



**national
public finance
guarantee**

Operating Supplement

First 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 those presently anticipated or projected. Risk factors that 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 any subsequently filed Quarterly Report on Form 10-Q, which are available on our website, www.mbia.com, and 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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U.S. Public Finance Insurance
(National Public Financial Guarantee Corporation)
Adjusted Book Value

	3/31/11	12/31/10	Change Per Share
	Per Share	Per Share	
Reported Book Value	\$ 15.84	\$ 15.48	\$ 0.36
Reverse: Unrealized (Gains) Losses Included in OCI	0.26	0.21	0.05
Plus: Net Unearned Premium Revenue, After Tax ^{(1) (2)}	7.31	7.54	(0.23)
Adjusted Book Value ⁽³⁾	\$ 23.41	\$ 23.23	\$ 0.18
MBIA Inc. Common Shares Outstanding (000)	199,771	199,746	

Change by Component

Component	Change
12/31/2010	23.23
Revenue Items	0.25
Operating Expenses	(0.06)
Insurance Loss Estimates	(0.01)
All Other Changes	(0.00)
3/31/2011	23.41

(1) As of March 31, 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
(National Public Finance Guarantee Corporation)**

**Net Premiums Written ⁽¹⁾
(dollars in thousands)**

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2011					
Financial Guarantee	\$ (228)				\$ (228)
Insured Derivatives	-	-	-	-	-
Total	\$ (228)	\$ -	\$ -	\$ -	\$ (228)
2010					
Financial Guarantee	\$ 3,910	\$ (58)	\$ 84,108	\$ (5,532)	\$ 82,428
Insured Derivatives	93	-	1,960	-	2,053
Total	\$ 4,003	\$ (58)	\$ 86,068	\$ (5,532)	\$ 84,481

**Net Premiums Earned
(dollars in thousands)**

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2011					
Financial Guarantee	\$ 88,976	\$ -	\$ -	\$ -	\$ 88,976
Insured Derivatives	122	-	-	-	122
Total	\$ 89,098	\$ -	\$ -	\$ -	\$ 89,098
2010					
Financial Guarantee	\$ 114,291	\$ 119,287	\$ 100,171	\$ 111,894	\$ 445,643
Insured Derivatives	102	103	155	122	482
Total	\$ 114,393	\$ 119,390	\$ 100,326	\$ 112,016	\$ 446,125

**Refundings and Other Accelerations
(dollars in thousands)**

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2011					
Financial Guarantee	\$ 12,486	\$ -	\$ -	\$ -	\$ 12,486
Insured Derivatives	-	-	-	-	-
Total	\$ 12,486	\$ -	\$ -	\$ -	\$ 12,486
2010					
Financial Guarantee	\$ 26,753	\$ 33,026	\$ 18,304	\$ 32,146	\$ 110,229
Insured Derivatives	-	-	22	-	22
Total	\$ 26,753	\$ 33,026	\$ 18,326	\$ 32,146	\$ 110,251

⁽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.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Net Unearned Premium Amortization
and Premiums Collected and Expected (Cash)
As of March 31, 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			
1st Qtr. 2011	\$ 2,839					3	
2nd Qtr. 2011	2,764	70	5	2	77	7	
3rd Qtr. 2011	2,691	68	5	2	75	5	
4th Qtr. 2011	2,620	66	5	2	73	7	
2012	2,355	247	18	9	274	22	
2013	2,114	224	17	8	249	19	
2014	1,893	204	17	8	229	19	
2015	1,692	185	16	8	209	19	
2016-2020	927	692	73	33	798	90	
2021-2025	462	406	59	25	490	75	
2026 and thereafter	-	335	127	40	502	189	
Total		\$ 2,497	\$ 342	\$ 137	\$ 2,976	\$ 455	

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

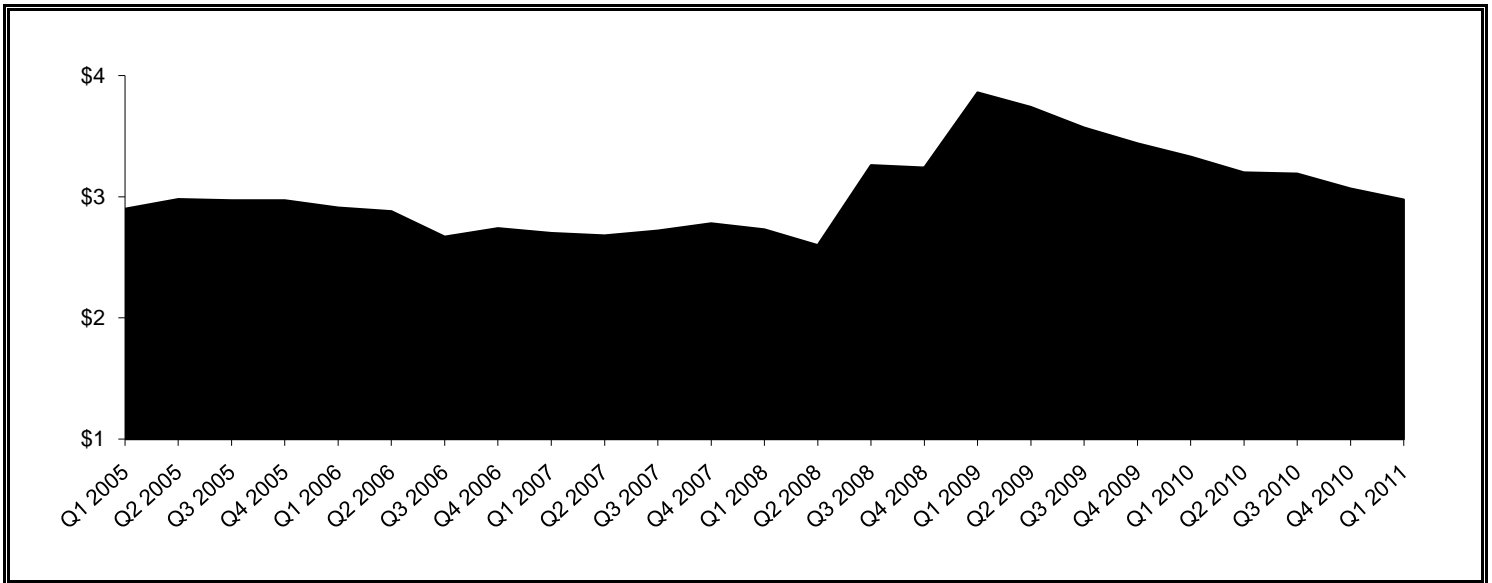
⁽²⁾ Represents installment-based future net, undiscounted collections.

Rollforward of Financial Guarantee Gross Premium Receivable

As of March 31, 2011
(dollars in millions)

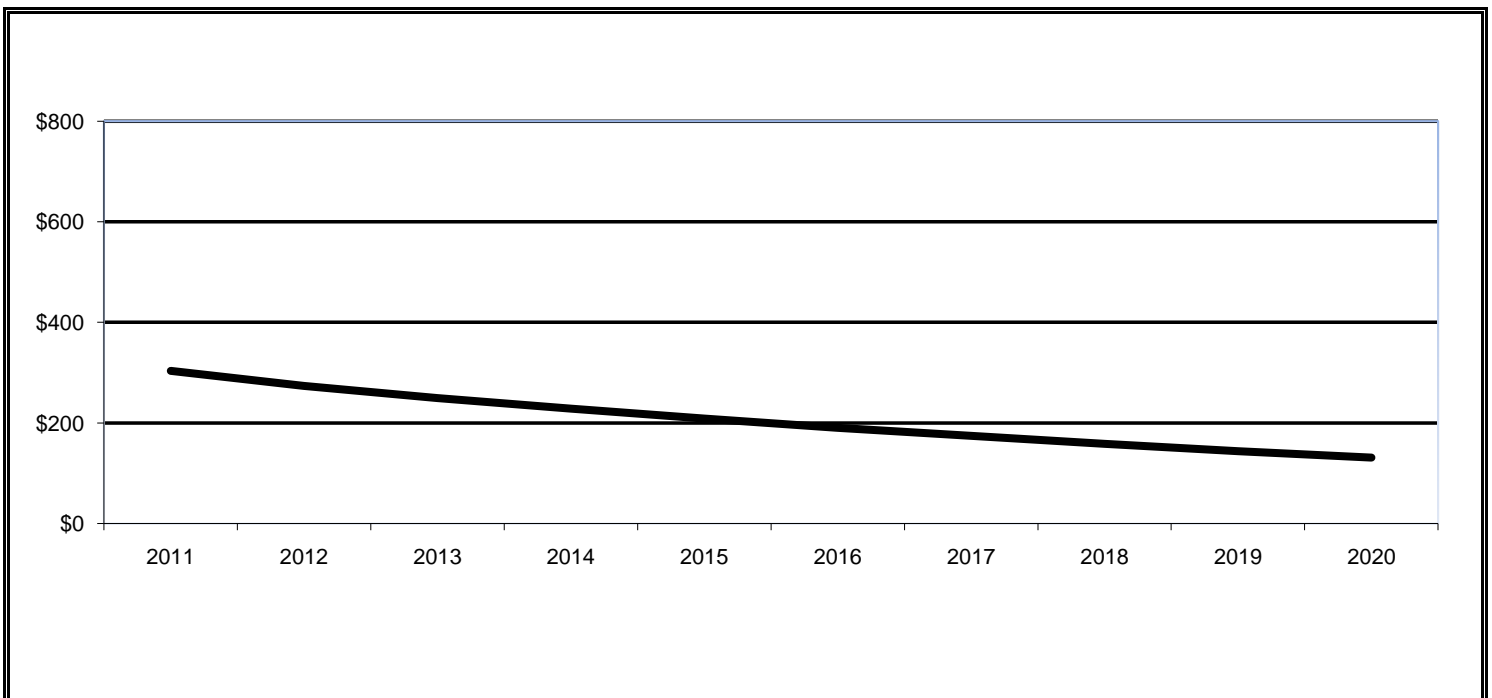
Premium Receivable as of December 31, 2010	Premium Payments Received	Premium from New Business Written	Adjustments			Premium Receivable as of March 31, 2011	Reinsurance Premium Payable as of March 31, 2011
			Changes in Expected Term of Policies	Accretion of Premium Receivable Discount	Other		
\$ 319	\$ (3)	\$ -	\$ (1)	\$ 2	\$ (2)	\$ 315	\$ -

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Reservoir of Future Net Premium Earnings ⁽¹⁾⁽²⁾
As of March 31, 2011
(dollars in billions)



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

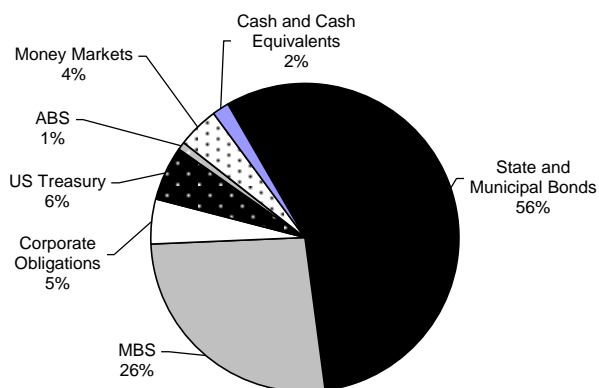
Net Future Annual Premium Earnings
As of March 31, 2011
(dollars in millions)



U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Investment Portfolio Including Cash and Cash Equivalents
As of March 31, 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	\$2,443,935	47%	\$ 2,537,200	4.35%
Taxable	2,345,472	45	2,334,884	3.94
Short-Term	444,878	8	443,599	1.65
Total	5,234,285	100%	\$ 5,315,683	3.94%
Cash and Cash Equivalents	94,559			
Total Fixed Income Including Cash and Cash Equivalents	5,328,844			
Other	2,768			
Total	\$5,331,612			

Total Fixed Income Investments
Including Cash and Cash Equivalents
Market Value Outstanding \$5,328,844



<u>Maturity Profile</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Quality Distribution of Long-Term Investments</u>	
			<u>Rating</u>	<u>% of Market Value</u>
Cash and Cash Equivalents	\$ 94,559	1.8%		
Within 1 Year	444,878	8.3%		
1 to 5 Years	607,742	11.4%		
5 to 10 Years	463,793	8.7%	Aaa	48%
10 to 15 Years	618,497	11.6%	Aa	40
15 to 20 Years	590,691	11.1%	A	9
More than 20 Years	2,508,684	47.1%	Baa	3
Total	\$5,328,844	100.0%		100%

Long-Term average maturity: 11.32 years
Duration: 6.10 years

⁽¹⁾ Includes Asset Swap with notional amount of \$1.775 billion; the total market value of encumbered assets totals \$1.869 billion.

National Public Finance Guarantee Corporation

Insured Portfolio Losses

(dollars in thousands)

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
<u>Loss and Loss Adjustment Expense (LAE) Reserves and Insurance Loss Recoverable</u>					
Beginning Gross Loss and LAE Reserves	\$ 214,653	\$ -	\$ -	\$ -	\$ 214,653
Beginning Gross Insurance Loss Recoverable	(70,529)	-	-	-	(70,529)
Beginning Gross Reserves	144,124	-	-	-	144,124
Ceded Reserves	-	-	-	-	-
Net Reserves	144,124	-	-	-	144,124
Change in Actual and Expected Payments	5,812	-	-	-	5,812
Change in Actual and Expected Salvage	(2,467)	-	-	-	(2,467)
Net (Payments), Collections and Other	(22,933)	-	-	-	(22,933)
Net Reserves	124,536	-	-	-	124,536
Ceded Reserves	-	-	-	-	-
Gross Reserves	124,536	-	-	-	124,536
Gross Loss and LAE Reserves	196,928	-	-	-	196,928
Gross Insurance Loss Recoverable	\$ (72,392)	\$ -	\$ -	\$ -	\$ (72,392)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
<u>Loss and Loss Adjustment Expense (LAE) Reserves and Insurance Loss Recoverable</u>					
Beginning Gross Loss and LAE Reserves	\$ 172,879	\$ 208,042	\$ 217,360	\$ 223,085	\$ 172,879
Beginning Gross Insurance Loss Recoverable	(31,049)	(16,497)	(16,621)	(68,021)	(31,049)
Beginning Gross Reserves	141,830	191,545	200,739	155,064	141,830
Ceded Reserves	-	-	-	-	-
Net Reserves	141,830	191,545	200,739	155,064	141,830
Change in Actual and Expected Payments	43,198	13,998	57,122	38,812	153,130
Change in Actual and Expected Salvage	(17,303)	(3,736)	(51,536)	(8,033)	(80,608)
Net (Payments), Collections and Other	23,820	(1,068)	(51,261)	(41,719)	(70,228)
Net Reserves	191,545	200,739	155,064	144,124	144,124
Ceded Reserves	-	-	-	-	-
Gross Reserves	191,545	200,739	155,064	144,124	144,124
Gross Loss and LAE Reserves	208,042	217,360	223,085	214,653	214,653
Gross Insurance Loss Recoverable	\$ (16,497)	\$ (16,621)	\$ (68,021)	\$ (70,529)	\$ (70,529)

National Public Finance Guarantee Corporation

Insured Credit Derivatives Asset/(Liability)

(dollars in thousands)

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Net Derivative Asset/(Liability)	\$ (10,252)	\$ -	\$ -	\$ -	\$ (10,252)
Unrealized Gain (Loss) - Ceded/Assigned from MBIA Corp.	(81)	-	-	-	(81)
Credit Impairments	-	-	-	-	-
Income Statement Mark-to-Market	(81)	-	-	-	(81)
Unearned Premium Revenue	122	-	-	-	122
Ending Net Derivative Asset/(Liability)	\$ (10,211)	\$ -	\$ -	\$ -	\$ (10,211)

2010	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Net Derivative Asset/(Liability)	\$ (8,667)	\$ (8,742)	\$ (8,592)	\$ (10,416)	\$ (8,667)
Unrealized Gain (Loss) - Ceded/Assigned from MBIA Corp.	(84)	47	(19)	43	(13)
Credit Impairments	-	-	-	-	-
Income Statement Mark-to-Market	(84)	47	(19)	43	(13)
Unearned Premium Revenue	9	103	(1,805)	121	(1,572)
Ending Net Derivative Asset/(Liability)	\$ (8,742)	\$ (8,592)	\$ (10,416)	\$ (10,252)	\$ (10,252)

National Public Finance Guarantee Corporation

Cash Flow ⁽¹⁾
(dollars in millions)

2011	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents:	\$ 290				\$ 290
Premiums	2	-	-	-	2
Net Investment Income	63	-	-	-	63
Other	-	-	-	-	-
Total Inflows	65	-	-	-	65
Gross Loss & LAE Payments	22	-	-	-	22
Operating & Other Expenses ⁽²⁾	143	-	-	-	143
Total Outflows	165	-	-	-	165
Operating Cash Flow	(100)	-	-	-	(100)
Financing Activities	(11)	-	-	-	(11)
Investing Activities	42	-	-	-	42
Net Cash Flow	(69)	-	-	-	(69)
Ending Cash & Cash Equivalents:	\$ 221	\$ -	\$ -	\$ -	\$ 221
Other Liquid Assets ⁽³⁾	155	-	-	-	155
Total Liquidity Position	\$ 376	\$ -	\$ -	\$ -	\$ 376

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
Total Liquidity Position	\$ 329	\$ 455	\$ 448	\$ 290	\$ 290

⁽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.

⁽²⁾ During the first quarter of 2011, National paid \$114 million to MBIA Inc. pursuant to the company's tax sharing agreement.

⁽³⁾ May include money market funds, commercial paper and other investments due within 12 months.

**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	\$ -	\$ -	\$ -	\$ 2,677
Fees and Professional Services	12,461				12,461
Building and Equipment	2,709	-	-	-	2,709
Other	<u>716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716</u>
Gross Insurance Expenses	18,563	-	-	-	18,563
Ceding Commissions (Received)/Paid	<u>654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>654</u>
Net Insurance Expenses	19,217	-	-	-	19,217
Deferred Acquisition (Costs)	<u>(715)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(715)</u>
Operating Expenses	<u>\$ 18,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,502</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)

	3/31/2011	12/31/2010
Assets:		
Cash and Investments	\$ 5,367	\$ 5,446
Asset Swap Facility	1,775	1,775
Other Assets	77	69
Total Assets	\$ 7,219	\$ 7,290
Liabilities:		
Unearned Premiums	2,814	2,873
Loss and LAE Reserves ⁽¹⁾	79	96
Contingency Reserve	1,495	1,473
Asset Swap Facility	1,775	1,775
Other Liabilities	92	165
Total Liabilities	6,255	6,382
Total Policyholders' Surplus	964	908
Total Liabilities and Policyholders' Surplus	\$ 7,219	\$ 7,290

Financial and Ratio Information
(dollars in millions)

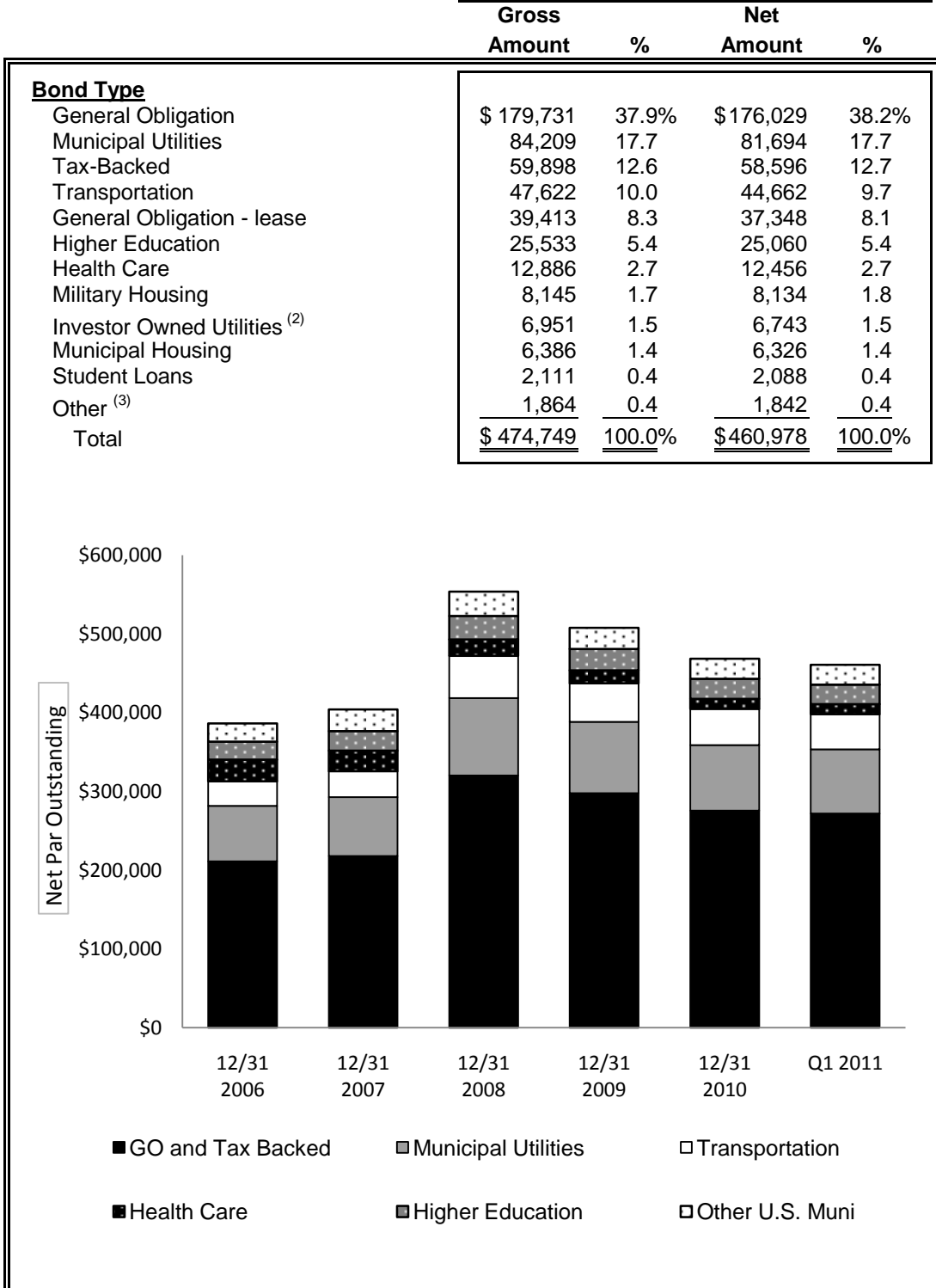
Statutory Basis		
	3/31/2011	12/31/2010
Balance Sheet		
Policyholders' Surplus	\$ 964	\$ 908
Contingency Reserve	1,495	1,473
Statutory Capital	2,459	2,381
Unearned Premium Reserve	2,814	2,873
Present Value of Installment Premiums ⁽¹⁾	275	282
Premium Resources ⁽²⁾	3,089	3,155
Loss and LAE Reserves ⁽¹⁾	79	96
Total Claims-Paying Resources	\$ 5,627	\$ 5,632
Net Debt Service Outstanding	\$ 737,024	\$ 752,420
Capital Ratio	300:1	316:1
Claims-Paying Resources Ratio	162:1	166:1

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

⁽²⁾ The amounts consist of Financial Guarantee insurance premiums and Insured Credit 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 March 31, 2011⁽¹⁾



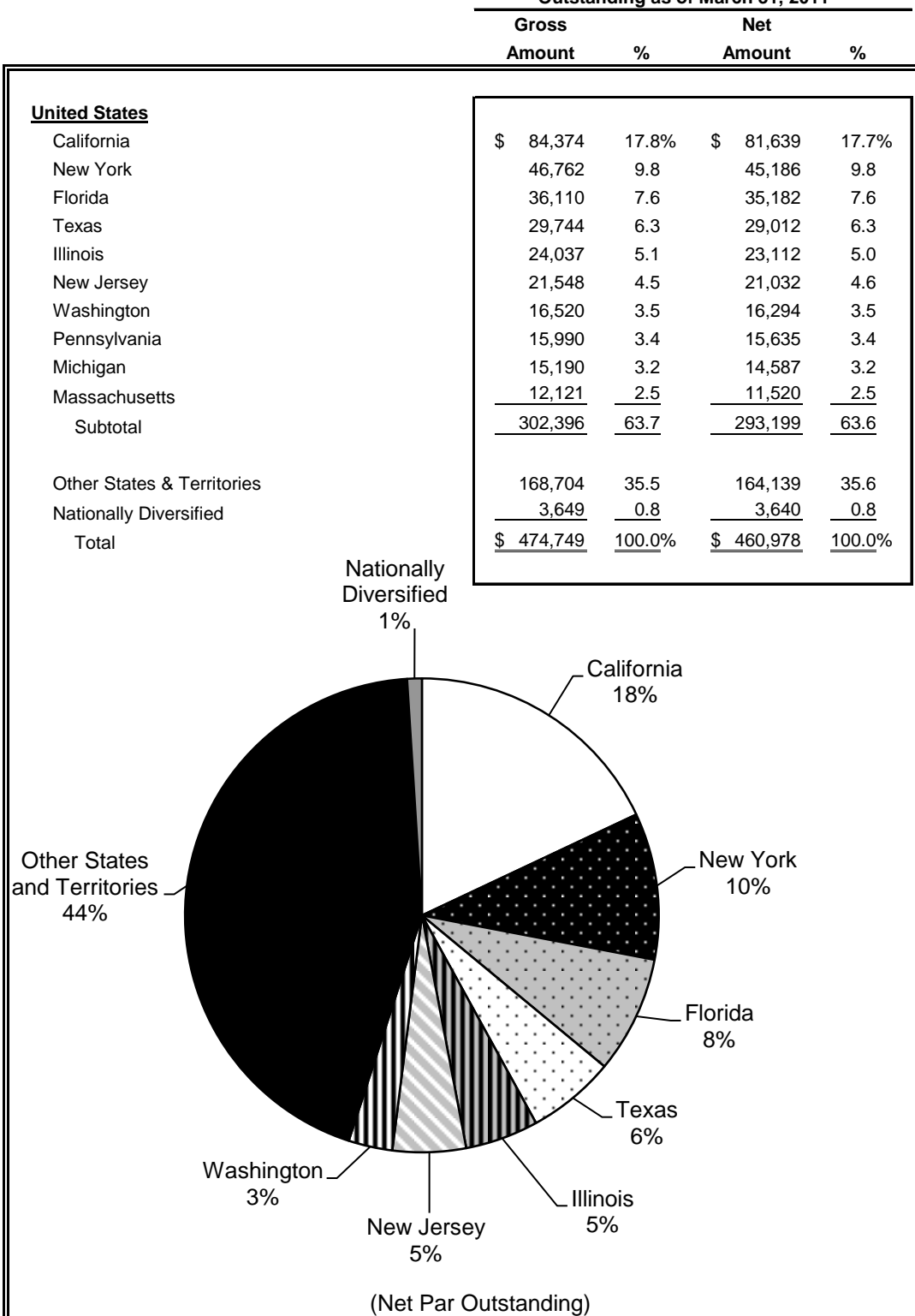
⁽¹⁾ Net of refunded issues and reinsurance; including \$10.3 billion of reinsurance ceded by FGIC to third parties.

⁽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 March 31, 2011 ⁽¹⁾



⁽¹⁾ Net of refunded issues and reinsurance; including \$10.3 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 March 31, 2011
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding
1	California General Obligation	CA	a3	\$ 5,044
2	Massachusetts General Obligation	MA	aa3	3,512
3	Illinois General Obligation	IL	a3	3,044
4	New York State Lease	NY	aa3	2,990
5	New Jersey Transportation Trust Fund Authority	NJ	aa3	2,674
6	State of Washington General Obligation	WA	aa2	2,599
7	MTA Commuter & Transit Transportation Revenue	NY	a2	2,538
8	New York City General Obligation	NY	aa3	2,472
9	The Port Authority of New York and New Jersey	NY	a1	2,249
10	Wisconsin General Obligation	WI	aa3	2,232
11	Puerto Rico General Obligation	PR	bbb3	2,186
12	Florida State General Obligation	FL	aa1	2,178
13	Connecticut General Obligation	CT	aa3	2,161
14	City of Houston Combined Utility System Revenue Bonds	TX	a3	2,122
15	Long Island Power Authority Electric	NY	a3	2,064
16	Miami-Dade County Airport	FL	a3	1,997
17	Chicago O'Hare General Airport	IL	a2	1,987
18	San Francisco International Airport	CA	a2	1,960
19	Chicago General Obligation	IL	a2	1,886
20	State of California Economic Recovery Bonds	CA	a3	1,868
21	Dallas-Fort Worth International Airport	TX	a1	1,820
22	Puerto Rico Electric Power Authority	PR	bbb1	1,761
23	Metropolitan Washington Airports Authority	DC	aa3	1,706
24	Oregon School Boards Association General Obligation	OR	aa3	1,672
25	New York City Water	NY	aa2	1,671
26	Triboro Bridge & Tunnel Authority	NY	a1	1,660
27	Regents of the University of California	CA	aa3	1,660
28	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	1,650
29	Clark County School District General Obligation	NV	aa2	1,597
30	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	aa2	1,579
31	Wayne County Airport Authority	MI	a2	1,568
32	Pennsylvania General Obligation	PA	aa3	1,553
33	City of Chicago Board of Education	IL	a2	1,532
34	New York State Local Government Assistance Corporation	NY	a2	1,504
35	Los Angeles Unified School District General Obligation	CA	aa3	1,496
36	Illinois Regional Transportation Authority	IL	aa2	1,489
37	Seattle Port and Airport Revenue	WA	aa3	1,486
38	Illinois Metropolitan Pier & Exposition Authority	IL	aa3	1,452
39	Oakland Port and Airport Revenue	CA	a1	1,393
40	New York City Transitional Finance Authority Sales Tax	NY	aa2	1,376
41	California State Public Works Board Lease	CA	bbb3	1,370
42	Army Hawaii Family Housing	HI	aa2	1,348
43	Florida Department of Natural Resources Preservation	FL	a1	1,339
44	Honolulu City and County General Obligation	HI	aa3	1,301
45	City of Detroit Sewage Disposal System	MI	a2	1,300
46	New Jersey Turnpike Authority	NJ	a2	1,279
47	Denver City and County Airport System	CO	a1	1,222
48	Metropolitan Transportation Authority Dedicated Tax Fund	NY	aa3	1,220
49	Detroit City Water System	MI	a3	1,213
50	Los Angeles City Water and Power	CA	aa3	1,146
		Total		\$ 94,126
		Total Portfolio Exposure		\$ 474,749
		50 Largest Credits Gross Par Outstanding as % of Total Portfolio		19.8%

⁽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 March 31, 2011
(dollars in millions)

	Gross Par Outstanding	
	Amount	%
<u>Public Finance</u>		
AAA	\$ 27,362	5.7%
AA	219,192	46.2%
A	180,354	38.0%
BBB	44,489	9.4%
<BBB	3,352	0.7%
Total	\$ 474,749	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	447
3 Brazos Higher Education Authority Series 1999A1-6	161
4 AHERF Delaware Valley Obligated Group	153
5 Capital Projects Fin Auth FL Universities Student Hsg 2001F-1	131
6 Detroit City GO	130
7 Basketball Properties Ltd Miami Heat	127
8 George L. Smith Georgia World Congress Center Auth	122
9 Pace University	118
10 Mashantucket Western Pequot Tribe Casino Revenues	100
	\$ 2,098
Total BIG Gross Par Exposure	\$ 3,352
Total National Gross Par Outstanding	\$ 474,749
Top 10 BIG Gross Par Exposure as % of National Gross Par Outstanding	0.4%
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 March 31, 2011
(dollars in millions)

	Scheduled Gross Par Amortization	Ending Gross Par Outstanding
1st Qtr. 2011		\$ 474,749
2nd Qtr. 2011	6,016	468,733
3rd Qtr. 2011	8,533	460,200
4th Qtr. 2011	6,698	453,502
1st Qtr. 2012	4,774	448,728
2nd Qtr. 2012	5,836	442,892
3rd Qtr. 2012	8,335	434,557
4th Qtr. 2012	6,724	427,833
2013	26,503	401,330
2014	25,671	375,659
2015	25,787	349,872
2016-2020	120,507	229,365
2021-2025	96,634	132,731
2026-2030	70,133	62,598
2031 and thereafter	<u>62,598</u>	-
Total	<u>\$ 474,749</u>	

Gross Debt Service - Scheduled Amortization
As of March 31, 2011
(dollars in millions)

	Scheduled Gross Debt Service Amortization	Ending Gross Debt Service Outstanding
1st Qtr. 2011		\$ 761,202
2nd Qtr. 2011	11,615	749,587
3rd Qtr. 2011	14,699	734,888
4th Qtr. 2011	12,354	722,534
1st Qtr. 2012	10,517	712,017
2nd Qtr. 2012	11,105	700,912
3rd Qtr. 2012	14,248	686,664
4th Qtr. 2012	12,124	674,540
2013	48,005	626,535
2014	46,041	580,494
2015	44,947	535,547
2016-2020	199,438	336,109
2021-2025	147,998	188,111
2026-2030	101,120	86,991
2031 and thereafter	<u>86,991</u>	-
Total	<u>\$ 761,202</u>	

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