MBIA Inc.
Quarterly Operating Supplement
December 31, 2017

Fourth Quarter 2017

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(1) This report is unaudited.

Safe Harbor Disclosure

This Operating Supplement of MBIA Inc., together with its consolidated subsidiaries, (collectively, "MBIA", the "Company", "we", "us" or "our") 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;
- 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 included in the Annual Report on Form 10-K. The Company encourages readers to review these risk factors in their entirety.

MBIA Inc. (Consolidated)

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

	December 31, 2017	December 31, 2016
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,728 and $4,713)	$ 3,712	$ 4,694
Investments carried at fair value	200	146
Investments pledged as collateral, at fair value (amortized cost $147 and $234)	148	233
Short-term investments held as available-for-sale, at fair value (amortized cost $589 and $552)	589	552
Other investments (includes investments at fair value of $4 and $5)	6	8
Total investments	4,655	5,633
Cash and cash equivalents	122	163
Premiums receivable	369	409
Deferred acquisition costs	95	118
Insurance loss recoverable	511	504
Assets held for sale	-	555
Deferred income taxes, net	-	970
Other assets	128	113
Assets of consolidated variable interest entities:		
Cash	24	24
Investments held-to-maturity, at amortized cost (fair value $916 and $876)	890	890
Investments carried at fair value	182	255
Loans receivable at fair value	1,679	1,066
Loan repurchase commitments	407	404
Other assets	33	33
Total assets	**$ 9,095**	**$ 11,137**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 752	$ 958
Loss and loss adjustment expense reserves	979	541
Long-term debt	2,121	1,986
Medium-term notes (includes financial instruments carried at fair value of $115 and $101)	765	895
Investment agreements	337	399
Derivative liabilities	262	299
Liabilities held for sale	-	346
Other liabilities	165	233
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $1,069 and $1,351)	2,289	2,241
Total liabilities	**7,670**	**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--283,717,973 and 283,989,999	284	284
Additional paid-in capital	3,171	3,160
Retained earnings	1,095	2,700
Accumulated other comprehensive income (loss), net of tax of $16 and $37	(19)	(128)
Treasury stock, at cost--192,233,526 and 148,789,168 shares	(3,118)	(2,789)
Total shareholders' equity of MBIA Inc.	1,413	3,227
Preferred stock of subsidiary	12	12
Total equity	**1,425**	**3,239**
Total liabilities and equity	**$ 9,095**	**$ 11,137**

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

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 25	$ 37	$ 107	$ 168
Refunding premiums earned	30	38	94	132
Premiums earned (net of ceded premiums of $1, $2, $6 and $7)	55	75	201	300
Net investment income	32	37	154	152
Fees and reimbursements	6	4	15	28
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	(10)	(20)	(51)	(40)
Unrealized gains (losses) on insured derivatives	10	21	-	21
Net change in fair value of insured derivatives	-	1	(51)	(19)
Net gains (losses) on financial instruments at fair value and foreign exchange	31	101	(24)	84
Net investment losses related to other-than-temporary impairments:				
Investment losses related to other-than-temporary impairments	(21)	-	(101)	(1)
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	(1)	(4)	(5)	(4)
Net investment losses related to other-than-temporary impairments	(22)	(4)	(106)	(5)
Net gains (losses) on extinguishment of debt	19	-	28	5
Other net realized gains (losses)	(5)	(279)	31	(282)
Revenues of consolidated variable interest entities:				
Net investment income	7	6	27	31
Net gains (losses) on financial instruments at fair value and foreign exchange	128	-	130	-
Other net realized gains (losses)	-	-	28	-
Total revenues	251	(59)	433	294
Expenses:				
Losses and loss adjustment	214	71	683	220
Amortization of deferred acquisition costs	-	10	23	40
Operating	24	40	106	137
Interest	49	49	197	197
Expenses of consolidated variable interest entities:				
Operating	2	4	10	14
Interest	20	5	75	25
Total expenses	309	179	1,094	633
Income (loss) before income taxes	(58)	(238)	(661)	(339)
Provision (benefit) for income taxes	(21)	27	944	(1)
Net income (loss)	**$ (37)**	**$ (265)**	**$ (1,605)**	**$ (338)**
Net income (loss) per common share:				
Basic	$ (0.39)	$ (2.01)	$ (13.50)	$ (2.54)
Diluted	$ (0.39)	$ (2.01)	$ (13.50)	$ (2.54)
Weighted average number of common shares outstanding:				
Basic	96,040,601	131,906,086	118,930,282	133,001,088
Diluted	96,040,601	131,906,086	118,930,282	133,001,088

MBIA Inc. and Subsidiaries
Adjusted Net Income (Loss) Reconciliation (Non-GAAP Basis) (1) (2)
(in millions except per share amounts)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net income (loss)	$ (37)	$ (265)	$ (1,605)	$ (338)
Less: Adjusted Net Income Adjustments				
Income (loss) before income taxes of Non-Core Operations (3)	83	(339)	(185)	(475)
Adjustments before income taxes (4):				
Mark-to-market gains (losses) on financial instruments (5)	35	62	64	12
Foreign exchange gains (losses) (5)	(6)	34	(63)	11
Net gains (losses) on sales of investments (5)	-	9	14	60
Net investment losses related to OTTI	(22)	(4)	(106)	(5)
Net gains (losses) on extinguishment of debt	19	-	28	5
Other net realized gains (losses)	-	(1)	(3)	(5)
Adjusted net income adjustment for income taxes (6)	21	(20)	(944)	29
Adjusted Net Income (loss)	$ (167)	$ (6)	$ (410)	$ 30
Adjusted Net Income (loss) per diluted common share	$ (1.52)	$ (0.05)	$ (3.45)	$ 0.23

Adjusted Net Income (Loss) Trend (1) (2)

	2017 1st Qtr.	2017 2nd Qtr.	2017 3rd Qtr.	2017 4th Qtr.	2017 Full Year
Adjusted Net Income (loss)	$ 9	$ (139)	$ (113)	$ (167)	$ (410)

	2016 1st Qtr.	2016 2nd Qtr.	2016 3rd Qtr.	2016 4th Qtr.	2016 Full Year
Adjusted Net Income (loss)	$ 16	$ 15	$ 5	$ (6)	$ 30

(1) A non-GAAP measure. Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per diluted common share were previously referred to as combined operating income (loss) and combined operating income (loss) per diluted common share. There was no change to the calculation of these non-GAAP measures. Please see glossary for an explanation of Adjusted Net Income (Loss).

(2) Totals may not add due to rounding.

(3) Non-Core Operations include 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.

(5) Gross amounts are reported with "Net gains (losses) on financial instruments at fair value and foreign exchange" on the Company's consolidated statement of operations.

(6) Reported within the "Provision (benefit) for income taxes" on the Company's consolidated statement of operations.

MBIA Inc.

Adjusted Book Value Per Share [1]

	12/31/2017	12/31/2016
Book Value Per Share	$ 15.44	$ 23.87
Reverse book value of the MBIA Corp. legal entity [2]	8.84	5.07
Book value after MBIA Corp. legal entity adjustment	**24.28**	**28.94**
Other book value adjustments:		
Reverse net unrealized (gains) losses included in OCI	0.26	0.24
Add net unearned premium revenue [3] [4]	4.78	4.31
Add tax effect on unrealized (gains) losses and unearned premium revenue [5]	-	(1.61)
Total other book value adjustments	5.04	2.94
Adjusted Book Value Per Share	**$ 29.32**	**$ 31.88**
Shares Outstanding in millions	91.5	135.2

(1) A non-GAAP measure; please see glossary for an explanation of ABV. Includes deferred tax assets of consolidated MBIA Inc. at year-end 2016.
(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., net of valuation allowance.
(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 the related deferred acquisition costs.
(5) As of December 31, 2017, ABV per share was adjusted by applying a zero effective tax rate to the book value adjustments.

Securities Buyback Activity
(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	Full Year Cost	Full Year Gain/ Value
Common Stock Repurchases [1] [2]	$ 40.0	$ N/A	$ 35.0	$ N/A	$ 25.4	N/A	$ 224.6	N/A	$ 325.0	$ N/A
Debt[3]										
MBIA Inc. Senior Unsecured									-	-
MBIA GFL MTNs[4]	34.6	7.7	-	-	-	-	99.1	18.3	133.7	26.0
Investment Agreements									-	-
MBIA Inc. (Consolidated)	$ 74.6	$ 7.7	$ 35.0	$ -	$ 25.4	$ -	$ 323.7	$ 18.3	$ 458.7	$ 26.0

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 [1] [2]	$ 93.7	$ N/A	$ 11.8	$ N/A	$ -	$ N/A	$ -	N/A	$ 105.5	$ N/A
Debt[3]										
MBIA Inc. Senior Unsecured	-	-	-	-	-	-	-	-	-	-
MBIA GFL MTNs[4]	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	$ 2.0	$ 19.5	$ 2.8	$ 3.3	$ -	$ 4.3	-	$ 125.4	$ 4.8

(1) Presented on a trade date basis.
(2) National purchased $3 million in the second quarter of 2016, $15 million in the second quarter of 2017, $25 million in the third quarter of 2017 and $225 million in the fourth quarter of 2017.
(3) Presented on a cash settlement basis.
(4) MBIA Global Funding LLC.

National Public Finance Guarantee Corporation

National Public Finance Guarantee Corporation
Statutory Balance Sheets
(in millions)

	December 31, 2017	December 31, 2016
Assets		
Bonds	$ 3,228	$ 3,921
Securities purchased under agreements to resell (parent)	124	129
Other invested assets	76	85
Cash and short-term investments	196	178
Receivable for investments sold	1	-
Preferred stock	1	-
Total investments	3,626	4,313
Interest accrued	26	28
Other assets	102	14
Total other assets	128	42
Total admitted assets	$ 3,754	$ 4,355
Liabilities		
Unearned premiums	$ 585	$ 786
Contingency reserve	594	745
Loss and LAE reserve (1)	227	(98)
Securities sold under agreements to repurchase (parent)	124	129
Payable for investments purchased	34	32
Current taxes payable	-	6
Accrued expenses	14	17
Other liabilities	10	8
Total liabilities	1,588	1,625
Policyholders' Surplus		
Common stock	15	15
Paid-in capital	574	574
Unassigned surplus	1,577	2,141
Total policyholders' surplus	2,166	2,730
Total liabilities and policyholders' surplus	$ 3,754	$ 4,355

(1) As of December 31, 2017 and 2016, the discount rates were 3.25% and 3.18%, respectively.

National Public Finance Guarantee Corporation
Statutory Income Statements
(in millions)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Gross premiums written	$ 3	$ 7	$ 13	$ 19
Ceded premiums written	-	-	-	-
Net premiums written	3	7	13	19
Underwriting income				
Net premiums earned	60	72	214	275
Losses and LAE incurred	174	17	584	115
Underwriting expenses incurred	14	16	67	61
Net underwriting income (loss)	(128)	39	(437)	99
Investment income				
Net investment income earned	32	28	111	118
Net realized capital gains (losses)	(21)	7	(80)	86
Net investment gain (loss)	11	35	31	204
Other income (expense)				
Non-operating income (expense)	(4)	-	(4)	-
Income (loss) before taxes	(121)	74	(410)	303
Income tax provision (benefit)	(26)	21	(89)	111
Net income (loss)	$ (95)	$ 53	$ (321)	$ 192

National Public Finance Guarantee Corporation and Subsidiaries
(dollars in millions)

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

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Net Unearned Premiums (1)	Expected Future Premium Earnings (1)(2)	Estimated Cash Receivable (3)	Total	Net Cash Premiums Collected and Expected (4)
4th Qtr. 2017	71,928	133,965	585	-	-	-	4
1st Qtr. 2018	70,294	131,262	572	13	-	13	2
2nd Qtr. 2018	69,223	129,233	562	10	1	11	3
3rd Qtr. 2018	67,092	125,687	544	18	2	20	4
4th Qtr. 2018	65,644	123,258	535	9	3	12	4
2019	60,248	113,649	492	43	12	55	12
2020	55,163	104,476	453	39	12	51	12
2021	50,291	95,848	417	36	12	48	12
2022	46,212	88,297	386	31	11	42	11
2023-2027	27,824	54,668	239	147	52	199	52
2028-2032	14,498	30,499	133	106	45	151	44
2033-2037	6,816	16,317	69	64	35	99	34
2038-2042	3,708	8,698	39	30	26	56	25
2043-2047	1,164	2,303	4	35	15	50	14
2048 and thereafter	-	-	-	4	5	9	2
Total				$585	$231	$816	$231

(1) Statutory Accounting Basis.
(2) Actual future premium earnings will differ from the current projection due to refundings.
(3) Undiscounted.
(4) Represents installment-based future net, undiscounted collections net of amounts to be ceded to reinsurers.

Claims-Paying Resources

	12/31/2017	12/31/2016
Policyholders' Surplus	$ 2,166	$ 2,731
Contingency Reserve	594	745
Statutory Capital	2,760	3,476
Unearned Premiums	585	786
Present Value of Installment Premiums (1)	164	187
Premium Resources (2)	749	973
Net Loss and LAE Reserves (1)	227	(98)
Salvage Reserve	387	256
Gross Loss and LAE Reserves	614	158
Total Claims-Paying Resources	$ 4,123	$ 4,607
Net Debt Service Outstanding	$ 129,668	$ 185,099
Capital Ratio	47:1	53:1
Claims-Paying Resources Ratio	33:1	43:1

(1) As of December 31, 2017 and 2016, the discount rate was 3.25% and 3.18%, respectively.
(2) Includes financial guarantee and insured credit derivative related premiums.

U.S. Public Finance Insurance
(primarily National Public Finance Guarantee Corporation)
Investment Portfolio Including Cash and Cash Equivalents
as of December 31, 2017
(dollars in millions)

Statutory Accounting Basis (Net Admitted)

Investments		Book/ Adjusted Carry Value	% Book Yield		Market Value	% of Market Value
Bonds:						
Long-Term Tax-Exempt (1)	$	239	4.35	$	244	7
Long-Term Taxable		2,989	3.08		3,010	92
Short-Term		20	1.36		20	1
Total Bonds		3,248	3.17	$	3,274	100
Cash and Cash Equivalents		176				
Total Fixed Income Including Cash and Cash Equivalents		3,424				
Securities purchased under agreements to resell (2)		124				
Preferred Stock		1				
Other		76				
Total	$	3,625				

Fixed Income Portfolio Including Cash and Cash Equivalents			% of Book/ Adjusted Carry Value
Corporate Obligations	$	1,282	37
State and Municipal Bonds		631	19
US Treasury		607	18
MBS		445	13
ABS		247	7
Cash and Cash Equivalents		176	5
Perpetual Preferred		33	1
Foreign Governments		3	-
Total	$	3,424	100
Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	176	5
≤ 1 yr		170	5
> 1 to 5 yrs		1,204	35
> 5 to 10 yrs		613	18
> 10 to 15 yrs		103	3
> 15 to 20 yrs		358	11
> 20 yrs		800	23
Total	$	3,424	100
Credit Quality Distribution of Long-Term Bonds Rating (3)			
Aaa	$	1,390	43
Aa		472	15
A		698	22
Baa		306	9
BIG		285	9
NR		77	2
	$	3,228	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 12.86 years
Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 6.27 years

(1) Includes $117 million of Puerto Rico Sales Tax Finance Corporation bonds (insured by National) and $45 million of Puerto Rico Electric Power Authority bonds (uninsured).
(2) Asset Swap between National and MBIA Inc.
(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

Liquidity Position [(1)]

(in millions)

2017		**1st Qtr.**		**2nd Qtr.**		**3rd Qtr.**		**4th Qtr.**		**Full Year**
Beginning Cash & Cash Equivalents[(2)]	$	**115**	$	**41**	$	**30**	$	**30**	$	**115**
Premiums and Fees		2		2		-		-		4
Net Investment Income		23		27		21		26		97
Other		-		-		1		-		1
Total Inflows		25		29		22		26		102
Gross Loss & LAE Payments		26		3		220		3		252
Operating & Other Expenses		21		16		18		19		74
Tax Payments		-		28		-		2		30
Total Outflows		47		47		238		24		356
Operating Cash Flow		(22)		(18)		(216)		2		(254)
Financing Activities		-		-		-		(118)		(118)
Investing Activities		(52)		7		216		201		372
Net Cash Flow		(74)		(11)		-		85		-
Ending Cash & Cash Equivalents[(2)]	$	**41**	$	**30**	$	**30**		**115**	$	**115**
Other Liquid Assets[(3)]		255		659		396		113		113
Ending Liquidity Position	$	**296**	$	**689**	$	**426**	$	**228**	$	**228**

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 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.

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

By Geography

	Outstanding as of December 31, 2017			
	Par Outstanding (1)		Debt Service Outstanding (1)	
	Gross Amount	%	Gross Amount	%
United States				
California	$ 14,788	20.6	$ 30,272	22.6
New York	6,196	8.6	9,070	6.8
New Jersey	4,922	6.8	7,597	5.7
Illinois	4,818	6.7	13,036	9.7
Texas	3,629	5.0	6,037	4.5
Puerto Rico	3,402	4.7	8,188	6.1
Florida	2,940	4.1	3,810	2.8
Massachusetts	2,342	3.3	3,478	2.6
Georgia	2,144	3.0	2,860	2.1
Hawaii	2,018	2.8	4,526	3.4
Subtotal	47,199	65.6	88,874	66.3
Other States & Territories	21,678	30.1	38,459	28.7
Nationally Diversified	3,051	4.3	6,632	5.0
Total	$ 71,928	100.0	$ 133,965	100.0

By Bond Type

	Outstanding as of December 31, 2017			
	Par Outstanding (1)		Debt Service Outstanding (1)	
	Gross Amount	%	Gross Amount	%
Bond Type				
General Obligation(2)	$ 22,948	31.9	$ 42,798	32.0
Municipal Utilities	11,760	16.3	17,684	13.2
Tax-Backed	12,425	17.3	26,467	19.8
Military Housing	7,318	10.2	16,311	12.2
Transportation	6,949	9.6	15,201	11.4
General Obligation - lease	3,785	5.2	5,134	3.8
Higher Education	2,080	2.9	3,146	2.3
Investor Owned Utilities(3)	1,987	2.8	3,111	2.3
Health Care	1,769	2.5	2,592	1.9
Other(4)	646	0.9	1,123	0.8
Municipal Housing	261	0.4	398	0.3
Total	$ 71,928	100.0	$ 133,965	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) 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.
(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 December 31, 2017
(dollars in millions)

	Obligor Name	State	Internal Rating (1)	Gross Par Outstanding (2)	Gross Debt Service Outstanding (2)
1	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	bbb1	$ 1,284	$ 2,213
2	Oregon School Boards Association General Obligation	OR	aa3	1,266	2,107
3	Puerto Rico Electric Power Authority	PR	d	1,151	1,637
4	Massachusetts General Obligation	MA	a1	1,120	1,428
5	Army Hawaii Family Housing	HI	aa2	1,119	2,339
6	New Jersey Transportation Trust Fund Authority	NJ	bbb1	1,101	1,582
7	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,044	2,249
8	San Diego Family Housing Privatization Military	CA	aa1	974	2,153
9	Chicago General Obligation	IL	bbb2	901	1,929
10	Ohana Military Communities, LLC	HI	aa3	838	2,105
11	Puerto Rico General Obligation	PR	d	835	1,124
12	New York State Thruway Authority	NY	a2	800	1,111
13	City of Chicago Board of Education	IL	bbb3	767	2,029
14	Illinois Regional Transportation Authority	IL	aa3	749	1,107
15	Great River Energy Public Power	MN	a3	739	1,141
16	Puerto Rico Sales Tax Financing Corporation	PR	d	684	4,170
17	Atlantic Marine Corps Communities LLC Lejeune Cherry Point	NC	aa3	654	1,436
18	LCOR Alexandria L.L.C. Federal Lease	VA	bbb1	618	999
19	Great Lakes Water Authority - Sewer System	MI	bbb1	597	889
20	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	575	882
21	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	d	558	1,010
22	Navy Mid-Atlantic Family Housing LLC	CA	aa2	548	1,164
23	Illinois Metropolitan Pier & Exposition Authority	IL	bbb2	525	4,511
24	JFK International Air Terminal Airport	NY	bbb3	486	620
25	Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3	475	1,432
26	Arapahoe County E-470 Toll Road	CO	bbb1	475	2,142
27	New York State Power Authority	NY	aa2	466	829
28	City of Houston Combined Utility System Revenue Bonds	TX	a2	450	468
29	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	444	687
30	Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3	416	3,285
31	Navy Southeast	FL	bbb3	406	1,025
32	New York City General Obligation	NY	aa3	388	481
33	Houston City Airport System	TX	a1	382	517
34	District of Columbia Sales Tax-Stadium Revenue	DC	bbb1	373	624
35	Santa Clara County Pension Obligation	CA	aa3	358	752
36	Sacramento County Water Financing Authority Water	CA	a2	352	542
37	San Francisco International Airport	CA	a2	345	392
38	Georgia Municipal Electric Authority	GA	a3	342	389
39	New Jersey Economic Development Authority Lease	NJ	bbb1	339	472
40	California General Obligation	CA	a1	338	457
41	Fort Drum Family Housing	NY	aa3	335	775
42	Pedernales Electric Cooperative	TX	a2	313	490
43	Atlanta City Water & Sewer	GA	a3	310	382
44	Central Puget Sound Regional Transit Auth Sales	WA	aa2	301	385
45	Oglethorpe Power Corporation	GA	a3	300	557
46	Cincinnati City School District General Obligation	OH	aa3	294	423
47	Philadelphia City Auth Industrial Dev GO	PA	bbb2	288	450
48	San Mateo County Community College District GO	CA	aa1	284	834
49	New York City IDA (Yankees Stadium)	NY	bbb2	283	535
50	Kentucky Municipal Power Agency	KY	bbb1	280	491
		Total		$ 29,270	$ 61,755
	Total Portfolio Exposure			**$** 71,928	**$** 133,965
	50 Largest Credits as % of Total Portfolio			40.7%	46.1%

(1) Internal ratings are provided solely to indicate the underlying credit quality of guaranteed obligations based on the Company's view, before giving effect to the guarantee. They are subject to revision at any time and do not constitute investment advice. The Company's rating symbology has a one-to-one correspondence to the ratings symbologies used by S&P and Moody's (e.g. aa3 = AA- = Aa3, bbb2 = BBB = Baa2, etc.).

(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 December 31, 2017
(dollars in millions)

Credit Quality Distribution[1]

	Gross Par Outstanding (2) Amount	%	Gross Debt Service Outstanding (2) Amount	%
Public Finance				
AAA	$ 3,271	4.5%	$ 5,506	4.1%
AA	28,354	39.4%	48,935	36.5%
A	23,530	32.7%	40,881	30.5%
BBB	10,870	15.1%	21,763	16.2%
<BBB	5,903	8.2%	16,880	12.6%
Total	$ 71,928	100.0%	$ 133,965	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	$ 1,151	$ 1,637
2	Puerto Rico General Obligation	835	1,124
3	City of Chicago Board of Education	767	2,029
4	Puerto Rico Sales Tax Financing Corporation	684	4,170
5	Puerto Rico Highway and Transportation Authority Transportation Revenue	558	1,010
6	Illinois Metropolitan Pier & Exposition Authority	526	4,511
7	Virgin Islands Public Finance Authority Gross Receipts	193	264
8	Atlantic City Casino Reinvestment Development Authority Parking Fee	139	169
9	Frontier Communications Corporation	139	228
10	North Las Vegas Water & Sewer	113	172
	Total Top 10 BIG Outstanding	$ 5,105	$ 15,314
	Total BIG Outstanding	$ 5,903	$ 16,880
	Total National Outstanding	$ 71,928	$ 133,965
	Top 10 BIG as % of National	**7.1%**	**11.4%**
	Total BIG as % of National	**8.2%**	**12.6%**
	Total BIG as % of National by National ratings	**6.1%**	**7.4%**

(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.

MBIA Insurance Corporation and Subsidiaries

MBIA Insurance Corporation
Statutory Balance Sheets
(in millions)

	December 31,2017	December 31, 2016
Assets		
Bonds	$ 86	$ 91
Cash and short-term investments	166	221
Investment in MBIA UK	-	194
Investment in MBIA Mexico	6	6
Total investments	258	512
Interest and dividends accrued	1	1
Other assets	3	2
Total other assets	4	3
Total assets	**$ 262**	**$ 515**
Liabilities		
Unearned premiums	$ 195	$ 215
Contingency reserve	227	254
Borrowed money	386	-
Loss and LAE reserve (1)	(792)	(207)
Accrued expenses	-	13
Other liabilities	9	2
Total liabilities	**25**	**277**
Policyholders' Surplus		
Common stock	15	15
Preferred stock	276	276
Surplus Notes	953	953
Paid in Capital	783	783
Unassigned surplus	(1,790)	(1,788)
Total policyholders' surplus	**237**	**238**
Total liabilities and policyholders' surplus	**$ 262**	**$ 515**

(1) As of December 31, 2017 and 2016, the discount rates were 5.20% and 5.15%, respectively.

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

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Gross premiums written	$ 17	$ 19	$ 54	$ 67
Ceded premiums written	(5)	(5)	(13)	(15)
Net premiums written	12	14	41	52
Underwriting income				
Net premiums earned	22	16	64	74
Losses and LAE incurred	24	71	186	265
Underwriting expenses incurred	2	-	12	-
Net investment gain (loss)	(4)	(55)	(134)	(191)
Investment income				
Net investment income earned	(13)	1	(41)	4
Net realized capital gains (losses)	-	(113)	270	(114)
Net investment gain (loss)	(13)	(112)	229	(110)
Other income (expense)				
Non-operating income (expense)	(5)	(12)	11	(22)
Income (loss) before taxes	(22)	(179)	106	(323)
Income tax provision (benefit)	-	-	-	-
Net income (loss)	**$ (22)**	**$ (179)**	**$ 106**	**$ (323)**

MBIA Insurance Corporation (excluding Subsidiaries)

Liquidity Position (1)

(in millions)

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents (2)	**$ 194**	**$ 41**	**$ 21**	**$ 21**	**$ 194**
Premiums and Fees	9	17	11	18	55
Salvage Received	48	20	13	82	163
Net Investment Income	-	-	1	-	1
Other (3)	-	40	-	-	40
Total Inflows	57	77	25	100	259
Gross Loss & LAE Payments (3) (4)	825	65	37	30	957
Operating & Other Expenses	12	9	12	15	48
Total Outflows	837	74	49	45	1,005
Operating Cash Flow	(780)	3	(24)	55	(746)
Financing Activities	710	-	-	-	710
Investing Activities	(83)	(23)	24	(50)	(132)
Net Cash Flow	(153)	(20)	-	5	(168)
Ending Cash & Cash Equivalents (2)	**$ 41**	**$ 21**	**$ 21**	**$ 26**	**$ 26**
Other Liquid Assets (5)	70	94	72	119	119
Ending Liquidity Position	**$ 111**	**$ 115**	**$ 93**	**$ 145**	**$ 145**

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
Salvage Received	24	43	17	14	98
Net Investment Income	1	-	1	1	3
Other (3)	-	-	11	2	13
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)

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 Future Premium Earnings (2)(3)	Estimated Cash Receivable (4)	Total	Net Cash Premiums Collected and Expected (5)(6)
4th Qtr. 2017	15,103	20,980	195				11
2018	13,398	18,467	174	21	22	43	32
2019	11,849	16,192	160	14	28	42	27
2020	10,026	13,723	138	22	30	52	27
2021	8,324	11,481	122	16	22	38	22
2022	6,171	8,915	105	17	19	36	18
2023-2027	3,557	5,033	32	73	78	151	76
2028-2032	1,964	2,734	2	30	41	71	38
2033-2037	824	1,220	-	2	14	16	14
2038 and thereafter	-	-	-	-	12	12	12
Total				$ 195	$ 266	$ 461	$ 266

(1) Excludes $40 million and $52 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 changes in prepayment speeds, settlements and terminations.
(4) Undiscounted, based on the Company's estimate of the remaining life for its insured exposures.
(5) Represents installment-based future undiscounted collections net of amounts to be ceded to reinsurers.
(6) Based on the Company's estimate of the remaining life for its insured exposures.

Claims-Paying Resources

	12/31/2017	12/31/2016
Balance Sheet		
Policyholders' Surplus	$ 237	$ 238
Contingency Reserve	227	254
Statutory Capital (1) (2)	464	492
Unearned Premiums	195	319
Present Value of Installment Premiums (3)	192	424
Premium Resources (4)	387	743
Net Loss and LAE Reserves (3)	(792)	(207)
Salvage Reserves	1,428	917
Gross Loss and LAE Reserves	636	710
Total Claims-Paying Resources	$ 1,487	$ 1,945
Net Debt Service Outstanding	$ 20,151	$ 43,215
Capital Ratio	43:1	88:1
Claims-Paying Resources Ratio	14:1	22:1

(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 as of December 31, 2017 as a result of the sale of MBIA UK.
(3) Calculated using a discount rate of 5.20% and 5.15% as of December 31, 2017 and 2016, respectively.
(4) The amounts consist of financial guarantee insurance premiums and insured credit derivative revenue.

MBIA Insurance Corporation
Investment Portfolio Including Cash and Cash Equivalents
as of December 31, 2017
(dollars in millions)

Statutory Accounting Basis (Net Admitted)

Investments		Book/ Adjusted Carry Value	% Book Yield		Market Value	% of Market Value
Bonds						
Long-Term Tax-Exempt(1)	$	19	5.09	$	24	25
Long-Term Taxable		67	5.06		74	75
Total Bonds		86	5.07	$	98	100
Cash and Cash Equivalents		166				
Total Fixed Income Including Cash and Cash Equivalents		252				
Common Stocks		6				
Total	$	258				

Fixed Income Portfolio Including Cash and Cash Equivalents			% of Book/ Adjusted Carry Value
Cash and Cash Equivalents	$	166	66
State and Municipal Bonds(1)		67	27
MBS		10	4
US Treasury		9	3
Total	$	252	100
Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	166	66
> 1 to 5 yrs(1)		10	4
> 10 to 15 yrs		2	1
> 15 to 20 yrs		41	16
> 20 yrs		33	13
Total	$	252	100
Credit Quality Distribution of Long-Term Bonds Rating (2)			
Aaa	$	14	17
Aa		49	57
A		13	15
C(1)		10	11
	$	86	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 5.63 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 4.00 years

(1) Includes $300 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.

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

Par Value by Bond Type

	Outstanding as of December 31, 2017 (1)(2)(3)	
	Gross	%
Public Finance: Non-United States		
Transportation	$ 3,544	23.5
Sovereign and Sub-Sovereign (4)	2,658	17.6
International Utilities	1,424	9.4
Other (5)	110	0.7
Total Non-United States Public Finance	$ 7,736	51.2
Structured Finance - Global		
Mortgage Backed Residential	$ 3,621	24.0
Corporate Asset Backed (6)	2,273	15.0
Consumer Asset Backed	710	4.7
Collateralized Debt Obligations (7)	446	3.0
Mortgage Backed Commercial	317	2.1
Total Global Structured Finance	7,367	48.8
Grand Total	$ 15,103	100.0

Par Value by Geography

	Outstanding as of December 31, 2017 (1)(2)(3)	
	Gross	%
United States	$ 6,647	44.0
Chile	2,054	13.6
Australia	2,023	13.4
Canada	1,283	8.5
Mexico	992	6.6
United Kingdom	923	6.1
Spain	456	3.0
Other (8)	541	3.6
Internationally Diversified	184	1.2
Total Non-United States	8,456	56.0
Total	$ 15,103	100.0

(1) Excludes $1.5 billion relating to investment agreements, medium term notes and the MBIA Corp. Financing Facility 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 $40 million of gross and net par where MBIA Corp.'s insured exposure has been fully offset by way of loss remediation transactions.
(4) Includes Regions, Departments or their equivalent in each jurisdiction as well as sovereign owned entities that are Sovereign State, Region or Department.
(5) Includes municipal-owned entities backed by the sponsoring local government and a tax-backed transaction.
(6) Includes $1.1 billion of structured insurance securitizations.
(7) Includes a transaction (represented by a structured pool of commercial real estate assets) that does not include typical CDO structuring characteristics, cash flow waterfalls, or interest and over-collateralization coverage tests.
(8) Includes France, Ireland, New Zealand, Trinidad and Tobago, and Turkey.

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	Structured Insurance Securitization Private 13-16	$ 575
2	Private Sovereign and Sub-Sovereign 100-103	182
3	Private Sovereign and Sub-Sovereign 48,49,52,55-57,67,76,86-90	148
4	MS CDO 29	137
5	GMACM 2006-HE4	133
6	Countrywide Home Equity Series 2007-S1/Second Lien RMBS	131
7	Countrywide Home Equity Master Trust Series 2006-S10	130
8	Structured CMBS Pool 28	127
9	Private Transaction 6	126
10	Private RMBS Transaction	112
	Total Top 10 Below Investment Grade	$ 1,801
	Total BIG Gross Par Outstanding	$ 4,971
	Total MBIA Gross Par Outstanding	$ 15,103
	Top 10 BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**11.9%**
	Total BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding	**32.9%**

(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.**	**Full Year**
Paid Claims (1)	$ 9	$ 15	$ 13	$ 8	$ 45
Collections on Paid Claims (2)	(43)	(11)	(11)	(72)	(137)
Paid LAE (net of collections)	2	(3)	2	2	3
Net Payments	$ (32)	$ 1	$ 4	$ (62)	$ (89)

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 Inc. (Parent Company)

MBIA Inc.

(in millions)

Corporate Segment Balance Sheets (1)

	12/31/2017	12/31/2016
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $674 and $746) (2)	$ 719	$ 788
Investments carried at fair value (amortized cost $29 and $28)	30	31
Investments pledged as collateral, at fair value (amortized cost $156 and $243) (3)	153	238
Short-term investments held as available-for-sale, at fair value (amortized cost $327 and $287)	327	287
Other investments	17	18
Total investments	1,246	1,362
Cash and cash equivalents	10	13
Deferred income taxes, net	-	1,073
Other assets	56	31
Total Assets	**1,312**	**2,479**
Liabilities:		
Investment agreements (4)	337	399
Global Funding LLC, Medium-term Notes	765	895
MBIA Inc. Senior Unsecured	840	712
Income taxes (5)	234	712
Derivative liabilities	193	213
Other liabilities	74	124
Total Liabilities	**2,443**	**3,055**
Total Equity	**$ (1,131)**	**$ (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 $237 million and $276 million posted to derivative counterparties as of December 31, 2017 and 2016, respectively.

(3) Represents assets of the tax escrow under the Company's tax sharing agreement, excluding MBIA Inc. shares.

(4) Fair value of securities and cash pledged as collateral for investment agreements were $353 million and $422 million as of December 31, 2017 and 2016, respectively.

(5) Represents tax payments made by National that could be reclaimed by National under the terms of the Company's tax sharing agreement.

MBIA Inc. (Parent Company)

Liquidity Position (1)(2)(3)

(in millions)

2017	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Liquidity Position	**$ 403**	**$ 340**	**$ 287**	**$ 294**	**$ 403**
Total Cash Inflows	101	2	2	124	229
Operating & Other Expenses	9	7	5	12	33
MTN P&I Payments	69	3	-	106	178
Debt P&I Payments	8	15	8	20	51
Share Repurchases	28	32	-	-	60
Contributions to Subsidiaries	9	11	(5)	(10)	5
Total Cash Outflows	123	68	8	128	327
Investment and Other Activity	(41)	13	13	129	114
Change in Liquidity Position	(63)	(53)	7	125	16
Ending Liquidity Position	**$ 340**	**$ 287**	**$ 294**	**$ 419**	**$ 419**

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.

Glossary

Adjusted Book Value (ABV): Adjusted Book Value ("ABV") per share is a non-GAAP measure. We consider ABV a measure of fundamental value of the Company and the change in ABV an important measure of financial performance. ABV adjusts GAAP book value to remove the legal entity book value of MBIA Corp., but includes all deferred taxes available to the Company. As of June 30, 2017, the Company established a full valuation allowance against its net deferred tax asset which reduced its book value per share. In addition, ABV adjusts for certain items which the Company believes will reverse from GAAP book value through GAAP earnings and other comprehensive income, as well as 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 for which the likelihood and amount can be reasonably estimated. We have 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 and value. ABV is not a substitute for and should not be viewed in isolation of GAAP book value, and our definition of ABV may differ from that used by other companies.

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

Adjusted Net Income (Loss): Adjusted Net Income (Loss) formerly labeled, Combined Operating Income (Loss), is a useful measurement of performance because it measures income from the Company excluding its international and structured finance insurance segment, which is not part of our ongoing business strategy. Also excluded from Adjusted Net Income (Loss) are 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. Adjusted Net Income (Loss) eliminates the tax provision as a result of establishing a full valuation allowance against the Company's net deferred tax asset in 2017. Trends in the underlying profitability of the Company's businesses can be more clearly identified without the fluctuating effects of the excluded items previously noted. Adjusted Net Income (Loss) as defined by the Company does not include all revenues and expenses required by GAAP. Adjusted Net Income (Loss) is not a substitute for and should not be viewed in isolation from GAAP net income.

Adjusted Net Income (Loss) per share (previously referred to as combined operating income (loss) per diluted common share) represents that amount of Adjusted Net Income (Loss) allocated to each fully diluted weighted-average common share outstanding for the measurement period.

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 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.

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.

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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