

MBIA Inc.

Quarterly Operating Supplement

March 31, 2008

(Revised)



On June 17, 2008 MBIA Inc. posted a revised March 31, 2008 Operating Supplement. The revisions made are reflected in the following section:

Page	Section	Revision
15	Insured Portfolio Losses and Mark-to-Market	Insured Derivative Mark-to-Market 2008 Beginning Net Derivative Asset/(Liability) 2008 Unrealized Loss
16	Insured Portfolio Losses and Mark-to-Market	Insured Derivative Mark-to-Market 2007 Beginning Net Derivative Asset/(Liability) 2007 Unrealized Loss 2007 Channel Re Elimination

Please note that the above modifications would also change certain totals and ratios reliant upon those values.

First Quarter 2008

MBIA INC. AND SUBSIDIARIES
QUARTERLY OPERATING SUPPLEMENT ⁽¹⁾

First Quarter 2008

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(1) This report is unaudited.

Consolidated Balance Sheets
(dollars in thousands)

	March 31, 2008	December 31, 2007
<u>Assets</u>		
Investments:		
Fixed-Maturity Securities Held as Available-for-Sale, at Fair Value (Amortized Cost \$29,873,383 and \$30,199,471) (Includes Hybrid Financial Instruments at Fair Value \$346,477 and \$596,537)	\$28,407,120	\$29,589,098
Investments Held-To-Maturity, at Amortized Cost (Fair Value \$4,514,780 and \$5,036,465)	4,544,549	5,053,987
Investments Pledged as Collateral, at Fair Value (Amortized Cost \$1,145,845 and \$1,243,245) (2008 Includes Hybrid Financial Instruments at Fair Value \$9,490)	1,085,245	1,227,153
Short-Term Investments, at Amortized Cost	7,082,189	5,464,708
Other Investments	664,749	730,711
Total Investments	41,783,852	42,065,657
Cash and Cash Equivalents	290,287	263,732
Accrued Investment Income	576,207	590,060
Deferred Acquisition Costs	442,012	472,516
Prepaid Reinsurance Premiums	312,142	318,740
Reinsurance Recoverable on Unpaid Losses	107,783	82,041
Goodwill	79,406	79,406
Property and Equipment (Net of Accumulated Depreciation)	103,007	104,036
Receivable for Investments Sold	449,364	111,130
Derivative Assets	2,323,098	1,722,696
Current Income Taxes	-	142,763
Deferred Income Taxes, Net	2,873,131	1,173,658
Other Assets	346,436	288,639
Total Assets	\$49,686,725	\$47,415,074
 <u>Liabilities and Shareholders' Equity</u>		
Liabilities:		
Deferred Premium Revenue	\$ 3,045,903	\$ 3,107,833
Loss and Loss Adjustment Expense Reserves	1,542,378	1,346,423
Investment Agreements	15,998,310	16,107,909
Commercial Paper	362,478	850,315
Medium-Term Notes (Includes Hybrid Financial Instruments at Fair Value \$354,097 and \$399,061)	11,353,744	12,830,777
Variable Interest Entity Floating Rate Notes	1,353,045	1,355,792
Securities Sold Under Agreements to Repurchase	1,019,155	1,163,899
Short-Term Debt	7,158	13,383
Long-Term Debt	2,247,140	1,225,280
Current Income Taxes	33,583	-
Deferred Fee Revenue	15,115	15,059
Payable for Investments Purchased	504,916	41,359
Derivative Liabilities	9,134,441	5,037,112
Other Liabilities	1,009,185	664,128
Total Liabilities	47,626,551	43,759,269
Shareholders' Equity:		
Common Stock	271,755	160,245
Additional Paid-in Capital	3,082,349	1,649,511
Retained Earnings	1,895,148	4,301,880
Accumulated Other Comprehensive Loss	(1,224,136)	(490,829)
Treasury Stock	(1,964,942)	(1,965,002)
Total Shareholders' Equity	2,060,174	3,655,805
Total Liabilities and Shareholders' Equity	\$49,686,725	\$47,415,074

Consolidated Statements of Operations
(dollars in thousands except per share)

	Three Months Ended March 31		Year Ended December 31
	2008	2007	2007
Gross Premiums Written	\$ 114,711	\$ 188,174	\$ 819,206
Ceded Premiums	(17,450)	(16,872)	(75,010)
Net Premiums Written	<u>97,261</u>	<u>171,302</u>	<u>744,196</u>
Revenues:			
Scheduled Premiums Earned	147,520	146,599	596,055
Refunding Premiums Earned	7,795	39,592	112,212
Premiums Earned	<u>155,315</u>	<u>186,191</u>	<u>708,267</u>
Net Investment Income	514,904	510,949	2,200,354
Fees and Reimbursements	7,453	20,057	56,395
Realized Gains and Other Settlements on Insured Derivatives	33,758	21,152	116,196
Unrealized Losses on Insured Derivatives	(3,577,103)	(1,792)	(3,726,782)
Net Change in Fair Value of Insured Derivatives	<u>(3,543,345)</u>	<u>19,360</u>	<u>(3,610,586)</u>
Net Realized Gains (Losses)	(167,009)	13,902	54,110
Net Gains (Losses) on Financial Instruments at Fair Value and Foreign Exchange	76,562	(23,917)	301,199
Insurance Recoveries	-	3,400	6,400
Total Revenues	<u>(2,956,120)</u>	<u>729,942</u>	<u>(283,861)</u>
Expenses:			
Losses and Loss Adjustment	287,608	20,484	900,345
Amortization of Deferred Acquisition Costs	15,552	16,629	66,873
Operating	63,487	60,711	238,872
Interest Expense	377,070	355,077	1,575,741
Total Expenses	<u>743,717</u>	<u>452,901</u>	<u>2,781,831</u>
Income (Loss) before Income Taxes	(3,699,837)	277,041	(3,065,692)
Provision (Benefit) for Income Taxes	(1,293,105)	78,430	(1,143,744)
Net Income (Loss)	<u>\$ (2,406,732)</u>	<u>\$ 198,611</u>	<u>\$ (1,921,948)</u>
Net Income (Loss) per Common Share:			
Basic	\$ (13.03)	\$ 1.50	\$ (15.17)
Diluted	\$ (13.03)	\$ 1.46	\$ (15.17)
Weighted-Average Number of Common Shares Outstanding:			
Basic	184,708,960	131,972,954	126,670,332
Diluted	184,708,960	136,090,503	126,670,332
	Net Income (Loss) Per Diluted Share Information⁽¹⁾		
Net Income (Loss)	\$ (13.03)	\$ 1.46	\$ (15.17)
Unrealized Losses on Insured Derivatives ⁽²⁾	(9.68)	(0.01)	(18.10)
Net Realized Gain (Losses)	(0.59)	0.07	0.28
Net Gains (Losses) on Financial Instruments at Fair Value and Foreign Exchange ⁽³⁾	0.25	(0.07)	1.64
Operating Income (Loss)	(3.01)	1.48	1.01
Earnings from Refunded Issues	0.03	0.18	0.57
Operating Income (Loss) Excluding Refundings	<u>\$ (3.04)</u>	<u>\$ 1.30</u>	<u>\$ 0.44</u>
Pre-tax Operating Income (Loss)	\$ (853,163)	\$ 281,031	\$ 87,960
After-tax Operating Income (Loss)	\$ (556,394)	\$ 201,205	\$ 127,926

(1) May not add due to rounding.

(2) Excludes \$827.0 million of pre-tax estimated credit impairments in 2008 and \$200.0 million of pre-tax estimated credit impairments in the year ended December 31, 2007 related to insured derivatives.

(3) Excludes \$6.1 million of pre-tax income and \$7.8 million of pre-tax expense related to economic hedges in the three months ended March 31, 2008 and 2007, respectively. Excludes \$17.8 million of pre-tax expense in the year ended December 31, 2007.

Segment Results
(dollars in thousands)

	Three Months Ended March 31		Year Ended December 31
	2008	2007	2007
Insurance Operations			
Revenues:			
Gross Premiums Written	\$ 166,071	\$ 223,263	\$ 998,863
Ceded Premiums	(27,018)	(23,078)	(106,474)
Net Premiums Written ⁽¹⁾	139,053	200,185	892,389
Scheduled Premiums Earned	189,250	174,629	734,806
Refunding Premiums Earned	8,160	39,797	120,818
Premiums Earned ⁽¹⁾	197,410	214,426	855,624
Net Investment Income	152,633	142,178	572,786
Fees and Reimbursements	107	10,168	20,832
Total Insurance Revenues	350,150	366,772	1,449,242
Expenses:			
Losses and Loss Adjustment	287,608	20,484	900,345
Amortization of Deferred Acquisition Costs	15,552	16,629	66,873
Operating	46,269	32,569	133,259
Interest Expense	46,747	21,736	81,810
Total Insurance Expenses	396,176	91,418	1,182,287
Insurance Income (Loss)	(46,026)	275,354	266,955
Investment Management Services			
Revenues	366,748	364,595	1,630,291
Interest Expense	310,175	314,495	1,414,944
Net Revenues	56,573	50,100	215,347
Expenses	16,557	25,179	105,349
Investment Management Services Income	40,016	24,921	109,998
Corporate			
Net Investment Income	7,157	5,990	14,212
Insurance Recoveries	-	3,400	6,400
Interest Expense	20,134	20,179	80,740
Corporate Expenses	7,176	8,455	28,865
Corporate Loss	(20,153)	(19,244)	(88,993)
Gains and Losses			
Net Realized Gains (Losses)	(167,162)	12,055	51,324
Net Losses on Financial Instruments at Fair Value and Foreign Exchange	(3,506,512)	(16,045)	(3,404,976)
Net Losses	(3,673,674)	(3,990)	(3,353,652)
Income (Loss) before Income Taxes	\$ (3,699,837)	\$ 277,041	\$ (3,065,692)

⁽¹⁾ Amounts consist of financial guarantee premiums and insured derivative premiums.

Segment Results to Consolidated Statements of Operations Reconciliation
(dollars in thousands)

Three Months Ended March 31, 2008

	Investment Management			Subtotal	Eliminations ⁽¹⁾	Derivative Reclassification ⁽²⁾	Consolidated
	Insurance	Services	Corporate				
Gross Premiums Written	\$ 166,071	\$ -	\$ -	\$ 166,071	\$ (9,932)	\$ (41,428)	\$ 114,711
Ceded Premiums	(27,018)	-	-	(27,018)	1,304	8,264	(17,450)
Net Premiums Written	<u>139,053</u>	<u>-</u>	<u>-</u>	<u>139,053</u>	<u>(8,628)</u>	<u>(33,164)</u>	<u>97,261</u>
Revenues:							
Premiums Earned	197,410	-	-	197,410	(8,628)	(33,467)	155,315
Net Investment Income	152,633	355,737	7,157	515,527	5,413	(6,036)	514,904
Fees and Reimbursements	107	11,011	-	11,118	(3,374)	(291)	7,453
Realized Gains and Other Settlements on Insured Derivatives	-	-	-	-	-	33,758	33,758
Unrealized Losses on Insured Derivatives	(3,577,103)	-	-	(3,577,103)	-	-	(3,577,103)
Net Change in Fair Value of Insured Derivatives	(3,577,103)	-	-	(3,577,103)	-	33,758	(3,543,345)
Net Realized Gains (Losses)	19,352	(185,873)	(641)	(167,162)	-	153	(167,009)
Net Gains (Losses) on Financial Instruments at Fair Value and Foreign Exchange	59,771	54,001	(43,181)	70,591	-	5,971	76,562
Total Revenues	<u>(3,147,830)</u>	<u>234,876</u>	<u>(36,665)</u>	<u>(2,949,619)</u>	<u>(6,589)</u>	<u>88</u>	<u>(2,956,120)</u>
Expenses:							
Losses and Loss Adjustment	287,608	-	-	287,608	-	-	287,608
Amortization of Deferred Acquisition Costs	15,552	-	-	15,552	-	-	15,552
Operating	46,269	16,557	7,176	70,002	(6,515)	-	63,487
Interest Expense	46,747	310,175	20,134	377,056	(74)	88	377,070
Total Expenses	396,176	326,732	27,310	750,218	(6,589)	88	743,717
Loss before Income Taxes	<u>\$ (3,544,006)</u>	<u>\$ (91,856)</u>	<u>\$ (63,975)</u>	<u>\$ (3,699,837)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,699,837)</u>
Benefit for Income Taxes							(1,293,105)
Net Loss							<u>\$ (2,406,732)</u>

Three Months Ended March 31, 2007

	Investment Management			Subtotal	Eliminations ⁽¹⁾	Derivative Reclassification ⁽²⁾	Consolidated
	Insurance	Services	Corporate				
Gross Premiums Written	\$ 223,263	\$ -	\$ -	\$ 223,263	\$ (8,931)	\$ (26,158)	\$ 188,174
Ceded Premiums	(23,078)	-	-	(23,078)	1,709	4,497	(16,872)
Net Premiums Written	<u>200,185</u>	<u>-</u>	<u>-</u>	<u>200,185</u>	<u>(7,222)</u>	<u>(21,661)</u>	<u>171,302</u>
Revenues:							
Premiums Earned	214,426	-	-	214,426	(7,222)	(21,013)	186,191
Net Investment Income	142,178	351,469	5,990	499,637	4,748	6,564	510,949
Fees and Reimbursements	10,168	13,126	-	23,294	(3,098)	(139)	20,057
Realized Gains and Other Settlements on Insured Derivatives	-	-	-	-	-	21,152	21,152
Unrealized Losses on Insured Derivatives	(1,792)	-	-	(1,792)	-	-	(1,792)
Net Change in Fair Value of Insured Derivatives	(1,792)	-	-	(1,792)	-	21,152	19,360
Net Realized Gains	992	10,121	942	12,055	-	1,847	13,902
Net Gains (Losses) on Financial Instruments at Fair Value and Foreign Exchange	3,639	(18,029)	137	(14,253)	-	(9,664)	(23,917)
Insurance Recoveries	-	-	3,400	3,400	-	-	3,400
Total Revenues	<u>369,611</u>	<u>356,687</u>	<u>10,469</u>	<u>736,767</u>	<u>(5,572)</u>	<u>(1,253)</u>	<u>729,942</u>
Expenses:							
Losses and Loss Adjustment	20,484	-	-	20,484	-	-	20,484
Amortization of Deferred Acquisition Costs	16,629	-	-	16,629	-	-	16,629
Operating	32,569	25,179	8,455	66,203	(5,492)	-	60,711
Interest Expense	21,736	314,495	20,179	356,410	(80)	(1,253)	355,077
Total Expenses	91,418	339,674	28,634	459,726	(5,572)	(1,253)	452,901
Income (Loss) before Income Taxes	<u>\$ 278,193</u>	<u>\$ 17,013</u>	<u>\$ (18,165)</u>	<u>\$ 277,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>277,041</u>
Provision for Income Taxes							78,430
Net Income							<u>\$ 198,611</u>

(1) Eliminations include:

- (a) Elimination of intercompany premium income and expense.
- (b) Elimination of intercompany asset management fees and expenses.
- (c) Elimination of intercompany interest income and expense pertaining to intercompany receivables and payables.

(2) Reclassification of derivative revenue and expense.

Summary Financial Information
(dollars in thousands except per share)

GAAP Basis	1st Quarter		Full Year
	2008	2007	2007
Financial Ratios			
Loss and LAE Ratio	145.7%	9.6%	105.2%
Underwriting Expense Ratio	31.3%	22.9%	23.4%
Combined Ratio	177.0%	32.5%	128.6%
Share Data			
Book Value	\$8.70	\$53.77	\$29.16
Deferred Premium Revenue ⁽¹⁾	8.44	15.39	16.27
Prepaid Reinsurance Premiums ⁽¹⁾	(0.87)	(1.73)	(1.69)
Deferred Acquisition Costs	(1.21)	(2.26)	(2.45)
Net Deferred Premium Revenue	6.36	11.40	12.13
Present Value of Installment Premiums ⁽¹⁾⁽²⁾	7.21	11.85	13.68
Asset/Liability Products Adjustment	6.18	3.39	8.78
Loss Provision ⁽³⁾	(1.78)	(3.05)	(3.39)
Adjusted Book Value	26.67	77.36	60.36
Dividends:			
Declared	\$0.000	\$0.340	\$1.360
Paid	\$0.340	\$0.310	\$1.330
Common Shares Outstanding			
Weighted-Average (Diluted) (000)	184,709	136,091	126,670
Actual (000)	236,858	131,019	125,372
Effective Tax Rates - Expense (Benefit)			
Net Investment Income ⁽⁴⁾	(175.1)%	23.7%	23.7%
Underwriting and Other Income (Loss)	(34.4)%	35.2%	(34.8)%
Total Income (Loss)	(35.0)%	28.3%	(37.3)%

Statutory Basis	1st Quarter		Full Year
	2008	2007	2007
Financial Ratios			
Loss and LAE Ratio	844.4%	18.2%	114.2%
Underwriting Expense Ratio	21.8%	31.0%	24.9%
Combined Ratio	866.2%	49.2%	139.1%
Balance Sheet			
	3/31/2008	12/31/2007	
Capital and Surplus	\$3,957,120	\$3,663,052	
Contingency Reserve	2,786,806	2,718,916	
Capital Base	6,743,926	6,381,968	
Unearned Premium Reserve	3,759,085	3,762,768	
Present Value of Installment Premiums ⁽¹⁾	2,627,800	2,638,669	
Premium Resources ⁽⁴⁾	6,386,885	6,401,437	
Loss and LAE Reserves	2,147,976	926,057	
Soft Capital Credit Facilities	850,000	850,000	
Total Claims-Paying Resources	\$16,128,787	\$14,559,462	
Net Debt Service Outstanding	\$1,005,144,452	\$1,021,925,169	
Capital Ratio ⁽⁵⁾	149:1	160:1	
Claims-Paying Ratio ⁽⁶⁾	72:1	83:1	

(1) Amounts consist of financial guarantee premiums and insured derivative premiums.

(2) At March 31, 2008, March 31, 2007 and December 31, 2007 the discount rate was 4.98%, 5.10%, and 5.06%, respectively.

(3) The loss provision is calculated by applying 12% to the following items on an after-tax basis: deferred premium revenue; prepaid reinsurance premiums; and the present value of installment premiums.

(4) Includes net investment income and net realized gains or losses from the Insurance, Investment Management Services, and Corporate operations.

(5) Net debt service outstanding divided by the capital base.

(6) Net debt service outstanding divided by the sum of the capital base, unearned premium reserve (after-tax), present value of installment premiums (after-tax), loss and LAE reserves, and soft capital credit facilities.

Annual Financial and Statistical Data ^{(1) (2)}
(dollars in millions except per share amounts)

	2007	2006	2005	2004	2003
GAAP Summary Income Statement Data					
Gross Premiums Written	\$ 819	\$ 796	\$ 887	\$ 1,019	\$ 1,205
Premiums Earned	708	744	761	775	717
Net Investment Income	2,200	1,807	1,394	1,032	828
Net Change in Fair Value of Insured Derivatives	(3,611)	76	67	76	152
Net Gains (Losses) on Financial Instruments at Fair Value and Foreign Exchange	301	(5)	17	(10)	10
Revenues from Continuing Operations	(284)	2,705	2,296	2,047	1,875
Losses and LAE Incurred	900	81	84	85	77
Interest Expense	1,576	1,184	822	522	400
Expenses from Continuing Operations	2,782	1,572	1,279	876	713
Income from Continuing Operations Before Income Taxes	(3,066)	1,133	1,017	1,171	1,162
Income from Continuing Operations After Income Taxes	(1,922)	813	713	839	822
Net Income	(1,922)	819	711	843	825
Net Income Per Common Share:					
Basic	\$ (15.17)	\$ 6.17	\$ 5.30	\$ 5.94	\$ 5.75
Diluted	\$ (15.17)	\$ 5.99	\$ 5.18	\$ 5.82	\$ 5.69
GAAP Summary Balance Sheet Data					
Total Investments	\$ 42,066	\$ 37,077	\$ 32,150	\$ 30,614	\$ 28,248
Total Assets	47,415	39,763	34,561	33,036	30,301
Deferred Premium Revenue	3,108	3,100	3,147	3,174	3,054
Loss and LAE Reserves	1,346	537	722	749	712
Investment Agreements	16,108	12,483	10,806	8,679	6,959
Commercial Paper	850	746	860	2,599	2,640
Medium-Term Notes	12,831	10,951	7,542	6,944	7,092
Long-Term Debt	1,225	1,215	1,206	1,327	1,016
Shareholders' Equity	3,656	7,204	6,592	6,559	6,150
Book Value Per Share	29.16	53.43	49.17	47.05	42.75
Dividends Declared Per Common Share	\$ 1.360	\$ 1.240	\$ 1.120	\$ 0.960	\$ 0.800
Statutory Data					
Net Income	\$ 171	\$ 669	\$ 633	\$ 769	\$ 669
Capital and Surplus	3,663	4,081	3,800	3,280	3,715
Contingency Reserve	2,719	2,478	2,769	2,705	2,368
Capital Base	6,382	6,559	6,569	5,985	6,083
Unearned Premium Reserve	3,763	3,507	3,508	3,391	3,067
Present Value of Installment Premiums	2,639	2,309	2,171	2,170	2,158
Premium Resources	6,402	5,816	5,679	5,561	5,225
Loss and LAE Reserves	926	101	318	272	200
Soft Capital Credit Facilities	850	850	850	1,100	1,236
Total Claims-Paying Resources	14,560	13,326	13,416	12,918	12,744
Financial Ratios					
<u>GAAP</u>					
Loss and LAE Ratio	105.2%	9.5%	9.7%	9.7%	9.9%
Underwriting Expense Ratio	23.4	26.0	24.0	21.0	22.0
Combined Ratio	128.6	35.5	33.8	30.7	31.9
<u>Statutory</u>					
Loss and LAE Ratio	114.2	12.6	25.5	17.1	9.2
Underwriting Expense Ratio	24.9	29.8	21.9	17.9	12.8
Combined Ratio	139.1	42.4	47.4	35.0	22.0
Other Financial Information					
Adjusted Book Value Per Share	\$ 60.36	\$ 75.72	\$ 70.62	\$ 66.34	\$ 59.84
Net Debt Service Outstanding	\$ 1,021,925	\$ 939,969	\$ 889,019	\$ 890,222	\$ 835,774
Net Par Amount Outstanding	\$ 678,661	\$ 617,553	\$ 585,003	\$ 585,575	\$ 541,026

(1) All periods presented exclude discontinued operations, where applicable.

(2) All periods presented reflect the reclassification of revenues, expenses, and balance sheet items regarding the Company's insured derivatives.

Direct Par Value and Adjusted Direct Premiums ^{(1) (2) (4)}
(dollars in millions)

	1st Quarter		Year
	2008	2007	2007
Global Public Finance			
United States			
Par Value Insured	\$1,690	\$11,404	\$54,997
ADP	\$21.9	\$62.7	\$406.7
Non-United States			
Par Value Insured	(3)	1,422	6,424
ADP	-	62.0	190.4
Total Global Public Finance			
Par Value Insured	1,687	12,826	61,421
ADP	21.9	124.7	597.1
Global Structured Finance			
United States			
Par Value Insured	53	23,714	87,864
ADP	1.7	122.0	696.6
Non-United States			
Par Value Insured	1,174	3,020	18,601
ADP	19.9	26.2	203.2
Total Global Structured Finance			
Par Value Insured	1,227	26,734	106,465
ADP	21.6	148.2	899.8
United States			
Par Value Insured	1,743	35,118	142,861
ADP	23.6	184.7	1,103.3
Non-United States			
Par Value Insured	1,171	4,442	25,025
ADP	19.9	88.2	393.6
Grand Totals			
Par Value Insured	2,914	39,560	167,886
ADP	\$43.5	\$272.9	\$1,496.9

Reconciliation of Adjusted Direct Premiums to Net Premiums Earned ⁽⁴⁾
(dollars in millions)

	1st Quarter		Year
	2008	2007	2007
Adjusted direct premiums (1)	\$43.5	\$272.9	\$1,496.9
Adjusted assumed premiums	-	-	-
Adjusted gross premiums	43.5	272.9	1,496.9
Present value of estimated future installment premiums (2)	(19.9)	(181.3)	(1,104.8)
Gross upfront premiums written	23.6	91.6	392.1
Gross installment premiums written	142.5	131.7	606.8
Gross premiums written	166.1	223.3	998.9
Ceded premium written	(27.0)	(23.0)	(106.5)
Net premiums written	139.1	200.3	892.4
Change in unearned premium reserve (3)	58.3	14.1	(36.8)
Net premiums earned	\$197.4	\$214.4	\$855.6

(1) Adjusted direct premiums, a non-GAAP measure, represents upfront premiums and the estimated present value of current and future installment premiums for policies issued in the period.

(2) At March 31, 2008 the discount rate was 4.98% and at March 31, 2007 the discount rate was 5.10%.

(3) The change in the unearned premium reserve is the amount by which current period deferred premiums are greater than or less than previously deferred premiums that are now being amortized into earned premium.

(4) The amounts consist of Financial Guarantee premiums and Insured Derivative premiums.

Gross Premiums Written
(dollars in millions)

	1st Quarter		Year
	2008	2007	2007
<u>Global Public Finance</u>			
United States			
Upfront	\$21.9	\$62.7	\$341.5
Installments	3.8	3.9	36.7
Total Gross Premiums	25.7	66.6	378.2
Non-United States			
Upfront	-	28.9	49.4
Installments	20.3	25.1	110.9
Total Gross Premiums	20.3	54.0	160.3
Total Global Public Finance			
Upfront	21.9	91.6	390.9
Installments	24.1	29.0	147.6
Total Gross Premiums	46.0	120.6	538.5
<u>Global Structured Finance</u>			
United States			
Upfront	1.7	-	1.2
Installments	80.7	67.0	302.0
Total Gross Premiums	82.4	67.0	303.2
Non-United States			
Upfront	-	-	-
Installments	37.7	35.7	157.2
Total Gross Premiums	37.7	35.7	157.2
Total Global Structured Finance			
Upfront	1.7	-	1.2
Installments	118.4	102.7	459.2
Total Gross Premiums	120.1	102.7	460.4
<u>United States</u>			
Upfront	23.6	62.7	342.7
Installments	84.5	70.9	338.7
Total Gross Premiums	108.1	133.6	681.4
<u>Non-United States</u>			
Upfront	-	28.9	49.4
Installments	58.0	60.8	268.1
Total Gross Premiums	58.0	89.7	317.5
<u>Grand Totals</u>			
Upfront	23.6	91.6	392.1
Installments	142.5	131.7	606.8
Total Gross Premiums	\$166.1 (1)	\$223.3 (2)	\$998.9 (3)

(1) The amount consists of Financial Guarantee premiums of \$124.7 million and Insured Derivative premiums of \$41.4 million, respectively, for 2008.

(2) The amount consists of Financial Guarantee premiums of \$197.1 million and Insured Derivative premiums of \$26.2 million, respectively, for 2007.

(3) The amount consists of Financial Guarantee premiums of \$857.2 million and Insured Derivative premiums of \$141.7 million, respectively, for full year of 2007.

Debt Service and Premiums ⁽¹⁾
(dollars in millions)

	Insured			Net Retired	Ending Net Outstanding
	Gross	Ceded	Net		
	Debt Service (Principal and Interest)				
1st Qtr. 2008	\$6,218	\$612	\$5,606	\$22,387	\$1,005,144
4th Qtr. 2007	41,428	3,410	38,018	24,668	1,021,925
3rd	75,721	9,648	66,073	35,545	1,008,575
2nd	68,951	8,917	60,034	39,626	978,047
1st	53,890	2,060	51,830	34,160	957,639
2007	239,990	24,035	215,955	133,999	1,021,925
2006	188,347	14,566	173,781	122,831	939,969
2005	179,050	19,028	160,022	161,225	889,019
2004	155,334	4,627	150,707	96,259	890,222
2003	175,008	19,200	155,808	101,623	835,774
2002	198,624	36,643	161,981	102,800	781,589
2001	171,044	27,623	143,421	101,891	722,408
2000	157,821	30,969	126,852	81,857	680,878
1999	151,122	37,175	113,947	73,959	635,883
1998	183,547	40,400	143,147	60,988	595,895
1997	157,224	18,561	138,663	59,344	513,736
1996	129,715	14,605	115,110	39,868	434,417

	Written			Net Earned ⁽²⁾	Ending Net Unearned ⁽³⁾
	Gross	Ceded ⁽²⁾	Net ⁽²⁾		
	Premiums (GAAP Basis)				
1st Qtr. 2008	\$166.1	\$27.0	\$139.1	\$197.4	\$2,757.2
4th Qtr. 2007	267.5	29.3	238.2	209.5	2,812.8
3rd	255.2	26.0	229.2	207.2	2,786.7
2nd	252.9	28.1	224.8	224.5	2,759.4
1st	223.3	23.1	200.2	214.4	2,753.4
2007	998.9	106.5	892.4	855.6	2,812.8
2006	922.0	107.3	814.7	852.6	2,766.5
2005	1,018.0	138.5	879.5	864.4	2,777.6
2004	1,151.1	171.9	979.2	870.8	2,776.2
2003	1,278.4	197.6	1,080.8	778.9	2,689.1
2002	951.9	150.0	801.9	618.5	2,376.5
2001	865.2	188.4	676.8	546.9	2,182.5
2000	687.4	153.4	534.0	464.8	2,055.6
1999	624.9	108.0	516.9	457.1	1,990.7
1998	677.1	117.9	559.2	428.7	1,932.6
1997	653.8	116.5	537.3	351.5	1,800.9
1996	535.3	70.0	465.3	294.0	1,618.8

(1) The amounts consist of Financial Guarantee premiums and Insured Derivative premiums.

(2) Includes the reversal of amounts ceded to Channel Re in proportion to MBIA's ownership interest, which is carried on an equity-method accounting basis.

(3) Equals deferred premium revenue less prepaid reinsurance premiums.

Net Debt Service Amortization⁽¹⁾

As of March 31, 2008

(dollars in millions)

	Scheduled Net Debt Service Amortization	Ending Net Debt Service Outstanding
1st Qtr. 2008		\$ 1,005,144
2nd Qtr. 2008	16,519	988,625
3rd Qtr. 2008	17,712	970,913
4th Qtr. 2008	16,573	954,340
2009	68,785	885,555
2010	61,686	823,869
2011	68,693	755,176
2012	63,815	691,361
2013-2017	251,342	440,019
2018-2022	176,189	263,830
2023-2027	116,169	147,661
2028 and thereafter	<u>147,661</u>	-
Total	<u>\$ 1,005,144</u>	

**Net Unearned Premium Amortization⁽¹⁾
and Estimated Future Installment Premiums**

As of March 31, 2008

(dollars in millions)

	Net Unearned Premiums ⁽²⁾	Net Unearned Premium Amortization Upfront	Installments	Expected Installments ⁽³⁾	Total Premium Earnings ⁽⁴⁾
1st Qtr. 2008	2,757.2				
2nd Qtr. 2008	2,635.6	62.6	59.0	63.5	185.1
3rd Qtr. 2008	2,560.4	60.8	14.4	106.0	181.2
4th Qtr. 2008	2,492.5	59.5	8.4	108.9	176.8
1st Qtr. 2009	2,427.0	58.4	7.1	106.6	172.1
2nd Qtr. 2009	2,364.1	57.3	5.6	103.2	166.1
3rd Qtr. 2009	2,303.5	55.7	4.9	101.2	161.8
4th Qtr. 2009	2,244.3	54.7	4.5	100.7	159.9
2010	2,018.9	208.0	17.4	374.2	599.6
2011	1,813.6	190.2	15.1	344.2	549.5
2012	1,626.9	173.8	12.9	305.2	491.9
2013-2017	1,025.5	558.0	43.4	736.5	1,337.9
2018-2022	534.7	453.6	37.2	434.9	925.7
2023-2027	251.5	259.6	23.6	314.8	598.0
2028 and thereafter	-	<u>232.3</u>	<u>19.2</u>	<u>474.6</u>	<u>726.1</u>
Total		<u>\$ 2,484.5</u>	<u>\$ 272.7</u>	<u>\$ 3,674.5</u>	<u>\$ 6,431.7</u>

(1) The amounts consist of Financial Guarantee premiums and Insured Derivative premiums.

(2) Equals deferred premium revenue less prepaid reinsurance premiums.

(3) Represents installment-based future undiscounted collections.

(4) Actual future premium earnings will differ from the current projection due to the addition of new business, changes in prepayment speeds, early terminations and refundings.

Premiums Earned Analysis ⁽¹⁾

1st (dollars in thousands)

Qtr.

2008

Global Public Finance		
United States		
Upfront	\$60,136	
Installment	<u>7,126</u>	
Total	67,262	
Non-United States		
Upfront	8,419	
Installment	<u>20,841</u>	
Total	29,260	
Total Global Public Finance		
Upfront	68,555	
Installment	<u>27,967</u>	
Total	96,522	
Global Structured Finance		
United States		
Upfront	521	
Installment	<u>69,286</u>	
Total	69,807	
Non-United States		
Upfront	733	
Installment	<u>30,348</u>	
Total	31,081	
Total Global Structured Finance		
Upfront	1,254	
Installment	<u>99,634</u>	
Total	100,888	
Grand Totals		
Upfront	69,809	
Installment	<u>127,601</u>	
Total	\$197,410 ⁽²⁾	

2007

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Global Public Finance					
United States					
Upfront	\$92,246	\$93,432	\$67,643	\$71,570	\$324,891
Installment	<u>7,383</u>	<u>6,887</u>	<u>9,549</u>	<u>4,826</u>	<u>28,645</u>
Total	99,629	100,319	77,192	76,396	353,536
Non-United States					
Upfront	10,070	9,034	9,087	8,738	36,929
Installment	<u>18,394</u>	<u>19,338</u>	<u>20,916</u>	<u>20,891</u>	<u>79,539</u>
Total	28,464	28,372	30,003	29,629	116,468
Total Global Public Finance					
Upfront	102,316	102,466	76,730	80,308	361,820
Installment	<u>25,777</u>	<u>26,225</u>	<u>30,465</u>	<u>25,717</u>	<u>108,184</u>
Total	128,093	128,691	107,195	106,025	470,004
Global Structured Finance					
United States					
Upfront	1,556	1,037	654	538	3,785
Installment	<u>56,240</u>	<u>59,565</u>	<u>66,321</u>	<u>71,958</u>	<u>254,084</u>
Total	57,796	60,602	66,975	72,496	257,869
Non-United States					
Upfront	1,997	900	833	769	4,499
Installment	<u>26,540</u>	<u>34,275</u>	<u>32,239</u>	<u>30,198</u>	<u>123,252</u>
Total	28,537	35,175	33,072	30,967	127,751
Total Global Structured Finance					
Upfront	3,553	1,937	1,487	1,307	8,284
Installment	<u>82,780</u>	<u>93,840</u>	<u>98,560</u>	<u>102,156</u>	<u>377,336</u>
Total	86,333	95,777	100,047	103,463	385,620
Grand Totals					
Upfront	105,869	104,403	78,217	81,615	370,104
Installment	<u>108,557</u>	<u>120,065</u>	<u>129,025</u>	<u>127,873</u>	<u>485,520</u>
Total	\$214,426 ⁽³⁾	\$224,468	\$207,242	\$209,488	\$855,624

(1) The amounts consist of Financial Guarantee premiums and Insured Derivative premiums.

(2) The amount consists of Financial Guarantee premiums of \$163.9 million and Insured Derivative premiums of \$33.5 million, respectively, for 2008.

(3) The amount consists of Financial Guarantee premiums of \$193.4 million and Insured Derivative premiums of \$21.0 million, respectively, for 2007.

Effect of Refundings and Other Accelerations
(dollars in thousands except per share)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Year-to-Date
2008					
Refunding Premiums Earned ⁽¹⁾	\$ 8,159				\$ 8,159
Net Income Effect ⁽²⁾	4,800				4,800
Net Income Per Common Share Effect	\$ 0.03				\$ 0.03
2007					
Refunding Premiums Earned ⁽¹⁾	\$ 39,797	\$ 45,935	\$ 18,169	\$ 16,917	\$ 120,818
Net Income Effect ⁽²⁾	23,824	27,499	10,877	10,117	72,317
Net Income Per Common Share Effect	\$ 0.18	\$ 0.21	\$ 0.09	\$ 0.08	\$ 0.57

(1) The amounts consist of Financial Guarantee premiums and Insured Derivative premiums.

(2) Net of deferred acquisition costs and taxes.

Investment Portfolio
As of March 31, 2008
(dollars in thousands)

<u>Investments</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Amortized Cost</u>	<u>Pre-tax Yield ⁽²⁾</u>	<u>Annualized Income ⁽³⁾</u>
Fixed-Maturity Securities:					
Tax Exempt	\$ 6,067,476	50%	\$ 6,062,658	4.57%	\$ 277,167
Taxable	4,203,655	35	4,062,600	5.20	211,398
Short-Term	<u>1,836,025</u>	<u>15</u>	<u>1,836,025</u>	<u>3.79</u>	<u>69,632</u>
Total Insurance Fixed Income	12,107,156	100%	<u>\$ 11,961,283</u>	4.67%	<u>\$ 558,197</u>
Other ⁽¹⁾	<u>664,749</u>				
	12,771,905				
Total Other Fixed Income ⁽⁴⁾	24,467,398				
Investments Held-to-Maturity ⁽⁵⁾	<u>4,544,549</u>				
Total Investments	<u>\$ 41,783,852</u>				

<u>Maturity</u>	<u>Market Value</u>	<u>% of Market Value</u>
Within 1 Year	\$ 1,836,025	15.1%
1 to 5 Years	3,033,962	25.1
5 to 10 Years	1,738,762	14.3
10 to 15 Years	1,388,575	11.5
15 to 20 Years	940,596	7.8
More than 20 Years	<u>3,169,236</u>	<u>26.2</u>
Total Insurance Fixed Income	<u>\$ 12,107,156</u>	<u>100.0%</u>

Long-Term average maturity: 9.87 years
Duration: 5.26 years

<u>Quality Distribution of Long-Term Fixed Income Investments</u>	
<u>Rating</u>	<u>% of Market Value</u>
Aaa	56%
Aa	35
A	8
Baa	<u>1</u>
	<u>100%</u>

(1) Primarily equity investments.

(2) Estimated pre-tax yield on assets (based on amortized cost) at the end of the reporting quarter.

(3) Before taxes, if applicable, based on indicated yields.

(4) Includes Investment Agreement, Medium-Term Note, and Holding Company investment portfolios.

(5) Represents Conduit and Variable Interest Entity investments at amortized cost.

Insurance Operations Net Investment Income
(dollars in thousands)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
2008					
Investment income	135,588				135,588
VIE	<u>17,045</u>				<u>17,045</u>
Net investment income	<u>\$ 152,633</u>				<u>\$ 152,633</u>
2007					
Investment income	120,714	122,230	122,287	127,319	492,550
VIE and other investment income ⁽¹⁾	<u>21,464</u>	<u>20,154</u>	<u>19,122</u>	<u>19,496</u>	<u>80,236</u>
Net investment income	<u>\$ 142,178</u>	<u>\$ 142,384</u>	<u>\$ 141,409</u>	<u>\$ 146,815</u>	<u>\$ 572,786</u>

(1) Includes investment income related to variable interest entities and assets received in connection with a remediation.

Return on Equity

<u>Quarter Ended</u>	<u>Reported</u> ⁽¹⁾	<u>Operating</u> ⁽²⁾
March 31, 2008	-86.8%	-9.4%
December 31, 2007	-30.8%	1.9%
September 30	8.2%	11.8%
June 30	12.0%	12.0%
March 31	12.0%	12.2%
December 31, 2006	11.9%	12.1%
December 31, 2005	10.8%	12.5%
December 31, 2004	13.3%	13.4%

(1) Trailing twelve months of Net Income divided by average Shareholders' Equity

(2) Trailing twelve months of Operating Income divided by average Shareholders' Equity (excluding non-operating items). All periods presented exclude the results of discontinued operations.

Investment Management Services Average Assets Under Management⁽¹⁾ (dollars in thousands)

	<u>Conduits</u>		<u>Other Assets</u> <u>Under Management</u>		<u>Total Assets</u> <u>Under Management</u>	
	<u>Quarter</u>	<u>Year-to-Date</u>	<u>Quarter</u>	<u>Year-to-Date</u>	<u>Quarter</u>	<u>Year-to-Date</u>
	March 31, 2008	\$ 3,851,350	\$ 3,851,350	\$ 60,726,912	\$ 60,726,912	64,578,262
December 31, 2007	4,349,261	4,277,289	60,428,140	61,770,251	64,777,401	66,047,540
September 30	4,592,382	4,253,299	62,543,845	62,217,624	67,136,227	66,470,923
June 30	4,129,690	4,083,758	62,773,841	62,054,512	66,903,531	66,138,270
March 31	4,037,825	4,037,825	61,335,183	61,335,183	65,373,008	65,373,008
December 31, 2006		3,863,602		52,123,358		55,986,960
December 31, 2005		5,665,435		43,508,483		49,173,918
December 31, 2004		6,904,694		37,408,105		44,312,799
December 31, 2003		8,760,814		32,675,546		41,436,360
December 31, 2002				29,441,386		29,441,386
December 31, 2001				27,166,925		27,166,925
December 31, 2000				22,289,303		22,289,303
December 31, 1999				18,297,254		18,297,254
December 31, 1998				15,740,664		15,740,664
December 31, 1997				12,326,177		12,326,177
December 31, 1996				10,238,784		10,238,784
December 31, 1995				4,782,308		4,782,308
December 31, 1994				3,094,391		3,094,391
December 31, 1993				1,182,125		1,182,125
December 31, 1992				630,803		630,803
December 31, 1991				166,437		166,437
January 17, 1991 (inception)						

(1) The Conduits were acquired in September 2003.

Insured Portfolio Losses and Mark-to-Market
(dollars in thousands)

2008	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
<u>Loss and Loss Adjustment Expense (LAE) Reserves</u>					
Beginning Unallocated Reserves	\$ 434,543	\$ -	\$ -	\$ -	\$ 434,543
Formula Provision ⁽¹⁾	22,608	-	-	-	22,608
Additional Loss and LAE Incurred	265,000	-	-	-	265,000
Case Activity	<u>(509,636)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(509,636)</u>
Ending Unallocated Reserves	<u>212,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,515</u>
Beginning Net Case Reserves	829,839	-	-	-	829,839
Case Activity	509,636	-	-	-	509,636
Net (Payments) Recoveries	<u>(117,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,395)</u>
Ending Net Case Reserves	<u>1,222,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,222,080</u>
Net Loss and LAE Reserves	1,434,595	-	-	-	1,434,595
Ceded Loss and LAE Reserves	<u>107,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,783</u>
Gross Loss and LAE Reserves	<u>\$ 1,542,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,542,378</u>
<u>Insured Derivatives Credit Impairment</u>					
Beginning Net Derivatives Impairment Reserves	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Credit Impairments ⁽²⁾	827,108	-	-	-	827,108
Net (Payments) Recoveries	<u>(108)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108)</u>
Ending Net Derivatives Impairment Reserves	1,027,000	-	-	-	1,027,000
Ceded Derivatives Impairment Reserves	<u>177,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,907</u>
Gross Derivatives Impairment Reserves	<u>\$ 1,204,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,204,907</u>
<u>Total Insured Portfolio Losses</u>					
Total Net Ending Reserves	\$ 2,461,595	\$ -	\$ -	\$ -	\$ 2,461,595
Total Ceded Ending Reserves	<u>285,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,690</u>
Total Gross Ending Reserves	<u>\$ 2,747,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,747,285</u>

(1) Represents the Company's provision for losses calculated as 14.5% of scheduled net earned premium (excluding insured derivative earned premium).

(2) Represents estimated impairments of insured credit default swaps.

2008	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
<u>Insured Derivatives Mark-to-Market</u>					
Beginning Net Derivative Asset/(Liability)	\$ (3,629,469)	\$ -	\$ -	\$ -	\$ (3,629,469)
Unrealized Loss	(2,749,995)	-	-	-	(2,749,995)
Credit Impairments ⁽¹⁾	<u>(827,108)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(827,108)</u>
Income Statement Mark-to-Market	<u>(3,577,103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,577,103)</u>
Ending Net Derivative Asset/(Liability)	<u>\$ (7,206,572)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,206,572)</u>

(1) Represents estimated impairments of insured credit default swaps.

Insured Portfolio Losses and Mark-to-Market
(dollars in thousands)

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Loss and Loss Adjustment Expense (LAE) Reserves					
Beginning Unallocated Reserves	\$ 213,319	\$ 199,868	\$ 203,224	\$ 213,732	\$ 213,319
Formula Provision ⁽¹⁾	20,484	20,968	22,203	23,108	86,763
Additional Loss and LAE Incurred	-	-	-	813,582	813,582
Channel Re Elimination ⁽²⁾	(213)	(267)	(273)	(298)	(1,051)
Case Activity	<u>(33,722)</u>	<u>(17,345)</u>	<u>(11,422)</u>	<u>(615,581)</u>	<u>(678,070)</u>
Ending Unallocated Reserves	<u>199,868</u>	<u>203,224</u>	<u>213,732</u>	<u>434,543</u>	<u>434,543</u>
Beginning Net Case Reserves	276,777	286,281	268,778	280,674	276,777
Case Activity	33,722	17,345	11,422	615,581	678,070
Net (Payments) Recoveries	<u>(24,218)</u>	<u>(34,848)</u>	<u>474</u>	<u>(66,416)</u>	<u>(125,008)</u>
Ending Net Case Reserves	<u>286,281</u>	<u>268,778</u>	<u>280,674</u>	<u>829,839</u>	<u>829,839</u>
Net Loss and LAE Reserves	486,149	472,002	494,406	1,264,382	1,264,382
Ceded Loss and LAE Reserves	<u>47,625</u>	<u>48,078</u>	<u>50,673</u>	<u>82,041</u>	<u>82,041</u>
Gross Loss and LAE Reserves	<u>\$ 533,774</u>	<u>\$ 520,080</u>	<u>\$ 545,079</u>	<u>\$ 1,346,423</u>	<u>\$ 1,346,423</u>
Insured Derivatives Credit Impairment					
Beginning Net Derivatives Impairment Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Credit Impairments ⁽³⁾	-	-	-	200,000	200,000
Net (Payments) Recoveries	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Net Derivatives Impairment Reserves	-	-	-	200,000	200,000
Ceded Derivatives Impairment Reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,654</u>	<u>47,654</u>
Gross Derivatives Impairment Reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,654</u>	<u>\$ 247,654</u>
Total Insured Portfolio Losses					
Total Net Ending Reserves	\$ 486,149	\$ 472,002	\$ 494,406	\$ 1,464,382	\$ 1,464,382
Total Ceded Ending Reserves	<u>47,625</u>	<u>48,078</u>	<u>50,673</u>	<u>129,695</u>	<u>129,695</u>
Total Gross Ending Reserves	<u>\$ 533,774</u>	<u>\$ 520,080</u>	<u>\$ 545,079</u>	<u>\$ 1,594,077</u>	<u>\$ 1,594,077</u>

(1) Represents the Company's provision for losses calculated as 12% of scheduled net earned premium.

(2) Represents the amount of losses and LAE incurred that have been eliminated in proportion to MBIA's ownership interest, which is carried on an equity method accounting basis.

(3) Represents estimated impairments of insured credit default swaps.

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Insured Derivatives Mark-to-Market					
Beginning Net Derivative Asset/(Liability)	\$ 3,298	\$ 1,509	\$ (12,761)	\$ (353,417)	\$ 3,298
Unrealized Loss	(1,789)	(14,274)	(341,708)	(3,169,009)	(3,526,780)
Credit Impairments ⁽¹⁾	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Income Statement Mark-to-Market	(1,789)	(14,274)	(341,708)	(3,369,009)	(3,726,780)
Channel Re Elimination ⁽²⁾	<u>-</u>	<u>4</u>	<u>1,052</u>	<u>92,957</u>	<u>94,013</u>
Ending Net Derivative Asset/(Liability)	<u>\$ 1,509</u>	<u>\$ (12,761)</u>	<u>\$ (353,417)</u>	<u>\$ (3,629,469)</u>	<u>\$ (3,629,469)</u>

(1) Represents estimated impairments of insured credit default swaps.

(2) Represents the amount of Mark-to-Market of Insured Derivatives that has been eliminated in proportion to MBIA's ownership interest, which is carried on an equity method accounting basis.

Insurance Expense Analysis
(dollars in thousands)

2008	1st Qtr.
Compensation	\$ 13,105
Fees and Professional Services	8,027
Building and Equipment	5,528
Loss Prevention Expenses	1,043
Premium Taxes	2,898
Other	<u>6,950</u>
Gross Insurance Expenses	37,551
Ceding Commissions (Received)	<u>(6,234)</u>
Net Insurance Expenses	31,317
Deferred Acquisition (Costs) Expenses	<u>14,952</u>
Operating Expenses	\$ <u>46,269</u>

2007	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Full Year
Compensation	\$ 39,898	\$ 39,674	\$ 36,123	\$ 38,081	\$ 153,776
Fees and Professional Services	5,269	4,309	5,936	8,177	23,691
Building and Equipment	5,689	5,857	5,925	5,941	23,412
Loss Prevention Expenses	1,158	1,147	(127)	376	2,554
Premium Taxes	3,027	5,457	5,956	5,050	19,490
Other	<u>6,117</u>	<u>6,449</u>	<u>5,614</u>	<u>6,925</u>	<u>25,105</u>
Gross Insurance Expenses	61,158	62,893	59,427	64,550	248,028
Ceding Commissions (Received)	<u>(5,596)</u>	<u>(6,805)</u>	<u>(6,121)</u>	<u>(7,279)</u>	<u>(25,801)</u>
Net Insurance Expenses	55,562	56,088	53,306	57,271	222,227
Deferred Acquisition (Costs) Expenses	<u>(22,993)</u>	<u>(21,045)</u>	<u>(22,789)</u>	<u>(22,141)</u>	<u>(88,968)</u>
Operating Expenses	\$ <u>32,569</u>	\$ <u>35,043</u>	\$ <u>30,517</u>	\$ <u>35,130</u>	\$ <u>133,259</u>

Deferred Expenses to Deferred Premiums Ratio
(dollars in thousands)

	2004	2005	2006	2007	1st Qtr. 2008
Deferred Acquisition Costs	\$ 406,035	\$ 427,111	\$ 449,556	\$ 472,516	\$ 442,012
Deferred Premium Revenue	3,173,531	3,146,731	3,100,385	3,107,833	3,045,903
Prepaid Reinsurance Premiums	(426,855)	(399,928)	(356,832)	(318,740)	(312,142)
Present Value of Future Installment Premiums	<u>2,170,189</u>	<u>2,171,064</u>	<u>2,309,433</u>	<u>2,638,669</u>	<u>2,627,801</u>
Adjusted Deferred Premiums	\$ <u>4,916,865</u>	\$ <u>4,917,867</u>	\$ <u>5,052,986</u>	\$ <u>5,427,762</u>	\$ <u>5,361,562</u>
Ratio	8.3%	8.7%	8.9%	8.7%	8.2%

Schedule of Outstanding Stock Options

Year of Expiration	Outstanding	Granted	Exercised	Cancelled	Outstanding	Exercisable as of 3/31/08	
	as of 12/31/07				as of 3/31/08	Number	Average Price
Executive Officers ⁽¹⁾							
2008	81,120	359,000	-	24,525	415,595	415,595	16.28
2009	1,697,737	-	-	1,446,000	251,737	251,737	40.93
2010	82,170	-	-	-	82,170	82,170	37.14
2011	467,500	-	-	375,000	92,500	92,500	45.87
2012	791,900	-	-	679,000	112,900	112,900	50.67
2013	97,000	-	-	-	97,000	97,000	36.69
2014	300,000	-	-	-	300,000	85,600	64.84
2015	300,000	2,500,000	-	-	2,800,000	108,000	58.84
2016	37,500	-	-	-	37,500	-	-
2017	-	-	-	-	-	-	-
Total	3,854,927	2,859,000	-	2,524,525	4,189,402	1,245,502	\$ 36.57
Others							
2008	185,797	-	-	119,510	66,287	66,287	42.50
2009	706,125	-	-	-	706,125	706,125	41.80
2010	137,691	-	-	-	137,691	137,691	47.96
2011	152,000	-	-	-	152,000	152,000	47.04
2012	554,725	-	-	-	554,725	553,525	49.42
2013	370,849	-	-	-	370,849	369,849	37.06
2014	416,352	-	-	-	416,352	172,101	64.39
2015	298,200	-	-	-	298,200	55,000	58.84
2016	-	-	-	-	-	-	-
2017	37,800	-	-	-	37,800	-	-
Total	2,859,539	-	-	119,510	2,740,029	2,212,578	\$ 45.86
Total							
2008	266,917	359,000	-	144,035	481,882	481,882	19.89
2009	2,403,862	-	-	1,446,000	957,862	957,862	41.57
2010	219,861	-	-	-	219,861	219,861	43.92
2011	619,500	-	-	375,000	244,500	244,500	46.60
2012	1,346,625	-	-	679,000	667,625	666,425	49.63
2013	467,849	-	-	-	467,849	466,849	36.98
2014	716,352	-	-	-	716,352	257,701	64.54
2015	598,200	2,500,000	-	-	3,098,200	163,000	58.84
2016	37,500	-	-	-	37,500	-	-
2017	37,800	-	-	-	37,800	-	-
Total	6,714,466	2,859,000	-	2,644,035	6,929,431	3,458,080	\$ 42.52

(1) Executive officers of the Company may exercise stock options under the Company's net settlement procedure. Under this procedure, executive officers purchase the underlying stock, net of shares necessary to pay the option exercise price and meet tax withholding requirements, in order to increase their ownership position in MBIA.

Insured Portfolio Profile By Geographic Distribution
Par Value
(dollars in millions)

Insured in 2008 ⁽¹⁾

Outstanding as of March 31, 2008 ^{(2) (3)}

	Gross Amount	%	Net Amount	%	Gross Amount	%	Net Amount	%
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United States

California	\$145	5.0%	\$145	5.5%	\$75,509	10.1%	\$70,611	10.6%
New York	91	3.1	91	3.5	42,202	5.6	39,269	5.9
Florida	558	19.1	558	21.2	31,586	4.2	30,192	4.5
Texas	-	-	-	-	23,863	3.2	22,452	3.4
Illinois	84	2.9	84	3.2	19,953	2.7	18,733	2.8
New Jersey	35	1.2	35	1.3	19,553	2.6	18,227	2.7
Washington	17	0.6	17	0.6	13,597	1.8	12,947	1.9
Pennsylvania	85	2.9	85	3.2	13,109	1.7	12,382	1.9
Massachusetts	9	0.3	9	0.3	13,821	1.8	12,178	1.8
Michigan	149	5.1	149	5.7	13,141	1.8	12,294	1.8
Subtotal	1,173	40.2	1,173	44.5	266,334	35.5	249,285	37.3
Other States & Territories	375	12.9	167	6.4	161,775	21.6	151,995	22.8
Nationally Diversified	195	6.7	484	18.4	177,201	23.6	151,006	22.6
Total United States	1,743	59.8	1,824	69.3	605,310	80.7	552,286	82.7

Non-United States

United Kingdom	(4)	(0.1)	(3)	(0.1)	31,249	4.2	26,279	3.9
Germany	-	-	-	-	10,748	1.4	9,248	1.4
Australia	-	-	-	-	9,840	1.3	7,601	1.1
France	1,175	40.3	811	30.8	4,023	0.5	3,188	0.5
Chile	-	-	-	-	3,406	0.5	2,279	0.3
Mexico	-	-	-	-	2,507	0.3	1,968	0.3
Turkey	-	-	-	-	2,634	0.4	1,849	0.3
Spain	-	-	-	-	2,556	0.3	1,879	0.3
Italy	-	-	-	-	2,086	0.3	2,009	0.3
Portugal	-	-	-	-	1,624	0.2	1,441	0.2
Subtotal	1,171	40.2	808	30.7	70,673	9.4	57,741	8.6
Other (4)	-	-	1	-	8,447	1.1	6,888	1.1
Internationally Diversified	-	-	-	-	65,653	8.8	50,903	7.6
Total Non-United States	1,171	40.2	809	30.7	144,773	19.3	115,532	17.3
Total	\$2,914	100.0%	\$2,633	100.0%	\$750,083	100.0%	\$667,818	100.0%

(1) May not agree to the par amounts on the Credit Quality Distribution exhibit due to the inclusion of out-of-period adjustments, resulting primarily from changes in reinsurance.

(2) Net of refunded issues, reinsurance and other contractual agreements.

(3) Excludes \$24.2 billion relating to investment agreements and medium term notes issued by affiliates of MBIA Asset Management and guaranteed by MBIA Insurance Corporation.

(4) Includes some domestic risk denominated in other than U.S.dollars.

Insured Portfolio Profile By Bond Type
Par Value
(dollars in millions)

	Insured in 2008 (1)				Outstanding as of March 31, 2008 (2) (3)			
	Gross Amount	%	Net Amount	%	Gross Amount	%	Net Amount	%
Public Finance: United States								
General Fund Obligation	\$492	16.9%	\$492	18.7%	\$176,610	23.5%	\$169,190	25.3%
Municipal Utilities	308	10.6	308	11.7	79,725	10.6	74,611	11.2
Taxed Backed	308	10.6	308	11.7	49,561	6.6	46,823	7.0
Transportation	62	2.1	62	2.4	36,631	4.9	32,019	4.8
Health Care	382	13.1	382	14.5	30,423	4.1	26,275	3.9
Higher Education	74	2.5	(133)	(5.1)	25,584	3.4	24,503	3.7
Municipal Housing	25	0.8	25	0.9	9,493	1.3	9,080	1.4
Military Housing	-	-	-	-	8,413	1.1	8,090	1.2
Investor-Owned Utilities (4)	-	-	-	-	8,371	1.1	7,574	1.1
Other (5)	40	1.4	40	1.5	2,985	0.4	2,840	0.4
Total United States	1,691	58.0	1,484	56.3	427,796	57.0	401,005	60.0
Public Finance: Non-United States								
Sovereign	(4)	(0.1)	(3)	(0.1)	15,167	2.0	12,399	1.9
Transportation	-	-	50	1.9	14,707	2.0	10,927	1.6
Municipal Utilities	-	-	-	-	7,915	1.1	5,866	0.9
Investor-Owned Utilities	-	-	-	-	7,404	1.0	6,499	1.0
Sub-Sovereign	-	-	-	-	1,156	0.2	728	0.1
Municipal Housing	-	-	-	-	187	-	173	-
Health Care	-	-	-	-	94	-	44	-
Higher Education	-	-	-	-	59	-	54	-
Total Non-United States	(4)	(0.1)	47	1.8	46,689	6.3	36,690	5.5
Total Global Public Finance	1,687	57.9	1,531	58.1	474,485	63.3	437,695	65.5
Structured Finance - United States								
Collateralized Debt Obligations (6)	-	-	342	13.0	99,899	13.3	82,002	12.3
Mortgage Backed Residential	-	-	-	-	28,859	3.8	26,890	4.0
Mortgage Backed Commercial	-	-	-	-	1,058	0.1	986	0.2
Consumer Asset Backed:								
Auto Loans	-	-	-	-	9,532	1.3	8,694	1.3
Student Loans	-	-	-	-	6,167	0.8	5,735	0.9
Manufactured Housing	-	-	-	-	2,087	0.3	1,848	0.3
Other Consumer Asset Backed	-	-	-	-	2,667	0.3	2,151	0.3
Corporate Asset Backed:								
Aircraft Portfolio Lease Securitizations	-	-	-	-	3,459	0.5	2,968	0.4
Rental Car Fleets	-	-	-	-	4,153	0.6	3,346	0.5
Secured Airline Equip Securitizations	-	-	-	-	3,088	0.4	2,205	0.3
Other Operating Assets	25	0.9	24	0.9	2,080	0.3	1,915	0.3
Structured Insurance Securitizations	-	-	(52)	(2.0)	6,059	0.8	4,710	0.7
Franchise Assets	-	-	-	-	2,051	0.3	1,790	0.3
Intellectual Property	-	-	-	-	2,648	0.3	2,556	0.4
Other Corporate Asset Backed	27	0.9	27	1.0	3,708	0.5	3,485	0.5
Total United States	52	1.8	341	12.9	177,515	23.6	151,281	22.7
Structured Finance - Non-United States								
Collateralized Debt Obligations (6)	-	-	-	-	60,872	8.1	47,560	7.1
Mortgage Backed Residential	-	-	-	-	12,553	1.7	11,546	1.7
Mortgage Backed Commercial	-	-	-	-	8,326	1.1	7,048	1.1
Consumer Asset Backed:								
Auto Loans	-	-	-	-	409	0.1	383	0.1
Other Consumer Asset Backed	-	-	-	-	1,056	0.1	687	0.1
Corporate Asset Backed:								
Operating Assets:								
Aircraft Portfolio Lease Securitizations	-	-	-	-	2,507	0.3	1,951	0.3
Secured Airline Equip Securitizations	-	-	-	-	410	0.1	406	0.1
Other Operating Assets	-	-	-	-	662	0.1	613	0.1
Structured Insurance Securitizations	-	-	-	-	100	-	100	-
Franchise Assets	-	-	-	-	1,371	0.2	1,298	0.2
Intellectual Property	-	-	-	-	860	0.1	725	0.1
Future Flow	-	-	-	-	3,976	0.5	2,827	0.4
Other Corporate Asset Backed	1,175	40.3	761	29.0	4,981	0.7	3,698	0.5
Total Non-United States	1,175	40.3	761	29.0	98,083	13.1	78,842	11.8
Total Global Structured Finance	1,227	42.1	1,102	41.9	275,598	36.7	230,123	34.5
Total	\$2,914	100.0%	\$2,633	100.0%	\$750,083	100.0%	\$667,818	100.0%

- (1) May not agree to the par amounts on the Credit Quality Distribution exhibit due to the inclusion of out-of-period adjustments, resulting primarily from changes in reinsurance.
- (2) Net of refunded issues, reinsurance and other contractual agreements.
- (3) Excludes \$24.2 billion relating to investment agreements and medium term notes issued by affiliates of MBIA Asset Management and guaranteed by MBIA Insurance Corporation.
- (4) Includes Investor-Owned Utilities, Industrial Development and Pollution Control Revenue bonds.
- (5) Includes certain non-profit enterprises and stadium related financing.
- (6) Includes transactions (represented by structured pools of primarily investment grade corporate credit risks or commercial real estate assets) that do not include typical CDO structuring characteristics, such as tranched credit risk, cash flow waterfalls, or interest and over-collateralization coverage tests.

MBIA's CDO Exposure ⁽¹⁾

As of March 31, 2008

(dollars in billions)

Underlying Ratings ^{(2) (3) (4)}

<u>Net Par Written: January 2008 – March 2008</u>			<u>Total CDO Portfolio</u>		<u>Net Par</u>	
					<u>Outstanding</u>	<u>% of Total</u>
AAA	\$	- 0%	AAA	\$	107.9	83%
AA	\$	- 0%	AA		8.9	7%
A	\$	- 0%	A		2.5	2%
BBB	\$	- 0%	BBB		3.5	3%
BIG	\$	- 0%	BIG		6.7	5%
	\$	- 0%			<u>129.6</u>	<u>100%</u>
			AA or Better		90%	
			A or Better		92%	

Underlying Asset Types - Net Par Outstanding ^{(3) (4)}

<u>Collateral Type</u>	<u>Total</u>		<u>Financial Guaranty Insurance Policy</u>		<u>Insured Credit Default Swap</u>	
	<u>Net par</u>	<u>% of Total</u>	<u>Net par</u>	<u>% of Total</u>	<u>Net par</u>	<u>% of Total</u>
Investment Grade	\$ 43.0	33%	\$ 1.5	11%	\$ 41.5	36%
High Yield	13.4	10%	4.8	37%	8.6	7%
Multi-Sector	30.7	24%	3.8	29%	26.9	23%
CMBS	42.3	33%	2.9	22%	39.4	34%
Emerging Market	0.2	0%	-	0%	0.2	0%
Total	<u>\$ 129.6</u>	<u>100%</u>	<u>\$ 12.9</u>	<u>100%</u>	<u>\$ 116.7</u>	<u>100%</u>
<u>Synthetic CDO Portfolio</u>						
Managed Pools		55%				
Static Pools		45%				

Net Par by Vintage ^{(3) (4)}

<u>Year</u>	<u>Written</u>		<u>Outstanding</u>		<u>Average Quality Range</u> <u>At Origination</u>
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
1996	\$ 0.9	1%	\$ 0.1	0%	Baa1-Baa2
1997	1.3	1%	0.1	0%	Baa2-Baa3
1998	6.8	4%	0.2	0%	A3
1999	2.7	2%	0.1	0%	Aa2
2000	16.4	9%	0.7	1%	Aa1
2001	13.9	8%	2.5	2%	Aaa-Aa1
2002	29.1	16%	5.5	4%	Aaa-Aa1
2003	13.7	8%	3.1	2%	Aaa-Aa2
2004	15.1	8%	12.2	9%	Aaa-Aa2
2005	15.0	8%	13.3	10%	Aaa-Aa2
2006	32.2	18%	33.7	26%	Aaa-Aa3
2007	58.2	18%	58.2	45%	Aaa
2008	-	0%	-	0%	N/A
	<u>\$ 205.3</u>	<u>100%</u>	<u>\$ 129.6</u>	<u>100%</u>	

(1) Includes transactions (represented by structured pools of primarily investment grade corporate credit risks or commercial real estate assets) that do not include typical CDO structuring characteristics, such as tranching credit risk, cash flow waterfalls, or interest and over-collateralization coverage tests.

(2) All ratings are current. Ratings are derived using the most conservative rating from Moody's, S&P or MBIA.

(3) May not agree to the CDO par written in the Insured Portfolio Profile as only current transactions written are reported in this addendum.

(4) Net Par Outstanding includes only drawn amounts. It may not reflect entire insured amount of revolving transactions.

Insured Portfolio - 25 Largest Public Finance Credits

Net Par Outstanding as of March 31, 2008

(dollars in millions)

	Obligor Name	Country	MBIA Rating ⁽¹⁾	Net Par Outstanding
1	California General Obligation	USA	a1	\$ 3,703
2	New York City General Obligation	USA	aa3	2,532
3	Illinois General Obligation	USA	aa3	2,282
4	Sydney Airport Corporation Limited	AUS	bbb2	2,228
5	Puerto Rico General Obligation	USA	bbb2	2,214
6	Massachusetts General Obligation	USA	aa3	2,140
7	Citizens Property Insurance Corp	USA	a3	2,045
8	Southern Water Services Limited	GBR	a3	1,954
9	Long Island Power Authority Electric	USA	a3	1,934
10	Wisconsin General Obligation	USA	aa3	1,851
11	State of Washington General Obligation	USA	aa2	1,850
12	New York City Water	USA	aa3	1,807
13	Connecticut General Obligation	USA	aa3	1,736
14	Los Angeles Unified School District General Obligation	USA	aa3	1,638
15	Chicago O'Hare General Airport	USA	a2	1,605
16	New York State Lease	USA	a2	1,604
17	State of California Economic Recovery Bonds	USA	aa3	1,582
18	New Jersey Transportation Trust Fund Authority	USA	aa3	1,573
19	The Port Authority of New York and New Jersey	USA	a1	1,551
20	Puerto Rico Electric Power Authority	USA	a3	1,436
21	Chicago General Obligation	USA	a1	1,431
22	Higher Education Student Assistance Authority	USA	a1	1,421
23	Pennsylvania General Obligation	USA	aa3	1,420
24	New Jersey Economic Development Authority State Pension Obligation Lease	USA	aa2	1,385
25	Florida State General Obligation	USA	aa1	1,375
	Total			\$ 46,297
	Total Portfolio Exposure			\$ 667,818
	% of Total Portfolio			6.9%

Insured Portfolio - 25 Largest Structured Finance Credits

Net Par Outstanding as of March 31, 2008

(dollars in millions)

	Obligor Name	Country	MBIA Rating ⁽¹⁾	Net Par Outstanding
1	Prime UK Residential Mortgage Super Senior Credit Default Swap	GBR	aaa	\$ 3,392
2	Global Super Senior Managed Synthetic CDO	GLB	aaa	2,873
3	Global Super Senior Credit Default Swap Synthetic CLO	GLB	aaa	2,795
4	Super Senior Credit Default Swap Synthetic CLO	DEU	aaa	2,510
5	Static Cash CRE CDO	USA	aaa	2,428
6	Regent Street Finance LTD	GLB	aaa	2,424
7	Super Senior Static Synthetic CRE CDO	USA	aaa	2,291
8	Global Super Senior Managed Synthetic CLO	GLB	aaa	2,221
9	Menton CDO IV	USA	aaa	2,160
10	Super Senior Synthetic Pooled CMBS	USA	aaa	2,075
11	Prime UK Residential Mortgage Super Senior Credit Default Swap	GBR	aaa	1,985
12	Global Super Senior Managed Synthetic CDO	GLB	aaa	1,942
13	Prime UK Residential Mortgage Super Senior Credit Default Swap	GBR	aaa	1,812
14	Global Super Senior Managed Synthetic CDO	GLB	aaa	1,783
15	Hertz Vehicle Financing LLC	USA	bbb2	1,763
16	German Multi Family Housing Transaction	DEU	aaa	1,754
17	Newbury Street CDO Ltd.	USA	aaa	1,680
18	Global Super Senior Managed Synthetic CDO	GLB	aaa	1,677
19	Private Synthetic Pooled CMBS Transaction	USA	aaa	1,645
20	Static Cash CRE CDO	USA	aaa	1,640
21	Super Senior Credit Default Swap Investment Grade Corporate Synthetic CDO	GLB	aaa	1,616
22	German Residential Mortgage Synthetic CDS	DEU	aaa	1,563
23	Super Senior Static Synthetic CRE CDO	USA	aaa	1,554
24	Global Super Senior Synthetic CDO	GLB	aaa	1,473
25	Private Intellectual Property Transaction	USA	bbb1	1,461
	Total			\$ 50,517
	Total Portfolio Exposure			\$ 667,818
	% of Total Portfolio			7.6%

(1) Internal MBIA credit ratings contained in this Operating Supplement are provided solely to indicate the underlying credit quality of guaranteed obligations based on the view of MBIA Insurance Corporation. They are subject to revision at anytime and do not constitute investment advice. MBIA ratings 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.).

Top 15 Servicer Exposures for Consumer Asset Backed and Residential Mortgage Backed Securities

as of December 31, 2007

(dollars in millions)

Servicer Name ⁽¹⁾	Net Par Outstanding
1 Countrywide Financial Corporation	\$ 12,612
2 UK Mortgage Bank	7,200
3 Residential Capital, LLC	6,047
4 AmeriCredit Corporation	3,918
5 Capital One Financial Corporation	3,600
6 Wells Fargo & Company	2,681
7 German Retail Bank	2,270
8 GreenTree Servicing, LLC/Centerbridge	1,768
9 German Multifamily Housing Servicer	1,619
10 KeyCorp	1,381
11 Santander Consumer USA Inc.	1,241
12 IndyMac Bancorp, Inc.	1,217
13 West LB AG	1,144
14 NELnet Inc.	1,055
15 Ford Motor Company	938
Total	\$ 48,691

(1) Servicer may be an operating subsidiary of the named entity.

Summary of Top 10 Below Investment Grade (BIG) Credits ^{(1) (2)}

as of March 31, 2008

(dollars in millions)

Obligor Name	Below Investment Grade (BIG) Exposure (Net)
1 Jupiter HG CDO V, Ltd.	\$ 1,186
2 Newbury Street CDO Ltd.	704
3 ARG Funding Corporation Vanguard Car Rental 2005-1	667
4 Orkney Holdings LLC	600
5 Sagittarius CDO I Ltd.	467
6 San Joaquin Hills Transportation Corridor Agency Toll Road	421
7 Cendant Rental Car Funding (AESOP) LLC	249
8 US Airways 2001-1G Trust	228
9 New Orleans City GO	214
10 GreenPoint Savings Bank 1999-3 A1-A7	211
Total	\$ 4,947
Total BIG Exposure	\$ 9,868
Total MBIA Net Par Outstanding	\$ 667,818
Top 10 as % of MBIA Net Par Outstanding	0.7%
Total BIG as % of MBIA Net Par Outstanding	1.5%
Total BIG Exposure by MBIA rating as % of MBIA Net Par Outstanding	3.1%

(1) All ratings are current. Ratings are derived using the S&P Priority Method. If credits are not rated by S&P, a Moody's equivalent rating is used. If credits are not rated by either agency, an MBIA equivalent rating is used. For credits with bond insurance, MBIA references the higher of the underlying rating or the bond insurer's credit rating.

(2) During the 1st quarter, Hertz Vehicle Financing LLC, GreenPoint Credit Corporation 1998-1 IA & IIA and US Airways Inc. Pass-Through Trust 2000-2G were removed from the Top 10 list and Jupiter HG CDO V, Ltd., Newbury Street CDO Ltd. and US Airways 2001-1G Trust were added.

Credit Quality Distribution ⁽¹⁾
as of March 31, 2008
(dollars in millions)

	<u>Net Par Insured in 2008 ⁽²⁾</u>		<u>Net Par Outstanding</u>	
	Amount	%	Amount	%
<u>Global Public Finance</u>				
United States				
AAA	365	21.6%	9,003	2.2%
AA	373	22.1%	171,032	42.7%
A	679	40.2%	169,424	42.2%
BBB	273	16.1%	48,337	12.1%
<BBB	0	0.0%	3,209	0.8%
Total	<u>\$ 1,690</u>	<u>100.0%</u>	<u>\$ 401,005</u>	<u>100.0%</u>
Non-United States				
AAA	\$ 0	0.0%	1,415	3.9%
AA	0	0.0%	4,358	11.9%
A	0	0.0%	13,023	35.5%
BBB	0	0.0%	17,771	48.4%
<BBB	0	0.0%	123	0.3%
Total	<u>\$ 0</u>	<u>0.0%</u>	<u>\$ 36,690</u>	<u>100.0%</u>
<u>Global Structured Finance</u>				
United States				
AAA	\$ 0	0.0%	83,921	55.5%
AA	0	0.0%	10,685	7.1%
A	0	0.0%	12,751	8.4%
BBB	27	100.0%	37,408	24.7%
<BBB	0	0.0%	6,516	4.3%
Total	<u>\$ 27</u>	<u>100.0%</u>	<u>\$ 151,281</u>	<u>100.0%</u>
Non-United States				
AAA	\$ 0	0.0%	64,337	81.6%
AA	0	0.0%	2,500	3.2%
A	0	0.0%	6,835	8.7%
BBB	761	100.0%	5,150	6.5%
<BBB	0	0.0%	20	0.0%
Total	<u>\$ 761</u>	<u>100.0%</u>	<u>\$ 78,842</u>	<u>100.0%</u>
<u>Grand Totals</u>				
AAA	\$ 365	14.7%	158,676	23.8%
AA	373	15.1%	188,575	28.2%
A	679	27.4%	202,033	30.3%
BBB	1,062	42.8%	108,666	16.2%
<BBB	0	0.0%	9,868	1.5%
Total	<u>\$ 2,479</u>	<u>100.0%</u>	<u>\$ 667,818</u>	<u>100.0%</u>

⁽¹⁾ All ratings are current. Ratings are derived using the S&P Priority Method. If credits are not rated by S&P, a Moody's equivalent rating is used. If credits are not rated by either agency, an MBIA equivalent rating is used. For credits with bond insurance, MBIA references the higher of the underlying rating or the bond insurer's credit rating.

⁽²⁾ May not agree to the par amounts on the Insured Portfolio Profile by Bond Type and by Geographic Distribution exhibits since this exhibit does not include out-of-period adjustments.

Glossary

Adjusted Book Value (ABV)	ABV, a non-GAAP measure, is a measure of the value of the Company adjusted for items that are expected to impact stockholders' equity in future periods. ABV comprises GAAP book value plus the after-tax effects of deferred premium revenue less prepaid reinsurance premiums and deferred acquisition costs, the present value of installment premiums, the present value of the net spread of asset/liability products and a provision for loss and loss adjustment expenses. The Company believes the presentation of ABV provides additional information that gives a comprehensive measure of the value of the Company. Since the Company expects these items to affect future results and, in general, they do not require any additional future performance obligation on the Company's part, ABV provides an indication of the Company's value in the absence of any new business activity. ABV is not a substitute for GAAP book value but does provide investors with additional information when viewed in conjunction with GAAP book value.
ABV Loss Provision Adjustment	The loss provision adjustment included in the calculation of ABV is calculated by applying 12% to the following items on an after-tax basis: deferred premium revenue; prepaid reinsurance premiums; and the present value of installment premiums.
Adjusted Direct Premiums (ADP)	This is a non-GAAP measure, which includes both upfront premiums written and the present value of estimated installment premiums for new business written in the period and excludes premiums assumed or ceded.
Aircraft Portfolio Lease Securitization	Transactions secured by operating leases on fleets of commercial aircraft. The leases generally are diversified pools of international airlines. MBIA has the right to liquidate or re-lease the aircraft upon an Event of Default.
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 Fitch and S&P or Baa3 by Moody's.
Capital Ratio	Net debt service outstanding divided by the capital base.
Collateralized Debt Obligations (CDO)	A debt instrument that is secured (collateralized) by a pool of other securities, typically loans and bonds. CDOs can include all types of loans and bonds, including high-yield bonds, emerging market bonds, asset-backed transactions and middle-market bank loans. Collateralized Bond Obligations (CBOs), Collateralized Loan Obligations (CLOs), and Collateralized Mortgage Obligations (CMOs) are types of CDOs.
CDO Emerging Market	Collateralized Debt Obligation that contains countries that are not members of the Organization for Economic Co-operation and Development (OECD).
CDO ²	Collateralized Debt Obligations (CDOs) where underlying collateral comprises tranches issued by other Collateralized Debt Obligations (CDOs).
CDO- Commercial Mortgage Backed Securities (CMBS)	Collateralized Debt Obligation (CDO) containing commercial mortgage securities that represent mortgage loans for non-residential properties such as office buildings, retail stores, etc.

CDO-High Yield (corporate)	High Yield Corporate Collateralized Debt Obligations (CDOs) are transactions that contain high yield, usually non-investment grade corporate collateral.
CDO-Investment Grade (corporate)	Investment Grade Corporate Collateralized Debt Obligations (CDOs) are transactions that contain investment grade corporate collateral.
CDO-Multi Sector	Multi-Sector Collateralized Debt Obligations (CDOs) are transactions that include a variety of structured finance asset classes in the collateral pools. The collateral in the Company's Multi-Sector CDOs includes asset-backed securities (e.g. securitizations of auto receivables, credit cards, etc.), commercial mortgage-backed securities (CMBS), CDOs and various types of residential mortgage-backed securities (RMBS) including prime and sub prime RMBS.
Claims-Paying 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), loss and loss adjustment expense (LAE) reserves, and soft capital credit facilities.
Commercial Real Estate CDO (CRE)	Transactions secured by a diversified pool of commercial real estate-oriented loans and/or bonds. Transactions are actively managed pools of collateral with a Collateralized Debt Obligation (CDO) structure with first loss positions provided by subordinated tranches. Transactions are usually managed pools with reinvestment permitted subject to Eligibility Criteria.
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.
Consumer Asset Backed	A security that is collateralized by loans, leases, receivables, or installment contracts on personal property. Asset classes include auto loans, student loans, manufactured housing loans, credit card receivables, and other consumer asset backed sectors.
Deferred Acquisition costs	Costs incurred and recorded as deferred charges (asset) that relate primarily to, and vary with, the acquisition of new insurance business, including compensation of employees involved in underwriting and policy issuance functions, certain rating agency fees, state premium taxes and certain other underwriting expenses, reduced by ceding commissions received on premiums ceded to reinsurers. Deferred acquisition costs are amortized as expense over the period in which the related premiums are earned.
Franchise Assets (Commercial Real Estate Secured)	Bonds or financial obligations secured by a diverse pool of loans, leases, and/or receivables to small businesses. Security will include mortgages over commercial real estate. These pools may include franchise loans, but only when secured by the commercial real estate. The underlying debt obligations will be "small ticket" in nature and the pools will be granular. Credit enhancement will be found in the form initial equity underpinning the real estate, over-collateralization and/or excess spread.
Franchise Assets (Not Commercial Real Estate Secured)	Bonds or financial obligations secured by pools of loans, leases and/or receivables where the obligors are small businesses, and the credit obligations are not secured by commercial real estate. These pools may include franchise loans (where security is not commercial real estate, but rather equipment and intellectual property). Credit enhancement will be found in the form over-collateralization and/or excess spread.

Future Flows	Bonds secured by loans, leases, and/or receivables to be generated some time in the future by a large bank or global commodities exporter.
Intellectual Property	Intellectual Property (IP) is the output of creative endeavor in technology, literary, artistic, industrial and scientific fields that can be protected under legislation. The principal legal categories for IP are patents, trademarks and copyrights. Examples of IP are film copyrights, pharmaceutical patents, music copyrights, publishing copyrights and branding and franchising trademarks.
Investment Agreement	A contract specifying the rights and responsibilities of a host [government] and a corporation in the structure and operation of an investment project.
Loss and Loss Adjustment Expense (LAE) Ratio	Measure of insurance portfolio losses relative to premium earnings and is an indicator of portfolio profitability. This ratio provides the percent of premium earnings used to cover losses incurred in a given period (quarter or year). The Loss and Loss Adjusted Expense (LAE) ratio is calculated on both a GAAP and statutory basis. Loss and LAE Ratio is Loss and LAE divided by net premiums earned.
Mezzanine Tranche	A middle layer of risk in a Collateralized Debt Obligation (CDO) or, more generally, a tranching portfolio credit derivative with a risk profile equivalent to a weak investment-grade rating.
Monotranche	A single layer of credit risk referencing a pool of assets or obligors with a specific attachment and detachment. A monotranche is not part of a full capital structure and is custom tailored to meet a risk/return profile. A customized monotranche is a bespoke tranche.
Operating Income (Loss) and Operating Income (Loss) per share	The Company believes operating income (loss) and operating income (loss) per share, non-GAAP measures, are useful measurements of performance because they measure income from operations, unaffected by investment portfolio realized gains and losses, gains and losses on financial instruments at fair value (with the exception of credit impairments on insured derivatives) and foreign exchange and other non-operating items. Operating income (loss) and operating income (loss) per share are also provided to assist research analysts and investors who use this information in their analysis of the Company.
Operating Return on Equity (ROE)	The Company believes operating return on equity, a non-GAAP measure, is a useful measurement of performance because it measures return on equity based upon income from operations and shareholders' equity, unaffected by investment portfolio realized gains and losses, gains and losses on financial instruments at fair value (with the exception of credit impairments on insured derivatives) and foreign exchange, unrealized gains and losses, and non-recurring items. Operating return on equity is also provided to assist research analysts and investors who use this information in their analysis of the Company.
Rental Car Fleets	Transactions secured by operating leases on fleets of rental cars. MBIA has the right to repossess and liquidate the rental car fleet upon default.
Residential Mortgage Backed Securities (RMBS)	A type of mortgage-backed security composed of a wide array of different non-commercial mortgage debts. It securitizes the mortgage payments of non-commercial real estate. Different residential mortgages with varying credit ratings are pooled together and sold in tranches to investors looking to diversify their portfolios or hedge against certain types of risks.

Secured Airline Equipment Securitization (EETC)	A structured transaction that pools senior tranches of leases on specific airplanes. The airplanes may be operated by a single airline or be leases with a number of airlines. The enhanced nature refers to the special treatment such leases get in any bankruptcy proceeding of an airline.
Structured Insurance Securitizations	Bonds secured by the future earnings from pools of various types of insurance/reinsurance policies. These pools specifically include insurance or annuity policies as well as policies issued by property & casualty insurers/reinsurers. Performance analysis of the pools of policies must conform to standard and recognized actuarial techniques.
Synthetic CDO-Managed Pools	A synthetic asset is a derivative which replicates certain payment features of a cash security. For credit derivatives entered into by MBIA, a synthetic execution is an enhancement of a credit product (derivative or not) by means of a credit default swap. In a managed pool, the Collateralized Debt Obligation (CDO) manager can buy/sell underlying securities over the life of the deal.
Synthetic CDO-Static Pools	A synthetic asset is a derivative which replicates certain payment features of a cash security. For credit derivatives entered into by MBIA, a synthetic execution is an enhancement of a credit product (derivative or not) by means of a credit default swap. In a static pool, underlying collateral remains unchanged over the life of the deal.
Variable Interest Entity (VIE)	An entity subject to the requirements of FIN 46, Consolidation of Variable Interest Entities (VIE). A company is required to consolidate a VIE if it absorbs the majority of the expected losses or receives the majority of the expected residual returns, or both, of the VIE.

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