RADIAN

Ensuring the American Dream®

Fourth Quarter 2013

Safe Harbor Statements

All statements in this report that address events, developments or results that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the United States (“U.S.”) Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as “anticipate,” “may,” “will,” “could,” “should,” “would,” “expect,” “intend,” “plan,” “goal,” “contemplate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” or the negative or other variations on these words and other similar expressions. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management’s current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements including:

- changes in general economic and political conditions, including high unemployment rates and weakness in the U.S. housing and mortgage credit markets, a significant downturn in the U.S. or global economies, a lack of meaningful liquidity in the capital or credit markets, changes or volatility in interest rates or consumer confidence and changes in credit spreads, each of which may be accelerated or intensified by, among other things, legislative activity or inactivity, actual or threatened downgrades of U.S. government credit ratings, or actual or threatened defaults on U.S. government obligations;
- changes in the way customers, investors, regulators or legislators perceive the strength of private mortgage insurers or financial guaranty providers, in particular in light of the fact that certain of our former competitors have ceased writing new insurance business and have been placed under supervision or receivership by insurance regulators;
- catastrophic events, municipal and sovereign bankruptcy filings or other economic changes in geographic regions where our mortgage insurance exposure is more concentrated or where we have financial guaranty exposure;
- our ability to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs;
- a reduction in, or prolonged period of depressed levels of, home mortgage originations due to reduced liquidity in the lending market, tighter underwriting standards, and general reduced housing demand in the U.S., which may be exacerbated by regulations impacting home mortgage originations, including requirements established under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”);
- our ability to maintain an adequate risk-to-capital position, minimum policyholder position and other surplus requirements for Radian Guaranty Inc. (“Radian Guaranty”), our principal mortgage insurance subsidiary, and an adequate minimum policyholder position and surplus for our insurance subsidiaries that provide reinsurance to Radian Guaranty;
- our ability to continue to effectively mitigate our mortgage insurance and financial guaranty losses;
- a more rapid than expected decrease in the levels of mortgage insurance rescissions and claim denials which have reduced our paid losses and resulted in a significant reduction in our loss reserves, including a decrease in net rescissions or denials resulting from: an increase in the number of successful challenges to previously rescinded policies or claim denials (including as part of one or more settlements of disputed rescissions or denials), or by the government-sponsored entities (“GSEs”) intervening in or otherwise limiting our loss mitigation practices, including settlements of disputes regarding loss mitigation activities;
- the negative impact that our loss mitigation activities may have on our relationships with our customers and potential customers, including the potential loss of current or future business and the heightened risk of disputes and litigation;
- the need, in the event that we are unsuccessful in defending our loss mitigation activities, to increase our loss reserves for, and reassume risk on, rescinded or cancelled loans or denied claims, and to pay additional claims, including amounts previously curtailed;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance;
- adverse changes in the severity or frequency of losses associated with certain products that we formerly offered (and which remain in our insured portfolio) that are riskier than traditional mortgage insurance or financial guaranty insurance policies;

Safe Harbor Statements (Continued)

- a decrease in the persistency rates of our mortgage insurance policies, which has the effect of reducing our premium income on our monthly premium policies and could decrease the profitability of our mortgage insurance business;
- heightened competition for our mortgage insurance business from others such as the Federal Housing Administration, the U.S. Department of Veterans Affairs and other private mortgage insurers, including in particular, those that have been assigned higher ratings than we have, that may have access to greater amounts of capital than we do, that are less dependent on capital support from their subsidiaries than we are or that are new entrants to the industry, and therefore, are not burdened by legacy obligations;
- changes in requirements to remain an eligible insurer to the GSEs (which are expected to be released in 2014 and implemented following a transition period), which may include more onerous risk-to-capital ratio requirements, higher capital requirements for loans insured prior to 2009 and a limitation on the amount of capital credit available for our subsidiaries, including capital attributable to our financial guaranty business;
- changes in the charters or business practices of, or rules or regulations applicable to, the GSEs;
- changes to the current system of housing finance, including the possibility of a new system in which private mortgage insurers are not required or their products are significantly limited in effect or scope;
- the effect of the Dodd-Frank Act on the financial services industry in general, and on our mortgage insurance and financial guaranty businesses in particular, including whether and to what extent loans with private mortgage insurance may be considered “qualified residential mortgages” for purposes of the Dodd-Frank Act securitization provisions;
- the application of existing federal or state laws and regulations, or changes in these laws and regulations or the way they are interpreted, including, without limitation: (i) the resolution of existing, or the possibility of additional, lawsuits or investigations (including in particular investigations and litigation relating to captive reinsurance arrangements under the Real Estate Settlement Practices Act of 1974); and (ii) legislative and regulatory changes (a) impacting the demand for private mortgage insurance, (b) limiting or restricting the products we may offer or increasing the amount of capital we are required to hold, (c) affecting the form in which we execute credit protection, or (d) otherwise impacting our existing businesses;
- the amount and timing of potential payments or adjustments associated with federal or other tax examinations, including adjustments proposed by the Internal Revenue Service resulting from the examination of our 2000 through 2007 tax years;
- the possibility that we may fail to estimate accurately the likelihood, magnitude and timing of losses in connection with establishing loss reserves for our mortgage insurance or financial guaranty businesses, or to estimate accurately the fair value amounts of derivative instruments in determining gains and losses on these instruments;
- volatility in our earnings caused by changes in the fair value of our assets and liabilities carried at fair value, including our derivative instruments, substantially all of our investment portfolio and certain of our long-term incentive compensation awards;
- our ability to realize some or all of the tax benefits associated with our gross deferred tax assets, which will depend, in part, on our ability to generate sufficient sustainable taxable income in future periods;
- changes in accounting principles generally accepted in the United States of America or statutory accounting principles, rules and guidance, or their interpretation; and
- legal and other limitations on amounts we may receive from our subsidiaries as dividends or through our tax- and expense-sharing arrangements with our subsidiaries.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2012, Item 1A of Part II of our Quarterly Reports on Form 10-Q filed in 2013, and subsequent reports and registration statements filed from time to time with the U.S. Securities and Exchange Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we filed this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements made in this report to reflect new information or future events or for any other reason.

Who Is Radian?

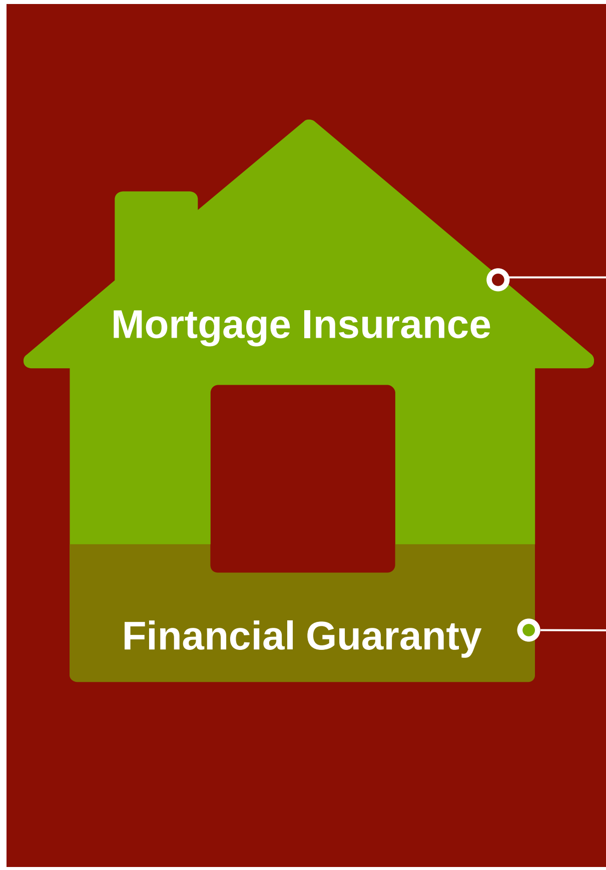
Overview

Radian Group Inc., headquartered in Philadelphia, provides private mortgage insurance and related risk management products and services to mortgage lenders nationwide through its principal operating subsidiary, Radian Guaranty Inc.

For more than **35 years**, these services have helped promote and preserve homeownership opportunities for homebuyers, while protecting lenders from default-related losses on residential first mortgages and facilitating the sale of low-down payment mortgages in the secondary market.

Who Is Radian?

Segment Overview



Total Statutory Claims
Paying Resources
as of December 31, 2013

$2,884.7 million(1)

$1,568.0 million

(1) Excludes $1.2 billion of Financial Guaranty statutory surplus.

Q4 Highlights

Net income of $36 million, or $0.19 net income per diluted share
- Includes $30.6 million of combined net gains from the change in fair value of derivatives and other financial instruments and a net loss on investments
- Book value per share of $5.43

Adjusted pretax operating income of $9.1 million (1)
- Consists of $1.7 million from the mortgage insurance segment and $7.4 million from the financial guaranty segment
- Consolidated adjusted diluted net operating income per share for Q4 2013 was $0.03

Approximately $615 million of currently available holding company liquidity

Risk-to-capital ratio for Radian Guaranty of 19.4 to 1
- Radian Group contributed $100 million of capital to Radian Guaranty
- As of December 31, 2013, a total of $2.6 billion of risk in force has been ceded through our external quota share reinsurance agreements

Strong share of high-quality new MI business
- NIW of $9.3 billion compared to $11.7 billion in Q4 2012
- 100% Prime; 66% with FICO of 740 or above

Improved composition of MI portfolio
- New business written after 2008 represents 71% of primary risk in force
- New business written after 2008, excluding HARP volume, represents 60% of primary risk in force

Continued decline in number of mortgage insurance defaults
- Total number of primary delinquent loans decreased by 35% from Q4 2012 including impact of Freddie Mac agreement which reduced total defaults by 9,756
- Primary mortgage insurance delinquency rate decreased to 7.3% from 12.1% in Q4 2012

Mortgage insurance loss provision of $144 million
- Loss reserves of approximately $2.2 billion – down from $3.1 billion in Q4 2012
- Primary reserves (excluding IBNR and other reserves) were $26,717 per primary default vs. $26,408 in Q4 2012
- Loss ratio of 72% was down from 171% in Q4 2012

Total mortgage insurance net claims paid of $283 million
- Excludes $50 million of claims processed in the quarter in accordance with the terms of the Freddie Mac Agreement.
- Expects net claims paid for full-year 2014 of $900 million to $1.0 billion

(1) Adjusted results, as used in this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to the comparable GAAP measures see Exhibit O to Radian's fourth quarter 2013 earnings press release dated February 5, 2014 or Radian's website.

Financial Highlights

Radian Group Inc. Consolidated

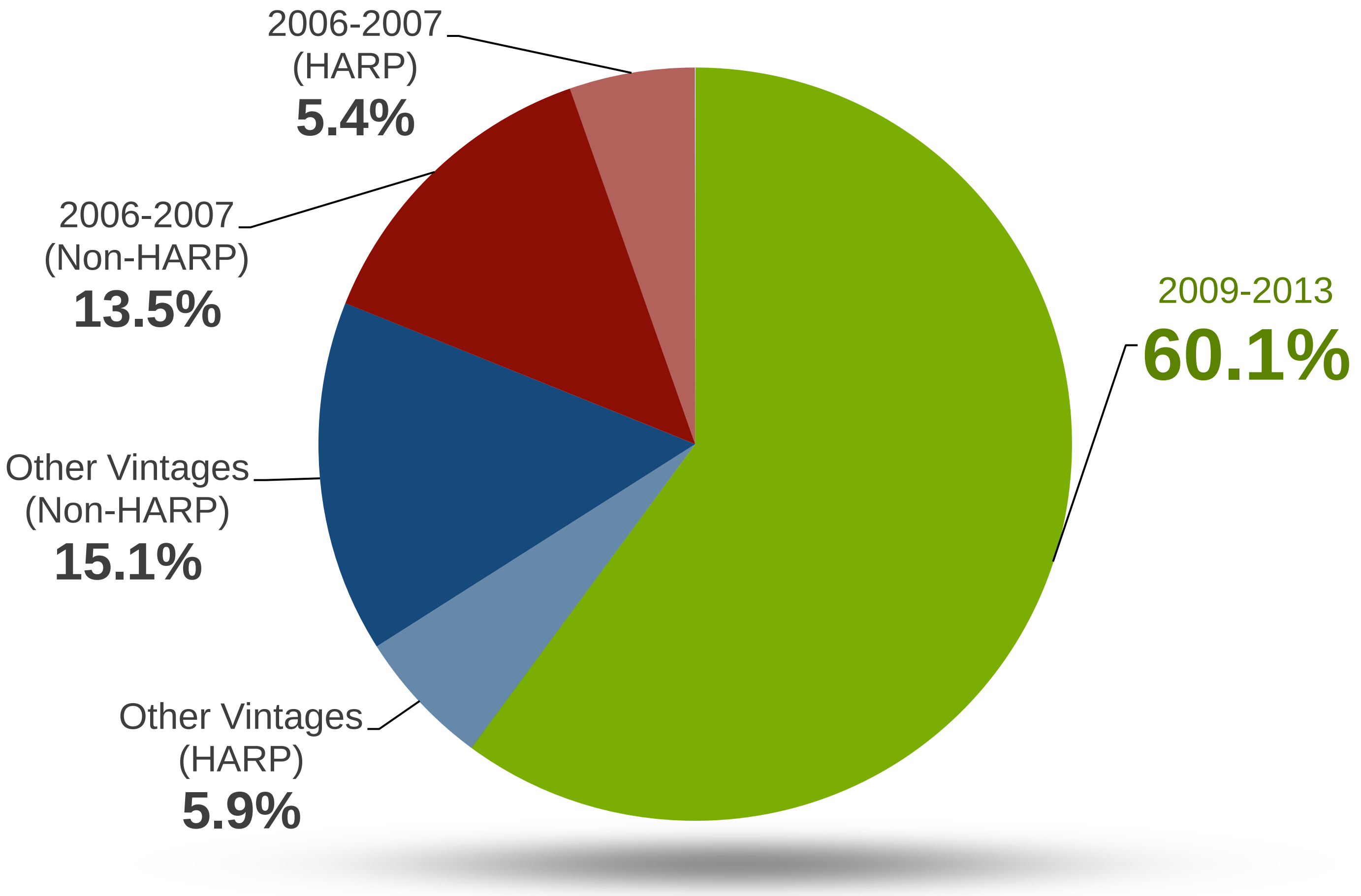
($ in millions except per share amounts)

	December 31, 2013	December 31, 2012	December 31, 2011
Assets	$ 5,621.7	$ 5,903.2	$ 6,656.8
Loss reserves	$ 2,185.4	$ 3,149.9	$ 3,310.9
Unearned premiums	$ 768.9	$ 648.7	$ 637.4
Long term debt	$ 930.1	$ 663.6	$ 818.6
Stockholders' equity	$ 939.6	$ 736.3	$ 1,182.3
Book value per share	$ 5.43	$ 5.51	$ 8.88
Valuation allowance against deferred tax asset per share	$ 5.91	$ 7.41	$ 5.99
Available holding company liquidity	$ 615.3	$ 296.2	$ 482.8
Risk-to-capital ratio (Radian Guaranty)	19.4:1*	20.8:1	21.5:1

* Preliminary

Improved Composition of MI Portfolio(1)

NIW since 2009 and HARP volume combined now represent 71% of Radian's mortgage insurance primary risk in force as of Q4 2013

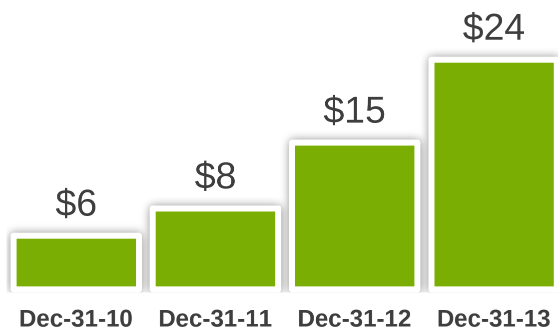


(1) Includes amounts subject to the Freddie Mac Agreement.

Profitability of Newer Vintages Improving Performance of MI Portfolio

Gross Primary Risk in Force
($ in billions)

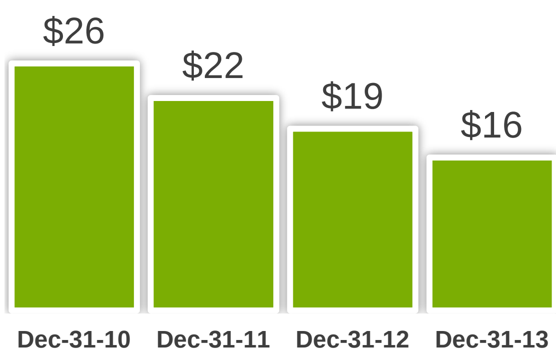
2009 and Later Vintages



17.8% 27.6% 44.6% 60.1%

% of Portfolio

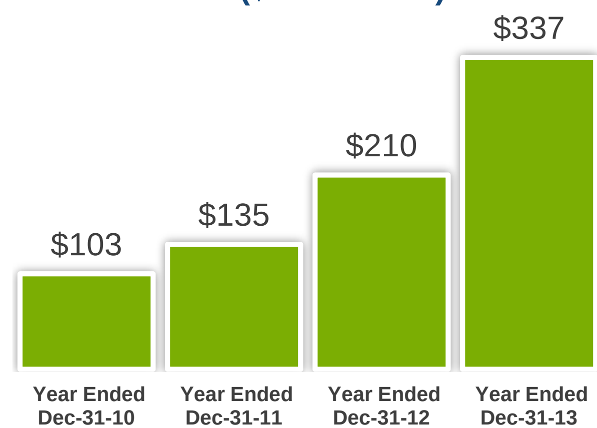
2008 and Prior Vintages

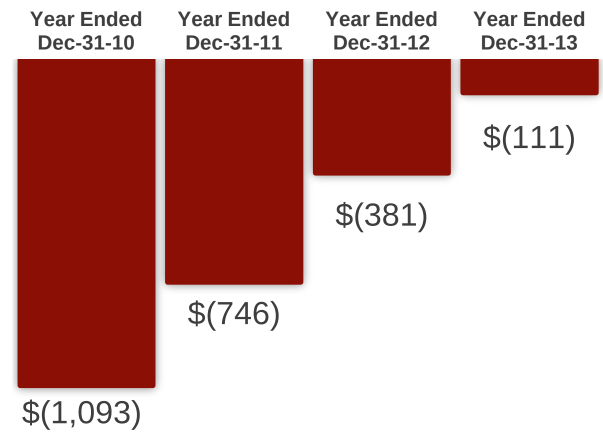


82.2% 72.4% 55.4% 39.9%

% of Portfolio

Earned Premiums Less Incurred Losses ($ in millions) (1)





(1) Represents premiums earned and incurred losses on first-lien portfolio including the impact of ceded premiums and losses related to the 2012 Quota Share Reinsurance transactions, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions.

First-Lien Mortgage Insurance – 2013 Performance by Vintage

($ in millions)

	Year Ended December 31, 2013			Three Months Ended December 31, 2013
Vintage	**Premiums Earned[1]**	**Incurred Losses[1]**	**Net YTD**	**Net QTD**
2005 and Prior	$ 143.1	$ 91.6	$ 51.5	$ 0.0
2006	74.5	103.2	(28.7)	(3.3)
2007	130.7	245.5	(114.8)	(36.9)
2008	82.5	102.0	(19.5)	0.1
2009	46.8	13.4	33.4	7.4
2010	39.9	4.7	35.2	6.6
2011	60.8	4.3	56.5	12.5
2012	136.7	5.0	131.7	32.2
2013	82.6	2.0	80.6	40.7

(1) Represents premiums earned and incurred losses on first-lien only including the impact of ceded premiums and losses related to the 2012 Quota Share Reinsurance transactions, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions.

Net Fair Value Liability of Derivatives and VIEs

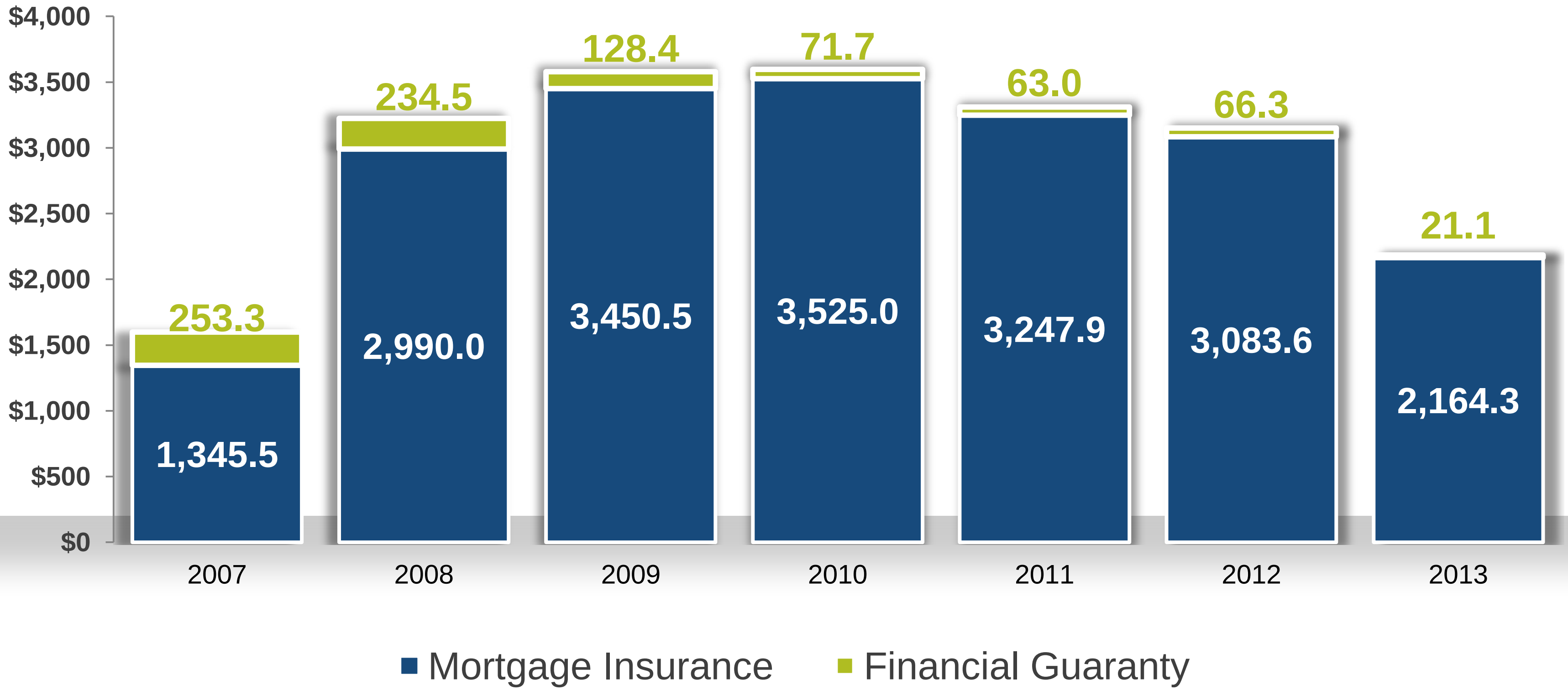
($ in millions)

Balance Sheet	December 31, 2013 NIMs and Other	December 31, 2013 FG Derivatives and VIEs	Total
Other invested assets	$ -	$ 81.0	$ 81.0
Derivative assets	10.3	6.3	16.6
Other assets	-	92.0	92.0
Total assets	**10.3**	**179.3**	**189.6**
Derivative liabilities (including VIE derivatives)	-	307.2	307.2
VIE debt - at fair value	2.8	91.8	94.6
Accounts payable and accrued expenses	-	0.3	0.3
Total liabilities	**2.8**	**399.3**	**402.1**
Total fair value net assets (liabilities)	**$ 7.5**	**$ (220.0)**	**$ (212.5)**
Present value of estimated credit loss payments (recoveries)*	**$ 6.4**	**$ (74.2)**	**$ (67.8)**

* Represents the present value of our estimated credit loss payments (net of estimated recoveries) for those transactions for which we currently anticipate paying net losses or receiving recoveries of losses already paid. The present value is calculated using a discount rate of 1.9%, which represents our current investment yield.

Total Loss Reserves

($ in millions)



Components of Provision for Losses – Mortgage Insurance

($ in millions)

	Three Months Ended	
	December 31, 2013	December 31, 2012
New defaults	$ 111.7	$ 155.3
Existing defaults, Second-lien, LAE and Other (1)	32.6	151.6
Provision for Losses	**$ 144.3**	**$ 306.9**

(1) Represents the provision for losses attributable to loans that were in default as of the beginning of each period indicated, including: (a) the change in reserves for loans that were in default status (including pending claims) as of both the beginning and end of each period indicated; (b) the net impact to provision for losses from loans that were in default as of the beginning of each period indicated but were either a cure, a prepayment, a paid claim or a rescission or denial during the period indicated; (c) the impact to our IBNR reserve during the period related to changes in actual and estimated reinstatements of previous rescinded policies and denied claims; (d) second-lien loss reserves; and (e) loss adjustment expenses and other loss reserves.

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Primary Loans In Default

December 31, 2013

($ in thousands)

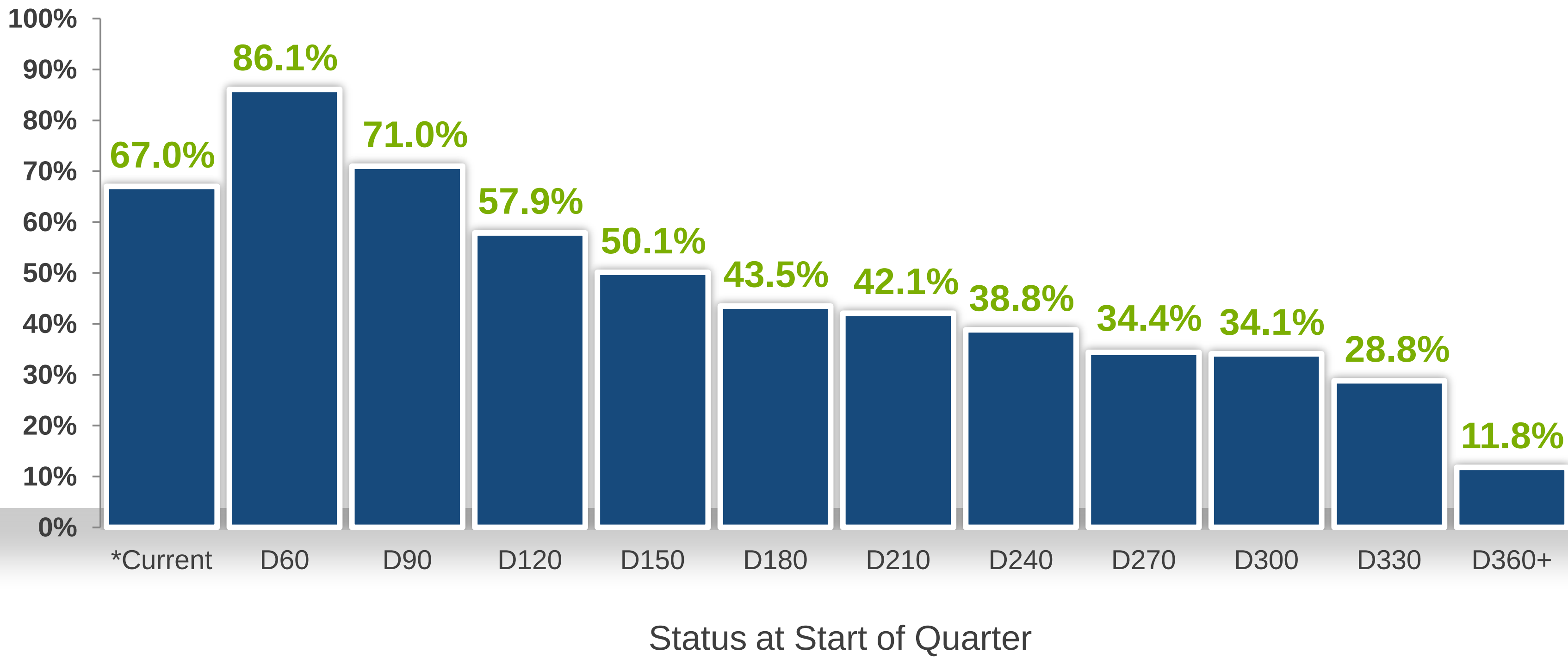
			Projected Default to Claim Rate				
			(1) Gross	(2) Net	Cure % During the Quarter	Reserve for Losses	% of Reserve
Missed payments	**#**	**%**	**%**	**%**	**%**	**$**	**%**
3 payments or fewer	13,274	21.8%	24%	22%	30.1%	$133,398	8.5%
4-11 payments	12,939	21.2	48	44	17.7	267,279	17.0
12 payments or more	23,995	39.4	57	50	4.4	686,198	43.5
Pending claims	10,701	17.6	100	90	0.5	489,181	31.0
	60,909(3)	**100.0%**	**55%**	**49%**		**$1,576,056**	**100.0 %**
IBNR and other						347,698	
LAE						51,245	
Total primary reserves						**$1,974,999**	

(1) Represents the weighted average default to claim rate before consideration of estimated rescissions and denials for each category of defaulted loans.
(2) Net of estimate of rescissions and denials.
(3) Primary risk in force on defaulted loans at December 31, 2013 was $2.8 billion, which excludes risk related to loans subject to the Freddie Mac Agreement. Excludes 7,221 loans subject to the Freddie Mac Agreement that are in default at December 31, 2013, as we no longer have claims exposure on these loans.

Primary Loans in Default – Payments Made in Quarter

36% Made at Least One Monthly Payment in Q4 2013 But Remained in Default

Defaults that Made at Least 1 Payment in 4Q13



* Represents loans that were current as of October 1, 2013.

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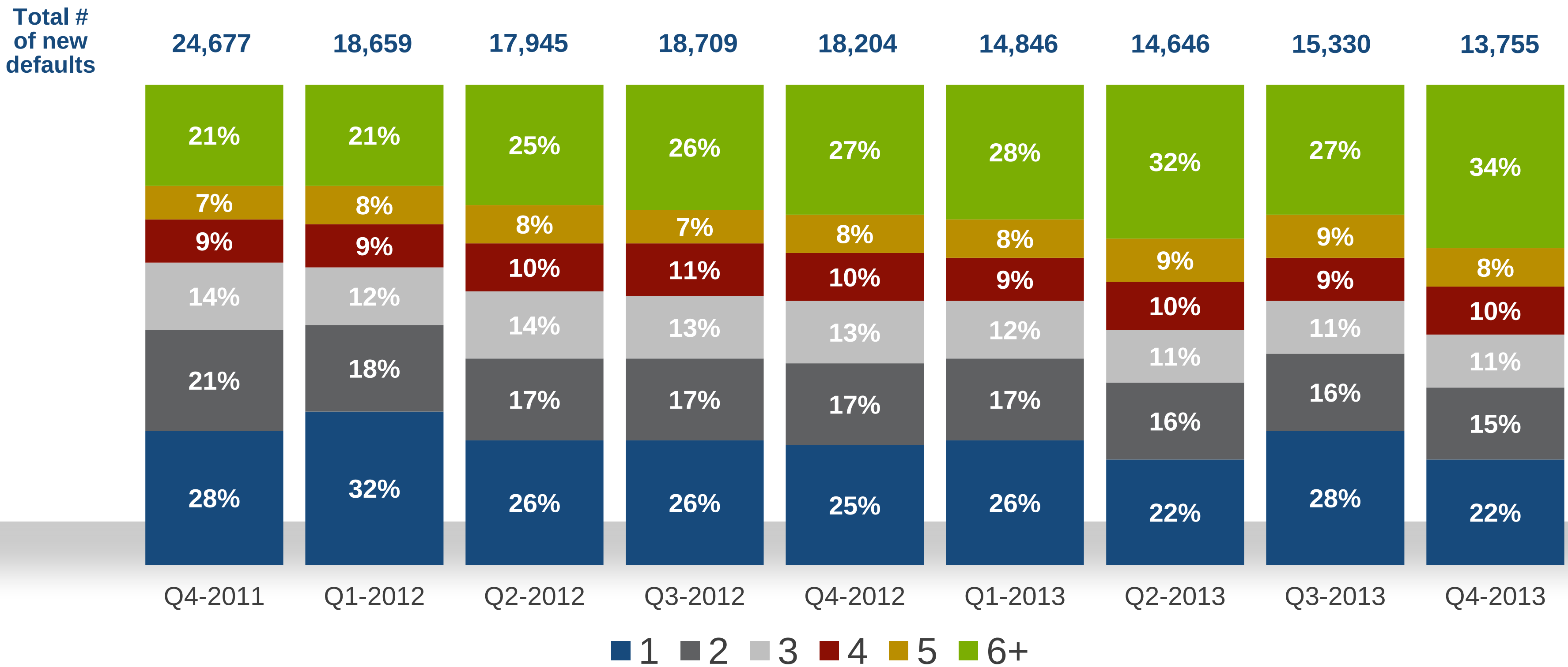
Primary Loans in Default – Frequency of Re-default Activity

Nearly 78% of New Defaults in Q4 2013 Were Previously Delinquent

New Defaults by Number of Times Previously in Default (%)



- Repeat defaults have previously demonstrated an ability to cure and therefore a lower propensity to result in a future claim.

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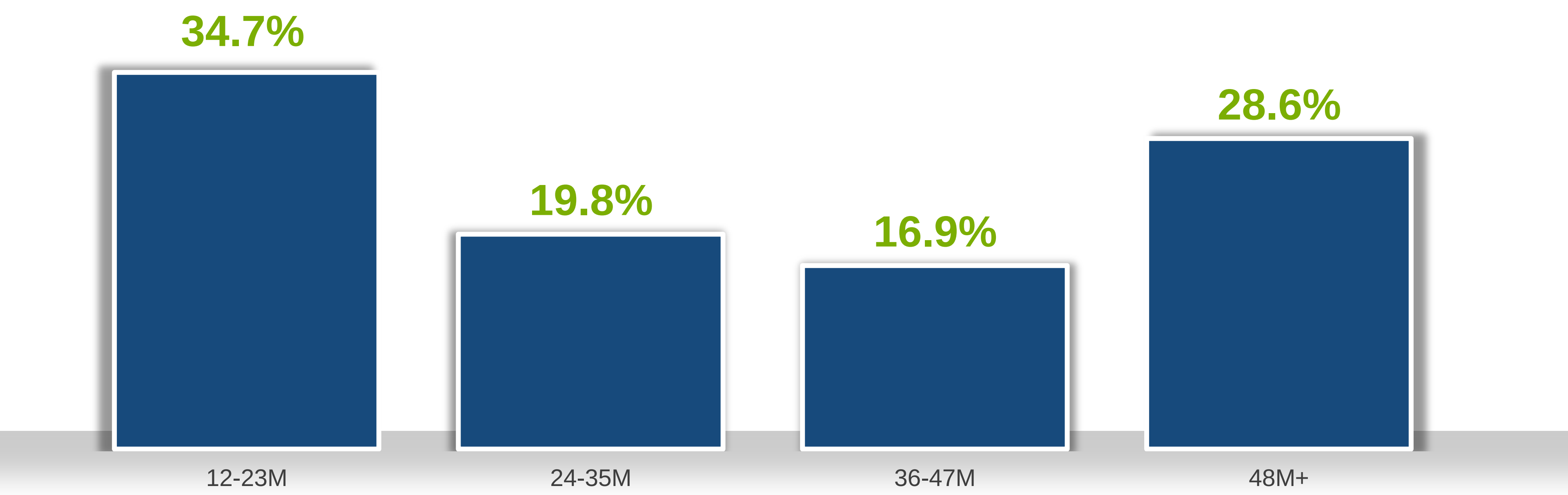
Primary Loans in Default – Aging Breakdown of 12 Months and Greater (12M+) Bucket (1)

45% of 12M+ Defaults Are Greater Than Three Years Old



- The company is working with servicers to evaluate whether foreclosure timelines dictated by its Master Policy were violated.

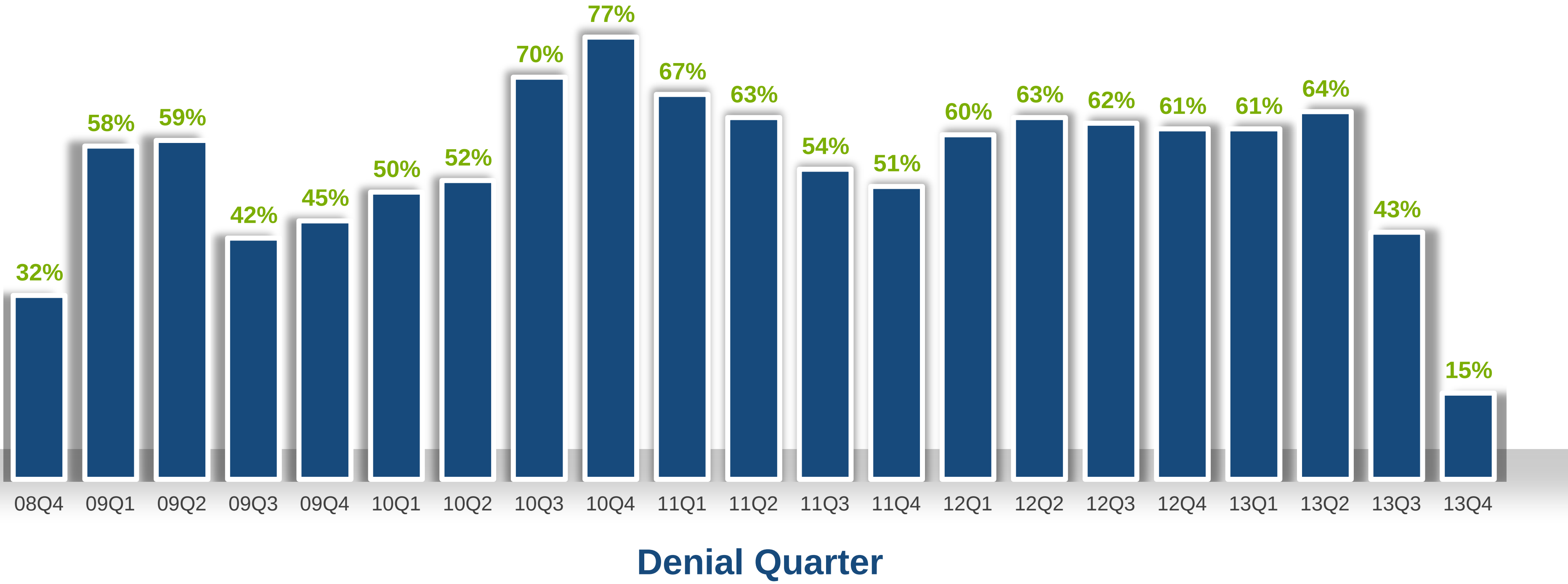
(1) Includes pending claims.

Direct Primary Risk in Force and Reserves by Vintage

	December 31, 2013		December 31, 2012		December 31, 2011	
	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses
2005 and prior	11.1%	32.9%	16.5%	31.9%	22.4%	32.1%
2006	5.8	18.0	8.0	17.9	10.3	18.6
2007	13.1	34.5	17.6	35.8	22.7	36.8
2008	9.9	12.1	13.3	12.9	17.0	11.6
2009	3.6	1.2	5.9	1.1	8.7	0.8
2010	3.0	0.4	5.0	0.3	7.3	0.1
2011	5.7	0.4	8.6	0.1	11.6	-
2012	19.3	0.4	25.1	-	-	-
2013	28.5	0.1	-	-	-	-
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Quarterly Denial Reinstatement Rates

as of December 31, 2013



- Excludes certain potential reinstatements in process of being discussed with servicers. The company's IBNR reserve of $282 million includes estimates with respect to such potential reinstatements.
- The company expects an initial denial reinstatement rate of approximately 60% on newly denied claims, which is reflected in the IBNR reserve. This initial rate declines over a 12-month period as the denials age.
- The majority of reinstatements take place within the first six months and substantially all within 12 months.

Primary Insurance In Force – Default Rollforward

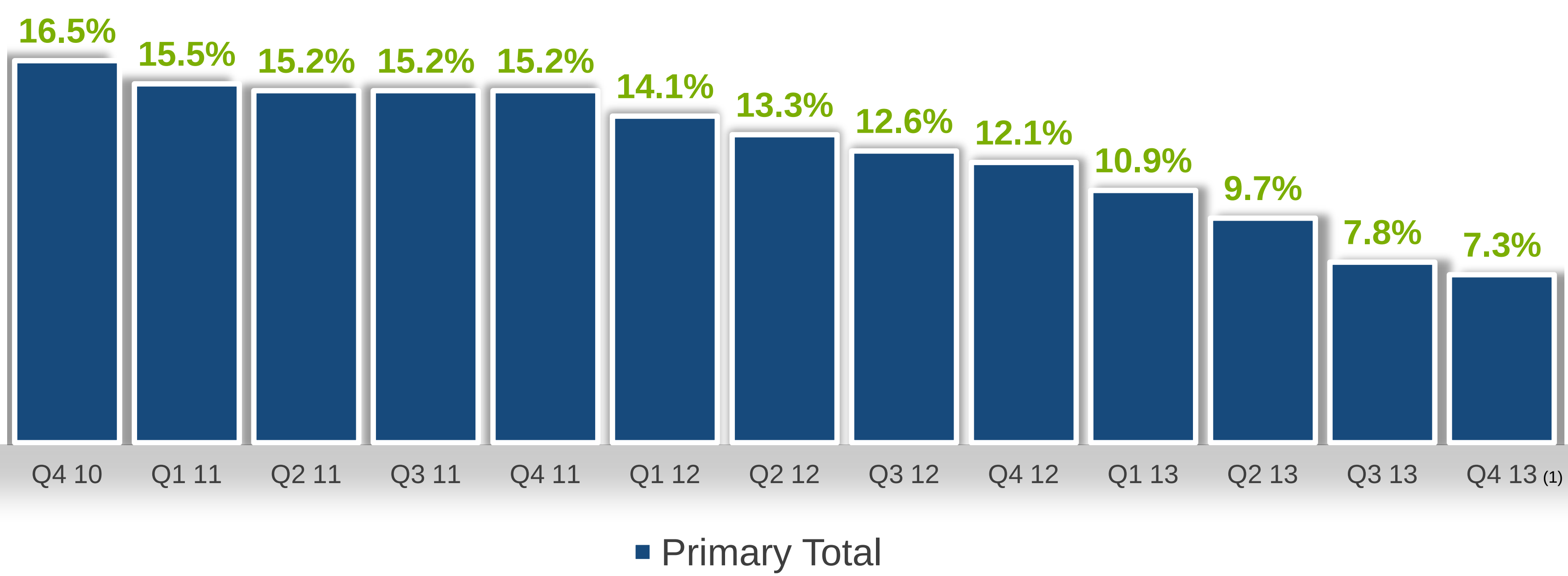
	Q4 12	Q1 13	Q2 13	Q3 13	Q4 13	Jan 14
Beginning Default Inventory	**94,831**	**93,169**	**85,109**	**78,257**	**65,239**	**60,909**
New Defaults (1)	18,204	14,846	14,646	15,330	13,755	4,593
Cures (1)	(14,530)	(16,897)	(13,464)	(13,706)	(12,440)	(4,153)
Claims Paid (2) (3)	(4,981)	(5,560)	(6,593)	(4,994)	(5,407)	(2,332)
Rescissions (4)	(890)	(187)	(249)	(284)	(247)	(84)
Denials related to one servicer (5)	595	440	(29)	704	415	(2)
All other denials (5)	(60)	(702)	(1,163)	(312)	(406)	(149)
Freddie Mac Agreement Loans	-	-	-	(9,756)	-	-
Ending Default Inventory	**93,169**	**85,109**	**78,257**	**65,239** (6)	**60,909** (6)	**58,782** (6)

(1) Amounts reflected above are compiled on a monthly basis consistent with reports received from loan servicers. The number of New Defaults and Cures presented includes the following number of monthly defaults that both defaulted and cured within the period indicated:

5,677	6,286	5,002	5,973	4,799

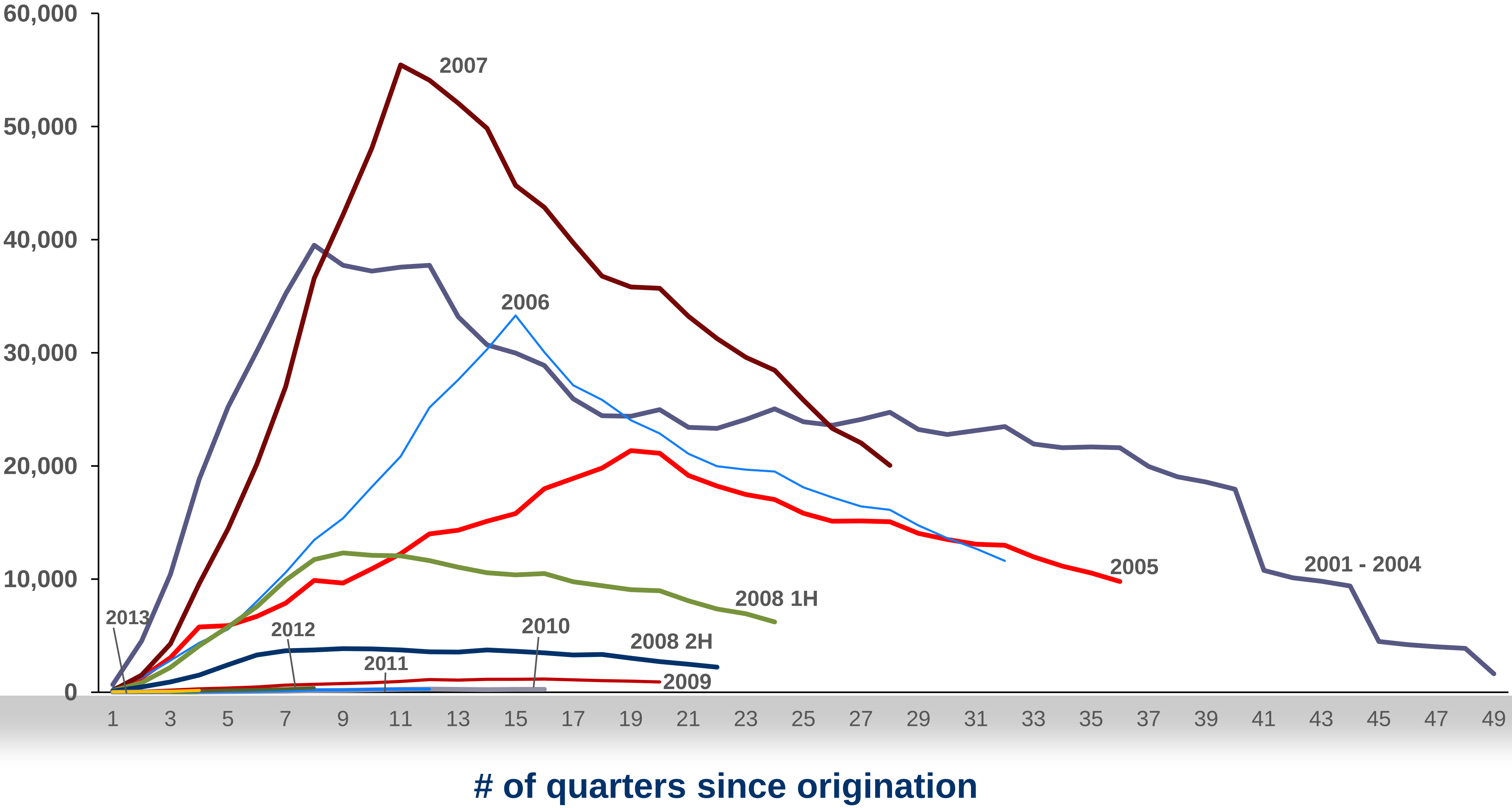
(2) Includes those charged to a deductible or captive.
(3) Excludes claims processed in accordance with the terms of the Freddie Mac Agreement in Q3 2013, Q4 2013 and January 2014 of 1,050, 1,001 and 392, respectively.
(4) Net of any previously rescinded policies that were reinstated during the period. Such reinstated rescissions may ultimately result in a paid claim. In Q4 2013, there were 357 rescissions and 110 reinstatements of previously rescinded policies.
(5) Net of any previously denied claims that were reinstated during the period. Such previously denied but reinstated claims are generally reviewed for possible rescission prior to any claim payment. In Q4 2013, there were 1,552 denials and 1,561 reinstatements of previously denied claims.
(6) Excludes loans subject to the Freddie Mac Agreement.

Primary Mortgage Insurance Default Rates by Quarter



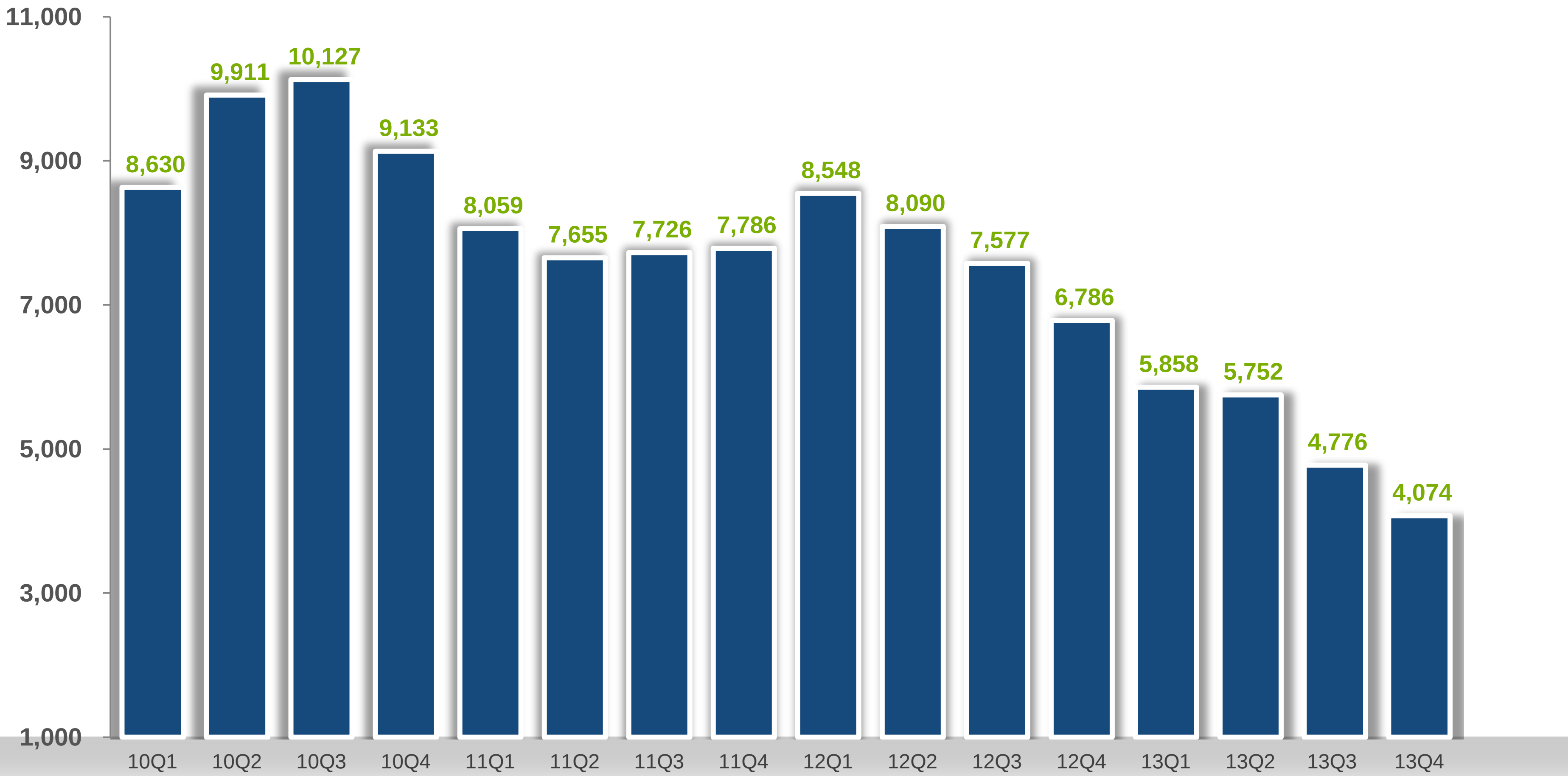
(1) Includes 11,860 insured loans in the denominator and excludes 7,221 loans in default in the numerator at December 31, 2013 for loans subject to the Freddie Mac Agreement.

Primary Default Count by Vintage



- Second half of 2008 was a turning point in the company's book, with improved credit performance in that period and thereafter as a result of tightened credit guidelines.
- As of December 31, 2013, excludes 7,221 loans in default subject to the Freddie Mac Agreement.

Primary New Claims Submitted by Quarter



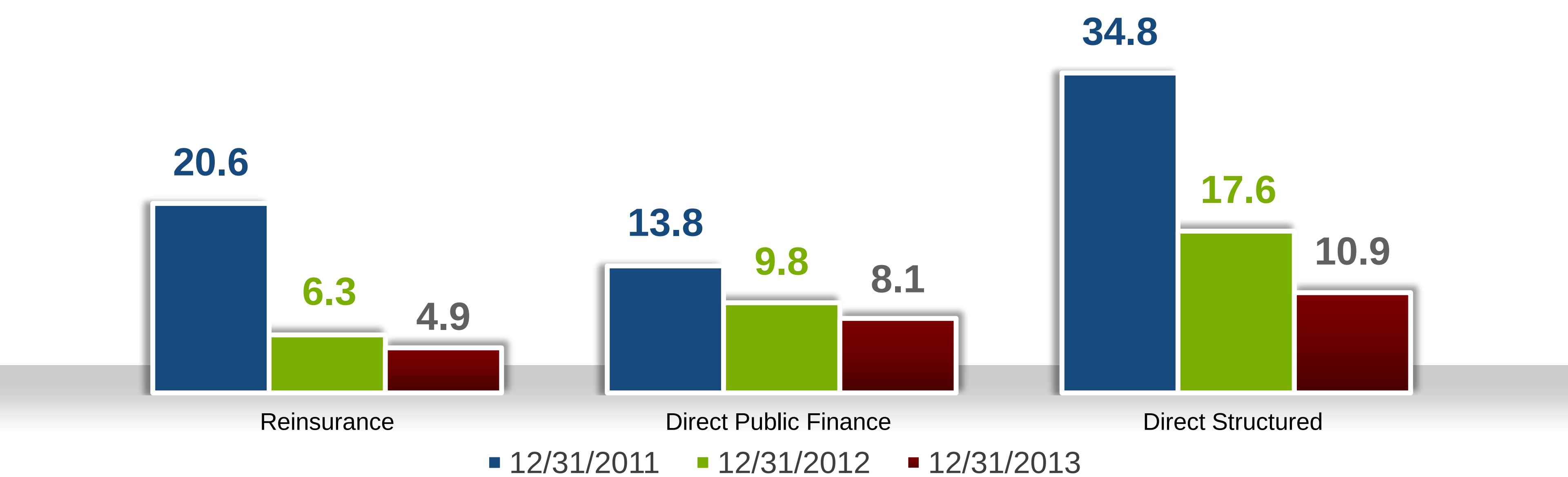
Number of Claims Submitted by Quarter (1)

(1) Excludes claims submitted on Freddie Mac Agreement loans beginning August 2013.

Financial Guaranty Net Par Outstanding by Product

$23.9 billion as of December 31, 2013

($ in billions)



Financial Guaranty Product Line and Sector Mix

$23.9 billion in Net Par Outstanding as of December 31, 2013

Public Finance		
Sector	**Dollars *(in billions)***	**Percentage**
General and Tax-Supported Obligations	$ 5.3	22.1%
Healthcare & Long Term Care	2.4	9.9
Utilities	1.3	5.5
Education	1.1	4.5
Transportation	0.9	3.8
Escrowed Par *	0.9	3.9
Housing	0.1	0.2
Other Public Finance	0.5	2.2
Subtotal	**$ 12.5**	**52.1%**

Structured Finance		
Sector	**Dollars *(in billions)***	**Percentage**
CDOs	$ 10.7	44.9%
Asset-Backed: Mortgage and MBS	0.3	1.5
Asset-Backed: Commercial and Other	0.2	0.7
Asset-Backed: Consumer	0.1	0.5
Other Structured Finance	0.1	0.3
Subtotal	**$ 11.4**	**47.9%**

* Represents public finance net par outstanding for legally defeased bond issuances where our financial guaranty policy is not extinguished, but cash or securities in an amount sufficient to pay remaining obligations under such bonds have been deposited in an escrow account for the benefit of bond holders.

Financial Guaranty Risk Reduction Since June 2008

Net Par Outstanding of $23.9 billion as of December 2013 compared to $115.2 billion as of June 2008

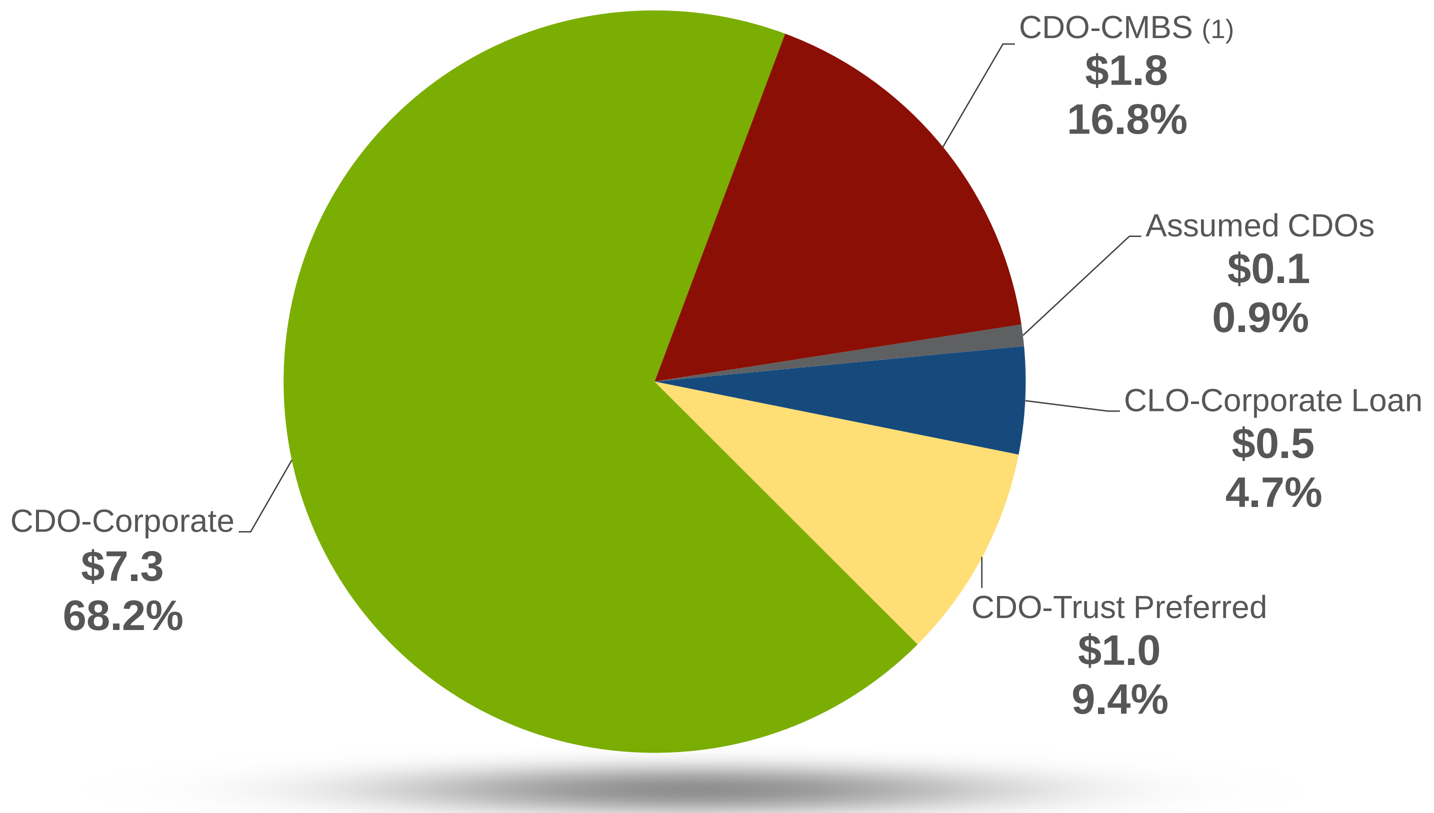
Public Finance		
Sector	**Change in Net Par O/S (in billions)**	**% Change**
General and Tax-Supported Obligations	$ (20.0)	-78%
Utilities	(9.3)	-87
Healthcare & Long Term Care	(9.0)	-77
Transportation	(6.5)	-87
Education	(2.8)	-71
Housing	(0.5)	-93
Other Public Finance	(1.4)	-72
Subtotal	**$ (49.5)**	**-80%**

Structured Finance		
Sector	**Change in Net Par O/S (in billions)**	**% Change**
CDOs	$ (35.6)	-77%
Asset-Backed: Consumer	(1.3)	-92
Asset-Backed: Commercial and Other	(1.2)	-86
Asset-Backed: Mortgage and MBS	(1.2)	-78
Other Structured Finance	(2.5)	-97
Subtotal	**$ (41.8)**	**-79%**

Financial Guaranty CDO Portfolio

$10.7 billion Net Par Outstanding as of December 31, 2013

Asset Type Distribution* *($ in billions)*



* Total CDO Exposure written on a direct basis is $10.6 billion (99.1% of CDO exposure).

(1) In January 2014, a counterparty to a $450 million AAA rated CDO-CMBS exercised its right to terminate the transaction on a walkaway basis.

Financial Guaranty CDO Portfolio

Ratings Distribution for CDOs: $10.7 billion Net Par Outstanding as of December 31, 2013

($ in billions)

Ratings [1]	Number of CDO Contracts/Policies	Net Par Outstanding	Percentage of CDO Net Par Outstanding
AAA	30	$ 7.7	72.0%
AA	2	0.3	2.8
A	10	0.8	7.5
BBB	8	1.3	12.1
BIG [2]	4	0.6	5.6
Total	**54**	**$ 10.7**	**100.0%**

(1) Ratings are based on Radian Asset's internal ratings.
(2) BIG – Below Investment Grade.

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Financial Guaranty Corporate CDO Portfolio

Credit Exposure to Direct Corporate CDOs as of December 31, 2013*

($ in billions)

Year of Scheduled Maturity(1)	Number of CDO Contracts / Policies	Aggregate Net Par Exposure	Initial Average # of Sustainable Credit Events(2) (6)	Current Average # of Sustainable Credit Events(3)(6)	Minimum # of Sustainable Credit Events(4) (6)	Average # of Current Remaining Names in Transaction (5)
2014	4	**1.5**	24.0	16.8	6.1	95
2017	13	**5.8**	27.4	26.4	10.3	99
Total	**17**	**$7.3**				

(1) No directly insured corporate CDO transactions are scheduled to mature in 2015 or 2016. All of our directly insured corporate CDO transactions are scheduled to mature in or before December 2017.
(2) The average number of sustainable credit events at the inception of each transaction. Average amounts presented are simple averages.
(3) The average number of sustainable credit events determined as of December 31, 2013. Average amounts presented are simple averages.
(4) The number of sustainable credit events for the one transaction with the fewest remaining sustainable credit events scheduled to mature in the year of scheduled maturity indicated.
(5) The current average number of different corporate entities in each of the transactions.
(6) The number of sustainable credit events represents the number of credit events on different corporate entities that can occur within a single transaction before we would be obligated to pay a claim. It is calculated using the weighted average exposure per corporate entity and assumes a recovery value of 30% to determine future losses (unless the parties have agreed upon a fixed recovery, then such recovery is used to determine future loss) or in the case of a defaulted reference entity pending settlement, we use market indicated recovery levels.

* Excludes one insured corporate CDO of CDOs because the payments of principal and interest on this CDO depend on the cash flows generated from the CDO's underlying collateral and the likelihood that we would have to pay a claim is not measurable in terms of sustainable credit events.

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