MBIA Inc.
Quarterly Operating Supplement
March 31, 2017

First Quarter 2017

(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. MBIA cautions readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. We undertake no obligation to publicly correct or update any forward-looking statement if the Company later becomes aware that such result is not likely to be achieved.

The following are some of the general 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:

- increased credit losses or impairments on public finance obligations that National Public Finance Guarantee Corporation ("National") insures issued by state, local and territorial governments and finance authorities and other providers of public services, located in the U.S. or abroad, that are experiencing fiscal stress;
- 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 the capital markets and our exposure to significant fluctuations in liquidity and asset values in 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 and generate investor demand for our financial guarantees;
- the possibility that MBIA Insurance Corporation will have inadequate liquidity or resources to timely pay claims as a result of higher than expected losses on certain structured finance transactions or as a result of a delay or failure in collecting expected recoveries, which could lead the New York State Department of Financial Services ("NYSDFS") to put MBIA Insurance Corporation into a rehabilitation or liquidation proceeding under Article 74 of the New York Insurance Law and/or take such other actions as the NYSDFS may deem necessary to protect the interests of MBIA Insurance Corporation's policyholders;
- deterioration in the economic environment and financial markets in the United States or abroad, real estate market performance, credit spreads, interest rates and foreign currency levels; and
- the effects of changes to governmental regulation, including insurance laws, securities laws, tax laws, legal precedents and accounting rules.

The above factors provide a summary of and are qualified in their entirety by the risk factors discussed under "Risk Factors" in Part I, Item 1A of MBIA Inc.'s 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, 2017	December 31, 2016
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $4,723 and $4,713)	$ 4,701	$ 4,694
Investments carried at fair value	150	146
Investments pledged as collateral, at fair value (amortized cost $136 and $234)	137	233
Short-term investments held as available-for-sale, at fair value (amortized cost $398 and $552)	398	552
Other investments (includes investments at fair value of $4 and $5)	6	8
Total investments	5,392	5,633
Cash and cash equivalents	112	163
Premiums receivable	408	409
Deferred acquisition costs	112	118
Insurance loss recoverable	486	504
Assets held for sale	-	555
Deferred income taxes, net	1,019	970
Other assets	157	113
Assets of consolidated variable interest entities:		
Cash	40	24
Investments held-to-maturity, at amortized cost (fair value $879 and $876)	890	890
Investments carried at fair value	246	255
Loans receivable at fair value	1,716	1,066
Loan repurchase commitments	409	404
Other assets	30	33
Total assets	**$ 11,017**	**$ 11,137**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 913	$ 958
Loss and loss adjustment expense reserves	559	541
Long-term debt	2,034	1,986
Medium-term notes (includes financial instruments carried at fair value of $104 and $101)	830	895
Investment agreements	390	399
Derivative liabilities	313	299
Liabilities held for sale	-	346
Other liabilities	235	233
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $1,306 and $1,351)	2,517	2,241
Total liabilities	**7,791**	**7,898**
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--283,905,896 and 283,989,999	284	284
Additional paid-in capital	3,166	3,160
Retained earnings	2,628	2,700
Accumulated other comprehensive income (loss), net of tax of $17 and $37	(31)	(128)
Treasury stock, at cost--153,946,569 and 148,789,168 shares	(2,833)	(2,789)
Total shareholders' equity of MBIA Inc.	3,214	3,227
Preferred stock of subsidiary	12	12
Total equity	**3,226**	**3,239**
Total liabilities and equity	**$ 11,017**	**$ 11,137**

MBIA Inc. and Subsidiaries
Consolidated Statements of Operations
(dollars in millions except share and per share amounts)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 28	$ 45
Refunding premiums earned	21	30
Premiums earned (net of ceded premiums of $1 and $2)	49	75
Net investment income	52	39
Fees and reimbursements	2	1
Change in fair value of insured derivatives:		
Realized gains (losses) and other settlements on insured derivatives	(31)	(14)
Unrealized gains (losses) on insured derivatives	(22)	(14)
Net change in fair value of insured derivatives	(53)	(28)
Net gains (losses) on financial instruments at fair value and foreign exchange	17	(69)
Net investment losses related to other-than-temporary impairments:		
Investment losses related to other-than-temporary impairments	-	(1)
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	(2)	-
Net investment losses related to other-than-temporary impairments	(2)	(1)
Net gains (losses) on extinguishment of debt	8	2
Other net realized gains (losses)	3	(1)
Revenues of consolidated variable interest entities:		
Net investment income	6	15
Net gains (losses) on financial instruments at fair value and foreign exchange	(33)	(1)
Other net realized gains (losses)	28	-
Total revenues	77	32
Expenses:		
Losses and loss adjustment	94	22
Amortization of deferred acquisition costs	7	10
Operating	29	35
Interest	48	50
Expenses of consolidated variable interest entities:		
Operating	2	4
Interest	17	12
Total expenses	197	133
Income (loss) before income taxes	(120)	(101)
Provision (benefit) for income taxes	(48)	(23)
Net income (loss)	**$ (72)**	**$ (78)**
Net income (loss) per common share:		
Basic	$ (0.55)	$ (0.58)
Diluted	$ (0.55)	$ (0.58)
Weighted average number of common shares outstanding:		
Basic	131,402,465	135,814,835
Diluted	131,402,465	135,814,835

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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Combined		
GAAP consolidated net income (loss)	$ (72)	$ (78)
Less: Operating Income Adjustments		
Pre-tax income (loss) of Non-Core Operations [3]	(165)	(56)
Pre-tax adjustments to U.S. Public Finance and Corporate [4]:		
Mark-to-market gains (losses) on financial instruments	32	(48)
Foreign exchange gains (losses)	(7)	(28)
Net gains (losses) on sales of investments	2	6
Net investment losses related to OTTI	(2)	(1)
Net gains (losses) on extinguishment of debt	8	2
Other net realized gains (losses)	(1)	(1)
Operating income adjustment for income taxes	52	32
Total operating income adjustments, net of tax	(81)	(94)
Combined Operating Income (loss)	$ 9	$ 16
Combined Operating Income (loss) per share	$ 0.07	$ 0.12
U.S. Public Finance Insurance (National)		
GAAP net income (loss)	$ 27	$ 41
Less: Operating Income Adjustments		
Mark-to-market gains (losses) on financial instruments	2	-
Net gains (losses) on sales of investments	2	6
Net investment losses related to OTTI	(2)	-
Operating income adjustment for income taxes	-	(2)
Operating Income (loss)	$ 25	$ 37
Corporate		
GAAP net income (loss)	$ 10	$ (84)
Less: Operating Income Adjustments		
Mark-to-market gains (losses) on financial instruments	30	(48)
Foreign exchange gains (losses)	(7)	(28)
Net investment losses related to OTTI	-	(1)
Net gains (losses) on extinguishment of debt	8	2
Other net realized gains (losses)	(1)	(1)
Operating income adjustment for income taxes	(4)	13
Operating Income (loss)	$ (16)	$ (21)
Diluted Weighted Average Shares Outstanding	132.0	136.4

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

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
U.S. Public Finance Insurance (National)	$ 25				$ 25
Corporate	(16)				(16)
Combined	$ 9				$ 9

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
U.S. Public Finance Insurance (National)	$ 37	$ 34	$ 24	$ 25	$ 120
Corporate	(21)	(19)	(19)	(31)	(90)
Combined	$ 16	$ 15	$ 5	$ (6)	$ 30

(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 and eliminations.
(4) Adjustments exclude the International and Structured Finance segment and eliminations and include select 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, 2017			
	GAAP MBIA Inc. Consolidated	Less: Non-Core Operations & Eliminations [(1)]	Less: Adjustments to Core Operations	Non-GAAP Operating Income
Revenues:				
Net premiums earned	$ 49	$ 8	$ -	$ 41
Net investment income	52	14	-	38
Fees and reimbursements	2	(6)	-	8
Net change in fair value of insured credit derivatives	(53)	(53)	-	-
Net gains (losses) on financial instruments at fair value and foreign exchange	17	(3)	27	(7)
Net investment losses related to other-than-temporary impairments	(2)		(2)	-
Net gains (losses) on extinguishment of debt	8		8	-
Other net realized gains (losses)	3	4	(1)	-
VIE Revenues	1	1	-	-
Total revenues	77	(35)	32	80
Expenses:				
Losses and loss adjustment	94	83	-	11
Amortization of deferred acquisition costs	7	(1)	-	8
Operating	29	1	-	28
Interest	48	28	-	20
VIE expenses	19	19	-	-
Total expenses	197	130	-	67
Income (loss) before income taxes	**(120)**	**(165)**	**32**	**13**
Provision (benefit) for income taxes	(48)	(56)	4	4
Net income (loss)	**$ (72)**	**$ (109)**	**$ 28**	**$ 9**

	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	(70)	(5)
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**

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

MBIA Inc. and Subsidiaries

Adjusted Book Value [1]

		3/31/2017		12/31/2016
Reported Book Value	$	24.73	$	23.87
Reverse book value of the MBIA Corp. legal entity [2]		6.07		5.07
Book value after MBIA Corp. legal entity adjustment		**30.80**		**28.94**
Other book value adjustments:				
Reverse net unrealized (gains) losses included in OCI		0.25		0.24
Add net unearned premium revenue [3] [4]		4.24		4.31
Add tax effect on unrealized (gains) losses and unearned premium revenue		(1.60)		(1.61)
Adjusted Book Value	$	**33.69**	$	**31.88**
Shares Outstanding in millions		130.0		135.2

(1) A non-GAAP measure; please see glossary for an explanation of ABV. Includes deferred tax assets of consolidated MBIA Inc.
(2) The book value of the MBIA Corp. legal entity does not provide significant economic or shareholder value to MBIA Inc. The amounts being reversed exclude all deferred taxes available to MBIA Inc.
(3) The discount rate on financial guarantee installment premiums was the risk-free rate as defined by GAAP for financial guarantee insurance contracts.
(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, 2017	December 31, 2016
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,913 and $3,855)	$ 3,862	$ 3,807
Investments carried at fair value	123	120
Investments pledged as collateral, at fair value (amortized cost $126 and $131)	125	131
Short-term investments held as available-for-sale, at fair value (amortized cost $68 and $104)	68	104
Other investments (includes investments at fair value of $2 and $3)	4	5
Total investments	4,182	4,167
Cash and cash equivalents	45	75
Securities purchased under agreements to resell	124	129
Premiums receivable	190	190
Deferred acquisition costs	154	162
Insurance loss recoverable	185	162
Receivable for investments sold	50	-
Other assets	52	47
Total assets	**$ 4,982**	**$ 4,932**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 705	$ 745
Loss and loss adjustment expense reserves	105	96
Securities sold under agreements to repurchase	124	129
Current income taxes	18	6
Deferred income taxes, net	59	60
Payable for investments purchased	88	32
Other liabilities	25	30
Total liabilities	**1,124**	**1,098**
Equity:		
Common stock, par value $30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,327	2,327
Retained earnings	1,549	1,523
Accumulated other comprehensive income (loss), net of tax of $18 and $17	(33)	(31)
Total equity	**3,858**	**3,834**
Total liabilities and equity	**$ 4,982**	**$ 4,932**

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

	Three Months Ended March 31, 2017	2016
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 20	$ 26
Refunding premiums earned	21	32
Premiums earned	41	58
Net investment income	31	31
Fees and reimbursements	1	1
Net gains (losses) on financial instruments at fair value and foreign exchange	4	9
Net investment losses related to other-than-temporary impairments	(2)	-
Total revenues	75	99
Expenses:		
Losses and loss adjustment	11	9
Amortization of deferred acquisition costs	8	12
Operating	17	15
Total expenses	36	36
Income (loss) before income taxes	39	63
Provision (benefit) for income taxes	12	22
Net income (loss)	**$ 27**	**$ 41**

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
2017					
Scheduled Premiums Earned	$ 20,836	$	$	$	$ 20,836
Refunded Premiums Earned	20,995				20,995
Total	$ 41,831	$ -	$ -	$ -	$ 41,831
2016					
Scheduled Premiums Earned	$ 26,100	$ 27,002	$ 23,584	$ 21,894	$ 98,580
Refunded Premiums Earned	32,085	29,076	35,428	40,559	137,148
Total	$ 58,185	$ 56,078	$ 59,012	$ 62,453	$ 235,728

(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, 2016	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, 2017
$190,004	$(3,129)	$1,451	$(215)	$1,405	$(5)	$189,511

(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. 2017	102,232	178,961	707					3
2nd Qtr. 2017	99,084	174,477	688	16	3	1	20	3
3rd Qtr. 2017	94,392	167,880	670	15	3	1	19	4
4th Qtr. 2017	91,305	163,332	654	14	2	2	18	4
2018	83,845	150,455	589	54	11	5	70	13
2019	77,363	138,848	531	48	10	5	63	13
2020	71,134	127,660	477	44	10	5	59	12
2021	65,152	117,123	427	40	10	5	55	12
2022-2026	41,132	73,842	234	150	43	20	213	55
2027-2031	21,455	40,403	120	79	35	15	129	49
2032-2036	8,991	19,931	57	36	27	10	73	41
2037-2041	4,953	10,958	23	14	20	6	40	33
2042-2046	2,218	3,566	5	6	12	2	20	22
2047-2051	143	544	-	2	3	-	5	
2052 and thereafter	-	-	-	-	-	-	-	6
Total				$518	$189	$77	$784	$267

(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, 2017
(dollars in millions)

Investments (1)		Market Value	% of Market Value		Amortized Cost	% Book Yield
Fixed-Maturity Securities:						
Long-Term Tax-Exempt (2)	$	355	9	$	338	5.83
Long-Term Taxable		3,633	90		3,701	3.25
Short-Term		68	1		68	0.64
Total Fixed-Maturity		4,056	100	$	4,107	3.42
Cash and Cash Equivalents		46				
Total Fixed Income Including Cash and Cash Equivalents		4,102				
Investments Carried at Fair Value		123				
Other		4				
Total	$	4,229				
Fixed Income Portfolio Including Cash and Cash Equivalents						
Corporate Obligations	$	1,393	34			
State and Municipal Bonds		1,164	29			
MBS		836	20			
US Treasury		407	10			
ABS		241	6			
Cash and Cash Equivalents		46	1			
Money Markets		12	-			
Foreign Governments		3	-			
Total	$	4,102	100			
Effective Maturity Profile						
Cash and Cash Equivalents	$	46	1			
≤ 1 yr		372	9			
> 1 to 5 yrs		1,207	29			
> 5 to 10 yrs		773	19			
> 10 to 15 yrs		187	5			
> 15 to 20 yrs		285	7			
> 20 yrs		1,232	30			
Total	$	4,102	100			
Credit Quality Distribution of Long-Term Fixed-Maturity Securities						
Rating (3)						
Aaa	$	1,672	42			
Aa		963	24			
A		857	22			
Baa		175	4			
BIG		148	4			
NR		173	4			
	$	3,988	100			

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 13.42 years
Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 6.27 years

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of $124 million; the total market value of encumbered assets totals $125 million.
(2) Includes $138 million of Puerto Rico Sales Tax Finance Corporation bonds (insured by National), $133 million of Puerto Rico Electric Power Authority bonds (uninsured) and $211 thousand of Puerto Rico Municipal Finance Agency Bonds (insured by Assured Guaranty Municipal Corp.) at fair value.
(3) 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)

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Gross Loss and LAE Reserves	$ 96				$ 96
Beginning Gross Insurance Loss Recoverable	(162)				(162)
Beginning Gross Reserves	(66)				(66)
Ceded Reserves	-				-
Net Reserves	(66)				(66)
Increase (Decrease) in Expected Payments	35				35
(Increase) Decrease in Expected Salvage	(24)				(24)
Net (Payments), Collections and Other (1)	(25)				(25)
Net Reserves	(80)				(80)
Ceded Reserves	-				-
Gross Reserves	(80)				(80)
Gross Loss and LAE Reserves	105				105
Gross Insurance Loss Recoverable	$ (185)				$ (185)

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Gross Loss and LAE Reserves	$ 45	$ 52	$ 58	$ 72	$ 45
Beginning Gross Insurance Loss Recoverable	(4)	(3)	(2)	(163)	(4)
Beginning Gross Reserves	41	49	56	(91)	41
Ceded Reserves	-	-	-	-	-
Net Reserves	41	49	56	(91)	41
Increase (Decrease) in Expected Payments	19	9	188	21	237
(Increase) Decrease in Expected Salvage	(10)	-	(160)	7	(163)
Net (Payments), Collections and Other (1)	(1)	(2)	(175)	(3)	(181)
Net Reserves	49	56	(91)	(66)	(66)
Ceded Reserves	-	-	-	-	-
Gross Reserves	49	56	(91)	(66)	(66)
Gross Loss and LAE Reserves	52	58	72	96	96
Gross Insurance Loss Recoverable	$ (3)	$ (2)	$ (163)	$ (162)	$ (162)

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

National Public Finance Guarantee Corporation
Liquidity Position (1)
(dollars in millions)

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents(2)	**$ 115**				**$ 115**
Premiums and Fees	2				2
Net Investment Income	23				23
Total Inflows	25				25
Gross Loss & LAE Payments	26				26
Operating & Other Expenses	21				21
Total Outflows	47				47
Operating Cash Flow	(22)				(22)
Investing Activities	(52)				(52)
Net Cash Flow	(74)				(74)
Ending Cash & Cash Equivalents(2)	**$ 41**				**$ 41**
Other Liquid Assets(3)	255				255
Ending Liquidity Position	**$ 296**				**$ 296**

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents(2)	**$ 32**	**$ 27**	**$ 288**	**$ 65**	**$ 32**
Premiums and Fees	5	2	2	3	12
Net Investment Income	21	32	21	29	103
Other	1	2	2	1	6
Total Inflows	27	36	25	33	121
Gross Loss & LAE Payments	5	2	176	-	183
Operating & Other Expenses	18	14	13	15	60
Tax Payments	-	20	28	31	79
Total Outflows	23	36	217	46	322
Operating Cash Flow	4	-	(192)	(13)	(201)
Financing Activities	-	-	-	(118)	(118)
Investing Activities	(9)	261	(31)	181	402
Net Cash Flow	(5)	261	(223)	50	83
Ending Cash & Cash Equivalents(2)	**$ 27**	**$ 288**	**$ 65**	**$ 115**	**$ 115**
Other Liquid Assets(3)	317	153	245	251	251
Ending Liquidity Position	**$ 344**	**$ 441**	**$ 310**	**$ 366**	**$ 366**

(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

	3/31/2017	12/31/2016
Assets:		
Cash and Investments	$ 4,220	$ 4,184
Asset Swap Facility with MBIA Inc.	124	129
Other Assets	46	42
Total Assets	$ 4,390	$ 4,355
Liabilities:		
Unearned Premiums	741	786
Loss and LAE Reserves (1)	(106)	(98)
Contingency Reserve	717	745
Asset Swap Facility with MBIA Inc.	124	129
Other Liabilities	126	62
Total Liabilities	1,602	1,624
Total Policyholders' Surplus	2,788	2,731
Total Liabilities and Policyholders' Surplus	$ 4,390	$ 4,355

Claims-Paying Resources

	3/31/2017	12/31/2016
Balance Sheet		
Policyholders' Surplus	$ 2,788	$ 2,731
Contingency Reserve	717	745
Statutory Capital	3,505	3,476
Unearned Premiums	741	786
Present Value of Installment Premiums (1)	186	187
Premium Resources (2)	927	973
Net Loss and LAE Reserves (1)	(106)	(98)
Salvage Reserve	279	256
Gross Loss and LAE Reserves	173	158
Total Claims-Paying Resources	$ 4,605	$ 4,607
Net Debt Service Outstanding	$ 172,947	$ 185,099
Capital Ratio	49:1	53:1
Claims-Paying Resources Ratio	40:1	43:1

(1) As of March 31, 2017 and December 31, 2016, the discount rate was 3.18%.
(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, 2017							
	Par Outstanding (1)				Debt Service Outstanding (1)			
	Gross Amount	%	Net Amount (2)	%	Gross Amount	%	Net Amount (2)	%
United States								
California	$ 21,653	21.2	$ 21,099	21.3	$ 40,476	22.6	$ 39,375	22.8
New York	10,175	10.0	9,678	9.8	15,388	8.6	14,602	8.4
New Jersey	7,008	6.9	6,913	7.0	10,895	6.1	10,736	6.2
Illinois	5,739	5.6	5,466	5.5	14,659	8.2	14,010	8.1
Florida	5,709	5.6	5,633	5.7	7,689	4.3	7,588	4.4
Texas	4,732	4.6	4,567	4.6	7,896	4.4	7,252	4.2
Puerto Rico	3,606	3.5	3,533	3.5	8,513	4.8	8,406	4.9
Massachusetts	2,966	2.9	2,655	2.7	4,375	2.4	3,852	2.2
Michigan	2,858	2.8	2,742	2.7	4,037	2.3	3,857	2.2
Georgia	2,577	2.5	2,446	2.5	3,480	1.9	3,256	1.9
Subtotal	67,023	65.6	64,732	65.3	117,408	65.6	112,934	65.3
Other States & Territories	32,122	31.4	31,257	31.6	54,732	30.6	53,206	30.8
Nationally Diversified	3,087	3.0	3,081	3.1	6,821	3.8	6,807	3.9
Total	$ 102,232	100.0	$ 99,070	100.0	$ 178,961	100.0	$ 172,947	100.0

By Bond Type

	Outstanding as of March 31, 2017							
	Par Outstanding (1)				Debt Service Outstanding (1)			
	Gross Amount	%	Net Amount (2)	%	Gross Amount	%	Net Amount (2)	%
Bond Type								
General Obligation(3)	$ 34,735	34.0	$ 33,588	33.9	$ 59,498	33.2	$ 57,469	33.2
Municipal Utilities	16,334	16.0	15,968	16.1	24,452	13.7	23,769	13.8
Tax-Backed	16,008	15.7	15,534	15.7	31,863	17.8	30,723	17.8
Transportation	9,870	9.6	9,406	9.5	19,830	11.1	18,737	10.8
General Obligation - lease	8,250	8.1	7,803	7.9	11,588	6.5	10,921	6.3
Military Housing	7,394	7.2	7,385	7.4	16,725	9.3	16,707	9.7
Higher Education	3,593	3.5	3,512	3.5	5,331	3.0	5,222	3.0
Health Care	2,555	2.5	2,454	2.5	3,914	2.2	3,745	2.2
Investor Owned Utilities(4)	2,219	2.2	2,158	2.2	3,587	2.0	3,499	2.0
Municipal Housing	352	0.3	351	0.3	543	0.3	540	0.3
Other(5)	922	0.9	911	1.0	1,630	0.9	1,615	0.9
Total	$ 102,232	100.0	$ 99,070	100.0	$ 178,961	100.0	$ 172,947	100.0

(1) 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.
(2) Net of reinsurance.
(3) Includes general obligation unlimited and limited (property) tax bonds, general fund obligation bonds and pension obligation bonds of states, cities, counties, schools and special districts.
(4) Includes Investor-Owned Utilities, Industrial Development and Pollution Control Revenue Bonds.
(5) 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, 2017
(dollars in millions)

	Obligor Name	State	Internal Rating (1)		Gross Par Outstanding (2)		Gross Debt Service Outstanding (2)
1	California General Obligation	CA	a1	$	1,484	$	1,941
2	Oregon School Boards Association General Obligation	OR	aa3		1,307		2,260
3	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3		1,284		2,261
4	Puerto Rico Electric Power Authority	PR	d		1,249		1,789
5	Massachusetts General Obligation	MA	a1		1,212		1,562
6	New Jersey Transportation Trust Fund Authority	NJ	a3		1,156		1,694
7	Army Hawaii Family Housing	HI	aa2		1,130		2,407
8	Camp Pendleton Quantico Housing Privatization	CA	aa2		1,056		2,321
9	New York City Transitional Finance Authority State Bld Aid Appropriation	NY	a2		1,021		1,630
10	Illinois Regional Transportation Authority	IL	aa3		1,003		1,492
11	San Diego Family Housing Privatization Military	CA	aa1		979		2,187
12	Chicago General Obligation	IL	bbb2		901		1,949
13	Puerto Rico General Obligation	PR	d		855		1,179
14	Ohana Military Communities, LLC	HI	aa3		855		2,166
15	City of Chicago Board of Education	IL	bbb3		853		2,172
16	New York State Thruway Authority	NY	a2		800		1,128
17	Great River Energy Public Power	MN	a3		788		1,214
18	New Jersey Economic Development Authority Motor Vehicle Bonds	NJ	a3		752		1,245
19	San Jose City Redev Agcy Merged Area Red Proj TAB	CA	bbb2		739		1,047
20	Puerto Rico Sales Tax Financing Corporation	PR	b1		684		4,170
21	Long Island Power Authority Electric	NY	a3		683		825
22	Atlantic Marine Corps Communities LLC 0 Lejeune Cherry Point	NC	aa3		659		1,477
23	District of Columbia General Obligation	DC	aa2		642		1,132
24	City of Detroit Sewage Disposal System	MI	bbb1		631		943
25	LCOR Alexandria L.L.C. Federal Lease	VA	bbb1		628		1,040
26	Los Angeles Unified School District General Obligation	CA	a1		628		888
27	Arapahoe County E-470 Toll Road	CO	bbb1		625		2,414
28	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	d		619		1,097
29	Illinois Metropolitan Pier & Exposition Authority	IL	bbb2		617		4,828
30	New Jersey Turnpike Authority	NJ	a2		594		737
31	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2		575		898
32	Navy Mid-Atlantic Family Housing LLC	VA	aa2		551		1,181
33	JFK International Air Terminal Airport	NY	bbb3		533		697
34	The Port Authority of New York and New Jersey	NY	a1		516		787
35	New York City General Obligation	NY	aa3		516		627
36	New York State Power Authority	NY	aa2		501		891
37	Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3		500		1,483
38	Hudson Yards Infrastructure Corporation	NY	a3		500		1,175
39	City of Houston Combined Utility System Revenue Bonds	TX	a2		498		521
40	Sacramento County Sanitation District Finance Authority Sewer	CA	a1		454		717
41	Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3		416		3,287
42	Oglethorpe Power Corporation	GA	a3		410		747
43	Navy Southeast	FL	bbb3		409		1,054
44	Oakland Port and Airport Revenue	CA	a1		398		534
45	District of Columbia Sales Tax-Stadium Revenue	DC	bbb1		397		672
46	San Francisco International Airport	CA	a2		396		458
47	Houston City Airport System	TX	a1		392		533
48	Detroit City Water System	MI	a3		390		530
49	Massachusetts Water Resources Authority Water & Sewer	MA	aa3		381		558
50	Los Angeles Community College District General Obligation	CA	aa2		376		606
		Total		$	35,543	$	71,151
	Total Portfolio Exposure			**$**	102,232	**$**	178,961
	50 Largest Credits as % of Total Portfolio				34.8%		39.8%

(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, 2017
(dollars in millions)

Credit Quality Distribution(1)

	Gross Par Outstanding (2)		Gross Debt Service Outstanding (2)	
	Amount	**%**	**Amount**	**%**
Public Finance				
AAA	$ 4,938	4.8%	$ 7,883	4.4%
AA	45,135	44.1%	72,350	40.4%
A	31,993	31.3%	54,338	30.4%
BBB	14,368	14.1%	31,353	17.5%
<BBB	5,798	5.7%	13,037	7.3%
Total	$ 102,232	100.0%	$ 178,961	100.0%

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

	Obligor Name	Gross Par Outstanding (2)	Gross Debt Service Outstanding (2)
1	Puerto Rico Electric Power Authority	$ 1,249	$ 1,789
2	Puerto Rico General Obligation	855	1,179
3	City of Chicago Board of Education	853	2,172
4	Puerto Rico Sales Tax Financing Corporation	684	4,170
5	Puerto Rico Highway and Transportation Authority Transportation Revenue	619	1,097
6	Virgin Islands Public Finance Authority Gross Receipts	197	277
7	Atlantic City Casino Reinvestment Development Authority Parking Fee	159	197
8	Frontier Communications Corporation	139	237
9	North Las Vegas Water & Sewer	116	180
10	Capital Projects Finance Authority Florida Universities Student Housing 2000F-1	109	160
	Total Top 10 BIG Outstanding	$ 4,980	$ 11,458
	Total BIG Outstanding	$ 5,798	$ 13,037
	Total National Outstanding	$ 102,232	$ 178,961
	Top 10 BIG as % of National	**4.9%**	**6.4%**
	Total BIG as % of National	**5.7%**	**7.3%**
	Total BIG as % of National by National ratings	**4.4%**	**5.7%**

(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

(MBIA Insurance Corporation and Subsidiaries)

MBIA Insurance Corporation
Statutory Balance Sheets
(dollars in millions)

	March 31, 2017	December 31, 2016
Assets		
Bonds	$ 82	$ 91
Cash and short-term investments	136	221
Investment in MBIA UK	-	194
Investment in MBIA Mexico	6	6
Total investments	224	512
Interest and dividends accrued	1	1
Other assets	4	2
Total other assets	5	3
Total assets	**229**	**515**
Liabilities		
Unearned premiums	212	215
Contingency reserve	238	254
Borrowed money	377	-
Loss and LAE reserve (1)	(892)	(207)
Accrued expenses	2	13
Other liabilities	6	2
Total liabilities	**(57)**	**277**
Capital and Surplus		
Common stock	15	15
Preferred stock	276	276
Surplus Notes	953	953
Paid in Capital	783	783
Unassigned surplus	(1,741)	(1,789)
Total capital and surplus	**286**	**238**
Total liabilities and capital and surplus	**$ 229**	**$ 515**

(1) As of March 31, 2017 and December 31, 2016, the discount rate was 5.15%.

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

	Three Months Ended March 31, 2017	2016
Underwriting income		
Gross premiums written	$ 9	$ 14
Ceded premiums written	(1)	(2)
Net premiums written	8	12
Net premiums earned	15	19
Losses and LAE incurred	90	60
Underwriting expenses incurred	6	7
Net underwriting loss	(81)	(48)
Investment income		
Net investment gain	5	1
Net realized gain (loss)	263	-
Net investment gain (loss)	268	1
Other income (expense)		
Non-operating income (expense)	(9)	(8)
Income (loss) before taxes	178	(55)
Income tax provision	-	-
Net income (loss)	**$ 178**	**$ (55)**

MBIA Insurance Corporation
(dollars in millions)

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

	Ending Gross Par Outstanding (1)	Ending Gross Debt Service Outstanding (1)	Net Unearned Premiums (2)	Expected Premium Earnings (2)(3)	Estimated Cash Receivable (4)	Total
1st Qtr. 2017	18,363	25,407	212			
2nd Qtr. 2017	17,414	24,163	202	10	4	14
3rd Qtr. 2017	16,608	23,143	201	1	9	10
4th Qtr. 2017	15,727	21,995	191	10	9	19
2018	14,068	19,469	179	12	30	42
2019	12,548	17,168	166	13	27	40
2020	10,171	14,130	145	21	29	50
2021	8,489	11,910	130	15	22	37
2022-2026	3,943	5,642	33	97	83	180
2027-2031	2,181	3,059	1	32	47	79
2032-2036	2,304	3,110	-	1	18	19
2037 and thereafter	-	-	-	-	15	15
Total				$ 212	$ 293	$ 505

(1) Excludes $43 million and $56 million of gross par and gross debt service, respectively, where MBIA Corp. insured exposure has been fully offset by way of loss remediation transactions.
(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, based on the Company's estimate of the remaining life for its insured exposures.

Net Cash Premiums Collected and Expected (1)

	MBIA Insurance Corporation (2)
1st Qtr. 2017	$ 11
2017	30
2018	31
2019	26
2020	27
2021	21
2022-2026	80
2027-2031	45
2032-2036	17
2037 and thereafter	16
Total Future Premiums	$ 293

(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, 2017
(dollars in millions)

Statutory Accounting Basis

Investments		Book/ Adjusted Carry Value	% Book Yield		Market Value	% of Market Value
Bonds						
Long-Term Tax-Exempt[1]	$	19	5.23	$	23	12
Long-Term Taxable		63	5.40		67	36
Short-Term		99	0.51		99	52
Total Fixed-Maturity		181	2.71	$	189	100
Cash and Cash Equivalents		37				
Total Fixed Income Including Cash and Cash Equivalents		218				
Common Stocks		6				
Total	$	224				

Fixed Income Portfolio Including Cash and Cash Equivalents			% of Book/ Adjusted Carry Value
Money Markets	$	99	45
State and Municipal Bonds[1]		67	31
Cash and Cash Equivalents		37	17
MBS		11	5
US Treasury		4	2
Total	$	218	100
Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	37	17
≤ 1 yr		101	47
> 1 to 5 yrs		9	4
> 5 to 10 yrs [1]		9	4
> 10 to 15 yrs		1	-
> 15 to 20 yrs		26	12
> 20 yrs		35	16
Total	$	218	100
Credit Quality Distribution of Long-Term Bonds			
Rating[2]			
Aaa	$	9	11
Aa		50	61
A		12	15
C[1]		11	13
	$	82	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 7.60 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 4.16 years

(1) Includes $500 thousand of Puerto Rico Sales Tax Finance Corporation bonds (uninsured), a NAIC designated 6 security, carried at market value.

(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)

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to- date
Beginning Cash & Cash Equivalents (2)	**$ 194**				**$ 194**
Premiums and Fees	9				9
Other (3)	48				48
Total Inflows	57				57
Gross Loss & LAE Payments (3) (4)	825				825
Operating & Other Expenses	12				12
Total Outflows	837				837
Operating Cash Flow	(780)				(780)
Financing Activities	710				710
Investing Activities	(83)				(83)
Net Cash Flow	(153)				(153)
Ending Cash & Cash Equivalents (2)	**$ 41**				**$ 41**
Other Liquid Assets (5)	70				70
Ending Liquidity Position	**$ 111**				**$ 111**

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents (2)	**$ 257**	**$ 50**	**$ 201**	**$ 45**	**$ 257**
Premiums and Fees	39	20	32	20	111
Net Investment Income	1	-	1	1	3
Other (3)	24	43	28	16	111
Total Inflows	64	63	61	37	225
Gross Loss & LAE Payments (3)	41	45	91	49	226
Operating & Other Expenses	10	7	19	24	60
Total Outflows	51	52	110	73	286
Operating Cash Flow	13	11	(49)	(36)	(61)
Investing Activities	(220)	140	(107)	185	(2)
Net Cash Flow	(207)	151	(156)	149	(63)
Ending Cash & Cash Equivalents (2)	**$ 50**	**$ 201**	**$ 45**	**$ 194**	**$ 194**
Other Liquid Assets (5)	228	87	193	7	7
Ending Liquidity Position	**$ 278**	**$ 288**	**$ 238**	**$ 201**	**$ 201**

(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 Corporation.

(2) Reported for NY operations of MBIA Corp.

(3) May include payments/reinsurance recoveries on U.S. Public Finance transactions insured by MBIA Insurance Corporation that have been reinsured by National Public Finance Guarantee Corporation.

(4) Includes $771 million Zohar II Note maturity.

(5) 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
(dollars in millions)

Claims-Paying Resources

	3/31/2017	12/31/2016
Balance Sheet		
Policyholders' Surplus	$ 286	$ 238
Contingency Reserve	238	254
Statutory Capital (1) (2)	524	492
Unearned Premiums	212	319
Present Value of Installment Premiums (3)	213	424
Premium Resources (4)	425	743
Net Loss and LAE Reserves (3)	(892)	(207)
Salvage Reserves	1,534	917
Gross Loss and LAE Reserves	642	710
Total Claims-Paying Resources	$ 1,591	$ 1,945
Net Debt Service Outstanding	$ 24,525	$ 43,215
Capital Ratio	47:1	88:1
Claims-Paying Resources Ratio	17:1	26:1

(1) The 2016 results included a loss of $114 million to adjust the carrying value of MBIA UK to its estimated fair value less costs to sell. As the sale of MBIA UK was completed in the first quarter of 2017, there were additional accounting adjustments associated with its sale in the first quarter of 2017, which resulted in a $133 million increase to statutory capital. The impact of the sale of MBIA UK, giving full effect over the two quarters, resulted in a net increase of $32 million to statutory capital.
(2) Includes a $112 million reduction to policyholders' surplus as of December 31, 2016 related to the NYIL 1408 penalty; there was no NYIL 1408 penalty in the first quarter of 2017 as a result of the sale of MBIA UK.
(3) As of March 31, 2017 and December 31, 2016, the discount rate was 5.15%.
(4) The amounts consist of Financial Guarantee insurance premiums and Insured Credit Derivative revenue.

Net Realized Gain (Loss)

Sale of MBIA UK	4Q 2016	1Q 2017	Total
Previous carrying amount of MBIA UK	$ 412	$ -	$ 412
Fair Value Calculation			
Zohar II Notes ($347 million @ $94.81)	329	18 (1)	347
Cash payment to Assured	(23)	-	(23)
Interest income received on Zohar II Notes	-	2	2
Total expected consideration for MBIA UK (Fair value)	306	20	326
Less costs to sell	(8)	1	(7)
Net fair value of MBIA UK, less costs to sell	298	21	319
Loss recorded on adjustment of carrying value to fair value less costs to sell	(114)	21	(93)
Reversal of the NYIL 1408 penalty	13	112	125
Recognition of inception to date equity pickups	-	258	258
Reversal of inception to date unrealized equity pickups	-	(258)	(258)
Net (decrease) increase in policyholders' surplus	$ (101)	$ 133	$ 32

(1) Represents accretion to par value of the Zohar II Notes received as consideration, 15.4 million was recorded to net investment income and 2.6 million was recorded to net realized gains (losses).

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

Par Value by Bond Type

	Outstanding as of March 31, 2017(1) (2) (3)			
	Gross	%	Net(4)	%
Public Finance: Non-United States				
Transportation	$ 3,716	20.2	$ 3,408	19.2
Sovereign and Sub-Sovereign (5)	2,763	15.1	2,619	14.8
International Utilities	1,620	8.8	1,620	9.1
Other (6)	113	0.6	113	0.6
Total Non-United States Public Finance	$ 8,212	44.7	$ 7,760	43.7
Structured Finance - Global				
Mortgage Backed Residential	$ 4,345	23.7	$ 4,336	24.4
Corporate Asset Backed (7)	2,682	14.6	2,585	14.6
Collateralized Debt Obligations (8)	1,881	10.3	1,875	10.6
Consumer Asset Backed	906	4.9	860	4.9
Mortgage Backed Commercial	337	1.8	326	1.8
Total Global Structured Finance	10,151	55.3	9,982	56.3
Grand Total	$ 18,363	100.0	$ 17,742	100.0

Par Value by Geography

	Outstanding as of March 31, 2017(1) (2) (3)			
	Gross	%	Net(4)	%
United States	$ 9,367	51.0	$ 9,253	52.1
Australia	2,196	12.0	2,196	12.4
Chile	2,035	11.1	1,727	9.7
Canada	1,283	7.0	1,282	7.2
United Kingdom	1,114	6.1	1,103	6.2
Mexico	1,040	5.6	904	5.1
Spain	555	3.0	549	3.1
Subtotal	$ 8,223	44.8	$ 7,761	43.7
Other (9)	550	3.0	550	3.2
Internationally Diversified	223	1.2	178	1.0
Total Non-United States	8,996	49.0	8,489	47.9
Total	$ 18,363	100.0	$ 17,742	100.0

(1) Excludes $1.2 billion relating to investment agreements and medium term notes issued by various affiliated companies and guaranteed by MBIA Insurance Corporation.
(2) Includes consolidated insured Variable Interest Entities (VIEs) and insured Credit Derivatives.
(3) Excludes $43 million of gross and net par where MBIA Corp.'s insured exposure has been fully offset by way of loss remediation transactions.
(4) Net of reinsurance and other contractual agreements.
(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 and a tax-backed transaction.
(7) Includes $1.3 billion of structured insurance securitizations.
(8) Includes transactions (represented by structured pools of commercial real estate assets) that do not include typical CDO structuring characteristics, cash flow waterfalls, or interest and over-collateralization coverage tests.
(9) Includes France, Ireland, New Zealand, Trinidad and Tobago, and Turkey.

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

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

	Obligor Name		Gross Par Outstanding
1	Structured Insurance Securitization Private 13-16	$	575
2	Private Sovereign and Sub-Sovereign 48,49,52,55-57,67,76,86-90		246
3	Private Sovereign and Sub-Sovereign 100-103		192
4	GMACM 2006-HE4		189
5	Countrywide Home Equity Series 2007-S1/Second Lien RMBS		167
6	Countrywide Home Equity Master Trust Series 2006-S10		160
7	Structured CMBS Pool 28		154
8	Deutsche Bank Alt-A Securities Trust 2007-AR3		142
9	MS CDO 29		140
10	GMACM Home Equity Loan Trust 2007-HE1		134
	Total Top 10 Below Investment Grade	**$**	**2,099**
	Total BIG Gross Par Outstanding	$	5,784
	Total MBIA Gross Par Outstanding	$	18,363
	Top 10 BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding		**11.4%**
	Total BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding		**31.5%**

(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

2017	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Year-to-date**
Paid Claims (1)	$ 9				$ 9
Collections on Paid Claims (2)	(43)				(43)
Paid LAE (net of collections)	2				2
Net Payments	$ (32)				$ (32)

2016	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
Paid Claims (1)	$ 10	$ 22	$ 59	$ 12	$ 103
Collections on Paid Claims (2)	(20)	(38)	(13)	(12)	(83)
Paid LAE (net of collections)	2	3	3	2	10
Net Payments	$ (8)	$ (13)	$ 49	$ 2	$ 30

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)

(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, subsequent recoveries and proceeds from sales of previously charged-off loans, 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[1]
Historical Exposure Outstanding and Statutory Loss Payments and Recoveries
(dollars in millions)

	2013[2]	2014[2]	2015[2]	2016[2]	1Q 2017
Gross Par Outstanding (end of period)[3]					
Second-Lien RMBS	$ 5,295	$ 4,476	$ 3,629	$ 2,741	$ 2,542
Other[4]	75,104	50,712	38,015	28,117	15,821
Total	$ 80,399	$ 55,188	$ 41,644	$ 30,858	$ 18,363
Gross Loss Payments					
Second-Lien RMBS	$ 252	$ 75	$ 54	$ 103	$ 9
Other[4] [5]	1,802	566	237	283	835
Total Gross Loss Payments	$ 2,054	$ 641	$ 291	$ 386	$ 844
Recoveries received					
Second-Lien RMBS	$ 3,773	$ 115	$ 88	$ 83	$ 43
Other[4] [6]	179	66	14	202	29
Total Recoveries	$ 3,952	$ 181	$ 102	$ 285	$ 72
Net Loss Payments / (Recoveries)					
Second-Lien RMBS	$ (3,521)	$ (40)	$ (34)	$ 20	$ (34)
Other[4]	1,623	500	223	81	806
Total Net Loss Payments	$ (1,898)	$ 460	$ 189	$ 101	$ 772

(1) Table excludes loss adjustment expense.
(2) 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.
(3) Excludes exposure related to U.S. Public Finance.
(4) Includes all MBIA Insurance Corporation and Subsidiaries insured policies excluding second-lien transactions.
(5) Includes gross claim payments related to U.S. Public Finance transactions made on behalf of National totaling $135 million, $19 million, $2 million and $13 million for 2013, 2014, 2015 and 2016, respectively.
(6) Includes full recoveries of gross loss payments made by MBIA Corp. on behalf of National totaling $135 million, $19 million, $2 million and $13 million for 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]

	3/31/2017	12/31/2016
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $750 and $746) [2]	$ 794	$ 788
Investments carried at fair value (amortized cost $31 and $28)	33	31
Investments pledged as collateral, at fair value (amortized cost $145 and $243) [3]	142	238
Short-term investments held as available-for-sale, at fair value (amortized cost $227 and $287)	227	287
Other investments	17	18
Total investments	1,213	1,362
Cash and cash equivalents	22	13
Deferred income taxes, net	1,077	1,073
Other assets	23	31
Total Assets	**2,335**	**2,479**
Liabilities:		
Investment agreements [4]	390	399
Global Funding LLC, Medium-term Notes	830	895
MBIA Inc. Senior Unsecured	715	712
Income taxes [5]	713	712
Derivative liabilities	204	213
Other liabilities	80	124
Total Liabilities	**2,932**	**3,055**
Total Equity	**$ (597)**	**$ (576)**

(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 of $257 million and $276 million posted to derivative counterparties as of March 31, 2017 and December 31, 2016, respectively.

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

(4) Fair value of securities and cash pledged as collateral for investment agreements were $415 million and $422 million as of March 31, 2017 and December 31, 2016, respectively.

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

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

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Liquidity Position	**$ 403**				**$ 403**
Total Cash Inflows	101				101
Operating & Other Expenses	9				9
MTN P&I Payments	69				69
Debt P&I Payments	8				8
Share Repurchases	28				28
Contributions to Subsidiaries	9				9
Total Cash Outflows	123				123
Investment and Other Activity	(41)				(41)
Change in Liquidity Position	(63)				(63)
Ending Liquidity Position	**$ 340**				**$ 340**

2016	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Liquidity Position	**$ 416**	**$ 371**	**$ 295**	**$ 237**	**$ 416**
Total Cash Inflows	110	16	19	145	290
Operating & Other Expenses	9	6	6	5	26
MTN P&I Payments	2	56	71	6	135
Debt P&I Payments	8	15	8	20	51
Share Repurchases	97	9	-	-	106
Contributions to Subsidiaries	45	5	5	(45)	10
Total Cash Outflows	161	91	90	(14)	328
Investment and Other Activity	6	(1)	13	7	25
Change in Liquidity Position	(45)	(76)	(58)	166	(13)
Ending Liquidity Position	**$ 371**	**$ 295**	**$ 237**	**$ 403**	**$ 403**

(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.
Securities Buyback Activity [1]
(dollars in millions)

2017	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]	$ 40.0	$ 122.1							$ 40.0	$ 122.1
Debt										
MBIA Inc. Senior Unsecured									-	-
MBIA GFL MTNs[3]	34.6	7.7							34.6	7.7
Investment Agreements									-	-
MBIA Inc. (Consolidated)	$ 74.6	$ 129.8							$ 74.6	$ 129.8

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	Full Year Cost	Full Year Gain/ Value
Common Stock Repurchases [2]	$ 93.7	$ 378.8	$ 11.8	$ 42.5	$ -	$ -	$ -	-	$ 105.5	$ 421.3
Debt										
MBIA Inc. Senior Unsecured	-	-	-	-	-	-	-	-	-	-
MBIA GFL MTNs[3]	0.3	-	1.7	0.2	3.3	-	4.3	-	9.6	0.2
Investment Agreements	4.3	2.0	6.0	2.6	-	-	-	-	10.3	4.6
MBIA Inc. (Consolidated)	$ 98.3	$ 380.8	$ 19.5	$ 45.3	$ 3.3	$ -	$ 4.3	-	$ 125.4	$ 426.1

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

(2) Presented on a trade date basis. Gains calculated based on cost 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.

Corporate Headquarters

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

Investor Relations Contacts

Anthony McKiernan
Executive Vice President
Chief Financial Officer
914-765-3611
anthony.mckiernan@mbia.com

Greg Diamond
Managing Director Investor and Media 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/