



**national
public finance
guarantee**

Operating Supplement

Fourth Quarter 2013

Table of Contents⁽¹⁾

Safe Harbor Disclosure	2
Net Premiums Earned, Refundings and Other Accelerations	3
Amortization of Gross Par, Gross Debt Service, Net Unearned Premium and Cash Premiums Collected and Expected	3
Investment Portfolio Including Cash and Cash Equivalents	4
Insured Portfolio Losses – Loss and Loss Adjustment Expense (LAE) Reserves and Insurance Loss Recoverable	5
Liquidity Position (Current Year and Prior Year)	6
Statutory Balance Sheets Summary, Claims-Paying Resources	7
Insured Portfolio Profile Par Value by Bond Type	8
Insured Portfolio Profile Par Value by Geography	9
Insured Portfolio - 50 Largest Credits Gross Par Outstanding	10
Credit Quality Distribution, Top 10 Below Investment Grade (BIG) Credits	11

(1) This report is unaudited.

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 historical earnings and those presently anticipated or projected, including, among other risks and uncertainties; increased credit losses or impairments on public finance obligations we insure issued by state, local and territorial governments and finance authorities that are experiencing unprecedented fiscal stress; the possibility that MBIA Insurance Corporation will have inadequate liquidity to pay expected claims as a result of increased losses on certain structured finance transactions, in particular residential mortgage-backed securities transactions that include a substantial number of ineligible mortgage loans, or a delay or failure in collecting expected recoveries; 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 capital and our exposure to significant fluctuations in liquidity and asset values within the global credit markets as a result of collateral posting requirements; our ability to fully implement our strategic plan, including our ability to achieve high stable ratings for National Public Finance Guarantee Corporation and generate investor demand for our financial guarantees; deterioration in the economic environment and financial markets in the United States (“U.S.”) or abroad, and adverse developments in European sovereign credit performance, real estate market performance, credit spreads, interest rates and foreign currency levels; the effects of governmental regulation, including insurance laws, securities laws, tax laws, legal precedents and accounting rules; and uncertainties that have not been identified at this time. These and other 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 are discussed under the “Risk Factors” section in MBIA Inc.’s most recent Annual Report on Form 10-K, which 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
(primarily National Public Finance Guarantee Corporation)
Net Premiums Earned and Refundings and Other Accelerations ⁽¹⁾
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2013					
Financial Guarantee	\$ 102,365	\$ 102,604	\$ 75,792	\$ 85,579	\$ 366,340
Insured Derivatives	98	108	104	2,686	2,996
Total	<u>\$ 102,463</u>	<u>\$ 102,712</u>	<u>\$ 75,896</u>	<u>88,265</u>	<u>\$ 369,336</u>
2012					
Financial Guarantee	\$ 106,596	\$ 129,675	\$ 133,633	\$ 121,974	\$ 491,878
Insured Derivatives	105	105	147	768	1,125
Total	<u>\$ 106,701</u>	<u>\$ 129,780</u>	<u>\$ 133,780</u>	<u>\$ 122,742</u>	<u>\$ 493,003</u>
Refundings and Other Accelerations					
2013					
Financial Guarantee	\$ 46,869	\$ 49,432	\$ 27,320	\$ 45,565	\$ 169,186
Insured Derivatives	-	10	9	2,607	2,626
Total	<u>\$ 46,869</u>	<u>\$ 49,442</u>	<u>\$ 27,329</u>	<u>\$ 48,172</u>	<u>\$ 171,812</u>
2012					
Financial Guarantee	\$ 47,321	\$ 72,688	\$ 82,068	\$ 68,554	\$ 270,631
Insured Derivatives	-	-	42	668	710
Total	<u>\$ 47,321</u>	<u>\$ 72,688</u>	<u>\$ 82,110</u>	<u>\$ 69,222</u>	<u>\$ 271,341</u>

(1) Premiums earned differ from amounts reported for National Public Finance Guarantee Corporation due to U.S. public finance policies that were subsequently determined to have refunded prior to the reinsurance agreement with MBIA Insurance Corporation that became effective on 1/1/09. The premiums associated with those refunded issues were returned to MBIA Insurance Corporation.

**Amortization of Gross Par, Gross Debt Service, Net Unearned Premium
and Cash Premiums Collected and Expected**
(dollars in millions)

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Net Unearned Premiums ⁽¹⁾	Expected Future Premium Earnings ^{(1) (2)}			Total	Premiums Collected and Expected ⁽³⁾
				Upfront	Installments	Accretion		
4th Qtr. 2013	276,846	445,700	1,556				43	7
1st Qtr. 2014	271,143	436,169	1,515	38	3	2	43	2
2nd Qtr. 2014	264,488	426,311	1,475	37	3	2	42	4
3rd Qtr. 2014	255,655	413,635	1,436	36	3	2	41	4
4th Qtr. 2014	248,241	403,029	1,399	34	3	2	39	5
2015	225,500	367,465	1,259	128	12	6	146	14
2016	208,129	338,170	1,133	114	12	6	132	15
2017	192,562	311,171	1,017	104	12	5	121	14
2018	178,654	286,902	912	94	11	6	111	14
2019-2023	117,027	182,749	501	358	53	25	436	65
2024-2028	64,022	100,213	247	210	44	19	273	57
2029 and thereafter	-	-	-	160	87	27	274	138
Total				<u>\$ 1,313</u>	<u>\$ 243</u>	<u>\$ 102</u>	<u>\$ 1,658</u>	<u>\$ 339</u>

(1) Includes financial guarantee and insured derivative premiums.

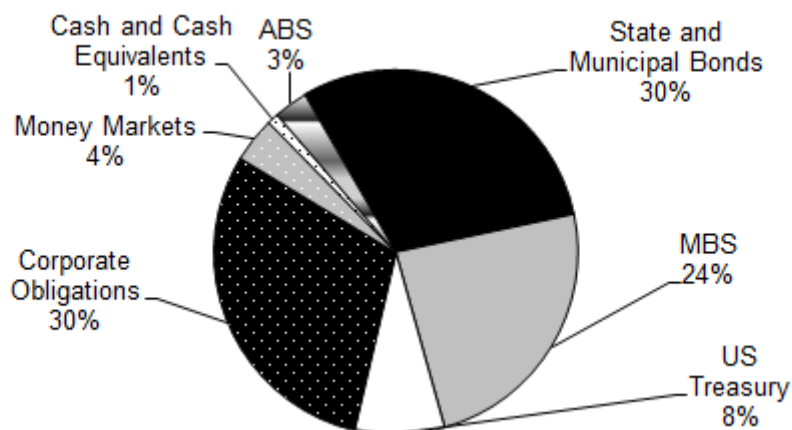
(2) Actual future premium earnings will differ from the current projection due to the addition of new business and refundings.

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

U.S. Public Finance Insurance
(primarily National Public Finance Guarantee Corporation)
Investment Portfolio Including Cash and Cash Equivalents
As of December 31, 2013
(dollars in thousands)

<u>Investments⁽¹⁾</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>Book Yield</u>
Fixed-Maturity Securities:				
Tax Exempt	\$ 335,973	7	\$ 331,078	3.83
Taxable	3,687,571	80	3,796,888	3.32
Short-Term	617,305	13	616,819	0.36
Total Fixed-Maturity	<u>4,640,849</u>	<u>100</u>	<u>\$ 4,744,785</u>	<u>2.97</u>
Cash and Cash Equivalents	48,356			
Total Fixed Income Including Cash and Cash Equivalents	4,689,205			
Investments Held as Trading	127,207			
Other	12,635			
Total	<u>\$ 4,829,047</u>			

Total Fixed Income Portfolio
Including Cash and Cash Equivalents
Market Value Outstanding \$4,689,205



<u>Effective Maturity Profile</u>		<u>Market Value</u>	<u>% of Market Value</u>	<u>Quality Distribution of Long-Term Fixed-Maturity Securities</u>	
				<u>Market Value Outstanding \$ 4,023,544</u>	
Cash and Cash Equivalents	\$ 48,356	1.0			
≤ 1 yr	617,305	13.2			
> 1 to 5 yrs	835,813	17.8		<u>Rating</u>	<u>% of Market Value</u>
> 5 to 10 yrs	926,746	19.8		Aaa	47
> 10 to 15 yrs	606,731	12.9		Aa	31
> 15 to 20 yrs	289,445	6.2		A	15
> 20 yrs	1,364,809	29.1		Baa	3
Total Fixed Income Including Cash and Cash Equivalents	<u>\$ 4,689,205</u>	<u>100.0</u>		BIG	1
				NR	3
					<u>100.0</u>

Long-Term average maturity: 8.10 years

Duration: 5.15 years

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of \$447 million; the total market value of encumbered assets totals \$465 million.

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

2013	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Gross Loss and LAE Reserves	\$ 152	\$ 160	\$ 218	\$ 93	\$ 152
Beginning Gross Insurance Loss Recoverable	(249)	(254)	(173)	(17)	(249)
Beginning Gross Reserves	(97)	(94)	45	76	(97)
Ceded Reserves	-	-	-	-	-
Net Reserves	(97)	(94)	45	76	(97)
Change in Actual and Expected Payments	5	105	(24)	(56)	30
Change in Actual and Expected Salvage	(1)	(39)	59	56	75
Net (Payments), Collections and Other ⁽¹⁾⁽²⁾	(1)	73	(4)	(3)	65
Net Reserves	(94)	45	76	73	73
Ceded Reserves	-	-	-	-	-
Gross Reserves	(94)	45	76	73	73
Gross Loss and LAE Reserves	160	218	93	86	86
Gross Insurance Loss Recoverable	\$ (254)	\$ (173)	\$ (17)	\$ (13)	\$ (13)

2012	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Gross Loss and LAE Reserves	\$ 162	\$ 175	\$ 167	\$ 162	\$ 162
Beginning Gross Insurance Loss Recoverable	(150)	(161)	(172)	(230)	(150)
Beginning Gross Reserves	12	14	(5)	(68)	12
Ceded Reserves	-	-	-	-	-
Net Reserves	12	14	(5)	(68)	12
Change in Actual and Expected Payments	22	45	(9)	11	69
Change in Actual and Expected Salvage	(8)	(48)	13	(5)	(48)
Net (Payments), Collections and Other ⁽¹⁾	(12)	(16)	(67)	(35)	(130)
Net Reserves	14	(5)	(68)	(97)	(97)
Ceded Reserves	-	-	-	-	-
Gross Reserves	14	(5)	(68)	(97)	(97)
Gross Loss and LAE Reserves	175	167	162	152	152
Gross Insurance Loss Recoverable	\$ (161)	\$ (172)	\$ (230)	\$ (249)	\$ (249)

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

(2) Third quarter of 2013 includes the payment associated with the redemption of \$118 million gross insured par associated with Allegheny Health, Education and Research Foundation bonds redeemed at par value plus accrued interest, offset by the receipt of marketable securities in connection with the restructuring of a remedial credit related to a gaming revenue transaction. The securities are held in National's investment portfolio.

National Public Finance Guarantee Corporation

Liquidity Position ⁽¹⁾

(dollars in millions)

2013	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents⁽²⁾	\$ 231	\$ 187	\$ 359	\$ 495	\$ 231
Premiums and Fees	4	2	5	4	15
Net Investment Income	21	27	23	32	103
Other	-	85	-	5	90
Total Inflows	<u>25</u>	<u>114</u>	<u>28</u>	<u>41</u>	<u>208</u>
Gross Loss & LAE Payments	2	11	121	9	143
Operating & Other Expenses	20	24	30	13	87
Tax Payments ⁽³⁾	17	62	18	11	108
Total Outflows	<u>39</u>	<u>97</u>	<u>169</u>	<u>33</u>	<u>338</u>
Operating Cash Flow	(14)	17	(141)	8	(130)
Financing Activities	-	-	-	(214)	(214)
Investing Activities	(30)	155	277	(108)	294
Net Cash Flow	<u>(44)</u>	<u>172</u>	<u>136</u>	<u>(314)</u>	<u>(50)</u>
Ending Cash & Cash Equivalents⁽²⁾	<u>\$ 187</u>	<u>\$ 359</u>	<u>\$ 495</u>	<u>\$ 181</u>	<u>\$ 181</u>
Other Liquid Assets ⁽⁴⁾	253	1,546	979	419	419
Ending Liquidity Position	<u>\$ 440</u>	<u>\$ 1,905</u>	<u>\$ 1,474</u>	<u>\$ 600</u>	<u>\$ 600</u>

2012	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents⁽²⁾	\$ 117	\$ 191	\$ 57	\$ 27	\$ 117
Premiums and Fees ⁽⁵⁾	(3)	3	(2)	5	3
Net Investment Income	35	36	34	29	134
Other	-	-	9	28	37
Total Inflows	<u>32</u>	<u>39</u>	<u>41</u>	<u>62</u>	<u>174</u>
Gross Loss & LAE Payments	13	16	75	63	167
Operating & Other Expenses	21	75	33	20	149
Tax Payments	35	21	50	80	186
Total Outflows	<u>69</u>	<u>112</u>	<u>158</u>	<u>163</u>	<u>502</u>
Operating Cash Flow	(37)	(73)	(117)	(101)	(328)
Investing Activities	111	(61)	87	305	442
Net Cash Flow	<u>74</u>	<u>(134)</u>	<u>(30)</u>	<u>204</u>	<u>114</u>
Ending Cash & Cash Equivalents⁽²⁾	<u>\$ 191</u>	<u>\$ 57</u>	<u>\$ 27</u>	<u>\$ 231</u>	<u>\$ 231</u>
Other Liquid Assets ⁽⁴⁾	499	295	291	188	188
Ending Liquidity Position	<u>\$ 690</u>	<u>\$ 352</u>	<u>\$ 318</u>	<u>\$ 419</u>	<u>\$ 419</u>

- (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) National made \$169 million of tax payments to the MBIA Inc. Tax Escrow account during the year of which \$108 million was paid in cash and \$61 million was paid with marketable securities.
- (4) May include other assets with expected maturities of less than 12 months deemed to be liquid but not included in cash and cash equivalents.
- (5) Net of refunded premiums to MBIA Corp. of \$6 million, \$5 million and \$4 million, respectively, in the first three quarters of 2012.

National Public Finance Guarantee Corporation
Statutory Balance Sheet Summary
(dollars in millions)

	12/31/2013	12/31/2012
Assets:		
Cash and Investments	\$ 4,820	\$ 3,514
Secured Loan with MBIA Corp. ⁽¹⁾	-	1,651
Asset Swap Facility with MBIA Inc.	446	481
Other Assets	74	80
Total Assets	\$ 5,340	\$ 5,726
Liabilities:		
Unearned Premiums	1,678	2,041
Loss and LAE Reserves ⁽²⁾	(87)	(109)
Contingency Reserve	1,172	1,249
Asset Swap Facility	446	481
Other Liabilities	45	65
Total Liabilities	3,254	3,727
Total Policyholders' Surplus	2,086	1,999
Total Liabilities and Policyholders' Surplus	\$ 5,340	\$ 5,726

Claims-Paying Resources
(dollars in millions)

	12/31/2013	12/31/2012
Balance Sheet		
Policyholders' Surplus	\$ 2,086	\$ 1,999
Contingency Reserve	1,172	1,249
Statutory Capital	3,258	3,248
Unearned Premium Reserve	1,678	2,041
Present Value of Installment Premiums ⁽²⁾	226	217
Premium Resources ⁽³⁾	1,904	2,258
Net Loss and LAE Reserves ⁽²⁾	(87)	(109)
Salvage Reserve	177	262
Gross Loss and LAE Reserves	90	153
Total Claims-Paying Resources	\$ 5,252	\$ 5,659
Net Debt Service Outstanding	\$ 435,194	\$ 519,458
Capital Ratio	134:1	160:1
Claims-Paying Resources Ratio	95:1	107:1

(1) In May 2013, MBIA Corp. repaid the National Secured Loan and extinguished the agreement.

(2) At December 31, 2013 and December 31, 2012, the discount rate was 3.14% and 4.54%, respectively.

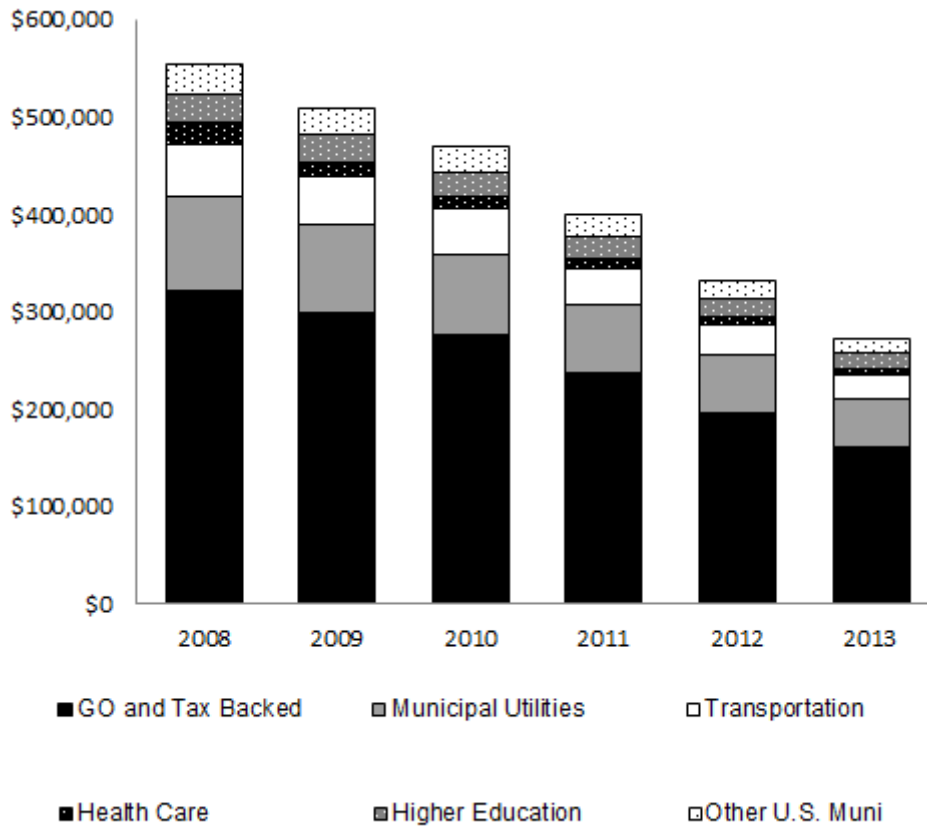
(3) The amounts consist of primarily financial guarantee insurance premiums.

**U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)**

**Insured Portfolio Profile
Par Value by Bond Type**

Outstanding as of December 31, 2013⁽¹⁾

Bond Type	Gross		Net	
	Amount	%	Amount	%
General Obligation	\$ 101,589	36.7	\$ 100,005	36.9
Municipal Utilities	50,008	18.1	49,157	18.1
Tax-Backed	39,003	14.1	38,206	14.1
Transportation	24,995	9.0	24,131	8.9
General Obligation - lease	23,300	8.4	22,235	8.2
Higher Education	15,390	5.6	15,160	5.6
Military Housing	7,886	2.8	7,876	2.9
Health Care	5,822	2.1	5,673	2.1
Investor Owned Utilities ⁽²⁾	4,131	1.5	3,977	1.5
Municipal Housing	3,076	1.1	3,059	1.1
Student Loans	362	0.1	358	0.1
Other ⁽³⁾	1,284	0.5	1,268	0.5
Total	\$ 276,846	100.0	\$ 271,105	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, 2013⁽¹⁾

	Gross Amount	%	Net Amount	%
<u>United States</u>				
California	\$ 51,846	18.7	\$ 50,740	18.7
New York	24,971	9.0	24,274	8.9
Florida	19,194	6.9	18,933	7.0
Texas	17,817	6.5	17,614	6.5
Illinois	15,142	5.5	14,772	5.4
New Jersey	13,056	4.7	12,921	4.8
Michigan	10,113	3.7	9,710	3.6
Pennsylvania	7,516	2.7	7,368	2.7
Washington	7,236	2.6	7,194	2.7
Massachusetts	6,718	2.4	6,248	2.3
Subtotal	<u>173,609</u>	<u>62.7</u>	<u>169,774</u>	<u>62.6</u>
Other States & Territories	99,921	36.1	98,023	36.2
Nationally Diversified	3,316	1.2	3,308	1.2
Total	<u>\$ 276,846</u>	<u>100.0</u>	<u>\$ 271,105</u>	<u>100.0</u>

(1) Net of refunded issues and reinsurance parties.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Insured Portfolio - 50 Largest Credits
Gross Par Outstanding as of December 31, 2013
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding
1	California General Obligation	CA	a3	\$ 2,569
2	City of Houston Combined Utility System Revenue Bonds	TX	a2	1,776
3	Massachusetts General Obligation	MA	a1	1,747
4	New Jersey Transportation Trust Fund Authority	NJ	bbb1	1,669
5	Long Island Power Authority Electric	NY	a3	1,543
6	Puerto Rico Electric Power Authority	PR	bbb3	1,532
7	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	aa2	1,525
8	Wisconsin General Obligation	WI	aa2	1,488
9	Puerto Rico General Obligation	PR	bbb3	1,436
10	Oregon School Boards Association General Obligation	OR	aa3	1,427
11	Chicago General Obligation	IL	bbb1	1,386
12	Connecticut General Obligation	CT	a3	1,384
13	Army Hawaii Family Housing	HI	aa2	1,348
14	Chicago O'Hare General Airport	IL	a2	1,341
15	New York State Local Government Assistance Corporation	NY	a2	1,301
16	Miami-Dade County Airport	FL	a3	1,278
17	The Port Authority of New York and New Jersey	NY	a1	1,270
18	City of Chicago Board of Education	IL	bbb1	1,239
19	New York City General Obligation	NY	aa3	1,239
20	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	1,214
21	City of Detroit Sewage Disposal System	MI	bb2	1,197
22	Illinois Regional Transportation Authority	IL	aa3	1,143
23	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,087
24	Los Angeles Unified School District General Obligation	CA	a1	1,087
25	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	aa3	1,066
26	Detroit City Water System	MI	bb2	1,020
27	Clark County School District General Obligation	NV	a2	1,013
28	San Diego Family Housing Privatization Military	CA	aa1	1,012
29	California State Public Works Board Lease	CA	bbb2	1,008
30	South Carolina Public Service Authority Santee Cooper Public Power	SC	aa2	1,008
31	New York State Thruway Authority	NY	a2	953
32	Great River Energy Public Power	MN	a3	939
33	Louisiana Gasoline & Fuels Tax	LA	aa3	920
34	Atlanta City Water & Sewer	GA	a3	910
35	New York City Water	NY	aa2	910
36	Indiana Finance Authority Highway Lease	IN	aa2	899
37	Ohana Military Communities, LLC	HI	aa2	899
38	Michigan State Building Authority Lease	MI	a1	895
39	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3	887
40	New York State Lease	NY	aa3	881
41	Arapahoe County E-470 Toll Road	CO	bbb2	872
42	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb3	861
43	MTA Commuter & Transit Transportation Revenue	NY	a2	858
44	Metropolitan Washington Airports Authority	DC	aa3	846
45	Puerto Rico Highway and Transportation Authority Oil Tax	PR	bbb3	838
46	Honolulu City & County Sewer	HI	a1	836
47	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	799
48	New York State Dormitory State Personal Income Tax	NY	aa2	788
49	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	771
50	San Francisco International Airport	CA	a2	766
		Total		\$ 57,681
		Total Portfolio Exposure		\$ 276,846
		50 Largest Credits Gross Par Outstanding as % of Total Portfolio		20.8%

(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 symbologies used by S&P and Moody's (e.g. aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.). However, the Company assigns "d" ratings to insured transactions where the transaction is estimated to result in an ultimate loss (net of recoveries) to the Company. Those losses could represent any percentage, up to and including 100%, of the insured exposure.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
Credit Quality Distribution⁽¹⁾
as of December 31, 2013
(dollars in millions)

	<u>Gross Par Outstanding</u>	
	Amount	%
Public Finance		
AAA	\$ 16,293	5.9%
AA	133,188	48.1%
A	99,631	36.0%
BBB	23,127	8.3%
<BBB	<u>4,607</u>	<u>1.7%</u>
Total	<u>\$ 276,846</u>	<u>100.0%</u>

(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⁾
(dollars in millions)

Obligor Name	Gross Par Outstanding
1 Detroit City Sewer Disposal System	\$ 1,197
2 Detroit City Water System	1,020
3 San Joaquin Hills Transportation Corridor Agency Toll Road	578
4 Harris County-Houston Sports Authority	363
5 Navy Mid-Atlantic Family Housing LLC	224
6 Capital Projects Fin Auth FL Universities Student Hsg 2000F-1	121
7 Basketball Properties Ltd Miami Heat	111
8 Jefferson County GO	90
9 Detroit City GO	88
10 Contra Costa County PFA Multiple Proj Areas	<u>77</u>
Total Top 10 BIG Gross Par Outstanding	\$ 3,869
Total BIG Gross Par Outstanding	\$ 4,707
Total National Gross Par Outstanding	\$ 276,846
Total Top 10 BIG Gross Par Outstanding as % of National Gross Par Outstanding	1.4%
Total BIG Gross Par Outstanding as % of National Gross Par Outstanding	1.7%
Total BIG Gross Par Outstanding as % of National Gross Par Outstanding by National ratings	1.4%

(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.

Investor Relations Contacts

Chris Young
Managing Director
Chief Financial Officer
914-765-3121
chris.young@nationalpfg.com

Nick Sourbis
Managing Director Investor Relations
Fixed Income Investor Relations
914-765-3385
nicholas.sourbis@nationalpfg.com