Revised on 9/11/2015: "Selected Assets and Selected Liabilities of the Corporate Segment".

MBIA Inc.
Quarterly Operating Supplement
March 31, 2015

First Quarter 2015

[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.

MBIA Inc. (Consolidated)

MBIA Inc. and Subsidiaries
Consolidated Balance Sheets
(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 $5,155 and $5,036)	$ 5,279	$ 5,129
Investments carried at fair value	217	207
Investments pledged as collateral, at fair value (amortized cost $217 and $441)	183	408
Short-term investments held as available-for-sale, at fair value (amortized cost $1,114 and $1,069)	1,117	1,069
Other investments (includes investments at fair value of $13 and $13)	17	17
Total investments	6,813	6,830
Cash and cash equivalents	596	729
Premiums receivable	848	875
Deferred acquisition costs	204	217
Insurance loss recoverable	527	533
Assets held for sale	22	802
Deferred income taxes, net	969	1,028
Other assets	232	229
Assets of consolidated variable interest entities:		
Cash	31	53
Investments held-to-maturity, at amortized cost (fair value $2,635 and $2,632)	2,742	2,757
Fixed-maturity securities at fair value	1,061	421
Loans receivable at fair value	1,480	1,431
Loan repurchase commitments	385	379
Derivative assets	5	-
Total assets	**$ 15,915**	**$ 16,284**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 1,874	$ 1,986
Loss and loss adjustment expense reserves	499	506
Investment agreements	538	547
Medium-term notes (includes financial instruments carried at fair value of $180 and $197)	1,108	1,201
Long-term debt	1,828	1,810
Derivative liabilities	391	437
Liabilities held for sale	-	772
Other liabilities	266	271
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $2,653 and $2,047)	5,395	4,804
Derivative liabilities	76	-
Total liabilities	**11,975**	**12,334**
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 — 281,670,699 and 281,352,782	282	281
Additional paid-in capital	3,124	3,128
Retained earnings	2,927	2,858
Accumulated other comprehensive income (loss), net of tax of $4 and $7	22	21
Treasury stock, at cost — 98,097,072 and 89,409,887	(2,436)	(2,359)
Total shareholders' equity of MBIA Inc.	3,919	3,929
Preferred stock of subsidiary and noncontrolling interest	21	21
Total equity	**3,940**	**3,950**
Total liabilities and equity	**$ 15,915**	**$ 16,284**

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

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 55	$ 69
Refunding premiums earned	46	19
Premiums earned (net of ceded premiums of $4 and $2)	101	88
Net investment income	37	50
Fees and reimbursements	1	4
Change in fair value of insured derivatives:		
Realized gains (losses) and other settlements on insured derivatives	(9)	(369)
Unrealized gains (losses) on insured derivatives	37	838
Net change in fair value of insured derivatives	28	469
Net gains (losses) on financial instruments at fair value and foreign exchange	30	(55)
Net gains (losses) on extinguishment of debt	-	1
Other net realized gains (losses)	20	1
Revenues of consolidated variable interest entities:		
Net investment income	12	12
Net gains (losses) on financial instruments at fair value and foreign exchange	(10)	3
Net gains (losses) on extinguishment of debt	-	4
Total revenues	219	577
Expenses:		
Losses and loss adjustment	(6)	50
Amortization of deferred acquisition costs	13	10
Operating	35	46
Interest	50	54
Expenses of consolidated variable interest entities:		
Operating	4	3
Interest	10	10
Total expenses	106	173
Income (loss) before income taxes	113	404
Provision (benefit) for income taxes	44	148
Net income (loss)	**$ 69**	**$ 256**

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

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Combined		
GAAP consolidated net income (loss)	$ 69	$ 256
Less: Net Income of non-core segments, including eliminations	(3)	253
Less: After-tax adjustments [3]:		
Mark-to-market gains (losses) on financial instruments	(17)	(35)
Foreign exchange gains (losses)	42	(2)
Net gains (losses) on sales of investments	-	1
Other net realized gains (losses)	13	-
Tax valuation allowance on adjustments [4]	-	(1)
Combined Operating Income (loss)	$ 34	$ 40
Combined Operating Income (loss) per share	$ 0.18	$ 0.21
U.S. Public Finance Insurance (National)		
GAAP net income (loss)	$ 57	$ 61
Less: After-tax adjustments:		
Net gains (losses) on sales of investments	1	-
Operating Income (loss)	$ 56	$ 61
Corporate		
GAAP net income (loss)	$ 15	$ (58)
Less: After-tax adjustments:		
Mark-to-market gains (losses) on financial instruments	(17)	(35)
Foreign exchange gains (losses)	42	(2)
Net gains (losses) on sales of investments	(1)	1
Other net realized gains (losses)	13	-
Tax valuation allowance on adjustments	-	(1)
Operating Income (loss)	$ (22)	$ (21)

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

	2015 1st Qtr.	2015 2nd Qtr.	2015 3rd Qtr.	2015 4th Qtr.	Year-to-date
U.S. Public Finance Insurance (National)	$ 56				$ 56
Corporate	(22)				(22)
Combined	$ 34				$ 34

	2014 1st Qtr.	2014 2nd Qtr.	2014 3rd Qtr.	2014 4th Qtr.	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
Net Income (Loss) Reconciliation to Combined Operating Income (Loss)
(dollars in millions)

	Three Months Ended March 31, 2015			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 101	$ 16	$ -	$ 85
Net investment income	37	2	-	35
Fees and reimbursements	1	(6)	-	7
Net change in fair value of insured credit derivatives	28	28	-	-
Net gains (losses) on financial instruments at fair value and foreign exchange	30	(5)	41	(6)
Other net realized gains (losses)	20	-	24	(4)
VIE Revenues	2	2	-	-
Total revenues	219	37	65	117
Expenses:				
Losses and loss adjustment	(6)	-	-	(6)
Amortization of deferred acquisition costs	13	(5)	-	18
Operating	35	6	-	29
Interest	50	27	-	23
VIE expenses	14	14	-	-
Total expenses	106	42	-	64
Income (loss) before income taxes	**113**	**(5)**	**65**	**53**
Provision (benefit) for income taxes	44	(2)	27	19
Net income (loss) before minority interest	**$ 69**	**$ (3)**	**$ 38**	**$ 34**

	Three Months Ended March 31, 2014			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 88	$ 23	$ -	$ 65
Net investment income	50	8	-	42
Fees and reimbursements	4	(6)	-	10
Net change in fair value of insured credit derivatives	469	468	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	(55)	(7)	(46)	(2)
Net gains (losses) on extinguishment of debt	1	-	1	-
Other net realized gains (losses)	1	-	-	1
VIE Revenues	19	24	-	(5)
Total revenues	577	510	(45)	112
Expenses:				
Losses and loss adjustment	50	64	-	(14)
Amortization of deferred acquisition costs	10	(4)	-	14
Operating	46	18	-	28
Interest	54	28	-	26
VIE expenses	13	13	-	-
Total expenses	173	119	-	54
Income (loss) before income taxes	**404**	**391**	**(45)**	**58**
Provision (benefit) for income taxes	148	138	(8)	18
Net income (loss) before minority interest	**$ 256**	**$ 253**	**$ (37)**	**$ 40**

MBIA Inc. and Subsidiaries

Adjusted Book Value [1]

	3/31/2015	12/31/2014
Reported Book Value	$ 21.35	$ 20.47
Reverse book value for non-core operating entities [2]	1.41	1.16
Reverse net unrealized (gains) losses included in OCI (after-tax)	(0.29)	(0.15)
Add net unearned premium revenue (after-tax) [3] [4]	3.31	3.39
Adjusted Book Value	**$ 25.78**	**$ 24.87**
Shares Outstanding	183.6	191.9

(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 notional 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)

	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	Three Months Ended March 31, 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)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
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)

Premium Receivable as of December 31, 2014	Premium Payments Received	Premium from New Business Written	Changes in Expected Term of Policies	Accretion of Premium Receivable Discount	Other	Premium Receivable as of March 31, 2015
$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)

	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	
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)

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
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**

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(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	132,036	62.9	129,300	63.0
Other States & Territories	74,738	35.6	72,761	35.5
Nationally Diversified	3,181	1.5	3,174	1.5
Total	$ 209,955	100.0	$ 205,235	100.0

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	$ 209,955	100.0	$ 205,235	100.0

(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 Privitization 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]

	Gross Par Outstanding Amount	%
Public Finance		
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	$ 209,955	100.0%

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	$ 4,993	$ 10,649
	Total BIG Outstanding	$ 6,403	$ 13,173
	Total National Outstanding	$ 209,955	$ 340,710
	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.

International and Structured Finance Insurance Segment

(primarily MBIA Insurance Corporation and Subsidiaries)

MBIA Insurance Corporation
Statutory Balance Sheets
(dollars in thousands)

	March 31, 2015	December 31, 2014
Assets		
Bonds	$ 75,173	$ 82,690
Other invested assets	146	188
Cash and short-term investments	470,856	492,780
Receivable for investments sold	67	7
Investment in MBIA UK	361,969	365,603
Investment in MBIA Mexico	12,972	12,346
Total investments	921,183	953,614
Interest and dividends accrued	1,005	1,012
Other assets	6,224	5,541
Total other assets	7,229	6,553
Total assets	**$ 928,412**	**$ 960,167**
Liabilities		
Unearned premiums	$ 275,910	$ 290,086
Contingency reserve	308,004	317,464
Loss and LAE reserve	(216,389)	(218,848)
Accrued expenses	1,255	5,495
Other liabilities	10,912	24,477
Total liabilities	**379,692**	**418,674**
Capital and Surplus		
Common stock	15,000	15,000
Preferred stock	275,908	275,908
Surplus Notes	952,655	952,655
Paid in Capital	782,792	782,773
Unassigned surplus	(1,477,635)	(1,484,843)
Total capital and surplus	548,720	541,493
Total liabilities and capital and surplus	**$ 928,412**	**$ 960,167**

MBIA Insurance Corporation
Statutory Statements of Income
(dollars in thousands)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Underwriting income		
Gross premiums written	$ 18,766	$ 22,983
Ceded premiums written	(1,577)	(2,325)
Net premiums written	17,189	20,658
Net premiums earned	22,987	30,476
Losses and LAE incurred	18,153	70,408
Underwriting expenses incurred	7,461	10,198
Net underwriting gain (loss)	(2,627)	(50,130)
Investment income		
Net investment gain (loss)	612	313
Net realized gain (loss)	(2,948)	89
Net investment gain (loss)	(2,336)	402
Other income (expense)		
Non-operating income (expense)	8,180	4,134
Income (loss) before taxes	3,217	(45,594)
Income tax provision	-	4
Net income (loss)	**$ 3,217**	**$ (45,598)**

MBIA Insurance Corporation and Subsidiaries

Net Premiums Earned [1]

(dollars in thousands)

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Net Premiums Earned [1]					
MBIA Insurance Corp.	$ 22,987				$ 22,987
MBIA UK Insurance Limited	7,302				7,302
Total	30,289				30,289
Memo:					
Non-U.S. Public Finance	13,791				13,791
Global Structured Finance	16,498				16,498
Total	$ 30,289				$ 30,289

2014	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Net Premiums Earned [1]					
MBIA Insurance Corp.	$ 30,476	$ 36,465	$ 63,357	$ 38,794	$ 169,092
MBIA UK Insurance Limited	9,069	10,462	9,416	8,523	37,470
Total	39,545	46,927	72,773	47,317	206,562
Memo:					
Non-U.S. Public Finance	18,563	23,075	47,479	27,720	116,837
Global Structured Finance	20,982	23,852	25,294	19,597	89,725
Total	$ 39,545	$ 46,927	$ 72,773	$ 47,317	$ 206,562

(1) Premiums earned are reported on a statutory basis. Only amounts for MBIA Insurance Corporation are included in the Company's statutory filings.

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

Amortization of Gross Par, Gross Debt Service and Net Unearned Premium and Future Premiums (1)

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Net Unearned Premiums (2)	Expected Future Premium Earnings (2)(3) Upfront	Installments	Estimated Cash Receivable	Total
1st Qtr. 2015	51,705	71,432	412				
2nd Qtr. 2015	50,980	70,145	391	4	17	11	32
3rd Qtr. 2015	45,344	64,001	381	5	5	24	34
4th Qtr. 2015	43,358	61,484	363	13	5	22	40
2016	38,640	54,771	340	14	9	87	110
2017	34,641	48,955	316	14	10	77	101
2018	29,871	42,624	297	9	10	64	83
2019	27,666	38,990	276	11	10	60	81
2020-2024	15,719	21,790	147	79	50	239	368
2025-2029	10,445	13,551	90	20	37	166	223
2030 and thereafter	-	-	-	49	41	135	225
Total				$218	$194	$885	$1,297

(1) Includes MBIA UK Limited premiums.
(2) Statutory accounting basis.
(3) 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 Cash Premiums Collected and Expected (1)

	MBIA Insurance Corp.	Subsidiaries of MBIA Corp.	MBIA Ins. Corp. Including Subsidiaries
1st Qtr. 2015	14	1	15
2nd Qtr. 2015	24	16	40
3rd Qtr. 2015	15	8	23
4th Qtr. 2015	19	3	22
2016	58	28	86
2017	48	28	76
2018	37	27	64
2019	32	27	59
2020-2024	115	120	235
2025-2029	67	94	161
2030 and thereafter	60	68	128
Total Future Premiums	$475	$419	$894

(1) Represents installment-based future undiscounted collections net of amounts to be ceded to reinsurers.

MBIA Insurance Corporation
Investment Portfolio Including Cash and Cash Equivalents
as of March 31, 2015
(dollars in millions)

Statutory Accounting Basis

Investments		Amortized Cost	Book Yield			Market Value	% of Market Value
Bonds							
Long-Term Tax-Exempt	$	20	5.23	%	$	23	16
Long-Term Taxable		55	4.95	%		61	41
Short-Term		63	0.18	%		63	43
Total Fixed-Maturity		138	2.81	%	$	147	100
Cash and Cash Equivalents		408					
Total Fixed Income Including Cash and Cash Equivalents		546					
Common Stocks(1)		375					
Total	$	921					

Fixed Income Portfolio			% of Amortized Cost
Cash and Cash Equivalents	$	408	75
State and Municipal Bonds		68	12
Corporate Obligations		45	8
Money Markets		11	2
Foreign Governments		7	1
US Treasury		4	1
MBS		3	1
ABS		-	-
Total	$	546	100

Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	408	75
≤ 1 yr		67	12
> 1 to 5 yrs		-	-
> 5 to 10 yrs		1	1
> 10 to 15 yrs		-	-
> 15 to 20 yrs		14	3
> 20 yrs		56	9
Total	$	546	100

Credit Quality Distribution of Long-Term Bonds

Rating(2)			
Aaa	$	10	13
Aa		49	66
A		12	16
B		4	5
	$	75	100

Average maturity: 5.01 years(3)

Duration: 2.05 years(3)

(1) Represents investment in wholly-owned insurance subsidiaries MBIA U.K. Limited and MBIA Mexico carried at statutory equity basis, subject to limits ascribed by New York State Insurance law.
(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)

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents [2]	**$ 432**				**$ 432**
Premiums and Fees	6				6
Other	33				33
Total Inflows	39				39
Gross Loss & LAE Payments	42				42
Operating & Other Expenses	19				19
Total Outflows	61				61
Operating Cash Flow	(22)				(22)
Investing Activities	(24)				(24)
Net Cash Flow	(46)				(46)
Ending Cash & Cash Equivalents [2]	**$ 386**				**$ 386**
Other Liquid Assets [3]	29				29
Ending Liquidity Position	**$ 415**				**$ 415**

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**

(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.
(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

	3/31/2015	12/31/2014
Assets:		
Cash and Investments [1]	$ 921	$ 954
Other Assets	7	6
Total Assets	$ 928	$ 960
Liabilities:		
Unearned Premiums	276	290
Loss and LAE Reserves [2]	(216)	(219)
Contingency Reserve	308	317
Other Liabilities	11	31
Total Liabilities	379	419
Total Policyholders' Surplus	549	541
Total Liabilities and Policyholders' Surplus	$ 928	$ 960

Summary of Statutory Loss and LAE Reserves (excluding Subsidiaries)

	As of 3/31/2015			
		Salvage		
	Case	Put-Backs	Other	Net
First-Lien Mortgage	$ 173	$ -	$ (18)	$ 155
Second-Lien Mortgage	110	(372)	(525)	(787)
CDO	360	-	-	360
Other	65	-	(9)	56
Total	$ 708	$ (372)	$ (552)	$ (216)

Claims-Paying Resources

	Including Subsidiaries		Stand-alone	
	3/31/2015	12/31/2014	3/31/2015	12/31/2014
Balance Sheet				
Policyholders' Surplus	$ 549	$ 542	$ 549	$ 542
Contingency Reserve	308	317	308	317
Statutory Capital	857	859	857	859
Unearned Premium Reserve	412	434	276	290
Present Value of Installment Premiums [2]	619	662	344	365
Premium Resources [3]	1,031	1,096	620	655
Net Loss and LAE Reserves [2]	(239)	(237)	(216)	(219)
Salvage Reserve	924	938	924	938
Gross Loss and LAE Reserves	685	701	708	719
Total Claims-Paying Resources	$ 2,573	$ 2,656	$ 2,185	$ 2,233
Net Debt Service Outstanding	$ 69,922	$ 74,645	$ 46,461	$ 49,612
Capital Ratio	82:1	87:1	54:1	58:1
Claims-Paying Resources Ratio	32:1	33:1	24:1	25:1

(1) Includes equity investments in subsidiaries of $375 million and $378 million at March 31, 2015 and December 31, 2014, respectively.

(2) At March 31, 2015 and December 31, 2014, the discount rate was 5.17%.

(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 March 31, 2015[1] [2] [3]			
	Gross	%	Net	%
United States	$ 24,298	47.0	$ 24,092	47.5
United Kingdom	13,305	25.7	13,094	25.8
Australia	3,081	6.0	3,081	6.1
Chile	2,316	4.5	1,985	3.9
Canada	1,473	2.8	1,470	2.9
France	1,288	2.5	1,286	2.5
Mexico	1,199	2.3	1,050	2.1
Spain	696	1.4	689	1.3
New Zealand	487	0.9	487	1.0
Malaysia	350	0.7	350	0.7
Portugal	322	0.6	312	0.6
Subtotal	24,517	47.4	23,804	46.9
Other	726	1.4	722	1.4
Internationally Diversified	2,164	4.2	2,094	4.2
Total Non-United States	27,407	53.0	26,620	52.5
Total	$ 51,705	100.0	$ 50,712	100.0

Par Value by Bond Type

	Outstanding as of March 31, 2015[1] [2] [3]			
	Gross	%	Net	%
Public Finance: Non-United States				
Sovereign and Sub-Sovereign [4]	$ 9,532	18.4	$ 9,285	18.3
International Utilities	7,833	15.1	7,712	15.2
Transportation	6,712	13.0	6,381	12.6
Local Governments [5]	219	0.4	216	0.4
Tax-Backed	80	0.2	80	0.2
Total Non-United States Public Finance	24,376	47.1	23,674	46.7
Structured Finance - Global				
Collateralized Debt Obligations [6]	12,219	23.6	12,209	24.1
Mortgage Backed Residential	6,991	13.5	6,971	13.7
Corporate Asset Backed [7]	6,403	12.4	6,219	12.3
Consumer Asset Backed	1,220	2.4	1,159	2.3
Mortgage Backed Commercial	496	1.0	480	0.9
Total Global Structured Finance	27,329	52.9	27,038	53.3
Grand Total	$ 51,705	100.0	$ 50,712	100.0

(1) Net of refunded issues, reinsurance and other contractual agreements.
(2) Excludes $1.6 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, cash flow waterfalls, or interest and over-collateralization coverage tests.
(7) Includes $3.4 billion of structured insurance securitizations.

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
as of March 31, 2015

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

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)]	$ 5,764	47	$ -	-	$ 5,764	74
High Yield Corporate CDOs	3,562	29	3,562	81	-	-
Multi-Sector CDOs	799	7	589	13	210	2
Structured CMBS Pools [(1)]	1,286	10	124	3	1,161	15
CRE CDOs	808	7	121	3	687	9
Total	$ 12,219	100	$ 4,396	100	$ 7,822	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 3/31/2015	% Total	Gross Par 12/31/2014	% Total
HELOCs	$ 2.2	31	$ 2.3	32
Closed-End-Seconds (CES)	2.1	30	2.2	30
U.S. Subprime	0.8	12	0.8	11
International Prime 1st Mortgage	0.5	7	0.5	7
U.S. Alt-A	1.3	18	1.3	18
U.S. Prime 1st Mortgage	0.1	2	0.1	2
Total Direct RMBS	$ 7.0	100	$ 7.3	100

(1) Includes $1.6 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	$ 817
2	Sociedad Concessionaria Vespucio Norte Express S.A.	594
3	Structured Insurance Securitization Private 13-16	575
4	GMACM 2006-HE4	346
5	Operating Assets-Aircraft Portfolio Lease Securitizations Private 5	323
6	CP--Comboios de Portugal, E.P.E.	322
7	Countrywide Home Equity Series 2007-S1/Second Lien RMBS	295
8	Structured CMBS Pool 28	277
9	Private Sovereign and Sub-Sovereign Transportation Credit	276
10	Countrywide Home Equity Master Trust Series 2006-S10	273
	Total Top 10 Below Investment Grade	**$ 4,098**
	Total BIG Gross Par Outstanding	$ 10,912
	Total MBIA Gross Par Outstanding	$ 51,705
	Top 10 BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**7.9%**
	Total BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**21.1%**

(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)

2015	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Year-to-date**
Paid Claims [1]	$ 16				$ 16
Collections on Paid Claims [2]	(27)				(27)
Paid LAE (net of collections)	1				1
Net Payments	$ (10)				$ (10)

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

(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)

	2011	2012	2013	2014	1Q 2015
Gross Par Outstanding (end of period)[2]					
Second-Lien RMBS	$ 8,039	$ 6,550	$ 5,295	$ 4,476	$ 4,287
Other[3]	133,323	105,823	75,104	50,712	47,418
Total	$ 141,362	$ 112,373	$ 80,399	$ 55,188	$ 51,705
Net Par Outstanding (end of period)					
Second-Lien RMBS	$ 8,028	$ 6,542	$ 5,290	$ 4,473	$ 4,284
Other[3]	131,694	104,320	73,718	49,674	46,428
Total	$ 139,722	$ 110,862	$ 79,008	$ 54,147	$ 50,712
Gross Loss Payments					
Second-Lien RMBS	$ 754	$ 507	$ 252	$ 75	$ 16
Other[3] [4]	2,688	685	1,802	566	25
Total Gross Loss Payments	$ 3,442	$ 1,192	$ 2,054	$ 641	$ 41
Recoveries received					
Second-Lien RMBS	$ 123	$ 27	$ 3,773	$ 115	$ 27
Other[3] [5]	196	194	179	66	2
Total Recoveries	$ 319	$ 221	$ 3,952	$ 181	$ 29
Net Loss Payments / (Recoveries)					
Second-Lien RMBS	$ 631	$ 480	$ (3,521)	$ (40)	$ (11)
Other[3]	2,492	491	1,623	500	23
Total Net Loss Payments	$ 3,123	$ 971	$ (1,898)	$ 460	$ 12

(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 $129 million, $137 million, $135 million, $19 million and $1 million for 2011, 2012, 2013, 2014 and 2015, 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.

MBIA Inc. (Parent Company)

Corporate
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 Investment income	$ 8	$ -	$ 8
Fees and reimbursements	13	-	13
Net gains (losses) on financial instruments at fair value and foreign exchange	32	40	(8)
Other net realized gains (losses)	24	24	-
Total revenues	77	64	13
Expenses:			
Operating	20	-	20
Interest	25	-	25
Total expenses	45	-	45
Income (loss) before	**32**	**64**	**(32)**
Provision (benefit) for income taxes	17	27	(10)
Net income (loss) before minority interest	**$ 15**	**$ 37**	**$ (22)**

	Three Months Ended March 31, 2014		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:			
Net Investment income	$ 11	$ -	$ 11
Fees and reimbursements	14	-	14
Net gains (losses) on financial instruments at fair value and foreign exchange	(52)	(46)	(6)
Net gains (losses) on extinguishment of debt	1	1	-
Other net realized gains (losses)	1	-	1
VIE Revenues	(5)	-	(5)
Total revenues	(30)	(45)	15
Expenses:			
Operating	21	-	21
Interest	28	-	28
Total expenses	49	-	49
Income (loss) before	**(79)**	**(45)**	**(34)**
Provision (benefit) for income taxes	(21)	(8)	(13)
Net income (loss) before minority interest	**$ (58)**	**$ (37)**	**$ (21)**

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

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Liquidity Position	**$ 498**				**$ 498**
Total Cash Inflows	275				275
Operating & Other Expenses	23				23
MTN P&I Payments	31				31
Debt Service	8				8
Share Repurchases	75				75
Contributions to Subsidiaries	57				57
Total Cash Outflows	194				194
Net Cash Flow	81				81
Investment and Other Activity	(12)				(12)
Ending Liquidity Position	**$ 567**				**$ 567**

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**

(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

	3/31/2015	12/31/2014
Selected Assets:		
Cash [1]	$ 316	$ 118
Investments, at Amortized Cost [2]	1,359	1,600
Receivable for investments sold and counterparty collateral	57	46
Current and Deferred Income Taxes, Net	128	103
Total Selected Assets	**1,860**	**1,867**
Selected Liabilities:		
Investment Agreements [3]	519	525
Global Funding LLC, Medium-term Notes [3]	1,091	1,188
MBIA Inc. Senior Unsecured	721	728
Payables for investments purchased	13	-
Intercompany (receivables) payables	(1)	-
Derivative Liabilities	268	166
Total Selected Liabilities	**2,611**	**2,607**
Total	**$ (751)**	**$ (740)**

(1) Amounts include $127 million and $12 million as of March 31, 2015 and December 31, 2014, respectively, of cash collateral posted to derivative counterparties.
(2) Amounts include tax escrow investments held under the tax sharing agreement. As of March 31, 2015 and December 31, 2014, amounts also include $216 million and $202 million, respectively, of collateral posted to derivative counterparties.
(3) Amounts exclude accrued interest and are shown at principal value at the respective reported periods.

Securities Buyback Activity [1]

2015	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	Year-to-date Cost	Year-to-date Gain/ Value
Common Stock Repurchases [2]	$ 75.7	$ 145.3							$ 75.7	$ 145.3
Debt Service										
MBIA Inc. Senior Unsecured	10.5	(0.5)							10.5	(0.5)
MBIA GFL MTNs[3]	26.3	0.2							26.3	0.2
Investment Agreements	-	-							-	-
Conduit Debt Extinguishment	-	-							-	-
MBIA Inc. (Consolidated)	$ 112.5	$ 145.0							$ 112.5	$ 145.0

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

(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 secured mortgage taken out on property. 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 debt obligation whose cash flows come from residential debt, such as mortgages, home-equity loans and subprime mortgages. A residential mortgage-backed security is comprised of a pool of mortgage loans created by banks and other financial institutions. The cash flows from each of the pooled mortgages is packaged by a special purpose entity into classes and tranches, which then issues securities and can be purchased by investors.

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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