

Financial Guaranty Insurance Company

Quarterly Operating Review
Second Quarter 2008

FGIC
Strength is our bond®



FGIC CORPORATION AND SUBSIDIARIES
Quarterly Operating Review
Second Quarter 2008

Introductory Notes

Unaudited Information. The information in this Review is unaudited.

General. This Review should be read in conjunction with the audited consolidated financial statements of FGIC Corporation and subsidiaries for the year ended 2007 that are available at www.fgic.com. This Review contains selected financial and statistical information; it does not purport to contain all material information about our business and operations. Except as otherwise indicated, the financial statements and statistical data are those of FGIC Corporation and subsidiaries. This Review is not intended to be, and should not be, relied upon for the purpose of making any investment decisions, and it does not constitute an offer, invitation or recommendation to invest in FGIC Corporation or any securities guaranteed or issued by FGIC Corporation or any of its subsidiaries. We do not undertake to update or revise any information contained in this Review, except as required by law.

Other: As disclosed in Note 16 of the Consolidated Financial Statements of FGIC Corporation and Subsidiaries for the three months ending June 30, 2008, in June 2007, FGIC UK Ltd. entered into a commitment agreement (the Commitment Agreement) with Havenrock II Limited (Havenrock II), a special purpose vehicle created by IKB Deutsche Industriebank, under which, in consideration for the payment of certain commitment and guarantee fees, and on the satisfaction of certain conditions, FGIC UK Ltd. agreed to issue a financial guaranty policy in respect of up to \$1.875 billion of high-grade and mezzanine ABS CDOs contained in a \$2.5 billion reference portfolio (the Reference Portfolio), subject to FGIC UK Ltd.'s rights and defenses and to the terms and conditions of the Commitment Agreement. Calyon, a French bank, was a third party beneficiary with respect to FGIC UK Ltd.'s obligation, if any, to issue a financial guaranty policy pursuant to the Commitment Agreement, and certain other obligations of FGIC UK Ltd. under the Commitment Agreement. Calyon had also entered into certain credit default swaps with Havenrock II, pursuant to which Calyon had purchased credit protection with respect to the same securities as the Reference Portfolio.

On August 25, 2008, FGIC, FGIC UK Ltd. and Calyon executed a deed of settlement agreeing not to pursue actual and potential monetary claims that each party may have against the other in connection with the Commitment Agreement and the Havenrock II transaction. As consideration for the settlement FGIC UK Ltd. agreed to pay Calyon \$200 million. Accordingly, at June 30, 2008, FGIC's recorded loss reserve is \$205.2 million related to this transaction which consists of the settlement amount and unpaid loss adjustment expenses. In conjunction with the settlement, the net worth maintenance agreement between FGIC and FGIC UK Ltd. was terminated.

In accordance with and as required under GAAP, management used a model-driven point reserve loss estimate to set the loss reserve related to the Commitment Agreement as of June 30, 2008, without making any adjustment for the above developments. Management is continuing to assess whether the loss reserve related to the Commitment Agreement needs to be adjusted to reflect the impact of ongoing developments related to the Commitment Agreement; any such adjustments could be material.

Other Key Measurements. Except as otherwise indicated, the insured portfolio measures are provided on an end-of-period basis. Certain measures are denoted as "n/m," which stands for "not meaningful."

Total Amounts. Some of the numbers contained in this Review may not foot to the total amounts shown due to rounding.

Certain Amounts. Amounts relating to Gross and Net Par Outstanding and Gross and Net Exposure, and related amounts, do not reflect any amounts relating to the Commitment Agreement. See Subsequent Events above.

Premiums. Premiums reported throughout this Review include amounts related to the issuance of credit default swaps ("CDSs"). The Company provides CDSs to certain buyers of credit protection by entering into contracts that reference collateralized debt obligations from cash and synthetic structures backed by pools of corporate, consumer or structured finance debt. It also offers credit protection on other public finance and structured finance obligations in CDS form. The Company considers these CDSs to be a normal part of its financial guaranty insurance business.

Loss and Loss Adjustment Expenses. The loss reserves established by FGIC fall into two categories: case reserves and watchlist reserves. Case reserves are established on particular insured obligations that are presently or likely to be in payment default at the balance sheet date, and for which future loss is probable and can be reasonably estimated. Watchlist reserves recognize the potential for claims against FGIC on insured obligations that are not presently in payment default, but that have migrated to an impaired level where there is a substantially increased probability of default. Watchlist reserves reflect an estimate of probable loss given evidence of impairment, and a reasonable estimate of the amount of loss in the event of default. Loss expense increases when there is deterioration relating to credits within the impaired portfolio and declines, or may be negative, if there are improvements in credits within the various impaired list categories.

ABV adjusts stockholder's equity to add the impact of deferred income from business previously generated, net of expenses and taxes. Management and many research analysts consider ABV to be helpful in valuing the Company, as it reflects income from business previously written that will be earned over time.

AGP includes both direct and assumed financial guaranty premiums and amounts received for credit derivative contracts, which the Company considers to be a normal extension of its financial guaranty business. AGP adjusts gross premiums written to add the present value of estimated future installment premiums written on financial guaranty policies issued in the period. Management and many research analysts believe that AGP is a useful measure of business production because it provides an estimate of total value associated with business written in a period, rather than just the premiums collected or earned in the period. Further, AGP correlates to reported issued par written.



FGIC CORPORATION AND SUBSIDIARIES
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Company Profile

FGIC Corporation is an insurance holding company whose wholly owned subsidiary, Financial Guaranty Insurance Company, provides credit enhancement on infrastructure finance and structured finance securities worldwide. Established in 1983, FGIC typically guarantees the scheduled payments of principal and interest on an issuer's obligation. FGIC is rated "BB" by Standard & Poor's (S&P), "B1" by Moody's Investors Service, and "CCC" by Fitch Ratings. FGIC is on CreditWatch with negative implications from S&P, rating outlook negative by Moody's, and Rating Watch Evolving from Fitch.

Company Contact Information

Investor Relations
Brian S. Moore
Senior Vice President
(212) 312-2776
brian.moore@fgic.com

Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
(212) 312-3000
(800) 352-0001
www.fgic.com

FGIC UK Limited
11 Old Jewry
London EC2R 8DU
44 (0)20 7796 3900
www.fgic.com

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KEY FINANCIAL HIGHLIGHTS

(Dollars in Millions)

	Second Quarter		Six Months Ended		Full Year
	2008	2007	2008	2007	2007
GAAP					
Net Income.....	\$322.6	\$68.9	\$289.3	\$142.3	(\$1,808.9)
Stockholders' Equity.....	\$846.2	\$2,463.6	\$846.2	\$2,463.6	\$584.4
Return on Equity ⁽¹⁾	n/m	11.3%	n/m	11.8%	n/m
GAAP Loss Ratio ⁽²⁾	(74.3)%	(6.7)%	55.8%	(2.7)%	401.8%
GAAP Expense Ratio ⁽²⁾	166.6%	23.4%	140.1%	23.6%	26.5%
GAAP Combined Ratio ⁽²⁾	92.3%	16.7%	195.9%	20.9%	428.4%
Statutory⁽²⁾					
Qualified Statutory Capital.....	\$731.6	\$2,507.9	\$731.6	\$2,507.9	\$836.7
Loss and Loss Adjustment Expense Reserve.....	\$2,172.5	\$31.0	\$2,172.5	\$31.0	\$1,953.3
Capital Ratio ⁽³⁾	627.6	197.0	627.6	197.0	598.7
Statutory Loss Ratio ⁽²⁾⁽⁴⁾	235.3%	(4.2)%	136.4%	(1.0)%	772.1%
Statutory Expense Ratio ⁽²⁾⁽⁵⁾	132.5%	19.6%	111.2%	23.7%	26.0%
Statutory Combined Ratio ⁽²⁾	367.8%	15.4%	798.1%	22.7%	798.1%
Other Key Measurements					
Adjusted Gross Premiums Written.....	\$1.7	\$217.8	\$1.7	\$337.0	\$691.9
Gross Debt Service Written.....	23.5	40,050.4	23.5	65,370.5	113,637.1
Net Debt Service Written.....	23.5	33,180.0	23.5	54,534.2	85,282.7
Gross Par Outstanding.....	329,225.1	349,271.3	329,225.1	349,271.3	357,428.0
Gross Debt Service Outstanding.....	529,891.9	554,607.9	529,891.9	554,607.9	578,617.8
Net Par Outstanding.....	289,349.1	314,085.9	289,349.1	314,085.9	313,949.3
Net Debt Service Outstanding.....	\$459,167.7	\$493,927.3	\$459,167.7	\$493,927.3	\$500,961.0
Effective Tax Rate					
Consolidated Total Effective Tax Rate.....	29.3%	17.3%	28.8%	17.5%	-35.5%

(1) Return on equity based on annualized calculation for the period.

(2) Statutory data and GAAP ratios relate solely to Financial Guaranty Insurance Company.

(3) Capital ratio is net debt service outstanding divided by qualified statutory capital.

(4) Loss ratio is the sum of loss and loss adjustment expenses incurred divided by net premiums earned.

(5) Expense ratio is other underwriting expenses divided by net premiums written.



CONSOLIDATED STATEMENT OF INCOME

(Dollars in Millions)

	Second Quarter		Six Months Ended		Full Year
	2008	2007	2008	2007	2007
Revenues					
Gross Premiums Written.....	\$32.0	\$113.4	\$68.6	\$210.5	\$418.1
Ceded Premiums.....	(4.7)	(31.5)	(10.9)	(43.6)	(103.5)
Net Premiums Written.....	27.2	82.0	57.7	166.9	314.6
Increase in Unearned Premium Reserve.....	157.4	(8.6)	196.9	(23.0)	(39.4)
Net Premiums Earned.....	184.6	73.3	254.6	143.8	275.2
Change in fair value of credit derivatives					
Realized gains and other settlements.....	6.3	7.4	14.7	13.5	30.8
Unrealized gains.....	154.1	(16.4)	311.1	(16.0)	(1,937.2)
Net change in fair value of credit derivatives.....	160.4	(9.1)	325.8	(2.5)	(1,906.4)
Net Investment Income.....	42.3	38.6	83.3	76.4	158.0
Interest income - investments held by variable interest entity ⁽¹⁾	7.2	8.8	17.2	20.1	41.7
Net Realized (Losses) Gains.....	(0.3)	0.1	(0.4)	0.4	1.0
Other Income.....	(2.8)	0.9	(0.8)	1.3	3.7
Total Revenues.....	391.5	112.7	679.7	239.5	(1,426.9)
Expenses					
Loss and Loss Adjustment Benefit Expenses.....	(137.1)	(5.4)	142.1	(4.2)	1,226.8
Underwriting Expenses.....	45.3	23.4	80.8	52.2	96.0
Policy Acquisition Costs Deferred.....	0.1	(7.8)	0.5	(21.8)	(29.6)
Amortization of Deferred Policy Net Acquisition Costs.....	8.7	3.9	12.4	7.7	15.7
Other Operating Expense.....	3.4	1.6	6.4	3.3	8.2
Interest expense - debt held by variable interest entity ⁽¹⁾	7.2	8.8	17.2	20.1	41.7
Interest Expense.....	7.7	4.9	14.0	9.8	19.5
Total Expenses.....	(64.7)	29.4	273.5	67.0	1,378.3
Income Before Income Tax Expense.....	456.2	83.3	406.2	172.5	(2,805.2)
Income Tax Expense.....	133.6	14.4	116.9	30.2	(996.3)
Net Income.....	322.6	68.9	289.3	142.3	(1,808.9)
Preferred Stock Dividends.....	(10.4)	(4.9)	(10.4)	(9.7)	(14.6)
Net Income Available to Common Shareholders.....	\$312.3	\$64.1	\$278.9	\$132.6	(\$1,823.5)

⁽¹⁾ In accordance with Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (VIEs), the Company consolidates a third-party VIE as a result of a financial guaranty provided to the VIE. Although the third-party VIE is included in the consolidated financial statements, its creditors do not have recourse to the general assets of the Company outside of the financial guaranty policy provided to the VIE.



CONSOLIDATED BALANCE SHEET
(Dollars in Millions)

	June 30, 2008	December 31, 2007
ASSETS		
Fixed Maturity Securities, Available for Sale, at Fair Value	\$3,615.9	\$3,976.2
Variable Interest Entity Fixed Maturity Securities, Held to Maturity, at Amortized Cost ⁽¹⁾	750.0	750.0
Short-Term Investments	30.4	126.7
Total Investments	4,396.3	4,852.9
Cash and Cash Equivalents	660.6	140.6
Accrued Investment Income	50.3	55.7
Reinsurance Recoverable on Losses	101.3	8.7
Prepaid Reinsurance Premiums	188.2	225.5
Deferred Policy Acquisition Costs, Net	93.9	107.9
Property and Equipment, Net of Accumulated Depreciation	17.1	16.7
Deferred income taxes	713.0	839.3
Derivative assets	-	0.3
Income taxes receivable	0.1	116.8
Other Assets	69.6	65.1
Total Assets	<u>\$6,290.6</u>	<u>\$6,429.4</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Unearned Premium Reserve	\$1,223.4	\$1,458.5
Loss and Loss Adjustment Expense Reserves	1,374.0	1,267.4
Ceded Reinsurance Balances Payable	8.4	3.7
Accounts Payable and Accrued Expenses	48.2	56.0
Derivative liabilities	1,627.6	1,938.9
Other Liabilities	41.2	45.8
Payables for Securities Purchased	-	-
Variable Interest Entity Floating Rate Notes ⁽¹⁾	750.0	750.0
Accrued Interest Expense - Variable Interest Entity	0.6	1.2
Capital Lease Obligations	-	-
Federal and Foreign Income Taxes Payable	1.6	-
Deferred Income Taxes	-	-
Debt	369.4	323.4
Total Liabilities	5,444.4	5,844.9
Stockholders' Equity		
Senior Participating Mandatorily Convertible Modified Preferred Stock, par value \$0.01 per share; 2,500 shares authorized, 2,346 shares issued and outstanding at March 31, 2008 and December 31, 2007	312.3	301.9
Preferred Stock, par value \$0.01 per share; 47,500 shares authorized, none issued and outstanding	-	-
Common Stock, par value \$0.01 per share; 6,000,000 shares authorized, 2,403,223 and 2,403,223 shares issued and outstanding at June 30, 2008 and December 31, 2006, respectively	0.0	0.0
Treasury Stock	(0.2)	(0.2)
Additional Paid In Capital	1,453.8	1,451.5
Accumulated Other Comprehensive Loss, Net of Tax	7.6	37.3
Retained (Loss) Earnings	(927.3)	(1,206.2)
Total Stockholders' Equity	846.2	584.4
Total Liabilities & Stockholders' Equity	<u>\$6,290.6</u>	<u>\$6,429.4</u>

⁽¹⁾ In accordance with Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (VIEs), the Company consolidates a third-party VIE as a result of a financial guaranty provided to the VIE. Although the third-party VIE is included in the consolidated financial statements, its creditors do not have recourse to the general assets of the Company outside of the financial guaranty policy provided to the VIE.



STATUTORY FINANCIAL AND CAPITAL INFORMATION⁽¹⁾

(Dollars in Millions)

	June 30, 2008	December 31, 2007
Capital and Claims-Paying Resources		
Contingency Reserve.....	\$446.0	\$575.8
Capital and Surplus.....	285.6	260.9
Qualified Statutory Capital.....	731.6	836.7
Unearned Premium Reserve.....	1,253.0	1,440.2
Loss and Loss Adjustment Expense Reserve.....	2,172.5	1,953.3
Policyholders' Reserves.....	4,157.1	4,230.2
Third Party Capital Support ⁽²⁾	300.0	300.0
Present Value of Installment Premiums.....	756.7	838.5
Total Claims-Paying Resources.....	\$5,213.8	\$5,368.8
Net Debt Service Outstanding.....	\$459,167.7	\$500,961.0
Capital Ratio ⁽³⁾	627.6	598.7
Financial Resources Ratio ⁽⁴⁾	88.1	93.3
Gross Debt Service Outstanding.....	\$529,891.9	\$578,617.8
Gross Par Outstanding.....	\$329,225.1	\$357,428.0
	Six Months Ended 2008	Twelve Months Ended 2007
Statutory Financial Ratios		
Loss Ratio ⁽⁵⁾	136.4%	772.1%
Expense Ratio ⁽⁶⁾	111.2%	26.0%

⁽¹⁾ Statutory data relates solely to Financial Guaranty Insurance Company.

⁽²⁾ Represents a Money Market Committed Preferred Custodial Trust Securities ("CPS Securities") facility. Under the facility, each of six separate Delaware trusts (the "Trusts") issues \$50,000 in perpetual CPS Securities on a rolling 28-day auction rate basis. Proceeds from these securities are invested in high-quality, short-term securities and are held in the respective Trusts. Each Trust is solely responsible for its obligations and has been established for the purpose of entering into a put agreement with FGIC that obligates the Trusts, at FGIC's discretion, to purchase perpetual Preferred Stock of FGIC. In this way, the facility provides capital support to FGIC by allowing it to obtain immediate access to new capital at its sole discretion at any time through the exercise of the put options.

⁽³⁾ Capital ratio is net debt service outstanding divided by qualified statutory capital.

⁽⁴⁾ Financial resources ratio is net debt service outstanding divided by total claims-paying resources.

⁽⁵⁾ Loss ratio is the sum of loss and loss adjustment expenses incurred divided by net premiums earned.

⁽⁶⁾ Expense ratio is other underwriting expenses divided by net premiums written.



INVESTMENT PORTFOLIO
(Dollars in Millions)

	June 30, 2008				
	Portfolio Percentage	Fair Value	Amortized Cost	Investment Income	Book Yield
Financial Guaranty Investments, Available for Sale					
Long-Term Investments					
Municipal	85.8%	\$3,129.1	\$3,138.8	\$62.6	3.8%
U.S. Treasury/Agency	2.4%	85.9	83.7	1.9	4.6%
Foreign Government	1.7%	61.2	61.7	1.5	4.6%
Corporate Obligations	1.8%	65.3	67.2	1.7	4.5%
Preferred	0.3%	11.8	13.5	0.4	6.3%
Asset Backed	7.2%	262.5	265.4	7.5	5.5%
Total Long-term Investments	99.2%	3,615.9	3,630.3	75.6	4.3%
Short-Term Investments	0.8%	30.4	30.3	6.3	4.2%
Total Financial Guaranty Investments, Available for Sale	100.0%	\$3,646.3	\$3,660.6	\$81.9	4.0%
FGIC Corporation Investments, Available for Sale					
Total FGIC Corporation Investments	0.0%	-	-	3.3	0.0%
Investment Expense	-	-	-	(1.9)	-
Total FGIC Corporation Consolidated Investments, Available for Sale	100.0%	\$ 3,646.3	\$ 3,660.6	\$83.3	4.0%
Financial Guaranty Investments, Held to Maturity					
Total Financial Guaranty Investments, Held to Maturity ⁽¹⁾		750.0	750.0		
Total Investments		\$ 4,396.3	\$ 4,410.6		
Investment Portfolio by Rating ⁽²⁾					
AAA	62%				
AA	36%				
A	2%				
	100%				
Total Fair Value		\$3,646.3			
Total GAAP Amortized Cost		3,660.6			
Unrealized Losses		(\$14.3)			

⁽¹⁾ In accordance with Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (VIEs), the Company consolidated a third-party VIE as a result of a financial guaranty provided to the VIE. Although the third-party VIE is included in the consolidated financial statements, its creditors do not have recourse to the general assets of the Company outside of the financial guaranty policy provided to the VIE.

⁽²⁾ Ratings are based on Standard & Poor's ratings or, if unavailable, Moody's ratings. Includes municipal bonds that have been refunded or defeased with U.S. Treasury and/or Agency obligations, but not necessarily re-rated by Standard & Poor's or Moody's. The Company considers the credit quality of these bonds, which comprise approximately 3% of the investment portfolio, to be AAA.



LOSS AND LOSS ADJUSTMENT EXPENSES ⁽¹⁾

(Dollars in Millions)

	June 30, 2008	December 31, 2007
Case Basis Reserves.	1,259.2	\$28.6
Watch List Reserves.	8.2	11.7
Total Reserves at Beginning of Period.	1,267.4	40.3
Less Reinsurance Recoverable.	(8.7)	(1.5)
Net Balance.	1,258.8	38.8
Incurred Related To		
Current Period.	355.3	1,239.1
Prior Periods.	(213.2)	(12.3)
Total Incurred.	142.1	1,226.8
Paid Related To		
Current Period.	2.0	(7.9)
Prior Periods.	124.5	3.9
Total Paid.	126.4	(4.0)
Net Balance.	1,274.5	1,261.6
FX on UK Ltd Reserves.	(0.5)	(2.8)
Plus Reinsurance Recoverable.	100.1	8.7
Case Basis Reserves.	1,366.0	1,259.2
Watch List Reserves.	8.0	8.2
Total Reserves at End of Period.	1,374.0	1,267.4

⁽¹⁾ See "Loss and Loss Adjustment Expenses" in the Introductory Notes.



**SUMMARY OF
BELOW INVESTMENT GRADE NET PAR OUTSTANDING⁽¹⁾**
(Dollars in Millions)

Net Par Outstanding		
June 30, 2008		
	Amount	% of Total⁽²⁾
U.S. Public Finance		
Tax-Supported.	\$170.1	0.1%
Investor-Owned Utilities.	182.3	0.1%
Utility Revenue.	1,299.7	0.4%
Health Care.	88.9	0.0%
Education.	-	0.0%
Housing.	4.6	0.0%
Transportation.	2.0	0.0%
Total U.S. Public Finance.	1,747.6	0.6%
U.S. Structured Finance		
Mortgage-Backed.	12,208.0	4.2%
Pooled Debt Obligations.	8,792.1	3.0%
Asset-Backed.	480.0	0.2%
Other Structured Finance.	-	0.0%
Total U.S. Structured Finance.	21,480.1	7.4%
International Finance		
International Finance.	-	0.0%
Total International Finance.	-	0.0%
Total.	\$23,227.7	8.0%

⁽¹⁾ Based on FGIC's internal ratings, expressed in industry terms. FGIC's internal ratings may differ from the credit ratings assigned by independent rating agencies.

⁽²⁾ Represents percentage of total net par outstanding.



TOP FIFTY U.S. PUBLIC FINANCE EXPOSURES

(Dollars in Millions)

Revenue Stream Name	June 30, 2008		
	AADS ⁽¹⁾	Net Par Outstanding	
	Amount	Amount	% of Total ⁽²⁾
California State GO.	\$111.3	\$1,247.7	0.4%
Jefferson County, AL Sewer Rev.	89.4	1,195.5	0.4%
Local Govt Assistance Corp, NY (LGAC) Sales Tax.	71.8	1,143.2	0.4%
Golden State Tobacco Securitized Corp, CA Lease.	71.9	1,128.5	0.4%
Puerto Rico Commonwealth GO.	98.4	1,105.7	0.4%
Los Angeles USD, CA GO.	117.0	1,052.0	0.4%
New Jersey Trans Trust Fund Auth.	107.3	1,045.2	0.4%
Miami-Dade County, FL Aviation Rev.	75.4	1,043.7	0.4%
NY MTA Transportation Rev.	67.6	1,027.7	0.4%
Port Authority of NY and NJ.	58.6	982.4	0.3%
Oregon State School Dist Intercept Program GO.	91.9	978.6	0.3%
Massachusetts Commonwealth GO.	67.3	963.9	0.3%
San Francisco (City/County), CA Airport Rev.	61.1	959.5	0.3%
Washington State, WA GO.	73.5	957.0	0.3%
New York State Lease.	57.8	955.3	0.3%
Chicago (City of), IL BOE GO.	81.3	927.0	0.3%
Florida State BOE Lottery.	114.6	925.7	0.3%
Chicago (City of), IL GO.	83.2	892.0	0.3%
New York State Thruway - Gas Tax.	136.8	875.5	0.3%
New York City, NY Muni Water Rev.	68.9	865.4	0.3%
Dormitory Auth of State of NY - CUNY Rev.	72.1	860.9	0.3%
Louisiana State Gas Tax.	55.8	825.0	0.3%
Metro Wash, DC Airports Rev.	63.1	823.9	0.3%
New Jersey Turnpike Auth Rev.	59.0	815.9	0.3%
Florida (State) PECO, FL.	63.9	812.3	0.3%
Metro Pier Expo Auth, IL (McCormick) Sales Tax.	60.8	786.5	0.3%
DallasFt. Worth Intl Airport, TX Rev.	52.8	779.6	0.3%
Illinois State GO.	107.9	761.3	0.3%
Tampa Bay Reg Wtr Auth, FL Rev.	94.2	760.8	0.3%
New York City, NY Transitional Fin Auth.	58.1	752.8	0.3%
Puerto Rico Highway Transportation.	45.5	740.4	0.3%
Philadelphia School Dist, PA GO.	63.6	723.6	0.3%
Atlanta, GA Airport Rev.	68.0	721.9	0.2%
Detroit (City of), MI Water Rev.	90.3	711.7	0.2%
Port of Oakland, CA Port Rev.	59.3	709.2	0.2%
Port of Seattle, WA Airport Rev.	52.7	705.0	0.2%
Michigan State Lease Rev.	50.9	697.0	0.2%
California (State) Econ Recovery Sales Tax.	81.5	691.9	0.2%
California State Public Works Board (SPWB), CA Lse. ...	43.0	687.9	0.2%
Atlanta (City of), GA WS Rev.	58.7	665.4	0.2%
Philadelphia, PA Airport Rev.	58.7	663.2	0.2%
NYC TFA Building Aid Revenue Bonds.	44.7	659.8	0.2%
Long Island Power Auth, NY Electric Rev.	60.1	657.1	0.2%
Harris County, TX Toll Rd Rev.	40.3	656.1	0.2%
CA Dept of Water - Central Valley Rev.	43.1	653.5	0.2%
Detroit, MI Sewer Disposal Rev.	71.3	650.9	0.2%
San Diego, CA Sewer Rev.	52.4	650.7	0.2%
Houston (City of), TX WS Rev.	35.2	629.5	0.2%
Citizens Prop Ins Corp, FL Snr Sec Rev HRA.	57.8	625.0	0.2%
IFA, State Appropriation (Hwy Rev.).	71.7	622.4	0.2%
Total.	\$3,541.7	\$41,772.7	14.4%

⁽¹⁾ Represents the average annual debt service for which FGIC would be responsible in the event of a default.

⁽²⁾ Represents percentage of total net par outstanding.



TOP U.S. STRUCTURED FINANCE EXPOSURES AND SERVICERS

(Dollars in Millions)

	Net Par Outstanding	
	June 30, 2008	
	Amount	% of Total ⁽¹⁾
Top Fifteen U.S. Structured Finance Exposures		
ABS CDO 2006	\$1,558.3	0.5%
Countrywide 2006-H	1,218.3	0.4%
GMAC Home Equity Loan Trust Home Equity Loan Trust 2006-HE1	1,113.7	0.4%
Commercial ABS 2007	1,000.0	0.3%
ABS CDO 2007	1,000.0	0.3%
GMAC Home Equity Loan Trust 2007-HE2	917.3	0.3%
ABS CDO 2006	900.0	0.3%
ABS CDO 2005	889.3	0.3%
ABS CDO 2006	884.8	0.3%
ABS CDO 2007	858.3	0.3%
ABS CDO 2007	852.9	0.3%
Capital One Auto Finance Trust 2006-C	821.7	0.3%
TAL Advantage I LLC	810.1	0.3%
High Yield CDO 2006	762.8	0.3%
GMAC Home Equity Loan Trust 2006-HE5	735.1	0.3%
Total	<u>\$14,322.5</u>	<u>4.9%</u>

	Net Par Outstanding	
	June 30, 2008	
	Amount	% of Total ⁽¹⁾
Top Ten U.S. Structured Finance Servicers		
GMAC Mortgage, LLC	\$6,768.5	2.3%
Countrywide Home Loans, Inc.	6,514.7	2.3%
Homecomings Financial, LLC	5,197.7	1.8%
Capital One Auto Finance, Inc.	1,524.1	0.5%
IndyMac Bank, F.S.B.	1,275.1	0.4%
Aircastle Limited	1,070.6	0.4%
Ameriquet Mortgage Company	1,050.9	0.4%
Project Go	1,000.0	0.3%
Santander Consumer USA Inc.	996.3	0.3%
Specialized Loan Servicing LLC	756.5	0.3%
Total	<u>\$26,154.4</u>	<u>9.0%</u>

⁽¹⁾ Represents percentage of total net par outstanding.



TOP FIVE REINSURER EXPOSURES

(Dollars in Millions)

	Ceded Par Outstanding	
	June 30, 2008	
	Amount	% of Total ⁽¹⁾
Top Five Reinsurer Exposures		
Radian Asset Assurance Inc.	\$8,580.2	21.5%
Assured Guaranty Re Ltd.	7,454.0	18.7%
RAM Reinsurance Company Ltd.	6,919.2	17.4%
BluePoint Re.	5,463.7	13.7%
Assured Guaranty Corp.	4,652.2	11.7%
Other.	6,806.6	17.1%
Total.	\$39,876.0	100.0%

⁽¹⁾ Represents percentage of total ceded par outstanding.



NET DEBT SERVICE AMORTIZATION⁽¹⁾

(Dollars in Millions)

	June 30, 2008	
	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
Upfront Business:		
2008.....	\$9,644.0	\$449,523.8
2009.....	17,924.7	431,599.0
2010.....	18,157.0	413,442.0
2011.....	17,873.3	395,568.7
2012.....	17,595.1	377,973.6
2013.....	17,888.3	360,085.3
2008.....	9,644.0	449,523.8
2009-2013.....	89,438.5	360,085.3
2014-2018.....	83,281.0	276,804.3
2019-2023.....	65,590.3	211,214.0
2024-2028.....	44,746.1	166,467.9
After 2028.....	47,784.7	118,683.1
Subtotal.....	340,484.6	
Installment Business:		
U.S. Structured Finance.....	76,106.4	42,576.8
U.S. Public Finance.....	16,420.2	26,156.6
International.....	26,156.6	-
Total.....	\$459,167.7	

⁽¹⁾ Depicts amortization of the insured portfolio (principal and interest), assuming no refundings or calls, as of June 30, 2008. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay guaranteed obligations.