



MBIA Inc. and Subsidiaries
Quarterly Operating Supplement
June 30, 2025



Second Quarter 2025

MBIA Inc. and Subsidiaries
Quarterly Operating Supplement ⁽¹⁾

Safe Harbor Disclosure	1
<u>MBIA Inc. (Consolidated)</u>	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Adjusted Net Income (Loss) Reconciliation	5
Book Value Adjustments Per Share	5
<u>National Public Finance Guarantee Corporation</u>	
GAAP Balance Sheets	7
GAAP Statements of Operations	8
GAAP Amortization of Gross Par, Gross Debt Service, Gross Unearned Premium and Net Cash Premiums Collected and Expected	9
Statutory Balance Sheets Summary	9
Claims-Paying Resources	9
Investment Portfolio Including Cash and Cash Equivalents	10
Insured Portfolio Profile by Geography and by Bond Type	11
Insured Portfolio - 25 Largest Credits	12
Credit Quality Distribution, Top 10 Below Investment Grade (BIG) Credits	13
<u>MBIA Insurance Corporation</u>	
Statutory Balance Sheets	15
Statutory Statements of Income	16
Statutory Amortization of Gross Par, Gross Debt Service, Net Unearned Premium and Net Cash Premiums Collected and Expected	17
Claims-Paying Resources	17
Investment Portfolio Including Cash and Cash Equivalents	18
Insured Portfolio Profile Par Value by Bond Type and by Geography	19
Top 10 Below Investment Grade (BIG) Credits	20
<u>MBIA Inc. (Parent Company)</u>	
Corporate Segment Balance Sheets	22
Glossary	23

(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 (“NYDFS”) 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 NYDFS 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 Quarterly Report on Form 10-Q. 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)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$1,024 and \$1,080)	\$ 892	\$ 925
Investments carried at fair value	229	237
Short-term investments, at fair value (amortized cost \$425 and \$492)	425	492
Other investments at amortized cost	1	1
Total investments	1,547	1,655
Cash and cash equivalents	165	84
Premiums receivable (net of allowance for credit losses of \$- and \$-)	129	133
Deferred acquisition costs	25	27
Insurance loss recoverable	185	185
Assets held for sale	11	11
Other assets	37	42
Assets of consolidated variable interest entities:		
Cash	2	3
Loans receivable at fair value	33	28
Total assets	\$ 2,134	\$ 2,168
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 186	\$ 199
Loss and loss adjustment expense reserves	526	526
Long-term debt	2,814	2,741
Medium-term notes (includes financial instruments carried at fair value of \$38 and \$35)	454	440
Investment agreements	203	204
Liabilities held for sale	7	7
Other liabilities	67	78
Liabilities of consolidated variable interest entities:		
Variable interest entity debt (includes financial instruments carried at fair value of \$26 and \$31)	32	43
Derivative liabilities	10	6
Total liabilities	4,299	4,244
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-- 283,186,115	283	283
Additional paid-in capital	2,453	2,492
Retained earnings (deficit)	(1,709)	(1,591)
Accumulated other comprehensive income (loss), net of tax of \$7 and \$7	(96)	(128)
Treasury stock, at cost--232,698,058 and 232,215,934 shares	(3,109)	(3,145)
Total shareholders' equity of MBIA Inc.	(2,178)	(2,089)
Preferred stock of subsidiary	13	13
Total equity	(2,165)	(2,076)
Total liabilities and equity	\$ 2,134	\$ 2,168

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Premiums earned:				
Scheduled premiums earned	\$ 7	\$ 7	\$ 14	\$ 16
Refunding premiums earned	-	1	1	1
Total premiums earned (net of ceded premiums of \$-, \$-, \$-, and \$-)	7	8	15	17
Net investment income	19	22	37	45
Net realized investment gains (losses)	(1)	(2)	(6)	(3)
Net gains (losses) on financial instruments at fair value and foreign exchange	(2)	(55)	(17)	(51)
Fees and reimbursements	-	1	1	1
Other net realized gains (losses)	-	2	-	5
Revenues of consolidated variable interest entities:				
Net gains (losses) on financial instruments at fair value and foreign exchange	-	1	-	(24)
Other net realized gains (losses)	-	(14)	7	(14)
Total revenues	23	(37)	37	(24)
Expenses:				
Losses and loss adjustment	8	142	16	160
Amortization of deferred acquisition costs	1	1	2	2
Operating	18	15	34	40
Interest	48	53	98	105
Expenses of consolidated variable interest entities:				
Operating	3	5	4	9
Interest	1	-	1	-
Total expenses	79	216	155	316
Income (loss) from continuing operations before income taxes	(56)	(253)	(118)	(340)
Provision (benefit) for income taxes	-	-	-	-
Income (loss) from continuing operations	(56)	(253)	(118)	(340)
Income (loss) from discontinued operations, net of income taxes	-	(2)	-	(1)
Net income (loss)	(56)	(255)	(118)	(341)
Less: Net income (loss) from discontinued operations attributable to noncontrolling interest	-	(1)	-	(1)
Net income (loss) attributable to MBIA Inc.	<u>\$ (56)</u>	<u>\$ (254)</u>	<u>\$ (118)</u>	<u>\$ (340)</u>
Net income (loss) per common share attributable to MBIA Inc. - basic and diluted:				
Continuing operations	\$ (1.12)	\$ (5.30)	\$ (2.40)	\$ (7.20)
Discontinued operations	-	(0.04)	-	(0.01)
Net income (loss) per common share attributable to MBIA Inc. - basic and diluted	<u>\$ (1.12)</u>	<u>\$ (5.34)</u>	<u>\$ (2.40)</u>	<u>\$ (7.21)</u>
Weighted average number of common shares outstanding:				
Basic	49,543,258	47,501,248	48,952,068	47,161,085
Diluted	49,543,258	47,501,248	48,952,068	47,161,085

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ (56)	\$ (254)	\$ (118)	\$ (340)
Less: Adjusted Net Income (Loss) Adjustments				
Income (loss) from discontinued operations, net of noncontrolling interest	-	(1)	-	-
Income (loss) before income taxes of our international and structured finance insurance segment and eliminations	(41)	(117)	(88)	(186)
Adjustments before income taxes ⁽²⁾ :				
Mark-to-market gains (losses) on financial instruments ⁽³⁾	3	2	4	5
Foreign exchange gains (losses) ⁽³⁾	(9)	-	(12)	3
Net realized investment gains (losses)	(1)	(1)	(6)	(2)
Other net realized gains (losses)	-	1	-	2
Adjusted net income adjustment for income taxes	-	-	-	-
Adjusted Net Income (loss)	\$ <u>(8)</u>	\$ <u>(138)</u>	\$ <u>(16)</u>	\$ <u>(162)</u>
Adjusted Net Income (loss) per diluted common share	\$ (0.17)	\$ (2.90)	\$ (0.33)	\$ (3.44)
Diluted Weighted Average Shares Outstanding	49.5	47.5	49.0	47.2

(1) A non-GAAP measure. See glossary for an explanation of Adjusted Net Income (Loss).

(2) Adjustments exclude the International and Structured Finance Insurance segment and eliminations.

(3) Reported within "Net gains (losses) on financial instruments at fair value and foreign exchange" on the Company's consolidated statements of operations.

Book Value Adjustments Per Share ⁽¹⁾

	6/30/2025	12/31/2024
Book Value Per Share	\$ (43.14)	\$ (40.99)
Management's book value per share adjustments:		
Remove negative book value of MBIA Corp. ⁽²⁾	(51.49)	(49.48)
Remove net unrealized gains (losses) on available-for-sale securities included in other comprehensive income (loss)	(2.50)	(2.87)
Include net unearned premium revenue in excess of expected losses ^{(3) (4)}	2.29	2.43
Shares outstanding in millions	50.5	51.0

(1) 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.

(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.

National Public Finance Guarantee Corporation

National Public Finance Guarantee Corporation

GAAP Balance Sheets

(in millions except share and per share amounts)

	June 30, 2025	December 31, 2024
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$970 and \$1,096)	\$ 835	\$ 960
Investments carried at fair value	119	118
Investments pledged as collateral, at fair value (amortized cost \$38 and \$38)	34	32
Short-term investments at fair value (amortized cost \$58 and \$18)	58	18
Total investments	1,046	1,128
Cash and cash equivalents	111	29
Securities purchased under agreements to resell	32	32
Premiums receivable	108	109
Deferred acquisition costs	51	54
Insurance loss recoverable	163	164
Other assets	33	33
Total assets	\$ 1,544	\$ 1,549
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 173	\$ 184
Loss and loss adjustment expense reserves	295	298
Securities sold under agreements to repurchase	32	32
Other liabilities	11	11
Total liabilities	511	525
Equity:		
Common stock, par value \$30 per share; authorized, issued and outstanding shares — 500,000	15	15
Additional paid-in capital	1,641	1,641
Retained earnings (deficit)	(496)	(502)
Accumulated other comprehensive income (loss), net of tax of \$12 and \$12	(127)	(130)
Total equity	1,033	1,024
Total liabilities and equity	\$ 1,544	\$ 1,549

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Premiums earned:				
Scheduled premiums earned	\$ 6	\$ 6	\$ 12	\$ 13
Refunding premiums earned	1	1	1	1
Total premiums earned	7	7	13	14
Net investment income	15	17	30	35
Net realized investment gains (losses)	(1)	(1)	(6)	(2)
Net gains (losses) on financial instruments at fair value and foreign exchange	1	-	1	1
Fees and reimbursements	1	-	2	1
Total revenues	23	23	40	49
Expenses:				
Losses and loss adjustment	6	141	9	163
Amortization of deferred acquisition costs	1	1	3	3
Operating	9	11	21	22
Total expenses	16	153	33	188
Income (loss) before income taxes	7	(130)	7	(139)
Provision (benefit) for income taxes	-	-	-	-
Net income (loss)	\$ 7	\$ (130)	\$ 7	\$ (139)

National Public Finance Guarantee Corporation

(in millions)

GAAP Amortization of Gross Par, Gross Debt Service, Gross Unearned Premium and Net Cash Premiums Collected and Expected as of June 30, 2025

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Gross Unearned Premiums	Expected Future Premiums Earnings ⁽¹⁾				Net Cash Premiums Collected and Expected ⁽²⁾
				Upfronts	Installments	Accretion	Total	
2nd Qtr. 2025	24,214	49,108	173					2
3rd Qtr. 2025	23,402	47,432	168	3	2	1	6	3
4th Qtr. 2025	22,999	46,509	163	3	2	1	6	4
2026	20,481	41,773	145	11	7	3	21	9
2027	17,664	36,807	129	10	6	3	19	9
2028	15,060	32,218	115	8	6	3	17	9
2029	13,383	28,615	102	7	6	2	15	8
2030-2034	7,257	15,279	54	22	26	9	57	37
2035-2039	4,155	7,798	26	8	20	6	34	30
2040-2044	2,297	4,027	9	4	13	2	19	20
2045-2049	477	1,164	1	2	6	1	9	9
2050-2054	11	170	-	1	-	-	1	1
2055 and thereafter	-	-	-	-	-	-	-	-
Total				\$79	\$94	\$31	\$204	\$139

(1) Actual future premium earnings will differ from the current projection due to refundings.

(2) Represents installment-based future net undiscounted collections.

Statutory Balance Sheets Summary

	6/30/2025	12/31/2024
Assets:		
Cash and Investments	\$ 1,231	\$ 1,244
Asset Swap Facility with MBIA Inc.	32	32
Other Assets	14	14
Total Assets	\$ 1,277	\$ 1,290
Liabilities:		
Unearned Premiums	\$ 196	\$ 208
Loss and LAE Reserves ⁽¹⁾	127	130
Contingency Reserve	298	310
Asset Swap Facility with MBIA Inc.	32	32
Other Liabilities	8	8
Total Liabilities	661	688
Total Policyholders' Surplus	616	602
Total Liabilities and Policyholders' Surplus	\$ 1,277	\$ 1,290

Claims-Paying Resources

	6/30/2025	12/31/2024
Policyholders' Surplus	\$ 616	\$ 602
Contingency Reserve	298	310
Statutory Capital	914	912
Unearned Premiums	196	208
Present Value of Installment Premiums ⁽¹⁾	94	95
Premium Resources ⁽²⁾	290	303
Net Loss and LAE Reserves ⁽¹⁾	127	130
Salvage Reserves on Paid Claims ⁽¹⁾	159	162
Gross Loss and LAE Reserves	286	292
Total Claims-Paying Resources	\$ 1,490	\$ 1,507
Net Debt Service Outstanding	\$ 47,909	\$ 49,921
Gross Par Outstanding	\$ 24,214	\$ 25,290
Capital Ratio	52:1	55:1
Claims-Paying Resources Ratio	32:1	33:1
Leverage Ratio	26:1	28:1

(1) Calculated using a discount rate of 4.78% as of June 30, 2025 and December 31, 2024.

(2) The amounts consist of financial guarantee insurance premiums and insured credit derivative revenue.

National Public Finance Guarantee Corporation
Investment Portfolio Including Cash and Cash Equivalents
as of June 30, 2025
(in millions)

GAAP Accounting Basis

<u>Investments⁽¹⁾</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>% Book Yield</u>
Fixed-Maturity Securities:				
Long-Term Taxable	\$ 869	97	\$ 1,008	4.54
Short-Term	30	3	30	4.40
Total Fixed Maturity	899	100	\$ 1,038	4.54
Cash and Cash Equivalents	111			
Total Fixed Income Including Cash and Cash Equivalents	1,010			
Investments Carried at Fair Value	147			
Total	<u>\$ 1,157</u>			

Fixed Income Portfolio Including Cash and Cash Equivalents

Corporate Obligations	\$ 529	52
US Treasury	134	13
MBS	128	13
Cash and Cash Equivalents	111	11
ABS	70	7
State and Municipal Bonds	33	3
Foreign Governments	5	1
Total	<u>\$ 1,010</u>	<u>100</u>

Effective Maturity Profile

Cash and Cash Equivalents	\$ 111	11
≤ 1 yr	90	9
> 1 to 5 yrs	84	8
> 5 to 10 yrs	447	45
> 10 to 15 yrs	53	5
> 15 to 20 yrs	52	5
> 20 yrs	173	17
Total	<u>\$ 1,010</u>	<u>100</u>

Credit Quality Distribution of Long-Term Bonds Rating ⁽²⁾

Aaa	\$ 79	9
Aa	264	30
A	111	13
Baa	127	15
BIG	277	32
NR	11	1
	<u>\$ 869</u>	<u>100</u>

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 14.97 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 6.77 years

- (1) Includes Asset Swap between National and MBIA Inc. with a notional amount and market value of encumbered asset of \$32 million and \$34 million, respectively.
- (2) Ratings are as of the end of the period, as last provided by the rating agencies and may be out-of-date. Ratings are derived using the Moody's Priority Method; where Moody's underlying rating is used, when available, S&P's underlying rating is used if the Moody's underlying rating is not available and an internal underlying rating is used for MBIA wrapped investments if neither Moody's nor S&P's underlying ratings are available.

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

By Geography

Outstanding as of June 30, 2025				
	Par Outstanding ⁽¹⁾		Debt Service Outstanding ⁽¹⁾	
	Gross Amount	%	Gross Amount	%
United States				
California	\$ 5,183	21.4	\$ 11,799	24.0
New Jersey	2,380	9.8	3,651	7.4
Hawaii	1,689	7.0	3,464	7.1
Texas	1,191	4.9	1,940	4.0
Illinois	1,133	4.7	5,839	11.9
Georgia	923	3.8	1,115	2.3
Virginia	813	3.4	3,105	6.3
Florida	798	3.3	892	1.8
Oregon	681	2.8	1,083	2.2
New York	674	2.8	1,049	2.1
Subtotal	15,465	63.9	33,937	69.1
Other States & Territories	6,018	24.8	10,017	20.4
Nationally Diversified	2,731	11.3	5,154	10.5
Total	\$ 24,214	100.0	\$ 49,108	100.0

By Bond Type

Outstanding as of June 30, 2025				
	Par Outstanding ⁽¹⁾		Debt Service Outstanding ⁽¹⁾	
	Gross Amount	%	Gross Amount	%
Bond Type				
General Obligation ⁽²⁾	\$ 6,612	27.3	\$ 13,894	28.3
Military Housing	6,424	26.5	12,488	25.4
Tax-Backed	3,920	16.2	9,435	19.2
Municipal Utilities	3,757	15.5	5,111	10.4
Transportation	1,803	7.5	5,778	11.8
Higher Education	540	2.2	767	1.6
General Obligation - Lease	501	2.1	691	1.4
Health Care	348	1.4	542	1.1
Investor Owned Utilities ⁽³⁾	283	1.2	361	0.7
Other ⁽⁴⁾	26	0.1	41	0.1
Total	\$ 24,214	100.0	\$ 49,108	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 stadium-related financings, municipal housing and certain non-profit enterprises.

National Public Finance Guarantee Corporation
Insured Portfolio - 25 Largest Credits
By Gross Par Outstanding as of June 30, 2025⁽¹⁾
(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	a3	\$ 1,284	\$ 1,284	\$ 1,498
2 Army Hawaii Family Housing	HI	aa3	1,012	1,012	1,822
3 Camp Pendleton Quantico Housing Privatization	CA	aa2	928	928	1,703
4 San Diego Family Housing Privatization Military	CA	aa1	871	871	1,634
5 Ohana Military Communities, LLC	HI	aa3	677	828	1,641
6 Atlantic Marine Corps Communities LLC	NC	N/A ⁽³⁾	588	588	1,108
7 Oregon School Boards Association General Obligation	OR	aa3	545	545	601
8 Puerto Rico Electric Power Authority	PR	d	504	504	657
9 Navy Mid-Atlantic Family Housing LLC	VA	aa2	492	492	901
10 LCOR Alexandria L.L.C. Federal Lease	VA	d	406	406	518
11 Illinois Regional Transportation Authority	IL	a2	396	396	497
12 Great River Energy Public Power	MN	a3	389	389	523
13 Navy Southeast	FL	bbb3	377	377	813
14 Massachusetts Special Obligation Dedicated Tax Hotel/Motel	MA	a3	367	367	475
15 Phoenix Civic Improvement Corp State Payments	AZ	aa3	343	343	573
16 Santa Clara County Pension Obligation	CA	aa3	318	368	527
17 Fort Drum Family Housing	NY	a2	305	305	604
18 Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3	303	1,081	2,466
19 Oglethorpe Power Corporation	GA	bbb2	300	300	433
20 New Jersey Transportation Trust Fund Authority	NJ	a3	258	665	842
21 City of Chicago Board of Education	IL	bbb3	255	843	1,022
22 Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3	250	478	740
23 Fort Dix/McGuire AFB Military Housing	NJ	aa2	239	239	464
24 Kentucky Municipal Power Agency	KY	bbb2	238	238	354
25 Arapahoe County E-470 Toll Road	CO	a2	236	861	1,241
			\$ 11,881	\$ 14,708	\$ 23,657
Total Portfolio Exposure			\$ 24,214	\$ 33,554	\$ 49,108
25 Largest Credits as % of Total Portfolio			49.1%	43.8%	48.2%

- (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 symbolologies 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 a3; Class II rated bbb2; Class III rated bbb2; and Class IV rated bbb3.

National Public Finance Guarantee Corporation
as of June 30, 2025
(in millions)

Credit Quality Distribution⁽¹⁾⁽²⁾

	Gross Par Outstanding		Gross Debt Service Outstanding	
	Amount	%	Amount	%
Public Finance				
AAA	\$ 960	4.0%	\$ 2,335	4.8%
AA	10,831	44.7%	19,415	39.5%
A	8,878	36.6%	19,410	39.5%
BBB	1,788	7.4%	2,925	6.0%
<BBB	1,757	7.3%	5,023	10.2%
Total	<u>\$ 24,214</u>	<u>100.0%</u>	<u>\$ 49,108</u>	<u>100.0%</u>

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	\$ 504	\$ 504	\$ 657
2 LCOR Alexandria L.L.C. Federal Lease	406	406	518
3 Toll Road Investors Partnership II L.P. Dulles Greenway Project	303	1,081	2,466
4 City of Chicago Board of Education	255	843	1,022
5 Frontier Communications OPCO	115	115	133
6 Virgin Islands Public Finance Authority Gross Receipts	101	101	114
7 University of Puerto Rico System Revenue	40	40	50
8 Palomar Pomerado Health GO	19	44	47
9 Bibb County Health Care Authority	7	7	8
10 Dawson County Hospital District GO	5	5	5
Total Top 10 BIG Outstanding	<u>\$ 1,755</u>	<u>\$ 3,146</u>	<u>\$ 5,020</u>
Total BIG Outstanding	\$ 1,757	\$ 3,149	\$ 5,023
Total National Outstanding	\$ 24,214	\$ 33,554	\$ 49,108
Top 10 BIG as % of National	7.2%	9.4%	10.2%
Total BIG as % of National	7.3%	9.4%	10.2%
Total BIG as % of National by National ratings	4.8%	3.5%	3.0%

(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.

(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

MBIA Insurance Corporation
Statutory Balance Sheets
(in millions)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Bonds	\$ 120	\$ 126
Cash, cash equivalents and short-term investments	34	28
Investment in MBIA Mexico	-	13
Total investments	<u>154</u>	<u>167</u>
Other assets	2	2
Total assets	<u>\$ 156</u>	<u>\$ 169</u>
Liabilities		
Unearned premiums	\$ 18	\$ 21
Contingency reserve	5	5
Loss and LAE reserve ⁽¹⁾	43	57
Payable for investments purchased	-	1
Other liabilities	3	2
Total liabilities	<u>69</u>	<u>86</u>
Policyholders' Surplus		
Common stock	15	15
Preferred stock	3	3
Surplus notes	953	953
Gross paid in and contributed surplus	1,056	1,056
Unassigned surplus (deficit)	<u>(1,940)</u>	<u>(1,944)</u>
Total policyholders' surplus	<u>87</u>	<u>83</u>
Total liabilities and policyholders' surplus	<u>\$ 156</u>	<u>\$ 169</u>

(1) Calculated using a discount rate of 5.42% as of June 30, 2025 and December 31, 2024.

MBIA Insurance Corporation
Statutory Statements of Income
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross premiums written	\$ 4	\$ 5	\$ 6	\$ 7
Ceded premiums written	(2)	(2)	(3)	(3)
Net premiums written	2	3	3	4
Underwriting income				
Net premiums earned	5	5	7	8
Losses and LAE incurred	-	34	(2)	71
Underwriting expenses incurred	3	6	6	10
Net underwriting income (loss)	2	(35)	3	(73)
Investment income				
Net investment income earned	2	2	4	4
Net realized capital gains (losses)	-	(2)	-	(2)
Net investment gain (loss)	2	-	4	2
Other income (expense)	-	-	(1)	1
Income (loss) before income taxes	4	(35)	6	(70)
Provision (benefit) for income taxes	-	-	-	-
Net income (loss)	\$ 4	\$ (35)	\$ 6	\$ (70)

MBIA Insurance Corporation
(in millions)

Statutory Amortization of Gross Par, Gross Debt Service and Net Unearned Premium and Net Cash Premiums Collected and Expected as of June 30, 2025

	Ending Gross Par Outstanding	Ending Gross Debt Service Outstanding	Net Unearned Premiums ⁽¹⁾	Expected Future Premium Earnings ⁽¹⁾	Expected Future Earnings on Premiums Not Yet Received ⁽²⁾	Total	Net Cash Premiums Collected and Expected ⁽³⁾
2nd Qtr. 2025	2,179	2,933	18				2
3rd Qtr. 2025	2,143	2,866	17	1	-	1	1
4th Qtr. 2025	2,048	2,740	13	4	1	5	2
2026	1,673	2,254	4	9	5	14	4
2027	1,489	1,978	3	1	3	4	3
2028	1,346	1,752	3	-	3	3	2
2029	1,190	1,522	3	-	2	2	2
2030-2034	607	716	1	2	6	8	6
2035-2039	75	104	-	1	1	2	1
2040-2044	48	54	-	-	-	-	-
2045 and thereafter	-	-	-	-	-	-	-
Total				\$ 18	\$ 21	\$ 39	\$ 21

(1) Statutory accounting basis.

(2) Undiscounted, based on the Company's estimate of the remaining life for its insured exposures.

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

Claims-Paying Resources

	6/30/2025	12/31/2024
Policyholders' Surplus	\$ 87	\$ 83
Contingency Reserve	5	5
Statutory Capital	92	88
Unearned Premiums	18	21
Present Value of Installment Premiums ⁽¹⁾	17	20
Premium Resources ⁽²⁾	35	41
Net Loss and LAE Reserves ⁽¹⁾	43	57
Salvage Reserves on Paid Claims ⁽¹⁾	176	170
Gross Loss and LAE Reserves	219	227
Total Claims-Paying Resources	\$ 346	\$ 356
Net Debt Service Outstanding	\$ 2,807	\$ 2,973
Capital Ratio	31:1	34:1
Claims-Paying Resources Ratio	8:1	8:1

(1) Calculated using a discount rate of 5.42% as of June 30, 2025 and December 31, 2024.

(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 June 30, 2025
(in millions)

Statutory Accounting Basis

Investments	Book/ Adjusted Carry Value	% Book Yield	Market Value	% of Market Value
Bonds				
Long-Term Tax-Exempt	\$ 24	4.55	\$ 24	19
Long-Term Taxable	96	5.61	92	76
Short-Term	6	4.33	6	5
Total Bonds	126	5.35	\$ 122	100
Cash and Cash Equivalents	28			
Total Fixed Income Including Cash and Cash Equivalents	\$ 154			
		% of Book/ Adjusted Carry Value		
Fixed Income Portfolio Including Cash and Cash Equivalents				
State and Municipal	\$ 63	41		
Corporate Obligations	33	21		
Cash and Cash Equivalents	28	18		
ABS	14	9		
US Treasury	10	7		
MBS	6	4		
Total	\$ 154	100		
Effective Maturity Profile of Fixed Income Portfolio				
Cash and Cash Equivalents	\$ 28	18		
≤ 1 yr	6	4		
> 1 to 5 yrs	32	21		
> 5 to 10 yrs	14	9		
> 10 to 15 yrs	53	34		
> 20 yrs	21	14		
Total	\$ 154	100		
Credit Quality Distribution of Long-Term Bonds Rating ⁽¹⁾				
Aaa	\$ 7	6		
Aa	54	45		
A	6	5		
Baa	10	8		
BIG	41	34		
NR	2	2		
	\$ 120	100		
<i>Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 9.17 years</i>				
<i>Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 5.78 years</i>				

(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.

MBIA Insurance Corporation and Subsidiary
Insured Portfolio Profile
(in millions)

Par Value by Bond Type

Outstanding as of June 30, 2025 ⁽¹⁾⁽²⁾		
	Gross	%
<u>Public Finance: Non-United States</u>		
Sovereign and Sub-Sovereign ⁽³⁾	\$ 870	40.0
Transportation	227	10.4
Other ⁽⁴⁾	82	3.7
Total Non-United States Public Finance	\$ 1,179	54.1
<u>Structured Finance - Global</u>		
Mortgage Backed Residential	\$ 532	24.4
Corporate Asset Backed	238	11.0
Mortgage Backed Commercial	166	7.6
Consumer Asset Backed	64	2.9
Total Global Structured Finance	1,000	45.9
Grand Total	\$ 2,179	100.0

Par Value by Geography

Outstanding as of June 30, 2025 ⁽¹⁾⁽²⁾		
	Gross	%
United States	\$ 750	34.4
Mexico	434	19.9
United Kingdom	411	18.8
Canada	226	10.4
Chile	147	6.8
France	82	3.8
Ireland	67	3.1
Australia	7	0.3
Internationally Diversified	55	2.5
Total Non-United States	1,429	65.6
Total	\$ 2,179	100.0

(1) Excludes \$0.6 billion guaranteed by MBIA Insurance Corporation for investment agreements and medium-term notes issued by various affiliated companies.

(2) Includes consolidated insured Variable Interest Entities (VIEs) and insured Credit Derivatives.

(3) 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.

(4) Includes municipal-owned entities backed by the sponsoring local government, tax-backed and utility transactions.

MBIA Insurance Corporation and Subsidiary
Top 10 Below Investment Grade (BIG) Credits ⁽¹⁾

(in millions)

Obligor Name	Gross Par Outstanding as of June 30, 2025
1 Morgan Stanley Mortgage Loan Trust 2006-15XS	\$ 101
2 Morgan Stanley Mortgage Loan Trust 2007-8XS	60
3 Morgan Stanley Mortgage Loan Trust 2006-17XS	38
4 TBW Corp. Series 2006-6 Class A4, A5A	33
5 Hipotecaria Su Casita 2007-1	30
6 Deutsche Bank Alt-A Securities Trust 2007-AR3	28
7 Deutsche Bank ALT 2007-1	24
8 TBW Mortgage Series 2007-1 A-7A	19
9 Countrywide Asset Backed Certificates 2005-13	16
10 Manufactured Housing Secondary	12
Total Top 10 Below Investment Grade	\$ 361
Total BIG Gross Par Outstanding	\$ 537
Total MBIA Corp. Gross Par Outstanding	\$ 2,179
Top 10 BIG Gross Par Outstanding as % of MBIA Corp. Gross Par Outstanding	16.6%
Total BIG Gross Par Outstanding as % of MBIA Corp. Gross Par Outstanding	24.6%

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

MBIA Inc. (Parent Company)

MBIA Inc.

(in millions)

Corporate Segment Balance Sheets ⁽¹⁾

	<u>6/30/2025</u>	<u>12/31/2024</u>
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$203 and \$126)	\$ 200	\$ 121
Investments carried at fair value	43	50
Short-term investments at fair value (amortized cost \$340 and \$452)	340	452
Other investments	16	16
Total investments	<u>599</u>	<u>639</u>
Cash and cash equivalents	44	34
Other assets	34	34
Total Assets	<u>677</u>	<u>707</u>
Liabilities:		
Investment agreements ⁽²⁾	203	204
Global Funding LLC, Medium-term Notes	454	440
MBIA Inc. Senior Unsecured	609	608
Other liabilities	63	71
Total Liabilities	<u>1,329</u>	<u>1,323</u>
Total Equity	<u>\$ (652)</u>	<u>\$ (616)</u>

(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) Fair value of securities pledged as collateral for investment agreements were \$214 million and \$213 million as of June 30, 2025 and December 31, 2024, respectively.

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, comprising the results of MBIA Corp. which given its capital structure and business prospects, we do not expect its financial performance to have a material economic impact on MBIA Inc. 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. The Company applies a zero effective tax rate for federal income tax purposes to its pre-tax adjustments, if applicable. 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 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 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 when measuring financial 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 impairments 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.

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.

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.

Leverage Ratio: Gross par outstanding divided by statutory capital (policyholders' surplus plus contingency reserve).

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.

Corporate Headquarters

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

Investor Relations Contacts

Joseph Schachinger
Executive Vice President
Chief Financial Officer
914-765-3028
Joe.Schachinger@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:

Broadridge
<https://shareholder.broadridge.com/bcis/>
+1-888-654-4610