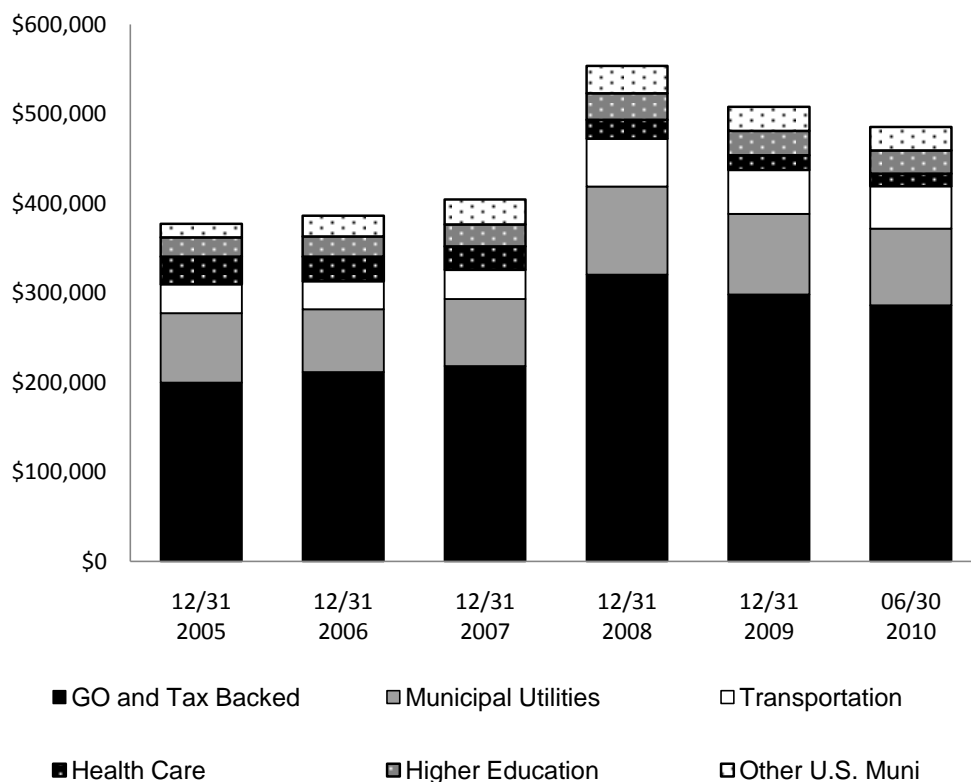
⁽³⁾ Net debt service outstanding divided by statutory capital.

⁽⁴⁾ Net debt service outstanding divided by the sum of statutory capital, unearned premium reserve (after-tax), present value of installment premiums (after-tax) and loss and LAE reserves.

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

Outstanding as of June 30, 2010⁽¹⁾

Bond Type	Gross		Net	
	Amount	%	Amount	%
General Obligation	\$ 191,220	37.7%	\$ 185,343	38.2%
Municipal Utilities	89,721	17.7	85,662	17.6
Tax-Backed	63,881	12.6	61,569	12.7
Transportation	51,938	10.2	47,387	9.8
General Obligation - lease	42,039	8.3	39,223	8.1
Higher Education	26,546	5.2	25,762	5.3
Health Care	15,325	3.0	14,086	2.9
Military Housing	8,447	1.7	8,319	1.7
Investor Owned Utilities ⁽²⁾	7,582	1.5	7,142	1.5
Municipal Housing	6,817	1.3	6,649	1.4
Student Loans	2,088	0.4	2,019	0.4
Other ⁽³⁾	2,104	0.4	2,033	0.4
Total	\$ 507,708	100.0%	\$ 485,194	100.0%



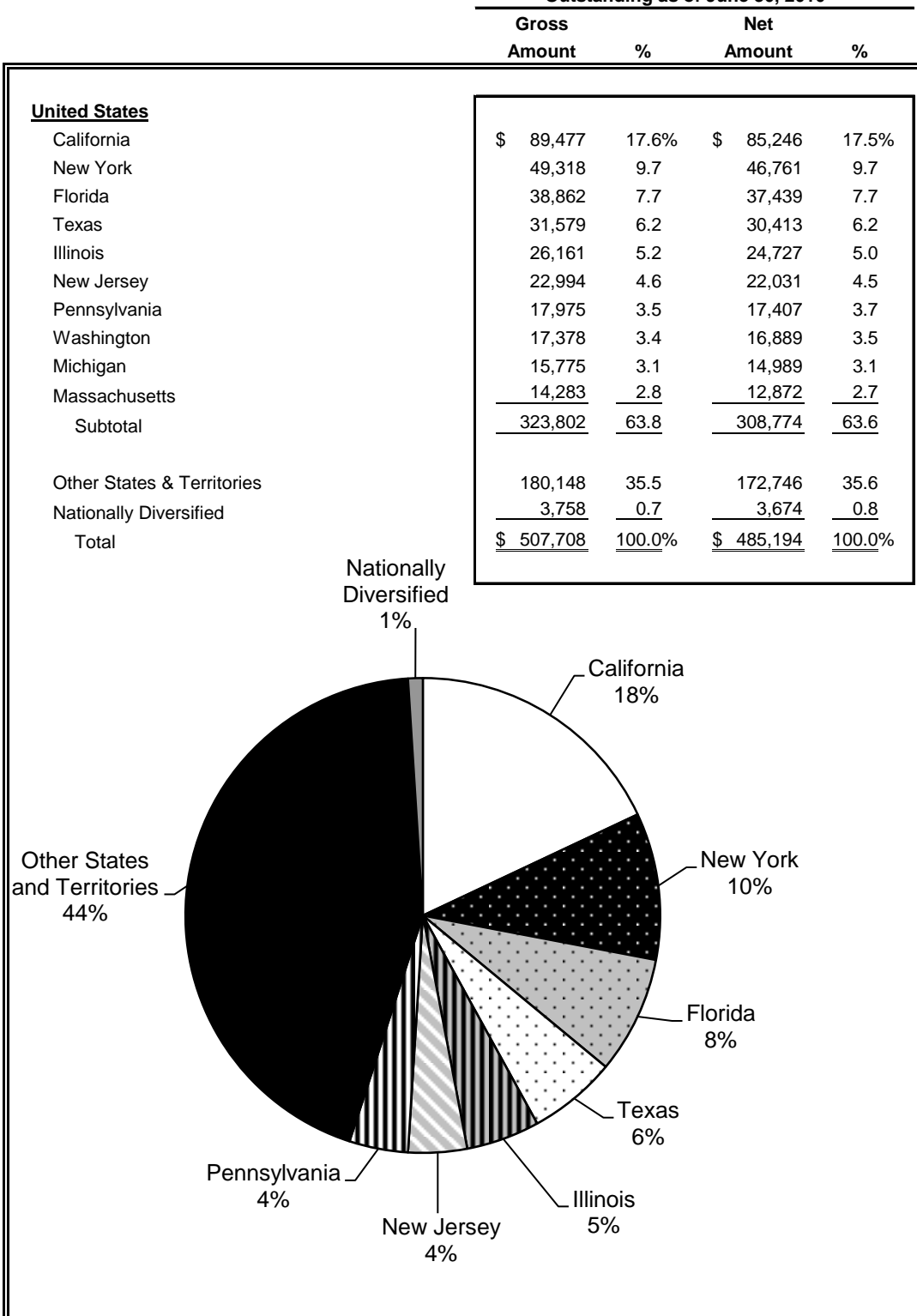
⁽¹⁾ Net of refunded issues and reinsurance.

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

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

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

Outstanding as of June 30, 2010 ⁽¹⁾



⁽¹⁾ Net of refunded issues and reinsurance.

National Public Finance Guarantee Corporation

Insured Portfolio - 50 Largest Credits

Net Par Outstanding as of June 30, 2010

(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Net Par Outstanding
1	California General Obligation	CA	a3	\$ 5,003
2	Massachusetts General Obligation	MA	aa3	3,176
3	New York State Lease	NY	aa3	3,039
4	Illinois General Obligation	IL	aa3	2,920
5	New Jersey Transportation Trust Fund Authority	NJ	aa3	2,632
6	State of Washington General Obligation	WA	aa2	2,622
7	New York City General Obligation	NY	aa3	2,451
8	MTA Commuter & Transit Transportation Revenue	NY	a2	2,395
9	Connecticut General Obligation	CT	aa3	2,207
10	Florida State General Obligation	FL	aa1	2,130
11	State of California Economic Recovery Bonds	CA	a3	2,124
12	Wisconsin General Obligation	WI	aa3	2,083
13	Long Island Power Authority Electric	NY	a3	2,071
14	City of Houston Combined Utility System Revenue Bonds	TX	a3	2,027
15	Chicago O'Hare General Airport	IL	a2	2,021
16	The Port Authority of New York and New Jersey	NY	a1	1,980
17	Miami-Dade County Airport	FL	a3	1,918
18	Puerto Rico General Obligation	PR	bbb3	1,910
19	Metropolitan Washington Airports Authority	DC	aa3	1,820
20	Illinois Metropolitan Pier & Exposition Authority	IL	aa3	1,809
21	New York City Water	NY	aa2	1,800
22	Puerto Rico Electric Power Authority	PR	bbb1	1,727
23	Pennsylvania General Obligation	PA	aa3	1,695
24	Dallas-Fort Worth International Airport	TX	a1	1,691
25	San Francisco International Airport	CA	a2	1,635
26	Oregon School Boards Association General Obligation	OR	aa3	1,626
27	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	1,619
28	City of Chicago Board of Education	IL	a2	1,615
29	Los Angeles City Water and Power	CA	aa3	1,550
30	Triboro Bridge & Tunnel Authority	NY	a1	1,543
31	New York State Local Government Assistance Corporation	NY	a2	1,536
32	Chicago General Obligation	IL	a2	1,529
33	Los Angeles Unified School District General Obligation	CA	aa3	1,518
34	Seattle Port and Airport Revenue	WA	aa3	1,476
35	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	aa2	1,473
36	Florida Department Natural Resources Preservation 2000 Sales Tax	FL	a1	1,446
37	Wayne County Airport Authority	MI	a2	1,422
38	Illinois Regional Transportation Authority	IL	aa2	1,417
39	Oakland Port and Airport Revenue	CA	a1	1,409
40	New York City Transitional Finance Authority Sales Tax	NY	aa2	1,363
41	Clark County School District General Obligation	NV	aa2	1,362
42	Army Hawaii Family Housing	HI	aa2	1,327
43	Regents of the University of California	CA	aa3	1,295
44	Honolulu City and County General Obligation	HI	aa3	1,289
45	New York State Dormitory State Personal Income Tax	NY	aa2	1,279
46	Metropolitan Transportation Authority Dedicated Tax Fund Bonds	NY	aa3	1,246
47	California State Public Works Board Lease	CA	bbb3	1,203
48	City of Detroit Sewage Disposal System	MI	a2	1,202
49	Detroit City Water System	MI	a3	1,169
50	Hawaii General Obligation	HI	aa3	1,165
	Total			\$ 91,965
	Total Portfolio Exposure			\$ 485,194
	50 Largest Credits Net Par Outstanding as % of Total Portfolio			19.0%

(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.).

National Public Finance Guarantee Corporation
Credit Quality Distribution ⁽¹⁾
as of June 30, 2010
(dollars in millions)

	Net Par Outstanding	
	Amount	%
<u>Public Finance</u>		
AAA	\$ 28,938	6.0%
AA	226,377	46.7%
A	182,440	37.5%
BBB	44,653	9.2%
<BBB	2,786	0.6%
Total	\$ 485,194	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) (2)}

Obligor Name	Below Investment Grade (BIG) Exposure (Net)
1 San Joaquin Hills Transportation Corridor Agency Toll Road	\$ 432
2 Saint Barnabas Health Care System	257
3 Brazos Higher Education Authority Series 1999A1-6	198
4 AHERF Delaware Valley Obligated Group	160
5 Mashantucket Western Pequot Tribe Casino Revenues	136
6 Basketball Properties Ltd Miami Heat	128
7 Detroit City GO	125
8 George L. Smith Georgia World Congress Center Auth	123
9 Pace University	119
10 American Housing Foundation	97
	\$ 1,775
Total BIG Net Par Exposure	\$ 2,786
Total National Public Finance Guarantee Corporation (National) Net Par Outstanding	\$ 485,194
Total BIG Net Par Exposure as % of National Net Par Outstanding	0.4%
Total BIG Net Par Exposure as % of National Net Par Outstanding	0.6%
Total BIG Net Par Exposure as % of National Net Par Outstanding by National ratings	0.4%

⁽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.

⁽²⁾ During the 2nd quarter, American Housing Foundation was added to the Top 10 list and Jefferson County GO fell off the list.

National Public Finance Guarantee Corporation

Net Par - Scheduled Amortization

As of June 30, 2010

(dollars in millions)

	Scheduled Net Par Amortization	Ending Net Par Outstanding
2nd Qtr. 2010		\$ 485,194
3rd Qtr. 2010	8,199	476,995
4th Qtr. 2010	6,327	470,668
1st Qtr. 2011	4,860	465,808
2nd Qtr. 2011	5,808	460,000
3rd Qtr. 2011	8,451	451,549
4th Qtr. 2011	6,624	444,925
2012	25,476	419,449
2013	26,268	393,181
2014	25,532	367,649
2015-2019	122,106	245,543
2020-2024	99,579	145,964
2025-2029	75,232	70,732
2030 and thereafter	<u>70,732</u>	-
Total	<u>\$ 485,194</u>	

Net Debt Service - Scheduled Amortization

As of June 30, 2010

(dollars in millions)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
2nd Qtr. 2010		\$ 780,971
3rd Qtr. 2010	14,497	766,474
4th Qtr. 2010	12,124	754,350
1st Qtr. 2011	10,884	743,466
2nd Qtr. 2011	11,316	732,150
3rd Qtr. 2011	14,495	717,655
4th Qtr. 2011	12,176	705,479
2012	47,325	658,154
2013	47,246	610,908
2014	45,371	565,537
2015-2019	204,338	361,199
2020-2024	154,104	207,095
2025-2029	108,766	98,329
2030 and thereafter	<u>98,329</u>	-
Total	<u>\$ 780,971</u>	