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FGIC Completes First Future Flow Securitization

September 29, 2005 – New York, NY – Financial Guaranty Insurance Company (FGIC) announced today that it has guaranteed a \$200 million facility backed by Diversified Payment Rights (DPR) for UBB Diversified Payment Rights Finance Company, the issuer of Notes secured by receivables of Unibanco-União de Bancos Brasileiros S.A. (Unibanco), the third largest private sector bank in Brazil.

The transaction, believed to be the first stand-by facility with a term DPR option done in Brazil, was completed by FGIC's Emerging Markets Group, which was formed in June 2005. The DPR-backed facility enables Unibanco to raise long-term funding through Notes secured by DPRs during a committed revolving period.

Sumitomo Mitsui Banking Corporation (SMBC) helped structure the transaction through its subsidiary SMBC Securities, Inc., which also acted as Arranger, placing the Notes privately.

Daniel Gleizer, Executive Director of Unibanco responsible for the Treasury commented: "This was a strategic transaction for Unibanco. It combines the benefits of a stand-by bank facility with the benefits of long-term funding that can be accessed through the DPR securitization vehicle. We are happy to have been the pioneer for a transaction of this type in Brazil. The FGIC guaranty allowed us to implement this structure."

"It was a pleasure to work with Unibanco on this transaction," said Eric J. Rosensweig, Managing Director of Emerging Markets at FGIC. "Unibanco is a major player in the DPR business and an active issuer of future flow securitizations. It is great to have Unibanco as a new international partner of FGIC."

The transaction closed on September 23, 2005. Based on FGIC's financial guaranty, the Notes will carry triple-A ratings from Moody's Investors Service and Standard & Poor's Rating Service.

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FGIC Completes First Future Flow Securitization (continued)

Unibanco Company Profile

Established in 1924, Unibanco is the oldest and the third largest private sector bank in Brazil. With more than 1,000 branches and nearly 27,000 employees, Unibanco provides a wide range of financial products and services, and the bank enjoys a solid market position in each of them.

SMBC Company Profile

The Sumitomo Mitsui Banking Corporation (SMBC) is one of the world's largest banks, created in April 2001 through the merger of The Sumitomo Bank, Limited and The Sakura Bank Limited. The bank has over 600 branches and sub-branches domestically, and 35 branches, sub-branches and Rep offices combined overseas. It is present in over 20 countries.

FGIC Company Profile

FGIC provides credit enhancement on public finance and structured finance securities in the U.S. and internationally. Established in 1983, FGIC is one of the four leading monoline financial guarantors. FGIC typically guarantees the scheduled payments of principal and interest on an issuer's obligation. FGIC's financial strength is rated triple-A by Moody's Investors Service, Standard & Poor's and Fitch Ratings.

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