MBIA Inc.
Quarterly Operating Supplement
March 31, 2018

First Quarter 2018

(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)

	March 31, 2018	December 31, 2017
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,812 and $3,728)	$ 3,757	$ 3,712
Investments carried at fair value	228	200
Investments pledged as collateral, at fair value (amortized cost $34 and $147)	32	148
Short-term investments, at fair value (amortized cost $448 and $589)	448	589
Other investments (includes investments at fair value of $0 and $4)	1	6
Total investments	4,466	4,655
Cash and cash equivalents	120	122
Premiums receivable	368	369
Deferred acquisition costs	92	95
Insurance loss recoverable	530	511
Other assets	134	128
Assets of consolidated variable interest entities:		
Cash	21	24
Investments held-to-maturity, at amortized cost (fair value $901 and $916)	890	890
Investments carried at fair value	176	182
Loans receivable at fair value	1,662	1,679
Loan repurchase commitments	407	407
Other assets	27	33
Total assets	**$ 8,893**	**$ 9,095**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 712	$ 752
Loss and loss adjustment expense reserves	1,006	979
Long-term debt	2,154	2,121
Medium-term notes (includes financial instruments carried at fair value of $146 and $115)	790	765
Investment agreements	330	337
Derivative liabilities	219	262
Other liabilities	162	165
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $1,031 and $1,069)	2,260	2,289
Total liabilities	**7,633**	**7,670**
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--283,569,254 and 283,717,973	284	284
Additional paid-in capital	3,174	3,171
Retained earnings	1,164	1,095
Accumulated other comprehensive income (loss), net of tax of $7 and $16	(241)	(19)
Treasury stock, at cost--194,243,689 and 192,233,526 shares	(3,133)	(3,118)
Total shareholders' equity of MBIA Inc.	1,248	1,413
Preferred stock of subsidiary	12	12
Total equity	**1,260**	**1,425**
Total liabilities and equity	**$ 8,893**	**$ 9,095**

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 23	$ 28
Refunding premiums earned	17	21
Premiums earned (net of ceded premiums of $1 and $1)	40	49
Net investment income	31	52
Fees and reimbursements	6	2
Change in fair value of insured derivatives:		
Realized gains (losses) and other settlements on insured derivatives	(19)	(31)
Unrealized gains (losses) on insured derivatives	14	(22)
Net change in fair value of insured derivatives	(5)	(53)
Net gains (losses) on financial instruments at fair value and foreign exchange	(9)	17
Net investment losses related to other-than-temporary impairments:		
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	(1)	(2)
Net investment losses related to other-than-temporary impairments	(1)	(2)
Net gains (losses) on extinguishment of debt	-	8
Other net realized gains (losses)	(1)	3
Revenues of consolidated variable interest entities:		
Net investment income	8	6
Net gains (losses) on financial instruments at fair value and foreign exchange	4	(33)
Other net realized gains (losses)	-	28
Total revenues	73	77
Expenses:		
Losses and loss adjustment	72	94
Amortization of deferred acquisition costs	4	7
Operating	20	29
Interest	51	48
Expenses of consolidated variable interest entities:		
Operating	2	2
Interest	20	17
Total expenses	169	197
Income (loss) before income taxes	(96)	(120)
Provision (benefit) for income taxes	2	(48)
Net income (loss)	**$ (98)**	**$ (72)**
Net income (loss) per common share:		
Basic	$ (1.12)	$ (0.55)
Diluted	$ (1.12)	$ (0.55)
Weighted average number of common shares outstanding:		
Basic	88,131,373	131,402,465
Diluted	88,131,373	131,402,465

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Net income (loss)	$ (98)	$ (72)
Less: Adjusted Net Income (Loss) Adjustments		
Income (loss) before income taxes of Non-Core Operations (3)	(36)	(165)
Adjustments before income taxes (4):		
Mark-to-market gains (losses) on financial instruments (5)	22	32
Foreign exchange gains (losses) (5)	(13)	(7)
Net gains (losses) on sales of investments (5)	(5)	2
Net investment losses related to OTTI	(1)	(2)
Net gains (losses) on extinguishment of debt	-	8
Other net realized gains (losses)	(2)	(1)
Adjusted net income adjustment for income taxes (6)	(2)	52
Adjusted Net Income (loss)	$ (61)	$ 9
Adjusted Net Income (loss) per diluted common share	$ (0.69)	$ 0.07
Diluted Weighted Average Shares Outstanding	88.1	132.0

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

	2018 1st Qtr.	2018 2nd Qtr.	2018 3rd Qtr.	2018 4th Qtr.	Year-to-date
Adjusted Net Income (loss)	$ (61)				$ (61)

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

(1) A non-GAAP measure. 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 statements of operations.
(6) Reported within the "Provision (benefit) for income taxes" on the Company's consolidated statements of operations.

MBIA Inc.

Adjusted Book Value Per Share (1)

		3/31/2018		12/31/2017
Book Value Per Share	$	13.97	$	15.44
Reverse book value of the MBIA Corp. legal entity (2)		9.32		8.84
Book value after MBIA Corp. legal entity adjustment		**23.29**		**24.28**
Other book value adjustments:				
Reverse net unrealized (gains) losses included in OCI		0.70		0.26
Add net unearned premium revenue (3) (4)		4.61		4.78
Total other book value adjustments		5.31		5.04
Adjusted Book Value Per Share	$	**28.60**	$	**29.32**
Shares Outstanding in millions		89.3		91.5

(1) A non-GAAP measure; please see glossary for an explanation of ABV.
(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.

Securities Buyback Activity
(in millions)

2018	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 (1) (2)	$ 14.2	$ N/A							$ 14.2	$ N/A
Debt(4)										
MBIA Inc. Senior Unsecured	-	-							-	-
MBIA GFL MTNs(5)	20.0	0							20.0	0
Investment Agreements	-	-							-	-
MBIA Inc. (Consolidated)	$ 34.2	$ 0							$ 34.2	$ 0

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) (3)	$ 40.0	$ N/A	$ 35.0	$ N/A	$ 25.4	$ N/A	$ 224.6	N/A	$ 325.0	$ N/A
Debt(4)										
MBIA Inc. Senior Unsecured	-	-	-	-	-	-	-	-	-	-
MBIA GFL MTNs(5)	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

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

U.S. Public Finance Insurance Segment

(primarily National Public Finance Guarantee Corporation)

National Public Finance Guarantee Corporation and Subsidiaries
GAAP Consolidated Balance Sheets
(in millions except share and per share amounts)

	March 31, 2018	December 31, 2017
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $3,038 and $3,115)	$ 2,931	$ 3,061
Investments carried at fair value	200	175
Investments pledged as collateral, at fair value (amortized cost $138 and $129)	133	126
Short-term investments held as available-for-sale, at fair value (amortized cost $204 and $142)	204	142
Other investments (includes investments at fair value of $0 and $3)	1	5
Total investments	3,469	3,509
Cash and cash equivalents	52	54
Securities purchased under agreements to resell	130	124
Premiums receivable	167	167
Current income taxes	-	90
Deferred acquisition costs	120	127
Insurance loss recoverable	353	322
Receivable for investments sold	22	1
Deferred income taxes, net	28	2
Other assets	42	41
Total assets	**$ 4,383**	**$ 4,437**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 532	$ 564
Loss and loss adjustment expense reserves	544	503
Securities sold under agreements to repurchase	130	124
Current income taxes	5	-
Payable for investments purchased	55	34
Derivative liabilities	2	2
Other liabilities	19	25
Total liabilities	**1,287**	**1,252**
Equity:		
Common stock, par value $30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	2,048	2,062
Retained earnings	1,121	1,145
Accumulated other comprehensive income (loss), net of tax of $23 and $20	(88)	(37)
Total equity	**3,096**	**3,185**
Total liabilities and equity	**$ 4,383**	**$ 4,437**

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Revenues:		
Premiums earned:		
Scheduled premiums earned	$ 15	$ 20
Refunding premiums earned	17	21
Premiums earned	32	41
Net investment income	27	31
Fees and reimbursements	1	1
Net gains (losses) on financial instruments at fair value and foreign exchange	(6)	4
Net investment losses related to other-than-temporary impairments	(1)	(2)
Total revenues	53	75
Expenses:		
Losses and loss adjustment	77	11
Amortization of deferred acquisition costs	7	8
Operating	11	17
Total expenses	95	36
Income (loss) before income taxes	(42)	39
Provision (benefit) for income taxes	(9)	12
Net income (loss)	**$ (33)**	**$ 27**

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

GAAP Amortization of Gross Par, Gross Debt Service, Gross Unearned Premium and Net Cash Premiums Collected and Expected

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Gross Unearned Premiums (1)	Expected Future Premiums Earnings (1)(2)				Net Cash Premiums Collected and Expected (3)
				Upfronts	Installments	Accretion	Total	
1st Qtr. 2018	66,536	125,746	534					2
2nd Qtr. 2018	65,541	123,825	521	11	2	1	14	3
3rd Qtr. 2018	63,281	120,209	508	11	2	1	14	4
4th Qtr. 2018	61,886	117,864	496	10	2	1	13	4
2019	56,749	108,696	447	39	10	5	54	12
2020	52,050	100,077	402	36	9	4	49	12
2021	47,445	91,864	361	32	9	4	45	12
2022	43,599	84,681	323	29	9	4	42	11
2023-2027	26,199	52,560	178	107	38	17	162	52
2028-2032	13,760	29,551	92	55	31	12	98	44
2033-2037	6,587	16,000	45	24	23	7	54	34
2038-2042	3,669	8,585	18	11	16	4	31	25
2043-2047	1,164	2,303	4	5	9	3	17	14
2048 and thereafter	-	-	-	1	3	-	4	3
Total				$371	$163	$63	$597	$230

(1) Includes financial guarantee and insured derivative premiums.
(2) Actual future premium earnings will differ from the current projection due to refundings.
(3) Represents installment-based future net, undiscounted collections.

Statutory Balance Sheets Summary

	3/31/2018	12/31/2017
Assets:		
Cash and Investments	$ 3,533	$ 3,502
Asset Swap Facility with MBIA Inc.	130	124
Other Assets	36	128
Total Assets	$ 3,699	$ 3,754
Liabilities:		
Unearned Premiums	554	585
Loss and LAE Reserves (1)	201	227
Contingency Reserve	565	594
Asset Swap Facility with MBIA Inc.	130	124
Other Liabilities	80	58
Total Liabilities	1,530	1,588
Total Policyholders' Surplus	2,169	2,166
Total Liabilities and Policyholders' Surplus	$ 3,699	$ 3,754

Claims-Paying Resources

	3/31/2018	12/31/2017
Policyholders' Surplus	$ 2,169	$ 2,166
Contingency Reserve	565	594
Statutory Capital	2,734	2,760
Unearned Premiums	554	585
Present Value of Installment Premiums (1)	163	164
Premium Resources (2)	717	749
Net Loss and LAE Reserves (1)	201	227
Salvage Reserve	428	387
Gross Loss and LAE Reserves	629	614
Total Claims-Paying Resources	$ 4,080	$ 4,123
Net Debt Service Outstanding	$ 121,712	$ 129,668
Capital Ratio	45:1	47:1
Claims-Paying Resources Ratio	31:1	33:1

(1) As of March 31, 2018 and December 31, 2017, the discount rate was 3.25%.
(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 March 31, 2018
(dollars in millions)

GAAP Accounting Basis

Investments[1]		Market Value	% of Market Value		Amortized Cost	% Book Yield
Fixed-Maturity Securities:						
Long-Term Tax-Exempt [2]	$	287	9	$	261	4.48
Long-Term Taxable		2,776	86		2,914	3.93
Short-Term		164	5		164	1.81
Total Fixed Maturity		3,227	100	$	3,339	3.87
Cash and Cash Equivalents		53				
Total Fixed Income Including Cash and Cash Equivalents		3,280				
Investments Carried at Fair Value [3]		241				
Other		1				
Total	$	3,522				

Fixed Income Portfolio Including Cash and Cash Equivalents			
Corporate Obligations	$	1,630	50
State and Municipal Bonds		644	20
MBS		376	11
US Treasury		324	10
ABS		250	8
Cash and Cash Equivalents		53	1
Foreign Governments		3	-
Total	$	3,280	100

Effective Maturity Profile			
Cash and Cash Equivalents	$	53	1
≤ 1 yr		397	12
> 1 to 5 yrs		968	30
> 5 to 10 yrs		621	19
> 10 to 15 yrs		103	3
> 15 to 20 yrs		348	11
> 20 yrs		790	24
Total	$	3,280	100

Credit Quality Distribution of Long-Term Bonds Rating [4]			
Aaa	$	987	32
Aa		459	15
A		610	20
Baa		655	21
BIG		244	8
NR		108	4
	$	3,063	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 14.04 years
Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 6.61 years

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of $130 million; total market value of encumbered assets total $133 million.
(2) Market value includes $149 million of Puerto Rico Sales Tax Finance Corporation bonds (insured by National), $54 million of Puerto Rico Electric Power Authority bonds (uninsured by National or MBIA) and $2 million of Puerto Rico Highway & Transportation bonds (insured by National).
(3) Includes money market securities.
(4) 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 investments wrapped by an MBIA insurance company if neither Moody's nor S&P's underlying ratings are available.

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

2018		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.		Year-to-date
Beginning Cash & Cash Equivalents[2]	$	**115**				$	**115**
Net Investment Income		23					23
Other		2					2
Total Inflows		25					25
Gross Loss & LAE Payments		70					70
Operating & Other Expenses		11					11
Tax Payments		(46)					(46)
Total Outflows		35					35
Operating Cash Flow		(10)					(10)
Investing Activities		(5)					(5)
Net Cash Flow		(15)					(15)
Ending Cash & Cash Equivalents[2]	$	**100**				$	**100**
Other Liquid Assets[3]		243					243
Ending Liquidity Position	$	**343**				$	**343**

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**

(1) Presented on a direct cash flow basis for transactions settled within the reporting periods. Liquidity Position excludes 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 March 31, 2018			
	Par Outstanding (1)		Debt Service Outstanding (1)	
	Gross Amount	%	Gross Amount	%
United States				
California	$ 14,067	21.2	$ 29,102	23.1
New York	4,864	7.3	7,121	5.7
New Jersey	4,650	7.0	7,222	5.7
Illinois	4,190	6.3	12,115	9.6
Puerto Rico	3,402	5.1	8,118	6.5
Texas	3,169	4.8	5,392	4.3
Florida	2,882	4.3	3,704	3.0
Massachusetts	2,282	3.4	3,316	2.6
Georgia	2,090	3.1	2,772	2.2
Hawaii	1,984	3.0	4,479	3.6
Subtotal	43,580	65.5	83,341	66.3
Other States & Territories	19,939	30.0	35,833	28.5
Nationally Diversified	3,017	4.5	6,572	5.2
Total	$ 66,536	100.0	$ 125,746	100.0

By Bond Type

	Outstanding as of March 31, 2018			
	Par Outstanding (1)		Debt Service Outstanding (1)	
	Gross Amount	%	Gross Amount	%
Bond Type				
General Obligation(2)	$ 20,694	31.1	$ 39,533	31.4
Tax-Backed	12,006	18.0	25,755	20.5
Municipal Utilities	11,066	16.6	16,469	13.1
Military Housing	7,301	11.0	16,215	12.9
Transportation	5,783	8.7	13,516	10.7
General Obligation - lease	3,602	5.4	4,876	3.9
Higher Education	1,909	2.9	2,860	2.3
Investor Owned Utilities(3)	1,731	2.6	2,784	2.2
Health Care	1,558	2.3	2,258	1.8
Other(4)	638	1.0	1,100	0.9
Municipal Housing	248	0.4	380	0.3
Total	$ 66,536	100.0	$ 125,746	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 March 31, 2018
(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	$ 2,166
2	Oregon School Boards Association General Obligation	OR	aa3	1,266	2,107
3	Puerto Rico Electric Power Authority	PR	d	1,151	1,607
4	Massachusetts General Obligation	MA	a1	1,119	1,419
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	968	2,118
9	Ohana Military Communities, LLC	HI	aa3	838	2,104
10	Puerto Rico General Obligation	PR	d	835	1,101
11	Illinois Regional Transportation Authority	IL	aa3	749	1,091
12	City of Chicago Board of Education	IL	bbb3	742	2,002
13	Great River Energy Public Power	MN	a3	739	1,117
14	Puerto Rico Sales Tax Financing Corporation	PR	d	684	4,170
15	Chicago General Obligation	IL	bbb2	682	1,578
16	Atlantic Marine Corps Communities LLC	NC	aa3	653	1,433
17	LCOR Alexandria L.L.C. Federal Lease	VA	bbb1	608	979
18	Great Lakes Water Authority - Sewer System	MI	bbb1	597	770
19	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	d	558	996
20	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	552	844
21	Navy Mid-Atlantic Family Housing LLC	VA	aa2	545	1,146
22	Illinois Metropolitan Pier & Exposition Authority	IL	bbb2	525	4,511
23	JFK International Air Terminal Airport	NY	bbb3	486	620
24	Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3	475	1,432
25	Arapahoe County E-470 Toll Road	CO	bbb1	475	2,141
26	New York State Power Authority	NY	aa2	466	829
27	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	444	687
28	City of Houston Combined Utility System Revenue Bonds	TX	a2	423	435
29	Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3	406	3,199
30	Navy Southeast	FL	bbb3	406	1,025
31	Houston City Airport System	TX	a1	382	510
32	District of Columbia Sales Tax-Stadium Revenue	DC	bbb1	371	611
33	Santa Clara County Pension Obligation	CA	aa3	358	743
34	Sacramento County Water Financing Authority Water	CA	a2	352	542
35	San Francisco International Airport	CA	a2	345	392
36	New Jersey Economic Development Authority Lease	NJ	bbb1	339	465
37	Fort Drum Family Housing	NY	aa3	335	769
38	Georgia Municipal Electric Authority	GA	a3	318	360
39	Pedernales Electric Cooperative	TX	a2	313	490
40	Atlanta City Water & Sewer	GA	a3	310	382
41	New York City General Obligation	NY	aa3	301	373
42	Oglethorpe Power Corporation	GA	a3	300	549
43	Cincinnati City School District General Obligation	OH	aa3	294	423
44	Central Puget Sound Regional Transit Auth Sales	WA	aa2	293	371
45	San Mateo County Community College District GO	CA	aa1	284	834
46	New York City IDA (Yankees Stadium)	NY	bbb2	283	527
47	Kentucky Municipal Power Agency	KY	bbb1	280	484
48	Pacific Beacon LLC	CA	a1	275	659
49	New York State Lease	NY	a2	272	331
50	Fresno County Pension Obligation	CA	aa3	267	716
		Total		$ 28,211	$ 60,333
	Total Portfolio Exposure			**$** 66,536	**$** 125,746
	50 Largest Credits as % of Total Portfolio			42.4%	48.0%

(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, 2018
(dollars in millions)

Credit Quality Distribution[1]

	Gross Par Outstanding [2]		Gross Debt Service Outstanding [2]	
	Amount	%	Amount	%
Public Finance				
AAA	$ 3,833	5.7%	$ 6,526	5.2%
AA	25,674	38.6%	45,180	35.9%
A	20,808	31.3%	36,569	29.1%
BBB	10,235	15.4%	20,451	16.3%
<BBB	5,986	9.0%	17,020	13.5%
Total	$ 66,536	100.0%	$ 125,746	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	$ 1,607
2	Puerto Rico General Obligation	835	1,101
3	City of Chicago Board of Education	742	2,002
4	Puerto Rico Sales Tax Financing Corporation	684	4,170
5	Puerto Rico Highway and Transportation Authority Transportation Revenue	558	996
6	Illinois Metropolitan Pier & Exposition Authority	526	4,511
7	Virgin Islands Public Finance Authority Gross Receipts	193	264
8	Atlantic Marine Corp Communities LLC (Class IV)	144	290
9	Atlantic City Casino Reinvestment Development Authority Parking Fee	139	169
10	Frontier Communications Corporation	139	227
	Total Top 10 BIG Outstanding	$ 5,111	$ 15,337
	Total BIG Outstanding	$ 5,986	$ 17,020
	Total National Outstanding	$ 66,536	$ 125,746
	Top 10 BIG as % of National	**7.7%**	**12.2%**
	Total BIG as % of National	**9.0%**	**13.5%**
	Total BIG as % of National by National ratings	**6.8%**	**8.2%**

(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)

	March 31,2018	December 31, 2017
Assets		
Bonds	$ 88	$ 86
Cash and short-term investments	149	166
Investment in MBIA Mexico	6	6
Total investments	243	258
Interest and dividends accrued	1	1
Other assets	5	3
Total other assets	6	4
Total assets	**$ 249**	**$ 262**
Liabilities		
Unearned premiums	$ 193	$ 195
Contingency reserve	232	227
Borrowed money	394	386
Loss and LAE reserve (1)	(801)	(792)
Other liabilities	8	9
Total liabilities	**26**	**25**
Policyholders' Surplus		
Common stock	15	15
Preferred stock	276	276
Surplus Notes	953	953
Paid in Capital	783	783
Unassigned surplus	(1,804)	(1,790)
Total policyholders' surplus	**223**	**237**
Total liabilities and policyholders' surplus	**$ 249**	**$ 262**

(1) As of March 31, 2018 and December 31, 2017, the rate used to discount reserves was 5.20%.

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

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Gross premiums written	$ 7	$ 9
Ceded premiums written	(1)	(1)
Net premiums written	6	8
Underwriting income		
Net premiums earned	10	15
Losses and LAE incurred	-	90
Underwriting expenses incurred	(2)	6
Net investment gain (loss)	12	(81)
Investment income		
Net investment income earned	(12)	5
Net realized capital gains (losses)	-	263
Net investment gain (loss)	(12)	268
Other income (expense)		
Non-operating income (expense)	(10)	(9)
Income (loss) before taxes	(10)	178
Income tax provision (benefit)	-	-
Net income (loss)	**$ (10)**	**$ 178**

MBIA Insurance Corporation (excluding Subsidiaries)
Liquidity Position (1)
(in millions)

2018	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-date
Beginning Cash & Cash Equivalents (2)	**$ 26**				**$ 26**
Premiums and Fees	13				13
Salvage Received	24				24
Total Inflows	37				37
Gross Loss & LAE Payments (3)	37				37
Operating & Other Expenses	18				18
Total Outflows	55				55
Operating Cash Flow	(18)				(18)
Investing Activities	69				69
Net Cash Flow	51				51
Ending Cash & Cash Equivalents (2)	**$ 77**				**$ 77**
Other Liquid Assets (5)	53				53
Ending Liquidity Position	**$ 130**				**$ 130**

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**

(1) Presented on a direct cash flow basis for transactions settled within the reporting periods. Liquidity Position excludes 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) May include assets with stated maturities greater than 12 months that are deemed to be liquid.

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)
1st Qtr. 2018	14,823	20,557	193				3
2nd Qtr. 2018	14,276	19,765	183	10	3	13	12
3rd Qtr. 2018	13,924	19,245	182	1	8	9	5
4th Qtr. 2018	13,505	18,605	176	6	6	12	10
2019	11,941	16,311	161	15	29	44	28
2020	10,105	13,824	139	22	29	51	27
2021	8,383	11,560	123	16	22	38	22
2022	6,243	9,003	106	17	19	36	18
2023-2027	3,588	5,070	32	74	78	152	77
2028-2032	1,971	2,744	1	31	41	72	39
2033-2037	826	1,223	-	1	16	17	15
2038 and thereafter	-	-	-	-	13	13	11
Total				$ 193	$ 264	$ 457	$ 264

(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

	3/31/2018	12/31/2017
Balance Sheet		
Policyholders' Surplus	$ 223	$ 237
Contingency Reserve	232	227
Statutory Capital	455	464
Unearned Premiums	193	195
Present Value of Installment Premiums (1)	192	192
Premium Resources (2)	385	387
Net Loss and LAE Reserves (1)	(801)	(792)
Salvage Reserves	1,425	1,428
Gross Loss and LAE Reserves	624	636
Total Claims-Paying Resources	$ 1,464	$ 1,487
Net Debt Service Outstanding	$ 19,736	$ 20,151
Capital Ratio	43:1	43:1
Claims-Paying Resources Ratio	13:1	14:1

(1) Calculated using a discount rate of 5.20% as of March 31, 2018 and December 31, 2017.
(2) 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 March 31, 2018
(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	$	23	24
Long-Term Taxable		68	5.13		73	76
Total Bonds		87	5.12	$	96	100
Cash and Cash Equivalents		150				
Total Fixed Income Including Cash and Cash Equivalents		237				
Common Stocks		6				
Total	$	243				

Fixed Income Portfolio Including Cash and Cash Equivalents			% of Book/ Adjusted Carry Value
Cash and Cash Equivalents	$	150	63
State and Municipal Bonds(1)		67	28
MBS		11	5
US Treasury		9	4
Total	$	237	100
Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	150	63
> 1 to 5 yrs(1)		10	4
> 10 to 15 yrs		2	1
> 15 to 20 yrs		42	18
> 20 yrs		33	14
Total	$	237	100
Credit Quality Distribution of Long-Term Bonds Rating (2)			
Aaa	$	15	17
Aa		49	56
A		12	14
C(1)		11	13
	$	87	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 4.66 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 4.11 years

(1) Includes $439 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 March 31, 2018 [1][2][3] Gross	%
Public Finance: Non-United States		
Transportation	$ 3,571	24.1
Sovereign and Sub-Sovereign [4]	2,683	18.1
International Utilities	1,428	9.6
Other [5]	109	0.8
Total Non-United States Public Finance	$ 7,791	52.6
Structured Finance - Global		
Mortgage Backed Residential	$ 3,454	23.3
Corporate Asset Backed [6]	2,164	14.6
Consumer Asset Backed	680	4.6
Collateralized Debt Obligations [7]	419	2.8
Mortgage Backed Commercial	315	2.1
Total Global Structured Finance	7,032	47.4
Grand Total	$ 14,823	100.0

Par Value by Geography

	Outstanding as of March 31, 2018 [1][2][3] Gross	%
United States	$ 6,297	42.5
Chile	2,092	14.1
Australia	1,985	13.4
Canada	1,283	8.7
Mexico	1,017	6.9
United Kingdom	957	6.4
Spain	467	3.1
Other [8]	542	3.7
Internationally Diversified	183	1.2
Total Non-United States	8,526	57.5
Total	$ 14,823	100.0

(1) Excludes $1.5 billion guaranteed by MBIA Insurance Corporation for MZ Funding notes, investment agreements, and medium notes issued by various affiliated companies.
(2) Includes consolidated insured Variable Interest Entities (VIEs) and insured Credit Derivatives.
(3) Excludes $40 million of gross 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	187
3	Private Sovereign and Sub-Sovereign 48,49,52,55-57,67,76,86-90	152
4	MS CDO 29	134
5	Private Transaction 6	129
6	Countrywide Home Equity Series 2007-S1/Second Lien RMBS	123
7	Countrywide Home Equity Master Trust Series 2006-S10	123
8	GMACM 2006-HE4	122
9	Private Secondary-Domestic RMBS Transaction	111
10	Deutsche Bank Alt-A Securities Trust 2007-AR3	108
	Total Top 10 Below Investment Grade	$ 1,764
	Total BIG Gross Par Outstanding	$ 4,809
	Total MBIA Gross Par Outstanding	$ 14,823
	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	**32.4%**

(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

2018	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Year-to-date**
Paid Claims (1)	$ 5				$ 5
Collections on Paid Claims (2)	(14)				(14)
Paid LAE (net of collections)	2				2
Net Payments	$ (7)	$ -	$ -	$ -	$ (7)

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

(1) For a subset of the MBIA Corp.-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 Corp.-insured transactions, claims 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]

	3/31/2018	12/31/2017
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $828 and $674) [2]	$ 860	$ 719
Investments carried at fair value (amortized cost $45 and $29)	47	30
Investments pledged as collateral, at fair value (amortized cost $42 and $156) [3]	38	153
Short-term investments held as available-for-sale, at fair value (amortized cost $137 and $327)	137	327
Other investments	-	17
Total investments	1,082	1,246
Cash and cash equivalents	15	10
Other assets	62	56
Total Assets	**1,159**	**1,312**
Liabilities:		
Investment agreements [4]	330	337
Global Funding LLC, Medium-term Notes	790	765
MBIA Inc. Senior Unsecured	846	840
Income taxes [5]	104	234
Derivative liabilities	164	193
Other liabilities	75	74
Total Liabilities	**2,309**	**2,443**
Total Equity	**$ (1,150)**	**$ (1,131)**

(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 $205 million and $237 million posted to derivative counterparties as of March 31, 2018 and December 31, 2017, 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 $348 million and $353 million as of March 31, 2018 and December 31, 2017, respectively.

(5) Primarily 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)

2018		1st Qtr.		2nd Qtr.		3rd Qtr.		4th Qtr.		Year-to-date
Beginning Liquidity Position	$	**419**							$	**419**
Total Cash Inflows		24								24
Operating & Other Expenses		9								9
MTN P&I Payments		23								23
Debt P&I Payments		8								8
Total Cash Outflows		40								40
Investment and Other Activity		16								16
Ending Liquidity Position	$	**419**							$	**419**

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**

(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.
(2) Liquidity Position may include assets with stated maturities greater than 12 months that are deemed to be liquid.
(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) 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.

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
EQ Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854
1-800-468-9716
https://www.shareowneronline.com/UserManagement/WFIndex.aspx