



MBIA Inc. and Subsidiaries
Quarterly Operating Supplement
June 30, 2026



Second Quarter 2026

MBIA Inc. and Subsidiaries
Quarterly Operating Supplement ⁽¹⁾

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(1) This report is unaudited.

Safe Harbor Disclosure

This Operating Supplement of MBIA Inc., together with its consolidated subsidiaries, (collectively, “MBIA”, the “Company”, “we”, “us” or “our”) includes statements that are not historical or current facts and are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “believe”, “anticipate”, “project”, “plan”, “expect”, “estimate”, “intend”, “will likely result”, “looking forward”, or “will continue” and similar expressions identify forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. MBIA cautions readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. We undertake no obligation to publicly correct or update any forward-looking statement if the Company later becomes aware that such result is not likely to be achieved.

The following are some of the general factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying the Company’s forward-looking statements:

- increased credit losses or impairments on public finance obligations that National Public Finance Guarantee Corporation (“National”) insures issued by state, local and territorial governments and finance authorities and other providers of public services, located in the U.S. or abroad, that are experiencing fiscal stress;
- the possibility that loss reserve estimates are not adequate to cover potential claims;
- a disruption in the cash flow from 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, Item 1A included in the 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, 2026</u>	<u>December 31, 2025</u>
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$1,168 and \$1,163)	\$ 1,040	\$ 1,042
Investments carried at fair value	231	223
Short-term investments, at fair value (amortized cost \$335 and \$409)	335	409
Other investments at amortized cost	1	1
Total investments	1,607	1,675
Cash and cash equivalents	115	69
Premiums receivable (net of allowance for credit losses of \$- and \$-)	117	121
Deferred acquisition costs	22	24
Insurance loss recoverable	50	43
Assets held for sale	-	8
Other assets	32	37
Assets of consolidated variable interest entities:		
Cash	2	2
Loans receivable at fair value	34	34
Total assets	\$ 1,979	\$ 2,013
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 160	\$ 172
Loss and loss adjustment expense reserves	445	454
Long-term debt	2,915	2,843
Medium-term notes (includes financial instruments carried at fair value of \$43 and \$46)	475	472
Investment agreements	175	174
Liabilities held for sale	-	6
Other liabilities	84	73
Liabilities of consolidated variable interest entities:		
Variable interest entity debt (includes financial instruments carried at fair value of \$23 and \$25)	30	32
Other liabilities	13	17
Total liabilities	4,297	4,243
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	2,416	2,450
Retained earnings (deficit)	(1,854)	(1,768)
Accumulated other comprehensive income (loss), net of tax of \$7 and \$7	(100)	(95)
Treasury stock, at cost--232,170,115 and 232,675,865 shares	(3,071)	(3,107)
Total shareholders' equity of MBIA Inc.	(2,326)	(2,237)
Preferred stock of subsidiary and noncontrolling interests	8	7
Total equity	(2,318)	(2,230)
Total liabilities and equity	\$ 1,979	\$ 2,013

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,	
	2026	2025	2026	2025
Revenues:				
Premiums earned:				
Scheduled premiums earned	\$ 6	\$ 7	\$ 12	\$ 14
Refunding premiums earned	1	-	1	1
Premiums earned (net of ceded premiums of \$-, \$-, \$-, and \$-)	7	7	13	15
Net investment income	17	19	35	37
Net realized investment gains (losses)	-	(1)	-	(6)
Net gains (losses) on financial instruments at fair value and foreign exchange	3	(2)	3	(17)
Fees and reimbursements	-	-	1	1
Other net realized gains (losses)	-	-	(1)	-
Revenues of consolidated variable interest entities:				
Other net realized gains (losses)	-	-	-	7
Total revenues	27	23	51	37
Expenses:				
Losses and loss adjustment	9	8	6	16
Amortization of deferred acquisition costs	1	1	2	2
Operating	19	18	35	34
Interest	48	48	95	98
Expenses of consolidated variable interest entities:				
Operating	(8)	3	(4)	4
Interest	1	1	1	1
Total expenses	70	79	135	155
Income (loss) from continuing operations before income taxes	(43)	(56)	(84)	(118)
Provision (benefit) for income taxes	-	-	-	-
Income (loss) from continuing operations	(43)	(56)	(84)	(118)
Income (loss) from discontinued operations, net of income taxes	-	-	(1)	-
Net income (loss)	(43)	(56)	(85)	(118)
Less: Net income (loss) attributable to noncontrolling interests	3	-	1	-
Net income (loss) attributable to MBIA Inc.	\$ (46)	\$ (56)	\$ (86)	\$ (118)
Net income (loss) per common share attributable to MBIA Inc. - basic and diluted:				
Continuing operations	\$ (0.91)	\$ (1.12)	\$ (1.70)	\$ (2.40)
Discontinued operations	-	-	(0.01)	-
Net income (loss) per common share attributable to MBIA Inc. - basic and diluted	<u>\$ (0.91)</u>	<u>\$ (1.12)</u>	<u>\$ (1.71)</u>	<u>\$ (2.40)</u>
Weighted average number of common shares outstanding:				
Basic	50,197,412	49,543,258	49,997,922	48,952,068
Diluted	50,197,412	49,543,258	49,997,922	48,952,068

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,	
	2026	2025	2026	2025
Net income (loss) attributable to MBIA Inc.	\$ (46)	\$ (56)	\$ (86)	\$ (118)
Less: Adjusted Net Income (Loss) Adjustments				
Income (loss) from discontinued operations and noncontrolling interest	(3)	-	(2)	-
Income (loss) before income taxes of our international and structured finance insurance segment and eliminations	(37)	(41)	(71)	(88)
Adjustments before income taxes ⁽²⁾ :				
Mark-to-market gains (losses) on financial instruments ⁽³⁾	-	3	(1)	4
Foreign exchange gains (losses) ⁽³⁾	1	(9)	3	(12)
Net realized investment gains (losses)	-	(1)	-	(6)
Adjusted net income adjustment for income taxes	-	-	-	-
Adjusted Net Income (loss)	\$ <u>(7)</u>	\$ <u>(8)</u>	\$ <u>(15)</u>	\$ <u>(16)</u>
Adjusted Net Income (loss) per diluted common share	\$ (0.14)	\$ (0.17)	\$ (0.30)	\$ (0.33)
Diluted Weighted Average Shares Outstanding	50.2	49.5	50.0	49.0

(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⁾

	6/30/2026	12/31/2025
Book Value Per Share	\$ (45.58)	\$ (44.27)
Management's book value per share adjustments:		
Remove negative book value of MBIA Corp. ⁽²⁾	(54.26)	(53.35)
Remove net unrealized gains (losses) on available-for-sale securities included in other comprehensive income (loss)	(2.42)	(2.34)
Include net unearned premium revenue in excess of expected losses ^{(3) (4)}	1.94	2.10
Shares outstanding in millions	51.0	50.5

(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, 2026	December 31, 2025
Assets		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$1,027 and \$1,073)	\$ 944	\$ 961
Investments carried at fair value	131	126
Investments pledged as collateral, at fair value (amortized cost \$34 and \$38)	31	34
Short-term investments at fair value (amortized cost \$110 and \$100)	110	100
Total investments	1,216	1,221
Cash and cash equivalents	63	27
Securities purchased under agreements to resell	30	32
Premiums receivable	101	102
Deferred acquisition costs	47	50
Insurance loss recoverable	27	21
Other assets	23	22
Total assets	\$ 1,507	\$ 1,475
Liabilities and Equity		
Liabilities:		
Unearned premium revenue	\$ 151	\$ 161
Loss and loss adjustment expense reserves	213	218
Securities sold under agreements to repurchase	30	32
Other liabilities	12	3
Total liabilities	406	414
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)	(480)	(492)
Accumulated other comprehensive income (loss), net of tax of \$12 and \$12	(75)	(103)
Total equity	1,101	1,061
Total liabilities and equity	\$ 1,507	\$ 1,475

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Premiums earned:				
Scheduled premiums earned	\$ 5	\$ 6	\$ 11	\$ 12
Refunding premiums earned	1	1	1	1
Total premiums earned	6	7	12	13
Net investment income	15	15	30	30
Net realized investment gains (losses)	-	(1)	-	(6)
Net gains (losses) on financial instruments at fair value and foreign exchange	1	1	(1)	1
Fees and reimbursements	-	1	-	2
Total revenues	22	23	41	40
Expenses:				
Losses and loss adjustment	5	6	7	9
Amortization of deferred acquisition costs	3	1	4	3
Operating	6	9	18	21
Total expenses	14	16	29	33
Income (loss) before income taxes	8	7	12	7
Provision (benefit) for income taxes	-	-	-	-
Net income (loss)	\$ 8	\$ 7	\$ 12	\$ 7

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, 2026

	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. 2026	20,783	43,029	151					2
3rd Qtr. 2026	20,080	41,491	146	3	2	1	6	3
4th Qtr. 2026	19,677	40,682	142	2	2	1	5	4
2027	16,965	35,878	127	9	6	3	18	9
2028	14,442	31,425	113	8	6	3	17	9
2029	12,857	27,946	100	7	6	3	16	8
2030	11,372	24,590	89	5	6	2	13	8
2031-2035	6,247	13,299	46	18	25	9	52	36
2036-2040	3,672	6,643	21	7	18	5	30	28
2041-2045	1,856	3,345	7	3	11	2	16	18
2046-2050	246	786	1	2	4	-	6	7
2051-2055	5	85	-	1	-	-	1	-
2056 and thereafter	-	-	-	-	-	-	-	-
Total				\$65	\$86	\$29	\$180	\$130

(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

	6/30/2026	12/31/2025
Assets:		
Cash and Investments	\$ 1,317	\$ 1,306
Asset Swap Facility with MBIA Inc.	30	32
Other Assets	9	8
Total Assets	\$ 1,356	\$ 1,346
Liabilities:		
Unearned Premiums	\$ 169	\$ 184
Loss and LAE Reserves ⁽¹⁾	180	191
Contingency Reserve	269	281
Asset Swap Facility with MBIA Inc.	30	32
Other Liabilities	9	2
Total Liabilities	657	690
Total Policyholders' Surplus	699	656
Total Liabilities and Policyholders' Surplus	\$ 1,356	\$ 1,346

Claims-Paying Resources

	6/30/2026	12/31/2025
Policyholders' Surplus	\$ 699	\$ 656
Contingency Reserve	269	281
Statutory Capital	968	937
Unearned Premiums	169	184
Present Value of Installment Premiums ⁽¹⁾	90	91
Premium Resources ⁽²⁾	259	275
Net Loss and LAE Reserves ⁽¹⁾	180	191
Salvage Reserves on Paid Claims ⁽¹⁾	27	20
Gross Loss and LAE Reserves	207	211
Total Claims-Paying Resources	\$ 1,434	\$ 1,423
Net Debt Service Outstanding	\$ 42,052	\$ 44,551
Gross Par Outstanding	\$ 20,783	\$ 22,312
Capital Ratio	43:1	48:1
Claims-Paying Resources Ratio	29:1	31:1
Leverage Ratio	21:1	24:1

(1) Calculated using a discount rate of 4.72% as of June 30, 2026 and December 31, 2025.

(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, 2026
(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	\$ 975	91	\$ 1,061	4.61
Short-Term	94	9	94	3.66
Total Fixed Maturity	1,069	100	\$ 1,155	4.53
Cash and Cash Equivalents	63			
Total Fixed Income Including Cash and Cash Equivalents	1,132			
Investments Carried at Fair Value	147			
Total	<u>\$ 1,279</u>			
<u>Fixed Income Portfolio Including Cash and Cash Equivalents</u>				
Corporate Obligations	\$ 593	52		
US Treasury	192	17		
ABS	142	13		
MBS	109	10		
Cash and Cash Equivalents	63	6		
State and Municipal Bonds	28	2		
Foreign Governments	5	-		
Total	<u>\$ 1,132</u>	<u>100</u>		
<u>Effective Maturity Profile</u>				
Cash and Cash Equivalents	\$ 63	6		
≤ 1 yr	189	17		
> 1 to 5 yrs	144	13		
> 5 to 10 yrs	471	41		
> 10 to 15 yrs	52	5		
> 15 to 20 yrs	39	3		
> 20 yrs	174	15		
Total	<u>\$ 1,132</u>	<u>100</u>		
<u>Credit Quality Distribution of Long-Term Bonds Rating ⁽²⁾</u>				
Aaa	\$ 142	14		
Aa	245	25		
A	117	12		
Baa	122	13		
BIG	330	34		
NR	19	2		
	<u>\$ 975</u>	<u>100</u>		

Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 13.74 years

Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 6.09 years

- (1) Includes Asset Swap between National and MBIA Inc. with a notional amount and market value of encumbered asset of \$30 million and \$31 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, 2026				
	Par Outstanding ⁽¹⁾		Debt Service Outstanding ⁽¹⁾	
	Gross Amount	%	Gross Amount	%
United States				
California	\$ 4,568	22.0	\$ 10,399	24.2
New Jersey	1,940	9.3	3,065	7.1
Hawaii	1,644	7.9	3,333	7.7
Texas	1,079	5.2	1,744	4.1
Illinois	945	4.5	5,356	12.4
Virginia	740	3.6	2,919	6.8
Florida	734	3.5	801	1.9
New York	613	3.0	951	2.2
Georgia	606	2.9	730	1.7
Puerto Rico	471	2.3	609	1.4
Subtotal	13,340	64.2	29,907	69.5
Other States & Territories	4,855	23.4	8,261	19.2
Nationally Diversified	2,588	12.4	4,861	11.3
Total	\$ 20,783	100.0	\$ 43,029	100.0

By Bond Type

Outstanding as of June 30, 2026				
	Par Outstanding ⁽¹⁾		Debt Service Outstanding ⁽¹⁾	
	Gross Amount	%	Gross Amount	%
Bond Type				
Military Housing	\$ 6,225	30.0	\$ 11,922	27.7
General Obligation ⁽²⁾	5,292	25.5	11,428	26.6
Municipal Utilities	3,198	15.4	4,265	9.9
Tax-Backed	3,102	14.9	8,192	19.0
Transportation	1,649	7.9	5,400	12.6
General Obligation - Lease	444	2.1	581	1.4
Higher Education	439	2.1	630	1.4
Investor Owned Utilities ⁽³⁾	221	1.1	279	0.6
Health Care	188	0.9	293	0.7
Other ⁽⁴⁾	25	0.1	39	0.1
Total	\$ 20,783	100.0	\$ 43,029	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 and Industrial Development/Pollution Control Revenue Bonds.

(4) Includes municipal housing, non-profit and stadium-related financings.

National Public Finance Guarantee Corporation
Insured Portfolio - 25 Largest Credits
By Gross Par Outstanding as of June 30, 2026⁽¹⁾
(in millions)

Obligor Name	State	Internal Rating ⁽²⁾	Gross Par Outstanding	Gross Par Plus CABs Accreted Interest	Gross Debt Service Outstanding
1 Army Hawaii Family Housing	HI	aa3	\$ 994	\$ 994	\$ 1,753
2 New Jersey Economic Development Authority State Pension Obligation Lease	NJ	a3	951	951	1,070
3 Camp Pendleton Quantico Housing Privatization	CA	aa2	908	908	1,629
4 San Diego Family Housing Privatization Military	CA	aa1	854	854	1,565
5 Ohana Military Communities, LLC	HI	aa3	650	815	1,580
6 Atlantic Marine Corps Communities LLC	NC	N/A ⁽³⁾	577	577	1,065
7 Navy Mid-Atlantic Family Housing LLC	VA	aa2	483	483	866
8 Puerto Rico Electric Power Authority	PR	d	425	425	554
9 Navy Southeast	FL	bbb3	372	372	784
10 LCOR Alexandria L.L.C. Federal Lease	VA	d	362	362	447
11 Illinois Regional Transportation Authority	IL	a2	352	352	430
12 Great River Energy Public Power	MN	a3	342	342	453
13 Oregon School Boards Association General Obligation	OR	aa3	339	339	364
14 Phoenix Civic Improvement Corp State Payments	AZ	aa3	336	336	547
15 Santa Clara County Pension Obligation	CA	aa3	312	354	492
16 Fort Drum Family Housing	NY	a2	300	300	580
17 Toll Road Investors Partnership II L.P. Dulles Greenway Project	VA	bbb3	290	1,076	2,378
18 New Jersey Transportation Trust Fund Authority	NJ	a3	258	699	842
19 Oglethorpe Power Corporation	GA	bbb2	252	252	350
20 Alameda Corridor Transportation Authority Port Revenue Bonds	CA	a3	250	495	728
21 Fort Dix/McGuire AFB Military Housing	NJ	aa2	235	235	446
22 Kentucky Municipal Power Agency	KY	bbb2	230	230	334
23 Philadelphia City Auth Industrial Dev GO	PA	bbb1	229	229	266
24 Tierra Vista Communities LLC	CO	a1	228	228	483
25 Sacramento County Water Financing Authority Water	CA	a2	221	221	295
			\$ 10,750	\$ 12,429	\$ 20,301
Total Portfolio Exposure			\$ 20,783	\$ 29,475	\$ 43,029
25 Largest Credits as % of Total Portfolio			51.7%	42.2%	47.2%

- (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 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 a2; Class II rated bbb1; Class III rated bbb1; and Class IV rated bbb3.

National Public Finance Guarantee Corporation
as of June 30, 2026
(in millions)

Credit Quality Distribution⁽¹⁾⁽²⁾

	Gross Par Outstanding		Gross Debt Service Outstanding	
	Amount	%	Amount	%
Public Finance				
AAA	\$ 874	4.2%	\$ 2,154	5.0%
AA	10,131	48.7%	18,717	43.5%
A	6,348	30.6%	14,339	33.3%
BBB	1,918	9.2%	3,265	7.6%
<BBB	1,512	7.3%	4,554	10.6%
Total	<u>\$ 20,783</u>	<u>100.0%</u>	<u>\$ 43,029</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	\$ 425	\$ 425	\$ 554
2 LCOR Alexandria L.L.C. Federal Lease	362	362	447
3 Toll Road Investors Partnership II L.P. Dulles Greenway Project	290	1,076	2,378
4 City of Chicago Board of Education	205	762	900
5 Verizon Communications OPCO	87	87	94
6 Virgin Islands Public Finance Authority Gross Receipts	83	83	90
7 University of Puerto Rico System Revenue	37	37	45
8 Palomar Pomerado Health GO	13	32	33
9 Bibb County Health Care Authority	6	6	8
10 Dawson County Hospital District GO	4	4	5
Total Top 10 BIG Outstanding	<u>\$ 1,512</u>	<u>\$ 2,874</u>	<u>\$ 4,554</u>
Total BIG Outstanding	\$ 1,512	\$ 2,874	\$ 4,554
Total National Outstanding	\$ 20,783	\$ 29,475	\$ 43,029
Top 10 BIG as % of National	7.3%	9.7%	10.6%
Total BIG as % of National	7.3%	9.7%	10.6%
Total BIG as % of National by National ratings	4.8%	3.4%	2.9%

(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, 2026</u>	<u>December 31, 2025</u>
Assets		
Bonds	\$ 125	\$ 125
Other invested assets	4	4
Cash, cash equivalents and short-term investments	23	25
Total investments	152	154
Other assets	2	3
Total assets	<u>\$ 154</u>	<u>\$ 157</u>
Liabilities		
Unearned premiums	\$ 10	\$ 14
Contingency reserve	5	5
Loss and LAE reserve ⁽¹⁾	34	61
Payable for investments purchased	1	-
Other liabilities	3	3
Total liabilities	<u>53</u>	<u>83</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)	(1,926)	(1,953)
Total policyholders' surplus	<u>101</u>	<u>74</u>
Total liabilities and policyholders' surplus	<u>\$ 154</u>	<u>\$ 157</u>

(1) Calculated using a discount rate of 5.47% as of June 30, 2026 and December 31, 2025.

MBIA Insurance Corporation
Statutory Statements of Income
(in millions)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Gross premiums written	\$ 4	\$ 4	\$ 5	\$ 6
Ceded premiums written	<u>(2)</u>	<u>(2)</u>	<u>(3)</u>	<u>(3)</u>
Net premiums written	2	2	2	3
Underwriting income				
Net premiums earned	5	5	6	7
Losses and LAE incurred	(23)	-	(24)	(2)
Underwriting expenses incurred	<u>3</u>	<u>3</u>	<u>6</u>	<u>6</u>
Net underwriting income (loss)	25	2	24	3
Investment income	2	2	4	4
Other income (expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Income (loss) before income taxes	27	4	28	6
Provision (benefit) for income taxes	-	-	-	-
Net income (loss)	<u>\$ 27</u>	<u>\$ 4</u>	<u>\$ 28</u>	<u>\$ 6</u>

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, 2026

	Ending Gross Par Outstanding ⁽¹⁾	Ending Gross Debt Service Outstanding ⁽¹⁾	Net Unearned Premiums ⁽²⁾	Expected Future Premium Earnings ⁽²⁾	Expected Future Earnings on Premiums Not Yet Received ⁽³⁾	Total	Net Cash Premiums Collected and Expected ⁽⁴⁾
2nd Qtr. 2026	1,802	2,424	10				1
3rd Qtr. 2026	1,770	2,368	9	1	-	1	1
4th Qtr. 2026	1,672	2,243	4	5	1	6	1
2027	1,488	1,967	3	1	3	4	3
2028	1,338	1,734	3	-	3	3	3
2029	1,178	1,502	3	-	2	2	2
2030	939	1,205	1	2	2	4	2
2031-2035	511	588	-	1	5	6	5
2036-2040	67	89	-	-	1	1	-
2041-2045	45	48	-	-	-	-	-
2046 and thereafter	-	-	-	-	-	-	-
Total				\$ 10	\$ 17	\$ 27	\$ 17

(1) Excludes \$12 million and \$20 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) Undiscounted, based on the Company's estimate of the remaining life for its insured exposures.

(4) 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

	6/30/2026	12/31/2025
Policyholders' Surplus	\$ 101	\$ 74
Contingency Reserve	5	5
Statutory Capital	106	79
Unearned Premiums	10	14
Present Value of Installment Premiums ⁽¹⁾	14	15
Premium Resources ⁽²⁾	24	29
Net Loss and LAE Reserves ⁽¹⁾	34	61
Salvage Reserves on Paid Claims ⁽¹⁾	178	148
Gross Loss and LAE Reserves	212	209
Total Claims-Paying Resources	\$ 342	\$ 317
Net Debt Service Outstanding	\$ 2,313	\$ 2,609
Capital Ratio	22:1	33:1
Claims-Paying Resources Ratio	7:1	8:1

(1) Calculated using a discount rate of 5.47% as of June 30, 2026 and December 31, 2025.

(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, 2026
(in millions)

Statutory Accounting Basis

Investments	Book/ Adjusted Carry Value	% Book Yield	Market Value	% of Market Value
Bonds and Other Invested Assets				
Long-Term Tax-Exempt	\$ 25	4.55	\$ 26	20
Long-Term Taxable	100	5.65	98	76
Short-Term	1	3.85	1	1
Other Invested Assets	4	7.11	4	3
Total Bonds and Other Invested Assets	130	5.47	\$ 129	100
Cash and Cash Equivalents	22			
Total Fixed Income Including Cash and Cash Equivalents	\$ 152			
		% of Book/ Adjusted Carry Value		
Fixed Income Portfolio Including Cash and Cash Equivalents				
State and Municipal	\$ 67	45		
Corporate Obligations	32	21		
Cash and Cash Equivalents	22	14		
ABS	19	12		
US Treasury	6	4		
MBS	6	4		
Total	\$ 152	100		
Effective Maturity Profile of Fixed Income Portfolio				
Cash and Cash Equivalents	\$ 22	14		
≤ 1 yr	1	1		
> 1 to 5 yrs	33	22		
> 5 to 10 yrs	24	16		
> 10 to 15 yrs	52	34		
> 20 yrs	20	13		
Total	\$ 152	100		
Credit Quality Distribution of Long-Term Bonds Rating ⁽¹⁾				
Aaa	\$ 7	5		
Aa	65	52		
Baa	2	2		
BIG	45	36		
NR	6	5		
	\$ 125	100		
<i>Total Fixed Income Investments Including Cash and Cash Equivalents Average Maturity: 8.81 years</i>				
<i>Total Fixed Income Investments Including Cash and Cash Equivalents Duration: 5.85 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
Insured Portfolio Profile
(in millions)

Par Value by Geography

Outstanding as of June 30, 2026 ⁽¹⁾⁽²⁾⁽³⁾

	Gross	%
United States	\$ 666	36.9
Mexico	397	22.0
United Kingdom	384	21.3
Canada	107	5.9
France	74	4.1
Ireland	62	3.5
Chile	52	2.9
Australia	5	0.3
Internationally Diversified	55	3.1
Total Non-United States	1,136	63.1
Total	\$ 1,802	100.0

Par Value by Bond Type

Outstanding as of June 30, 2026 ⁽¹⁾⁽²⁾⁽³⁾

	Gross	%
<u>Public Finance: Non-United States</u>		
Sovereign and Sub-Sovereign ⁽⁴⁾	\$ 706	39.1
Transportation	125	7.0
Other ⁽⁵⁾	73	4.1
Total Non-United States Public Finance	\$ 904	50.2
<u>Structured Finance - Global</u>		
Mortgage Backed Residential	\$ 486	26.9
Corporate Asset Backed	218	12.1
Mortgage Backed Commercial	151	8.4
Consumer Asset Backed	43	2.4
Total Global Structured Finance	898	49.8
Grand Total	\$ 1,802	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) Excludes \$12 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 tax-backed and utility transactions.

MBIA Insurance Corporation
Top 10 Below Investment Grade (BIG) Credits ⁽¹⁾
(in millions)

Obligor Name	Gross Par Outstanding as of June 30, 2026 ⁽²⁾
1 Morgan Stanley Mortgage Loan Trust 2006-15XS	\$ 101
2 Morgan Stanley Mortgage Loan Trust 2007-8XS	48
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	26
6 Deutsche Bank Alt-A Securities Trust 2007-AR3	24
7 Deutsche Bank ALT 2007-1	22
8 TBW Mortgage Series 2007-1 A-7A	19
9 Countrywide Asset Backed Certificates 2005-13	16
10 Provident Bank Home Equity Loan Trust 1999-3	9
Total Top 10 Below Investment Grade	\$ 336
Total BIG Gross Par Outstanding	\$ 488
Total MBIA Corp. Gross Par Outstanding	\$ 1,802
Top 10 BIG Gross Par Outstanding as % of MBIA Corp. Gross Par Outstanding	18.6%
Total BIG Gross Par Outstanding as % of MBIA Corp. Gross Par Outstanding	27.1%

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

(2) Excludes \$12 million of gross par where MBIA Corp.'s insured exposure has been fully offset by way of loss remediation transactions.

MBIA Inc. (Parent Company)

MBIA Inc.

(in millions)

Corporate Segment Balance Sheets ⁽¹⁾

	<u>6/30/2026</u>	<u>12/31/2025</u>
Assets:		
Investments:		
Fixed-maturity securities held as available-for-sale, at fair value (amortized cost \$288 and \$234)	\$ 284	\$ 232
Investments carried at fair value	55	49
Short-term investments at fair value (amortized cost \$207 and \$291)	207	291
Other investments	16	16
Total investments	562	588
Cash and cash equivalents	44	35
Other assets	29	30
Total Assets	<u>635</u>	<u>653</u>
Liabilities:		
Investment agreements ⁽²⁾	175	174
Global Funding LLC, Medium-term Notes	475	472
MBIA Inc. Senior Unsecured	564	564
Other liabilities	67	65
Total Liabilities	<u>1,281</u>	<u>1,275</u>
Total Equity	<u>\$ (646)</u>	<u>\$ (622)</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 \$183 million as of June 30, 2026 and December 31, 2025.

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. and its discontinued operations, noncontrolling interests and income taxes 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, net investment losses related to impairment of securities, 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 its discontinued operations, noncontrolling interests and income taxes, 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 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.

Since the Company has a full valuation allowance against its net deferred tax asset and a zero consolidated effective tax rate, the book value per share adjustments reflect a zero effective tax rate.

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. 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.

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.

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