MBIA Inc.
Quarterly Operating Supplement
September 30, 2019

Third Quarter 2019

MBIA Inc. and Subsidiaries
Quarterly Operating Supplement [1]

[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 National 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 insured 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 II, Other Information, Item 1A included in the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019. 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)

	September 30, 2019	December 31, 2018
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $2,734 and $3,601)	$ 2,840	$ 3,565
Investments carried at fair value	217	222
Investments pledged as collateral, at fair value (amortized cost $14 and $46)	10	43
Short-term investments, at fair value (amortized cost $429 and $241)	428	241
Other investments at amortized cost	-	1
Total investments	3,495	4,072
Cash and cash equivalents	76	222
Premiums receivable	273	296
Deferred acquisition costs	63	74
Insurance loss recoverable	1,843	1,595
Other assets	224	122
Assets of consolidated variable interest entities:		
Cash	5	58
Investments held-to-maturity, at amortized cost (fair value $977 and $925)	890	890
Investments carried at fair value	88	157
Loans receivable at fair value	146	172
Loan repurchase commitments	478	418
Other assets	25	31
Total assets	**$ 7,606**	**$ 8,107**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 499	$ 587
Loss and loss adjustment expense reserves	859	965
Long-term debt	2,199	2,249
Medium-term notes (includes financial instruments carried at fair value of $106 and $102)	670	722
Investment agreements	310	311
Derivative liabilities	194	199
Other liabilities	195	198
Liabilities of consolidated variable interest entities:		
Variable interest entity notes (includes financial instruments carried at fair value of $472 and $480)	1,632	1,744
Total liabilities	**6,558**	**6,975**
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--283,625,689 and 283,625,689	284	284
Additional paid-in capital	2,997	3,025
Retained earnings	850	966
Accumulated other comprehensive income (loss), net of tax of $21 and $8	(43)	(156)
Treasury stock, at cost--203,157,759 and 193,803,976 shares	(3,053)	(3,000)
Total shareholders' equity of MBIA Inc.	1,035	1,119
Preferred stock of subsidiary	13	13
Total equity	**1,048**	**1,132**
Total liabilities and equity	**$ 7,606**	**$ 8,107**

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

	Three Months Ended September		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 17	$ 44	$ 52	$ 96
Refunding premiums earned	3	18	13	42
Premiums earned (net of ceded premiums of $1, $1, $4 and $4)	20	62	65	138
Net investment income	27	31	89	96
Fees and reimbursements	-	17	1	23
Change in fair value of insured derivatives:				
Realized gains (losses) and other settlements on insured derivatives	(9)	(5)	(10)	(49)
Unrealized gains (losses) on insured derivatives	9	4	23	36
Net change in fair value of insured derivatives	-	(1)	13	(13)
Net gains (losses) on financial instruments at fair value and foreign exchange	44	5	40	18
Net investment losses related to other-than-temporary impairments:				
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	-	(1)	(37)	(3)
Net investment losses related to other-than-temporary impairments	-	(1)	(37)	(3)
Net gains (losses) on extinguishment of debt	(1)	3	(1)	3
Other net realized gains (losses)	-	1	2	-
Revenues of consolidated variable interest entities:				
Net investment income	10	9	30	25
Net gains (losses) on financial instruments at fair value and foreign exchange	76	12	112	29
Other net realized gains (losses)	(4)	(33)	(62)	(126)
Total revenues	172	105	252	190
Expenses:				
Losses and loss adjustment	(13)	46	89	177
Amortization of deferred acquisition costs	3	9	9	17
Operating	23	18	68	57
Interest	50	52	154	155
Expenses of consolidated variable interest entities:				
Operating	2	3	6	8
Interest	18	22	63	63
Total expenses	83	150	389	477
Income (loss) before income taxes	89	(45)	(137)	(287)
Provision (benefit) for income taxes	18	-	(21)	2
Net income (loss)	**$ 71**	**$ (45)**	**$ (116)**	**$ (289)**
Net income (loss) per common share:				
Basic	$ 0.86	$ (0.50)	$ (1.40)	$ (3.24)
Diluted	$ 0.86	$ (0.50)	$ (1.40)	$ (3.24)
Weighted average number of common shares outstanding:				
Basic	78,686,542	89,490,267	82,813,523	89,075,892
Diluted	78,686,542	89,490,267	82,813,523	89,075,892

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

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net income (loss)	$ 71	$ (45)	$ (116)	$ (289)
Less: Adjusted Net Income (Loss) Adjustments				
Income (loss) before income taxes of Non-Core Operations (3)	(94)	(34)	(257)	(190)
Adjustments before income taxes (4):				
Mark-to-market gains (losses) on financial instruments (5)	(31)	18	(69)	45
Foreign exchange gains (losses) (5)	16	2	18	15
Net gains (losses) on sales of investments (5)	78	(1)	125	(12)
Net investment losses related to OTTI	-	(1)	(37)	(3)
Net gains (losses) on extinguishment of debt	(1)	3	(1)	3
Other net realized gains (losses)	(1)	-	(2)	(2)
Adjusted net income adjustment for income taxes (6)	(11)	-	29	(1)
Adjusted Net Income (loss)	$ 115	$ (32)	$ 78	$ (144)
Adjusted Net Income (loss) per diluted common share	$ 1.46	$ (0.35)	$ 0.94	$ (1.62)
Gain (loss) related to our U.S. public finance insurance segment VIE consolidations included in adjusted net income (loss)	37	-	17	-
Gain (loss) related to our U.S. public finance insurance segment VIE consolidations per diluted common share included in adjusted net income (loss) per diluted common share	0.46	-	0.20	-
Diluted Weighted Average Shares Outstanding	78.7	89.5	82.8	89.1

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

	2019 1st Qtr.	2019 2nd Qtr.	2019 3rd Qtr.	2019 4th Qtr.	2019 Year-to-Date
Adjusted Net Income (loss)	$ 39	$ (76)	$ 115		$ 78

	2018 1st Qtr.	2018 2nd Qtr.	2018 3rd Qtr.	2018 4th Qtr.	2018 Full Year
Adjusted Net Income (loss)	$ (61)	$ (51)	$ (32)	$ 106	$ (38)

(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.

Book Value Adjustments Per Share [1]

	9/30/2019	12/31/2018
Book Value Per Share	$ 12.86	$ 12.46
Management's book value per share adjustments:		
Remove negative book value of MBIA Corp. [2]	(15.08)	(10.93)
Remove net unrealized gains (losses) on available-for-sale securities included in other comprehensive income (loss)	1.14	(0.46)
Include net unearned premium revenue in excess of expected losses [3] [4]	3.54	3.53
Remove gain (loss) related to National VIE consolidations	-	-
Shares outstanding in millions	80.5	89.8

(1) Please see glossary for an explanation of book value adjustments.
(2) The book value of MBIA Corp. 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 in excess of expected losses, net of the related deferred acquisition costs.

Securities Buyback Activity
(in millions)

2019	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]	$ 4.4	$ N/A	$ 49.6	$ N/A	$ 39.6	$ N/A			$ 93.6	$ N/A
Debt[3]										
MBIA Inc. Senior Unsecured	0.1	-	0.2	-	150.0	-			150.3	0
MBIA GFL MTNs[4]	-	-	-	-	-	-			-	-
Investment Agreements	-	-	-	-	-	-			-	-
MBIA Inc. (Consolidated)	$ 4.5	$ 0	$ 49.8	$ -	$ 189.6	$ -			$ 243.9	$ 0

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	Full Year Cost	Full Year Gain/ Value
Common Stock Repurchases [1] [2]	$ 14.2	$ N/A	$ -	$ N/A	$ -	$ N/A	$ 33.8	$ N/A	$ 48.0	$ N/A
Debt[3]										
MBIA Inc. Senior Unsecured	-	-	0.1	-	0.1	-	0.2	-	0.4	-
MBIA GFL MTNs[4]	20.2	0	-	-	29.9	5.3	19.5	3.4	69.6	8.7
Investment Agreements	-	-	-	-	-	-	-	-	-	-
MBIA Inc. (Consolidated)	$ 34.4	$ 0	$ 0.1	$ -	$ 30.0	$ 5.3	$ 53.5	$ 3.4	$ 118.0	$ 8.7

(1) Presented on a trade date basis.
(2) Purchased by National.
(3) Presented on a cash settlement basis.
(4) MBIA Global Funding LLC.

National Public Finance Guarantee Corporation

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

	September 30, 2019	December 31, 2018
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $2,230 and $2,829)	$ 2,237	$ 2,710
Investments carried at fair value	187	197
Investments pledged as collateral, at fair value (amortized cost $126 and $131)	126	127
Short-term investments at fair value (amortized cost $227 and $26)	227	25
Other investments at amortized cost	-	1
Total investments	2,777	3,060
Cash and cash equivalents	41	152
Securities purchased under agreements to resell	123	123
Premiums receivable	150	159
Deferred acquisition costs	93	108
Insurance loss recoverable	929	559
Receivable for investments sold	94	2
Other assets	65	40
Total assets	**$ 4,272**	**$ 4,203**
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	$ 401	$ 471
Loss and loss adjustment expense reserves	373	542
Securities sold under agreements to repurchase	123	123
Payable for investments purchased	61	80
Other liabilities	43	46
Liabilities of consolidated variable interest entities:		
Variable interest entity notes	66	-
Total liabilities	**1,067**	**1,262**
Equity:		
Common stock, par value $30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	1,921	2,014
Retained earnings	1,268	1,023
Accumulated other comprehensive income (loss), net of tax of $12 and $12	1	(111)
Total equity	**3,205**	**2,941**
Total liabilities and equity	**$ 4,272**	**$ 4,203**

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

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Revenues:				
Premiums earned:				
Scheduled premiums earned	$ 11	$ 14	$ 37	$ 40
Refunding premiums earned	3	10	13	35
Premiums earned	14	24	50	75
Net investment income	23	27	76	83
Fees and reimbursements	-	1	2	2
Net gains (losses) on financial instruments at fair value and foreign exchange	78	1	135	(14)
Net investment losses related to other-than-temporary impairments:				
Other-than-temporary impairments recognized in accumulated other comprehensive income (loss)	-	(1)	(37)	(3)
Net investment losses related to other-than-temporary impairments	-	(1)	(37)	(3)
Other net realized gains (losses)	-	-	1	-
Revenues of consolidated variable interest entities:				
Net gains (losses) on financial instruments at fair value and foreign exchange	32	-	81	-
Other net realized gains (losses)	-	-	(43)	-
Total revenues	147	52	265	143
Expenses:				
Losses and loss adjustment	(90)	48	(34)	184
Amortization of deferred acquisition costs	4	6	13	17
Operating	14	9	36	31
Total expenses	(72)	63	15	232
Income (loss) before income taxes	219	(11)	250	(89)
Provision (benefit) for income taxes	25	(3)	7	(20)
Net income (loss)	**$ 194**	**$ (8)**	**$ 243**	**$ (69)**

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) Upfronts	Installments	Accretion	Total	Net Cash Premiums Collected and Expected (3)
3rd Qtr. 2019	51,254	97,500	401					4
4th Qtr. 2019	49,909	95,351	391	8	2	1	11	4
2020	45,694	87,548	351	31	9	4	44	11
2021	41,419	79,970	315	28	8	4	40	11
2022	37,957	73,504	282	25	8	4	37	11
2023	34,865	67,450	251	23	8	4	35	11
2024-2028	19,153	38,909	136	80	35	16	131	48
2029-2033	10,316	21,018	70	38	28	11	77	41
2034-2038	5,248	10,211	35	14	21	7	42	32
2039-2043	2,871	5,087	14	6	15	3	24	23
2044-2048	783	1,647	3	4	7	1	12	12
2049 and thereafter	-	-	-	-	3	1	4	2
Total				$257	$144	$56	$457	$206

(1) Excludes VIE and insured derivative premiums of $3 million and $2 million, respectively.
(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

	9/30/2019	12/31/2018
Assets:		
Cash and Investments	$ 2,818	$ 3,179
Asset Swap Facility with MBIA Inc.	123	123
Other Assets	30	29
Total Assets	$ 2,971	$ 3,331
Liabilities:		
Unearned Premiums	426	496
Loss and LAE Reserves (1)	(162)	71
Contingency Reserve	495	522
Asset Swap Facility with MBIA Inc.	123	123
Other Liabilities	77	121
Total Liabilities	959	1,333
Total Policyholders' Surplus	2,012	1,998
Total Liabilities and Policyholders' Surplus	$ 2,971	$ 3,331

Claims-Paying Resources

	9/30/2019	12/31/2018
Policyholders' Surplus	$ 2,012	$ 1,998
Contingency Reserve	495	522
Statutory Capital	2,507	2,520
Unearned Premiums	426	496
Present Value of Installment Premiums (1)	142	150
Premium Resources (2)	568	646
Net Loss and LAE Reserves (1)	(162)	71
Salvage Reserve (1)	825	607
Gross Loss and LAE Reserves	663	678
Total Claims-Paying Resources	$ 3,738	$ 3,844
Net Debt Service Outstanding	$ 94,512	$ 108,032
Capital Ratio	38:1	43:1
Claims-Paying Resources Ratio	25:1	28:1

(1) Calculated using a discount rate of 3.67% as of September 30, 2019 and December 31, 2018.
(2) Includes financial guarantee and insured credit derivative related premiums.

National Public Finance Guarantee Corporation
Investment Portfolio Including Cash and Cash Equivalents
as of September 30, 2019
(dollars in millions)

GAAP Accounting Basis

Investments[(1)]		Market Value	% of Market Value		Amortized Cost	% Book Yield
Fixed-Maturity Securities:						
Long-Term Tax-Exempt	$	4	-	$	3	5.44
Long-Term Taxable		2,359	95		2,353	3.94
Short-Term		135	5		135	2.03
Total Fixed Maturity		2,498	100	$	2,491	3.84
Cash and Cash Equivalents		41				
Total Fixed Income Including Cash and Cash Equivalents		2,539				
Investments Carried at Fair Value[(2)]		279				
Total	$	2,818				

Fixed Income Portfolio Including Cash and Cash Equivalents

Corporate Obligations	$	1,287	51
US Treasury		407	16
ABS		379	15
MBS		336	13
State and Municipal Bonds		88	3
Cash and Cash Equivalents		41	2
Foreign Governments		1	-
Total	$	2,539	100

Effective Maturity Profile

Cash and Cash Equivalents	$	41	2
≤ 1 yr		535	21
> 1 to 5 yrs		585	23
> 5 to 10 yrs		328	13
> 10 to 15 yrs		162	6
> 15 to 20 yrs		345	14
> 20 yrs		543	21
Total	$	2,539	100

Credit Quality Distribution of Long-Term Bonds Rating [(3)]

Aaa	$	1,017	43
Aa		274	12
A		301	13
Baa		390	16
BIG		339	14
NR		42	2
	$	2,363	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 11.59 years
Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 5.52 years

(1) Includes Asset Swap between National and MBIA Inc. with notional amount of $123 million; market values of encumbered assets total $126 million.
(2) Includes money market securities.
(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)

2019	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Beginning Cash & Cash Equivalents[2]	**$ 87**	**$ 56**	**$ 368**		**$ 87**
Total Inflows[3]	45	27	13		85
Gross Loss & LAE Payments	79	9	348		436
Tax Payments	21	7	-		28
Other Payments	12	22	5		39
Total Outflows	112	38	353		503
Operating Cash Flow	(67)	(11)	(340)		(418)
Investing Activities	36	323	2		361
Net Cash Flow	(31)	312	(338)		(57)
Ending Cash & Cash Equivalents[2]	**$ 56**	**$ 368**	**$ 30**		**$ 30**
Other Liquid Assets[4]	467	466	609		609
Ending Liquidity Position	**$ 523**	**$ 834**	**$ 639**		**$ 639**

2018	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents[2]	**$ 115**	**$ 100**	**$ 291**	**$ 55**	**$ 115**
Total Inflows[3]	25	26	17	27	95
Gross Loss & LAE Payments	70	2	210	3	285
Tax Payments (Refunds)	(46)	11	6	17	(12)
Other Payments	11	12	18	1	42
Total Outflows	35	25	234	21	315
Operating Cash Flow	(10)	1	(217)	6	(220)
Financing Activities	-	-	-	(108)	(108)
Investing Activities	(5)	190	(19)	134	300
Net Cash Flow	(15)	191	(236)	32	(28)
Ending Cash & Cash Equivalents[2]	**$ 100**	**$ 291**	**$ 55**	**$ 87**	**$ 87**
Other Liquid Assets[4]	243	444	553	401	401
Ending Liquidity Position	**$ 343**	**$ 735**	**$ 608**	**$ 488**	**$ 488**

(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 and cash equivalents of alternative investment strategies.
(3) Includes investment income, salvage, premium receipts and other.
(4) Includes other assets with expected maturities of less than 12 months deemed to be liquid but not included in cash and cash equivalents.

National Public Finance Guarantee Corporation
Insured Portfolio Profile
(dollars in millions)

By Geography

	Outstanding as of September 30, 2019			
	Par Outstanding (1)		Debt Service Outstanding (1)	
	Gross Amount	%	Gross Amount	%
United States				
California	$ 10,698	20.9	$ 23,185	23.8
New Jersey	4,191	8.2	6,281	6.4
New York	3,699	7.2	5,327	5.4
Illinois	3,349	6.5	10,482	10.8
Puerto Rico	2,360	4.6	3,548	3.6
Texas	2,327	4.5	4,008	4.1
Florida	2,154	4.2	2,619	2.7
Hawaii	1,914	3.7	4,250	4.4
Georgia	1,864	3.7	2,419	2.5
Oregon	1,593	3.1	2,976	3.1
Subtotal	34,149	66.6	65,095	66.8
Other States & Territories	14,140	27.6	26,158	26.8
Nationally Diversified	2,965	5.8	6,247	6.4
Total	$ 51,254	100.0	$ 97,500	100.0

By Bond Type

	Outstanding as of September 30, 2019			
	Par Outstanding (1)		Debt Service Outstanding (1)	
	Gross Amount	%	Gross Amount	%
Bond Type				
General Obligation(2)	$ 15,001	29.3	$ 30,268	31.0
Tax-Backed	9,576	18.7	18,360	18.8
Municipal Utilities	8,562	16.7	12,620	12.9
Military Housing	7,155	14.0	15,454	15.9
Transportation	4,263	8.3	11,125	11.4
General Obligation - lease	2,525	4.9	3,381	3.5
Higher Education	1,505	2.9	2,223	2.3
Investor Owned Utilities(3)	1,044	2.0	1,606	1.6
Health Care	972	1.9	1,422	1.5
Other(4)	534	1.1	873	0.9
Municipal Housing	117	0.2	168	0.2
Total	$ 51,254	100.0	$ 97,500	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.

National Public Finance Guarantee Corporation
Insured Portfolio - 50 Largest Credits
By Gross Par Outstanding as of September 30, 2019[1]
(dollars in millions)

	Obligor Name	State	Internal Rating[2]	Gross Par Outstanding	Gross Par Plus CABs Accreted Interest	Gross Debt Service Outstanding
1	New Jersey Economic Development Authority State Pension Obligation Lease	NJ	bbb1	$ 1,284	$ 1,284	$ 2,022
2	Oregon School Boards Association General Obligation	OR	aa3	1,184	1,385	1,806
3	Army Hawaii Family Housing	HI	aa2	1,101	1,101	2,236
4	New Jersey Transportation Trust Fund Authority	NJ	bbb1	1,098	1,191	1,499
5	Camp Pendleton Quantico Housing Privatization	CA	aa2	1,024	1,024	2,140
6	Puerto Rico Electric Power Authority	PR	d	968	968	1,340
7	San Diego Family Housing Privatization Military	CA	aa1	951	951	2,015
8	Ohana Military Communities, LLC	HI	aa3	811	898	2,012
9	Puerto Rico General Obligation	PR	d	655	655	834
10	Illinois Regional Transportation Authority	IL	aa3	643	643	920
11	Atlantic Marine Corps Communities LLC	NC	N/A[3]	642	642	1,368
12	Great River Energy Public Power	MN	a3	630	630	943
13	City of Chicago Board of Education	IL	bbb3	609	1,310	1,805
14	Illinois Metropolitan Pier & Exposition Authority	IL	bbb2	597	1,516	4,357
15	LCOR Alexandria L.L.C. Federal Lease	VA	bbb1	576	576	886
16	Puerto Rico Highway and Transportation Authority Transportation Revenue	PR	d	549	549	945
17	Navy Mid-Atlantic Family Housing LLC	VA	aa2	535	535	1,094
18	Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a2	528	528	775
19	Chicago General Obligation	IL	bbb2	486	773	1,230
20	Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3	448	744	1,371
21	JFK International Air Terminal Airport	NY	bbb3	436	436	530
22	New York State Power Authority	NY	aa2	427	427	753
23	Arapahoe County E-470 Toll Road	CO	a3	414	1,138	1,975
24	Sacramento County Sanitation District Finance Authority Sewer	CA	a1	413	413	609
25	Navy Southeast	FL	bbb3	401	401	983
26	Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3	387	1,050	3,023
27	Massachusetts General Obligation	MA	a1	378	378	478
28	Phoenix Civic Improvement Corp State Payments	AZ	aa3	367	367	704
29	Santa Clara County Pension Obligation	CA	aa3	347	407	696
30	New Jersey Economic Development Authority Lease	NJ	bbb1	336	336	434
31	Sacramento County Water Financing Authority Water	CA	a2	332	332	499
32	Fort Drum Family Housing	NY	a1	330	330	734
33	City of Houston Combined Utility System Revenue Bonds	TX	aa2	310	310	310
34	Pedernales Electric Cooperative	TX	a2	300	300	448
35	Oglethorpe Power Corporation	GA	a3	300	300	524
36	New York City IDA (Yankee Stadium)	NY	bbb2	282	282	506
37	Cincinnati City School District General Obligation	OH	aa3	280	280	386
38	Atlanta City Water & Sewer	GA	a2	278	278	329
39	Kentucky Municipal Power Agency	KY	bbb1	276	276	460
40	Great Lakes Water Authority - Sewer System	MI	bbb1	273	281	348
41	Central Puget Sound Regional Transit Auth Sales	WA	aa2	271	271	329
42	San Mateo County Community College District GO	CA	aa1	269	505	805
43	Pacific Beacon LLC	CA	a1	267	291	630
44	Fort Dix/McGuire AFB Military Housing	NJ	aa2	258	258	559
45	Georgia Municipal Electric Authority	GA	a2	248	249	275
46	Tierra Vista Communities LLC	CO	a1	244	244	593
47	Philadelphia City Auth Industrial Dev GO	PA	bbb2	243	243	379
48	District of Columbia Sales Tax-Stadium Revenue	DC	bbb1	230	230	359
49	Fresno County Pension Obligation	CA	aa3	228	435	670
50	New York State Dormitory State Personal Income Tax	NY	a1	228	228	270
				$ 24,672	$ 29,179	51,196
	Total Portfolio Exposure			**$** 51,254	**$** 63,421	97,500
	50 Largest Credits as % of Total Portfolio			48.1%	46.0%	52.5%

(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 through to the current reporting period is included in gross par plus CABs accreted interest; interest accretion on CABs after the issuance of our insurance policy through to the final expected maturity of the exposure is included in debt service.

(2) 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.).

(3) Credit Rating Not Applicable. Credit consists of four classes of bonds which are independently rated as follows: Class I rated aa3; Class II rated a2; Class III rated a2; and Class IV rated bb1.

National Public Finance Guarantee Corporation
as of September 30, 2019
(dollars in millions)

Credit Quality Distribution(1)(2)

	Gross Par Outstanding		Gross Debt Service Outstanding	
	Amount	**%**	**Amount**	**%**
Public Finance				
AAA	$ 2,815	5.5%	$ 5,170	5.3%
AA	20,044	39.1%	35,659	36.6%
A	15,951	31.1%	29,825	30.6%
BBB	8,526	16.7%	19,713	20.2%
<BBB	3,918	7.6%	7,133	7.3%
Total	$ 51,254	100.0%	$ 97,500	100.0%

Top 10 Below Investment Grade (BIG) Credits by Gross Par Outstanding (1)(2)

	Obligor Name	Gross Par Outstanding	Gross Par Plus CABs Accreted Interest	Gross Debt Service Outstanding
1	Puerto Rico Electric Power Authority	$ 968	$ 968	$ 1,340
2	Puerto Rico General Obligation	655	655	834
3	City of Chicago Board of Education	608	1,310	1,805
4	Puerto Rico Highway and Transportation Authority Transportation Revenue	549	549	945
5	Virgin Islands Public Finance Authority Gross Receipts	190	190	246
6	Atlantic Marine Corp Communities LLC (Class IV)	140	140	276
7	Frontier Communications Corporation	139	139	213
8	Capital Projects Finance Authority Florida Universities Student Housing 2000F-1	99	99	137
9	Atlantic City Casino Reinvestment Development Authority Parking Fee	99	99	119
10	Harris County-Houston Sports Authority	77	211	490
	Total Top 10 BIG Outstanding	$ 3,524	$ 4,360	$ 6,405
	Total BIG Outstanding	$ 3,918	$ 4,822	$ 7,133
	Total National Outstanding	$ 51,254	$ 63,421	$ 97,500
	Top 10 BIG as % of National	**6.9%**	**6.9%**	**6.6%**
	Total BIG as % of National	**7.6%**	**7.6%**	**7.3%**
	Total BIG as % of National by National ratings	**6.6%**	**5.6%**	**5.7%**

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

(2) For exposure classified as Capital Appreciation Bonds (CABs) by the Company, gross par reflects the par amount at the time of issuance of the insurance policy; interest accretion on CABs after the issuance of our insurance policy through to the current reporting period is included in gross par plus CABs accreted interest; interest accretion on CABs after the issuance of our insurance policy through to the final expected maturity of the exposure is included in debt service.

MBIA Insurance Corporation and Subsidiaries

MBIA Insurance Corporation
Statutory Balance Sheets
(in millions)

	September 30, 2019	December 31, 2018
Assets		
Bonds	$ 87	$ 86
Cash and short-term investments	110	141
Investment in MBIA Mexico	9	6
Total investments	206	233
Interest and dividends accrued	1	1
Other assets	1	2
Total other assets	2	3
Total assets	**$ 208**	**$ 236**
Liabilities		
Unearned premiums	$ 97	$ 109
Contingency reserve	193	199
Borrowed money	329	429
Loss and LAE reserve (1)	(761)	(865)
Other liabilities	10	8
Total liabilities	**(132)**	**(120)**
Policyholders' Surplus		
Common stock	15	15
Preferred stock	3	3
Surplus Notes	953	953
Paid in Capital	1,056	1,056
Unassigned surplus	(1,687)	(1,671)
Total policyholders' surplus	**340**	**356**
Total liabilities and policyholders' surplus	**$ 208**	**$ 236**

(1) Calculated using a discount rate of 5.17% as of September 30, 2019 and December 31, 2018.

MBIA Insurance Corporation
Statutory Statements of Income
(in millions)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Gross premiums written	$ 5	$ 28	$ 24	$ 55
Ceded premiums written	(4)	(4)	(10)	(9)
Net premiums written	1	24	14	46
Underwriting income				
Net premiums earned	6	85	25	119
Losses and LAE incurred	23	(13)	42	(26)
Underwriting expenses incurred	4	(13)	12	(11)
Net underwriting income (loss)	(21)	111	(29)	156
Investment income				
Net investment income earned	(9)	(13)	(34)	(37)
Net realized capital gains (losses)	-	-	1	-
Net investment gain (loss)	(9)	(13)	(33)	(37)
Other income (expense)				
Non-operating income (expense)	4	(3)	(6)	3
Income (loss) before taxes	(26)	95	(68)	122
Income tax provision (benefit)	-	-	-	-
Net income (loss)	**$ (26)**	**$ 95**	**$ (68)**	**$ 122**

MBIA Insurance Corporation (excluding Subsidiaries)

Liquidity Position (1)

(in millions)

2019	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Beginning Cash & Cash Equivalents (2)	**$ 24**	**$ 13**	**$ 57**		**$ 24**
Premiums and Fees	8	12	10		30
Salvage Received	60	37	23		120
Net Investment Income	1	-	1		2
Other (3)	-	4	1		5
Total Inflows	69	53	35		157
Gross Loss & LAE Payments (3)	13	12	25		50
Other Payments (4)	36	72	31		139
Total Outflows	49	84	56		189
Operating Cash Flow	20	(31)	(21)		(32)
Investing Activities	(31)	75	(17)		27
Net Cash Flow	(11)	44	(38)		(5)
Ending Cash & Cash Equivalents (2)	**$ 13**	**$ 57**	**$ 19**		**$ 19**
Other Liquid Assets (6)	152	78	96		96
Ending Liquidity Position	**$ 165**	**$ 135**	**$ 115**		**$ 115**

2018	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Cash & Cash Equivalents (2)	**$ 26**	**$ 77**	**$ 56**	**$ 22**	**$ 26**
Premiums and Fees	13	19	52	14	98
Salvage Received	24	20	25	51	120
Net Investment Income	-	-	-	4	4
Other (3)	-	7	1	-	8
Total Inflows	37	46	78	69	230
Gross Loss & LAE Payments (3)	37	39	18	20	114
Other Payments (5)	18	16	9	62	105
Total Outflows	55	55	27	82	219
Operating Cash Flow	(18)	(9)	51	(13)	11
Investing Activities	69	(12)	(85)	15	(13)
Net Cash Flow	51	(21)	(34)	2	(2)
Ending Cash & Cash Equivalents (2)	**$ 77**	**$ 56**	**$ 22**	**$ 24**	**$ 24**
Other Liquid Assets (6)	53	49	135	121	121
Ending Liquidity Position	**$ 130**	**$ 105**	**$ 157**	**$ 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 $20 million prepayment applied to MZ Funding Senior Notes, approved by NYSDFS in March of 2019, $54 million approved in June of 2019 and $9 million approved in September of 2019.
(5) Includes $38 million prepayment applied to MZ Funding Senior Notes, approved by NYSDFS in November of 2018.
(6) May include assets with stated maturities greater than 12 months that are deemed to be liquid.

MBIA Insurance Corporation
(dollars in millions)

Statutory 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)	Expected Future Earnings on Premiums Not Yet Received (4)	Total	Net Cash Premiums Collected and Expected (5)(6)
3rd Qtr. 2019	10,310	14,317	97				3
4th Qtr. 2019	9,833	13,681	89	8	1	9	8
2020	8,302	11,602	71	18	23	41	21
2021	6,885	9,728	59	12	18	30	18
2022	5,109	7,598	46	13	21	34	20
2023	4,618	6,835	38	8	14	22	14
2024-2028	2,819	4,052	4	34	47	81	45
2029-2033	1,748	2,416	1	3	23	26	23
2034-2038	645	1,000	-	1	13	14	13
2039 and thereafter	-	-	-	-	11	11	9
Total				$ 97	$ 171	$ 268	$ 171

(1) Excludes $36 million and $48 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

	9/30/2019	12/31/2018
Policyholders' Surplus	$ 340	$ 356
Contingency Reserve	193	199
Statutory Capital	533	555
Unearned Premiums	97	109
Present Value of Installment Premiums	120	139
Premium Resources (1)	217	248
Net Loss and LAE Reserves (2)	(761)	(865)
Salvage Reserves	1,352	1,402
Gross Loss and LAE Reserves	591	537
Total Claims-Paying Resources	$ 1,341	$ 1,340
Net Debt Service Outstanding	$ 13,693	$ 15,832
Capital Ratio	26:1	29:1
Claims-Paying Resources Ratio	10:1	12:1

(1) The amounts consist of financial guarantee insurance premiums and insured credit derivative revenue.
(2) Calculated using a discount rate of 5.17% as of September 30, 2019 and December 31, 2018.

MBIA Insurance Corporation
Investment Portfolio Including Cash and Cash Equivalents
as of September 30, 2019
(dollars in millions)

Statutory Accounting Basis

Investments		**Book/ Adjusted Carry Value**	**% Book Yield**		**Market Value**	**% of Market Value**
Bonds						
Long-Term Tax-Exempt	$	19	4.72	$	26	23
Long-Term Taxable		68	4.88		78	68
Short-Term		10	2.09		10	9
Total Bonds		97	4.56	$	114	100
Cash and Cash Equivalents		100				
Total Fixed Income Including Cash and Cash Equivalents		197				
Common Stocks		9				
Total	$	206				

Fixed Income Portfolio Including Cash and Cash Equivalents			**% of Book/ Adjusted Carry Value**
Cash and Cash Equivalents	$	100	51
State and Municipal Bonds		69	35
US Treasury		20	10
MBS		8	4
Total	$	197	100
Effective Maturity Profile of Fixed Income Portfolio			
Cash and Cash Equivalents	$	100	51
≤ 1 yr		19	10
> 1 to 5 yrs		1	-
> 10 to 15 yrs		15	8
> 15 to 20 yrs		44	22
> 20 yrs		18	9
Total	$	197	100
Credit Quality Distribution of Long-Term Bonds Rating (1)			
Aaa	$	12	14
Aa		54	62
A		13	15
BIG		8	9
	$	87	100

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 7.54 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 5.52 years

(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 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 September 30, 2019 (1)(2)(3)	
	Gross	**%**
Public Finance: Non-United States		
Sovereign and Sub-Sovereign (4)	$ 2,267	22.0
Transportation	2,368	23.0
International Utilities	1,137	11.0
Other (5)	100	1.0
Total Non-United States Public Finance	$ 5,872	57.0
Structured Finance - Global		
Mortgage Backed Residential	$ 1,837	17.8
Corporate Asset Backed (6)	1,734	16.8
Consumer Asset Backed	319	3.1
Collateralized Debt Obligations (7)	318	3.1
Mortgage Backed Commercial	230	2.2
Total Global Structured Finance	4,438	43.0
Grand Total	$ 10,310	100.0

Par Value by Geography

	Outstanding as of September 30, 2019 (1)(2)(3)	
	Gross	**%**
United States	$ 3,818	37.0
Australia	1,754	17.0
Canada	1,214	11.8
Chile	1,171	11.4
Mexico	824	8.0
United Kingdom	817	7.9
New Zealand	219	2.1
Other (8)	312	3.0
Internationally Diversified	181	1.8
Total Non-United States	6,492	63.0
Total	$ 10,310	100.0

(1) Excludes $1.3 billion guaranteed by MBIA Insurance Corporation for MZ Funding notes, investment agreements, and medium-term notes issued by various affiliated companies.
(2) Includes consolidated insured Variable Interest Entities (VIEs) and insured Credit Derivatives.
(3) Excludes $36 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 supported by a Sovereign State, Region or Department.
(5) Includes municipal-owned entities backed by the sponsoring local government and a tax-backed transaction.
(6) Includes $1.0 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 Spain, France and Ireland.

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 as of September 30, 2019
1	Structured Insurance Securitization Private 13-16	$	575
2	MS CDO 29		129
3	Private Sovereign and Sub-Sovereign 52,55-57,67,87-90		119
4	Private Secondary-Domestic RMBS Transaction		106
5	Hipotecaria Su Casita 2007-2		98
6	Private Sovereign and Sub-Sovereign Transportation Credit		89
7	Countrywide Home Equity Master Trust Series 2006-S10		80
8	Deutsche Bank Alt-A Securities Trust 2007-AR3		73
9	MS CDO 27		70
10	RMBS Secondary		62
	Total Top 10 Below Investment Grade	$	1,401
	Total BIG Gross Par Outstanding	$	2,872
	Total MBIA Gross Par Outstanding	$	10,310
	Top 10 BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding		**13.6%**
	Total BIG Gross Par Outstanding as % of MBIA Gross Par Outstanding		**27.9%**

(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

2019	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Year-to-Date**
Paid Claims [1]	$ 1	$ 1	$ -		$ 2
Collections on Paid Claims [2]	(52)	(22)	(7)		(81)
Paid LAE (net of collections)	5	3	10		18
Net Payments	$ (46)	$ (18)	$ 3		$ (61)

2018	**1st Qtr.**	**2nd Qtr.**	**3rd Qtr.**	**4th Qtr.**	**Full Year**
Paid Claims [1]	$ 5	$ 2	$ 1	$ 1	$ 9
Collections on Paid Claims [2]	(14)	(15)	(19)	(42)	(90)
Paid LAE (net of collections)	2	1	2	3	8
Net Payments	$ (7)	$ (12)	$ (16)	$ (38)	$ (73)

(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 optional terminations 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 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]

	9/30/2019	12/31/2018
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost $623 and $881) [2]	$ 700	$ 905
Investments carried at fair value (amortized cost $29 and $29)	31	29
Investments pledged as collateral, at fair value (amortized cost $20 and $50) [3]	16	48
Short-term investments held as available-for-sale, at fair value (amortized cost $105 and $95)	105	95
Other investments	16	16
Total investments	868	1,093
Cash and cash equivalents	10	40
Other assets	61	59
Total Assets	**939**	**1,192**
Liabilities:		
Investment agreements [4]	310	311
Global Funding LLC, Medium-term Notes	670	722
MBIA Inc. Senior Unsecured	738	881
Income taxes [5]	71	140
Derivative liabilities	152	157
Other liabilities	60	64
Total Liabilities	**2,001**	**2,275**
Total Equity	**$ (1,062)**	**$ (1,083)**

(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 $210 million and $205 million posted to derivative counterparties as of September 30, 2019 and December 31, 2018, 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 $323 million and $314 million as of September 30, 2019 and December 31, 2018, 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)

2019	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
Beginning Liquidity Position	**$ 457**	**$ 486**	**$ 407**		**$ 457**
Total Cash Inflows	62	17	5		84
MTN P&I Payments	2	64	-		66
Debt P&I Payments	8	20	159		187
Contributions to Subsidiaries	24	10	35		69
Other Payments	10	4	4		18
Total Cash Outflows	44	98	198		340
Investment and Other Activity	11	2	18		31
Change in Liquidity Position	29	(79)	(175)		(225)
Ending Liquidity Position	**$ 486**	**$ 407**	**$ 232**		**$ 232**

2018	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Beginning Liquidity Position	**$ 419**	**$ 419**	**$ 389**	**$ 365**	**$ 419**
Total Cash Inflows	24	17	7	115	163
MTN P&I Payments	23	21	30	20	94
Debt P&I Payments	8	20	8	21	57
Contributions to Subsidiaries	-	5	5	10	20
Other Payments	9	5	7	8	29
Total Cash Outflows	40	51	50	59	200
Investment and Other Activity	16	4	19	36	75
Change in Liquidity Position	-	(30)	(24)	92	38
Ending Liquidity Position	**$ 419**	**$ 389**	**$ 365**	**$ 457**	**$ 457**

(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 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 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.

MBIA management further adjusts Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per share by removing the impact of our U.S. public finance insurance segment VIE consolidations. GAAP required the Company to consolidate certain VIEs that have issued debt obligations insured by the Company. However, since the Company does not own such VIEs, management uses certain measures that remove the impact of VIE consolidations for our U.S. public finance insurance segment in order to reflect financial exposure limited to its financial guaranty contracts.

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 Value Adjustments: Management adjusts GAAP book value to remove the book value of MBIA Corp. and for certain items which the Company believes will reverse from GAAP book value through GAAP earnings and comprehensive income, as well as 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. The following provides a description of management's adjustments to GAAP book value:

- *Negative Book value of MBIA Corp.* – We remove the negative book value of MBIA Corp. based on our view that given MBIA Corp.'s current financial condition, the regulatory regime in which it operates, the priority given to its policyholders, surplus note holders and preferred stock holders with respect to the distribution of assets, and its legal structure, it is not and will not likely be in a position to upstream any economic benefit to MBIA Inc. Further, MBIA Inc. does not face any material financial liability arising from MBIA Corp.

- *Net unrealized (gains) losses on available-for-sale ("AFS") securities excluding MBIA Corp.* – We remove net unrealized gains and losses on AFS securities recorded in accumulated other comprehensive income since they will reverse from GAAP book value when such securities mature. Gains and losses from sales and OTTI of AFS securities are recorded in book value through earnings.

- *Net unearned premium revenue in excess of expected losses of National* - We include net unearned premium revenue in excess of expected losses. Net unearned premium revenue in excess of expected losses consists of the financial guarantee unearned premium revenue of National in excess of expected insurance losses, net of reinsurance and deferred acquisition costs. In accordance with GAAP, a loss reserve on a financial guarantee policy is only recorded when expected losses exceed the amount of unearned premium revenue recorded for that policy. As a result, we only add to GAAP book value the amount of unearned premium revenue in excess of expected losses for each policy in order to reflect the full amount of our expected losses. The Company's net unearned premium revenue will be recognized in GAAP book value in future periods, however, actual amounts could differ from estimated amounts due to such factors as credit defaults and policy terminations, among others.

- *Gain (loss) related to National VIE consolidations* – We remove the impact of VIE consolidations by National. GAAP requires the Company to consolidate certain VIEs as a result of the Company's insurance policies. However, since the Company does not own such VIEs, management uses certain measures adjusted to remove the impact of VIE consolidations for National in order to reflect financial exposure limited to its financial guaranty contracts.

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 Appreciation Bonds: Long-term bonds which pay no current interest, but accrete or compound in value from the date of issuance to the date of maturity.

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:

AST
6201 15th Avenue
Brooklyn, NY 11219
1-800-937-5449
https://www.astfinancial.com/