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WISDOM IN ACTION℠

2008 SECOND QUARTER FINANCIAL RESULTS CONFERENCE CALL PRESENTATION

August 8, 2008

Jay Brown, Chairman and CEO

C. Edward Chaplin, Vice Chairman and CFO

Clifford D. Corso, Chief Investment Officer

Mitchell I. Sonkin, Head of Insured Portfolio Management

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 10-K, 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.

Opening Remarks - Jay Brown

Financials - Chuck Chaplin

Net Income Summary

$ in millions

	Second Quarter 2008	Second Quarter 2007
Insurance Operations	$ 281	$ 277
Investment Management Services	23	26
Corporate	(17)	(18)
Operating Income Pre-Tax	287	285
Non-Operating		
Net Realized Gains (Losses)	(718)	16
Net Unrealized Gains (Losses) - MTM	3,287	(8)
Other	79	0
Income Tax Provision	(1,235)	(81)
Net Income	**$ 1,700**	**$ 212**

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Deleveraging Insured Portfolio
Par Insured and Future Premium Earnings

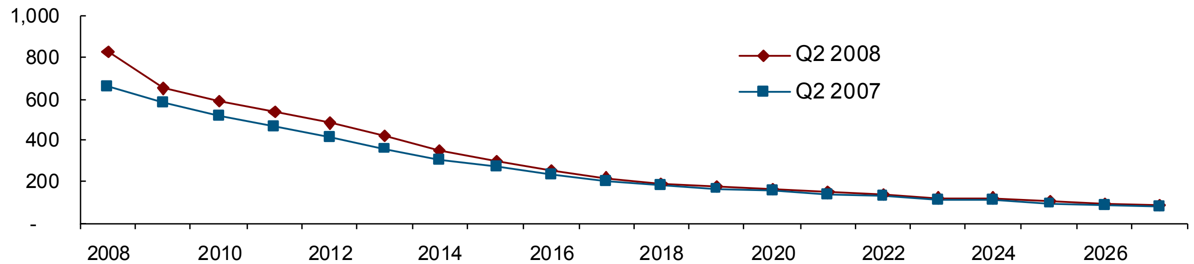
Insured Portfolio Net Par

$ in billions

March 31, 2008 Net Par Outstanding	$ 668
Refunded	(10)
Amortization	(9)
Negotiated terminations	
Public Finance	(2)
Structured Finance	(5)
	(7)
Insurance issued during second quarter	2
June 30, 2008 Net Par Outstanding	**$ 644**

Future Premium Earnings

$ in millions



Insurance Company Loss Reserves and Impairments
No Material Additions during Q2 2008

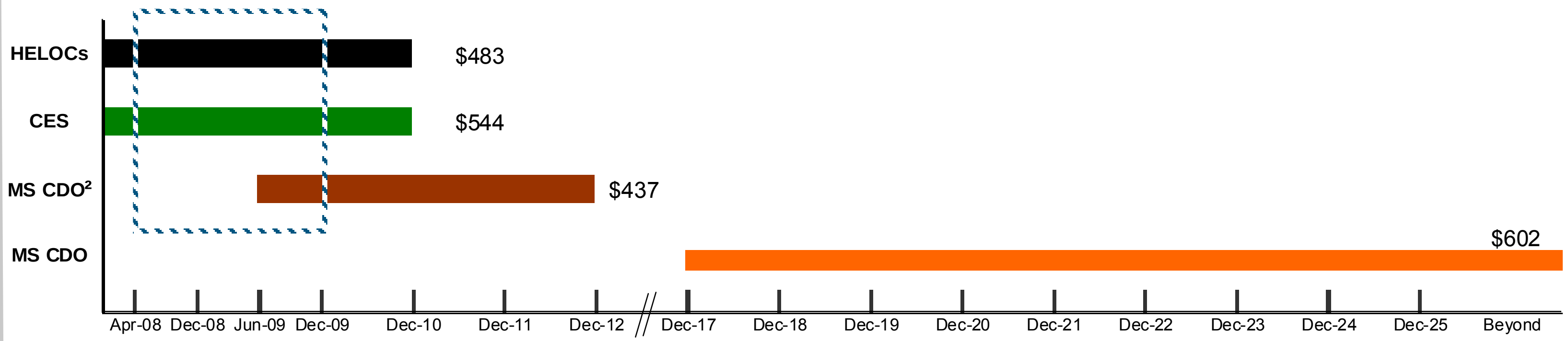
$ in millions

	RMBS Loss Reserves	Other Loss Reserves	CDO Impairments
March 31, 2008 Balance	**$972**	**$250**	**$1,027**
Accretion	11	2	13
All Other Activity	(187)	(9)	0
June 30, 2008 Balance	**$796**	**$243**	**$1,040**

Future Payment Obligations
Timing Does Not Create Excessive Liquidity Demands

Potential Claims Payable Timeline

($ in millions*)



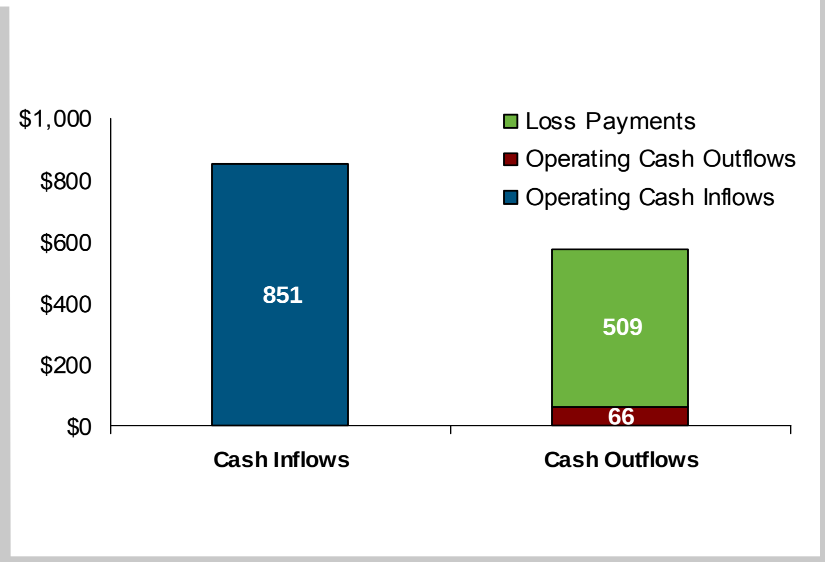
* Present Value of Net Loss Reserves / Credit Impairments

- Heaviest expected cash outflows occur between Q2 2008 and Q4 2009
- Operating cash flow expected to be breakeven for the same period

Insurance Company Cash Flow
Sufficient Liquidity to Pay Claims from Cash Flow

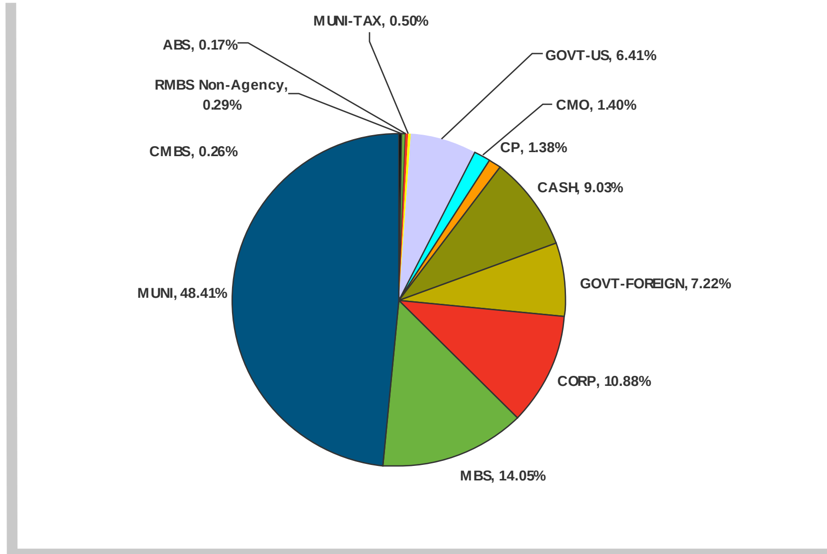
Operating Cash Flow

First half 2008 ($ in millions)



Investment Portfolio

as of June 30, 2008

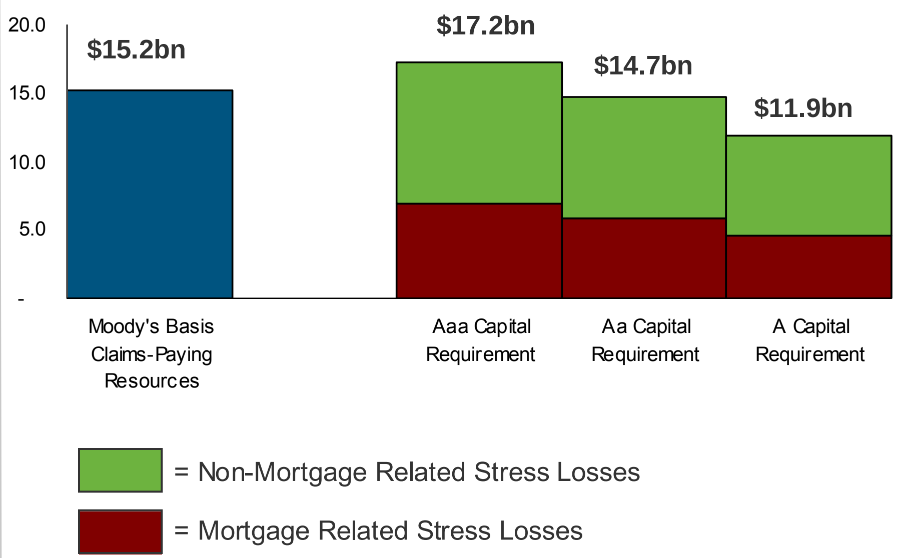


- Unrealized Gain = $45 million
- Average Credit Quality = AA/Aa2
- % Insured = 10.8%
- % BIG = 0.1%

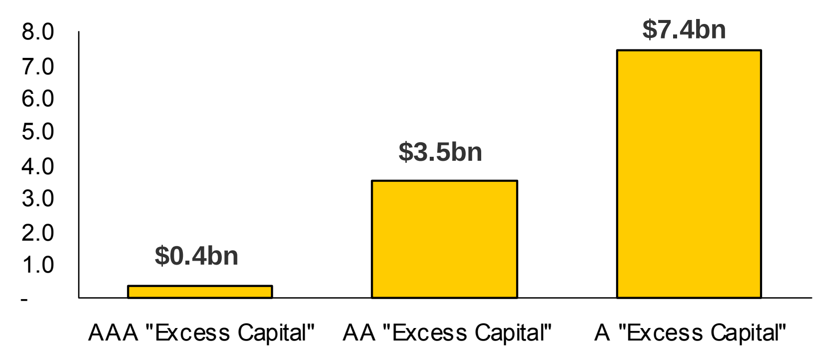
- MBIA Insurance Corp. had positive Operating Cash Flow in the first six months of the year
- MBIA Insurance Corp. Investment Portfolio $11.7 billion amortized cost at 6/30/08

Capitalization
Rating Agencies Capital Requirements

Moody's Basis*
($ in billions)



S&P Basis**
($ in billions)



* Internal estimate of the Moody's model based on June 19, 2008 published report, adjusting for YTD activities
** Internal estimate of the S&P model based on February 25, 2008 published report, adjusting for YTD activities

Insured Credit Derivatives
Unrealized Gains (Losses)

$ in millions

	Spread Widening	Credit Migration	Collateral Erosion	Time to Maturity	Change in Libor	SFAS 157	Reinsurer Haircut	Other	Total
Multi-Sector CDO	(627)	(364)	(468)	(20)	209	1,600	242	23	**595**
Multi-Sector CDO-Squared	(96)	(99)	(34)	(3)	78	523	72	4	**445**
Commercial Real Estate/ CMBS	(111)	(252)	7	163	142	811	133	156	**1,049**
Corporate/ Other	1,074	(6)	7	44	47	(47)	51	65	**1,235**
Total	**$240**	**$(721)**	**$(488)**	**$184**	**$476**	**$2,887**	**$498**	**$248**	**$3,324**

Holding Company Balance Sheet as of June 30, 2008

$ in billions

Total Holding Company

Assets		Liabilities & Equity	
Cash & Short-term Investments	7.1	Corporate Debt	1.2
Other Investments	14.0	Other Liabilities	25.5
Investment in MBIA Ins. Corp.	5.0		
Investment in Other Subs	0.2	Total Liabilities	26.7
Other Assets	4.4		
		Equity	4.0
Total Assets	30.7	Total Liabilities & Equity	30.7

Holding Company Activities

Assets		Liabilities & Equity	
Cash & Short-term Investments	1.2	Corporate Debt	1.2
Other Investments	0.2	Other Liabilities	0.3
Investment in MBIA Ins. Corp.	5.0		
Investment in Other Subs	0.2	Total Liabilities	1.5
Other Assets	0.4		
		Equity	5.5
Total Assets	7.0	Total Liabilities & Equity	7.0

ALM Business

Assets		Liabilities & Equity	
Investments	14.7	GIC's/MTN's & Term Reverse Repos	23.6
Cash & Short-term Investments	6.0	Payable for Securities Purchased	0.8
Receivable for Securities Sold	1.9	Other Liabilities*	1.0
Other Assets*	1.7	Total Liabilities	25.4
		Equity	-1.1
Total Assets	24.3	Total Liabilities & Equity	24.3

** Includes a net $0.3 billion of market value gains on derivatives associated with the ALM business.*

Note: Individual balance sheets for Holding Company Activities and ALM Business will not sum to Total Holding Company due to entities included in the ALM business but not included in the Total Holding Company legal entity.

Holding Company Activities
Strong Liquidity to Meet Obligations

First Half 2008 Activities

($ in millions)

Beginning Cash & Investments - 12/31/07	**$434**
Sources:	
Public Offering (incl. add'l W.P. Investment)	1,107
Warburg Pincus Investment (1st tranche)	500
Investment Income	20
Other Inflows	2
	$1,629
Uses:	
Capital Contribution to MBIA Corp.	500
Shareholders Dividends	43
Debt Service	41
Operating Expenses	27
Other Outflows	14
	$625
Ending Cash & Investments – 6/30/08	**$1,438**

- MBIA continues to have access to a $500 million bank credit facility

Investment Management Services
Net Realized Losses and Other Comprehensive Income

$ in millions

Income Statement	Q2 2008
Net Realized Losses	
Losses From Sales	(306)
Impairments Related to 3rd Quarter Sales	(436)
Income Statement Effect	**(742)**
Balance Sheet	
Other Comprehensive Income (OCI)	
OCI Reversals Related To Sales	294
OCI Reversals Related To Impairments	386
Change In Shareholder's Equity	**680**
After Tax Effect on Shareholders' Equity	**(40)**

Other Comprehensive Income

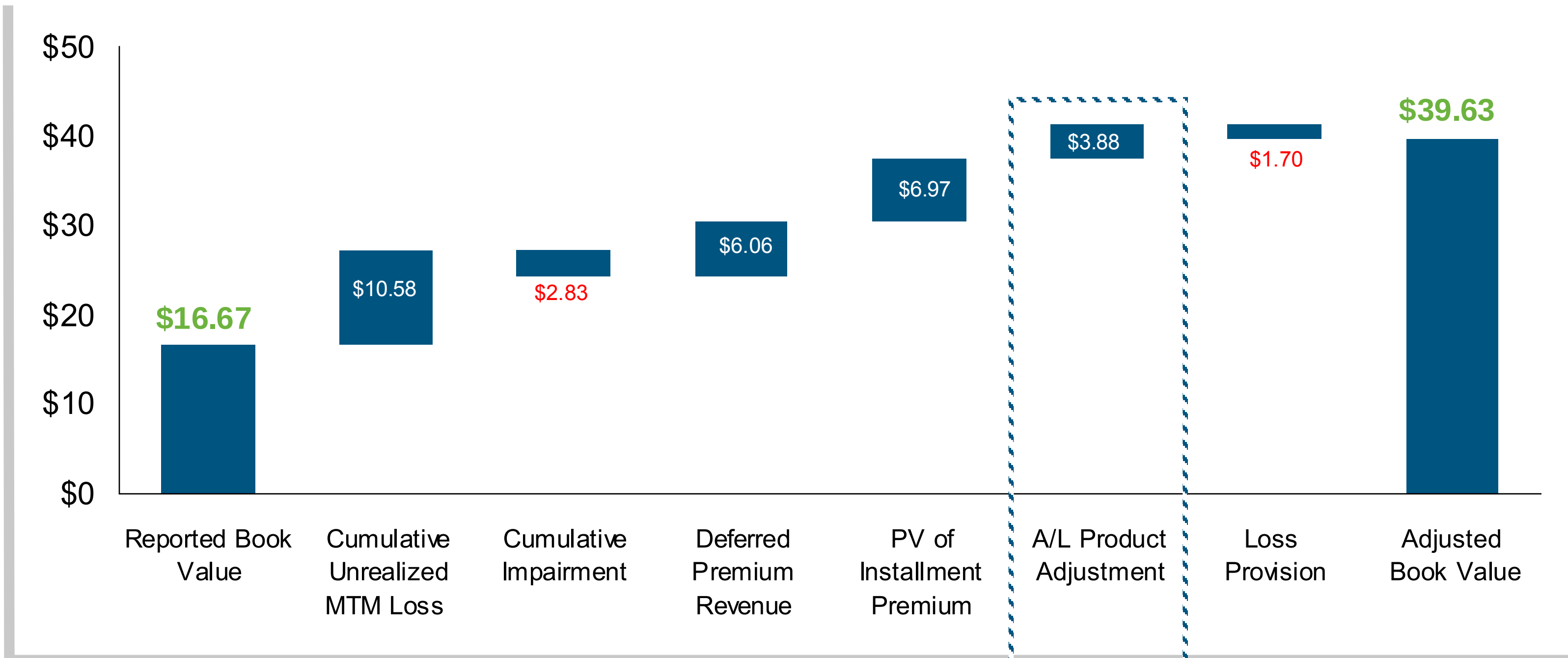
$ in millions

	Corporate	Insurance	Investment Management Services	Total
FAS 115 at 12/31/2007	**1**	**162**	**(709)**	**(546)**
Unrealized Loss on A/L Assets	0	0	(1,032)	**(1,032)**
Release of Loss on A/L Assets	0	0	680	**680**
Unrealized Loss	(2)	(117)	0	**(119)**
FAS 115 at 6/30/2008	**(1)**	**45**	**(1,061)**	**(1,017)**

MBIA Adjusted Book Value

Adjusted Book Value June 30, 2008

($ per share)



3/31/08:	$8.70	$19.78	$(2.82)	$6.35	$7.21	$6.18	$(1.77)	$43.63

Investment Management Services Update - Cliff Corso

Investment Management Services
Q2 2008 Results

- Moody's downgraded MBIA Insurance Corp. to A2 on June 19, 2008
  - Resulted in approximately $7.5 billion of terminations and collateralizations of GIC liabilities within the A/L Products Segment
- Downgrade required portfolio rebalancing to generate eligible collateral and cash to meet contractual obligations
  - Completed portfolio rebalancing for A2 ratings level on June 30, 2008
  - Resulted in an economic loss of $306 million
  - A/L Products investment portfolio remains Double-A
- Generated operating earnings of $23 million, which excludes $66 million of earnings from debt buybacks
- Assets under management decreased from $63 billion to $60 billion, principally due to amortization and termination activity within the A/L Products Segment
- The Advisory Segment continues to enjoy strong investment performance, stable assets under management and new client generation
- The MBIA Insurance Corp. investment portfolio remains high quality at AA/Aa2

A/L Products
Impact of Downgrade

- MBIA's ALM business is subject to collateralization and termination triggers based upon MBIA Insurance Corporation's credit ratings:
  - GIC liabilities typically contain downgrade triggers
  - MTNs and Term Repo do not contain downgrade triggers

$ in billions

	Pre-Downgrade Liabilities[1]	Terminated Liabilities	Total Remaining Liabilities[2]
GICs	$14.9	$3.5	$11.4
MTNs	$7.0	$0.0	$7.0
Term Repo	$1.0	$0.0	$1.0
TOTAL	**$22.9**	**$3.5**	**$19.4**
Collateralized GICs	**$7.3**		**$11.3**

1. Factored out amortization for comparison purposes

2. Pro forma estimate of remaining liabilities after all A2-related terminations and collateralizations have been completed

A/L Products
Rating Trigger Provisions

- $19.4 billion of liabilities will remain outstanding after all A2-related terminations have been completed
- No further collateralizations beyond the A2 level
- MTNs, repo and non-terminable GICs represent $10.4 billion of our financing and are never subject to ratings-based terminations
- Remaining $9.0 billion is subject to ratings-based terminations
  - $3.6 billion at A3/A-, $5.4 billion at Baa1/BBB+
- We would utilize assets in the $19.2 billion A/L Products investment portfolio to meet any potential GIC termination obligations. This portfolio includes $7.5 billion of cash equivalents and government securities, as of 7/25/08

A/L Products
Change in Asset Allocation

Sector Allocation / Asset Quality	Pre-Rebalancing (3/31/08)	Post Rebalancing (7/25/08)	Change
Sector Allocation:			
Cash/Governments	17%	39%	22%
ABS	13%	11%	(2)%
RMBS	9%	9%	0%
Corporates/ Munis	46%	30%	(16)%
ABS CDO	6%	5%	(1)%
CMBS	3%	0%	(3)%
Other	6%	6%	0%
Asset Quality:			
Cash/Governments	17%	39%	22%
AAA	38%	17%	(21)%
AA	20%	22%	2%
A	21%	18%	(3)%
BBB	3%	3%	0%
BIG	1%	1%	0%

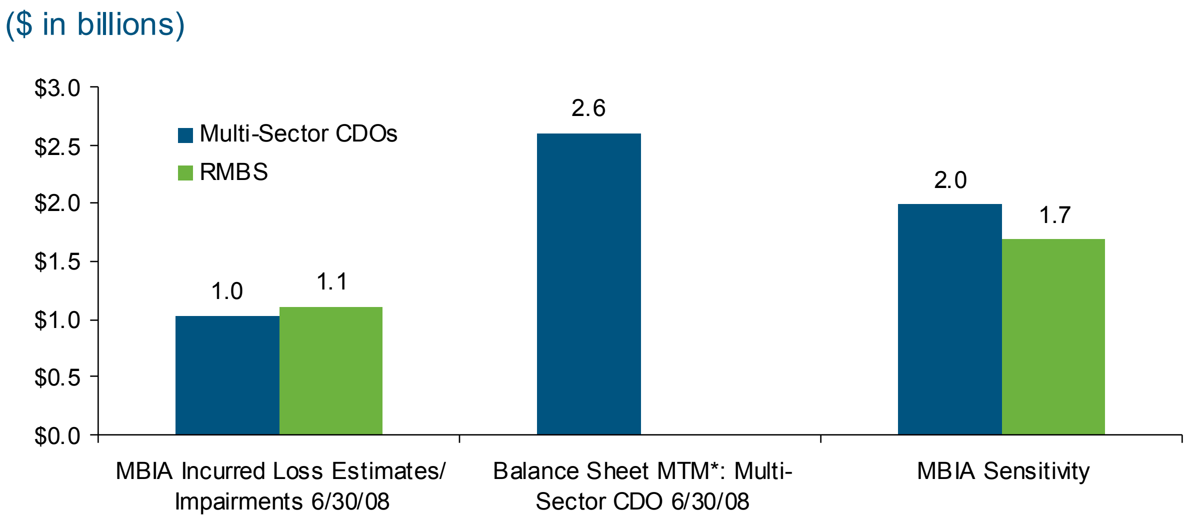
Portfolio and Impairment Analysis - Mitch Sonkin

Insured Portfolio Performance
Q2 2008 Update

- Recap of Q1 2008 Loss Reserves and Impairments
- RMBS Review
  - Focus on Second Lien Portfolio Performance
- CDO Review
  - Focus on Multi-Sector CDO Portfolio Performance

Incurred Losses for Mortgage-Related Risks
Q2 2008

RMBS Related Incurred Losses



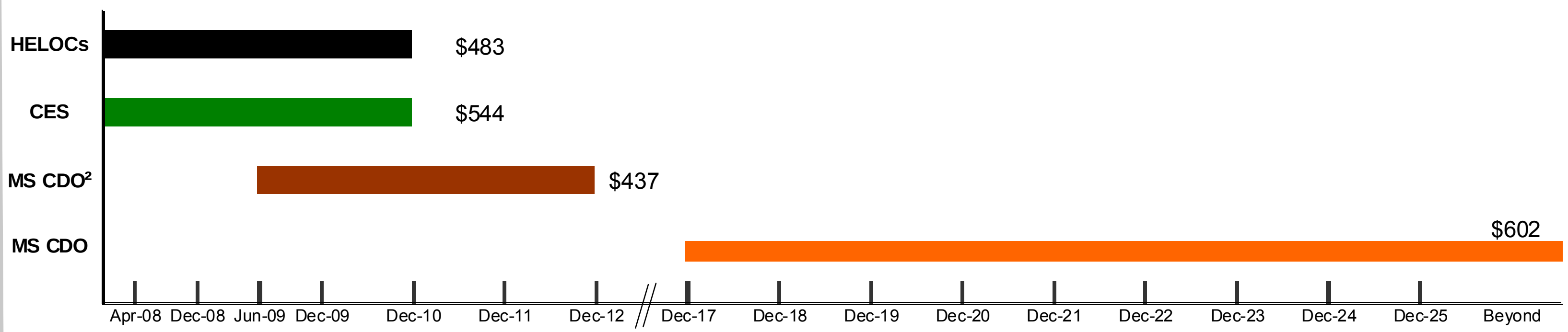
* Post FAS 157 adjustment

- $1.0 billion - Permanent Impairments on Multi-Sector CDOs
- $1.1 billion – Net case loss reserves for RMBS second lien (HELOC/CES) deals
- MBIA sensitivity analysis assumes a longer duration housing downturn resulting in an additional $1.6 billion losses

Future Payment Obligations
Timing Does Not Create Excessive Liquidity Demands

Potential Claims Payable Timeline

($ in millions*)



* Present Value of Net Loss Reserves / Credit Impairments

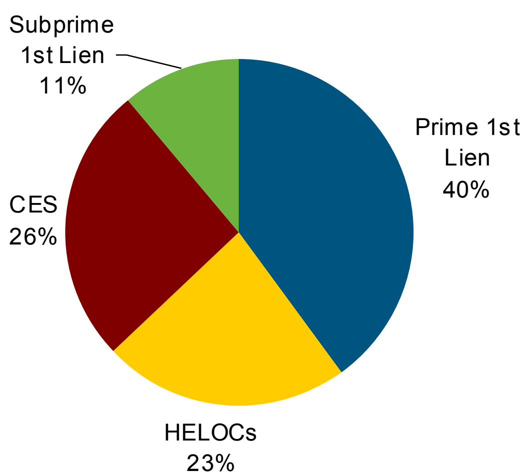
- Payments on current impairments/ reserves are spread out over 40+ years
- HELOC and CES claims payments expected over the next 2+ years
- CDO^2 claims arise after erosion of a deductible with a pre-determined settlement period, claims payments expected to occur 2009-2012
- Multi-Sector CDO policies cover timely interest and ultimate principal, no material payments expected in the near term
  - MBIA cannot be accelerated upon

Direct RMBS Exposure
Q2 2008 Update

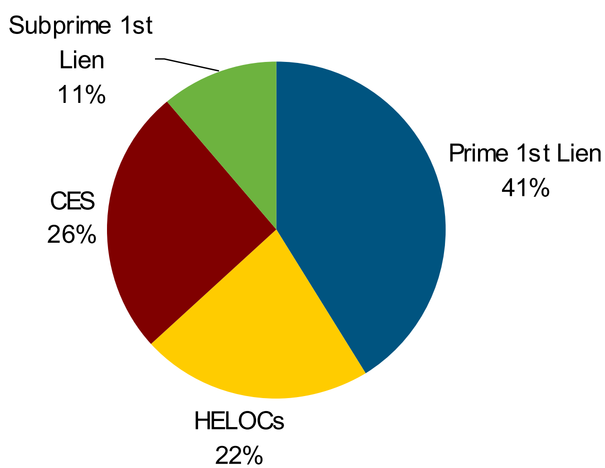
$ in billions

	Q1 2008	Q2 2008
Prime First Lien (Alt-A of $3.5 billion included)	15.4	14.7
HELOCs	8.7	8.2
Closed End Seconds	10.1	9.6
Subprime First Lien	4.2	4.1
Total Direct RMBS: Net Par Outstanding	**$38.4**	**$36.6**

Q1 2008

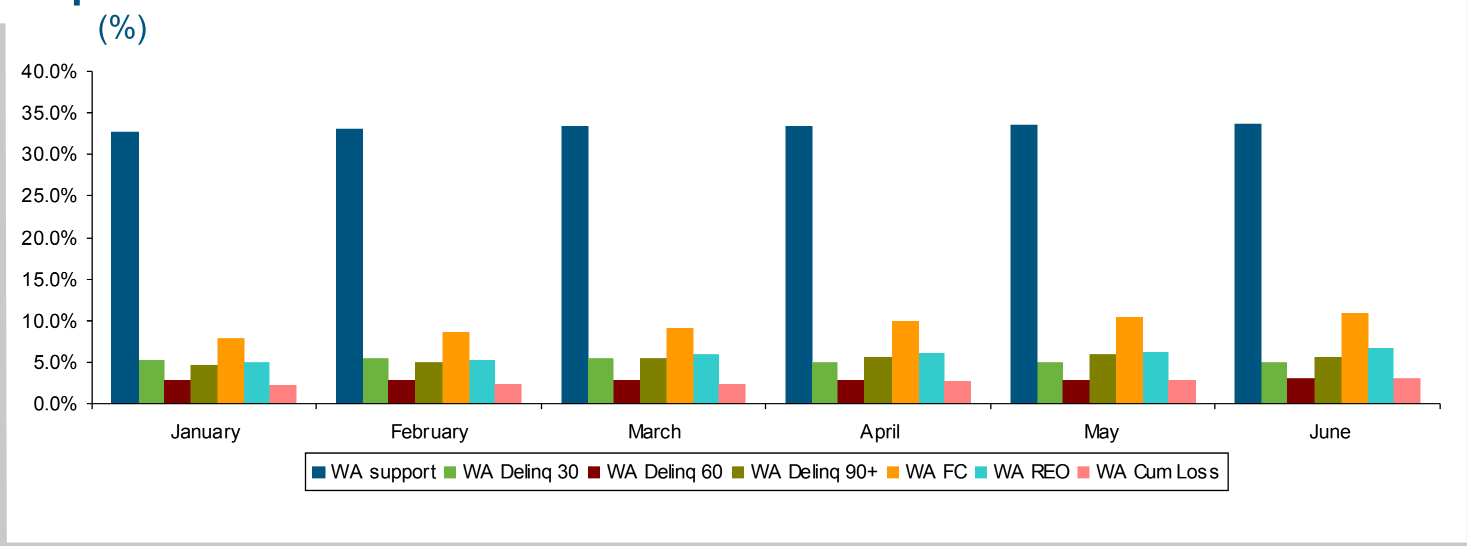


Q2 2008



Subprime RMBS Performance
Low Risk of Loss due to Substantial Credit Enhancement

Subprime RMBS Performance

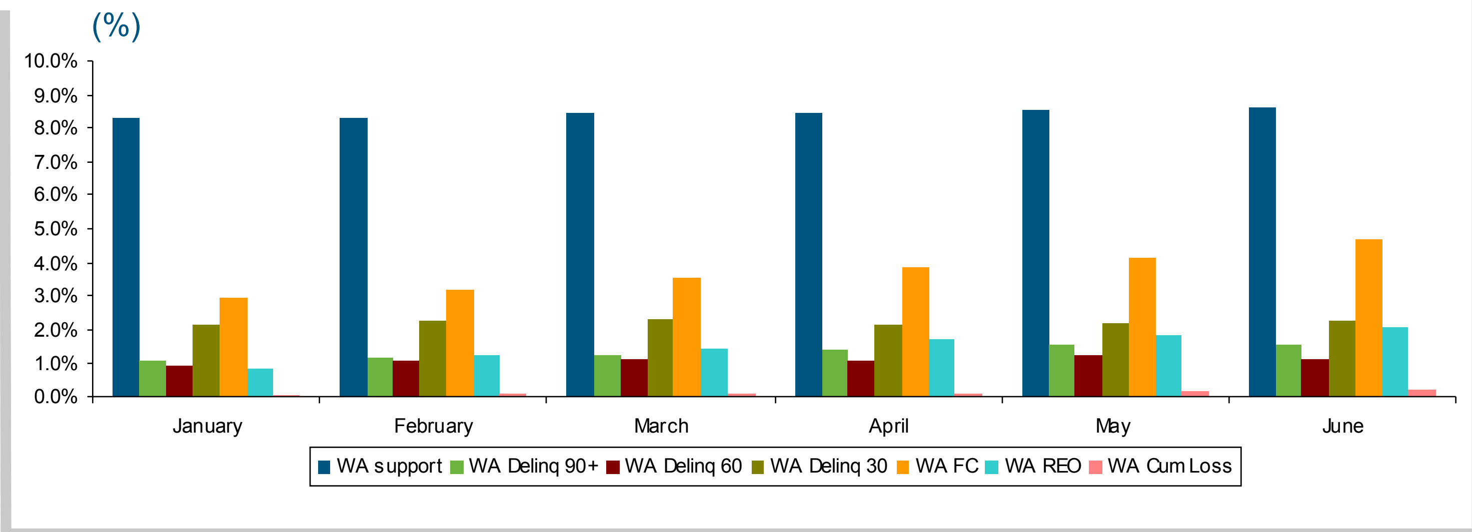


Sources: MBIA and Intex

- MBIA continues to view the direct subprime book as having moderate risk of downgrade and a low risk of material losses
- Delinquencies have remained flat overall
- Real estate owned (REO) properties and foreclosures are increasing. However, loss severities are around 50% which indicate adequate enhancement levels

Prime First Lien / Alt-A RMBS Performance Adequately Enhanced

Alt-A RMBS Performance



Sources: MBIA and Intex

- Generally, delinquencies and REO have risen but overall severities have been around 30%, which is a reduction from previous quarter.
- MBIA does not have any option ARM loans in its Alt-A portfolio

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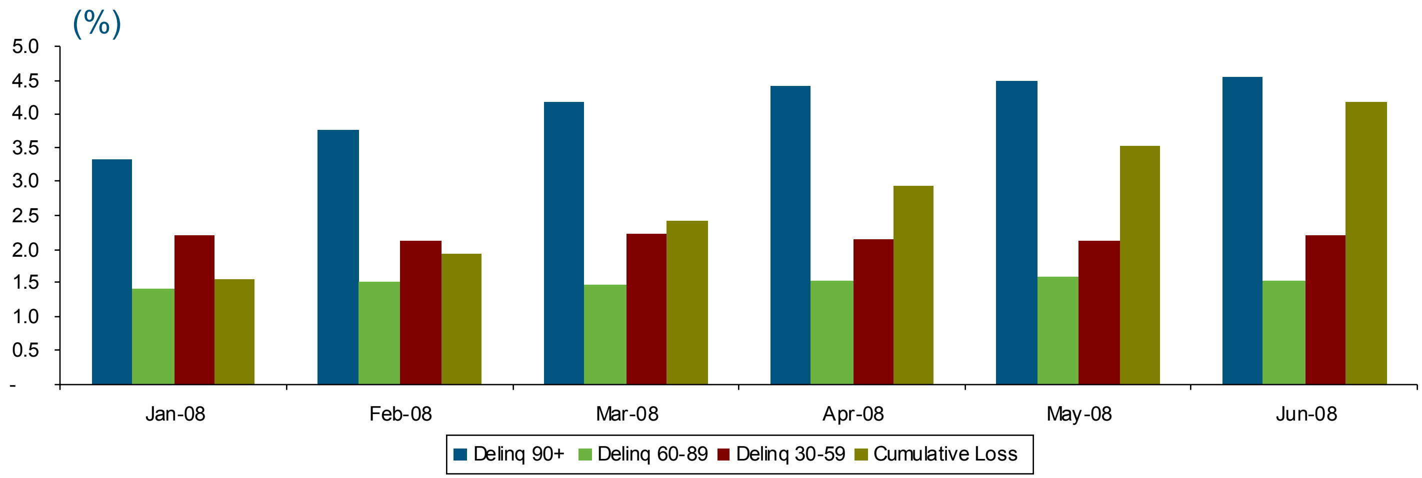
CES and HELOC Performance Trends

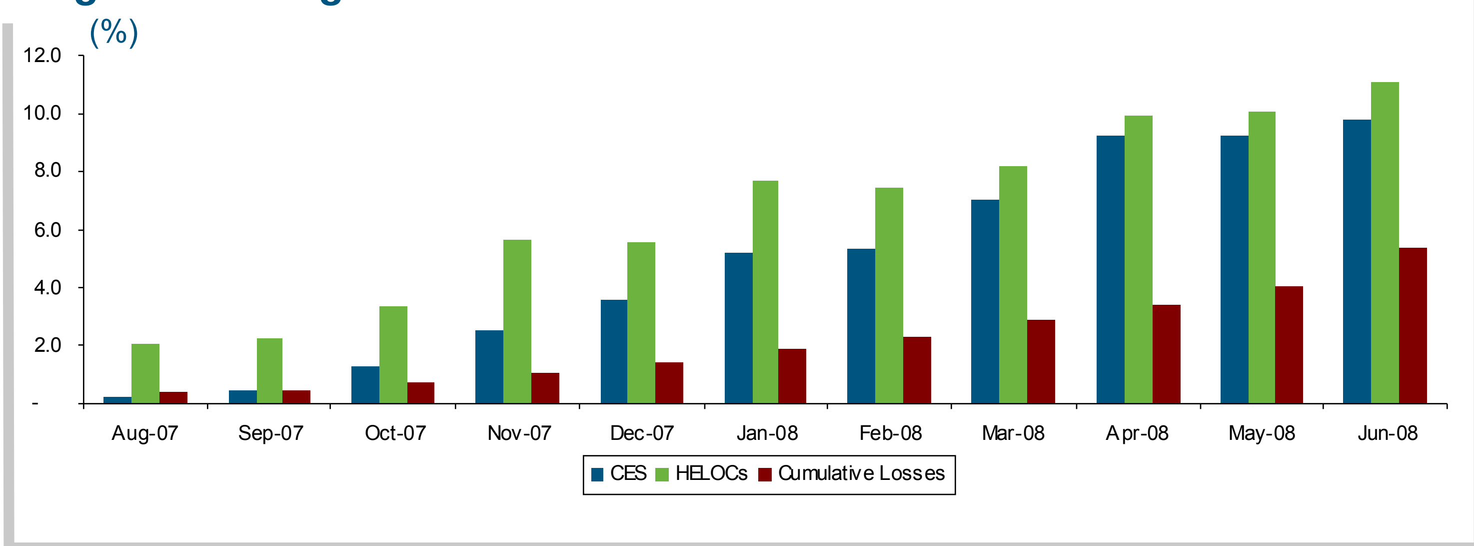
Weighted Average Portfolio Monthly Delinquencies and Cumulative Losses



- Roll-rates for second lien mortgages are slightly lower this quarter
- Early-stage delinquencies are flat and the number of loans going delinquent each month is generally declining

CES and HELOC Performance Trends

Weighted Average CDRs



- Conditional Default Rates (CDRs) have been increasing steadily since August 2007 reflecting the combined effect of speculation, borrower misrepresentation, weak underwriting, housing price depreciation and the virtual shut down of the US mortgage refinancing market
- Since March 2008 CES transactions have experienced a larger percentage increase in CDRs (39% increase as compared to a 35.3% increase for HELOCs)
- CES deals have experienced a sharp increase in defaults (a 97.8% increase from December 2007 to March 2008 resulting in additional reserves in Q1 2008

CES and HELOC Performance Assessment

- MBIA's current loss reserve estimates reflect continuing high loan defaults due to performance deterioration exacerbated by the condition of the US housing market and limited refinancing markets due to tightened lending/underwriting guidelines

- Ultimate outcome is dependent not only upon the degree of fraud and speculation in loans but also interest rates, mortgage market refinancing liquidity, housing prices, existing housing sale pipelines as well as the effectiveness of lender and government programs

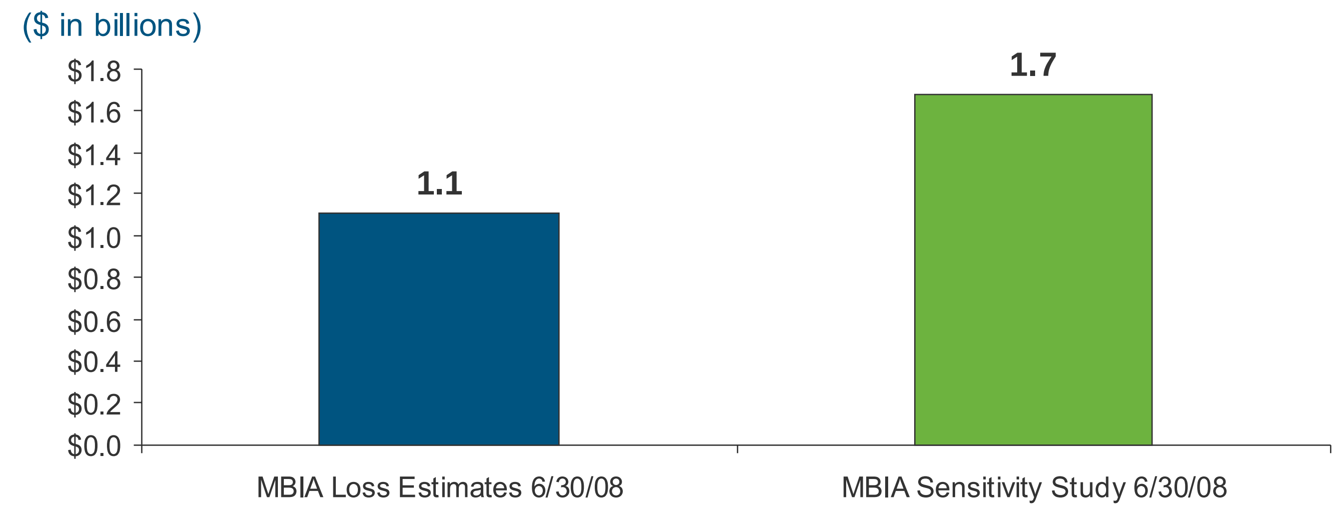
- Claims Paid to Date: $484 million

- 2006-2007 vintage HELOC and CES performance are exhibiting significant CES CDR increases in Q1 and Q2.
  - Three CES transactions driving portfolio performance (CSFB HEMT 2007-2, INDS 2007-2 and RFMSI 2007-HSA2).

- MBIA has reserved for over 50% of second lien exposure (19 transactions).

RMBS Portfolio
Factors Affecting Future Performance

RMBS Related Loss Estimates



Expected Losses:

- Static default rates until mid-2009
- 100% loss severity
- Burnout of layered risk loans in the following 12 months
- Roll rates and delinquency trends consistent with current analysis

MBIA Sensitivity Analysis:

- Longer duration housing downturn results in elevated default rates beyond mid-2009
- 100% loss severity
- Macro trends impact current borrowers and result in elevated delinquencies and roll rates
- Roll to loss rates exceed current level
- Inadequate portfolio servicing

RMBS Portfolio
Remediation Update

- Put backs and remediation processes are fully engaged with major issuers
- We anticipate recoveries from loan put backs which were not factored into current loss reserves
- MBIA is evaluating all options related to effectively remediating underperforming second lien exposure and will pursue those options vigorously
- On July 11, 2008 the FDIC placed IndyMac Bank under receivership; undertaking strategy to replace servicer and pursue put backs

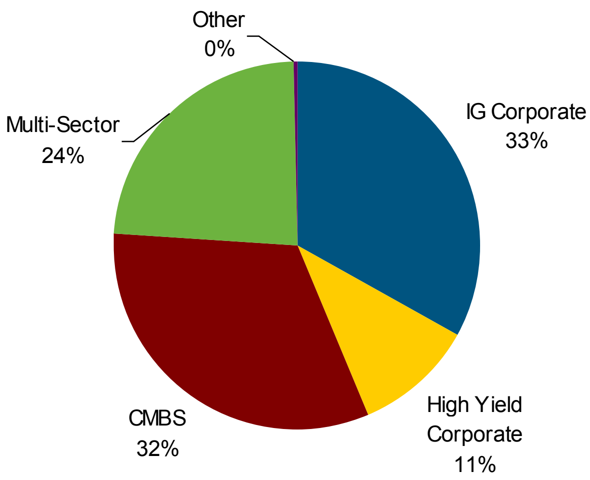
CDO Portfolio
Exposure Summary

$ in billions

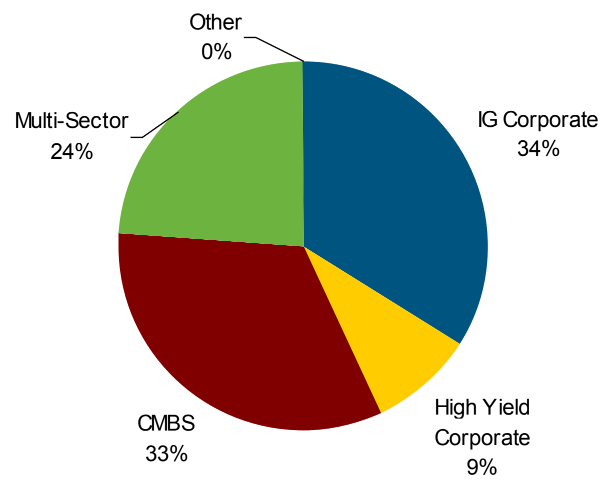
Collateral Type	Net Par Outstanding (12/31/07)	Net Par Outstanding (3/31/08)	Net Par Outstanding (6/30/08)
Investment Grade Corporate Obligations	43.2	43.0	42.6
High Yield Corporate Obligations	13.8	13.4	10.9
CMBS (Commercial Real Estate Obligations)*	42.3	42.3	42.2
Multi-Sector ABS*	31.0	30.7	29.5
Other- Emerging Market	0.2	0.2	0.2
Total	**$130.5**	**$129.6**	**$125.4**

* Reflects reclassification of 4 CDOs during Q1 2008

12/31/2007



6/30/2008

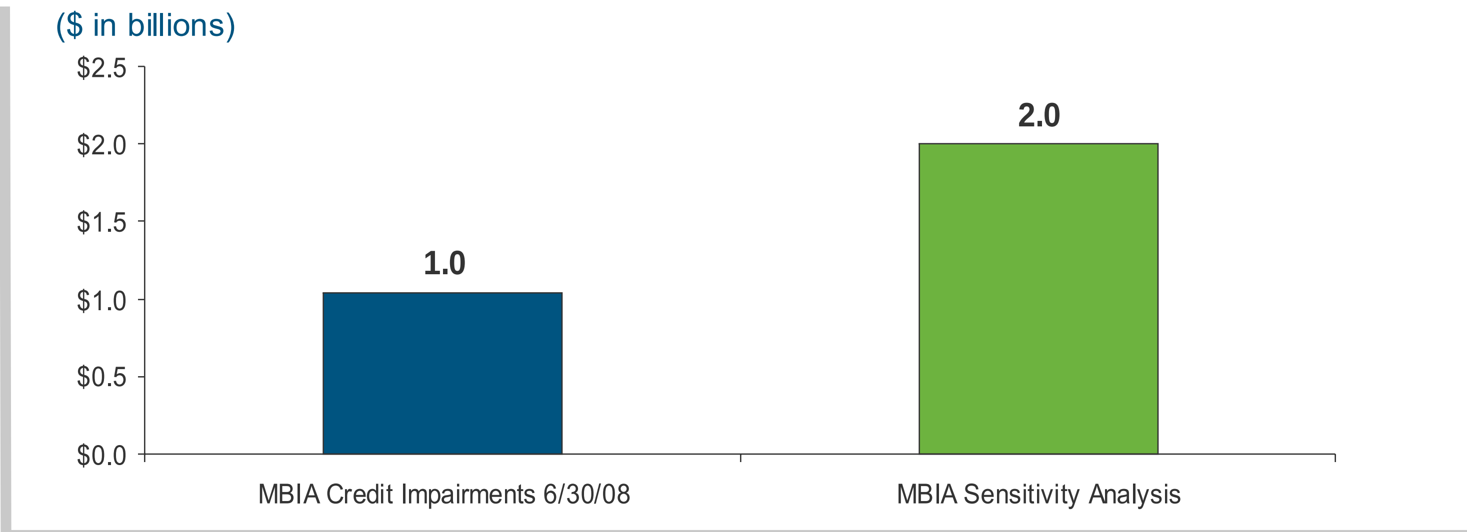


Multi-Sector CDOs
Portfolio Breakout

Multi-Sector CDO Portfolio	% of multi-sector portfolio 6/30/08	NPO 6/30/08 ($ billions)	Cumulative Impairments 12/31/07 ($ millions)	Cumulative Impairments 6/30/08 ($ millions)	Multi-Sector Net B/S MTM 6/30/08 ($ millions)
High Grade CDOs containing US RMBS	51%	$15.1	$0.0	**$541.7**	$(1,958.1)
Mezzanine CDOs containing US RMBS	12%	$3.4	$0.0	**$61.0**	$(161.8)
CDOs of Mezzanine Euro ABS	3%	$1.0	$0.0	**$0.0**	$(30.8)
Diversified CDOs of CDOs (High Grade Tranches)	29%	$8.6	$200.0	**$437.4**	$(434.5)
Secondary Market and Other	5%	$1.4	$0.0	**$0.0**	$0.0
Multi-Sector CDOs	**100%**	**$29.5**	**$200.0**	**$1,039.8**	**$(2,585.2)**

Multi-Sector CDOs
Factors Affecting Future Performance

CDO Credit Impairments



Expected Losses:

- Inner CDO collateral severely impaired
- Subprime losses 16-20%
- Moderate recession scenario

MBIA Sensitivity Analysis:

- Roll to loss exceeds expectations
- Subprime losses 18-22%
- Excess spread credit decreases
- Significant RMBS impairments

Multi-Sector CDOs
Portfolio Outlook

- Estimated impairments stem primarily from expected deterioration of inner ABS CDO collateral, which is tracking consistently with our projections
- MBIA continues to monitor collateral performance trends, especially for RMBS where Alt-A and subprime concentrations exist
- MBIA is engaged in several remediation strategies, which include discussions with CDS counterparties to restructure and/or terminate CDS contracts

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