



2007 FOURTH QUARTER EARNINGS CONFERENCE CALL PRESENTATION

January 31, 2008



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Safe Harbor Disclosure

This presentation and our remarks may contain forward-looking statements. Important factors such as general market conditions and the competitive environment could cause actual results to differ materially from those projected in these forward-looking statements. Risk factors are detailed in our 10K, which is available on our website, www.mbia.com. The company undertakes no obligation to revise or update any forward-looking statements to reflect changes in events or expectations.

In addition, the definitions of the non-GAAP terms that are included in this presentation may be found on our website at www.mbia.com.

MBIA's Capital Strengthening Plan

- Total \$1 Billion Investment Commitment from Warburg Pincus
 - \$500 million investment in MBIA common equity at \$31 per share/closed January 30
 - Commitment from Warburg Pincus to backstop a \$500 million rights offering
 - We are considering this and other steps to raise equity
- \$1 Billion Debt Issuance
 - Surplus notes offering/closed on January 16
- Net Release of Capital Supporting Amortizing and Maturing Transactions
- Dividend Reduction
- Reinsurance

MBIA remains well positioned in this market

2007 Highlights

- Maintained our Triple-A rating
- Established a company in Mexico
- Robust new business growth
- Reached \$1 trillion in net insured debt service
- Several important remediations
- Reorganized senior management team
- Persevered against unprecedented challenges
- Mortgage market disruption

Market Trends Support MBIA's Strengths

- Efficiency of execution from credit enhancement will grow
 - Credit market disruptions reinforce the value of credit protection
- Need for financing never stronger
 - Some re-assessment in structured finance
 - Asset securitization will continue
 - Different technology; simpler
- Favorable market conditions
 - Public finance premiums increase
 - Dislocation leads to smaller bond insurance industry
 - Very selective writings; very attractive pricing

Transformation of the Financial Guarantee Industry

- Phase One:
 - Sort out exposures
 - Determine what is required to maintain market position
- Phase Two:
 - Execute capital plans
 - Adapt (or not) to shifting of the structure of the industry
 - Monolines emerge as winner or loser
- Phase Three:
 - Return to more stable, consolidated marketplace

MBIA has a solid platform for future growth

Financials

Segment Results: Quarter-to-Date

(\$ in millions)

	Quarter-to-Date	
	2007	2006
Insurance operations:		
Revenues	\$ 357	\$ 355
Expenses	<u>808</u>	<u>105</u>
Insurance income	(451)	250
Investment management services	28	26
Corporate	(26)	(25)
Net gains (losses)	<u>(3,114)</u>	<u>(1)</u>
Pre-tax income (loss)	(3,563)	250
Income tax provision (benefit)	(1,261)	72
Discontinued operations	<u>-</u>	<u>3</u>
Net income (loss)	\$ (2,302)	\$ 181
Adjustments to net income (loss)	<u>1,894</u>	<u>(2)</u>
After-tax operating income (loss)	<u>\$ (408)</u>	<u>\$ 179</u>

Segment Results: Year-to-Date

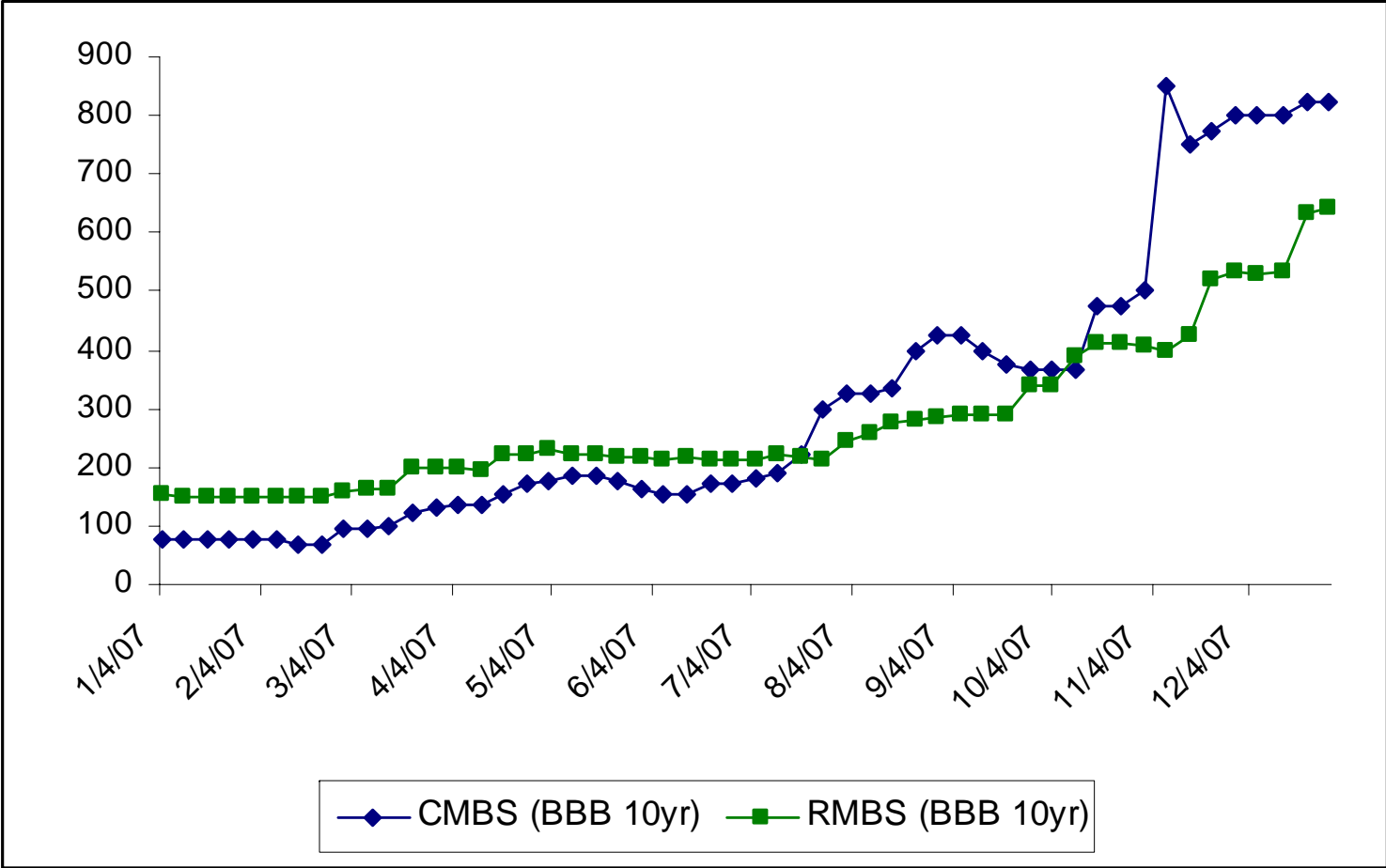
(\$ in millions)

	Year-to-Date	
	2007	2006
Insurance operations:		
Revenues	\$ 1,449	\$ 1,467
Expenses	<u>1,082</u>	<u>379</u>
Insurance income	367	1,088
Investment management services	110	101
Corporate	(89)	(86)
Net gains (losses)	<u>(3,463)</u>	<u>30</u>
Pre-tax income (loss)	(3,075)	1,133
Income tax provision (benefit)	(1,147)	320
Discontinued operations	<u>-</u>	<u>6</u>
Net income (loss)	\$ (1,928)	\$ 819
Adjustments to net income (loss)	<u>2,121</u>	<u>(25)</u>
After-tax operating income (loss)	<u>\$ 193</u>	<u>\$ 794</u>

Mark to Market

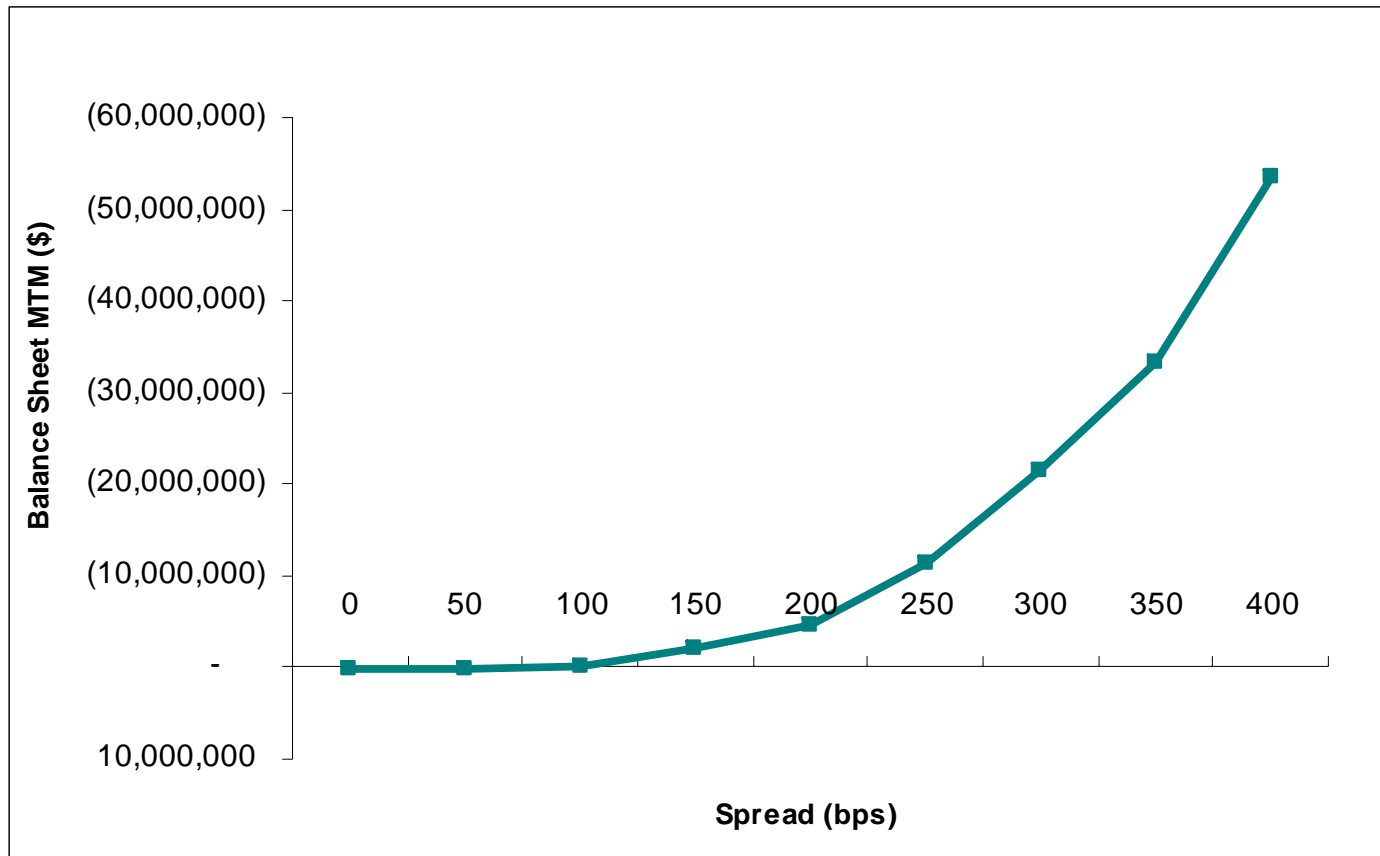
Market Spreads: January '07 – December '07

Credit Spreads Widened Dramatically in The Fourth Quarter



Spread Impact

MTM Results Are Non-Linear



Mark To Market Composition

4th Quarter Mark to Market

Sector	Spread Widening	Credit Migration	Collateral Erosion/Other	Total	Credit Impairment
Multi-Sector CDO	(\$0.6)	(\$1.1)	(\$0.1)	(\$1.8)	(\$0.2)
Commercial Real Estate/CMBS	(\$1.1)	-	-	(\$1.1)	-
Corporate / Other	(\$0.4)	-	(\$0.1)	(\$0.5)	-
Total	(\$2.1)	(\$1.1)	(\$0.2)	(\$3.4)	(\$0.2)

- By product, 53% is due to multi-sector CDOs, 32% CMBS and CRE CDOs and 15% Corporate and other
- 62% is due to spread widening, 32% is due to credit migration and 6% is due to credit erosion and other factors
- Credit impairment for the fourth quarter was \$200 million. Impairment represents losses that are currently probable and estimable. MTM reflects the estimated change in market value over the fourth quarter

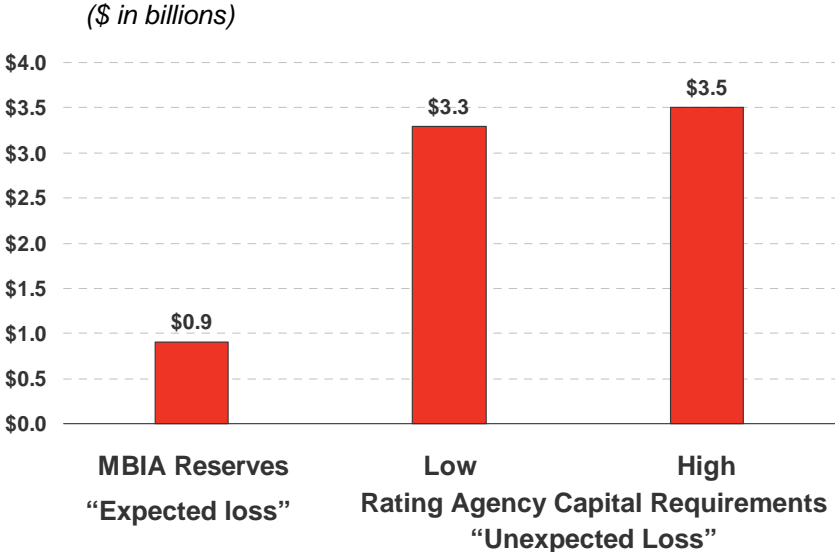
Capital Management

Rating Agency Feedback

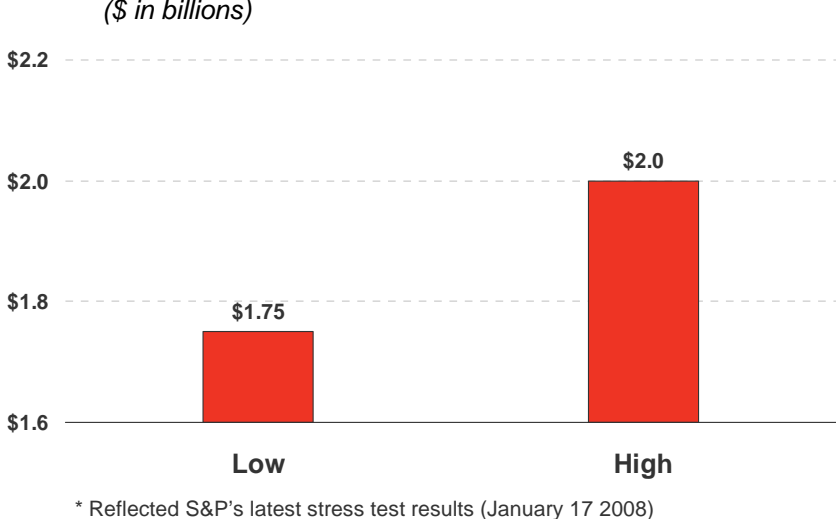
<u>Rating Agency</u>	<u>Recent Decision</u>	<u>Comment</u>
Moody's	Aaa – Watch List	Review for possible downgrade, based on capital adequacy evaluation and industry analysis
Standard & Poor's	AAA – Affirmation	Negative outlook pending completion of capital plan and stabilization of housing/mortgage markets
Fitch	AAA – Affirmation	Stable rating outlook

Capital Requirement Analysis

HELOC/CES and ABS CDO:
MBIA Reserves vs. Rating Agency
Capital Requirements



Post re-rating & revised stress
analysis: Capital shortfall as of
09/30/2007

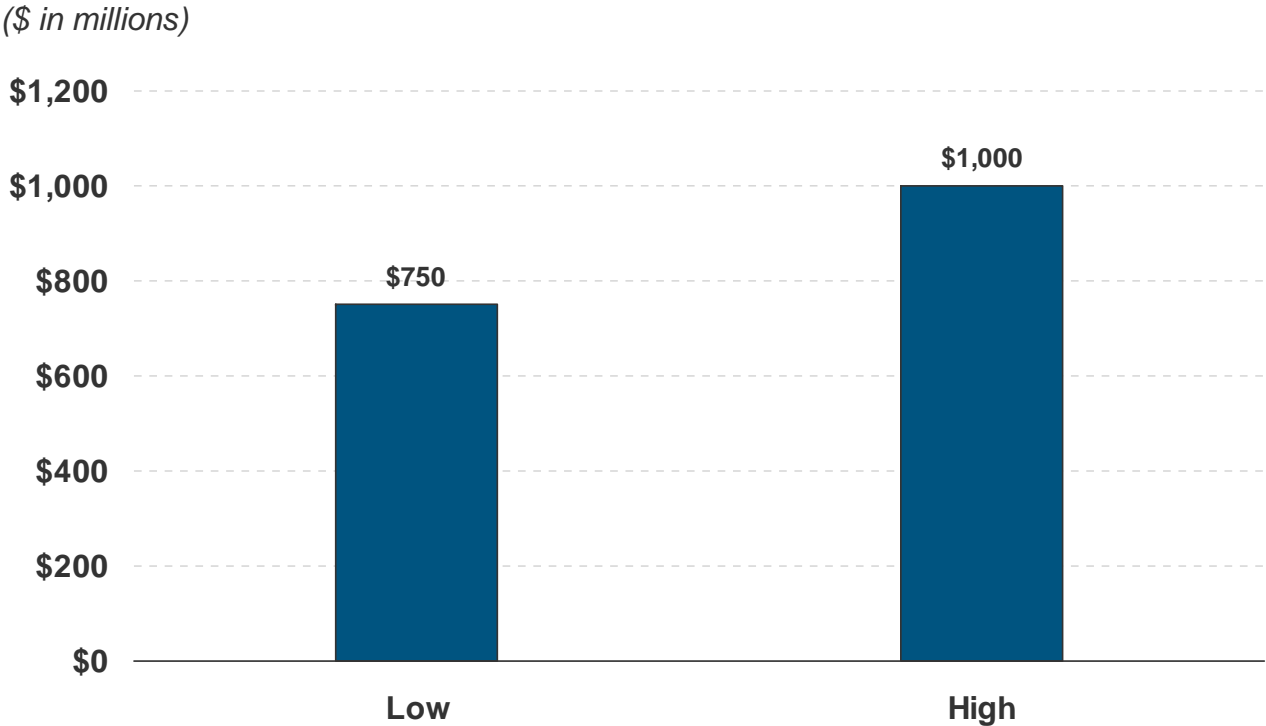


Capital Plan Exceeds Rating Agencies' Capital Requirements

Common Equity	\$1,000 million	Warburg Pincus Commitment
Hybrid Capital	\$1,000 million	Surplus Notes offering
Q4 2007 Roll-off Of Back Book	\$300- \$500 million	Net maturities, amortization
Reinsurance Benefit	\$50- \$150 million	Covering diversified portions of our portfolio

Total **\$2,350- \$2,650 million**

Estimated “Excess Capital” Position After Capital Plan Completion as of 12/31/2007

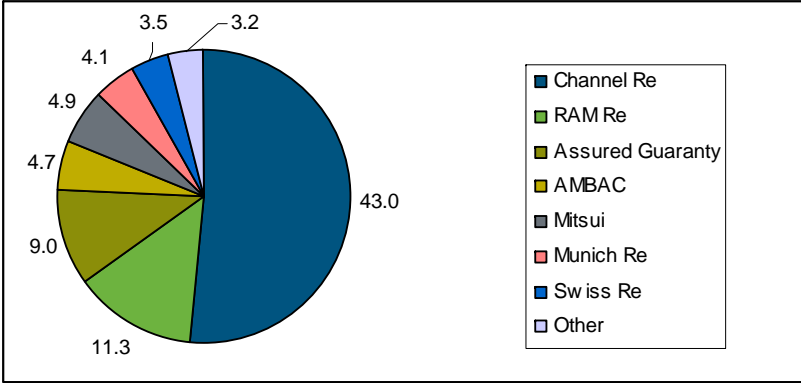


MBIA’s total claims-paying resources are at \$16.6 billion proforma year end 2007

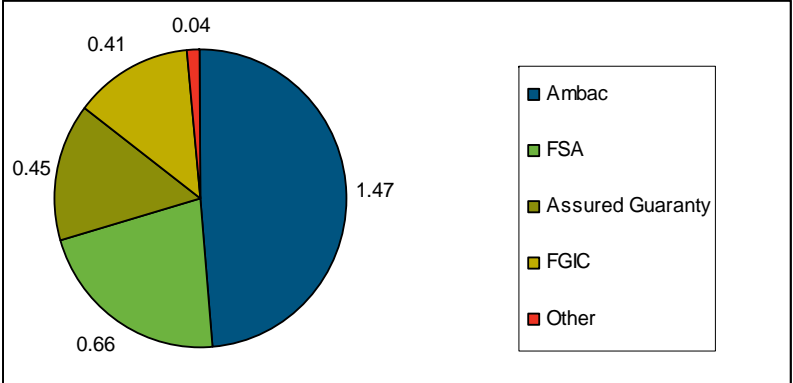
Exposure to Monolines and Financial Guaranty Reinsurers

Exposure to Financial Guaranty Industry: Insured Portfolio

FG Reinsurance Ceded Par: \$84 billion



MBIA Wrap over Monoline Net Par: \$3 billion



- Majority of counterparty risk is through reinsurance
 - Channel Re is MBIA’s largest exposure
- Small amount of exposure through guarantees over other monoline guarantors

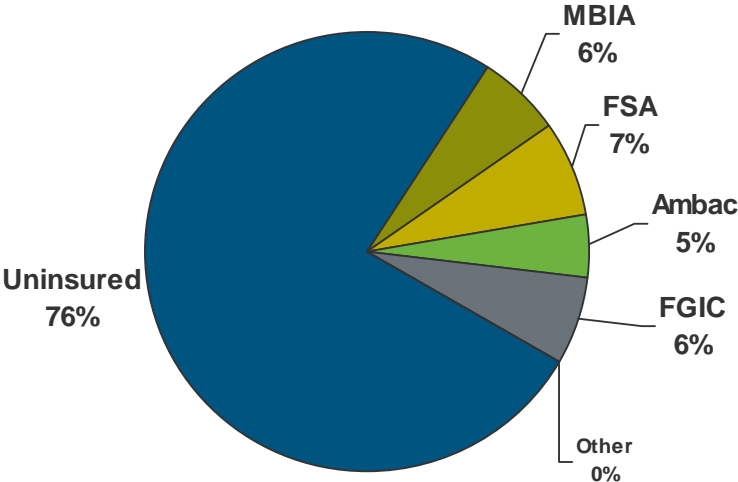
Exposure to Monolines: Channel Re

- Rated AAA by S&P (stable) and Aaa (review for downgrade) by Moody's, respectively
 - Not rated by Fitch, but we receive reinsurance credit in the capital model
- Channel Re's obligations to MBIA secured by pledged collateral
 - At year-end 2007 total pledged collateral was approximately \$500 million
 - This collateral substantially exceeds expected claims
- Channel Re investors have strong incentives to recapitalize to a triple-A level, or MBIA can contribute capital and increase its ownership
- If Channel Re is downgraded, MBIA can:
 - Keep all reinsurance outstanding and increase the ceding commission, or
 - Take back all exposure and associated premium ceded to Channel Re and either keep it on our books or reinsure it to another party
- The capital impact on MBIA of a Channel Re downgrade is manageable
 - At a double-A rating the net increase in MBIA's capital requirement would be \$100-\$200 million, depending on the rating agency model used

Investment Exposure to Monoline Insurers

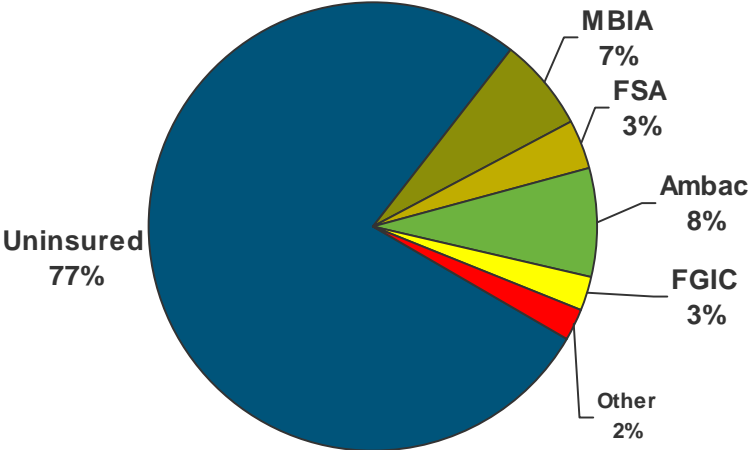
- Vast majority of insurance company and ALM investment portfolios are uninsured
- Investments are well diversified among insurers

**Insurance Co. Investments
(\$10.3B)**



Average rating with wraps: AA+
Average rating without wraps¹: AA

**ALM Investments²
(\$27.3B)**



Average rating with wraps: AA+
Average rating without wraps¹: AA-

1. Based on published ratings and, where ratings are unavailable, MBIA's own credit assessment
 2. Includes \$3.2 billion of net CDS Exposure

Holding Company Activities

Holding Company: Overview

- Corporate Activities
 - Investment in subsidiaries
 - Capital market access
 - “Public Company” expenses
- Asset Management
 - Asset Liability Management business
 - Advisory business
 - Conduits
- Multiple years’ coverage of holding company expenses

Holding Company: Liquidity Position

- Sources of Liquidity = \$1,573 million
 - Current as of 12/31/2007
 - Cash/Investment- \$434 million
 - Bank revolving credit- \$500 million
 - Projected 2008 addition
 - Insurance company dividends- \$540 million
 - Asset management dividends- \$79 million
 - Investment income- \$20 million
- Uses of Liquidity= \$229 million
 - Fixed charges
 - Interest expenses- \$80 million
 - Operating expenses- \$37 million
 - Discretionary Charges
 - Shareholder dividends- \$112 million
- **Total Projected Liquidity Position= \$1,345 million**

Revolver Availability

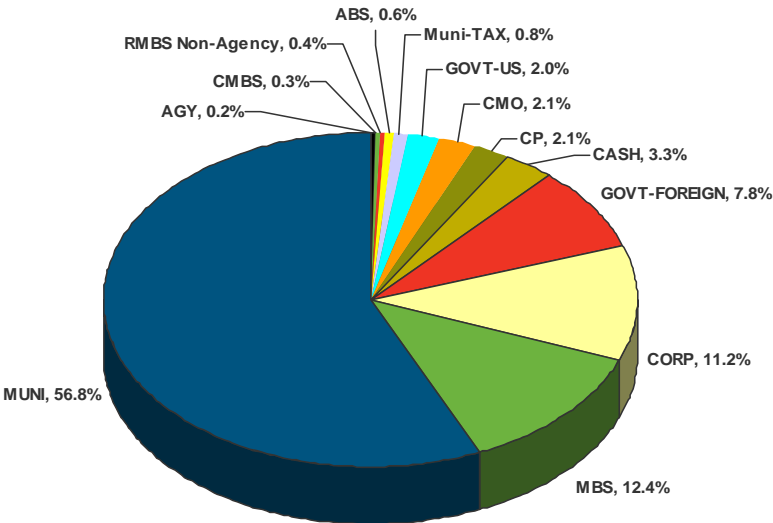
- Revolver summary
 - 11 strong international banks
 - \$500 million facility, expires 2011
- Covenants
 - Net Worth >\$2.8 billion
 - Leverage = Debt / (Debt + Equity) < 30%
- Current status as of 12/31/2007
 - Net Worth = \$3.6 billion
 - Leverage = 25%
- Post \$1 billion Surplus Notes offering, \$500 million Warburg Pincus investment
 - Surplus Notes treated as equity for covenants (amended on Jan 8, 2008)
 - Net Worth = \$5.1 billion
 - Leverage = 19%

**Investment Management Services:
Insurance Investment Portfolio
Asset/Liability Products Segment
Conduits Segment**

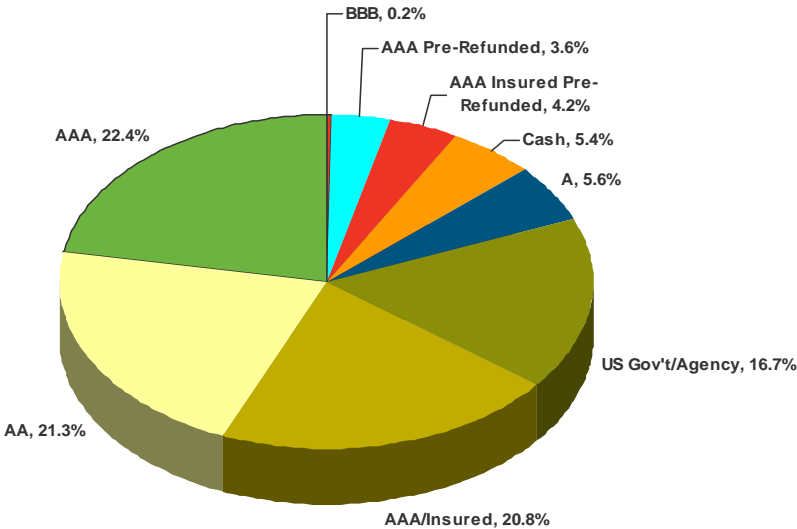
Insurance Investment Portfolio is high quality, diverse and liquid

- \$10.3 billion book value
- AA+/Aa1 average quality (AA/Aa2 without giving effect to insurance)
- Well diversified across more liquid taxable and tax-exempt sectors
- 57% tax-exempt municipal bonds
- Negligible exposure to non-agency RMBS, CMBS
- No CDO exposure
- No non-investment grade

Sector Breakout



Quality Distribution

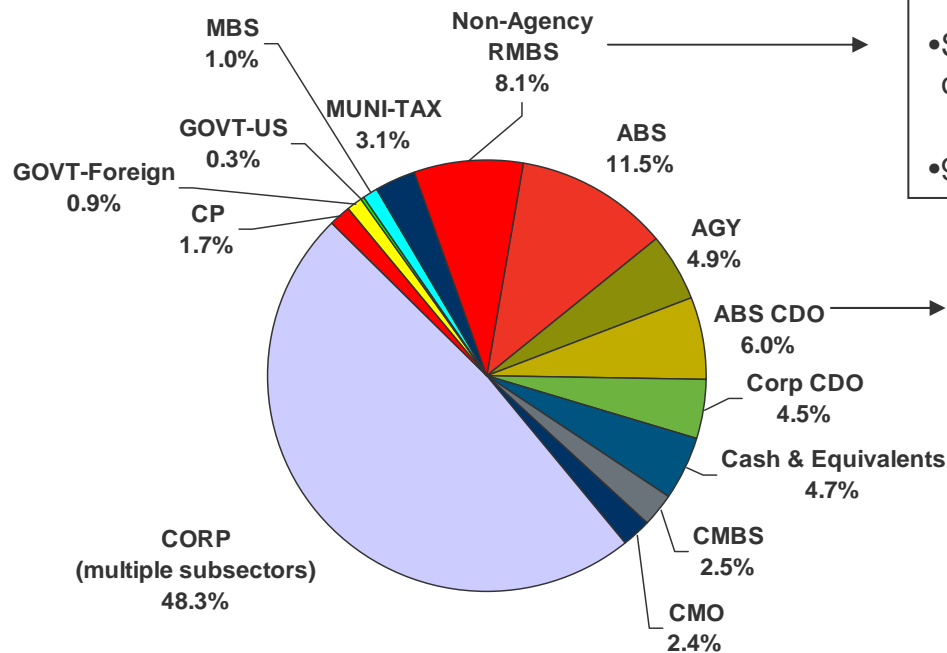


A/L Products Segment: Diverse Funding Platform / High Quality, Liquid Assets

- A diverse funding platform since 1993
 - \$26.7 billion of liabilities
 - Investment agreements (\$16.1 billion), medium-term notes (\$9.4 billion), repurchase agreements (\$1.2 billion)
 - Supported by high-quality, diverse and liquid assets
 - Strong track record, consistent through multiple economic cycles
 - Strict credit and ALM processes, separately capitalized
 - Independent oversight by risk management and rating agencies
- Credit, market and liquidity risks closely managed
 - High quality investment portfolio with stable cash flows
 - Liabilities laddered by maturity and type, issued throughout the entire yield curve
 - Asset/liability match controlled within duration limits and stress-tested to ensure appropriate match
 - Liquidity tests to ensure that resources are in excess of both expected and potential unexpected needs in the short-term and longer-term horizons

A/L Investment Portfolio is high quality, diverse and liquid

- \$27.3 billion book value of invested assets
- Invested in 60 different sub-sectors across the market
- High credit quality with average overall rating at Double-A Plus (and Double-A Minus without giving effect to insurance)
- Average size per credit is \$20 million



- 53% wrapped
- Subprime exposure is 1.35% of overall portfolio
- 99.2% triple-A

- 65% wrapped
- High Grade is 2.83%, Mezzanine is 2.86%, CDO Squared is 0.18% of overall portfolio
- 100% triple-A

Note: pie chart includes \$3.2 billion of net CDS exposure

Conservative Asset/Liability Management Approach

- Net asset/liability duration and partial durations are closely matched in order to minimize interest rate risk
- The weighted-average life (WAL) of the asset portfolio is 5.5 years, which is well-matched to the liability portfolio WAL of 5.1 years. MBIA issues debt throughout the entire yield curve with more than \$13.5 billion (over 50%) of financing beyond 5 years
- Diversified financing sources over various products, maturities and markets
- The ALM Business investment portfolio is high quality and liquid and available for repo and/or sale if required
- A number of liquidity tests are run to ensure that liquidity resources are well in excess of both expected and potential unexpected financing needs in the short-term and longer-term horizons

Careful Consideration to Liability Characteristics

- MTNs and Repo represent 40% of our total \$26.7 billion of liabilities and are not subject to flexible withdrawals or downgrade triggers
- IAs typically contain flexible withdrawal options that allow investors to withdraw funds to make specific construction or debt service payments when needed, but do not allow for discretionary withdrawals
- \$7.4 billion of the \$16.1 billion IAs (46%) were collateralized upfront
- Downgrade impacts could be managed within existing pool of funded assets:

Rating Category	Liability Book Value (\$ billions)	Free Collateral (\$ billions)
Triple-A	\$26.7	\$19.3
Double-A	\$26.6	\$18.6
Single-A	\$24.1	\$11.7
Triple-B	\$11.6	\$9.4

MBIA Portfolio and Loss Reserve Update

Portfolio and Loss Reserve Results for Q4 2007

- Portfolio Summary
 - General Portfolio Trends
- RMBS Strategy and Portfolio
 - General Overview
 - Performance Summary
 - Subprime HELOC/ Closed End Seconds - Loss Reserves
- CDO Strategy and Portfolio
 - Portfolio Overview
 - Multi-Sector Breakdown
 - CDO Squared Impairments
 - CMBS Summary

MBIA Portfolio Summary as of 12/31/07

- Strong and diversified portfolio performance
- Well positioned going into a credit down cycle
- Successful completion of remediations:
 - EuroTunnel
 - Northwest, Delta, US Airways
 - Katrina Related Credits
- Portfolio stress currently limited to US RMBS related sectors (Direct and Multi-Sector CDO)
- Closely watching sectors (Consumer, CMBS), but no material issues to date

What is MBIA's Direct Mortgage Exposure?

- Direct Mortgage Exposure is defined as investment grade rated residential mortgage backed (RMBS) bonds insured by MBIA in the primary or secondary market
- Direct Mortgage Exposure does not include RMBS exposure related to CDOs



- International Banking Capital Relief and Covered Bonds
- Alt-A First Liens
- Closed End Second Liens
- Home Equity Lines of Credit



- First Liens
- Secondary Market
- AAA-only since 2004

Direct RMBS Exposure at 12/31/07

(\$ in billions)

	3Q 2007	4Q 2007
Total Direct RMBS: Net Par Outstanding	\$45.2	\$43.4
Prime (Alt-A of \$4 billion included)	\$17.8	\$17.5
Prime HELOC	\$11.7	\$11.0
Prime Closed End Seconds	\$11.1	\$10.5
Subprime - 1st Lien	\$4.68	\$4.34

Prime HELOC and Closed-End Second Lien Exposure

- MBIA's total net par exposure for Closed-End Second Liens ("CES") and HELOCs is \$21.5 billion at 12/31/07. Approximately 77.7% of CES/HELOC originated 2006-2007
 - HELOC: \$11.0 billion
 - CES: \$10.5 billion
- 100% of the CES and HELOC market were insured on a primary basis generally at shadow ratings/attachment points of BBB/BBB- where MBIA insures generally one class of notes through the BBB/BBB- up through AAA level
- MBIA did not insure Subprime Closed End Seconds, but Prime HELOCs and CES
 - FICO scores of 680-710
 - Historical cumulative loss levels of 1-2%
 - Trend towards lower documentation loans in late 2005-2006
 - Higher degree of investor properties in HELOCS
- Top exposures for CES and HELOCs:
 - Countrywide: \$10.8 billion (50% of book)
 - Rescap: \$5.2 billion

Assessment of HELOC/ CES Outlook

- \$614 million in net case loss reserves (14 deals) as of 12/31/07 (and \$100 million unallocated for potential further sector deterioration)
- Ultimate losses for prime HELOCs were traditionally 1-2% in historical context of HPA, high FICOs, full documentation and fast prepayment speeds. Gradual shift of increased layered risk (low documentation, high CLTV, speculation purchases) over 2006/2007 is leading to losses at multiples of historical data under severe current stress projections
- Current loss trend emerged unexpectedly in 4th Quarter 2007 as credit markets contracted - past performance not predictive of potential outcomes due to change in borrower behavior patterns and layered risk attributes
- MBIA's current loss reserve expectations reflect continuing high loan defaults due to deterioration exacerbated by the condition of the housing market weakness and limited refinancing markets
- Ultimate outcome dependent on various factors including the degree of fraud and speculation in loans, interest rates, mortgage market refinancing liquidity, housing prices and effectiveness of lender and government programs
- To date losses and reserves largely from the HELOC portfolio but we are actively monitoring CES transactions for similar potential shifts in performance

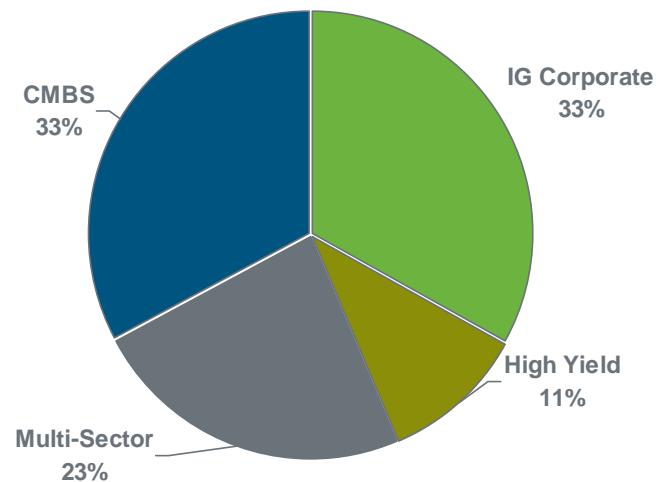
MBIA Holding Adequate Capital and Conservative Loss Reserves on the RMBS Book

- MBIA set \$614 million in loss reserves (and \$100 million in unallocated reserves) assuming a multi-year housing market downturn with no benefit from eventual HPA improvements, Fed interest rate relief or FHA/stimulus packages
- Despite HELOCs as the major contributor to loss reserves, MBIA closely tracking CES portfolio given expected continued market illiquidity, stressing deals monthly based on constantly updated delinquency trends
- Capital requirements assume HELOC and CES ultimate cumulative losses in the 20-40% range for the entire portfolio in rating agency models
- We believe the combination of internal ongoing reserve assessments and rating agency stressed capital requirements encompass sensitivity around future risk outcomes

MBIA CDO Exposure Summary – 12/31/07

MBIA's \$130.6 billion CDO portfolio is comprised of CDOs supported by five collateral types:

Collateral Type	Net Par Outstanding (\$ billions)
• Investment Grade Corporate Obligations	\$43.2
• High Yield Corporate Obligations	\$13.9
• CMBS (commercial real estate obligations)	\$43.2
• Multi-sector ABS	\$30.1
• Other	\$0.2
• Total	\$130.6



CDO Policy Attributes - No Liquidity or Acceleration Risk

- MBIA is the control party of the CDOs we insure
- We generally insure at levels well above natural AAA levels
- MBIA cannot be accelerated against and deal liquidation can be executed by no party other than MBIA
- There are three primary types of MBIA policy payment requirements:
 - Timely interest and ultimate principal (multi-sector, CRE CDO, HY Corporate, CBO/CLO)
 - Ultimate principal only at final maturity (multi-sector)
 - Payments upon settlement of individual collateral losses as they occur upon erosion of deal deductible (multi-sector (CDO Squared), Corporate Pools, CMBS pools)
- Policies are structured to prevent large one-time claims and allow for payment over time or at final maturity

MBIA Multi-Sector Portfolio Breakout - 12/31/07

(\$ in billions)

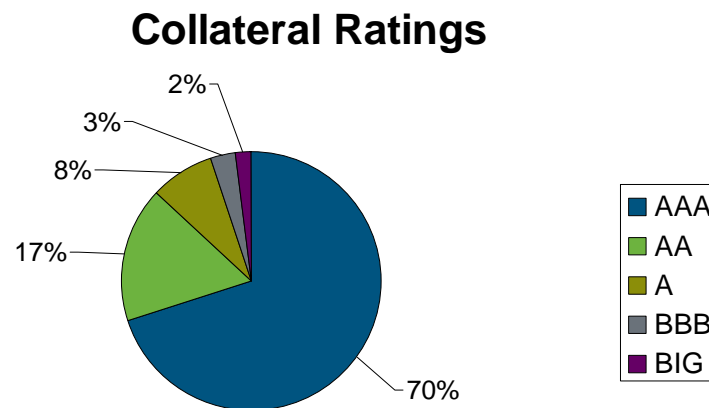
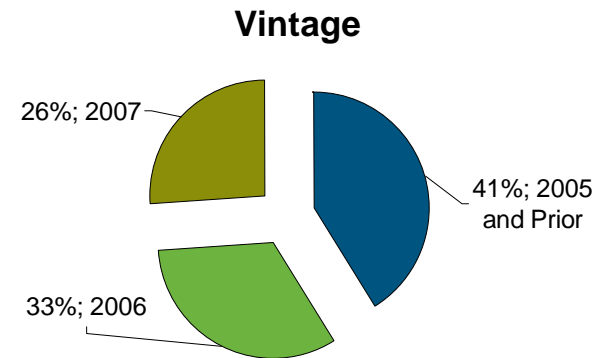
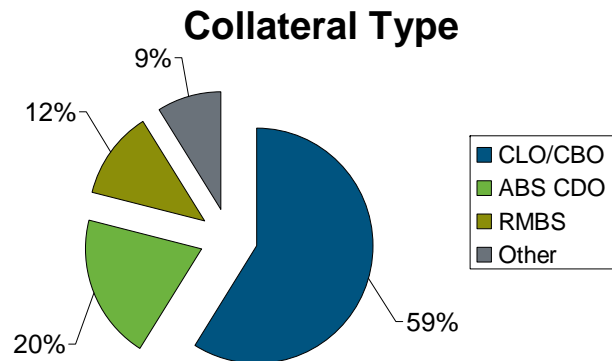
	FYE 12/31/07	
Net Par Outstanding: CDO – Total	\$130.6	
Multi-Sector CDO Portfolio	NPO \$	% of multi-sector portfolio
Multi-sector CDOs	\$30.1	100.0%
High Grade CDOs containing US RMBS	\$16.1	53.6%
Mezzanine CDO containing US RMBS	\$3.0	9.9%
CDO of Mezzanine Euro ABS	\$0.6	1.8%
Diversified CDO of CDO (High Grade Tranches)	\$8.7	28.8%
Secondary Market and Other	\$1.8	5.9%

Subprime Mortgage Performance Causing Stress on the Multi-Sector CDO Book

- MBIA's multi-sector CDO book had performed as expected through 09/2007
- The US residential mortgage market downturn began to directly impact the multi-sector book in the fall of 2007 as the rating agencies downgraded thousands of investment grade rated Subprime RMBS due to deteriorating loan performance
- Market illiquidity and the large number of agency downgrades resulted in deals breaching triggers. As a result actively managed deals became static and triggered rating tests so that cash normally distributed to junior note holders was diverted to amortize senior note holders, including MBIA as the senior note guarantor
- To date, the majority of MBIA wrapped multi-sector CDOs and the underlying collateral remains investment grade rated
 - Further deterioration based upon projected US housing market trends in 2008
 - Six MBIA insured tranches have been downgraded by one or more of the rating agencies

What are MBIA's Diversified CDOs of High Grade CDOs?

- MBIA's total CDO Squared exposure totaled \$8.7 billion as of 12/31/07 and is part of the \$30.6 billion multi-sector CDO exposure
- The CDO Squared deals are diversified by collateral type and were wrapped at attachment levels in excess of AAA



CDO Squared Impairment Analysis 12/31/07

- MBIA recorded a \$200 million impairment across three CDO Squared deals at 12/31/07
- Reserves based on review of:
 - Legal structures and indentures
 - MBIA's position in the capital structure
 - Impact of underlying Subprime RMBS collateral
- Assumed 15 months to settle individual collateral credit events; MBIA also assumed conservative recoveries for the collateral affected by credit events (usually 0%)
- MBIA pays for individual successive credit events after cumulative credit events breach a loss threshold:
 - Individual collateral pieces settled case by case over time
 - No acceleration

Multi-Sector CDO Outlook- Expect Stress but MBIA Well Positioned

Portfolio Performance and Impact of recent Rating Agency Rating Actions

- MBIA is the control party in all insured deals governing acceleration, liquidation and manager removal rights
- As of 12/31/07, MBIA's multi-sector CDOs were beginning to incur Events of Default. We expect further trigger breaches in select deals due to rating agency downgrades and underlying collateral defaults
- The effects of these downgrades on the portfolio is as follows:
 - As a result of downgrades, the average rating factors (“WARF”) will increase and as the percentage of Triple-B and lower rated collateral increases, structurally designed collateral haircuts will result in deals failing Asset Coverage Tests
 - Failure of a such Coverage Tests would cause cash flow to be redirected to amortize the senior notes instead of paying interest to certain classes of subordinate noteholders, causing an accelerated amortization of the senior notes and benefiting MBIA's insured tranches
 - Manager removal triggers will also breach
- MBIA is tracking the performance of inner CDO of ABS buckets in deals vis-à-vis control party actions (i.e. bank motivated to liquidate, monoline motivated to hold to maturity)
- Subprime RMBS collateral is a risk to future performance but given high grade attachment points to date most downgrades remain in IG ratings

Commercial Real Estate Exposure Summary

As of 12/31/07, MBIA's combined net exposure to Structured CMBS Pools/ Commercial Real Estate Loans and CRE CDOs totaled \$49.2 billion, or about 7% of MBIA's total net insured portfolio

Risk Type (\$ billions)	Net Par	% of Total
Structured CMBS Pools	\$32.6	66%
Commercial Real Estate CDOs	\$10.6	22%
Commercial Real Estate Loan Pools	\$6.0	12%
Total combined CRE Net Par Exposure	\$49.2	100%

MBIA's exposure is performing as expected with no material issues to date

Current State of the CRE Market- Coming off Historical Highs

- Near Record Low Total Delinquencies – 0.34% (60+ at 0.22%)
- Even Seasoned Delinquencies (loans >2 yrs old) are low - 0.50%
- Market expects higher delinquencies as economy weakens, but limited to a reversion to historical default levels of 0.90%
- Expect softening prices due to higher cap rates of ~50 to 75 bps and increased lending spreads, partially offset by falling interest rates
- MBIA loan level stress testing shows no material impairments. We believe we are well positioned for any foreseeable market downturn in this sector

MBIA is Comfortable with our CMBS Exposure

- CMBS is not Subprime
- No “Finance Co.” risk related to insolvency and servicing
- Property level due diligence up-front (including legal and environmental)
- Sophisticated third party residual buyers with strong credit perspective perform in-depth due diligence prior to purchase
- Standardized Servicing and Reporting, with multiple IT sources available to track property performance, sub-market lease rates and vacancies and new supply trends
- Underlying loans are generally 10-year, fixed-rate loans with amortization (no payment shocks to borrowers)
- Typical CMBS borrower is well-capitalized REIT or property investor with sophisticated property management skills
- CMBS is a cashflow lending business, as opposed to a property valuation play
- During the course of 2007, rating agencies pro-actively increased ratings standards and enhancement levels

