MBIA Inc.
Quarterly Operating Supplement
December 31, 2014

Fourth Quarter 2014

(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 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.

MBIA Inc. (Consolidated)

MBIA Inc. and Subsidiaries
Consolidated Balance Sheets
(In millions except share and per share amounts)

	December 31, 2014	December 31, 2013
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $5,036 and $5,064)	$ 5,129	$ 4,987
Investments carried at fair value	207	204
Investments pledged as collateral, at fair value (amortized cost $441 and $483)	408	424
Short-term investments held as available-for-sale, at fair value (amortized cost $1,069 and $1,203)	1,069	1,204
Other investments (includes investments at fair value of $13 and $11)	17	16
Total investments	6,830	6,835
Cash and cash equivalents	729	1,161
Premiums receivable	875	1,051
Deferred acquisition costs	217	260
Insurance loss recoverable	533	694
Assets held for sale	802	29
Deferred income taxes, net	1,028	1,109
Other assets	229	222
Assets of consolidated variable interest entities:		
Cash	53	97
Investments held-to-maturity, at amortized cost (fair value $2,632 and $2,651)	2,757	2,801
Investments held as available-for-sale, at fair value (amortized cost $0 and $136)	-	136
Fixed-maturity securities at fair value	421	587
Loans receivable at fair value	1,431	1,612
Loan repurchase commitments	379	359
Total assets	**$ 16,284**	**$ 16,953**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 1,986	$ 2,441
Loss and loss adjustment expense reserves	506	641
Investment agreements	547	700
Medium-term notes (includes financial instruments carried at fair value of $197 and $203)	1,201	1,427
Long-term debt	1,810	1,702
Derivative liabilities	437	1,152
Liabilities held for sale	772	-
Other liabilities	271	294
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $2,047 and $2,356)	4,804	5,286
Derivative liabilities	-	11
Total liabilities	**12,334**	**13,654**
Equity:		
Preferred stock, par value $1 per share; authorized shares—10,000,000; issued and outstanding—none	-	-
Common stock, par value $1 per share; authorized shares—400,000,000; issued shares — 281,352,782 and 277,812,430	281	278
Additional paid-in capital	3,128	3,115
Retained earnings	2,858	2,289
Accumulated other comprehensive income (loss), net of tax of $7 and $54	21	(86)
Treasury stock, at cost — 89,409,887 and 85,562,546	(2,359)	(2,318)
Total shareholders' equity of MBIA Inc.	3,929	3,278
Preferred stock of subsidiary and noncontrolling interest	21	21
Total equity	**3,950**	**3,299**
Total liabilities and equity	**$ 16,284**	**$ 16,953**

MBIA Inc. and Subsidiaries
Consolidated Statements of Operations
(in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	**2013**	**2014**	**2013**
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 62	$ 68	$ 258	$ 304
Refunding premiums earned	42	41	139	153
Premiums earned (net of ceded premiums of $3, $3, $12 and $10)	104	109	397	457
Net investment income	43	48	179	166
Fees and reimbursements	15	4	40	21
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	(27)	3	(444)	(1,545)
Unrealized gains (losses) on insured derivatives	40	215	903	1,777
Net change in fair value of insured derivatives	13	218	459	232
Net gains (losses) on financial instruments at fair value and foreign exchange	15	7	78	69
Investment losses related to other-than-temporary impairments:				
Investment losses related to other-than-temporary impairments	(6)	-	(99)	-
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	5	-	84	-
Net investment losses related to other-than-temporary impairments	(1)	-	(15)	-
Net gains (losses) on extinguishment of debt	-	11	3	60
Other net realized gains (losses)	(3)	-	28	(29)
Revenues of consolidated variable interest entities:				
Net investment income	13	13	50	56
Net gains (losses) on financial instruments at fair value and foreign exchange	16	47	50	175
Net gains (losses) on extinguishment of debt	-	1	4	1
Other net realized gains (losses)	-	-	(3)	1
Total revenues	215	458	1,270	1,209
Expenses:				
Losses and loss adjustment	51	25	133	117
Amortization of deferred acquisition costs	13	10	44	46
Operating	54	58	195	338
Interest	52	57	210	236
Expenses of consolidated variable interest entities:				
Operating	2	3	8	11
Interest	9	11	39	45
Total expenses	181	164	629	793
Income (loss) before income taxes	34	294	641	416
Provision (benefit) for income taxes	14	162	72	166
Net income (loss)	**$ 20**	**$ 132**	**$ 569**	**$ 250**

MBIA Inc. and Subsidiaries
Operating Income (Loss) Reconciliation [1] [2]
(dollars in millions)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2013
Combined				
GAAP consolidated net income (loss)	$ 20	132	$ 569	250
Less: Net Income of non-core segments, including eliminations	(13)	119	230	192
Less: After-tax adjustments [3]:				
Mark-to-market gains (losses) on financial instruments	(19)	3	(15)	42
Foreign exchange gains (losses)	23	3	62	(3)
Net gains (losses) on sales of investments	2	(1)	28	15
Net investment losses related to OTTI	-	-	(10)	-
Net gains (losses) on extinguishment of debt	-	7	2	14
Tax valuation allowance on adjustments [4]	5	1	87	5
Combined Operating Income (loss)	$ 22	$ -	$ 185	$ (15)
Combined Operating Income (loss) per share	$ 0.12	$ -	$ 0.97	$ (0.08)
U.S. Public Finance Insurance (National)				
GAAP net income (loss)	$ 63	59	$ 222	169
Less: After-tax adjustments:				
Net gains (losses) on sales of investments	2	(1)	11	18
Net investment losses related to OTTI	-	-	(10)	-
Tax valuation allowance on adjustments	5	-	-	-
Operating Income (loss)	$ 56	$ 60	$ 221	$ 151
Corporate				
GAAP net income (loss)	$ (30)	(46)	$ 118	$ (110)
Less: After-tax adjustments:				
Mark-to-market gains (losses) on financial instruments	(19)	3	(15)	42
Foreign exchange gains (losses)	23	3	62	(3)
Net gains (losses) on sales of investments	-	-	17	(3)
Net gains (losses) on extinguishment of debt	-	7	2	14
Tax valuation allowance on adjustments	-	1	87	5
Operating Income (loss)	$ (34)	$ (60)	$ (35)	$ (165)

Operating Income (Loss) Trend [1] [2]

	2014 1st Qtr.	2014 2nd Qtr.	2014 3rd Qtr.	2014 4th Qtr.	2014 Full Year
U.S. Public Finance Insurance (National)	61	34	70	56	221
Corporate	(21)	(31)	51	(34)	(35)
Combined	$ 40	$ 2	$ 121	22	$ 185

(1) A non-GAAP measure; please see glossary for an explanation of Operating Income.
(2) Totals may not add due to rounding.
(3) Adjustments are shown on an after-tax basis using a 35% marginal tax rate, where applicable. Adjustments exclude non-core segments and eliminations and include selected mark-to-market gains/losses on financial instruments in the U.S. Public Finance and Corporate segments.
(4) Represents the establishment or reversal of a valuation allowance related to asset impairments. Valuation allowance reversals may relate to impairments recorded in prior periods.

MBIA Inc. and Subsidiaries

Adjusted Book Value [1]

		12/31/2014 Per Share	12/31/2013 Per Share
Reported Book Value	$	20.47	17.05
Reverse book value for non-core operating entities [2]		1.16	2.45
Reverse net unrealized (gains) losses included in OCI (after-tax)		(0.15)	0.40
Add net unearned premium revenue (after-tax) [3] [4]		3.39	4.15
Adjusted Book Value	$	**24.87**	**24.05**
Shares Outstanding		191.9	192.3

(1) A non-GAAP measure. Includes deferred tax assets for consolidated MBIA Inc.
(2) The book value for non-core operating entities (primarily MBIA Corp.) net of their deferred tax assets.
(3) The discount rate on financial guarantee installment premiums was the risk free rate as defined by SFAS 163.
(4) The amounts consist of financial guarantee premiums, net of their deferred acquisition costs.

U.S. Public Finance Insurance Segment

(primarily National Public Finance Guarantee Corporation)

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

	December 31, 2014	December 31, 2013
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,545 and $3,653)	$ 3,553	$ 3,559
Investments carried at fair value	143	129
Investments pledged as collateral, at fair value (amortized cost $459 and $476)	458	465
Short-term investments held as available-for-sale, at fair value (amortized cost $490 and $616)	490	617
Other investments (includes investments at fair value of $9 and $7)	12	11
Total investments	4,656	4,781
Cash and cash equivalents	70	47
Securities purchased under agreements to resell	443	447
Premiums receivable	213	228
Deferred acquisition costs	267	326
Assets held for sale	26	29
Other assets	75	63
Total assets	**$ 5,750**	**$ 5,921**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 1,269	$ 1,552
Loss and loss adjustment expense reserves	45	86
Securities sold under agreements to repurchase	443	447
Deferred income taxes, net	152	95
Other liabilities	80	49
Total liabilities	**1,989**	**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	1,390	1,393
Accumulated other comprehensive income (loss), net of tax of $2 and $36	5	(67)
Total shareholder's equity	3,752	3,683
Noncontrolling interest	9	9
Total equity	**3,761**	**3,692**
Total liabilities and equity	**$ 5,750**	**$ 5,921**

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

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2013
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 38	$ 40	$ 158	$ 196
Refunding premiums earned	43	45	123	166
Premiums earned	81	85	281	362
Net investment income	29	32	119	142
Fees, reimbursements and other	3	2	9	7
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	-	3	1	3
Unrealized gains (losses) on insured derivatives	-	-	-	-
Net change in fair value of insured derivatives	-	3	1	3
Net gains (losses) on financial instruments at fair value and foreign exchange	5	-	26	29
Net investment losses related to other-than-temporary impairments:				
Investment losses related to other-than-temporary impairments	(6)	-	(99)	-
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	5	-	84	-
Net investment losses related to other-than-temporary impairments	(1)	-	(15)	-
Other net realized gains (losses)	(3)	-	15	(29)
Total revenues	114	122	436	514
Expenses:				
Losses and loss adjustment	(5)	-	(10)	105
Amortization of deferred acquisition costs	18	20	60	78
Operating	14	14	56	84
Total expenses	27	34	106	267
Income (loss) before income taxes	87	88	330	247
Provision (benefit) for income taxes	25	31	113	82
Net income (loss)	**$ 62**	**$ 57**	**$ 217**	**$ 165**

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

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

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
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
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 December 31, 2014
$ 228,645	$ (20,722)	$ 6,475	$ (4,663)	$ 6,478	$ (2,794)	$ 213,419

(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) Upfront	Installments	Accretion	Total	Cash Premiums Collected and Expected (3)
4th Qtr. 2014	222,293	361,550	1,272					6
1st Qtr. 2015	217,265	353,412	1,239	30	3	2	35	2
2nd Qtr. 2015	211,388	344,967	1,206	30	3	1	34	4
3rd Qtr. 2015	203,963	334,264	1,175	28	3	2	33	4
4th Qtr. 2015	197,899	325,610	1,145	27	3	2	32	4
2016	179,765	296,893	1,032	101	12	6	119	14
2017	165,965	273,057	929	92	11	6	109	14
2018	154,008	252,066	835	83	11	6	100	13
2019	142,496	231,994	748	76	11	5	92	13
2020-2024	92,606	146,993	409	290	49	23	362	61
2025-2029	49,640	79,522	201	168	40	18	226	54
2030-2034	21,294	36,739	88	81	32	12	125	47
2034 and thereafter	-	-	-	42	46	11	99	77
Total				$ 1,048	$ 224	$ 94	$ 1,366	$ 313

(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, 2014
(dollars in millions)

Investments [(1)]		**Market Value**	**% of Market Value**		**Amortized Cost**	**Book Yield**
Fixed-Maturity Securities:						
Long-Term Tax-Exempt	$	90	2	$	85	3.62
Long-Term Taxable		3,886	86		3,885	3.36
Short-Term		524	12		524	0.48
Total Fixed-Maturity		4,500	100	$	4,494	3.03
Cash and Cash Equivalents		71				
Total Fixed Income Including Cash and Cash Equivalents		4,571				
Investments Held as Trading		137				
Other		19				
Total	$	4,727				
Fixed Income Portfolio Including Cash and Cash Equivalents						
Corporate Obligations	$	1,414	31			
State and Municipal Bonds		1,330	29			
MBS		1,132	25			
US Treasury		460	10			
ABS		129	3			
Cash and Cash Equivalents		71	2			
Foreign Governments		20	-			
Money Markets		15	-			
Total	$	4,571	100			
Effective Maturity Profile						
Cash and Cash Equivalents	$	71	2			
≤ 1 yr		524	12			
> 1 to 5 yrs		1,017	22			
> 5 to 10 yrs		1,068	23			
> 10 to 15 yrs		337	7			
> 15 to 20 yrs		372	8			
> 20 yrs		1,182	26			
Total	$	4,571	100			
Credit Quality Distribution of Long-Term Fixed-Maturity Securities						
Rating [(2)]						
Aaa	$	1,733	44			
Aa		1,293	32			
A		652	16			
Baa		123	3			
BIG		150	4			
NR		25	1			
	$	3,976	100			

Average maturity: 7.38 years[(3)]

Duration: 5.30 years[(3)]

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of $443 million; the total market value of encumbered assets totals $458 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)

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)

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.	Full Year
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(4)	592	466	162	338	338
Ending Liquidity Position	**$ 615**	**$ 573**	**$ 547**	**$ 512**	**$ 512**

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

	12/31/2014	12/31/2013
Assets:		
Cash and Investments	$ 4,644	$ 4,820
Asset Swap Facility with MBIA Inc.	443	446
Other Assets	55	74
Total Assets	$ 5,142	$ 5,340
Liabilities:		
Unearned Premiums	1,375	1,678
Loss and LAE Reserves (1)	(13)	(87)
Contingency Reserve	1,076	1,172
Asset Swap Facility	443	446
Other Liabilities	71	45
Total Liabilities	2,952	3,254
Total Policyholders' Surplus	2,190	2,086
Total Liabilities and Policyholders' Surplus	$ 5,142	$ 5,340

Claims-Paying Resources

	12/31/2014	12/31/2013
Balance Sheet		
Policyholders' Surplus	$ 2,190	$ 2,086
Contingency Reserve	1,076	1,172
Statutory Capital	3,266	3,258
Unearned Premium Reserve	1,375	1,678
Present Value of Installment Premiums (1)	216	226
Premium Resources (2)	1,591	1,904
Net Loss and LAE Reserves (1)	(13)	(87)
Salvage Reserve	106	177
Gross Loss and LAE Reserves	93	90
Total Claims-Paying Resources	$ 4,950	$ 5,252
Net Debt Service Outstanding	$ 352,033	$ 435,194
Capital Ratio	108:1	134:1
Claims-Paying Resources Ratio	80:1	95:1

(1) At December 31, 2014 and 2013, the discount rate were 2.90% and 3.14%, respectively.
(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 December 31, 2014 (1)			
	Gross Amount	%	Net Amount	%
United States				
California	$ 42,645	19.2	$ 41,654	19.2
New York	19,295	8.7	18,696	8.6
Florida	16,032	7.2	15,799	7.3
Texas	13,601	6.1	13,394	6.1
Illinois	12,571	5.6	12,251	5.6
New Jersey	10,701	4.8	10,590	4.9
Michigan	8,179	3.7	7,823	3.6
Pennsylvania	5,759	2.6	5,625	2.6
Washington	5,700	2.6	5,673	2.6
Massachusetts	5,089	2.3	4,741	2.2
Subtotal	139,572	62.8	136,246	62.7
Other States & Territories	79,603	35.8	77,891	35.9
Nationally Diversified	3,118	1.4	3,111	1.4
Total	$ 222,293	100.0	$ 217,248	100.0

Par Value by Bond Type

	Outstanding as of December 31, 2014 (1)			
	Gross Amount	%	Net Amount	%
Bond Type				
General Obligation	$ 79,995	36.0	$ 78,566	36.2
Municipal Utilities	39,245	17.7	38,555	17.7
Tax-Backed	30,294	13.6	29,621	13.6
Transportation	20,874	9.4	20,133	9.3
General Obligation - lease	18,935	8.5	17,934	8.2
Higher Education	12,790	5.8	12,570	5.8
Military Housing	7,776	3.5	7,767	3.6
Health Care	5,123	2.3	4,991	2.3
Investor Owned Utilities(2)	3,653	1.6	3,529	1.6
Municipal Housing	2,331	1.0	2,321	1.1
Other(3)	1,277	0.6	1,261	0.6
Total	$ 222,293	100.0	$ 217,248	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, 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 December 31, 2014
(dollars in millions)

	Obligor Name	State	Internal Rating(1)	Gross Par Outstanding
1	California General Obligation	CA	a3	$ 2,287
2	Massachusetts General Obligation	MA	a1	1,481
3	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	1,469
4	Puerto Rico Electric Power Authority	PR	d	1,422
5	Long Island Power Authority Electric	NY	a3	1,397
6	Oregon School Boards Association General Obligation	OR	aa3	1,388
7	New Jersey Transportation Trust Fund Authority	NJ	a3	1,369
8	Army Hawaii Family Housing	HI	aa2	1,347
9	Chicago O'Hare General Airport	IL	a2	1,294
10	City of Chicago Board of Education	IL	bbb2	1,133
11	Puerto Rico General Obligation	PR	bbb3	1,114
12	Illinois Regional Transportation Authority	IL	aa3	1,102
13	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,077
14	Wisconsin General Obligation	WI	aa2	1,075
15	Chicago General Obligation	IL	bbb1	1,072
16	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	a2	1,052
17	City of Detroit Sewage Disposal System	MI	bbb1	1,044
18	New York City General Obligation	NY	aa3	1,025
19	Miami-Dade County Airport	FL	a3	1,007
20	San Diego Family Housing Privitization Military	US	aa1	1,004
21	Arapahoe County E-470 Toll Road	CO	bbb2	978
22	Los Angeles Unified School District General Obligation	CA	a1	957
23	South Carolina Public Service Authority Santee Cooper Public Power	SC	aa2	943
24	New York State Thruway Authority	NY	a2	917
25	Louisiana Gasoline & Fuels Tax	LA	aa3	917
26	New York City Water	NY	aa2	901
27	Great River Energy Public Power	MN	a3	888
28	Ohana Military Communities, LLC	HI	aa3	886
29	Indiana Finance Authority Highway Lease	IN	aa2	864
30	Michigan State Building Authority Lease	MI	a1	846
31	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3	838
32	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb2	832
33	California State Public Works Board Lease	CA	bbb2	813
34	MTA Commuter & Transit Transportation Revenue	NY	a2	810
35	Honolulu City & County Sewer	HI	a1	809
36	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	bb3	792
37	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	791
38	Clark County School District General Obligation	NV	a2	788
39	The Port Authority of New York and New Jersey	NY	a1	754
40	Illinois Municipal Electric Agency Power Supply System	IL	a1	734
41	San Francisco International Airport	CA	a2	727
42	New York State Lease	NY	a2	723
43	Metropolitan Washington Airports Authority	DC	aa3	720
44	Wayne County Airport Authority	MI	a2	720
45	City of Houston Combined Utility System Revenue Bonds	TX	aa2	686
46	California Department of Water Resources Central Valley	CA	aa2	686
47	Puerto Rico Sales Tax Financing Corporation	PR	a3	684
48	Denver City and County Airport System	CO	a1	680
49	Atlantic Marine Corps Communities LLC 0 Lejeune Cherry Point	NC	aa3	673
50	LCOR Alexandria L.L.C. Federal Lease	MD	bbb1	669
	Total			$ 49,185
	Total Portfolio Exposure			**$** 222,293
	50 Largest Credits Gross Par Outstanding as % of Total Portfolio			22.1%

(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 December 31, 2014
(dollars in millions)

Credit Quality Distribution(1)

	Gross Par Outstanding Amount	%
Public Finance		
AAA	$ 11,364	5.1%
AA	107,399	48.3%
A	80,744	36.3%
BBB	17,131	7.7%
<BBB	5,655	2.6%
Total	$ 222,293	100.0%

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

	Obligor Name	Gross Par Outstanding
1	Puerto Rico Electric Power Authority	$1,422
2	Puerto Rico General Obligation	$1,114
3	Puerto Rico Highway and Transportation Authority Transportation Revenue	$792
4	Puerto Rico Government Development Bank General Obligation	$267
5	Casino Reinvestment Development Authority Parking Fee (Atlantic City)	$189
6	Fresno City Pension Obligation	$152
7	Puerto Rico Highway & Transportation Authority Highway Bonds	$127
8	North Las Vegas Water & Sewer	$123
9	Capital Projects Finance Authority Florida Universities Student Housing 2000F-1	$117
10	North Las Vegas City General Obligation	$106
	Total Top 10 BIG Gross Par Outstanding	$ 4,409
	Total BIG Gross Par Outstanding	$ 5,655
	Total National Gross Par Outstanding	$ 222,293
	Top 10 BIG Gross Par Outstanding as % of National Gross Par Outstanding	**2.0%**
	Total BIG Gross Par Outstanding as % of National Gross Par Outstanding	**2.6%**
	Total BIG Gross Par Outstanding as % of National Gross Par Outstanding by National ratings	**1.5%**

(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.

International and Structured Finance Insurance Segment

(primarily MBIA Insurance Corporation and Subsidiaries)

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
Net Premiums Earned (1)
(dollars in thousands)

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Net Premiums Earned (1)					
Financial Guarantee	$ 36,646	$ 34,064	$ 53,247	$ 34,772	$ 158,729
VIE Eliminations	3,821	3,484	3,631	3,190	14,126
Net Premiums Earned (2)	32,825	30,580	49,616	31,582	144,603
Financial Guarantee VIE Premiums	3,821	3,484	3,631	3,190	14,126
Insured Derivatives (3)	3,782	4,486	5,622	3,795	17,685
Total (4)	40,428	38,550	58,869	38,567	176,414
Memo:					
Non-U.S. Public Finance	22,224	20,515	38,259	22,499	103,497
Global Structured Finance	18,204	18,035	20,610	16,068	72,917
Total	$ 40,428	$ 38,550	$ 58,869	$ 38,567	$ 176,414

2013	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Net Premiums Earned (1)					
Financial Guarantee	$ 39,659	$ 38,552	$ 43,487	$ 36,408	$ 158,106
VIE Eliminations	3,636	3,602	3,577	3,818	14,633
Net Premiums Earned (2)	36,023	34,950	39,910	32,590	143,473
Financial Guarantee VIE Premiums	3,636	3,602	3,577	3,818	14,633
Insured Derivatives (3)	11,579	10,139	6,444	6,253	34,415
Total (4)	51,238	48,691	49,931	42,661	192,521
Memo:					
Non-U.S. Public Finance	20,207	20,045	26,119	20,073	86,444
Global Structured Finance	31,031	28,646	23,812	22,588	106,077
Total	$ 51,238	$ 48,691	$ 49,931	$ 42,661	$ 192,521

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

(2) Reported as "Total premiums earned" in the International and Structured Finance segment of the income statement.

(3) Reported within "Realized gains (losses) and other settlements on insured derivatives" in the International and Structured Finance segment of the income statement.

(4) Total management premiums earned not consistent with GAAP accounting standards; equivalent of total premiums earned on all insurance contracts regardless of GAAP premium earnings.

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
(dollars in millions)

Amortization of Gross Par, Gross Debt Service, Net Unearned Premium

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Net Unearned Premiums	Expected Future Premium Earnings[1] [2]			
				Upfront	Installments	Accretion	Total
4th Qtr. 2014	55,188	76,228	776				
1st Qtr. 2015	53,226	73,655	754	4	18	4	26
2nd Qtr. 2015	52,670	72,523	733	4	17	4	25
3rd Qtr. 2015	47,164	66,491	712	4	17	4	25
4th Qtr. 2015	45,250	64,029	692	3	17	4	24
2016	40,441	57,161	615	12	65	14	91
2017	35,840	50,685	545	12	58	13	83
2018	31,156	44,395	485	10	50	12	72
2019	28,895	40,649	430	9	46	11	66
2020-2024	16,378	22,678	221	30	179	39	248
2025-2029	10,867	14,092	96	16	109	18	143
2030 and thereafter	-	-	-	30	66	12	108
Total				$ 134	$ 642	$ 135	$ 911

(1) Excludes premiums on insured credit derivatives and consolidated insured VIEs in accordance with GAAP Accounting standards.
(2) Actual future premium earnings will differ from the current projection due to the addition of new business, changes in prepayment speeds, settlements and terminations.

Net Collected and Expected Cash Receipts [1]

	Financial Guarantee	Insured Credit Derivatives	Insured Consolidated VIEs	MBIA Corp. Including Subsidiaries	Subsidiaries of MBIA Corp.	MBIA Corp. Excluding Subsidiaries
4th Qtr. 2014	27	4	3	34	7	27
1st Qtr. 2015	18	4	3	25	9	16
2nd Qtr. 2015	26	3	3	32	9	23
3rd Qtr. 2015	17	3	3	23	8	15
4th Qtr. 2015	18	1	3	22	3	19
2016	73	4	13	90	30	60
2017	65	2	12	79	29	50
2018	55	1	11	67	29	38
2019	51	1	10	62	29	33
2020-2024	205	3	37	245	127	118
2025-2029	143	1	25	169	100	69
2030 and thereafter	85	1	48	134	73	61
Total	$ 783	$ 28	$ 171	$ 982	$ 453	$ 529

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

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
Investment Portfolio Including Cash and Cash Equivalents
as of December 31, 2014
(dollars in millions)

Investments [1]		Market Value	% of Market Value		Amortized Cost	Book Yield
Fixed-Maturity Securities:						
Long-Term Tax-Exempt	$	28	4	$	26	5.64
Long-Term Taxable		471	70		453	2.30
Short-Term		175	26		175	0.74
Total Fixed-Maturity		674	100	$	654	2.02
Cash and Cash Equivalents		552				
Total Fixed Income Including Cash and Cash Equivalents		1,226				
Other		1				
Total	$	1,227				
Fixed Income Portfolio Including Cash and Cash Equivalents						
Cash and Cash Equivalents		552	45			
Corporate Obligations	$	270	22			
Foreign Governments		269	22			
State and Municipal Bonds		86	7			
MBS		18	1			
US Treasury		13	1			
Money Markets		11	1			
ABS		7	1			
Total	$	1,226	100			
Effective Maturity Profile						
Cash and Cash Equivalents	$	552	45			
≤ 1 yr		175	15			
> 1 to 5 yrs		358	29			
> 5 to 10 yrs		39	3			
> 10 to 15 yrs		14	1			
> 15 to 20 yrs		11	1			
> 20 yrs		77	6			
Total	$	1,226	100			
Credit Quality Distribution of Long-Term Fixed-Maturity Securities						
Rating [2]						
Aaa	$	144	29			
Aa		258	52			
A		75	15			
Baa		7	1			
BIG		15	3			
	$	499	100			

Average maturity: 3.88 years[3]

Duration: 1.90 years[3]

(1) Includes MBIA U.K. and MBIA Mexico investments and cash and cash equivalents of $641 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.

MBIA Insurance Corporation (excluding Subsidiaries)
Liquidity Position (1)
(dollars in millions)

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents (2)	**$ 636**	**$ 226**	**$ 201**	**$ 138**	**$ 636**
Premiums and Fees	23	37	32	51	143
Net Investment Income	-	3	-	-	3
Other	39	88	43	79	249
Total Inflows	62	128	75	130	395
Gross Loss & LAE Payments	442	90	62	85	679
Operating & Other Expenses	24	35	18	21	98
Total Outflows	466	125	80	106	777
Operating Cash Flow	(404)	3	(5)	24	(382)
Investing Activities	(6)	(28)	(58)	270	178
Net Cash Flow	(410)	(25)	(63)	294	(204)
Ending Cash & Cash Equivalents (2)	**$ 226**	**$ 201**	**$ 138**	**$ 432**	**$ 432**
Other Liquid Assets (3)	197	226	282	11	11
Ending Liquidity Position	**$ 423**	**$ 427**	**$ 420**	**$ 443**	**$ 443**

2013	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents (2)	**$ 78**	**$ 101**	**$ 51**	**$ 70**	**$ 78**
Premiums and Fees	39	43	23	34	139
Net Investment Income	3	2	-	-	5
Other	25	2,839	147	848	3,859
Total Inflows	67	2,884	170	882	4,003
Gross Loss & LAE Payments	145	1,521	206	73	1,945
Operating & Other Expenses	26	46	9	25	106
Interest Expense	-	1	3	3	7
Total Outflows	171	1,568	218	101	2,058
Operating Cash Flow	(104)	1,316	(48)	781	1,945
Financing Activities	-	(1,608)	50	(50)	(1,608)
Investing Activities	127	242	17	(165)	221
Net Cash Flow	23	(50)	19	566	558
Ending Cash & Cash Equivalents (2)	**$ 101**	**$ 51**	**$ 70**	**$ 636**	**$ 636**
Other Liquid Assets (3)	157	41	27	191	191
Ending Liquidity Position	**$ 258**	**$ 92**	**$ 97**	**$ 827**	**$ 827**

(1) Presented on a direct cash flow basis for transactions settled within the reporting periods. Ending Liquidity Position excludes short-term assets of branches and subsidiaries, which are not readily available to MBIA Insurance Corp.
(2) Reported for NY operations of MBIA Corp; will not agree with MBIA Corp. Consolidated GAAP financial results which include cash & cash equivalents of consolidated VIE's and foreign subsidiaries and branches.
(3) Includes other assets with expected maturities of less than 12 months deemed to be liquid but not included in cash and cash equivalents.

MBIA Insurance Corporation (excluding Subsidiaries)
(dollars in millions)

Statutory Balance Sheet Summary

	12/31/2014	12/31/2013
Assets:		
Cash and Investments [1]	$ 954	$ 1,274
Other Assets	6	6
Total Assets	$ 960	$ 1,280
Liabilities:		
Unearned Premiums	290	375
Loss and LAE Reserves [2]	(219)	40
Contingency Reserve	317	422
Other Liabilities	31	40
Total Liabilities	419	877
Total Policyholders' Surplus	541	403
Total Liabilities and Policyholders' Surplus	$ 960	$ 1,280

Summary of Statutory Loss and LAE Reserves (excluding Subsidiaries)

	As of 12/31/2014			
		Salvage		
	Case	Put-Backs	Other	Net
First-Lien Mortgage	$ 181	$ -	$ (16)	$ 165
Second-Lien Mortgage	101	(365)	(548)	(812)
CDO	373	-	-	373
Other	65	-	(10)	55
Total	$ 720	$ (365)	$ (574)	$ (219)

Claims-Paying Resources

	Including Subsidiaries		Stand-alone	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Balance Sheet				
Policyholders' Surplus	$ 542	$ 403	$ 542	$ 403
Contingency Reserve	317	422	317	422
Statutory Capital	859	825	859	825
Unearned Premium Reserve	434	535	290	375
Present Value of Installment Premiums [2]	662	850	365	495
Premium Resources [3]	1,096	1,385	655	870
Net Loss and LAE Reserves [2]	(237)	103	(219)	40
Salvage Reserve	938	1,148	938	1,148
Gross Loss and LAE Reserves	701	1,251	719	1,188
Total Claims-Paying Resources	$ 2,656	$ 3,461	$ 2,233	$ 2,883
Net Debt Service Outstanding	$ 74,645	$ 106,385	$ 49,612	$ 77,349
Capital Ratio	87:1	129:1	58:1	94:1
Claims-Paying Resources Ratio	33:1	36:1	25:1	27:1

(1) Includes equity investments in subsidiaries of $378 million and $309 million at December 31, 2014 and 2013, respectively

(2) At December 31, 2014 and 2013, the discount rate was 5.17% and 5.09%, respectively.

(3) The amounts consist of Financial Guarantee insurance premiums and Insured Credit Derivative revenue.

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
Insured Portfolio Profile
(dollars in millions)

Par Value By Geography

	Outstanding as of December 31, 2014[1] [2] [3]			
	Gross	%	Net	%
United States	$ 26,397	47.8	$ 26,165	48.3
United Kingdom	14,000	25.4	13,780	25.5
Australia	3,298	6.0	3,298	6.1
Chile	2,373	4.3	2,033	3.8
Canada	1,477	2.7	1,474	2.7
France	1,392	2.5	1,389	2.6
Mexico	1,214	2.2	1,065	2.0
Spain	784	1.4	776	1.4
New Zealand	508	0.9	508	0.9
Portugal	363	0.7	351	0.6
Malaysia	350	0.6	350	0.6
Subtotal	25,759	46.7	25,024	46.2
Other	784	1.4	780	1.5
Internationally Diversified	2,248	4.1	2,178	4.0
Total Non-United States	28,791	52.2	27,982	51.7
Total	$ 55,188	100.0	$ 54,147	100.0

Par Value by Bond Type

	Outstanding as of December 31, 2014[1] [2] [3]			
	Gross	%	Net	%
Public Finance: Non-United States				
Sovereign and Sub-Sovereign [4]	$ 10,013	18.1	$ 9,759	18.0
International Utilities	8,215	14.9	8,089	14.9
Transportation	7,082	12.8	6,743	12.5
Local Governments [5]	248	0.5	245	0.5
Tax-Backed	80	0.1	80	0.1
Total Non-United States Public Finance	25,638	46.4	24,916	46.0
Structured Finance - Global				
Collateralized Debt Obligations [6]	13,848	25.1	13,825	25.6
Mortgage Backed Residential	7,265	13.2	7,243	13.4
Corporate Asset Backed [7]	6,656	12.1	6,461	11.9
Consumer Asset Backed	1,262	2.3	1,199	2.2
Mortgage Backed Commercial	519	0.9	503	0.9
Total Global Structured Finance	29,550	53.6	29,231	54.0
Grand Total	$ 55,188	100.0	$ 54,147	100.0

(1) Net of refunded issues, reinsurance and other contractual agreements.
(2) Excludes $1.7 billion relating to investment agreements and medium term notes issued by various affiliated companies and guaranteed by MBIA Insurance Corporation.
(3) Includes consolidated insured Variable Interest Entities (VIEs) and insured Credit Derivatives.
(4) Includes Regions, Departments or their equivalent in each jurisdiction as well as sovereign owned entities that are supported by a Sovereign State, Region or Department.
(5) Includes municipal-owned entities backed by the sponsoring local government.
(6) Includes transactions (represented by structured pools of primarily investment grade corporate credit risks or commercial real estate assets) that do not include typical CDO structuring characteristics, such as tranched credit risk, cash flow waterfalls, or interest and over-collaterlization coverage tests.
(7) Includes 3.4 billion of structured insurance securitizations.

Structured Finance and International Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
as of December 31, 2014

CDO Exposure - Underlying Asset Types - Gross Par Outstanding[(1) (2) (3)]
(dollars in billions)

Collateral Type	Total		Financial Guarantee Insurance Policy		Insured Credit Default Swap	
	Gross par	% of Total	Gross par	% of Total	Gross par	% of Total
Investment Grade Corporate Pools [(1)]	$ 6.8	49	$ -	-	$ 6.8	74
High Yield Corporate CDOs	3.7	27	3.7	81	-	-
Multi-Sector CDOs	1.0	7	0.6	13	0.4	4
Structured CMBS Pools [(1)]	1.5	11	0.1	3	1.4	15
CRE CDOs	0.8	6	0.1	3	0.7	7
Total	$ 13.8	100	$ 4.5	100	$ 9.3	100

(1) Includes transactions represented by structured pools of primarily investment grade corporate credit risks or commercial real estate assets that do not include typical CDO structuring characteristics, such as cash flow waterfalls or interest and over-collateralization coverage tests.
(2) Includes $0.6 billion of insured consolidated Variable Interest Entity (VIE) obligations.
(3) Gross Par Outstanding includes committed insured amounts.

Direct RMBS Exposure [(1)]
(dollars in billions)

	Gross Par 12/31/2014	% Total	Gross Par 12/31/2013	% Total
HELOCs	$ 2.3	32	$ 2.7	31
Closed-End-Seconds (CES)	2.2	30	2.6	30
U.S. Subprime	0.8	11	1.1	12
International Prime 1st Mortgage	0.5	7	0.6	7
U.S. Alt-A	1.3	18	1.6	18
U.S. Prime 1st Mortgage	0.1	2	0.2	2
Total Direct RMBS	$ 7.3	100	$ 8.8	100

(1) Includes $1.7 billion of consolidated insured Variable Interest Entities (VIEs).

Top 10 Below Investment Grade (BIG) Credits [(1)]
(dollars in millions)

	Obligor Name	Gross Par Outstanding
1	HY CDO 23	$ 837
2	Sociedad Concessionaria Vespucio Norte Express S.A.	613
3	Structured Insurance Securitization Private 13-16	575
4	CP--Comboios de Portugal, E.P.E.	363
5	GMACM 2006-HE4	358
6	Operating Assets-Aircraft Portfolio Lease Securitizations Private 5	347
7	Countrywide Home Equity Series 2007-S1/Second Lien RMBS	307
8	Private Sovereign and Sub-Sovereign Transportation Credit	296
9	Structured CMBS Pool 28	291
10	Countrywide Home Equity Master Trust Series 2006-S10	285
	Total Top 10 Below Investment Grade	$ 4,272
	Total BIG Gross Par Outstanding	$ 11,371
	Total MBIA Gross Par Outstanding	$ 55,188
	Top 10 BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**7.7%**
	Total BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**20.6%**

(1) MBIA internal ratings are as of the end of the period and determined before giving effect to MBIA's guarantee.

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
Net Payment Activity on Second-lien RMBS Exposure

(dollars in millions)

2014	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
Paid Claims [1]	$ 31	$ 27	$ 4	$ 13	$ 75
Collections on Paid Claims [2]	(17)	(46)	(26)	(26)	(115)
Paid LAE (net of collections)	15	3	4	6	28
Net Payments	$ 29	$ (16)	$ (18)	$ (7)	$ (12)

2013	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
Paid Claims [1]	$ 121	$ 64	$ 29	$ 38	$ 252
Collections on Paid Claims [2]	(16)	(9) [3]	(14)	(13) [4]	(52) [3][4]
Paid LAE (net of collections)	6	19	4	7	36
Net Payments	$ 111	$ 74	$ 19	$ 32	$ 236

2012	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
Paid Claims [1]	$ 169	$ 139	$ 107	$ 92	$ 507
Collections on Paid Claims [2]	(7)	(6)	(6)	(8)	(27)
Paid LAE (net of collections)	14	35	29	37	115
Net Payments	$ 176	$ 168	$ 130	$ 121	$ 595

(1) For a subset of the MBIA-insured second-lien RMBS transactions, MBIA's gross claim payment is net of excess spread generated by the transaction.
(2) Includes excess spread and mortgage insurance collected by the insured transactions that were paid to MBIA for reimbursements of paid claims. For a subset of the MBIA-insured transactions, claims reimbursements are paid to MBIA even as MBIA continues to pay claims on the transactions.
(3) Excludes settlements with Bank of America and Flagstar Bank.
(4) Excludes settlements with ResCap.

MBIA Insurance Corporation and Subsidiaries [1]
Historical Exposure Outstanding and Statutory Loss Payments and Recoveries
(dollars in millions)

	2010	2011	2012	2013	2014
Gross Par Outstanding (end of period)[2]					
Second-Lien RMBS	$ 9,919	$ 8,039	$ 6,550	$ 5,295	$ 4,476
Other[3]	180,267	133,323	105,823	75,104	50,712
Total	$ 190,186	$ 141,362	$ 112,373	$ 80,399	$ 55,188
Net Par Outstanding (end of period)					
Second-Lien RMBS	$ 9,901	$ 8,028	$ 6,542	$ 5,290	$ 4,473
Other[3]	178,383	131,694	104,320	73,718	49,674
Total	$ 188,284	$ 139,722	$ 110,862	$ 79,008	$ 54,147
Gross Loss Payments					
Second-Lien RMBS	$ 1,460	$ 754	$ 507	$ 252	$ 75
Other[3] [4]	2,157	2,688	685	1,802	566
Total Gross Loss Payments	$ 3,617	$ 3,442	$ 1,192	$ 2,054	$ 641
Recoveries received					
Second-Lien RMBS	$ 36	$ 123	$ 27	$ 3,773	$ 115
Other[3] [5]	1,740	196	194	179	66
Total Recoveries	$ 1,776 [6]	$ 319	$ 221	$ 3,952	$ 181
Net Loss Payments / (Recoveries)					
Second-Lien RMBS	$ 1,424	$ 631	$ 480	$ (3,521)	$ (40)
Other[3]	417	2,492	491	1,623	500
Total Net Loss Payments	$ 1,841	$ 3,123	$ 971	$ (1,898)	$ 460

(1) Table excludes loss adjustment expense and includes MBIA UK Limited payments that are excluded from MBIA Insurance Corporation's Statutory filings because MBIA Insurance Corporation's ownership of MBIA UK Limited is presented on an equity basis.

(2) Excludes exposure related to U.S. Public Finance.

(3) Includes all MBIA Insurance Corporation and Subsidiaries insured policies excluding second-lien transactions.

(4) Includes gross claim payments related to U.S. Public Finance transactions made on behalf of National totaling $98 million, $129 million, $137 million, $135 million and $19 million for 2010, 2011, 2012, 2013 and 2014, respectively.

(5) Includes full recoveries of gross loss payments made by MBIA Corp. on behalf of National (see amounts in footnote 4) in addition to recoveries from third-party reinsurers.

(6) Includes assets received in connection to the Channel Re commutation based upon Channel Re's loss reserve established for the previously reinsured credits.

MBIA Inc. (Parent Company)

MBIA Inc. (Parent Company)
Liquidity Position (1)(2)(3)
(dollars in millions)

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Liquidity Position	**$ 359**	**$ 499**	**$ 365**	**$ 348**	**$ 359**
Total Cash Inflows	188	41	32	229	490
Operating & Other Expenses	16	17	5	34	72
Debt Service	8	15	8	15	46
Share Repurchases	-	-	23	9	32
Contributions to Subsidiaries	24	143	13	21	201
Total Cash Outflows	48	175	49	79	351
Net Cash Flow	140	(134)	(17)	150	139
Ending Liquidity Position	**$ 499**	**$ 365**	**$ 348**	**$ 498**	**$ 498**

2013	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Liquidity Position	**$ 226**	**$ 366**	**$ 328**	**$ 278**	**$ 226**
Total Cash Inflows	164	15	23	237	439
Operating & Other Expenses	15	12	27	6	60
Debt Service	9	17	8	16	50
Contributions to Subsidiaries	-	24	38	134	196
Total Cash Outflows	24	53	73	156	306
Net Cash Flow	140	(38)	(50)	81	133
Ending Liquidity Position	**$ 366**	**$ 328**	**$ 278**	**$ 359**	**$ 359**

(1) Presented on a direct cash flow basis for transactions settled within the reported periods. Liquidity Position excludes assets that are not readily available for sale, such as pledged assets for investment agreements.
Liquidity Positions shown for prior periods are lower than earlier reported Liquidity Positions for the same periods, as the definition of Liquidity Position has been modified to exclude certain assets that were previously included in Liquidity Position.

(2) Liquidity Position consists of cash and other liquid assets with expected maturities less than 12 months deemed to be liquid but not included in cash and cash equivalents. Excludes funds placed in escrow until the expiration of National's two-year net operating loss that are not readily available for sale, such as pledged assets for investment agreements.

(3) Excludes tax escrow investments held under the tax sharing agreement.

MBIA Inc.

(dollars in millions)

Selected Assets and Selected Liabilities of the Corporate Segment

	12/31/2014	12/31/2013
Selected Assets:		
Cash [1]	$ 118	$ 318
Investments, at Amortized Cost [2]	1,600	1,586
Receivable for investments sold and counterparty collateral	46	21
Current and Deferred Income Taxes, Net	103	(29)
Total Selected Assets	**1,867**	**1,896**
Selected Liabilities:		
Investment Agreements [3]	525	674
Global Funding LLC, Medium-term Notes [3]	1,188	1,441
MBIA Inc. Senior Unsecured	728	728
Payables for investments purchased		1
Intercompany (receivables) payables	-	(43)
Derivative Liabilities, Net [4]	166	123
Total Selected Liabilities	**2,607**	**2,924**
Total	**$ (740)**	**$ (1,028)**

(1) Amounts include $12 million and $160 million as of December 31, 2014 and 2013, respectively, of cash collateral posted to derivative counterparties.

(2) Amounts include tax escrow investments held under the tax sharing agreement. As of December 31, 2014, amount also includes $202 million of collateral posted to derivative counterparties.

(3) Amounts exclude accrued interest and are shown at principal value at the respective reported periods.

(4) Amounts are shown net of any derivative assets. For GAAP purposes, derivative liabilities and cash collateral pledged to derivative counterparties are shown net in Other Assets. For purposes of this presentation, derivative liabilities are shown separately and cash collateral pledged to derivative counterparties is included in Cash.

Securities Buyback Activity [1]

2014	1st Qtr Cost	1st Qtr Gain/Value	2nd Qtr. Cost	2nd Qtr. Gain/Value	3rd Qtr. Cost	3rd Qtr. Gain/Value	4th Qtr. Cost	4th Qtr. Gain/Value	Full Year Cost	Full Year Gain/Value
Common Stock Repurchases [2]	$ -	$ -	$ 9.3	$ 13.5	$ 13.8	$ 20.4	$ 11.8	$ 16.3	$ 34.9	$ 50.2
Debt Service										
MBIA Inc. Senior Unsecured	0.1		0.1	-	-	-	0.1	-	0.3	-
MBIA GFL MTNs[3]	27.0	0.8	92.1	2.0	-	-	-	-	119.1	2.8
Investment Agreements	-	-	-	-	-	-	50.2	0.7	50.2	0.7
Conduit Debt Extinguishment	99.8	4.2	25.0	-	-	-	-	-	124.8	4.2
MBIA Inc. (Consolidated)	$ 126.9	$ 5.0	$ 126.5	$ 15.5	$ 13.8	$ 20.4	$ 62.1	$ 17.0	$ 329.3	$ 57.9

2013	1st Qtr Cost	1st Qtr Gain/Value	2nd Qtr. Cost	2nd Qtr. Gain/Value	3rd Qtr. Cost	3rd Qtr. Gain/Value	4th Qtr. Cost	4th Qtr. Gain/Value	Full Year Cost	Full Year Gain/Value
Common Stock Repurchases [2]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service										
MBIA Inc. Senior Unsecured	1.3	-	1.5	-	0.4	-	0.2	-	3.4	-
MBIA GFL MTNs[3]	22.5	1.4	13.9	-	47.7	5.4	100.1	11.4	184.2	18.2
Investment Agreements	5.1	3.6	-	-	-	-	-	-	5.1	3.6
Conduit Debt Extinguishment	-	-	335.8	-	150.4	-	19.0	1.0	505.2	1.0
MBIA Inc. (Consolidated)	$ 28.9	$ 5.0	$ 351.2	$ -	$ 198.5	$ 5.4	$ 119.3	$ 12.4	$ 697.9	$ 22.8

(1) Presented on a cash settlement rather than trade date basis, except where noted.

(2) Presented on a trade date basis. Gains estimated versus adjusted book value.

(3) Global Funding LLC.

Glossary

Adjusted Book Value (ABV): Adjusted Book Value (“ABV”), a non-GAAP measure, is used by the Company to supplement its analysis of GAAP book value. The Company uses ABV as a measure of fundamental value and considers the change in ABV an important measure of periodic financial performance. ABV adjusts GAAP book value by removing the GAAP book value amounts for items that are not expected to impact shareholder value and to add in the impact of certain items which the Company believes will be realized in GAAP book value in future periods. The Company has limited such adjustments to those items that it deems to be important to fundamental value and performance and which the likelihood and amount can be reasonably estimated. ABV assumes no new business activity. The Company has presented ABV to allow investors and analysts to evaluate the Company using the same measure that MBIA’s management regularly uses to measure financial performance. ABV is not a substitute for and should not be viewed in isolation from GAAP book value.

ABV per share represents that amount of ABV allocated to each common share outstanding at the measurement date.

Alt-A Mortgage Loans: An Alt-A mortgage, short for Alternative A-paper, is a type of U.S. mortgage that, for various reasons, is considered riskier than A-paper, or "prime", and less risky than "subprime," mortgage loans. Traditionally Alt-A mortgages are defined as loans lacking full documentation. Alt-A mortgages are typically characterized by borrowers with lower credit scores, higher loan-to-values and/or more investment properties than prime borrowers. Alt-A mortgages may have excellent credit but may not meet prime borrower underwriting criteria for other reasons.

Amortized Cost: The purchase price of a fixed-maturity security, net of any discount received or premium paid. Amortized cost is adjusted each reporting period to reflect the repayment of principal (par) by the issuer of a security and the accretion of a discount or the amortization of a premium.

Below Investment Grade (BIG): Any security rated below BBB- by Fitch and S&P or Baa3 by Moody’s or bbb- by MBIA.

Book Yield: Yield of fixed-maturity investment based upon the purchase price or book value of a bond and the timing of future cash flows. The book yield includes appreciation (depreciation) on current amortized cost amounts for fixed-maturity investments purchased at a discount (premium).

Capital Ratio: Net debt service outstanding divided by statutory capital.

Collateralized Debt Obligations (CDO): A debt instrument that is secured (collateralized) by a pool of other securities, typically loans and bonds. CDOs can include all types of loans and bonds, including high-yield bonds, emerging market bonds, asset-backed transactions and middle-market bank loans. Collateralized Bond Obligations (CBOs), Collateralized Loan Obligations (CLOs), and Collateralized Mortgage Obligations (CMOs) are types of CDOs.

CDO-Commercial Real Estate (CRE): Transactions secured by a diversified pool of commercial real estate-oriented loans and/or bonds. Transactions are actively managed pools of collateral with a Collateralized Debt Obligation (CDO) structure with first loss positions provided by subordinated tranches. Transactions are usually managed pools with reinvestment permitted subject to Eligibility Criteria.

CDO-High Yield Corporate: High Yield Corporate Collateralized Debt Obligations (CDOs) are transactions that contain high yield, usually non-investment grade corporate collateral.

CDO-Investment Grade Corporate Pools: Investment Grade Corporate Collateralized Debt Obligations (CDOs) are transactions that contain pools of investment grade corporate collateral.

CDO-Structured CMBS Pools: Transactions containing pools of commercial mortgage securitizations that represent mortgage loans for non-residential properties such as office buildings, retail stores, etc. The majority of MBIA’s insured structured CMBS pools are comprised of similarly rated underlying tranches.

Claims-paying Resources (CPR): CPR is a key measure of the resources available to National and MBIA Corp. to pay claims under their respective insurance policies. CPR consists of total financial resources and reserves calculated on a statutory basis. CPR has been a common measure used by financial guarantee insurance companies to report and compare resources and continues to be used by MBIA's management to evaluate changes in such resources. The Company has provided CPR to allow investors and analysts to evaluate National and MBIA Corp. using the same measure that MBIA's management uses to evaluate their resources to pay claims under their respective insurance policies. There is no directly comparable GAAP measure.

Claims-paying Resources Ratio: Net debt service outstanding divided by the sum of the capital base, unearned premium reserve (after-tax), present value of installment premiums (after-tax) and gross loss and loss adjustment expense (LAE) reserves.

Closed-End Second Mortgage (CES): An additional mortgage taken out on property, where the priority in claim settlements is given to the earlier mortgage. The rate for a second mortgage is fixed and the loan amount is determined at the time of application. After approval, the borrower will receive the funds in one lump sum.

Combined Operating Income: The sum of Operating Income of U.S. Public Finance Insurance (National) and Corporate Segments net of eliminations. See "Operating Income" definition

Commercial Mortgage Backed Securities (CMBS): A type of mortgage-backed security, the word is used to distinguish it from residential mortgage-backed securities (RMBS). Commercial mortgages represent mortgage loans for non-residential properties such as office buildings, retail stores, etc.

Credit Impairment (Insured Credit Derivatives): Credit impairments on insured derivatives represent actual net payments for the period plus the present value of the Company's estimate of expected future claim payments for such transactions, using a discount rate required by statutory accounting principles, plus loss adjustment expenses. Since the Company's insured credit derivatives have similar terms, conditions, risks, and economic profiles to its financial guarantee insurance policies, the Company evaluates them for impairment periodically in the same way that it estimates loss and LAE for its financial guarantee insurance policies. Credit impairments on insured derivatives are equal to the Company's statutory losses and loss adjustment expenses for such contracts.

Credit impairments on insured derivatives may differ from the fair values recorded in the Company's financial statements. The Company expects that the majority of its exposure written in derivative form will not be settled at fair value. The fair value of an insured derivative contract will be influenced by a variety of market and transaction- specific factors that may be unrelated to potential future claim payments. In the absence of credit impairments or the termination of derivatives at losses, the cumulative unrealized losses recorded from fair valuing insured derivatives should reverse before or at the maturity of the contracts. Contracts also may be settled prior to maturity at amounts that may be more or less than their recorded fair values. Those settlements can result in realized gains or losses, and the reversal of unrealized losses. For these reasons, the Company believes its disclosure of credit impairments on insured derivatives provides additional meaningful information to investors about potential realized losses on these contracts.

Deferred Acquisition Cost (DAC): Deferred acquisition costs include those expenses that relate primarily to, and vary with, the acquisition of new insurance business. The Company periodically conducts a study to determine which operating costs have been incurred to acquire new insurance business and qualify for deferral. For business produced directly by National or MBIA Corp., such costs include compensation of employees involved in underwriting and deferred issuance functions, certain rating agency fees, state premium taxes and certain other underwriting expenses, reduced by ceding commission income on premiums ceded to reinsurers. DAC also include ceding commissions paid by the Company in connection with assuming business from other financial guarantors. DAC, net of ceding commissions received, related to non-derivative insured financial guarantee transactions are deferred and amortized over the period in which the related premiums are earned. Acquisition costs related to insured derivative transactions are expensed as incurred.

Excess Spread: A type of internal credit enhancement used in asset securitization that represents the positive difference between the interest rate received on the underlying asset and the coupon rate paid to investors.

Home Equity Line of Credit (HELOC): Loan in which the lender agrees to lend a maximum amount within an agreed period (called a term), where the collateral is the borrower's equity in his/her home. A HELOC differs from a conventional home equity loan in that the borrower is not advanced the entire sum up front, but uses a line of credit to borrow sums that total no more than the credit limit, similar to a credit card. HELOC funds can be borrowed, repaid and reborrowed during the "draw period" (typically 5 to 25 years). A HELOC may have a minimum monthly payment requirement (often "interest only"); however, the debtor may make a repayment of any amount so long as it is greater than the minimum payment. At the end of the draw period, the outstanding principal amount may be due as a lump- sum balloon payment or, more typically, the loan begins to amortize according to a predetermined schedule.

Operating Income: Operating Income is a useful measurement of performance because it measures income from our core operating segments, unaffected by investment portfolio realized gains and losses, gains and losses on financial instruments at fair value and foreign exchange, and realized gains and losses on extinguishment of debt. Operating Income also excludes net income of our non-core operating segments. Our non-core segments include the activities of our international and structured finance insurance, advisory services and conduit segments. Our Combined Operating Income represents the operating income of our U.S. Public Finance Insurance segment and our Corporate segment. Trends in the underlying profitability of the Company's businesses can be more clearly identified without the fluctuating effects of the excluded items noted above. Operating Income is disclosed on an after-tax basis and adjustments to net income are typically tax-effected at 35% unless a specific adjustment, or component thereof, is not taxable. Operating Income as defined by MBIA does not include all revenues and expenses required by GAAP.

Operating Income per share represents that amount of Operating Income allocated to each fully diluted weighted-average common share outstanding for the measurement period.

Par Value: Par Value is the principal (par) amount of the debt. Capital appreciation bonds are reported at the par amount at the time of issuance of the insurance policy.

Residential Mortgage Backed Securities (RMBS): A type of mortgage-backed security composed of a wide array of different noncommercial mortgage debts. It securitizes the mortgage payments of noncommercial real estate. Different residential mortgages with varying credit ratings are pooled together and sold in tranches to investors looking to diversify their portfolios or hedge against certain types of risks.

Structured Insurance Securitizations: Bonds secured by the future earnings from pools of various types of insurance/reinsurance policies. These pools specifically include insurance or annuity policies as well as policies issued by property & casualty insurers/reinsurers. Performance analysis of the pools of policies must conform to standard and recognized actuarial techniques.

Variable Interest Entity (VIE): A VIE is a legal entity, such as a Special Purpose Entity, trust, limited liability corporation, partnership, or corporation, that has (i) insufficient equity to finance its activities without additional subordinated financing, or (ii) in which the equity holders do not have the power, through voting rights or otherwise, to direct the economic activities or do not absorb losses or receive residual returns of the entity, or (iii) in which the voting rights of some investors are not proportional to their obligation to absorb losses or receive residual returns and substantially all the entity's activities are conducted on behalf of an investor with disproportionately few voting rights. Refer to Controlling Financial Interest.

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