



**national
public finance
guarantee**



Third Quarter 2014 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,” “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 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)

	September 30, 2014	December 31, 2013
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$3,658 and \$3,653)	\$ 3,631	\$ 3,559
Investments carried at fair value	137	129
Investments pledged as collateral, at fair value (amortized cost \$497 and \$476)	492	465
Short-term investments held as available-for-sale, at fair value (amortized cost \$390 and \$616)	391	617
Other investments (includes investments at fair value of \$9 and \$7)	12	11
Total investments	4,663	4,781
Cash and cash equivalents	259	47
Securities purchased under agreements to resell	475	447
Premiums receivable	219	228
Deferred acquisition costs	284	326
Assets held for sale	29	29
Other assets	67	63
Total assets	\$ 5,996	\$ 5,921
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 1,351	\$ 1,552
Loss and loss adjustment expense reserves	62	86
Securities sold under agreements to repurchase	475	447
Deferred income taxes, net	148	95
Other liabilities	66	49
Total liabilities	2,102	2,229
Equity:		
Common stock, par value \$30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,342	2,342
Retained earnings	1,548	1,393
Accumulated other comprehensive income (loss), net of tax of \$10 and \$36	(20)	(67)
Total shareholder's equity	3,885	3,683
Noncontrolling interest	9	9
Total equity	3,894	3,692
Total liabilities and equity	\$ 5,996	\$ 5,921

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

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:				
Premiums earned:				
Scheduled premiums earned	\$ 38	\$ 48	\$ 120	\$ 156
Refunding premiums earned	34	27	80	121
Premiums earned	72	75	200	277
Net investment income	30	26	90	110
Fees, reimbursements and other	2	2	6	5
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	-	-	1	-
Unrealized gains (losses) on insured derivatives	-	-	-	-
Net change in fair value of insured derivatives	-	-	1	-
Net gains (losses) on financial instruments at fair value and foreign exchange	3	(1)	21	29
Net investment losses related to other-than-temporary impairments:				
Investment losses related to other-than-temporary impairments	(93)	-	(93)	-
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	79	-	79	-
Net investment losses related to other-than-temporary impairments	(14)	-	(14)	-
Other net realized gains (losses)	18	(29)	18	(29)
Total revenues	111	73	322	392
Expenses:				
Losses and loss adjustment	(8)	35	(5)	105
Amortization of deferred acquisition costs	13	16	42	58
Operating	14	17	42	70
Total expenses	19	68	79	233
Income (loss) before income taxes	92	5	243	159
Provision (benefit) for income taxes	37	(1)	88	51
Net income (loss)	\$ 55	\$ 6	\$ 155	\$ 108

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>
2014					
Scheduled Premiums Earned	\$ 42,544	\$ 39,670	\$ 38,415		\$ 120,629
Refunded Premiums Earned	22,461	27,918	35,961		86,340
Total	\$ 65,005	\$ 67,588	\$ 74,376		\$ 206,969
2013					
Scheduled Premiums Earned	\$ 55,496	\$ 53,172	\$ 48,472	\$ 40,014	\$ 197,154
Refunded Premiums Earned	46,869	49,432	27,320	45,565	169,186
Total	\$ 102,365	\$ 102,604	\$ 75,792	\$ 85,579	\$ 366,340

(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)

Premium Receivable as of December 31, 2013	Premium Payments Received	Premium from New Business Written	Changes in Expected Term of Policies	Accretion of Premium Receivable Discount	Other	Premium Receivable as of September 30, 2014
\$ 228,645	\$ (15,252)	\$ 5,614	\$ (4,020)	\$ 4,895	\$ (1,068)	\$ 218,814

(1) Excludes insured derivative premiums.

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

	Gross Par Outstanding	Debt Service Outstanding	Unearned Premiums ⁽¹⁾	Expected Future Premium Earnings ⁽¹⁾⁽²⁾				Cash Premiums Collected and Expected ⁽³⁾
				Upfront	Installments	Accretion	Total	
3rd Qtr. 2014	237,662	385,086	1,351					11
4th Qtr. 2014	230,321	374,731	1,314	32	3	2	37	5
2015	207,004	339,465	1,184	118	12	6	136	14
2016	189,637	311,068	1,066	105	12	6	123	14
2017	175,599	286,507	959	96	12	6	114	14
2018	163,133	264,524	861	87	11	6	104	13
2019-2023	107,364	169,345	477	332	52	24	408	63
2024-2028	59,513	93,919	237	198	43	19	260	56
2029-2033	27,243	45,019	105	98	34	13	145	49
2029 and thereafter	-	-	-	55	51	14	120	87
Total				\$ 1,121	\$ 230	\$ 96	\$ 1,447	\$ 326

(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 September 30, 2014
(dollars in millions)

Investments ⁽¹⁾	Market Value	% of Market Value	Amortized Cost	Book Yield
Fixed-Maturity Securities:				
Long-Term Tax-Exempt	\$ 88	2	\$ 83	3.67
Long-Term Taxable	4,034	89	4,070	3.21
Short-Term	392	9	391	0.72
Total Fixed-Maturity	4,514	100	\$ 4,544	3.00
Cash and Cash Equivalents	260			
Total Fixed Income Including Cash and Cash Equivalents	4,774			
Investments Held as Trading	132			
Other	17			
Total	\$ 4,923			

Fixed Income Portfolio Including Cash and Cash Equivalents

Corporate Obligations	\$ 1,479	31
State and Municipal Bonds	1,324	28
MBS	1,130	24
US Treasury	411	9
Cash and Cash Equivalents	260	6
ABS	112	2
Money Markets	37	-
Foreign Governments	21	-
Total	\$ 4,774	100

Effective Maturity Profile

Cash and Cash Equivalents	\$ 260	6
≤ 1 yr	392	8
> 1 to 5 yrs	1,131	24
> 5 to 10 yrs	1,060	22
> 10 to 15 yrs	353	7
> 15 to 20 yrs	248	5
> 20 yrs	1,330	28
Total	\$ 4,774	100

Credit Quality Distribution of Long-Term Fixed-Maturity Securities

Rating

Aaa	\$ 1,822	44
Aa	1,300	31
A	687	17
Baa	128	3
BIG	153	4
NR	32	1
Total	\$ 4,122	100

Average maturity: 7.25 years⁽²⁾

Duration: 5.09 years⁽²⁾

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of \$475 million; the total market value of encumbered assets totals \$492 million.

(2) 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)

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Gross Loss and LAE Reserves	\$ 86	\$ 61	\$ 70		\$ 86
Beginning Gross Insurance Loss Recoverable	(13)	(9)	(14)		(13)
Beginning Gross Reserves	73	52	56		73
Ceded Reserves	-	-	-		-
Net Reserves	73	52	56		73
Increase (Decrease) in Expected Payments	(25)	23	(24)		(26)
(Increase) Decrease in Expected Salvage	11	(6)	16		21
Net (Payments), Collections and Other ⁽¹⁾	(7)	(13)	3		(17)
Net Reserves	52	56	51		51
Ceded Reserves	-	-	-		-
Gross Reserves	52	56	51		51
Gross Loss and LAE Reserves	61	70	62		62
Gross Insurance Loss Recoverable	\$ (9)	\$ (14)	\$ (11)		\$ (11)

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)
Increase (Decrease) in Expected Payments	5	105	(24)	(56)	30
(Increase) Decrease in 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)

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

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents⁽²⁾	\$ 181	\$ 23	\$ 107		\$ 181
Premiums and Fees	3	2	9		14
Net Investment Income	33	35	27		95
Other	5	23	32		60
Total Inflows	41	60	68		169
Gross Loss & LAE Payments	11	14	3		28
Operating & Other Expenses	27	12	20		59
Tax Payments	-	51	-		51
Total Outflows	38	77	23		138
Operating Cash Flow	3	(17)	45		31
Investing Activities	(161)	101	233		173
Net Cash Flow	(158)	84	278		204
Ending Cash & Cash Equivalents⁽²⁾	\$ 23	\$ 107	\$ 385		\$ 385
Other Liquid Assets ⁽⁴⁾	592	466	162		162
Ending Liquidity Position	\$ 615	\$ 573	\$ 547		\$ 547

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	25	114	28	41	208
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	39	97	169	33	338
Operating Cash Flow	(14)	17	(141)	8	(130)
Financing Activities	-	-	-	(214)	(214)
Investing Activities	(30)	155	277	(108)	294
Net Cash Flow	(44)	172	136	(314)	(50)
Ending Cash & Cash Equivalents⁽²⁾	\$ 187	\$ 359	\$ 495	\$ 181	\$ 181
Other Liquid Assets ⁽⁴⁾	253	1,546	979	419	419
Ending Liquidity Position	\$ 440	\$ 1,905	\$ 1,474	\$ 600	\$ 600

- (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.

National Public Finance Guarantee Corporation
(dollars in millions)

Statutory Balance Sheet Summary

	9/30/2014	12/31/2013
Assets:		
Cash and Investments	\$ 4,863	\$ 4,820
Asset Swap Facility with MBIA Inc.	475	446
Other Assets	60	74
Total Assets	\$ 5,398	\$ 5,340
Liabilities:		
Unearned Premiums	1,454	1,678
Loss and LAE Reserves ⁽¹⁾	(8)	(87)
Contingency Reserve	1,109	1,172
Asset Swap Facility	475	446
Other Liabilities	57	45
Total Liabilities	3,087	3,254
Total Policyholders' Surplus	2,311	2,086
Total Liabilities and Policyholders' Surplus	\$ 5,398	\$ 5,340

Claims-Paying Resources

	9/30/2014	12/31/2013
Balance Sheet		
Policyholders' Surplus	\$ 2,311	\$ 2,086
Contingency Reserve	1,109	1,172
Statutory Capital	3,420	3,258
Unearned Premium Reserve	1,454	1,678
Present Value of Installment Premiums ⁽¹⁾	215	226
Premium Resources ⁽²⁾	1,669	1,904
Net Loss and LAE Reserves ⁽¹⁾	(8)	(87)
Salvage Reserve	116	177
Gross Loss and LAE Reserves	108	90
Total Claims-Paying Resources	\$ 5,197	\$ 5,252
Net Debt Service Outstanding	\$ 375,637	\$ 435,194
Capital Ratio	110:1	134:1
Claims-Paying Resources Ratio	81:1	95:1

(1) At September 30, 2014 and December 31, 2013, the discount rate was 3.14%.

(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 September 30, 2014 ⁽¹⁾

	Gross Amount	%	Net Amount	%
United States				
California	\$ 44,597	18.8	\$ 43,554	18.7
New York	21,501	9.0	20,827	9.0
Florida	17,328	7.3	17,085	7.3
Texas	14,694	6.2	14,514	6.2
Illinois	13,424	5.6	13,099	5.6
New Jersey	11,399	4.8	11,288	4.9
Michigan	8,386	3.5	8,026	3.5
Washington	6,340	2.7	6,313	2.7
Pennsylvania	6,302	2.6	6,161	2.7
Colorado	5,845	2.5	5,815	2.5
Subtotal	<u>149,816</u>	<u>63.0</u>	<u>146,682</u>	<u>63.1</u>
Other States & Territories	84,715	35.7	82,666	35.6
Nationally Diversified	3,131	1.3	3,124	1.3
Total	<u>\$ 237,662</u>	<u>100.0</u>	<u>\$ 232,472</u>	<u>100.0</u>

Par Value by Bond Type

Outstanding as of September 30, 2014 ⁽¹⁾

	Gross Amount	%	Net Amount	%
Bond Type				
General Obligation	\$ 85,555	36.0	\$ 84,092	36.2
Municipal Utilities	42,685	18.0	41,979	18.1
Tax-Backed	33,522	14.1	32,873	14.1
Transportation	21,908	9.2	21,081	9.1
General Obligation - lease	19,905	8.4	18,880	8.1
Higher Education	13,656	5.8	13,433	5.8
Military Housing	7,808	3.3	7,798	3.4
Health Care	5,283	2.2	5,145	2.2
Investor Owned Utilities ⁽²⁾	3,669	1.5	3,545	1.5
Municipal Housing	2,374	1.0	2,364	1.0
Other ⁽³⁾	1,297	0.5	1,282	0.5
Total	<u>\$ 237,662</u>	<u>100.0</u>	<u>\$ 232,472</u>	<u>100.0</u>

(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, 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 September 30, 2014
(dollars in millions)

	Obligor Name	State	Internal Rating ⁽¹⁾	Gross Par Outstanding
1	California General Obligation	CA	a3	\$ 2,373
2	Massachusetts General Obligation	MA	a1	1,678
3	New Jersey Transportation Trust Fund Authority	NJ	a3	1,669
4	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	1,469
5	Puerto Rico Electric Power Authority	PR	d	1,422
6	Long Island Power Authority Electric	NY	a3	1,403
7	Oregon School Boards Association General Obligation	OR	aa3	1,388
8	Army Hawaii Family Housing	HI	aa2	1,348
9	New York State Local Government Assistance Corporation	NY	a2	1,297
10	Chicago O'Hare General Airport	IL	a2	1,294
11	City of Chicago Board of Education	IL	bbb2	1,208
12	Puerto Rico General Obligation	PR	bbb3	1,114
13	Illinois Regional Transportation Authority	IL	aa3	1,107
14	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,082
15	Wisconsin General Obligation	WI	aa2	1,075
16	Chicago General Obligation	IL	bbb1	1,072
17	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	a2	1,052
18	City of Detroit Sewage Disposal System	MI	bbb1	1,044
19	New York City General Obligation	NY	aa3	1,028
20	Miami-Dade County Airport	FL	a3	1,022
21	San Diego Family Housing Privatization Military	CA	aa1	1,004
22	The Port Authority of New York and New Jersey	NY	a1	988
23	Arapahoe County E-470 Toll Road	CO	bbb2	978
24	California State Public Works Board Lease	CA	bbb2	964
25	Los Angeles Unified School District General Obligation	CA	a1	957
26	South Carolina Public Service Authority Santee Cooper Public Power	SC	aa2	943
27	New York State Thruway Authority	NY	a2	917
28	Louisiana Gasoline & Fuels Tax	LA	aa3	917
29	Clark County School District General Obligation	NV	a2	915
30	New York City Water	NY	aa2	901
31	Michigan State Building Authority Lease	MI	a1	894
32	Ohana Military Communities, LLC	HI	aa2	892
33	Great River Energy Public Power	MN	a3	888
34	Indiana Finance Authority Highway Lease	IN	aa2	887
35	MTA Commuter & Transit Transportation Revenue	NY	a2	855
36	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3	838
37	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb3	832
38	Honolulu City & County Sewer	HI	a1	809
39	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	798
40	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	bb3	792
41	Metropolitan Washington Airports Authority	DC	aa3	753
42	Wayne County Airport Authority	MI	a2	741
43	California Department of Water Resources Central Valley	CA	aa2	736
44	Illinois Municipal Electric Agency Power Supply System	IL	a1	734
45	San Francisco International Airport	CA	a2	727
46	New York State Lease	NY	a2	723
47	Denver City and County Airport System	CO	a1	707
48	City of Houston Combined Utility System Revenue Bonds	TX	aa2	701
49	Puerto Rico Sales Tax Financing Corporation	PR	a3	684
50	Atlantic Marine Corps Communities LLC 0 Lejeune Cherry Point	NC	aa3	675
		Total		\$ 51,295
		Total Portfolio Exposure		\$ 237,662
		50 Largest Credits Gross Par Outstanding as % of Total Portfolio		21.6%

(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.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
as of September 30, 2014
(dollars in millions)

Credit Quality Distribution⁽¹⁾

	<u>Gross Par Outstanding</u>	
	<u>Amount</u>	<u>%</u>
<u>Public Finance</u>		
AAA	\$ 14,791	6.2%
AA	113,159	47.6%
A	84,306	35.5%
BBB	18,786	7.9%
<BBB	<u>6,620</u>	<u>2.8%</u>
Total	<u>\$ 237,662</u>	<u>100.0%</u>

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

<u>Obligor Name</u>	<u>Gross Par Outstanding</u>
1 Puerto Rico Electric Power Authority	\$1,423
2 Puerto Rico General Obligation	\$1,114
3 Puerto Rico Highway and Transportation Authority Transportation Revenue	\$792
4 San Joaquin Hills Transportation Corridor Agency Toll Road	\$563
5 Harris County-Houston Sports Authority	\$351
6 Puerto Rico Government Development Bank General Obligation	\$267
7 Navy Mid-Atlantic Family Housing LLC	\$222
8 Fresno City Pension Obligation	\$152
9 Puerto Rico Highway & Transportation Authority Highway Bonds	\$127
10 North Las Vegas Water & Sewer	<u>\$126</u>
Total Top 10 BIG Gross Par Outstanding	<u>\$ 5,137</u>
Total BIG Gross Par Outstanding	\$ 6,620
Total National Gross Par Outstanding	\$ 237,662
Total Top 10 BIG Gross Par Outstanding as % of National Gross Par Outstanding	2.2%
Total BIG Gross Par Outstanding as % of National Gross Par Outstanding	2.8%
Total BIG Gross Par Outstanding as % of National Gross Par Outstanding by National ratings	1.7%

(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.

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