



**national
public finance
guarantee**

Operating Supplement

Fourth Quarter 2010

Table of Contents

Adjusted Book Value	3
Net Premiums Written, Net Premiums Earned, Refundings and Other Accelerations	4
Net Unearned Premium Amortization and Premiums Collected and Expected (Cash)	5
Rollforward of Financial Guarantee Gross Premium Receivable	5
Reservoir of Future Net Premium Earnings, Net Future Premium Earnings	6
Investment Portfolio Including Cash and Cash Equivalents	7
Insured Portfolio Losses, Insured Credit Derivatives Asset/(Liability)	8
Cash Flow	9
Insurance Expenses	10
Statutory Balance Sheets Summary, Financial and Ratio Information	11
Insured Portfolio Profile Par Value by Bond Type	12
Insured Portfolio Profile Par Value by Geography	13
Insured Portfolio -50 Largest Credits Gross Par Outstanding	14
Credit Quality Distribution, Top 10 Below Investment Grade (BIG) Credits	15
Gross Par - Scheduled Amortization, Gross Debt Service - Scheduled Amortization	16

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.

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

	12/31/10	12/31/09 ⁽¹⁾	Change Per Share
	Per Share	Per Share	
Reported Book Value	\$ 15.48	\$ 13.52	\$ 1.96
Reverse: Unrealized (Gains) Losses Included in OCI	0.21	(0.05)	0.26
Plus: Net Unearned Premium Revenue, After Tax ^{(2) (3)}	7.54	8.32	(0.78)
Adjusted Book Value ⁽⁴⁾	\$ 23.23	\$ 21.79	\$ 1.44
MBIA Inc. Common Shares Outstanding (000)	199,746	204,668	

Change by Component

Component	Change
12/31/2009 (1)	21.79
Revenue Items	1.92
Operating Expenses	(0.21)
Insurance Loss Estimates	(0.24)
All Other Changes	(0.03)
12/31/2010	23.23

(1) Revised to reflect the current calculation of Adjusted Book Value.

(2) At December 31, 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.

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

(4) 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.	Full Year
2010					
Financial Guarantee	\$ 3,910	\$ (58)	\$ 84,108	\$ (5,532)	\$ 82,428
Insured Derivatives	93	-	1,960	-	2,053
Total	<u>\$ 4,003</u>	<u>\$ (58)</u>	<u>\$ 86,068</u>	<u>\$ (5,532)</u>	<u>\$ 84,481</u>
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	<u>\$ 3,871,015</u>	<u>\$ 8,666</u>	<u>\$ (11,488)</u>	<u>\$ (11,183)</u>	<u>\$ 3,857,010</u>

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

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2010					
Financial Guarantee	\$ 114,291	\$ 119,287	\$ 100,171	\$ 111,894	\$ 445,643
Insured Derivatives	102	103	155	122	482
Total	<u>\$ 114,393</u>	<u>\$ 119,390</u>	<u>\$ 100,326</u>	<u>\$ 112,016</u>	<u>\$ 446,125</u>
2009					
Financial Guarantee	\$ 149,846	\$ 133,000	\$ 142,857	\$ 137,016	\$ 562,719
Insured Derivatives	56	129	200	543	928
Total	<u>\$ 149,902</u>	<u>\$ 133,129</u>	<u>\$ 143,057</u>	<u>\$ 137,559</u>	<u>\$ 563,647</u>

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

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2010					
Financial Guarantee	\$ 26,753	\$ 33,026	\$ 18,304	\$ 32,146	\$ 110,229
Insured Derivatives	-	-	22	-	22
Total	<u>\$ 26,753</u>	<u>\$ 33,026</u>	<u>\$ 18,326</u>	<u>\$ 32,146</u>	<u>\$ 110,251</u>
2009					
Financial Guarantee	\$ 36,147	\$ 29,028	\$ 46,494	\$ 41,949	\$ 153,618
Insured Derivatives	-	25	78	438	541
Total	<u>\$ 36,147</u>	<u>\$ 29,053</u>	<u>\$ 46,572</u>	<u>\$ 42,387</u>	<u>\$ 154,159</u>

⁽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 December 31, 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			
4th Qtr. 2010	\$ 2,928					3	
1st Qtr. 2011	2,851	72	5	2	79	4	
2nd Qtr. 2011	2,775	71	5	2	78	5	
3rd Qtr. 2011	2,702	68	5	2	75	5	
4th Qtr. 2011	2,631	66	5	2	73	7	
2012	2,364	249	18	9	276	22	
2013	2,121	225	18	8	251	20	
2014	1,900	204	17	8	229	20	
2015	1,697	186	17	8	211	19	
2016-2020	927	695	75	33	803	91	
2021-2025	458	408	61	26	495	76	
2026 and thereafter	-	336	122	41	499	191	
Total		\$ 2,580	\$ 348	\$ 141	\$ 3,069	\$ 463	

⁽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.

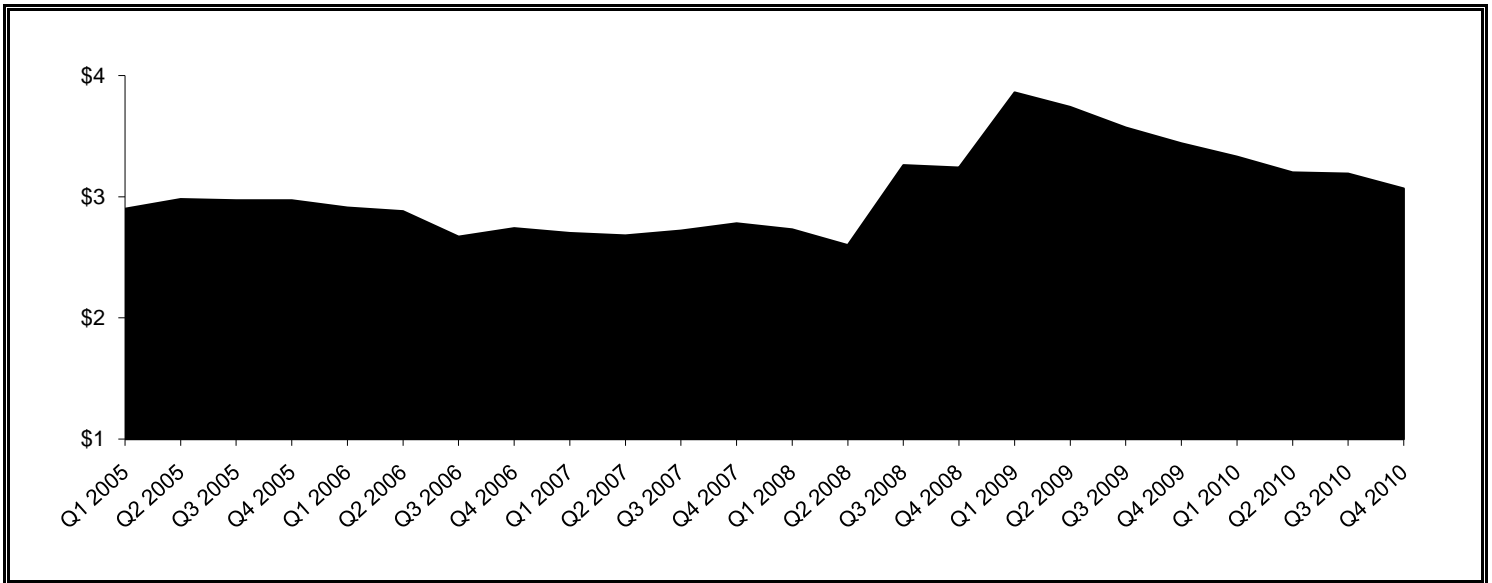
Rollforward of Financial Guarantee Gross Premium Receivable

As of December 31, 2010

(dollars in millions)

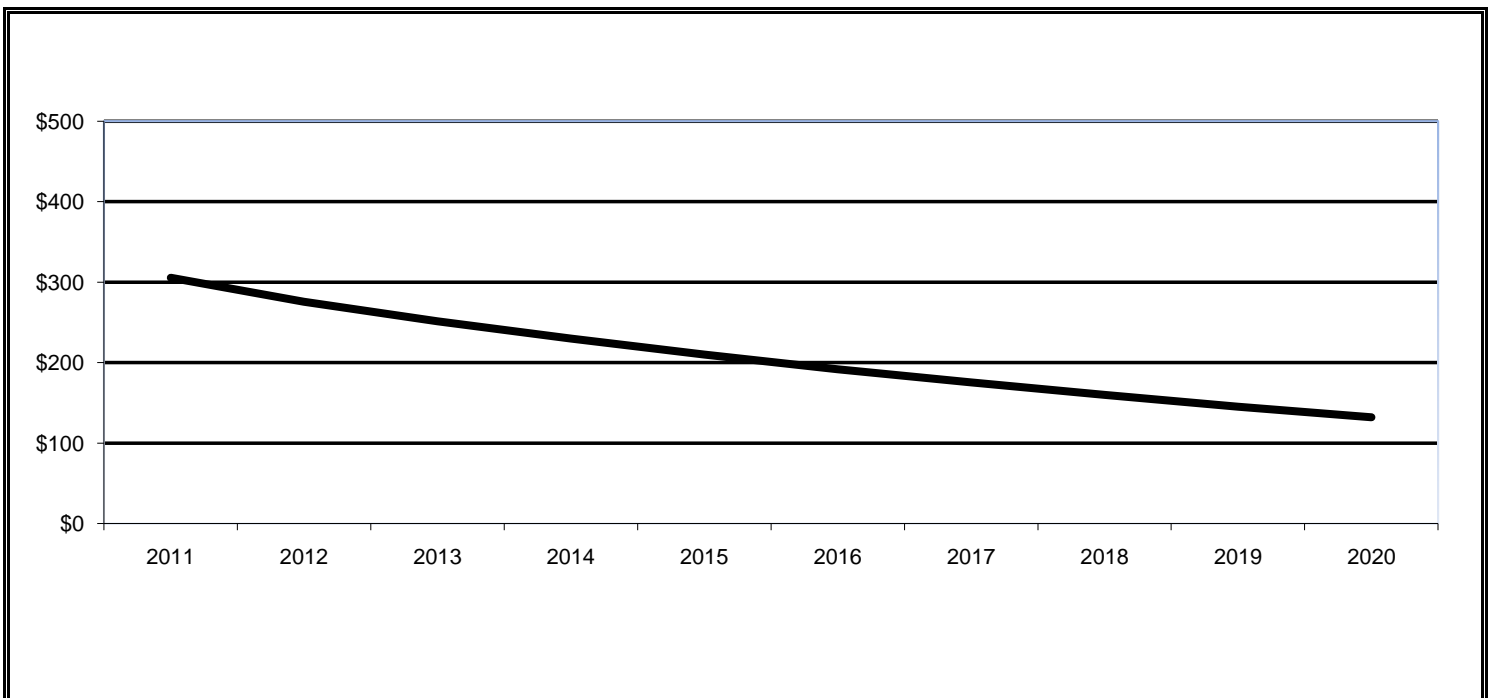
Premium Receivable as of December 31, 2009	Premium Payments Received	Premium from New Business Written	Adjustments			Premium Receivable as of December 31, 2010	Reinsurance Premium Payable as of December 31, 2010
			Changes in Expected Term of Policies	Accretion of Premium Receivable Discount	Other		
\$ 345	\$ (21)	\$ -	\$ (9)	\$ 9	\$ (5)	\$ 319	\$ -

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Reservoir of Future Net Premium Earnings ⁽¹⁾⁽²⁾
As of December 31, 2010
(dollars in billions)



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

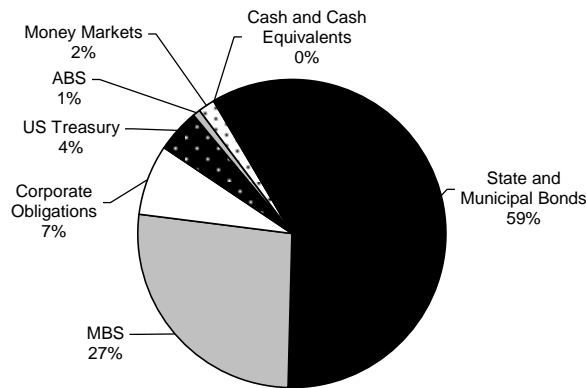
Net Future Premium Earnings
As of December 31, 2010
(dollars in millions)



U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Investment Portfolio Including Cash and Cash Equivalents
As of December 31, 2010
(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	\$2,660,048	49%	\$ 2,747,862	4.35%
Taxable	2,414,853	45	2,395,905	3.74
Short-Term	345,105	6	342,541	2.51
Total	5,420,006	100%	\$ 5,486,308	3.97%
Cash and Cash Equivalents	9,072			
Total Fixed Income Including Cash and Cash Equivalents	5,429,078			
Other	2,674			
Total	\$5,431,752			

Total Fixed Income Investments
Including Cash and Cash Equivalents
Market Value Outstanding \$5,429,078



<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	\$	9,072	0.2%	<u>Market Value Outstanding \$5,074,901</u>	
Within 1 Year		345,105	6.3%	<u>Rating</u>	<u>% of Market Value</u>
1 to 5 Years		718,537	13.2%	Aaa	47%
5 to 10 Years		573,439	10.6%	Aa	41
10 to 15 Years		526,820	9.7%	A	10
15 to 20 Years		595,922	11.0%	Baa	2
More than 20 Years		2,660,183	49.0%		
Total		\$5,429,078	100.0%		100%

Long-Term average maturity: 12.62 years
Duration: 6.67 years

⁽¹⁾ Includes Asset Swap with notional amount of \$1.775 billion; the total market value of encumbered assets totals \$1.803 billion.

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 and Insurance Loss Recoverable					
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)

2009	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	\$ -	\$ 239,583	\$ 194,244	\$ 219,036	\$ -
Beginning Gross Insurance Loss Recoverable	-	(337)	(31,316)	(36,768)	-
Beginning Gross Reserves	-	239,246	162,928	182,268	-
Ceded Reserves	185,205	-	-	-	185,205
Net Reserves	185,205	239,246	162,928	182,268	185,205
Change in Actual and Expected Payments	57,841	54,983	42,624	(2,180)	153,268
Change in Actual and Expected Salvage	(93)	(49,733)	(13,916)	4,375	(59,367)
Net (Payments), Collections and Other	(3,707)	(81,568)	(9,368)	(42,633)	(137,276)
Net Reserves	239,246	162,928	182,268	141,830	141,830
Ceded Reserves	-	-	-	-	-
Gross Reserves	239,246	162,928	182,268	141,830	141,830
Gross Loss and LAE Reserves	239,583	194,244	219,036	172,879	172,879
Gross Insurance Loss Recoverable	\$ (337)	\$ (31,316)	\$ (36,768)	\$ (31,049)	\$ (31,049)

National Public Finance Guarantee Corporation
Insured Credit Derivatives Asset/(Liability)
(dollars in thousands)

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)

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
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)	\$ (5,129)	\$ (5,840)	\$ (9,246)	\$ (8,667)	\$ (8,667)

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:	\$ 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 ⁽²⁾	326	200	404	281	281
Total Liquidity Position	\$ 329	\$ 455	\$ 448	\$ 290	\$ 290

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents:	\$ 5	\$ 57	\$ 31	\$ 87	\$ 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	(189)	3	(17)	(69)	(272)
Net Cash Flow	52	(26)	56	(59)	23
Ending Cash & Cash Equivalents:	\$ 57	\$ 31	\$ 87	\$ 28	\$ 28
Other Liquid Assets ⁽²⁾	439	482	463	206	206
Total Liquidity Position	\$ 496	\$ 513	\$ 550	\$ 234	\$ 234

⁽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⁾ 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)**

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>

2009	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
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
Other	<u>431</u>	<u>1,147</u>	<u>899</u>	<u>580</u>	<u>3,057</u>
Gross Insurance Expenses	7,790	20,574	11,015	19,030	58,409
Ceding Commissions (Received)/Paid	<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)	<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)

	12/31/2010	12/31/2009
Assets:		
Cash and Investments	\$ 5,446	\$ 5,205
Asset Swap Facility	1,775	1,675
Other Assets	69	95
Total Assets	\$ 7,290	\$ 6,975
Liabilities:		
Unearned Premiums	2,873	3,126
Loss and LAE Reserves ⁽¹⁾	96	136
Contingency Reserve	1,473	1,404
Asset Swap Facility	1,775	1,675
Other Liabilities	165	43
Total Liabilities	6,382	6,384
Total Policyholders' Surplus	908	591
Total Liabilities and Policyholders' Surplus	\$ 7,290	\$ 6,975

Financial and Ratio Information
(dollars in millions)

Statutory Basis		
	12/31/2010	12/31/2009
Balance Sheet		
Policyholders' Surplus	\$ 908	\$ 591
Contingency Reserve	1,473	1,404
Statutory Capital	2,381	1,995
Unearned Premium Reserve	2,873	3,126
Present Value of Installment Premiums ⁽¹⁾	282	270
Premium Resources ⁽²⁾	3,155	3,396
Loss and LAE Reserves ⁽¹⁾	96	136
Total Claims-Paying Resources	\$ 5,632	\$ 5,527
Gross Debt Service Outstanding	\$ 777,366	\$ 865,328
Capital Ratio	326:1	434:1
Claims-Paying Resources Ratio	172:1	199:1

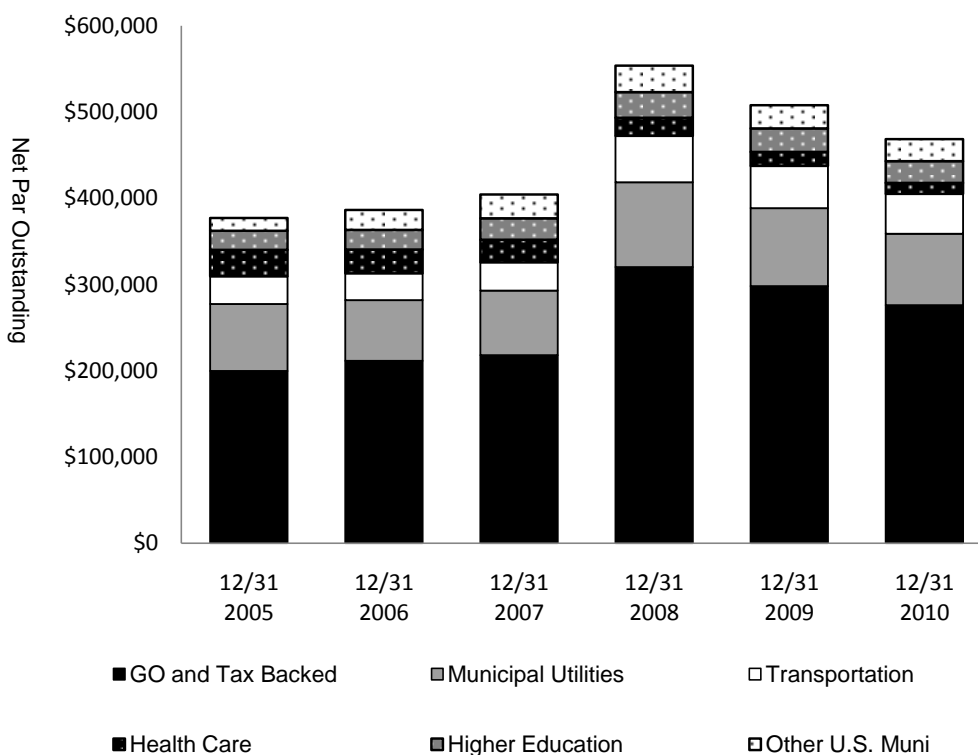
⁽¹⁾ At December 31, 2010 and 2009, the discount rates were 4.19% and 5.09%, respectively.

⁽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 December 31, 2010 ⁽¹⁾

Bond Type	Gross		Net	
	Amount	%	Amount	%
General Obligation	\$ 182,788	37.9%	\$ 179,047	38.2%
Municipal Utilities	85,443	17.7	82,901	17.7
Tax-Backed	60,428	12.5	59,122	12.6
Transportation	49,375	10.2	46,156	9.9
General Obligation - lease	39,812	8.2	37,721	8.1
Higher Education	25,709	5.3	25,235	5.4
Health Care	13,214	2.7	12,775	2.7
Military Housing	8,151	1.7	8,141	1.7
Investor Owned Utilities ⁽²⁾	7,037	1.5	6,829	1.4
Municipal Housing	6,547	1.4	6,485	1.4
Student Loans	2,167	0.5	2,144	0.5
Other ⁽³⁾	2,021	0.4	1,999	0.4
Total	\$ 482,692	100.0%	\$ 468,555	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.

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

Outstanding as of December 31, 2010 ⁽¹⁾

	Gross		Net	
	Amount	%	Amount	%
<u>United States</u>				
California	\$ 85,354	17.6%	\$ 82,606	17.6%
New York	47,251	9.8	45,673	9.7
Florida	36,508	7.6	35,573	7.6
Texas	30,440	6.3	29,701	6.3
Illinois	24,534	5.1	23,561	5.0
New Jersey	21,793	4.5	21,276	4.6
Pennsylvania	16,666	3.4	16,437	3.5
Washington	16,299	3.4	15,941	3.4
Michigan	15,272	3.2	14,669	3.1
Massachusetts	13,689	2.8	12,841	2.8
Subtotal	<u>307,806</u>	<u>63.7</u>	<u>298,278</u>	<u>63.6</u>
Other States & Territories	171,218	35.5	166,619	35.6
Nationally Diversified	3,668	0.8	3,658	0.8
Total	<u>\$ 482,692</u>	<u>100.0%</u>	<u>\$ 468,555</u>	<u>100.0%</u>

(Net Par Outstanding)

⁽¹⁾ Net of refunded issues and reinsurance.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Insured Portfolio - 50 Largest Credits
Gross Par Outstanding as of December 31, 2010
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding
1	California General Obligation	CA	a3	\$ 5,200
2	Massachusetts General Obligation	MA	aa3	3,659
3	Illinois General Obligation	IL	a3	3,096
4	New York State Lease	NY	aa3	3,092
5	New Jersey Transportation Trust Fund Authority	NJ	aa3	2,674
6	State of Washington General Obligation	WA	aa2	2,633
7	MTA Commuter & Transit Transportation Revenue	NY	a2	2,538
8	New York City General Obligation	NY	aa3	2,506
9	The Port Authority of New York and New Jersey	NY	a1	2,260
10	Wisconsin General Obligation	WI	aa3	2,235
11	Florida State General Obligation	FL	aa1	2,201
12	Connecticut General Obligation	CT	aa3	2,200
13	Puerto Rico General Obligation	PR	bbb3	2,186
14	City of Houston Combined Utility System Revenue Bonds	TX	a3	2,122
15	Chicago O'Hare General Airport	IL	a2	2,076
16	Long Island Power Authority Electric	NY	a3	2,064
17	San Francisco International Airport	CA	a2	2,004
18	Miami-Dade County Airport	FL	a3	1,997
19	Chicago General Obligation	IL	a2	1,964
20	State of California Economic Recovery Bonds	CA	a3	1,904
21	Dallas-Fort Worth International Airport	TX	a1	1,820
22	Puerto Rico Electric Power Authority	PR	bbb1	1,762
23	Metropolitan Washington Airports Authority	DC	aa3	1,706
24	Oregon School Boards Association General Obligation	OR	aa3	1,673
25	New York City Water	NY	aa2	1,671
26	Regents of the University of California	CA	aa3	1,660
27	Triborough Bridge & Tunnel Authority	NY	a1	1,650
28	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	1,638
29	Clark County School District General Obligation	NV	aa2	1,597
30	Pennsylvania General Obligation	PA	aa3	1,594
31	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	aa2	1,579
32	Wayne County Airport Authority	MI	a2	1,568
33	City of Chicago Board of Education	IL	a2	1,549
34	Massachusetts Turnpike Authority	MA	bbb1	1,503
35	New York State Local Government Assistance Corporation	NY	a2	1,502
36	Los Angeles Unified School District General Obligation	CA	aa3	1,496
37	Seattle Port and Airport Revenue	WA	aa3	1,477
38	Illinois Regional Transportation Authority	IL	aa2	1,471
39	Los Angeles City Water and Power	CA	aa3	1,447
40	Illinois Metropolitan Pier & Exposition Authority	IL	aa3	1,438
41	Oakland Port and Airport Revenue	CA	a1	1,392
42	California State Public Works Board Lease	CA	bbb3	1,375
43	New York City Transitional Finance Authority Sales Tax	NY	aa2	1,374
44	Army Hawaii Family Housing	HI	aa2	1,347
45	Florida Department of Natural Resources Preservation	FL	a1	1,328
46	Honolulu City and County General Obligation	HI	aa3	1,318
47	City of Detroit Sewage Disposal System	MI	a2	1,300
48	New Jersey Turpike Authority	NJ	a1	1,279
49	Denver City and County Airport System	CO	a1	1,222
50	Metropolitan Transportation Authority Dedicated Tax Fund	NY	aa3	1,219
		Total		\$ 95,566
		Total Portfolio Exposure		\$ 482,692
		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 December 31, 2010
(dollars in millions)

	Gross Par Outstanding	
	Amount	%
<u>Public Finance</u>		
AAA	\$ 27,292	5.7%
AA	225,827	46.8%
A	181,713	37.6%
BBB	45,113	9.3%
<BBB	2,747	0.6%
Total	\$ 482,692	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	\$ 618
2 Brazos Higher Education Authority Series 1999A1-6	176
3 AHERF Delaware Valley Obligated Group	152
4 Capital Projects Fin Auth FL Universities Student Hsg 2001F-1	131
5 Detroit City GO	130
6 Basketball Properties Ltd Miami Heat	129
7 George L. Smith Georgia World Congress Center Auth	122
8 Pace University	118
9 Mashantucket Western Pequot Tribe Casino Revenues	100
10 American Housing Foundation	100
	\$ 1,775
Total BIG Gross Par Exposure	\$ 2,747
Total National Gross Par Outstanding	\$ 482,692
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	0.6%
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 December 31, 2010
(dollars in millions)

	Scheduled Gross Par Amortization	Ending Gross Par Outstanding
4th Qtr. 2010		482,692
1st Qtr. 2011	4,943	477,749
2nd Qtr. 2011	6,035	471,714
3rd Qtr. 2011	8,554	463,160
4th Qtr. 2011	6,725	456,435
2012	25,741	430,694
2013	26,622	404,072
2014	25,798	378,274
2015	25,896	352,378
2016-2020	121,147	231,231
2021-2025	97,266	133,965
2026 and thereafter	133,965	-
Total	<u>\$ 482,692</u>	

Gross Debt Service - Scheduled Amortization
As of December 31, 2010
(dollars in millions)

	Scheduled Gross Debt Service Amortization	Ending Gross Debt Service Outstanding
4th Qtr. 2010		777,366
1st Qtr. 2011	11,143	766,223
2nd Qtr. 2011	11,667	754,556
3rd Qtr. 2011	14,769	739,787
4th Qtr. 2011	12,406	727,381
2012	48,217	679,164
2013	48,271	630,893
2014	46,304	584,589
2015	45,187	539,402
2016-2020	200,647	338,755
2021-2025	149,017	189,738
2026 and thereafter	189,738	-
Total	<u>\$ 777,366</u>	

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