Revised on 5/10/2016 to correct two numbers in the bottom table on page 12.

MBIA Inc.
Quarterly Operating Supplement
March 31, 2016

First Quarter 2016

(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 credit 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 changes to 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
(dollars in millions except share and per share amounts)

	March 31, 2016	December 31, 2015
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $5,120 and $5,155)	$ 5,210	$ 5,145
Investments carried at fair value	164	177
Investments pledged as collateral, at fair value (amortized cost $216 and $322)	191	291
Short-term investments held as available-for-sale, at fair value (amortized cost $931 and $720)	931	721
Other investments (includes investments at fair value of $6 and $13)	10	16
Total investments	6,506	6,350
Cash and cash equivalents	285	464
Premiums receivable	747	792
Deferred acquisition costs	158	168
Insurance loss recoverable	409	577
Deferred income taxes, net	939	951
Other assets	143	156
Assets of consolidated variable interest entities:		
Cash	47	58
Investments held-to-maturity, at amortized cost (fair value $525 and $2,401)	890	2,689
Fixed-maturity securities at fair value	848	932
Loans receivable at fair value	1,368	1,292
Loan repurchase commitments	399	396
Other assets	12	11
Total assets	**$ 12,751**	**$ 14,836**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 1,510	$ 1,591
Loss and loss adjustment expense reserves	525	516
Long-term debt	1,919	1,889
Medium-term notes (includes financial instruments carried at fair value of $165 and $161)	1,048	1,016
Investment agreements	452	462
Derivative liabilities	358	314
Other liabilities	170	211
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $2,204 and $2,362)	3,094	5,051
Derivative liabilities	36	45
Total liabilities	**9,112**	**11,095**
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 — 283,390,167 and 281,833,618	283	282
Additional paid-in capital	3,147	3,138
Retained earnings	2,960	3,038
Accumulated other comprehensive income (loss), net of tax of $15 and $51	5	(61)
Treasury stock, at cost — 146,112,863 and 130,303,241 shares	(2,768)	(2,668)
Total shareholders' equity of MBIA Inc.	3,627	3,729
Preferred stock of subsidiary	12	12
Total equity	**3,639**	**3,741**
Total liabilities and equity	**$ 12,751**	**$ 14,836**

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

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 45	$ 55
Refunding premiums earned	30	46
Premiums earned (net of ceded premiums of $2 and $4)	75	101
Net investment income	39	37
Fees and reimbursements	1	1
Change in fair value of insured derivatives:		
Realized gains (losses) and other settlements on insured derivatives	(14)	(9)
Unrealized gains (losses) on insured derivatives	(14)	37
Net change in fair value of insured derivatives	(28)	28
Net gains (losses) on financial instruments at fair value and foreign exchange	(69)	30
Investment losses related to other-than-temporary impairments	(1)	-
Net gains (losses) on extinguishment of debt	2	-
Other net realized gains (losses)	(1)	20
Revenues of consolidated variable interest entities:		
Net investment income	15	12
Net gains (losses) on financial instruments at fair value and foreign exchange	(1)	(10)
Total revenues	32	219
Expenses:		
Losses and loss adjustment	22	(6)
Amortization of deferred acquisition costs	10	13
Operating	35	35
Interest	50	50
Expenses of consolidated variable interest entities:		
Operating	4	4
Interest	12	10
Total expenses	133	106
Income (loss) before income taxes	(101)	113
Provision (benefit) for income taxes	(23)	44
Net income (loss)	**$ (78)**	**$ 69**
Net income (loss) per common share:		
Basic	$ (0.58)	$ 0.37
Diluted	$ (0.58)	$ 0.37
Weighted average number of common shares outstanding:		
Basic	135,814,835	181,735,876
Diluted	135,814,835	182,736,415

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

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Combined		
GAAP consolidated net income (loss)	$ (78)	$ 69
Less: Net Income of non-core segment, including eliminations [3]	(35)	(3)
Less: After-tax adjustments [4]:		
Mark-to-market gains (losses) on financial instruments	(35)	(17)
Foreign exchange gains (losses)	(18)	42
Net gains (losses) on sales of investments	4	-
Net investment losses related to OTTI	(1)	-
Net gains (losses) on extinguishment of debt	1	13
Other net realized gains (losses)	(1)	-
Foreign tax credit adjustment	(9)	-
Combined Operating Income (loss)	$ 16	$ 34
Combined Operating Income (loss) per share	$ 0.12	$ 0.18
U.S. Public Finance Insurance (National)		
GAAP net income (loss)	$ 41	$ 57
Less: After-tax adjustments:		
Net gains (losses) on sales of investments	4	1
Operating Income (loss)	$ 37	$ 56
Corporate		
GAAP net income (loss)	$ (84)	$ 15
Less: After-tax adjustments:		
Mark-to-market gains (losses) on financial instruments	(35)	(17)
Foreign exchange gains (losses)	(18)	42
Net gains (losses) on sales of investments	-	(1)
Net investment losses related to OTTI	(1)	-
Net gains (losses) on extinguishment of debt	1	-
Other net realized gains (losses)	(1)	13
Foreign tax credit adjustment	(9)	-
Operating Income (loss)	$ (21)	$ (22)
Diluted Weighted Average Shares Outstanding	136.4	182.7

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

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
2016					
U.S. Public Finance Insurance (National)	$ 37				$ 37
Corporate	(21)				(21)
Combined	$ 16				$ 16
2015	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
U.S. Public Finance Insurance (National)	$ 56	$ 40	$ 48	$ 44	$ 188
Corporate	(22)	(21)	(24)	(34)	(101)
Combined	$ 34	$ 19	$ 24	$ 10	$ 87

(1) A non-GAAP measure; please see glossary for an explanation of Operating Income.
(2) Totals may not add due to rounding.
(3) Non-Core Operations comprises the International and Structured Finance Insurance Segment for 2016 and 2015.
(4) Adjustments are shown on an after-tax basis using a 35% marginal tax rate, where applicable. Adjustments exclude the International and Structured Finance segment and eliminations and include selected mark-to-market gains/losses on financial instruments in the U.S. Public Finance and Corporate segments.

MBIA Inc. and Subsidiaries
Net Income (Loss) Reconciliation to Combined Operating Income (Loss)
(dollars in millions)

	Three Months Ended March 31, 2016			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations [1]	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 75	$ 17	$ -	$ 58
Net investment income	39	2	-	37
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	(69)	6	(71)	(4)
Net investment losses related to other-than-temporary impairments	(1)	-	(1)	-
Net gains (losses) on extinguishment of debt	2	-	2	-
Other net realized gains (losses)	(1)	-	-	(1)
VIE Revenues	14	14	-	-
Total revenues	32	5	(70)	97
Expenses:				
Losses and loss adjustment	22	13	-	9
Amortization of deferred acquisition costs	10	(2)	-	12
Operating	35	5	-	30
Interest	50	29	-	21
VIE expenses	16	16	-	-
Total expenses	133	61	-	72
Income (loss) before income taxes	**(101)**	**(56)**	**(70)**	**25**
Provision (benefit) for income taxes	(23)	(21)	(11)	9
Net income (loss)	**$ (78)**	**$ (35)**	**$ (59)**	**$ 16**

	Three Months Ended March 31, 2015			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations [1]	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)	**$ 69**	**$ (3)**	**$ 38**	**$ 34**

(1) Non-Core Operations includes the International and Structured Finance Insurance Segment for 2016 and 2015.

MBIA Inc. and Subsidiaries

Adjusted Book Value [1]

	3/31/2016	12/31/2015
Reported Book Value	$ 26.42	$ 24.61
Reverse book value for non-core operating entities [2]	2.18	1.61
Reverse net unrealized (gains) losses included in OCI (after-tax)	(0.26)	0.20
Add net unearned premium revenue (after-tax) [3] [4]	3.40	3.27
Adjusted Book Value	**$ 31.74**	**$ 29.69**
Shares Outstanding	137.3	151.5

(1) A non-GAAP measure. Includes deferred tax assets for consolidated MBIA Inc.

(2) The book value for non-core operating entities comprises the International and Structured Finance segment net of their notional deferred tax assets.

(3) The discount rate on financial guarantee installment premiums was the risk-free rate as defined by GAAP.

(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, 2016	December 31, 2015
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,894 and $3,824)	$ 3,913	$ 3,767
Investments carried at fair value	136	133
Investments pledged as collateral, at fair value (amortized cost $134 and $204)	134	203
Short-term investments held as available-for-sale, at fair value (amortized cost $316 and $303)	316	302
Other investments (includes investments at fair value of $4 and $9)	7	12
Total investments	4,506	4,417
Cash and cash equivalents	38	51
Securities purchased under agreements to resell	130	199
Premiums receivable	197	198
Deferred acquisition costs	195	206
Other assets	58	51
Total assets	**$ 5,124**	**$ 5,122**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 912	$ 967
Loss and loss adjustment expense reserves	52	45
Securities sold under agreements to repurchase	130	199
Deferred income taxes, net	133	100
Other liabilities	76	81
Total liabilities	**1,303**	**1,392**
Equity:		
Common stock, par value $30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,286	2,286
Retained earnings	1,507	1,466
Accumulated other comprehensive income (loss), net of tax of $7 and $20	13	(37)
Total equity	**3,821**	**3,730**
Total liabilities and equity	**$ 5,124**	**$ 5,122**

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

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 26	$ 35
Refunding premiums earned	32	50
Premiums earned	58	85
Net investment income	31	29
Fees and reimbursements	1	1
Net gains (losses) on financial instruments at fair value and foreign exchange	9	3
Other net realized gains (losses)	-	(4)
Total revenues	99	114
Expenses:		
Losses and loss adjustment	9	(6)
Amortization of deferred acquisition costs	12	18
Operating	15	16
Total expenses	36	28
Income (loss) before income taxes	63	86
Provision (benefit) for income taxes	22	29
Net income (loss)	**$ 41**	**$ 57**

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

	Three Months Ended March 31, 2016		
	GAAP Income Statement	**Less: Operating Income Adjustments**	**Non-GAAP Operating Income**
Revenues:			
Net premiums earned	$ 58	$ -	$ 58
Net investment income	31	-	31
Fees and reimbursements	1	-	1
Net gains (losses) on financial instruments at fair value and foreign exchange	9	6	3
Total revenues	99	6	93
Expenses:			
Losses and loss adjustment	9	-	9
Amortization of deferred acquisition costs	12	-	12
Operating	15	-	15
Total expenses	36	-	36
Income (loss) before income taxes	**63**	**6**	**57**
Provision (benefit) for income taxes	22	2	20
Net income (loss)	**$ 41**	**$ 4**	**$ 37**

	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 (loss) before income taxes	**86**	**1**	**85**
Provision (benefit) for income taxes	29	-	29
Net income (loss)	**$ 57**	**$ 1**	**$ 56**

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
2016					
Scheduled Premiums Earned	$ 26,100				26,100
Refunded Premiums Earned	32,085				32,085
Total	$ 58,185				$ 58,185
2015					
Scheduled Premiums Earned	$ 35,192	$ 32,500	$ 28,122	$ 28,656	$ 124,470
Refunded Premiums Earned	50,016	40,237	39,108	49,957	179,318
Total	$ 85,208	$ 72,737	$ 67,230	$ 78,613	$ 303,788

(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, 2015	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, 2016
$197,699	$(3,035)	$1,295	$(35)	$1,466	$(10)	$197,380

(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)]
1st Qtr. 2016	149,829	250,174	915					3
2nd Qtr. 2016	145,515	244,048	891	21	3	2	26	3
3rd Qtr. 2016	138,814	234,890	868	20	3	1	24	4
4th Qtr. 2016	134,294	228,399	846	19	3	1	23	4
2017	121,217	207,508	762	73	11	6	90	13
2018	112,119	191,559	686	65	11	5	81	13
2019	103,720	176,684	617	59	10	5	74	13
2020	95,617	162,368	553	54	10	5	69	12
2021-2025	60,758	102,169	304	204	45	22	271	57
2026-2030	31,948	55,666	154	112	38	16	166	51
2031-2035	13,470	26,630	71	54	29	11	94	43
2036-2040	5,943	13,325	31	20	20	6	46	35
2041-2045	2,772	5,019	8	9	14	3	26	25
2046-2050	245	785	1	2	5	-	7	8
2051-2055	5	85	-	1	-	-	1	-
2056 and thereafter	-	-	-	-	-	-	-	-
Total				$713	$202	$83	$998	$284

(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, 2016
(dollars in millions)

Investments [1]		Market Value	% of Market Value		Amortized Cost	% Book Yield
Fixed-Maturity Securities:						
Long-Term Tax-Exempt	$	190	4	$	181	5.26
Long-Term Taxable		3,836	88		3,825	3.34
Short-Term		338	8		338	0.88
Total Fixed-Maturity		4,364	100	$	4,344	3.23
Cash and Cash Equivalents		39				
Total Fixed Income Including Cash and Cash Equivalents		4,403				
Investments Carried at Fair Value		136				
Other		6				
Total	$	4,545				
Fixed Income Portfolio Including Cash and Cash Equivalents						
State and Municipal Bonds	$	1,376	31			
Corporate Obligations		1,153	26			
MBS		991	23			
US Treasury		539	12			
ABS		284	7			
Cash and Cash Equivalents		39	1			
Money Markets		18	-			
Foreign Governments		3	-			
Total	$	4,403	100			
Effective Maturity Profile						
Cash and Cash Equivalents	$	39	1			
≤ 1 yr		338	8			
> 1 to 5 yrs		1,132	26			
> 5 to 10 yrs		988	22			
> 10 to 15 yrs		364	8			
> 15 to 20 yrs		277	6			
> 20 yrs		1,265	29			
Total	$	4,403	100			
Credit Quality Distribution of Long-Term Fixed-Maturity Securities						
Rating [2]						
Aaa	$	1,773	44			
Aa		1,221	30			
A		723	18			
Baa		137	4			
BIG		152	4			
NR		20	-			
	$	4,026	100			

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 10.43 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 5.72 years

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of $130 million; the total market value of encumbered assets totals $134 million.

(2) Ratings are as of the end of the period, as last provided by the rating agencies and 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.

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

2016	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	19				19
(Increase) Decrease in Expected Salvage	(10)				(10)
Net (Payments), Collections and Other (1)	(1)				(1)
Net Reserves	49				49
Ceded Reserves	-				-
Gross Reserves	49				49
Gross Loss and LAE Reserves	52				52
Gross Insurance Loss Recoverable	$ (3)				$ (3)

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Gross Loss and LAE Reserves	$ 45	$ 35	$ 42	$ 31	$ 45
Beginning Gross Insurance Loss Recoverable	(4)	(4)	(1)	-	(4)
Beginning Gross Reserves	41	31	41	31	41
Ceded Reserves	-	-	-	-	-
Net Reserves	41	31	41	31	41
Increase (Decrease) in Expected Payments	(5)	4	(5)	14	8
(Increase) Decrease in Expected Salvage	(1)	4	(2)	(4)	(3)
Net (Payments), Collections and Other (1)	(4)	2	(3)	-	(5)
Net Reserves	31	41	31	41	41
Ceded Reserves	-	-	-	-	-
Gross Reserves	31	41	31	41	41
Gross Loss and LAE Reserves	35	42	31	45	45
Gross Insurance Loss Recoverable	$ (4)	$ (1)	$ -	$ (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)

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents(2)	**$ 32**				**$ 32**
Premiums and Fees	5				5
Net Investment Income	21				21
Other	1				1
Total Inflows	27				27
Gross Loss & LAE Payments	5				5
Operating & Other Expenses	18				18
Total Outflows	23				23
Operating Cash Flow	4				4
Investing Activities	(9)				(9)
Net Cash Flow	(5)				(5)
Ending Cash & Cash Equivalents(2)	**$ 27**				**$ 27**
Other Liquid Assets(3)	317				317
Ending Liquidity Position	**$ 344**				**$ 344**

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents(2)	**$ 174**	**$ 83**	**$ 135**	**$ 40**	**$ 174**
Premiums and Fees	1	3	4	7	15
Net Investment Income	26	35	25	34	120
Other	2	27	-	-	29
Total Inflows	29	65	29	41	164
Gross Loss & LAE Payments	5	4	3	1	13
Operating & Other Expenses	19	14	15	14	62
Tax Payments	-	56	25	25	106
Total Outflows	24	74	43	40	181
Operating Cash Flow	5	(9)	(14)	1	(17)
Financing Activities	-	-	-	(14)	(14)
Investing Activities	(96)	61	(81)	5	(111)
Net Cash Flow	(91)	52	(95)	(8)	(142)
Ending Cash & Cash Equivalents(2)	**$ 83**	**$ 135**	**$ 40**	**$ 32**	**$ 32**
Other Liquid Assets(3)	342	294	347	304	304
Ending Liquidity Position	**$ 425**	**$ 429**	**$ 387**	**$ 336**	**$ 336**

(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) Includes 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 Sheets Summary

	3/31/2016	12/31/2015
Assets:		
Cash and Investments	$ 4,440	$ 4,437
Asset Swap Facility with MBIA Inc.	130	199
Other Assets	45	41
Total Assets	$ 4,615	$ 4,677
Liabilities:		
Unearned Premiums	982	1,042
Loss and LAE Reserves (1)	1	(30)
Contingency Reserve	879	910
Asset Swap Facility with MBIA Inc.	130	199
Other Liabilities	73	78
Total Liabilities	2,065	2,199
Total Policyholders' Surplus	2,550	2,478
Total Liabilities and Policyholders' Surplus	$ 4,615	$ 4,677

Claims-Paying Resources

	3/31/2016	12/31/2015
Balance Sheet		
Policyholders' Surplus	$ 2,550	$ 2,478
Contingency Reserve	879	910
Statutory Capital	3,429	3,388
Unearned Premium Reserve	982	1,042
Present Value of Installment Premiums (1)	197	197
Premium Resources (2)	1,179	1,239
Net Loss and LAE Reserves (1)	1	(30)
Salvage Reserve	101	102
Gross Loss and LAE Reserves	102	72
Total Claims-Paying Resources	$ 4,710	$ 4,699
Net Debt Service Outstanding	$ 242,156	$ 259,436
Capital Ratio	71:1	77:1
Claims-Paying Resources Ratio	56:1	61:1

(1) As of March 31, 2016 and December 31, 2015, the discount rate was 3.04%.
(2) The amounts primarily consist of financial guarantee insurance premiums.

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

By Geography

	Outstanding as of March 31, 2016							
	Par Outstanding (1) (2)				Debt Service Outstanding			
	Gross Amount	%	Net Amount	%	Gross Amount	%	Net Amount	%
United States								
California	$ 29,713	19.8	$ 28,923	19.9	$ 53,525	21.4	$ 51,975	21.5
New York	14,007	9.4	13,461	9.3	21,007	8.4	20,139	8.3
Florida	9,741	6.5	9,649	6.6	13,910	5.6	13,790	5.7
Texas	8,265	5.5	8,088	5.6	13,155	5.3	12,476	5.1
Illinois	8,193	5.5	7,910	5.4	18,393	7.4	17,713	7.3
New Jersey	8,156	5.4	8,060	5.5	12,815	5.1	12,635	5.2
Michigan	5,112	3.4	4,762	3.3	7,509	3.0	6,906	2.9
Puerto Rico	3,860	2.6	3,778	2.6	8,903	3.5	8,782	3.6
Colorado	3,816	2.6	3,789	2.6	6,802	2.7	6,674	2.8
Massachusetts	3,775	2.5	3,454	2.4	5,594	2.2	5,042	2.1
Subtotal	94,638	63.2	91,874	63.2	161,613	64.6	156,132	64.5
Other States & Territories	52,050	34.7	50,472	34.7	81,506	32.6	78,983	32.6
Nationally Diversified	3,141	2.1	3,134	2.1	7,055	2.8	7,041	2.9
Total	$ 149,829	100.0	$ 145,480	100.0	$ 250,174	100.0	$ 242,156	100.0

By Bond Type

	Outstanding as of March 31, 2016							
	Par Outstanding (1) (2)				Debt Service Outstanding			
	Gross Amount	%	Net Amount	%	Gross Amount	%	Net Amount	%
Bond Type								
General Obligation	$ 52,009	34.7	$ 50,688	34.8	$ 83,569	33.4	$ 81,228	33.6
Municipal Utilities	24,957	16.7	24,378	16.8	37,512	15.0	36,488	15.1
Tax-Backed	20,747	13.9	20,150	13.9	39,086	15.6	37,743	15.6
Transportation	13,913	9.3	13,362	9.2	26,434	10.6	25,183	10.4
General Obligation - lease	13,356	8.9	12,511	8.6	19,021	7.6	17,703	7.3
Higher Education	8,413	5.6	8,206	5.7	12,951	5.2	12,602	5.2
Military Housing	7,481	5.0	7,472	5.1	17,234	6.9	17,216	7.1
Health Care	4,077	2.7	3,960	2.7	6,554	2.6	6,360	2.6
Investor Owned Utilities(3)	3,054	2.0	2,946	2.0	4,860	1.9	4,705	1.9
Municipal Housing	938	0.6	934	0.6	1,455	0.6	1,447	0.6
Other(4)	884	0.6	873	0.6	1,498	0.6	1,481	0.6
Total	$ 149,829	100.0	$ 145,480	100.0	$ 250,174	100.0	$ 242,156	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
By Gross Par Outstanding as of March 31, 2016
(dollars in millions)

	Obligor Name	State	Internal Rating (1)	Gross Par Outstanding (2)	Gross Debt Service Outstanding
1	California General Obligation	CA	a2	$ 1,760	$ 2,499
2	Puerto Rico Electric Power Authority	PR	d	1,354	1,960
3	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	1,348	2,631
4	Oregon School Boards Association General Obligation	OR	aa3	1,348	2,406
5	Massachusetts General Obligation	MA	a1	1,327	1,745
6	New Jersey Transportation Trust Fund Authority	NJ	a3	1,265	1,866
7	Long Island Power Authority Electric	NY	a3	1,249	1,671
8	Army Hawaii Family Housing	HI	aa2	1,140	2,476
9	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,067	2,394
10	Illinois Regional Transportation Authority	IL	aa3	1,054	1,603
11	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	a2	1,037	1,695
12	Chicago General Obligation	IL	bbb2	994	2,115
13	San Diego Family Housing Privatization Military	CA	aa1	989	2,256
14	Puerto Rico General Obligation	PR	d	985	1,337
15	City of Chicago Board of Education	IL	bbb3	976	2,358
16	Arapahoe County E-470 Toll Road	CO	bbb1	936	2,840
17	Ohana Military Communities, LLC	HI	aa3	871	2,228
18	Michigan State Building Authority Lease	MI	a1	844	1,486
19	New York State Thruway Authority	NY	a2	841	1,206
20	Indiana Finance Authority Highway Lease	IN	aa2	841	1,168
21	Great River Energy Public Power	MN	a3	837	1,313
22	New York City General Obligation	NY	aa3	825	989
23	City of Detroit Sewage Disposal System	MI	bbb1	820	1,305
24	Los Angeles Unified School District General Obligation	CA	a1	811	1,120
25	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3	796	1,333
26	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb2	783	1,127
27	Puerto Rico Sales Tax Financing Corporation	PR	a3	684	4,170
28	San Francisco International Airport	CA	a2	670	852
29	Atlantic Marine Corps Communities LLC 0 Lejeune Cherry Point	NC	aa3	666	1,520
30	Illinois Metropolitan Pier & Exposition Authority	IL	bbb2	656	4,973
31	District of Columbia General Obligation	DC	aa2	650	1,170
32	Honolulu City & County Sewer	HI	a1	649	992
33	LCOR Alexandria L.L.C. Federal Lease	NC	bbb1	645	1,102
34	Denver City and County Airport System	CO	a1	644	905
35	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	d	628	1,137
36	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	598	953
37	Springfield City Public Utilities Board Combined Utility	MO	aa2	588	602
38	JFK International Air Terminal Airport	NY	bbb3	577	775
39	Los Angeles City Municipal Improvement Corporation Lease	CA	a3	571	905
40	Navy Mid-Atlantic Family Housing LLC	VA	aa2	556	1,216
41	University of California Regents	CA	aa3	551	1,041
42	City of Houston Combined Utility System Revenue Bonds	TX	a2	550	609
43	Wisconsin General Obligation	WI	aa2	544	649
44	New York State Power Authority	NY	aa2	537	955
45	Alameda Corridor Transportation Authority Port Rev	CA	a3	523	1,533
46	The Port Authority of New York and New Jersey	NY	a1	522	818
47	Kentucky Property & Buildings Commission Lease	KY	aa3	518	609
48	Hudson Yards Infrastructure Corporation	NY	a3	500	1,198
49	Illinois General Obligation	IL	bbb1	495	702
50	Florida State Department of Transportation Turnpike	FL	aa3	495	528
	Total			$ 41,115	$ 77,041
	Total Portfolio Exposure			**$** 149,829	**$** 250,174
	50 Largest Credits as % of Total Portfolio			27.4%	30.8%

(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.).

(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, 2016
(dollars in millions)

Credit Quality Distribution[(1)]

	Gross Par Outstanding		Gross Debt Service Outstanding	
	Amount	**%**	**Amount**	**%**
Public Finance				
AAA	$ 6,325	4.2%	$ 8,961	3.6%
AA	71,948	48.0%	112,189	44.8%
A	51,404	34.4%	83,757	33.5%
BBB	13,800	9.2%	31,346	12.5%
<BBB	6,352	4.2%	13,921	5.6%
Total	$ 149,829	100.0%	$ 250,174	100.0%

Top 10 Below Investment Grade (BIG) Credits by Gross Par Outstanding [(1)]

Obligor Name	Gross Par Outstanding [(2)]	Gross Debt Service Outstanding
1 Puerto Rico Electric Power Authority	$ 1,354	$ 1,960
2 Puerto Rico General Obligation	985	1,337
3 City of Chicago Board of Education	976	2,358
4 Puerto Rico Sales Tax Financing Corporation	684	4,170
5 Puerto Rico Highway and Transportation Authority Transportation Revenue	628	1,138
6 Atlantic City Casino Reinvestment Development Authority Parking Fee	177	224
7 Philadelphia School District GO	146	250
8 Fresno City Pension Obligation	146	222
9 North Las Vegas Water & Sewer	120	189
10 Capital Projects Finance Authority Florida Universities Student Housing 2000F-1	113	170
Total Top 10 BIG Outstanding	$ 5,329	$ 12,018
Total BIG Outstanding	$ 6,352	$ 13,922
Total National Outstanding	$ 149,829	$ 250,174
Top 10 BIG as % of National	**3.6%**	**4.8%**
Total BIG as % of National	**4.2%**	**5.6%**
Total BIG as % of National by National ratings	**2.6%**	**2.5%**

(1) Ratings are as of the end of the period, as last provided by the rating agencies and 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 millions)

	March 31, 2016	December 31, 2015
Assets		
Bonds	$ 93	$ 93
Cash and short-term investments	312	299
Investment in MBIA UK	375	389
Investment in MBIA Mexico	11	11
Total investments	791	792
Interest and dividends accrued	1	1
Other assets	3	4
Total other assets	4	5
Total assets	**$ 795**	**$ 797**
Liabilities		
Unearned premiums	$ 230	$ 229
Contingency reserve	273	276
Loss and LAE reserve (1)	(289)	(331)
Accrued expenses	2	4
Other liabilities	8	10
Total liabilities	**224**	**188**
Capital and Surplus		
Common stock	15	15
Preferred stock	276	276
Surplus Notes	953	953
Paid in Capital	782	783
Unassigned surplus	(1,455)	(1,418)
Total capital and surplus	**571**	**609**
Total liabilities and capital and surplus	**$ 795**	**$ 797**

(1) As of March 31, 2016 and December 31, 2015, the discount rate was 5.18%.

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

	Three Months Ended March 31,	
	2016	2015
Underwriting income		
Gross premiums written	$ 14	$ 19
Ceded premiums written	(2)	(2)
Net premiums written	12	17
Net premiums earned	19	23
Losses and LAE incurred	60	18
Underwriting expenses incurred	7	8
Net underwriting loss	(48)	(3)
Investment income		
Net investment gain	1	1
Net realized gain (loss)	-	(3)
Net investment gain (loss)	1	(2)
Other income (expense)		
Non-operating income (expense)	(8)	8
Income (loss) before taxes	(55)	3
Income tax provision	-	-
Net income (loss)	**$ (55)**	**$ 3**

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 (2)	Ending Gross Debt Service Outstanding	Net Unearned Premiums (3)	Expected Future Premium Earnings (3)(4)	Estimated Cash Receivable (5)	Total
1st Qtr. 2016	38,524	54,882	356			
2nd Qtr. 2016	36,490	52,388	337	19	8	27
3rd Qtr. 2016	35,441	50,913	329	8	16	24
4th Qtr. 2016	33,154	48,197	322	7	18	25
2017	29,414	42,872	300	22	65	87
2018	27,253	39,271	284	16	57	73
2019	25,266	35,951	266	18	53	71
2020	22,774	32,235	240	26	51	77
2021-2025	13,567	18,700	124	116	202	318
2026-2030	8,230	10,856	63	61	140	201
2031 and thereafter	-	-	-	63	97	160
Total				$356	$707	$1,063

(1) Includes MBIA UK Limited premiums.
(2) Excludes $28 million of gross and net par where MBIA Corp's insured exposure has been fully offset by way of loss remediation transactions.
(3) Statutory accounting basis.
(4) Actual future premium earnings will differ from the current projection due to the addition of new business, changes in prepayment speeds, settlements and terminations.
(5) Undiscounted, based on the Company's estimate of the remaining life for its insured exposures.

Net Cash Premiums Collected and Expected (1)

	MBIA Insurance Corp. (2)	Subsidiaries of MBIA Corp.	MBIA Ins. Corp. Including Subsidiaries
1st Qtr. 2016	37	2	39
2nd Qtr. 2016	16	9	25
3rd Qtr. 2016	9	7	16
4th Qtr. 2016	14	3	17
2017	38	27	65
2018	31	27	58
2019	26	26	52
2020	23	26	49
2021-2025	88	110	198
2026-2030	52	82	134
2031 and thereafter	38	55	93
Total Future Premiums	$335	$372	$707

(1) Represents installment-based future undiscounted collections net of amounts to be ceded to reinsurers.
(2) Based on the Company's estimate of the remaining life for its insured exposures.

MBIA Insurance Corporation
Investment Portfolio Including Cash and Cash Equivalents
as of March 31, 2016
(dollars in millions)

Statutory Accounting Basis

Investments		Amortized Cost	% Book Yield		Market Value	% of Market Value
Bonds						
Long-Term Tax-Exempt	$	21	5.24	$	23	10
Long-Term Taxable		72	5.11		74	32
Short-Term		134	0.26		134	58
Total Fixed-Maturity		227	2.25	$	231	100
Cash and Cash Equivalents		178				
Total Fixed Income Including Cash and Cash Equivalents		405				
Common Stocks[1]		386				
Total	$	791				

Fixed Income Portfolio			% of Amortized Cost
Cash and Cash Equivalents	$	178	44
US Treasury		141	35
State and Municipal Bonds		69	17
MBS		13	3
Corporate Obligations		4	1
Total	$	405	100

Effective Maturity Profile of Fixed Income			
Cash and Cash Equivalents	$	178	44
≤ 1 yr		134	33
> 1 to 5 yrs		16	4
> 5 to 10 yrs		4	1
> 10 to 15 yrs		-	-
> 15 to 20 yrs		16	4
> 20 yrs		57	14
Total	$	405	100

Credit Quality Distribution of Long-Term Bonds

Rating[2]			
Aaa	$	18	19
Aa		49	53
A		12	13
B		13	14
C		1	1
	$	93	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 7.32 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 2.71 years

(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 are as of the end of the period, as last provided by the rating agencies and 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.

MBIA Insurance Corporation (excluding Subsidiaries)

Liquidity Position [1]

(dollars in millions)

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents [2]	**$ 257**				**$ 257**
Premiums and Fees	39				39
Net Investment Income	1				1
Other	24				24
Total Inflows	64				64
Gross Loss & LAE Payments	41				41
Operating & Other Expenses	10				10
Total Outflows	51				51
Operating Cash Flow	13				13
Investing Activities	(220)				(220)
Net Cash Flow	(207)				(207)
Ending Cash & Cash Equivalents [2]	**$ 50**				**$ 50**
Other Liquid Assets [3]	228				228
Ending Liquidity Position	**$ 278**				**$ 278**

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents [2]	**$ 432**	**$ 386**	**$ 324**	**$ 343**	**$ 432**
Premiums and Fees	6	31	19	28	84
Net Investment Income	-	-	-	3	3
Other	33	29	24	39	125
Total Inflows	39	60	43	70	212
Gross Loss & LAE Payments	42	34	56	176	308
Operating & Other Expenses	19	18	12	18	67
Total Outflows	61	52	68	194	375
Operating Cash Flow	(22)	8	(25)	(124)	(163)
Investing Activities	(24)	(70)	44	38	(12)
Net Cash Flow	(46)	(62)	19	(86)	(175)
Ending Cash & Cash Equivalents [2]	**$ 386**	**$ 324**	**$ 343**	**$ 257**	**$ 257**
Other Liquid Assets [3]	29	88	56	7	7
Ending Liquidity Position	**$ 415**	**$ 412**	**$ 399**	**$ 264**	**$ 264**

(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 3/31/2016			
		Salvage		
	Case	Put-Backs	Other	Net
First-Lien Mortgage	$ 198	$ -	$ (37)	$ 161
Second-Lien Mortgage	81	(400)	(389)	(708)
CDO	364	-	(139)	225
Other	40	-	(7)	33
Total	$ 683	$ (400)	$ (572)	$ (289)

Claims-Paying Resources

	Including Subsidiaries		Stand-alone	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Balance Sheet				
Policyholders' Surplus	$ 571	$ 609	$ 571	$ 609
Contingency Reserve	273	276	273	276
Statutory Capital (1)	844	885	844	885
Unearned Premium Reserve	356	356	230	229
Present Value of Installment Premiums (2)	496	520	243	256
Premium Resources (3)	852	876	473	485
Net Loss and LAE Reserves (2)	(289)	(332)	(289)	(331)
Salvage Reserve	972	994	972	992
Gross Loss and LAE Reserves	683	662	683	661
Total Claims-Paying Resources	$ 2,379	$ 2,423	$ 2,000	$ 2,031
Net Debt Service Outstanding	$ 53,544	$ 57,682	$ 31,827	$ 35,199
Capital Ratio	63:1	65:1	38:1	40:1
Claims-Paying Resources Ratio	26:1	27:1	17:1	19:1

(1) Excludes the non-admitted portion of MBIA UK's ending equity of $90 million and $75 million, as of March 31, 2016 and December 31, 2015, respectively.

(2) As of March 31, 2016 and December 31, 2015, the discount rate was 5.18%.

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

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

Par Value By Geography

	Outstanding as of March 31, 2016[(1) (2) (3) (4)]			
	Gross	%	Net	%
United States	$ 14,999	38.9	$ 14,843	39.5
United Kingdom	12,732	33.1	12,530	33.3
Australia	2,415	6.3	2,415	6.4
Chile	2,055	5.3	1,745	4.6
Canada	1,481	3.8	1,477	3.9
France	1,343	3.5	1,342	3.6
Mexico	1,104	2.9	961	2.6
Spain	685	1.8	677	1.8
Malaysia	350	0.9	350	0.9
New Zealand	243	0.6	243	0.6
Ireland	207	0.5	207	0.6
Subtotal	22,615	58.7	21,947	58.3
Other	485	1.3	481	1.3
Internationally Diversified	425	1.1	356	0.9
Total Non-United States	23,525	61.1	22,784	60.5
Total	$ 38,524	100.0	$ 37,627	100.0

Par Value by Bond Type

	Outstanding as of March 31, 2016[(1) (2) (3) (4)]			
	Gross	%	Net	%
Public Finance: Non-United States				
Sovereign and Sub-Sovereign [(5)]	$ 8,800	22.8	$ 8,574	22.8
International Utilities	7,459	19.4	7,341	19.5
Transportation	5,807	15.1	5,497	14.6
Local Governments [(6)]	138	0.3	136	0.3
Tax-Backed	80	0.2	80	0.2
Total Non-United States Public Finance	$ 22,284	57.8	$ 21,628	57.4
Structured Finance - Global				
Collateralized Debt Obligations [(7)]	$ 5,310	13.8	$ 5,302	14.1
Mortgage Backed Residential	5,792	15.0	5,775	15.4
Corporate Asset Backed [(8)]	3,640	9.5	3,492	9.3
Consumer Asset Backed	1,061	2.8	1,006	2.7
Mortgage Backed Commercial	437	1.1	424	1.1
Total Global Structured Finance	16,240	42.2	15,999	42.6
Grand Total	$ 38,524	100.0	$ 37,627	100.0

(1) Net of refunded issues, reinsurance and other contractual agreements.
(2) Excludes $1.5 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) Excludes $28 million of gross and net par where MBIA Corp.'s insured exposure has been fully offset by way of loss remediation transactions.
(5) 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.
(6) Includes municipal-owned entities backed by the sponsoring local government.
(7) 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.
(8) Includes $1.5 billion of structured insurance securitizations.

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

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

	Obligor Name	Gross Par Outstanding
1	HY CDO 23	$ 776
2	Coventry and Rugby Hospital Company plc	621
3	Structured Insurance Securitization Private 13-16	575
4	GMACM 2006-HE4	293
5	Private Sovereign and Sub-Sovereign Transportation Credit	254
6	Countrywide Home Equity Series 2007-S1/Second Lien RMBS	236
7	Other Corporate Asset Backed Private 66	217
8	Structured CMBS Pool 28	217
9	Countrywide Home Equity Master Trust Series 2006-S10	212
10	Private Sovereign and Sub-Sovereign Transportation Credit	207
	Total Top 10 Below Investment Grade	$ 3,608
	Total BIG Gross Par Outstanding	$ 8,745
	Total MBIA Gross Par Outstanding	$ 38,524
	Top 10 BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**9.4%**
	Total BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**22.7%**

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

Net Payment Activity on Second-lien RMBS Exposure

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Paid Claims [(1)]	$ 10				$ 10
Collections on Paid Claims [(2)]	(20)				(20)
Paid LAE (net of collections)	2				2
Net Payments	$ (8)				$ (8)

2015	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Paid Claims [(1)]	$ 16	$ 13	$ 18	$ 7	$ 54
Collections on Paid Claims [(2)]	(27)	(20)	(22)	(19)	(88)
Paid LAE (net of collections)	1	4	5	4	14
Net Payments	$ (10)	$ (3)	$ 1	$ (8)	$ (20)

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)

(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.

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

	2012	2013	2014	2015	1Q 2016
Gross Par Outstanding (end of period)(2)					
Second-Lien RMBS	$ 6,550	$ 5,295	$ 4,476	$ 3,629	$ 3,448
Other(3)	105,823	75,104	50,712	38,015	35,076
Total	$ 112,373	$ 80,399	$ 55,188	$ 41,644	$ 38,524
Gross Loss Payments					
Second-Lien RMBS	$ 507	$ 252	$ 75	$ 54	$ 10
Other(3) (4)	685	1,802	566	237	26
Total Gross Loss Payments	$ 1,192	$ 2,054	$ 641	$ 291	$ 36
Recoveries received					
Second-Lien RMBS	$ 27	$ 3,773	$ 115	$ 88	$ 20
Other(3) (5)	194	179	66	14	4
Total Recoveries	$ 221	$ 3,952	$ 181	$ 102	$ 24
Net Loss Payments / (Recoveries)					
Second-Lien RMBS	$ 480	$ (3,521)	$ (40)	$ (34)	$ (10)
Other(3)	491	1,623	500	223	22
Total Net Loss Payments	$ 971	$ (1,898)	$ 460	$ 189	$ 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 $137 million, $135 million, $19 million, $2 million and $0 million for 2012, 2013, 2014, 2015 and 2016, respectively.
(5) Includes full recoveries of gross loss payments made by MBIA Corp. on behalf of National totaling $137 million, $135 million, $19 million, $2 million and $0 million for 2012, 2013, 2014, 2015 and 2016, respectively, in addition to recoveries from third-party reinsurers.

MBIA Inc. (Parent Company)

MBIA Inc.

(dollars in millions)

Corporate Segment Balance Sheets [1]

	3/31/2016	12/31/2015
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $715 and $740) [2]	$ 781	$ 792
Investments carried at fair value (amortized cost $32 and $49)	32	48
Investments pledged as collateral, at fair value (amortized cost $224 and $330) [3]	196	296
Short-term investments held as available-for-sale, at fair value (amortized cost $243 and $293)	243	293
Other investments	18	20
Total investments	1,270	1,449
Cash and cash equivalents	98	43
Deferred income taxes, net	1,076	1,058
Other assets	34	49
Total Assets	**2,478**	**2,599**
Liabilities:		
Investment agreements	452	462
Global Funding LLC, Medium-term Notes	1,048	1,016
MBIA Inc. Senior Unsecured	715	711
Income taxes [4]	588	588
Derivative liabilities [5]	236	209
Other liabilities [6]	76	93
Total Liabilities	**3,115**	**3,079**
Total Equity	**$ (637)**	**$ (480)**

(1) In addition to the assets and liabilities included in the Corporate segment, MBIA Inc. has investments in subsidiaries not included in the Corporate segment balance sheets.

(2) Includes securities at fair value in the amounts of $288 million and $259 million posted to derivative counterparties as of March 31, 2016 and December 31, 2015, respectively.

(3) Represents a portion of the tax escrow account under the Company's tax sharing agreement.

(4) Represents cumulative cash receipts (net of refunds) which are to be paid in accordance with the Company's tax sharing agreement when MBIA Insurance Corp. has taxable earnings.

(5) Amounts are net of cash collateral posted of $44 million and $31 million as of March 31, 2016 and December 31, 2015, respectively.

(6) Includes cash collateral netted against accrued interest on derivative liabilities of $20 million and $19 million as of March 31, 2016 and December 31, 2015, respectively

Corporate
Net Income (Loss) Reconciliation to Operating Income (Loss)
(dollars in millions)

	Three Months Ended March 31, 2016		
	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	(84)	(77)	(7)
Net investment losses related to other-than-temporary impairments	(1)	(1)	-
Net gains (losses) on extinguishment of debt	2	2	-
Other net realized gains (losses)	(1)	-	(1)
Total revenues	(63)	(76)	13
Expenses:			
Operating	22	-	22
Interest	23	-	23
Total expenses	45	-	45
Income (loss) before	**(108)**	**(76)**	**(32)**
Provision (benefit) for income taxes	(24)	(13)	(11)
Net income (loss) before minority interest	**$ (84)**	**$ (63)**	**$ (21)**

	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)**

MBIA Inc. (Parent Company)

Liquidity Position (1)(2)(3)

(dollars in millions)

2016	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Year-to-date**
Beginning Liquidity Position	**$ 416**				**$ 416**
Total Cash Inflows	110				110
Operating & Other Expenses	9				9
MTN P&I Payments	2				2
Debt P&I Payments	8				8
Share Repurchases	97				97
Contributions to Subsidiaries	45				45
Total Cash Outflows	161				161
Investment and Other Activity	6				6
Change in Liquidity Position	(45)				(45)
Ending Liquidity Position	**$ 371**				**$ 371**

2015	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
Beginning Liquidity Position	**$ 498**	**$ 567**	**$ 497**	**$ 306**	**$ 498**
Total Cash Inflows	275	4	33	21	333
Operating & Other Expenses	12	2	7	6	27
MTN P&I Payments	31	38	55	2	126
Debt P&I Payments	19	15	8	15	57
Share Repurchases	75	32	123	3	233
Contributions to Subsidiaries	57	-	20	12	89
Total Cash Outflows	194	87	213	38	532
Investment and Other Activity	(12)	13	(11)	127	117
Change in Liquidity Position	69	(70)	(191)	110	(82)
Ending Liquidity Position	**$ 567**	**$ 497**	**$ 306**	**$ 416**	**$ 416**

(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.

Securities Buyback Activity (1)

2016	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)	$ 93.7	$ 378.8							$ 93.7	$ 378.8
Debt Service										
MBIA Inc. Senior Unsecured	-	-							-	-
MBIA GFL MTNs(3)	0.3	-							0.3	-
Investment Agreements	4.3	2.0							4.3	2.0
MBIA Inc. (Consolidated)	$ 98.3	$ 380.8							$ 98.3	$ 380.8

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	Full Year Cost	Full Year Gain/ Value
Common Stock Repurchases (2)	$ 75.6	$ 145.3	$ 101.6	$ 211.7	$ 119.9	$ 434.7	$ 6.3	$ 22.4	$ 303.4	$ 814.1
Debt Service										
MBIA Inc. Senior Unsecured	10.0	(0.5)	-	(0.1)	-	-	-	-	10.0	(0.6)
MBIA GFL MTNs(3)	26.4	0.2	10.2	(0.2)	3.2	0.1	-	-	39.8	0.1
Investment Agreements	-	-	-	-	-	-	-	-	-	-
MBIA Inc. (Consolidated)	$ 112.0	$ 145.0	$ 111.8	$ 211.4	$ 123.1	$ 434.8	$ 6.3	$ 22.4	$ 353.2	$ 813.6

(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.

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.

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.

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.

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.

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.

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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