MBIA Inc.
Quarterly Operating Supplement
June 30, 2015

Second Quarter 2015

MBIA Inc. and Subsidiaries

Quarterly Operating Supplement [1]

[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)

	June 30, 2015	December 31, 2014
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $5,096 and $5,036)	$ 5,099	$ 5,129
Investments carried at fair value	204	207
Investments pledged as collateral, at fair value (amortized cost $273 and $441)	247	408
Short-term investments held as available-for-sale, at fair value (amortized cost $1,106 and $1,069)	1,109	1,069
Other investments (includes investments at fair value of $13 and $13)	16	17
Total investments	6,675	6,830
Cash and cash equivalents	501	729
Premiums receivable	828	875
Deferred acquisition costs	193	217
Insurance loss recoverable	483	533
Assets held for sale	-	802
Deferred income taxes, net	992	1,028
Other assets	226	229
Assets of consolidated variable interest entities:		
Cash	66	53
Investments held-to-maturity, at amortized cost (fair value $2,580 and $2,632)	2,724	2,757
Fixed-maturity securities at fair value	1,005	421
Loans receivable at fair value	1,426	1,431
Loan repurchase commitments	388	379
Derivative assets	3	-
Total assets	**$ 15,510**	**$ 16,284**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 1,800	$ 1,986
Loss and loss adjustment expense reserves	500	506
Long-term debt	1,854	1,810
Medium-term notes (includes financial instruments carried at fair value of $166 and $197)	1,079	1,201
Investment agreements	513	547
Derivative liabilities	340	437
Liabilities held for sale	-	772
Other liabilities	213	271
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $2,581 and $2,047)	5,305	4,804
Derivative liabilities	65	-
Total liabilities	**11,669**	**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 — 281,744,542 and 281,352,782	282	281
Additional paid-in capital	3,129	3,128
Retained earnings	2,991	2,858
Accumulated other comprehensive income (loss), net of tax of $39 and $7	(36)	21
Treasury stock, at cost — 109,765,833 and 89,409,887	(2,537)	(2,359)
Total shareholders' equity of MBIA Inc.	3,829	3,929
Preferred stock of subsidiary and noncontrolling interest	12	21
Total equity	**3,841**	**3,950**
Total liabilities and equity	**$ 15,510**	**$ 16,284**

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

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 51	$ 63	$ 106	$ 132
Refunding premiums earned	40	26	86	45
Premiums earned (net of ceded premiums of $2, $2, $5 and $5)	91	89	192	177
Net investment income	37	42	74	92
Fees and reimbursements	2	4	3	8
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	(3)	(24)	(12)	(393)
Unrealized gains (losses) on insured derivatives	63	(23)	100	815
Net change in fair value of insured derivatives	60	(47)	88	422
Net gains (losses) on financial instruments at fair value and foreign exchange	45	61	75	6
Investment losses related to other-than-temporary impairments:				
Investment losses related to other-than-temporary impairments	(9)	-	(9)	-
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	2	-	2	-
Net investment losses related to other-than-temporary impairments	(7)	-	(7)	-
Net gains (losses) on extinguishment of debt	(1)	2	(1)	3
Other net realized gains (losses)	(1)	-	19	1
Revenues of consolidated variable interest entities:				
Net investment income	13	13	25	25
Net gains (losses) on financial instruments at fair value and foreign exchange	6	23	(4)	26
Net gains (losses) on extinguishment of debt	-	-	-	4
Total revenues	245	187	464	764
Expenses:				
Losses and loss adjustment	46	12	40	62
Amortization of deferred acquisition costs	13	8	26	18
Operating	32	49	67	95
Interest	50	52	100	106
Expenses of consolidated variable interest entities:				
Operating	3	1	7	4
Interest	9	10	19	20
Total expenses	153	132	259	305
Income (loss) before income taxes	92	55	205	459
Provision (benefit) for income taxes	28	(65)	72	83
Net income (loss)	**$ 64**	**$ 120**	**$ 133**	**$ 376**

MBIA Inc. and Subsidiaries
Operating Income (Loss) Reconciliation (1) (2)
(amounts in millions, except per share amounts)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Combined				
GAAP consolidated net income (loss)	$ 64	$ 120	$ 133	$ 376
Less: Net Income of non-core segments, including eliminations	4	(18)	2	234
Less: After-tax adjustments (3):				
Mark-to-market gains (losses) on financial instruments	55	22	37	(13)
Foreign exchange gains (losses)	(14)	3	28	-
Net gains (losses) on sales of investments	4	22	4	24
Net investment losses related to OTTI	(4)	-	(4)	-
Net gains (losses) on extinguishment of debt	-	1	-	2
Other net realized gains (losses)	-	-	13	
Tax valuation allowance on adjustments (4)	-	88	-	87
Combined Operating Income (loss)	$ 19	$ 2	$ 53	$ 42
Combined Operating Income (loss) per share	$ 0.11	$ 0.01	$ 0.30	$ 0.22
U.S. Public Finance Insurance (National)				
GAAP net income (loss)	$ 37	$ 41	$ 94	$ 102
Less: After-tax adjustments:				
Net gains (losses) on sales of investments	1	7	2	7
Net investment losses related to OTTI	(4)	-	(4)	-
Operating Income (loss)	$ 40	$ 34	$ 96	$ 95
Corporate				
GAAP net income (loss)	$ 23	$ 97	$ 37	$ 40
Less: After-tax adjustments:				
Mark-to-market gains (losses) on financial instruments	55	22	37	(13)
Foreign exchange gains (losses)	(14)	3	28	-
Net gains (losses) on sales of investments	3	14	2	16
Net gains (losses) on extinguishment of debt	-	1	-	2
Other net realized gains (losses)	-	-	13	-
Tax valuation allowance on adjustments	-	88	-	87
Operating Income (loss)	$ (21)	$ (31)	$ (43)	$ (52)
Diluted Weighted Average Shares Outstanding	173.2	192.9	177.9	193.1

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	$ 40			$ 96
Corporate	(22)	(21)			(43)
Combined	$ 34	$ 19			$ 53

	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 June 30, 2015			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 91	$ 18	$ -	$ 73
Net investment income	37	1	-	36
Fees and reimbursements	2	(4)	-	6
Net change in fair value of insured credit derivatives	60	60	-	-
Net gains (losses) on financial instruments at fair value and foreign exchange	45	(9)	65	(11)
Net investment losses related to other-than-temporary impairments	(7)	-	(7)	-
Net gains (losses) on extinguishment of debt	(1)	-	(1)	-
Other net realized gains (losses)	(1)	-	-	(1)
VIE Revenues	19	19	-	-
Total revenues	245	85	57	103
Expenses:				
Losses and loss adjustment	46	38	-	8
Amortization of deferred acquisition costs	13	(3)	-	16
Operating	32	6	-	26
Interest	50	27	-	23
VIE expenses	12	12	-	-
Total expenses	153	80	-	73
Income (loss) before income taxes	**92**	**5**	**57**	**30**
Provision (benefit) for income taxes	28	1	16	11
Net income (loss) before minority interest	**$ 64**	**$ 4**	**$ 41**	**$ 19**

	Three Months Ended June 30, 2014			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 89	$ 22	$ -	$ 67
Net investment income	42	8	-	34
Fees and reimbursements	4	(12)	-	16
Net change in fair value of insured credit derivatives	(47)	(47)	-	-
Net gains (losses) on financial instruments at fair value and foreign exchange	61	8	54	(1)
Net gains (losses) on extinguishment of debt	2	-	2	-
VIE Revenues	36	36	-	-
Total revenues	187	15	56	116
Expenses:				
Losses and loss adjustment	12	(5)	-	17
Amortization of deferred acquisition costs	8	(7)	-	15
Operating	49	17	-	32
Interest	52	27	-	25
VIE expenses	11	11	-	-
Total expenses	132	43	-	89
Income (loss) before income taxes	**55**	**(28)**	**56**	**27**
Provision (benefit) for income taxes	(65)	(10)	(80)	25
Net income (loss) before minority interest	**$ 120**	**$ (18)**	**$ 136**	**$ 2**

MBIA Inc. and Subsidiaries

Net Income (Loss) Reconciliation to Combined Operating Income (Loss)

(dollars in millions)

	Six Months Ended June 30, 2015			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 192	$ 34	$ -	$ 158
Net investment income	74	4	-	70
Fees and reimbursements	3	(10)	-	13
Net change in fair value of insured credit derivatives	88	88	-	-
Net gains (losses) on financial instruments at fair value and foreign exchange	75	(14)	106	(17)
Net investment losses related to other-than-temporary impairments	(7)	-	(7)	-
Net gains (losses) on extinguishment of debt	(1)	-	(1)	-
Other net realized gains (losses)	19	-	23	(4)
VIE Revenues	21	21	-	-
Total revenues	464	123	121	220
Expenses:				
Losses and loss adjustment	40	38	-	2
Amortization of deferred acquisition costs	26	(8)	-	34
Operating	67	12	-	55
Interest	100	54	-	46
VIE expenses	26	26	-	-
Total expenses	259	122	-	137
Income (loss) before income taxes	**205**	**1**	**121**	**83**
Provision (benefit) for income taxes	72	(2)	44	30
Net income (loss) before minority interest	**$ 133**	**$ 3**	**$ 77**	**$ 53**

	Six Months Ended June 30, 2014			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 177	$ 45	$ -	$ 132
Net investment income	92	17	-	75
Fees and reimbursements	8	(18)	-	26
Net change in fair value of insured credit derivatives	422	421	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	6	-	9	(3)
Net gains (losses) on extinguishment of debt	3	-	3	-
Other net realized gains (losses)	1	-	-	1
VIE Revenues	55	60	-	(5)
Total revenues	764	525	12	227
Expenses:				
Losses and loss adjustment	62	59	-	3
Amortization of deferred acquisition costs	18	(11)	-	29
Operating	95	36	-	59
Interest	106	55	-	51
VIE expenses	24	24	-	-
Total expenses	305	163	-	142
Income (loss) before income taxes	**459**	**362**	**12**	**85**
Provision (benefit) for income taxes	83	128	(88)	43
Net income (loss) before minority interest	**$ 376**	**$ 234**	**$ 100**	**$ 42**

MBIA Inc. and Subsidiaries

Adjusted Book Value [1]

	6/30/2015	12/31/2014
Reported Book Value	$ 22.26	$ 20.47
Reverse book value for non-core operating entities [2]	1.27	1.16
Reverse net unrealized (gains) losses included in OCI (after-tax)	0.16	(0.15)
Add net unearned premium revenue (after-tax) [3] [4]	3.31	3.39
Adjusted Book Value	**$ 27.00**	**$ 24.87**
Shares Outstanding	172.0	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)

	June 30, 2015	December 31, 2014
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,801 and $3,545)	$ 3,747	$ 3,553
Investments carried at fair value	134	143
Investments pledged as collateral, at fair value (amortized cost $228 and $459)	227	458
Short-term investments held as available-for-sale, at fair value (amortized cost $286 and $490)	287	490
Other investments (includes investments at fair value of $9 and $9)	12	12
Total investments	4,407	4,656
Cash and cash equivalents	152	70
Securities purchased under agreements to resell	224	443
Premiums receivable	205	213
Deferred acquisition costs	235	267
Assets held for sale	-	26
Other assets	46	75
Total assets	**$ 5,269**	**$ 5,750**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 1,110	$ 1,269
Loss and loss adjustment expense reserves	41	45
Securities sold under agreements to repurchase	224	443
Current income taxes	10	9
Deferred income taxes, net	124	152
Payable for investments purchased	2	42
Other liabilities	23	29
Total liabilities	**1,534**	**1,989**
Equity:		
Common stock, par value $30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,271	2,342
Retained earnings	1,484	1,390
Accumulated other comprehensive income (loss), net of tax of $19 and $2	(35)	5
Total shareholder's equity	3,735	3,752
Noncontrolling interest	-	9
Total equity	**3,735**	**3,761**
Total liabilities and equity	**$ 5,269**	**$ 5,750**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 33	$ 39	$ 68	$ 82
Refunding premiums earned	40	24	90	46
Premiums earned	73	63	158	128
Net investment income	27	26	56	60
Fees, reimbursements and other	1	2	2	4
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	-	-	-	1
Net change in fair value of insured derivatives	-	-	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	-	15	3	18
Net investment losses related to other-than-temporary impairments:				
Investment losses related to other-than-temporary impairments	(9)	-	(9)	-
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	3	-	3	-
Net investment losses related to other-than-temporary impairments	(6)	-	(6)	-
Other net realized gains (losses)	-	-	(4)	-
Total revenues	95	106	209	211
Expenses:				
Losses and loss adjustment	8	17	2	3
Amortization of deferred acquisition costs	16	14	34	28
Operating	14	16	30	29
Total expenses	38	47	66	60
Income (loss) before income taxes	57	59	143	151
Provision (benefit) for income taxes	19	20	49	51
Net income (loss)	**$ 38**	**$ 39**	**$ 94**	**$ 100**

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

	Three Months Ended June 30, 2015			Six Months Ended June 30, 2015		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:						
Net premiums earned	$ 73	$ -	$ 73	$ 158	$ -	$ 158
Net investment income	28	-	28	57	-	57
Fees and reimbursements	-	-	-	1	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	-	2	(2)	3	3	-
Net investment losses related to other-than-temporary impairments	(6)	(6)	-	(6)	(6)	-
Other net realized gains (losses)	-	-	-	(4)	-	(4)
Total revenues	95	(4)	99	209	(3)	212
Expenses:						
Losses and loss adjustment	8	-	8	2	-	2
Amortization of deferred acquisition costs	16	-	16	34	-	34
Operating	14	-	14	30	-	30
Total expenses	38	-	38	66	-	66
Income (loss) before income taxes	**57**	**(4)**	**61**	**143**	**(3)**	**146**
Provision (benefit) for income	20	(1)	**21**	49	(1)	50
Net income (loss) before minority interest	**$ 37**	**$ (3)**	**$ 40**	**$ 94**	**$ (2)**	**$ 96**

	Three Months Ended June 30, 2014			Six Months Ended June 30, 2014		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:						
Net premiums earned	$ 67	$ -	$ 67	$ 132	$ -	$ 132
Net investment income	27	-	27	60	-	60
Fees and reimbursements	1	-	1	3	-	3
Net change in fair value of insured credit derivatives	-	-	-	1	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	15	11	4	19	11	8
Total revenues	110	11	99	215	11	204
Expenses:						
Losses and loss adjustment	17	-	17	3	-	3
Amortization of deferred acquisition costs	15	-	15	29	-	29
Operating	16	-	16	29	-	29
Total expenses	48	-	48	61	-	61
Income (loss) before income taxes	**62**	**11**	**51**	**154**	**11**	**143**
Provision (benefit) for income	21	4	17	52	4	48
Net income (loss) before minority interest	**$ 41**	**$ 7**	**$ 34**	**$ 102**	**$ 7**	**$ 95**

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	$ 32,500			$ 67,692
Refunded Premiums Earned	50,016	40,237			90,253
Total	$ 85,208	$ 72,737			$ 157,945
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 June 30, 2015
$213,419	$(7,470)	$2,201	$(6,263)	$3,109	$(116)	$204,880

(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)
2nd Qtr. 2015	194,567	316,781	1,113	-	-	-	-	5
3rd Qtr. 2015	187,042	306,169	1,084	26	3	2	31	4
4th Qtr. 2015	180,926	297,690	1,055	26	3	1	30	4
2016	161,290	268,315	950	94	11	6	111	13
2017	146,036	243,909	855	84	11	6	101	13
2018	135,333	225,169	768	76	11	5	92	13
2019	125,211	207,382	689	69	10	5	84	13
2020-2024	81,330	131,945	380	261	48	23	332	59
2025-2029	43,903	72,334	191	150	39	17	206	52
2030-2034	19,144	34,218	86	74	31	12	117	46
2035-2039	7,216	15,522	37	27	22	7	56	37
2040-2044	3,344	6,973	11	11	15	3	29	27
2045-2049	476	1,162	2	2	7	1	10	11
2050-2054	10	169	-	1	1	-	2	1
Total				$901	$212	$88	$1,201	$298

(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 June 30, 2015
(dollars in millions)

Investments [1]		**Market Value**	**% of Market Value**		**Amortized Cost**	**Book Yield**
Fixed-Maturity Securities:						
Long-Term Tax-Exempt	$	88	2	$	84	3.47 %
Long-Term Taxable		3,852	90		3,910	3.41 %
Short-Term		321	8		321	0.63 %
Total Fixed-Maturity		4,261	100	$	4,315	3.21 %
Cash and Cash Equivalents		153				
Total Fixed Income Including Cash and Cash Equivalents		4,414				
Investments Held as Trading		128				
Other		18				
Total	$	4,560				

Fixed Income Portfolio Including Cash and Cash Equivalents			
State and Municipal Bonds	$	1,345	31
Corporate Obligations		1,209	27
MBS		1,069	24
US Treasury		399	9
ABS		219	5
Cash and Cash Equivalents		153	4
Foreign Governments		20	-
Total	$	4,414	100

Effective Maturity Profile			
Cash and Cash Equivalents	$	153	4
≤ 1 yr		321	7
> 1 to 5 yrs		995	22
> 5 to 10 yrs		1,056	24
> 10 to 15 yrs		412	9
> 15 to 20 yrs		343	8
> 20 yrs		1,134	26
Total	$	4,414	100

Credit Quality Distribution of Long-Term Fixed-Maturity Securities

Rating [2]			
Aaa	$	1,676	42
Aa		1,322	34
A		661	17
Baa		118	3
BIG		145	4
NR		18	-
	$	3,940	100

Average maturity: 7.81 years [3]

Duration: 5.15 years [3]

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of $224 million; the total market value of encumbered assets totals $227 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	$ 35			$ 45
Beginning Gross Insurance Loss Recoverable	(4)	(4)			(4)
Beginning Gross Reserves	41	31			41
Ceded Reserves	-	-			-
Net Reserves	41	31			41
Increase (Decrease) in Expected Payments	(5)	4			(1)
(Increase) Decrease in Expected Salvage	(1)	4			3
Net (Payments), Collections and Other [(1)]	(4)	2			(2)
Net Reserves	31	41			41
Ceded Reserves	-	-			-
Gross Reserves	31	41			41
Gross Loss and LAE Reserves	35	42			42
Gross Insurance Loss Recoverable	$ (4)	$ (1)			$ (1)

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	$ 83			$ 174
Premiums and Fees	1	3			4
Net Investment Income	26	35			61
Other	2	27			29
Total Inflows	29	65			94
Gross Loss & LAE Payments	5	4			9
Operating & Other Expenses	19	14			33
Tax Payments	-	56			56
Total Outflows	24	74			98
Operating Cash Flow	5	(9)			(4)
Investing Activities	(96)	61			(35)
Net Cash Flow	(91)	52			(39)
Ending Cash & Cash Equivalents(2)	**$ 83**	**$ 135**			**$ 135**
Other Liquid Assets(3)	342	294			294
Ending Liquidity Position	**$ 425**	**$ 429**			**$ 429**

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

	6/30/2015	12/31/2014
Assets:		
Cash and Investments	$ 4,525	$ 4,644
Asset Swap Facility with MBIA Inc.	224	443
Other Assets	50	55
Total Assets	$ 4,799	$ 5,142
Liabilities:		
Unearned Premiums	1,219	1,375
Loss and LAE Reserves (1)	(16)	(13)
Contingency Reserve	1,013	1,076
Asset Swap Facility with MBIA Inc.	224	443
Other Liabilities	31	71
Total Liabilities	2,471	2,952
Total Policyholders' Surplus	2,328	2,190
Total Liabilities and Policyholders' Surplus	$ 4,799	$ 5,142

Claims-Paying Resources

	6/30/2015	12/31/2014
Balance Sheet		
Policyholders' Surplus	$ 2,328	$ 2,190
Contingency Reserve	1,013	1,076
Statutory Capital	3,341	3,266
Unearned Premium Reserve	1,219	1,375
Present Value of Installment Premiums (1)	207	216
Premium Resources (2)	1,426	1,591
Net Loss and LAE Reserves (1)	(16)	(13)
Salvage Reserve	100	106
Gross Loss and LAE Reserves	84	93
Total Claims-Paying Resources	$ 4,851	$ 4,950
Net Debt Service Outstanding	$ 308,134	$ 352,033
Capital Ratio	92:1	108:1
Claims-Paying Resources Ratio	71:1	80:1

(1) As of June 30, 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 June 30, 2015 (1) (2)			
	Gross Amount	%	Net Amount	%
United States				
California	$ 38,324	19.7	$ 37,489	19.7
New York	17,590	9.0	17,040	9.0
Florida	13,116	6.8	13,014	6.8
Illinois	11,506	5.9	11,194	5.9
Texas	11,035	5.7	10,829	5.7
New Jersey	9,996	5.1	9,889	5.2
Michigan	6,803	3.5	6,448	3.4
Pennsylvania	4,905	2.5	4,774	2.5
Washington	4,792	2.5	4,766	2.5
Colorado	4,592	2.4	4,565	2.4
Subtotal	122,659	63.1	120,008	63.1
Other States & Territories	68,739	35.3	66,793	35.2
Nationally Diversified	3,169	1.6	3,161	1.7
Total	$ 194,567	100.0	$ 189,962	100.0

Par Value by Bond Type

	Outstanding as of June 30, 2015 (1) (2)			
	Gross Amount	%	Net Amount	%
Bond Type				
General Obligation	$ 67,832	34.9	$ 66,444	35.0
Municipal Utilities	34,294	17.6	33,660	17.7
Tax-Backed	27,575	14.2	26,917	14.2
Transportation	18,030	9.3	17,462	9.2
General Obligation - lease	16,834	8.7	15,966	8.4
Higher Education	11,466	5.9	11,257	5.9
Military Housing	7,540	3.9	7,530	4.0
Health Care	4,704	2.4	4,576	2.4
Investor Owned Utilities(3)	3,537	1.8	3,413	1.8
Municipal Housing	1,803	0.9	1,796	0.9
Other(4)	952	0.4	941	0.5
Total	$ 194,567	100.0	$ 189,962	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 June 30, 2015
(dollars in millions)

	Obligor Name	State	Internal Rating (1)	Gross Par Outstanding (2)	Gross Debt Service Outstanding
1	California General Obligation	CA	a3	2,018	2,989
2	Massachusetts General Obligation	MA	a1	1,453	1,908
3	Puerto Rico Electric Power Authority (3)	PR	d	1,422	2,099
4	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	1,409	2,972
5	New Jersey Transportation Trust Fund Authority	NJ	a3	1,369	2,005
6	Long Island Power Authority Electric	NY	a3	1,360	1,816
7	Oregon School Boards Association General Obligation	OR	aa3	1,347	2,436
8	Chicago O'Hare General Airport	IL	a2	1,245	1,967
9	Army Hawaii Family Housing	HI	aa2	1,145	2,510
10	Puerto Rico General Obligation (3)	PR	bbb3	1,114	1,573
11	Illinois Regional Transportation Authority	IL	aa3	1,085	1,688
12	City of Chicago Board of Education	IL	bbb3	1,074	2,507
13	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,072	2,430
14	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	a2	1,052	1,761
15	City of Detroit Sewage Disposal System	MI	bbb1	1,044	1,758
16	Chicago General Obligation	IL	bbb2	1,038	2,254
17	San Diego Family Housing Privitization Military	CA	aa1	998	2,325
18	Arapahoe County E-470 Toll Road	CO	bbb2	978	2,923
19	New York City General Obligation	NY	aa3	961	1,165
20	Los Angeles Unified School District General Obligation	CA	a1	957	1,343
21	Great River Energy Public Power	MN	a3	888	1,418
22	New York State Thruway Authority	NY	a2	880	1,285
23	Ohana Military Communities, LLC	HI	aa3	879	2,259
24	South Carolina Public Service Authority Santee Cooper Public Power	SC	aa2	878	1,030
25	Indiana Finance Authority Highway Lease	IN	aa2	864	1,211
26	Michigan State Building Authority Lease	MI	a1	846	1,759
27	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3	838	1,419
28	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb2	832	1,213
29	MTA Commuter & Transit Transportation Revenue	NY	a2	810	1,422
30	Honolulu City & County Sewer	HI	a1	809	1,238
31	Puerto Rico Highway and Transportation Authority Transportation Revenue (3)	PR	bb3	792	1,499
32	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	791	1,099
33	Wayne County Airport Authority	MI	a2	720	1,132
34	Illinois Municipal Electric Agency Power Supply System	IL	a2	710	778
35	California State Public Works Board Lease	CA	bbb2	692	868
36	City of Houston Combined Utility System Revenue Bonds	TX	aa2	686	772
37	Puerto Rico Sales Tax Financing Corporation	PR	a3	684	4,170
38	New York State Lease	NY	a2	680	834
39	Denver City and County Airport System	CO	a1	680	959
40	San Francisco International Airport	CA	a2	673	870
41	Atlantic Marine Corps Communities LLC 0 Lejeune Cherry Point	NC	aa3	670	1,545
42	LCOR Alexandria L.L.C. Federal Lease	NC	bbb1	662	1,153
43	District of Columbia General Obligation	DC	aa2	650	1,185
44	Springfield City Public Utilities Board Combined Utility	MO	aa2	631	1,044
45	Metropolitan Washington Airports Authority	DC	aa3	629	1,129
46	New York State Thruway Authority Dedicated Highway & Bridge Trust	NY	aa3	621	664
47	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	619	1,007
48	JFK International Air Terminal Airport	NY	bbb3	619	835
49	The Port Authority of New York and New Jersey	NY	a1	617	985
50	North Texas Tollway Authority Dallas North Tollway	TX	a2	611	1,129
		Total		$ 46,102	$ 80,340
		Total Portfolio Exposure		**$** 194,567	**$** 316,782
		50 Largest Credits as % of Total Portfolio		23.7%	25.4%

(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.

(3) Includes $68 million, $128 million, and $9 million of gross par and $105 million, $172 million and $28 million of gross debt service paid on July 1, 2015 by PREPA, PR GO, and PR HTA (Revenue), respectively.

U.S. Public Finance Insurance
(National Public Finance Guarantee Corporation)
as of June 30, 2015
(dollars in millions)

Credit Quality Distribution[(1)]

	Gross Par Outstanding Amount	%
Public Finance		
AAA	$ 8,638	4.5%
AA	93,090	47.8%
A	71,372	36.7%
BBB	15,211	7.8%
<BBB	6,256	3.2%
Total	$ 194,567	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 [(3)]	1,422	2,099
2	Puerto Rico General Obligation [(3)]	1,114	1,573
3	Puerto Rico Highway and Transportation Authority Transportation Revenue [(3)]	792	1,499
4	Puerto Rico Sales Tax Financing Corporation	684	4,170
5	Puerto Rico Government Development Bank General Obligation	267	273
6	Atlantic City Casino Reinvestment Development Authority Parking Fee	177	229
7	Fresno City Pension Obligation	146	227
8	Puerto Rico Highway & Transportation Authority Highway Bonds [(3)]	127	170
9	North Las Vegas Water & Sewer	123	196
10	Wayne Charter County General Obligation	119	175
	Total Top 10 BIG Outstanding	$ 4,971	$ 10,611
	Total BIG Outstanding	$ 6,256	$ 12,937
	Total National Outstanding	$ 194,567	$ 316,782
	Top 10 BIG as % of National	**2.6%**	**3.3%**
	Total BIG as % of National	**3.2%**	**4.1%**
	Total BIG as % of National by National ratings	**1.7%**	**1.7%**

(1) Ratings as of the end of the period, as last provided by the rating agencies, which may be out-of-date. Ratings are derived using the S&P Priority Method; where S&P's underlying rating is used, when available, Moody's underlying rating is used if the S&P underlying rating is not available and an internal underlying rating is used if neither S&P's nor Moody's underlying ratings are available. For credits where National has insured a credit that was already insured by another bond insurer, the underlying rating used is the higher of the underlying rating of the uninsured credit or the bond insurer's credit rating.

(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.

(3) Includes $68 million, $128 million, $9 million and $40 million of gross par and $105 million, $172 million, $28 million and $44 million of gross debt service paid on July 1, 2015 by PREPA, PR GO, PR HTA (Revenue), and PR HTA (Highway), respectively.

International and Structured Finance Insurance Segment

(primarily MBIA Insurance Corporation and Subsidiaries)

MBIA Insurance Corporation
Statutory Balance Sheets
(dollars in millions)

	June 30, 2015	December 31, 2014
Assets		
Bonds	$ 87	$ 83
Cash and short-term investments	469	493
Investment in MBIA UK	359	366
Investment in MBIA Mexico	11	12
Total investments	926	954
Interest and dividends accrued	1	1
Other assets	5	5
Total other assets	6	6
Total assets	**$ 932**	**$ 960**
Liabilities		
Unearned premiums	$ 273	$ 290
Contingency reserve	313	317
Loss and LAE reserve (1)	(161)	(219)
Accrued expenses	2	6
Other liabilities	13	25
Total liabilities	**440**	**419**
Capital and Surplus		
Common stock	15	15
Preferred stock	276	276
Surplus Notes	953	953
Paid in Capital	783	783
Unassigned surplus	(1,535)	(1,486)
Total capital and surplus	**492**	**541**
Total liabilities and capital and surplus	**$ 932**	**$ 960**

(1) As of June 30, 2015 and December 31,2014, the discount rate was 5.17%.

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

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Underwriting income				
Gross premiums written	$ 28	$ 34	$ 47	$ 57
Ceded premiums written	(5)	(2)	(7)	(4)
Net premiums written	23	32	40	53
Net premiums earned	26	37	50	67
Losses and LAE incurred	69	54	88	124
Underwriting expenses incurred	5	8	13	18
Net underwriting loss	(48)	(25)	(51)	(75)
Investment income				
Net investment gain	1	1	1	1
Net realized gain (loss)	-	1	(2)	1
Net investment gain (loss)	1	2	(1)	2
Other income (expense)				
Non-operating income (expense)	1	(5)	9	-
Income (loss) before taxes	(46)	(28)	(43)	(73)
Income tax provision	1	1	-	1
Net income (loss)	**$ (47)**	**$ (29)**	**$ (43)**	**$ (74)**

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	$ 26,535			$ 49,522
MBIA UK Insurance Limited	7,302	8,282			15,584
Total	30,289	34,817			65,106
Memo:					
Non-U.S. Public Finance	13,791	18,392			32,183
Global Structured Finance	16,498	16,425			32,923
Total	$ 30,289	$ 34,817			$ 65,106

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)	Estimated Cash Receivable (4)	Total
2nd Qtr. 2015	51,351	70,890	418			
3rd Qtr. 2015	45,691	64,718	395	23	12	35
4th Qtr. 2015	43,676	62,173	371	24	16	40
2016	38,846	55,349	346	25	85	110
2017	34,847	49,532	322	24	77	101
2018	30,500	43,605	303	19	65	84
2019	28,302	39,952	282	21	61	82
2020-2024	16,239	22,524	152	130	245	375
2025-2029	10,837	14,065	94	58	171	229
2030 and thereafter	-	-	-	94	138	232
Total				$418	$870	$1,288

(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.
(4) Undiscounted.

Net Cash Premiums Collected and Expected (1)

	MBIA Insurance Corp.	Subsidiaries of MBIA Corp.	MBIA Ins. Corp. Including Subsidiaries
2nd Qtr. 2015	22	17	39
3rd Qtr. 2015	15	8	23
4th Qtr. 2015	18	3	21
2016	57	30	87
2017	46	29	75
2018	37	29	66
2019	32	28	60
2020-2024	114	126	240
2025-2029	66	100	166
2030 and thereafter	60	72	132
Total Future Premiums	$445	$425	$870

(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 June 30, 2015
(dollars in millions)

Statutory Accounting Basis

Investments		Amortized Cost	Book Yield		Market Value	% of Market Value
Bonds						
Long-Term Tax-Exempt	$	20	5.24%	$	22	10
Long-Term Taxable		67	5.49%		69	30
Short-Term		135	0.20%		135	60
Total Fixed-Maturity		222	2.25%	$	226	100
Cash and Cash Equivalents		334				
Total Fixed Income Including Cash and Cash Equivalents		556				
Common Stocks[(1)]		371				
Total	$	927				

Fixed Income Portfolio			% of Amortized Cost
Cash and Cash Equivalents	$	334	60
Corporate Obligations		100	18
State and Municipal Bonds		68	12
Money Markets		28	5
ABS		10	2
Foreign Governments		8	2
US Treasury		5	1
MBS		3	-
Total	$	556	100

Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	334	60
≤ 1 yr		137	25
> 1 to 5 yrs		9	2
> 5 to 10 yrs		1	-
> 10 to 15 yrs		-	-
> 15 to 20 yrs		14	2
> 20 yrs		61	11
Total	$	556	100

Credit Quality Distribution of Long-Term Bonds

Rating[(2)]			
Aaa	$	12	14
Aa		49	57
A		12	14
B		13	15
C		1	-
	$	87	100

Average maturity: 5.91 years[(3)]

Duration: 2.03 years[(3)]

(1) Represents investment in wholly-owned insurance subsidiaries MBIA UK 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**	**$ 386**			**$ 432**
Premiums and Fees	6	31			37
Other	33	29			62
Total Inflows	39	60			99
Gross Loss & LAE Payments	42	34			76
Operating & Other Expenses	19	18			37
Total Outflows	61	52			113
Operating Cash Flow	(22)	8			(14)
Investing Activities	(24)	(70)			(94)
Net Cash Flow	(46)	(62)			(108)
Ending Cash & Cash Equivalents [2]	**$ 386**	**$ 324**			**$ 324**
Other Liquid Assets [3]	29	88			88
Ending Liquidity Position	**$ 415**	**$ 412**			**$ 412**

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)

Summary of Statutory Loss and LAE Reserves (excluding Subsidiaries)

	As of 6/30/2015			
		Salvage		
	Case	Put-Backs	Other	Net
First-Lien Mortgage	$ 167	$ -	$ (19)	$ 148
Second-Lien Mortgage	103	(379)	(484)	(760)
CDO	399	-	-	399
Other	62	-	(10)	52
Total	$ 731	$ (379)	$ (513)	$ (161)

Claims-Paying Resources

	Including Subsidiaries		Stand-alone	
	6/30/2015	12/31/2014	6/30/2015	12/31/2014
Balance Sheet				
Policyholders' Surplus	$ 492	$ 542	$ 492	$ 542
Contingency Reserve	313	317	313	317
Statutory Capital (1)	805	859	805	859
Unearned Premium Reserve	418	434	273	290
Present Value of Installment Premiums (2)	606	662	322	365
Premium Resources (3)	1,024	1,096	595	655
Net Loss and LAE Reserves (2)	(195)	(237)	(161)	(219)
Salvage Reserve	892	938	892	938
Gross Loss and LAE Reserves	697	701	731	719
Total Claims-Paying Resources	$ 2,526	$ 2,656	$ 2,131	$ 2,233
Net Debt Service Outstanding	$ 69,388	$ 74,645	$ 44,777	$ 49,612
Capital Ratio	86:1	87:1	56:1	58:1
Claims-Paying Resources Ratio	32:1	33:1	23:1	25:1

(1) Excludes the non-admitted portion of MBIA UK's ending equity of $144 million and $106 million, as of June 30, 2015 and December 31, 2014 respectively.
(2) As of June 30, 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 June 30, 2015[1] [2] [3]			
	Gross	%	Net	%
United States	$ 23,294	45.4	$ 23,093	45.9
United Kingdom	14,076	27.4	13,854	27.5
Australia	3,100	6.0	3,100	6.2
Chile	2,276	4.4	1,951	3.9
Canada	1,471	2.9	1,468	2.9
France	1,333	2.6	1,331	2.6
Mexico	1,164	2.3	1,018	2.0
Spain	699	1.4	692	1.4
New Zealand	440	0.9	439	0.9
Malaysia	350	0.7	350	0.7
Portugal	334	0.6	323	0.6
Subtotal	25,243	49.2	24,526	48.7
Other	733	1.4	730	1.4
Internationally Diversified	2,081	4.0	2,011	4.0
Total Non-United States	28,057	54.6	27,267	54.1
Total	$ 51,351	100.0	$ 50,360	100.0

Par Value by Bond Type

	Outstanding as of June 30, 2015[1] [2] [3]			
	Gross	%	Net	%
Public Finance: Non-United States				
Sovereign and Sub-Sovereign [4]	$ 9,858	19.2	$ 9,608	19.1
International Utilities	8,185	15.9	8,057	16.0
Transportation	6,764	13.2	6,439	12.8
Local Governments [5]	222	0.4	220	0.4
Tax-Backed	80	0.2	80	0.2
Total Non-United States Public Finance	25,109	48.9	24,404	48.5
Structured Finance - Global				
Collateralized Debt Obligations [6]	11,679	22.7	11,670	23.2
Mortgage Backed Residential	6,668	13.0	6,648	13.2
Corporate Asset Backed [7]	6,214	12.1	6,032	12.0
Consumer Asset Backed	1,185	2.3	1,126	2.2
Mortgage Backed Commercial	496	1.0	480	0.9
Total Global Structured Finance	26,242	51.1	25,956	51.5
Grand Total	$ 51,351	100.0	$ 50,360	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 $3.3 billion of structured insurance securitizations.

International and Structured Finance Insurance
(primarily MBIA Insurance Corporation and Subsidiaries)
as of June 30, 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	49	$ -	-	$ 5,764	74
High Yield Corporate CDOs	3,147	27	3,147	80	-	-
Multi-Sector CDOs	777	7	567	15	210	3
Structured CMBS Pools [1]	1,225	10	92	2	1,133	15
CRE CDOs	766	7	121	3	645	8
Total	$ 11,679	100	$ 3,927	100	$ 7,752	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 $0.5 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 6/30/2015	% Total	Gross Par 12/31/2014	% Total
Second-Lien RMBS	$ 4.1	61	$ 4.5	62
Other RMBS	2.6	39	2.8	38
Total Direct RMBS	$ 6.7	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	$ 808
2	Sociedad Concessionaria Vespucio Norte Express S.A.	586
3	Structured Insurance Securitization Private 13-16	575
4	CP--Comboios de Portugal, E.P.E.	334
5	GMACM 2006-HE4	332
6	Private Sovereign and Sub-Sovereign Transportation Credit	293
7	Countrywide Home Equity Series 2007-S1/Second Lien RMBS	281
8	Structured CMBS Pool 28	271
9	Countrywide Home Equity Master Trust Series 2006-S10	254
10	Other Corporate Asset Backed Private 66	219
	Total Top 10 Below Investment Grade	$ 3,953
	Total BIG Gross Par Outstanding	$ 10,179
	Total MBIA Gross Par Outstanding	$ 51,351
	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	**19.8%**

(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	$ 13			$ 29
Collections on Paid Claims [2]	(27)	(20)			(47)
Paid LAE (net of collections)	1	4			5
Net Payments	$ (10)	$ (3)			$ (13)

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	year-to-date 2015
Gross Par Outstanding (end of period)[2]					
Second-Lien RMBS	$ 8,039	$ 6,550	$ 5,295	$ 4,476	$ 4,067
Other[3]	133,323	105,823	75,104	50,712	47,284
Total	$ 141,362	$ 112,373	$ 80,399	$ 55,188	$ 51,351
Gross Loss Payments					
Second-Lien RMBS	$ 754	$ 507	$ 252	$ 75	$ 29
Other[3] [4]	2,688	685	1,802	566	42
Total Gross Loss Payments	$ 3,442	$ 1,192	$ 2,054	$ 641	$ 71
Recoveries received					
Second-Lien RMBS	$ 123	$ 27	$ 3,773	$ 115	$ 47
Other[3] [5]	196	194	179	66	4
Total Recoveries	$ 319	$ 221	$ 3,952	$ 181	$ 51
Net Loss Payments / (Recoveries)					
Second-Lien RMBS	$ 631	$ 480	$ (3,521)	$ (40)	$ (18)
Other[3]	2,492	491	1,623	500	38
Total Net Loss Payments	$ 3,123	$ 971	$ (1,898)	$ 460	$ 20

(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 June 30, 2015			Six Months Ended June 30, 2015		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:						
Net Investment income	$ 10	$ -	$ 10	$ 18	$ -	$ 18
Fees and reimbursements	13	-	13	26	-	26
Net gains (losses) on financial instruments at fair value and foreign exchange	54	63	(9)	86	103	(17)
Net investment losses related to other-than-temporary impairments	(1)	(1)	-	(1)	(1)	-
Net gains (losses) on extinguishment of debt	(1)	(1)	-	(1)	(1)	-
Other net realized gains (losses)	(1)	-	(1)	23	23	-
VIE Revenues	-	-	-	-	-	-
Total revenues	74	61	13	151	124	27
Expenses:						
Operating	19	-	19	39	-	39
Interest	25	-	25	50	-	50
Total expenses	44	-	44	89	-	89
Income (loss) before income taxes	**30**	**61**	**(31)**	**62**	**124**	**(62)**
Provision (benefit) for income taxes	7	17	(10)	25	44	(19)
Net income (loss) before minority interest	**$ 23**	**$ 44**	**$ (21)**	**$ 37**	**$ 80**	**$ (43)**

	Three Months Ended June 30, 2014			Six Months Ended June 30, 2014		
	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income	GAAP Income Statement	Less: Operating Income Adjustments	Non-GAAP Operating Income
Revenues:						
Net Investment income	$ 9	$ -	$ 9	$ 20	$ -	$ 20
Fees and reimbursements	21	-	21	35	-	35
Net gains (losses) on financial instruments at fair value and foreign exchange	38	42	(4)	(13)	(3)	(10)
Net gains (losses) on extinguishment of debt	2	2	-	3	3	-
Other net realized gains (losses)	-	-	-	1	-	1
VIE Revenues	-	-	-	(5)	-	(5)
Total revenues	70	44	26	41	-	41
Expenses:						
Operating	22	-	22	42	-	42
Interest	27	-	27	56	-	56
Total expenses	49	-	49	98	-	98
Income (loss) before income taxes	**21**	**44**	**(23)**	**(57)**	**-**	**(57)**
Provision (benefit) for income taxes	(76)	(84)	8	(97)	(92)	(5)
Net income (loss) before minority interest	**$ 97**	**$ 128**	**$ (31)**	**$ 40**	**$ 92**	**$ (52)**

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**	**$ 567**			**$ 498**
Total Cash Inflows	275	4			279
Operating & Other Expenses	12	2			14
MTN P&I Payments	31	38			69
Debt P&I Payments	19	15			34
Share Repurchases	75	32			107
Contributions to Subsidiaries	57	-			57
Total Cash Outflows	194	87			281
Net Cash Flow	81	(83)			(2)
Investment and Other Activity	(12)	13			1
Ending Liquidity Position	**$ 567**	**$ 497**			**$ 497**

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 P&I Payments	8	123	8	15	154
Share Repurchases	-	-	23	9	32
Contributions to Subsidiaries	24	35	13	21	93
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

	6/30/2015	12/31/2014
Selected Assets:		
Cash [1]	$ 139	$ 118
Investments, at Amortized Cost [2]	1,472	1,600
Receivable for investments sold and counterparty collateral	62	46
Current and Deferred Income Taxes, Net	74	103
Total Selected Assets	**1,747**	**1,867**
Selected Liabilities:		
Investment Agreements [3]	492	525
Global Funding LLC, Medium-term Notes [3]	1,084	1,188
MBIA Inc. Senior Unsecured	718	728
Payables for investments purchased	5	-
Intercompany (receivables) payables	3	-
Derivative Liabilities	220	166
Total Selected Liabilities	**2,522**	**2,607**
Total	**$ (775)**	**$ (740)**

(1) Amounts include $67 million and $12 million as of June 30, 2015 and December 31, 2014, respectively, of cash collateral posted to derivative counterparties which are netted against amounts due to such counterparties on our GAAP balance sheet.

(2) Amounts include tax escrow investments held under the tax sharing agreement. As of June 30, 2015 and December 31, 2014, amounts also include $225 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	$ 101.6	$ 211.7					$ 177.3	$ 357.0
Debt Service										
MBIA Inc. Senior Unsecured	10.6	(0.5)	-	(0.1)					10.6	(0.6)
MBIA GFL MTNs[3]	26.3	0.2	10.2	(0.3)					36.5	(0.1)
Investment Agreements	-	-	-	-					-	-
MBIA Inc. (Consolidated)	$ 112.6	$ 145.0	$ 111.8	$ 211.3					$ 224.4	$ 356.3

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.

Corporate Headquarters

MBIA Inc.
1 Manhattanville Road
Suite 301
Purchase, NY 10577
914-273-4545
www.mbia.com

Investor Relations Contacts

Chuck Chaplin
President
Chief Financial Officer
914-765-3925
chuck.chaplin@mbia.com

Greg Diamond
Managing Director Investor Relations
914-765-3190
greg.diamond@mbia.com

Common Stock:

Listed on the New York Stock Exchange
----Ticker Symbol--- MBI

Transfer Agent and Dividend Disbursing Agent:

Transfer Agent
Wells Fargo Bank, N.A. P.O. Box 64854
St. Paul, MN 55164-0854
1-800-468-9716
www.wellsfargo.com/com/investments/shareowner-services/