

# Financial Guaranty Insurance Company

Quarterly Operating Review  
Second Quarter 2010





**FGIC**  
**Quarterly Operating Review**  
**Second Quarter 2010**

---

**Company Profile**

FGIC is a direct, wholly owned subsidiary of FGIC Corporation, a Delaware corporation. At June 30, 2010, the principal owners of FGIC Corporation and the approximate percentage of its outstanding common stock owned by each were as follows: PMI Mortgage Insurance Co. ("PMI") – 42%; affiliates of the Blackstone Group L.P. ("Blackstone") – 23%; affiliates of the Cypress Group L.L.C. ("Cypress") – 23%; and affiliates of CIVC Partners L.P. ("CIVC") - 7%. Neither FGIC Corporation nor any of its stockholders or affiliates is obligated to pay any debts of FGIC or any claims under any insurance policy issued by FGIC.

On July 29, 2010, PMI sold 100% of its common stock in FGIC Corp. to Dubel & Associates, LLC ("Dubel"), an entity controlled by FGIC's Chief Executive Officer, John S. Dubel. On August 2, 2010, Dubel transferred such FGIC Corp common stock to FGIC Corp. and directed FGIC Corp. to retire such common stock without Dubel receiving any compensation therefore. FGIC Corporation retired such common stock on August 3, 2010. As a result of these transactions, Blackstone, Cypress, CIVC and GE Capital own approximately 39.5%, 39.5%, 12% and 7.7% of FGIC Corp.'s common stock, respectively, as of August 3, 2010.

This Operating Review should be read in conjunction with the Statutory-Basis Financial Statements of FGIC and the Statutory Statements of FGIC filed with New York State Insurance Department. These can be accessed at [www.fgic.com/investorrelations/financialreports/](http://www.fgic.com/investorrelations/financialreports/).

**Company Contact Information**

Investor Relations  
(212) 312-2776  
[www.fgic.com](http://www.fgic.com)

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



**FGIC**  
**Quarterly Operating Review**  
**Second Quarter 2010**

---

**Table of Contents**

Annual Financial and Statistical Data. . . . .	1
Selected Financial Information. . . . .	2
Statutory Financial and Capital Information. . . . .	3
Future Premium Collection. . . . .	4
Investment Portfolio . . . . .	5
Loss and Loss Adjustment Expenses. . . . .	6
Insured Portfolio by Bond Type. . . . .	7
RMBS Exposure. . . . .	8
CDO Exposure. . . . .	9
Top Fifty U.S. Public Finance Exposures. . . . .	10
Top Fifteen U.S. Structured Finance Exposures. . . . .	11
Reinsurer Exposure. . . . .	12
Net Debt Service Amortization. . . . .	13
Insured Portfolio by Rating. . . . .	14



## ANNUAL FINANCIAL AND STATISTICAL DATA

(Dollars in Millions)

	2009	2008	2007
<b>Summary of SAP Income Data:</b>			
Gross direct and assumed premiums written. . . . .	\$109.6	\$131.6	\$415.0
Net Premiums Earned. . . . .	120.1	431.2	249.9
Net Investment Income. . . . .	80.7	144.5	162.8
Losses and loss adjustment expenses incurred. . . . .	(1,805.5)	(1,146.1)	(1,929.1)
Ceding commission income (expense). . . . .	(2.0)	191.4	27.7
Operating Expenses. . . . .	(55.5)	(179.3)	(108.4)
Net Loss. . . . .	(1,617.2)	(560.6)	(1,502.4)
<b>Summary of SAP Balance Sheet Data:</b>			
Total cash and investments. . . . .	1,723.4	2,891.9	4,012.0
Total Assets. . . . .	1,779.3	2,985.8	4,298.8
Unearned Premium Reserve. . . . .	246.2	267.9	1,440.2
Loss and Loss Adjustment Expenses. . . . .	2,608.7	2,083.4	1,953.3
Redeemable preferred stock. . . . .	300.0	300.0	-
Total capital and surplus. . . . .	(1,281.4)	505.5	260.9
<b>Summary of Statutory Data:</b>			
Qualified Statutory Capital/(Deficit). . . . .	(1,113.1)	553.5	836.7
Unearned Premium Reserve. . . . .	246.2	267.9	1,440.2
Loss and Loss Adjustment Reserve. . . . .	2,608.7	2,083.4	1,953.3
Policyholders Reserves (1). . . . .	1,741.8	2,904.8	4,230.2
Third Party Capital Support. . . . .	-	-	300.0
Present Value of Installment Premiums. . . . .	516.9	631.2	828.8
Total Claims-Paying Resources. . . . .	2,258.7	3,536.0	5,359.0
Net Par Outstanding (2). . . . .	75,127.8	89,928.4	312,410.4
Net Debt Service Outstanding. . . . .	\$114,900.4	\$138,146.0	\$500,961.0

(1) Policyholders' Reserves composed of Qualified Statutory Capital, Unearned Premium Reserve & Loss and Loss Adjustment Expense Reserve.

(2) Net Par Outstanding include amounts ceded to FGIC under reinsurance agreement between FGIC and FGIC UK Ltd.



**SELECTED FINANCIAL INFORMATION**

(Unaudited)  
(Dollars in Millions)

**Six Months Ended**  
**2010**      **2009**

**SAP Statements of Operations:**

Gross direct and assumed premiums written.....	\$ 51.8	\$ 59.0
Net premiums written (1).....	46.0	54.3
Net premiums earned.....	51.7	66.3
Losses and loss adjustment expenses incurred.....	(449.6)	(960.6)
Operating expenses.....	(32.6)	(32.3)
Ceding commission income.....	1.1	0.5
Underwriting loss.....	(429.4)	(926.1)
Net investment income.....	29.1	40.8
Net investment realized (losses) gains.....	51.7	(24.5)
Other income.....	8.5	10.9
Loss before income taxes.....	(340.2)	898.1
Income tax expense.....	-	(5.8)
Net loss.....	<u>(340.2)</u>	<u>(893.1)</u>

**SAP Statements of Changes in Capital and Surplus:**

Balance at January 1.....	(1,281.4)	505.5
Net Loss.....	(340.2)	(893.1)
Change in non-admitted assets.....	14.0	(356.1)
Change in contingency reserves.....	(72.3)	(40.6)
Change in net deferred income tax.....	-	323.7
Change in net unrealized losses (2).....	1.2	0.2
Redeemable preferred stock issuance (3).....	-	-
Other changes in capital and surplus (4).....	(8.1)	7.6
Balance at End of Period.....	<u>(1,686.8)</u>	<u>(452.8)</u>

**SAP Balance Sheet:**

Total cash and investments.....	1,857.9	2,248.0
Accrued investment income.....	7.0	23.2
Deferred federal income tax asset, net.....	-	-
Other assets.....	10.0	19.1
Total assets.....	<u>1,874.9</u>	<u>2,290.3</u>
Unearned premiums.....	240.6	256.0
Loss and loss adjustment expense reserves.....	3,054.8	2,357.0
Contingency reserves.....	240.6	88.6
Other liabilities.....	25.8	41.5
Total liabilities.....	<u>3,561.7</u>	<u>2,743.1</u>
Common stock.....	15.0	15.0
Redeemable preferred stock (3).....	300.0	300.0
Paid-in surplus.....	439.9	439.2
Unassigned deficit.....	(2,441.7)	(1,207.0)
Total capital and surplus.....	<u>(1,686.8)</u>	<u>(452.8)</u>

**Financial Ratios:**

Loss and Loss Adjustment Expense Ratio (5).....	869.5%	1448.9%
Expense Ratio (6).....	63.1%	48.7%
Combined Ratio.....	<u>932.6%</u>	<u>1497.6%</u>

**Additional items:**

Statutory Claims Paying resources (7).....	2,295.2	2,834.1
Net insured principal outstanding.....	64,585.5	80,108.2
Gross Par Written.....	-	-
Policyholders Leverage Ratio (8).....	N/A	N/A

Certain 2009 amounts have been reclassified to conform to the 2010 presentation.

(1) Gross direct and assumed premiums written less written premiums ceded to reinsurers in consideration for reinsurance. On September 30, 2008, FGIC entered into a reinsurance agreement with MBIA, under which MBIA reinsured certain policies covering approximately \$188 billion of FGIC's U.S. public finance insured par outstanding. Net premiums written for the year ended December 31, 2008 includes \$915.5 million of premiums ceded to MBIA.

(2) Under SAP, investments in wholly owned subsidiaries are recorded under the statutory equity method based on the underlying GAAP equity and reported as common stock investments with changes in their value being recorded as unrealized gains or losses and reported as a component of unassigned surplus.

(3) FGIC had a \$300.0 million "soft capital" facility, consisting of Money Market Committed Preferred Custodial Trust Securities. During October and November of 2008, FGIC utilized the facility and issued non-cumulative redeemable Preferred Stock with a liquidation preference of \$300.0 million in exchange for an aggregate gross purchase price of \$300.0 million in cash.

(4) Other changes include stock options accounting, changes in foreign exchange, and changes in the provision for unauthorized reinsurance.

(5) Loss and loss adjustment expense incurred to net premiums earned.

(6) Operating expenses to net premiums earned.

(7) The calculation of Statutory Claims Paying Resources is reflected on Page 3.

(8) Net insured principal outstanding to statutory (deficit) surplus.



## STATUTORY FINANCIAL AND CAPITAL INFORMATION

(Dollars in Millions)

	June 30, 2010	December 31, 2009
<b>Capital and Claims-Paying Resources</b>		
Contingency Reserve. . . . .	\$ 240.6	\$ 168.3
Statutory (Deficit) Surplus. . . . .	(1,686.8)	(1,281.4)
Qualified Statutory Capital. . . . .	(1,446.2)	(1,113.1)
Unearned Premium Reserve. . . . .	240.5	246.2
Loss and Loss Adjustment Expense Reserve. . . . .	3,054.8	2,608.7
Policyholders' Reserves. . . . .	1,849.1	1,741.8
Present Value of Installment Premiums <sup>(1)</sup> . . . . .	446.1	516.9
Total Statutory Claims-Paying Resources. . . . .	\$ 2,295.2	\$ 2,258.7

<sup>(1)</sup> Calculated using the expected premium schedule, discounted at 5%.



## FUTURE PREMIUMS TO BE COLLECTED

(Dollars in Millions) <sup>(1)</sup>

	Premium Expected to be collected as of June 30, 2010
<b>Six months ended:</b>	
December 31, 2010 . . . . .	\$ 46.7
<b>Twelve months ended:</b>	
December 31, 2011 . . . . .	85.9
December 31, 2012 . . . . .	74.4
December 31, 2013 . . . . .	63.2
<b>Five years ended: . . . . .</b>	
December 31, 2018 . . . . .	216.9
December 31, 2023 . . . . .	142.4
December 31, 2028 . . . . .	110.1
December 31, 2033 . . . . .	70.9
December 31, 2038 . . . . .	41.7
December 31, 2043 . . . . .	20.2
December 31, 2048 . . . . .	6.6
December 31, 2053 . . . . .	3.3

<sup>(1)</sup> Premiums expected to be collected includes \$219 million (net of ceding commission), in aggregate, that is expected to be ceded to FGIC under a reinsurance agreement between FGIC and FGIC UK Ltd.



## INVESTMENT PORTFOLIO

(Dollars in Millions)

	As Of	
	June 30, 2010 <sup>(1)</sup>	December 31, 2009 <sup>(1)</sup>
<b>Fixed income securities:</b>		
Long-Term		
Municipal obligations . . . . .	\$367.5	\$1,114.8
U.S. government obligations . . . . .	52.8	49.7
Foreign government obligations . . . . .	12.3	14.1
Mortgage and asset-backed securities . . . . .	165.3	182.4
Other . . . . .	40.5	47.6
Subtotal . . . . .	638.4	1,408.6
Short-term . . . . .	1,221.0	170.7
Total . . . . .	\$1,859.4	\$1,579.3

Rating	As Of	
	June 30, 2010	December 31, 2009
AAA . . . . .	49.2%	49.8%
AA . . . . .	26.4%	30.3%
A . . . . .	20.5%	18.3%
BBB< . . . . .	3.9%	1.6%
	100.0%	100.0%

<sup>(1)</sup> Investment values reflect fair market value.



**STATUTORY LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES**  
(Dollars in Millions)

	<u>June 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Loss & LAE Reserves: net balance at beginning of period. . . . .	\$2,608.7	\$2,083.4
Incurred Related To		
Current Period. . . . .	7.9	454.6
Prior Periods. . . . .	441.7	1,350.9
Total Incurred. . . . .	<u>449.6</u>	<u>1,805.5</u>
Paid Related To		
Current Period. . . . .	-	(115.3)
Prior Periods. . . . .	(3.6)	(1,164.9)
Total Paid. . . . .	<u>(3.6)</u>	<u>(1,280.2)</u>
Loss & LAE Reserves: net balance at end of period. . . . .	<u><u>\$3,054.8</u></u>	<u><u>\$2,608.7</u></u>



## INSURED PORTFOLIO BY BOND TYPE AND GEOGRAPHY

(Dollars in Millions)

### Net Par Outstanding

June 30, 2010

	\$	% of Total	Financial Guaranty	Credit Default Swaps
<b>Insured Portfolio by Bond Type</b>				
<b>Public Finance</b>				
General obligation. . . . .	\$4,340.1	6.7%	\$4,340.1	\$0.0
Leases. . . . .	1,854.8	2.9	1,854.8	-
Healthcare. . . . .	416.3	0.6	416.3	-
Other Tax Back. . . . .	1,628.6	2.5	1,628.6	-
Global Utilities. . . . .	3,149.2	4.9	3,073.5	75.7
Transportation. . . . .	309.3	0.5	9.3	300.0
Higher Education. . . . .	193.6	0.3	193.6	-
Project Finance. . . . .	4,775.2	7.4	4,419.5	355.7
Housing. . . . .	1,136.2	1.8	940.7	195.5
Other Public Finance. . . . .	1,710.1	2.6	1,710.1	-
<b>Total U.S. Public Finance. . . . .</b>	<b>19,513.4</b>	<b>30.2</b>	<b>18,586.5</b>	<b>926.9</b>
<b>Structured Finance</b>				
AUTO ABS. . . . .	1,324.6	2.1	1,324.6	-
CDO – ABS. . . . .	1,808.5	2.8	297.9	1,510.6
CDO/CLO. . . . .	10,224.4	15.8	632.5	9,591.9
Insurance. . . . .	1,226.4	1.9	1,071.5	154.9
International – ABS. . . . .	79.0	0.1	-	79.0
Other Structured Finance. . . . .	1,488.5	2.3	1,431.2	57.3
Pooled Aircraft/Aircraft Engines. . . . .	3,085.7	4.8	2,145.5	940.2
Receivables. . . . .	554.4	0.9	554.4	-
RMBS. . . . .	18,293.3	28.3	18,293.3	-
Royalties/Intellectual Property. . . . .	1,515.3	2.3	1,194.0	321.3
Student Loan. . . . .	1,009.2	1.6	446.9	562.3
<b>Total U.S. Structured Finance. . . . .</b>	<b>40,609.3</b>	<b>62.9</b>	<b>27,391.8</b>	<b>13,217.5</b>
<b>International Finance</b>				
Airports. . . . .	135.1	0.2	135.1	-
Corporate Obligation. . . . .	208.6	0.3	208.6	-
Sovereign. . . . .	140.3	0.2	140.3	-
Sub-Sovereign. . . . .	652.2	1.0	652.2	-
Utility. . . . .	2,626.4	4.1	2,626.4	-
Toll Road. . . . .	699.2	1.1	699.2	-
<b>Total International. . . . .</b>	<b>4,461.8</b>	<b>6.9</b>	<b>4,461.8</b>	<b>-</b>
<b>Total. . . . .</b>	<b>\$64,584.5</b>	<b>100.0%</b>	<b>\$50,440.1</b>	<b>\$14,144.4</b>



## RMBS Exposure

(Dollars in Millions)

	Pre-2004	2004	2005	2006	2007	Total
<b>Alt-A (1st lien)</b>						
Number of transactions. . . . .	-	4	12	10	-	26
Net Par Outstanding (in \$). . . . .	-	\$531.8	\$476.1	\$312.1	-	\$1,320.1
<b>HELOC</b>						
Number of transactions. . . . .	18	12	10	7	1	48
Net Par Outstanding (in \$). . . . .	\$722.0	941.5	1,553.8	2,013.7	\$419.6	5,650.6
<b>High LTV</b>						
Number of transactions. . . . .	-	5	2	5	1	13
Net Par Outstanding (in \$). . . . .	-	199.4	68.4	636.6	162.6	1,067.0
<b>Closed end seconds</b>						
Number of transactions. . . . .	5	2	5	13	1	26
Net Par Outstanding (in \$). . . . .	78.0	121.0	758.1	3,456.6	645.2	5,058.9
<b>Subprime (1<sup>st</sup> lien)</b>						
Number of transactions. . . . .	33	13	27	6	8	87
Net Par Outstanding (in \$). . . . .	338.7	860.0	1,862.6	358.4	1,475.8	4,895.5
<b>Prime (1<sup>st</sup> lien)</b>						
Number of transactions. . . . .	1	-	5	3	-	9
Net Par Outstanding (in \$). . . . .	0.3	-	186.4	114.6	-	301.2
<b>Total</b>						
Number of transactions. . . . .	57	36	61	44	11	209
Net Par Outstanding . . . . .	\$1,139.0	\$2,653.7	\$4,905.3	\$6,892.0	\$2,703.3	\$18,293.3



## CDO Exposure

(Dollars in Millions)

	2004	2005	2006	2007	Total
<b>High Grade ABS (CDS)</b>					
Number of transactions. . . . .	-	-	-	2	2
Net Par Outstanding (in \$). . . . .	-	-	-	\$1,246.9	\$1,246.9
<b>High Yield Bonds (CDS)</b>					
Number of transactions. . . . .	-	1	-	-	1
Net Par Outstanding (in \$). . . . .	-	\$81.6	-	-	81.6
<b>High Yield Loans (CDS and FG)</b>					
Number of transactions. . . . .	2	21	16	2	41
Net Par Outstanding (in \$). . . . .	\$347.2	4,928.1	\$2,591.4	194.7	8,061.4
<b>Mezzanine ABS (CDS and FG)</b>					
Number of transactions. . . . .	-	1	2	-	3
Net Par Outstanding (in \$). . . . .	-	87.7	392.3	-	480.0
<b>International (CDS)</b>					
Number of transactions. . . . .	-	4	4	1	9
Net Par Outstanding (in \$). . . . .	-	997.0	876.5	289.5	2,163.0
<b>Total</b>					
Number of transactions. . . . .	2	27	22	5	56
Net Par Outstanding. . . . .	\$347.2	\$6,094.4	\$3,860.2	\$1,731.1	\$12,032.9



## TOP FIFTY U.S. PUBLIC FINANCE EXPOSURES

(Dollars in Millions)

Revenue Stream Name	June 30, 2010		
	Net AADS <sup>(1)</sup>	Net Par Outstanding	
	Amount	Amount	% of Total <sup>(2)</sup>
Los Angeles USD, CA GO. ....	\$ 107.6	\$1,182.2	1.8%
Jefferson County, AL Sewer Rev. ....	89.4	1,174.3	1.8%
Golden State Tobacco Securitized Corp, CA Lease. ....	69.0	1,052.4	1.6%
Puerto Rico Commonwealth GO. ....	85.9	953.1	1.5%
Puerto Rico Highway Transportation. ....	45.5	694.3	1.1%
Hudson Yards Infrastructure Corp, NY. ....	37.1	600.0	0.9%
Detroit (City of), MI GO. ....	97.9	575.0	0.9%
Detroit (City of) School District, MI GO. ....	49.0	419.1	0.6%
Yankee Ballpark LLC (NYC IDA). ....	34.1	400.0	0.6%
California Housing Finance Agency - Single-Family. ....	27.4	397.4	0.6%
Puerto Rico Infrast Fin Auth, PR, Spec Tax Rev. ....	23.0	367.5	0.6%
Pacific Gas Electric Company. ....	29.8	345.0	0.5%
Dayton Power Light Company. ....	24.7	314.4	0.5%
Skyway Toll Road - Chicago Illinois. ....	25.0	300.0	0.5%
Georgia Power Company. ....	17.5	263.1	0.4%
St. Joseph Health System. ....	8.8	250.2	0.4%
Louisiana State Expo District. ....	21.8	231.4	0.4%
San Diego Unified SD, CA GO. ....	18.9	222.5	0.3%
New York Giants Stadium. ....	43.4	217.0	0.3%
Piedmont Natural Gas Company. ....	19.2	200.0	0.3%
Hawaiian Electric Company. ....	13.8	195.8	0.3%
Illinois Housing Development Auth, IL Hsg. ....	8.3	170.1	0.3%
New Jersey EDA, NJ Cigarette Tax Rev. ....	33.5	157.9	0.2%
Downtown Phoenix Hotel Corp Sr. Rev 05. ....	10.2	156.7	0.2%
Westar Energy, Inc. ....	12.6	145.5	0.2%
NEW YORK ST POWER AUTH. ....	7.1	144.6	0.2%
Atlantic Marine Corps Communities LLC. ....	8.3	143.5	0.2%
Kansas City Power Light. ....	13.4	139.2	0.2%
Alaska Housing Finance Corpora. ....	8.8	138.6	0.2%
Brooklyn Union Gas Company. ....	13.1	137.0	0.2%
New Orleans (City of), LA GO. ....	10.6	134.9	0.2%
Southwest Gas Corporation. ....	10.7	131.0	0.2%
CenterPoint Energy Houston Electric Company. ....	14.6	127.4	0.2%
Detroit, MI Sewer Disposal Rev. ....	7.1	112.3	0.2%
Alabama Power Company. ....	9.8	110.0	0.2%
Southern California Edison Power Company. ....	9.5	110.0	0.2%
Vectren Utility Holdings, Inc. ....	9.4	100.0	0.2%
Aerospace Corp Revenue. ....	6.9	98.3	0.2%
Green Stadco-New York Jets Stadium. ....	17.7	97.5	0.2%
Puerto Rico Conv Ctr Dist Auth, PR Hotel Rev. ....	9.0	97.1	0.2%
El Paso Electric Company. ....	6.5	92.5	0.1%
Nevada Power Company. ....	6.7	92.5	0.1%
Sierra Pacific Power Company. ....	6.6	89.8	0.1%
New Jersey HMFA, NJ Housing Rev. ....	9.1	77.0	0.1%
Basin Electric Power Cooperative. ....	6.8	75.7	0.1%
Orleans Parish SD, LA GO. ....	8.6	75.3	0.1%
Entergy New Orleans, LA. ....	6.8	75.0	0.1%
Saint Francis Hospital and Medical Center, CT. ....	7.0	71.6	0.1%
New Orleans (City of), LA Sewerage Syst. ....	8.8	64.5	0.1%
Gulf Breeze, Florida 85B. ....	8.1	60.6	0.1%
<b>Total. ....</b>	<b>\$1,184.4</b>	<b>\$13,580.6</b>	<b>21.0%</b>

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

<sup>(2)</sup> Represents percentage of total net par outstanding.



**TOP U.S. STRUCTURED FINANCE EXPOSURES AND SERVICERS**

(Dollars in Millions)

	Net Par Outstanding	
	June 30, 2010	
	Amount	% of Total <sup>(1)</sup>
<b>Top Fifteen U.S. Structured Finance Exposures</b>		
Private Transaction - Intellectual Property.....	\$1,000.0	1.5%
CWHEQ 2006-H.....	828.8	1.3%
GMACM Home Equity Loan Trust 2006-HE1.....	761.8	1.2%
River Lake Insurance Co., III.....	730.0	1.1%
TAL Advantage I LLC.....	660.0	1.0%
Valhalla SuperSenior AAA CLO.....	648.0	1.0%
Grand Avenue CDO III, Ltd.....	646.7	1.0%
GMACM 2007-HE2.....	645.2	1.0%
Davis Square Funding VII, Ltd.....	600.3	0.9%
ACS 2007-1 Pass Through Trust.....	597.4	0.9%
Genesis Funding Limited.....	594.8	0.9%
KKR Financial CLO 2005-2.....	567.5	0.9%
MSAC 2007-NC4.....	558.3	0.9%
GMACM 2006-HE5.....	492.3	0.8%
Fender 2005A.....	462.3	0.7%
Total.....	\$9,793.5	15.2%

	Net Par Outstanding	
	June 30, 2010	
	Amount	% of Total <sup>(1)</sup>
<b>Top Ten U.S. Structured Finance Servicers</b>		
GMAC Mortgage, LLC.....	\$4,283.1	6.6%
Countrywide Home Loans.....	4,226.2	6.5%
Residential Funding Company, LLC.....	3,821.7	5.9%
Project Go.....	1,000.0	1.5%
Aircastle Limited.....	944.3	1.5%
Ameriquist Mortgage Company.....	833.9	1.3%
First Colony Life Insurance Company.....	730.0	1.1%
Specialized Loan Servicing LLC.....	700.4	1.1%
Saxon Mortgage Services, Inc.....	684.3	1.1%
IndyMac Bank.....	681.8	1.1%
Total.....	\$17,905.8	27.7%

<sup>(1)</sup> Represents percentage of total net par outstanding.



**TOP REINSURER EXPOSURES**

(Dollars in Millions)

**Ceded Par Outstanding**

June 30, 2010

Reinsurer	Reinsurer Rating <sup>(1)</sup>	Ceded Principal Outstanding	Municipal	MBS	CDO-High Yield	Other ABS	Intl.
National Public Finance Guarantee Corporation.....	A/Baa1	\$169,063.2	\$169,063.2	-	-	-	-
Assured Guaranty Re Ltd.....	AA/A1	2,672.2	1,130.3	\$109.0	-	\$889.1	\$543.7
RAM Reinsurance Company Ltd.....	BB/Ba3	1,524.3	525.0	111.9	\$176.5	239.2	471.7
Radian Asset Assurance Inc.....	BB-/Ba1	1,303.5	700.7	54.5	-	-	548.3
Swiss Reinsurance Company.....	A+/A1	564.6	125.1	-	-	60.7	378.8
Assured Guaranty Municipal Corp.....	AAA/Aa3	526.3	0.1	-	-	267.5	258.8
Assured Guaranty Corp.....	AAA/Aa3	509.3	499.3	0.8	-	-	9.3
Syncora Guarantee Inc.....	R/Ca	212.9	-	-	-	-	212.9
PMI Mortgage Insurance Ltd.....	BB-/B2	177.9	-	177.9	-	-	-
AMBAC Assurance Corp.....	R/Caa2	176.3	-	-	-	-	176.3
American Reinsurance Company.....	AA-/Aa3	57.0	51.8	5.2	-	-	-
Other.....		56.8	10.4	2.9	-	-	43.5
Total.....		\$176,844.3	\$172,105.8	\$462.3	\$176.5	\$1,456.5	\$2,643.2

<sup>(1)</sup> Source: Individual company websites and rating agency reports.



## NET DEBT SERVICE AMORTIZATION <sup>(1)</sup>

(Dollars in Millions)

	June 30, 2010	
	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
<b>Upfront Business:</b>		
2010.....	\$638.2	\$100,508.9
2011.....	1,022.4	99,486.5
2012.....	1,103.5	98,383.0
2013.....	999.7	97,383.3
2014.....	884.4	96,498.9
2015.....	904.0	95,595.0
2010.....	638.2	100,508.9
2011-2015.....	4,913.9	95,595.0
2016-2020.....	4,413.7	91,181.3
2021-2025.....	4,350.8	86,830.5
2026-2030.....	2,764.4	84,066.0
After 2030.....	8,257.4	75,808.7
Subtotal.....	25,338.4	
<b>Installment Business:</b>		
U.S. Structured Finance.....	46,026.2	29,782.4
U.S. Public Finance.....	14,011.0	15,771.4
International.....	15,771.4	(0.0)
Total.....	\$101,147.1	

<sup>(1)</sup> Depicts amortization of the total insured portfolio (principal and interest), assuming no refundings or calls, as of June 30, 2010. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay guaranteed obligations.



**INSURED PORTFOLIO BY RATING**  
(Dollars in Millions)

**Net Par Outstanding**  
**June 30, 2010**

	<b>S&amp;P Rating Category <sup>1</sup></b>	<b>NPIF</b>	<b>% of Business Segment</b>	<b>% of Total Portfolio</b>
<b>Public Finance</b>	AAA.....	\$913.2	5.0%	
	AA.....	3,212.0	16.0	
	A.....	4,094.2	21.0	
	BBB.....	8,492.4	43.0	
	NIG.....	1,855.6	10.0	
	NR.....	946.0	5.0	
Total U.S. Public Finance.....		19,513.4		30.0%
<b>Structured Finance</b>	AAA.....	6,885.9	17.0	
	AA.....	4,383.2	11.0	
	A.....	5,071.7	12.0	
	BBB.....	7,129.3	17.0	
	NIG.....	14,703.6	37.0	
	NR.....	2,435.6	6.0	
Total U.S. Structured Finance.....		40,609.3		63.0
<b>International Finance</b>	AAA.....	263.2	6.0	
	AA.....	123.8	3.0	
	A.....	1,201.9	27.0	
	BBB.....	2,624.2	58.0	
	NIG.....	-	-	
	NR.....	248.7	6.0	
Total International.....		4,461.8		7.0
<b>Total Insured Portfolio</b>	AAA.....	8,062.4		12.0
	AA.....	7,719.0		12.0
	A.....	10,367.8		16.0
	BBB.....	18,245.9		28.0
	NIG.....	16,559.2		26.0
	NR.....	3,630.3		6.0
Total.....		\$64,584.5		

	<b>Moody's Rating Category</b>	<b>NPIF</b>	<b>% of Business Segment</b>	<b>% of Total Portfolio</b>
<b>Public Finance</b>	AAA.....	\$201.9	1.0%	
	AA.....	3,807.9	20.0	
	A.....	3,110.6	16.0	
	BBB.....	9,348.6	47.0	
	NIG.....	2,102.0	11.0	
	NR.....	942.4	5.0	
Total U.S. Public Finance.....		19,513.4		30.0%
<b>Structured Finance</b>	AAA.....	2,901.2	7.0	
	AA.....	8,157.8	20.0	
	A.....	4,172.5	10.0	
	BBB.....	4,116.6	10.0	
	NIG.....	18,584.1	46.0	
	NR.....	2,677.1	7.0	
Total U.S. Structured Finance.....		40,609.3		63.0
<b>International Finance</b>	AAA.....	\$ -	-	
	AA.....	387.0	9.0	
	A.....	2,318.0	52.0	
	BBB.....	1,481.4	33.0	
	NIG.....	-	-	
	NR.....	275.4	6.0	
Total International.....		4,461.8		7.0
<b>Total Insured Portfolio</b>	AAA.....	3,103.1		5.0
	AA.....	12,352.7		19.0
	A.....	9,601.1		15.0
	BBB.....	14,946.6		23.0
	NIG.....	20,686.1		32.0
	NR.....	3,894.9		6.0
Total.....		\$64,584.5		

<sup>(1)</sup> Based on underlying, shadow or parity debt ratings.