



**national
public finance
guarantee**



First Quarter 2015 Operating Supplement

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(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,” “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, 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 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 maintain 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.

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

	March 31, 2015	December 31, 2014
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$3,765 and \$3,545)	\$ 3,795	\$ 3,553
Investments carried at fair value	143	143
Investments pledged as collateral, at fair value (amortized cost \$398 and \$459)	399	458
Short-term investments held as available-for-sale, at fair value (amortized cost \$332 and \$490)	332	490
Other investments (includes investments at fair value of \$9 and \$9)	12	12
Total investments	4,681	4,656
Cash and cash equivalents	103	70
Securities purchased under agreements to resell	385	443
Premiums receivable	213	213
Deferred acquisition costs	250	267
Assets held for sale	22	26
Other assets	67	75
Total assets	\$ 5,721	\$ 5,750
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 1,185	\$ 1,269
Loss and loss adjustment expense reserves	35	45
Securities sold under agreements to repurchase	385	443
Current income taxes	47	9
Deferred income taxes, net	153	152
Payable for investments purchased	57	42
Other liabilities	27	29
Total liabilities	1,889	1,989
Equity:		
Common stock, par value \$30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,341	2,342
Retained earnings	1,446	1,390
Accumulated other comprehensive income (loss), net of tax of \$11 and \$2	21	5
Total shareholder's equity	3,823	3,752
Noncontrolling interest	9	9
Total equity	3,832	3,761
Total liabilities and equity	\$ 5,721	\$ 5,750

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

	Three Months Ended March 31,	
	2015	2014
Revenues:		
Premiums earned:		
Scheduled premiums earned	\$ 35	\$ 43
Refunding premiums earned	50	22
Premiums earned	85	65
Net investment income	29	34
Fees, reimbursements and other	1	2
Realized gains (losses) and other settlements on insured derivatives	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	3	3
Other net realized gains (losses)	(4)	-
Total revenues	114	105
Expenses:		
Losses and loss adjustment	(6)	(14)
Amortization of deferred acquisition costs	18	14
Operating	16	13
Total expenses	28	13
Income before income taxes	86	92
Provision (benefit) for income taxes	30	31
Net income	\$ 56	\$ 61

U.S. Public Finance Insurance
(primarily National Public Finance Guarantee Corporation)
Net Income (Loss) Reconciliation to Operating Income (Loss)
(dollars in millions)

	Three Months Ended March 31, 2015		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:			
Net premiums earned	\$ 85	\$ -	\$ 85
Net investment income	29	-	29
Fees and reimbursements	1	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	3	1	2
Other net realized gains (losses)	(4)	-	(4)
Total revenues	114	1	113
Expenses:			
Losses and loss adjustment	(6)	-	(6)
Amortization of deferred acquisition costs	18	-	18
Operating	16	-	16
Total expenses	28	-	28
Income before income taxes	86	1	85
Provision (benefit) for income taxes	29	-	29
Net income before minority interest	\$ 57	\$ 1	\$ 56

	Three Months Ended March 31, 2014		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:			
Net premiums earned	\$ 65	\$ -	\$ 65
Net investment income	34	-	34
Fees and reimbursements	2	-	2
Net change in fair value of insured credit derivatives	1	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	3	-	3
Total revenues	105	-	105
Expenses:			
Losses and loss adjustment	(14)	-	(14)
Amortization of deferred acquisition costs	14	-	14
Operating	13	-	13
Total expenses	13	-	13
Income before income taxes	92	-	92
Provision (benefit) for income taxes	31	-	31
Net income before minority interest	\$ 61	\$ -	\$ 61

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

Net Premiums Earned ⁽¹⁾⁽²⁾
(dollars in thousands)

	<u>1st</u> <u>Qtr.</u>	<u>2nd</u> <u>Qtr.</u>	<u>3rd</u> <u>Qtr.</u>	<u>4th</u> <u>Qtr.</u>	<u>Year-to-date</u>
2015					
Scheduled Premiums Earned	\$ 35,192				\$ 35,192
Refunded Premiums Earned	50,016				50,016
Total	\$ 85,208				\$ 85,208
2014					
Scheduled Premiums Earned	\$ 42,544	\$ 39,670	\$ 38,415	\$ 38,407	\$ 159,036
Refunded Premiums Earned	22,461	27,918	35,961	43,346	129,686
Total	\$ 65,005	\$ 67,588	\$ 74,376	\$ 81,753	\$ 288,722

(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.

(2) Excludes insured derivative premiums.

Rollforward of Gross Premium Receivable ⁽¹⁾
(dollars in thousands)

<u>Premium Receivable as of</u> <u>December 31, 2014</u>	<u>Premium</u> <u>Payments</u> <u>Received</u>	<u>Premium</u> <u>from New</u> <u>Business</u> <u>Written</u>	<u>Changes in</u> <u>Expected</u> <u>Term of</u> <u>Policies</u>	<u>Accretion of</u> <u>Premium</u> <u>Receivable</u> <u>Discount</u>	<u>Other</u>	<u>Premium</u> <u>Receivable as</u> <u>of March 31,</u> <u>2015</u>
\$213,419	\$(2,015)	\$194	\$(156)	\$1,571	\$(15)	\$212,998

(1) Excludes insured derivative premiums.

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

	<u>Gross Par</u> <u>Outstanding</u>	<u>Debt Service</u> <u>Outstanding</u>	<u>Unearned</u> <u>Premiums⁽¹⁾</u>	<u>Expected Future Premium Earnings ⁽¹⁾⁽²⁾</u>				<u>Cash</u> <u>Premiums</u> <u>Collected and</u> <u>Expected ⁽³⁾</u>
				<u>Upfront</u>	<u>Installments</u>	<u>Accretion</u>	<u>Total</u>	
1st Qtr. 2015	209,955	340,710	1,188	-	-	-	-	2
2nd Qtr. 2015	203,656	331,904	1,156	29	3	2	34	4
3rd Qtr. 2015	196,193	321,276	1,126	27	3	2	32	4
4th Qtr. 2015	190,014	312,576	1,097	26	3	2	31	4
2016	171,006	283,370	988	97	12	6	115	14
2017	156,564	259,266	890	87	11	6	104	14
2018	145,149	239,257	800	79	11	6	96	13
2019	134,248	220,207	717	72	11	5	88	13
2020-2024	87,081	139,606	394	274	49	23	346	60
2025-2029	46,877	76,096	196	157	41	18	216	54
2030-2034	20,332	35,624	87	77	32	12	121	47
2034 and thereafter	-	-	-	42	45	10	97	78
Total				\$967	\$221	\$92	\$1,280	\$305

(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 March 31, 2015
(dollars in millions)

Investments ⁽¹⁾	Market Value	% of Market Value	Amortized Cost	Book Yield
Fixed-Maturity Securities:				
Long-Term Tax-Exempt	\$ 94	2	\$ 89	3.51 %
Long-Term Taxable	4,048	89	4,022	3.29 %
Short-Term	384	9	384	0.39 %
Total Fixed-Maturity	4,526	100	\$ 4,495	3.05 %
Cash and Cash Equivalents	104			
Total Fixed Income Including Cash and Cash Equivalents	4,630			
Investments Held as Trading	138			
Other	18			
Total	\$ 4,786			
Fixed Income Portfolio Including Cash and Cash Equivalents				
State and Municipal Bonds	\$ 1,354	29		
Corporate Obligations	1,350	29		
MBS	1,101	24		
US Treasury	447	10		
ABS	222	5		
Cash and Cash Equivalents	104	2		
Money Markets	31	1		
Foreign Governments	21	-		
Total	\$ 4,630	100		
Effective Maturity Profile				
Cash and Cash Equivalents	\$ 104	2		
≤ 1 yr	384	8		
> 1 to 5 yrs	1,014	22		
> 5 to 10 yrs	946	21		
> 10 to 15 yrs	476	10		
> 15 to 20 yrs	391	8		
> 20 yrs	1,315	29		
Total	\$ 4,630	100		
Credit Quality Distribution of Long-Term Fixed-Maturity Securities				
Rating⁽²⁾				
Aaa	\$ 1,796	43		
Aa	1,358	33		
A	689	17		
Baa	133	3		
BIG	155	4		
NR	11	-		
	\$ 4,142	100		
Average maturity: 7.22 years⁽³⁾				
Duration: 5.10 years⁽³⁾				

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of \$385 million; the total market value of encumbered assets totals \$399 million.

(2) 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 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.

(3) Population represents total fixed income investments including cash and cash equivalents.

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

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Gross Loss and LAE Reserves	\$ 45				\$ 45
Beginning Gross Insurance Loss Recoverable	(4)				(4)
Beginning Gross Reserves	41				41
Ceded Reserves	-				-
Net Reserves	41				41
Increase (Decrease) in Expected Payments	(5)				(5)
(Increase) Decrease in Expected Salvage	(1)				(1)
Net (Payments), Collections and Other ⁽¹⁾	(4)				(4)
Net Reserves	31				31
Ceded Reserves	-				-
Gross Reserves	31				31
Gross Loss and LAE Reserves	35				35
Gross Insurance Loss Recoverable	\$ (4)				\$ (4)

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Gross Loss and LAE Reserves	\$ 86	\$ 61	\$ 70	62	\$ 86
Beginning Gross Insurance Loss Recoverable	(13)	(9)	(14)	(11)	(13)
Beginning Gross Reserves	73	52	56	51	73
Ceded Reserves	-	-	-	-	-
Net Reserves	73	52	56	51	73
Increase (Decrease) in Expected Payments	(25)	23	(24)	(4)	(30)
(Increase) Decrease in Expected Salvage	11	(6)	16	(1)	20
Net (Payments), Collections and Other ⁽¹⁾	(7)	(13)	3	(5)	(22)
Net Reserves	52	56	51	41	41
Ceded Reserves	-	-	-	-	-
Gross Reserves	52	56	51	41	41
Gross Loss and LAE Reserves	61	70	62	45	45
Gross Insurance Loss Recoverable	\$ (9)	\$ (14)	\$ (11)	(4)	\$ (4)

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

National Public Finance Guarantee Corporation

Liquidity Position ⁽¹⁾

(dollars in millions)

	1st	2nd	3rd	4th	Year-to-date
2015	Qtr.	Qtr.	Qtr.	Qtr.	
Beginning Cash & Cash Equivalents⁽²⁾	\$ 174				\$ 174
Premiums and Fees	1				1
Net Investment Income	26				26
Other	2				2
Total Inflows	29				29
Gross Loss & LAE Payments	5				5
Operating & Other Expenses	19				19
Total Outflows	24				24
Operating Cash Flow	5				5
Investing Activities	(96)				(96)
Net Cash Flow	(91)				(91)
Ending Cash & Cash Equivalents⁽²⁾	\$ 83				\$ 83
Other Liquid Assets ⁽³⁾	342				342
Ending Liquidity Position	\$ 425				\$ 425

	1st	2nd	3rd	4th	Full Year
2014	Qtr.	Qtr.	Qtr.	Qtr.	
Beginning Cash & Cash Equivalents⁽²⁾	\$ 181	\$ 23	\$ 107	\$ 385	\$ 181
Premiums and Fees	3	2	9	3	17
Net Investment Income	33	35	27	35	130
Other	5	23	32	5	65
Total Inflows	41	60	68	43	212
Gross Loss & LAE Payments	11	14	3	18	46
Operating & Other Expenses	27	12	20	11	70
Tax Payments	-	51	-	29	80
Total Outflows	38	77	23	58	196
Operating Cash Flow	3	(17)	45	(15)	16
Financing Activities	-	-	-	(220)	(220)
Investing Activities	(161)	101	233	24	197
Net Cash Flow	(158)	84	278	(211)	(7)
Ending Cash & Cash Equivalents⁽²⁾	\$ 23	\$ 107	\$ 385	\$ 174	\$ 174
Other Liquid Assets ⁽³⁾	592	466	162	338	338
Ending Liquidity Position	\$ 615	\$ 573	\$ 547	\$ 512	\$ 512

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

National Public Finance Guarantee Corporation
(dollars in millions)

Statutory Balance Sheet Summary

	3/31/2015	12/31/2014
Assets:		
Cash and Investments	\$ 4,659	\$ 4,644
Asset Swap Facility with MBIA Inc.	385	443
Other Assets	61	55
Total Assets	\$ 5,105	\$ 5,142
Liabilities:		
Unearned Premiums	1,289	1,375
Loss and LAE Reserves ⁽¹⁾	(17)	(13)
Contingency Reserve	1,051	1,076
Asset Swap Facility with MBIA Inc.	385	443
Other Liabilities	119	71
Total Liabilities	2,827	2,952
Total Policyholders' Surplus	2,278	2,190
Total Liabilities and Policyholders' Surplus	\$ 5,105	\$ 5,142

Claims-Paying Resources

	3/31/2015	12/31/2014
Balance Sheet		
Policyholders' Surplus	\$ 2,278	\$ 2,190
Contingency Reserve	1,051	1,076
Statutory Capital	3,329	3,266
Unearned Premium Reserve	1,289	1,375
Present Value of Installment Premiums ⁽¹⁾	216	216
Premium Resources ⁽²⁾	1,505	1,591
Net Loss and LAE Reserves ⁽¹⁾	(17)	(13)
Salvage Reserve	102	106
Gross Loss and LAE Reserves	85	93
Total Claims-Paying Resources	\$ 4,919	\$ 4,950
Net Debt Service Outstanding	\$ 331,837	\$ 352,033
Capital Ratio	100:1	108:1
Claims-Paying Resources Ratio	76:1	80:1

(1) At March 31, 2015 and December 31, 2014, the discount rate was 2.90%.

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

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

Par Value by Geography

Outstanding as of March 31, 2015 ^{(1) (2)}

	Gross Amount	%	Net Amount	%
United States				
California	\$ 40,654	19.4	\$ 39,798	19.4
New York	19,002	9.1	18,404	9.0
Florida	14,165	6.7	14,055	6.8
Texas	12,186	5.8	11,980	5.8
Illinois	11,960	5.7	11,644	5.7
New Jersey	10,315	4.9	10,207	5.0
Michigan	8,151	3.9	7,796	3.8
Pennsylvania	5,567	2.6	5,435	2.6
Washington	5,157	2.5	5,131	2.5
Colorado	4,879	2.3	4,850	2.4
Subtotal	<u>132,036</u>	<u>62.9</u>	<u>129,300</u>	<u>63.0</u>
Other States & Territories	74,738	35.6	72,761	35.5
Nationally Diversified	3,181	1.5	3,174	1.5
Total	<u>\$ 209,955</u>	<u>100.0</u>	<u>\$ 205,235</u>	<u>100.0</u>

Par Value by Bond Type

Outstanding as of March 31, 2015 ^{(1) (2)}

	Gross Amount	%	Net Amount	%
Bond Type				
General Obligation	\$ 74,975	35.7	\$ 73,561	35.8
Municipal Utilities	37,147	17.7	36,507	17.8
Tax-Backed	29,247	13.9	28,584	13.9
Transportation	18,631	8.9	18,010	8.8
General Obligation - lease	17,563	8.4	16,689	8.1
Higher Education	12,598	6.0	12,377	6.0
Military Housing	7,761	3.7	7,752	3.8
Health Care	5,000	2.4	4,871	2.4
Investor Owned Utilities ⁽³⁾	3,636	1.7	3,512	1.7
Municipal Housing	2,144	1.0	2,135	1.1
Other ⁽⁴⁾	1,253	0.6	1,237	0.6
Total	<u>\$ 209,955</u>	<u>100.0</u>	<u>\$ 205,235</u>	<u>100.0</u>

(1) Net of refunded issues and reinsurance

(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.

(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
Gross Par Outstanding as of March 31, 2015
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding ⁽²⁾	Gross Debt Service Outstanding
1	California General Obligation	CA	a3	\$ 2,270	\$ 3,353
2	Massachusetts General Obligation	MA	a1	1,453	1,933
3	Puerto Rico Electric Power Authority	PR	d	1,422	2,099
4	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	1,409	2,971
5	Oregon School Boards Association General Obligation	OR	aa3	1,388	2,544
6	Long Island Power Authority Electric	NY	a3	1,385	1,868
7	New Jersey Transportation Trust Fund Authority	NJ	a3	1,369	2,039
8	Army Hawaii Family Housing	HI	aa2	1,347	3,122
9	Chicago O'Hare General Airport	IL	a2	1,245	1,966
10	Puerto Rico General Obligation	PR	bbb3	1,114	1,573
11	City of Chicago Board of Education	IL	bbb2	1,111	2,559
12	Illinois Regional Transportation Authority	IL	aa3	1,102	1,714
13	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,077	2,467
14	Wisconsin General Obligation	WI	aa2	1,075	1,276
15	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	a2	1,052	1,761
16	City of Detroit Sewage Disposal System	MI	bbb1	1,044	1,759
17	Chicago General Obligation	IL	bbb1	1,038	2,254
18	New York City General Obligation	NY	aa3	1,024	1,251
19	San Diego Family Housing Privatization Military	CA	aa1	998	2,325
20	Arapahoe County E-470 Toll Road	CO	bbb2	978	2,923
21	Los Angeles Unified School District General Obligation	CA	a1	957	1,343
22	Louisiana Gasoline & Fuels Tax	LA	aa3	916	1,139
23	New York City Water	NY	aa2	901	1,604
24	Great River Energy Public Power	MN	a3	888	1,418
25	Ohana Military Communities, LLC	HI	aa3	886	2,289
26	New York State Thruway Authority	NY	a2	880	1,285
27	South Carolina Public Service Authority Santee Cooper Public Power	SC	aa2	878	1,030
28	Indiana Finance Authority Highway Lease	IN	aa2	864	1,232
29	Michigan State Building Authority Lease	MI	a1	846	1,771
30	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3	838	1,419
31	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb2	832	1,213
32	MTA Commuter & Transit Transportation Revenue	NY	a2	810	1,436
33	Honolulu City & County Sewer	HI	a1	809	1,238
34	California State Public Works Board Lease	CA	bbb2	807	1,018
35	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	bb3	792	1,499
36	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	791	1,117
37	Clark County School District General Obligation	NV	a2	788	922
38	The Port Authority of New York and New Jersey	NY	a1	750	1,162
39	San Francisco International Airport	CA	a2	727	939
40	Wayne County Airport Authority	MI	a2	720	1,150
41	Illinois Municipal Electric Agency Power Supply System	IL	a2	710	1,133
42	New York State Lease	NY	a2	692	850
43	City of Houston Combined Utility System Revenue Bonds	TX	aa2	686	778
44	Puerto Rico Sales Tax Financing Corporation	PR	a3	684	4,170
45	Denver City and County Airport System	CO	a1	680	976
46	Atlantic Marine Corps Communities LLC 0 Lejeune Cherry Point	NC	aa3	672	1,566
47	California Department of Water Resources Central Valley	CA	aa2	672	909
48	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	666	728
49	LCOR Alexandria L.L.C. Federal Lease	NC	bbb1	662	1,163
50	District of Columbia General Obligation	DC	aa2	657	1,208
	Total			\$ 48,362	\$ 83,462
	Total Portfolio Exposure			\$ 209,955	\$ 340,710
	50 Largest Credits as % of Total Portfolio			23.0%	24.5%

- (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 has resulted or is expected to result in a paid claim that has not yet been recovered resulting in a loss of up to and including 100% of the insured exposure.
- (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 March 31, 2015
(dollars in millions)

Credit Quality Distribution⁽¹⁾

	<u>Gross Par Outstanding</u>	
	<u>Amount</u>	<u>%</u>
<u>Public Finance</u>		
AAA	\$ 9,747	4.6%
AA	102,993	49.1%
A	75,330	35.9%
BBB	15,482	7.4%
<BBB	6,403	3.0%
Total	<u>\$ 209,955</u>	<u>100.0%</u>

Top 10 Below Investment Grade (BIG) Credits ⁽¹⁾

Obligor Name	Gross Par Outstanding ⁽²⁾	Gross Debt Service Outstanding
1 Puerto Rico Electric Power Authority	\$ 1,422	\$ 2,099
2 Puerto Rico General Obligation	1,114	1,573
3 Puerto Rico Highway and Transportation Authority Transportation Revenue	792	1,499
4 Puerto Rico Sales Tax Financing Corporation	684	4,170
5 Puerto Rico Government Development Bank General Obligation	267	277
6 Atlantic City Casino Reinvestment Development Authority Parking Fee	189	246
7 Fresno City Pension Obligation	152	238
8 Puerto Rico Highway & Transportation Authority Highway Bonds	127	170
9 North Las Vegas Water & Sewer	123	199
10 Wayne Charter County General Obligation	123	179
Total Top 10 BIG Outstanding	<u>\$ 4,993</u>	<u>\$ 10,649</u>
Total BIG Outstanding	\$ 6,403	\$ 13,173
Total National Outstanding	\$ 209,955	\$ 340,710
Total Top 10 BIG as % of National	2.4%	3.1%
Total BIG as % of National	3.0%	3.9%
Total BIG as % of National by National ratings	1.5%	1.6%

(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.

(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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