



**national
public finance
guarantee**



Third Quarter 2017 Operating Supplement

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(1) This report is unaudited.

Safe Harbor Disclosure

This Operating Supplement of MBIA Inc., together with its consolidated subsidiaries, (collectively, “MBIA”, the “Company”, “we”, “us” or “our”) 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”, “estimate”, “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 historical earnings and those presently anticipated or projected. MBIA cautions readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. We undertake no obligation to publicly correct or update any forward-looking statement if the Company later becomes aware that such result is not likely to be achieved.

The following are some of the general factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying the Company’s forward-looking statements:

- increased credit losses or impairments on public finance obligations that National Public Finance Guarantee Corporation (“National”) insures issued by state, local and territorial governments and finance authorities and other providers of public services, located in the U.S. or abroad, that are experiencing fiscal stress;
- the possibility that loss reserve estimates are not adequate to cover potential claims;
- a disruption in the cash flow from our subsidiaries or an inability to access the capital markets and our exposure to significant fluctuations in liquidity and asset values in the global credit markets as a result of collateral posting requirements;
- our ability to fully implement our strategic plan;
- the possibility that MBIA Insurance Corporation will have inadequate liquidity or resources to timely pay claims as a result of higher than expected losses on certain structured finance transactions or as a result of a delay or failure in collecting expected recoveries, which could lead the New York State Department of Financial Services (“NYSDFS”) to put MBIA Insurance Corporation into a rehabilitation or liquidation proceeding under Article 74 of the New York Insurance Law and/or take such other actions as the NYSDFS may deem necessary to protect the interests of MBIA Insurance Corporation’s policyholders;
- deterioration in the economic environment and financial markets in the United States or abroad, real estate market performance, credit spreads, interest rates and foreign currency levels; and
- the effects of changes to governmental regulation, including insurance laws, securities laws, tax laws, legal precedents and accounting rules.

The above factors provide a summary of and are qualified in their entirety by the risk factors discussed under “Risk Factors” in Part II Other Information, Item 1A included in this Quarterly Report on Form 10-Q. In addition, refer to “Note 1: Business Developments and Risks and Uncertainties” in the Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a discussion of certain risks and uncertainties related to our financial statements.

National Public Finance Guarantee Corporation and Subsidiaries
Consolidated Balance Sheets
(in millions except share and per share amounts)

	September 30, 2017	December 31, 2016
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$3,426 and \$3,855)	\$ 3,419	\$ 3,806
Investments carried at fair value	138	120
Investments pledged as collateral, at fair value (amortized cost \$134 and \$131)	132	131
Short-term investments held as available-for-sale, at fair value (amortized cost \$200 and \$104)	200	104
Other investments (includes investments at fair value of \$3 and \$3)	5	6
Total investments	3,894	4,167
Cash and cash equivalents	50	75
Securities purchased under agreements to resell	130	129
Premiums receivable	173	190
Current income taxes	85	-
Deferred acquisition costs	136	162
Insurance loss recoverable	344	162
Receivable for investments sold	47	-
Other assets	45	47
Total assets	\$ 4,904	\$ 4,932
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 614	\$ 745
Loss and loss adjustment expense reserves	341	96
Securities sold under agreements to repurchase	130	129
Current income taxes	-	6
Deferred income taxes, net	50	60
Payable for investments purchased	72	32
Other liabilities	35	30
Total liabilities	1,242	1,098
Equity:		
Common stock, par value \$30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,286	2,327
Retained earnings	1,367	1,523
Accumulated other comprehensive income (loss), net of tax of \$3 and \$17	(6)	(31)
Total equity	3,662	3,834
Total liabilities and equity	\$ 4,904	\$ 4,932

National Public Finance Guarantee Corporation and Subsidiaries
Consolidated Statements of Operations
(in millions)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:				
Premiums earned:				
Scheduled premiums earned	\$ 18	\$ 23	\$ 59	\$ 76
Refunding premiums earned	26	36	65	96
Premiums earned	44	59	124	172
Net investment income	27	30	87	90
Fees and reimbursements	1	1	2	2
Net gains (losses) on financial instruments at fair value and foreign exchange	2	32	20	66
Net investment losses related to other-than-temporary impairments	(71)	-	(84)	-
Other net realized gains (losses)	-	-	(1)	-
Total revenues	3	122	148	330
Expenses:				
Losses and loss adjustment	141	28	310	46
Amortization of deferred acquisition costs	10	12	28	36
Operating	12	15	52	45
Total expenses	163	55	390	127
Income (loss) before income taxes	(160)	67	(242)	203
Provision (benefit) for income taxes	(55)	22	(86)	68
Net income (loss)	\$ (105)	\$ 45	\$ (156)	\$ 135

National Public Finance Guarantee Corporation and Subsidiaries
(dollars in millions)

Amortization of Gross Par, Gross Debt Service, Gross Unearned Premium and Cash Premiums Collected and Expected

	Ending Gross Par Outstanding	Ending Debt Service Outstanding	Gross Unearned Premiums ⁽¹⁾	Expected Future Premium Earnings ^{(1) (2)}				Cash Premiums Collected and Expected ⁽³⁾
				Upfront	Installments	Accretion	Total	
3rd Qtr. 2017	82,145	148,833	616					4
4th Qtr. 2017	79,124	144,479	600	13	3	1	17	4
2018	72,320	132,857	541	49	10	5	64	13
2019	66,492	122,459	487	44	10	5	59	12
2020	60,894	112,433	437	40	10	5	55	12
2021	55,499	102,982	391	37	9	4	50	12
2022-2026	34,752	65,118	214	136	41	18	195	55
2027-2031	17,862	35,844	109	72	33	13	118	46
2032-2036	8,035	18,655	52	32	25	8	65	37
2037-2041	4,448	10,329	21	14	17	5	36	27
2042-2046	1,721	3,058	5	6	10	2	18	16
2047 and thereafter	-	-	-	2	3	-	5	5
Total				\$445	\$171	\$66	\$682	\$239

(1) Includes financial guarantee and insured derivative premiums.

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

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

Statutory Balance Sheets Summary

	9/30/2017	12/31/2016
Assets:		
Cash and Investments	\$ 3,850	\$ 4,184
Asset Swap Facility with MBIA Inc.	129	129
Other Assets	172	42
Total Assets	\$ 4,151	\$ 4,355
Liabilities:		
Unearned Premiums	643	786
Loss and LAE Reserves ⁽¹⁾	61	(98)
Contingency Reserve	641	745
Asset Swap Facility with MBIA Inc.	129	129
Other Liabilities	102	62
Total Liabilities	1,576	1,624
Total Policyholders' Surplus	2,575	2,731
Total Liabilities and Policyholders' Surplus	\$ 4,151	\$ 4,355

Claims-Paying Resources

	9/30/2017	12/31/2016
Policyholders' Surplus	\$ 2,575	\$ 2,731
Contingency Reserve	641	745
Statutory Capital	3,216	3,476
Unearned Premiums	643	786
Present Value of Installment Premiums ⁽¹⁾	171	187
Premium Resources ⁽²⁾	814	973
Net Loss and LAE Reserves ⁽¹⁾	61	(98)
Salvage Reserve	407	256
Gross Loss and LAE Reserves	468	158
Total Claims-Paying Resources	\$ 4,498	\$ 4,607
Net Debt Service Outstanding	\$ 144,168	\$ 185,099
Capital Ratio	45:1	53:1
Claims-Paying Resources Ratio	34:1	43:1

(1) Calculated using a discount rate of 3.18% as of September 30, 2017 and December 31, 2016.

(2) Includes financial guarantee and insured credit derivative related premiums.

U.S. Public Finance Insurance
(primarily National Public Finance Guarantee Corporation)
Investment Portfolio Including Cash and Cash Equivalents
as of September 30, 2017
(dollars in millions)

Investments ⁽¹⁾	Market Value	% of Market Value	Amortized Cost	% Book Yield
Fixed-Maturity Securities:				
Long-Term Tax-Exempt ⁽²⁾	\$ 291	8	\$ 260	4.06
Long-Term Taxable	3,260	87	3,300	3.42
Short-Term	200	5	200	0.97
Total Fixed-Maturity	<u>3,751</u>	<u>100</u>	<u>\$ 3,760</u>	<u>3.34</u>
Cash and Cash Equivalents	51			
Total Fixed Income Including Cash and Cash Equivalents	3,802			
Investments Carried at Fair Value	138			
Other	5			
Total	<u>\$ 3,945</u>			

Fixed Income Portfolio Including Cash and Cash Equivalents

Corporate Obligations	\$ 1,393	37
State and Municipal Bonds	874	23
MBS	751	20
US Treasury	286	8
ABS	284	7
Money Markets	160	4
Cash and Cash Equivalents	51	1
Foreign Governments	3	-
Total	<u>\$ 3,802</u>	<u>100</u>

Effective Maturity Profile

Cash and Cash Equivalents	\$ 51	1
≤ 1 yr	445	12
> 1 to 5 yrs	956	25
> 5 to 10 yrs	736	19
> 10 to 15 yrs	192	5
> 15 to 20 yrs	281	8
> 20 yrs	1,141	30
Total	<u>\$ 3,802</u>	<u>100</u>

Credit Quality Distribution of Long-Term Fixed-Maturity Securities

Rating ⁽³⁾

Aaa	\$ 1,425	40
Aa	666	19
A	864	24
Baa	303	9
BIG	150	4
NR	143	4
Total	<u>\$ 3,551</u>	<u>100</u>

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 12.97 years
Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 6.55 years

- (1) Includes Asset Swap between National and MBIA Inc. with notional amount of \$130 million; the total market value of encumbered assets total \$132 million.
- (2) Includes \$149 million of Puerto Rico Sales Tax Finance Corporation bonds (insured by National) and \$67 million of Puerto Rico Electric Power Authority bonds (uninsured) at fair value.
- (3) Ratings are as of the end of the period, as last provided by the rating agencies and may be out-of-date. Ratings are derived using the Moody's Priority Method; where Moody's underlying rating is used, when available, S&P's underlying rating is used if the Moody's underlying rating is not available and an internal underlying rating is used for MBIA wrapped investments if neither Moody's nor S&P's underlying ratings are available.

National Public Finance Guarantee Corporation
Insured Portfolio Losses
Loss and Loss Adjustment Expense (LAE) Reserves and Insurance Loss Recoverable
(in millions)

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Gross Loss and LAE Reserves	\$ 96	\$ 105	\$ 253		\$ 96
Beginning Gross Insurance Loss Recoverable	(162)	(185)	(179)		(162)
Beginning Gross Reserves	(66)	(80)	74		(66)
Ceded Reserves	-	-	(1)		-
Net Reserves	(66)	(80)	73		(66)
Increase (Decrease) in Expected Payments	35	151	305		491
(Increase) Decrease in Expected Salvage	(24)	7	(165)		(182)
Net (Payments), Collections and Other ⁽¹⁾	(25)	(5)	(220)		(250)
Net Reserves	(80)	73	(7)		(7)
Ceded Reserves	-	1	4		4
Gross Reserves	(80)	74	(3)		(3)
Gross Loss and LAE Reserves	105	253	341		341
Gross Insurance Loss Recoverable	\$ (185)	\$ (179)	\$ (344)		\$ (344)

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Gross Loss and LAE Reserves	\$ 45	\$ 52	\$ 58	\$ 72	\$ 45
Beginning Gross Insurance Loss Recoverable	(4)	(3)	(2)	(163)	(4)
Beginning Gross Reserves	41	49	56	(91)	41
Ceded Reserves	-	-	-	-	-
Net Reserves	41	49	56	(91)	41
Increase (Decrease) in Expected Payments	19	9	188	21	237
(Increase) Decrease in Expected Salvage	(10)	-	(160)	7	(163)
Net (Payments), Collections and Other ⁽¹⁾	(1)	(2)	(175)	(3)	(181)
Net Reserves	49	56	(91)	(66)	(66)
Ceded Reserves	-	-	-	-	-
Gross Reserves	49	56	(91)	(66)	(66)
Gross Loss and LAE Reserves	52	58	72	96	96
Gross Insurance Loss Recoverable	\$ (3)	\$ (2)	\$ (163)	\$ (162)	\$ (162)

(1) Amounts are included in change in expected payments and expected salvage.

National Public Finance Guarantee Corporation

Liquidity Position ⁽¹⁾

(in millions)

	1st	2nd	3rd	4th	
2017	Qtr.	Qtr.	Qtr.	Qtr.	Year-to-date
Beginning Cash & Cash Equivalents⁽²⁾	\$ 115	\$ 41	\$ 30		\$ 115
Premiums and Fees	2	2	-		4
Net Investment Income	23	27	21		71
Other	-	-	1		1
Total Inflows	25	29	22		76
Gross Loss & LAE Payments	26	3	220		249
Operating & Other Expenses	21	16	18		55
Tax Payments	-	28	-		28
Total Outflows	47	47	238		332
Operating Cash Flow	(22)	(18)	(216)		(256)
Investing Activities	(52)	7	216		171
Net Cash Flow	(74)	(11)	-		(85)
Ending Cash & Cash Equivalents⁽²⁾	\$ 41	\$ 30	\$ 30		\$ 30
Other Liquid Assets ⁽³⁾	255	659	396		396
Ending Liquidity Position	\$ 296	\$ 689	\$ 426		\$ 426

	1st	2nd	3rd	4th	
2016	Qtr.	Qtr.	Qtr.	Qtr.	Full Year
Beginning Cash & Cash Equivalents⁽²⁾	\$ 32	\$ 27	\$ 288	\$ 65	\$ 32
Premiums and Fees	5	2	2	3	12
Net Investment Income	21	32	21	29	103
Other	1	2	2	1	6
Total Inflows	27	36	25	33	121
Gross Loss & LAE Payments	5	2	176	-	183
Operating & Other Expenses	18	14	13	15	60
Tax Payments	-	20	28	31	79
Total Outflows	23	36	217	46	322
Operating Cash Flow	4	-	(192)	(13)	(201)
Financing Activities	-	-	-	(118)	(118)
Investing Activities	(9)	261	(31)	181	402
Net Cash Flow	(5)	261	(223)	50	83
Ending Cash & Cash Equivalents⁽²⁾	\$ 27	\$ 288	\$ 65	\$ 115	\$ 115
Other Liquid Assets ⁽³⁾	317	153	245	251	251
Ending Liquidity Position	\$ 344	\$ 441	\$ 310	\$ 366	\$ 366

(1) Presented on a direct cash flow basis for transactions settled within the reporting periods. Ending Liquidity Position excludes assets that are not readily available for sale such as cash & cash equivalents and assets designated to alternative investment strategy portfolios.

(2) Represents management's view of cash and cash equivalents; will not agree with National's Consolidated GAAP financial results which include other cash & cash equivalents of alternative investment strategies.

(3) Includes other assets with expected maturities of less than 12 months deemed to be liquid but not included in cash and cash equivalents.

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

By Geography

Outstanding as of September 30, 2017

	Par Outstanding ⁽¹⁾		Debt Service Outstanding ⁽¹⁾	
	Gross Amount	%	Gross Amount	%
United States				
California	\$ 17,066	20.8	\$ 33,566	22.6
New York	7,495	9.1	10,929	7.3
New Jersey	5,740	7.0	8,901	6.0
Illinois	5,224	6.4	13,769	9.3
Texas	4,063	4.9	6,710	4.5
Florida	3,740	4.6	4,974	3.3
Puerto Rico	3,405	4.1	8,192	5.5
Massachusetts	2,739	3.3	4,015	2.7
Georgia	2,306	2.8	3,103	2.1
Hawaii	2,031	2.5	4,591	3.1
Subtotal	<u>53,809</u>	<u>65.5</u>	<u>98,750</u>	<u>66.4</u>
Other States & Territories	25,268	30.8	43,371	29.1
Nationally Diversified	3,068	3.7	6,712	4.5
Total	<u>\$ 82,145</u>	<u>100.0</u>	<u>\$ 148,833</u>	<u>100.0</u>

By Bond Type

Outstanding as of September 30, 2017

	Par Outstanding ⁽¹⁾		Debt Service Outstanding ⁽¹⁾	
	Gross Amount	%	Gross Amount	%
Bond Type				
General Obligation ⁽²⁾	\$ 25,967	31.6	\$ 46,826	31.4
Municipal Utilities	13,927	16.9	20,732	13.9
Tax-Backed	13,745	16.7	28,538	19.2
Transportation	8,220	10.0	17,105	11.5
General Obligation - lease	5,052	6.1	6,902	4.6
Military Housing	7,352	9.0	16,474	11.1
Higher Education	2,425	3.0	3,621	2.4
Health Care	2,244	2.7	3,364	2.3
Investor Owned Utilities ⁽³⁾	2,125	2.6	3,373	2.3
Municipal Housing	290	0.4	437	0.3
Other ⁽⁴⁾	798	1.0	1,461	1.0
Total	<u>\$ 82,145</u>	<u>100.0</u>	<u>\$ 148,833</u>	<u>100.0</u>

(1) For exposure classified as Capital Appreciation Bonds (CABs) by the company, gross par reflects the par amount at the time of issuance of the insurance policy, interest accretion on CABs after the issuance of our insurance policy is included in debt service.

(2) Includes general obligation unlimited and limited (property) tax bonds, general fund obligation bonds and pension obligation bonds of states, cities, counties, schools and special districts.

(3) Includes Investor-Owned Utilities, Industrial Development and Pollution Control Revenue Bonds.

(4) Includes certain non-profit enterprises, stadium related financings and student loans.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Insured Portfolio - 50 Largest Credits
By Gross Par Outstanding as of September 30, 2017
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding ⁽²⁾	Gross Debt Service Outstanding ⁽²⁾
1	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	\$ 1,284	\$ 2,213
2	Oregon School Boards Association General Obligation	OR	aa3	1,266	2,136
3	Massachusetts General Obligation	MA	a1	1,197	1,522
4	New Jersey Transportation Trust Fund Authority	NJ	a3	1,156	1,666
5	Puerto Rico Electric Power Authority	PR	d	1,151	1,637
6	Army Hawaii Family Housing	HI	aa2	1,124	2,373
7	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,050	2,285
8	San Diego Family Housing Privatization Military	CA	aa1	974	2,153
9	Chicago General Obligation	IL	bbb2	901	1,929
10	City of Chicago Board of Education	IL	bbb3	853	2,160
11	Ohana Military Communities, LLC	HI	aa3	847	2,135
12	Puerto Rico General Obligation	PR	d	836	1,126
13	New York State Thruway Authority	NY	a2	800	1,111
14	California General Obligation	CA	a1	779	998
15	Illinois Regional Transportation Authority	IL	aa3	755	1,119
16	Great River Energy Public Power	MN	a3	739	1,141
17	Puerto Rico Sales Tax Financing Corporation	PR	d	684	4,170
18	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb2	681	972
19	Atlantic Marine Corps Communities LLC Lejeune Cherry Point	NC	aa3	656	1,455
20	Long Island Power Authority Electric	NY	a3	653	780
21	LCOR Alexandria L.L.C. Federal Lease	VA	bbb1	618	1,010
22	Great Lakes Water Authority - Sewer System	MI	bbb1	597	891
23	New Jersey Turnpike Authority	NJ	a2	594	730
24	Illinois Metropolitan Pier & Exposition Authority	IL	bbb2	592	4,738
25	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	575	882
26	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	d	558	1,010
27	Navy Mid-Atlantic Family Housing LLC	VA	aa2	548	1,164
28	JFK International Air Terminal Airport	NY	bbb3	533	682
29	New York State Power Authority	NY	aa2	501	878
30	Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3	500	1,470
31	City of Houston Combined Utility System Revenue Bonds	TX	a2	477	497
32	Arapahoe County E-470 Toll Road	CO	bbb1	475	2,142
33	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	454	707
34	Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3	416	3,285
35	Oglethorpe Power Corporation	GA	a3	410	736
36	Navy Southeast	FL	bbb3	407	1,040
37	District of Columbia Sales Tax-Stadium Revenue	DC	bbb1	397	661
38	New York City General Obligation	NY	aa3	388	485
39	Houston City Airport System	TX	a1	382	517
40	Santa Clara County Pension Obligation	CA	aa3	358	752
41	New Jersey Economic Development Authority Lease	NJ	a3	354	490
42	Sacramento County Water Financing Authority Water	CA	a2	353	550
43	Denver City and County Airport System	CO	a1	352	496
44	San Francisco International Airport	CA	a2	345	399
45	Georgia Municipal Electric Authority	GA	a2	342	389
46	Atlanta City Water & Sewer	GA	a3	340	420
47	Fort Drum Family Housing	NY	aa3	336	781
48	California State Public Works Board Lease	CA	a2	328	422
49	Pedernales Electric Cooperative	TX	a2	326	512
50	Cincinnati City School District General Obligation	OH	aa3	309	445
	Total			\$ 31,551	\$ 64,262
	Total Portfolio Exposure			\$ 82,145	\$ 148,833
	50 Largest Credits as % of Total Portfolio			38.4%	43.2%

(1) Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbolologies used by S&P and Moody's (e.g. aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.).

(2) For exposure classified as Capital Appreciation Bonds (CABs) by the company, gross par reflects the par amount at the time of issuance of the insurance policy; interest accretion on CABs after the issuance of our insurance policy is included in debt service.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
as of September 30, 2017
(dollars in millions)

Credit Quality Distribution⁽¹⁾

	<u>Gross Par Outstanding ⁽²⁾</u>		<u>Gross Debt Service Outstanding ⁽²⁾</u>	
	Amount	%	Amount	%
<u>Public Finance</u>				
AAA	\$ 3,615	4.4%	\$ 5,958	4.0%
AA	33,140	40.3%	55,617	37.4%
A	27,854	33.9%	47,095	31.6%
BBB	11,431	14.0%	22,831	15.3%
<BBB	6,105	7.4%	17,332	11.7%
Total	<u>\$ 82,145</u>	<u>100.0%</u>	<u>\$ 148,833</u>	<u>100.0%</u>

Top 10 Below Investment Grade (BIG) Credits by Gross Par Outstanding⁽¹⁾

Obligor Name	Gross Par Outstanding ⁽²⁾	Gross Debt Service Outstanding ⁽²⁾
1 Puerto Rico Electric Power Authority	\$ 1,151	\$ 1,637
2 City of Chicago Board of Education	853	2,160
3 Puerto Rico General Obligation	836	1,126
4 Puerto Rico Sales Tax Financing Corporation	684	4,170
5 Illinois Metropolitan Pier & Exposition Authority	592	4,738
6 Puerto Rico Highway and Transportation Authority Transportation Revenue	558	1,010
7 Virgin Islands Public Finance Authority Gross Receipts	197	272
8 Atlantic City Casino Reinvestment Development Authority Parking Fee	139	173
9 Frontier Communications Corporation	139	232
10 North Las Vegas Water & Sewer	117	178
Total Top 10 BIG Outstanding	<u>\$ 5,266</u>	<u>\$ 15,696</u>
Total BIG Outstanding	\$ 6,105	\$ 17,332
Total National Outstanding	\$ 82,145	\$ 148,833
Total 10 BIG as % of National	6.4%	10.5%
Total BIG as % of National	7.4%	11.6%
Total BIG as % of National by National ratings	5.4%	6.8%

(1) Ratings are as of the end of the period, as last provided by the rating agencies and 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.

(2) For exposure classified as Capital Appreciation Bonds (CABs) by the company, gross par reflects the par amount at the time of issuance of the insurance policy; interest accretion on CABs after the issuance of our insurance policy is included in debt service.

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