mbia
WISDOM IN ACTION[sm]

Supplemental Information

January 9, 2008

Safe Harbor Disclosure

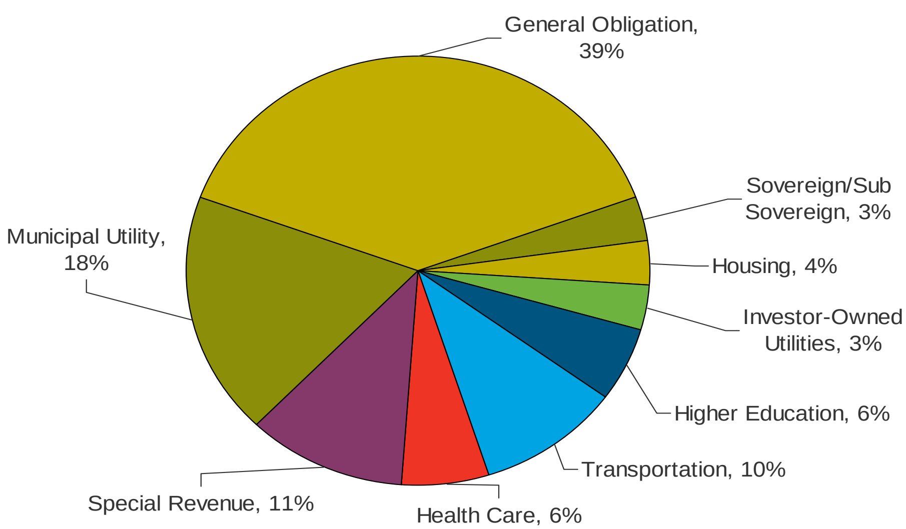
This presentation and our remarks may contain forward-looking statements. Important factors such as general market conditions and the competitive environment could cause actual results to differ materially from those projected in these forward-looking statements. Risk factors are detailed in our 10K,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

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

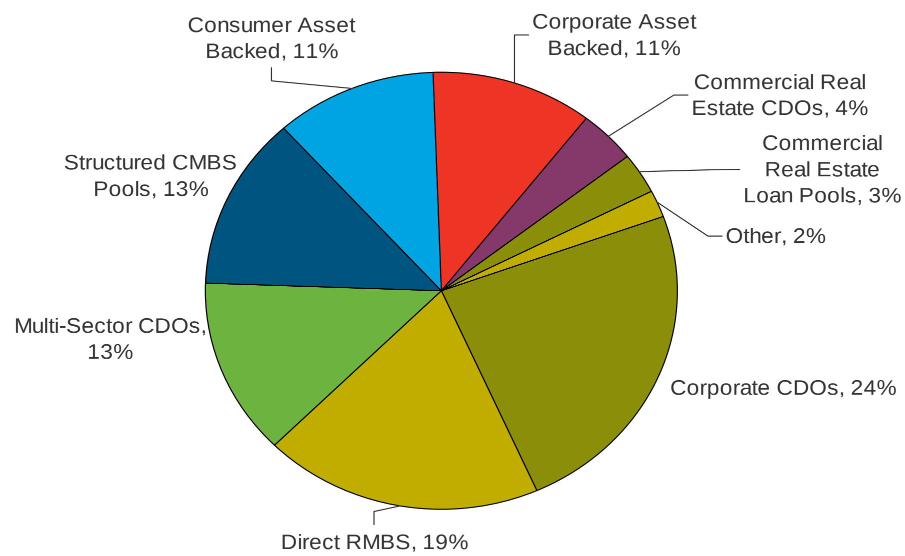
MBIA's Insured Portfolio is Large and Diverse

Total of $673 billion Net Par Outstanding as of 9/30/07

$432.7 billion Public Finance
Insured Portfolio
Percent of Net Par Outstanding by Bond Type



$240.2 billion Structured Finance
Insured Portfolio
Percent of Net Par Outstanding by Bond Type



Market Dislocation Has Impacted Our Insured Portfolio

Mortgage market disruption

- Increasing delinquencies and defaults on mortgages are impacting our RMBS and ABS CDO portfolios causing us to increase loss reserves
- MTM losses resulting from market disruption are not economic in the absence of credit impairments
- Rating agency capital charges have gone up and we have increased our expectation of credit losses in the stress scenarios

2007 operating results will be impacted

- Case reserves related to prime second-lien RMBS portfolio estimated at $614 million
- MTM loss at $3.3 billion: $3.1 billion non-economic and $200 million credit impairment associated with CDS contracts/CDOs
- Increase in unallocated case reserve by $100 million

MBIA's capital plan

- Exceeds all rating agencies Triple-A requirements
- Creates "dry powder" to capitalize on new business opportunities

Credit Road Map: RMBS and Multi-Sector CDOs

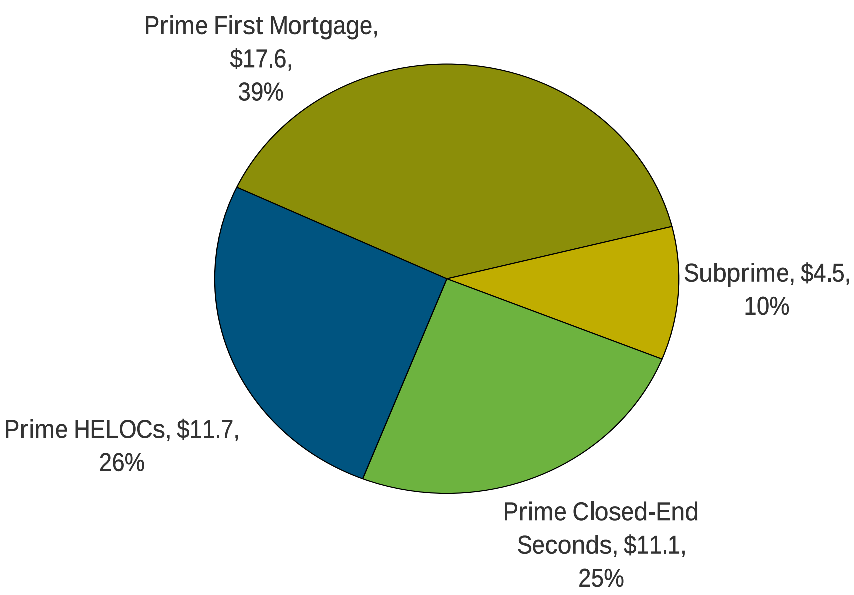
RMBS	Net Par ($Bn)	Comment
Subprime	$4.7	•High quality, Triple-A only since 2004
Prime First Mortgage	17.8	•Mostly European Triple-A
HELOC	11.7	•Performing below expectation
Closed-End Seconds	11.1	•Performing below expectation
Total RMBS	**$45.2 Bn**	Increase in loss reserve of $614mm on HELOC and Closed-End Seconds

Multi Sector CDOs	Net Par ($Bn)	Comment
High Grade	$16.1	•High quality, low risk book
Mezzanine	3.7	•Only 1 US deal written since 2004
Secondary Market	1.8	•Diversified across 2000-2004 origination
CDOs of CDOs	9.0	•70% of collateral Triple-A rated with 41% originated 2005 or prior •$200mm impairment in portfolio
Total Multi-Sector CDO	**$30.6 Bn**	

MBIA's RMBS Exposure

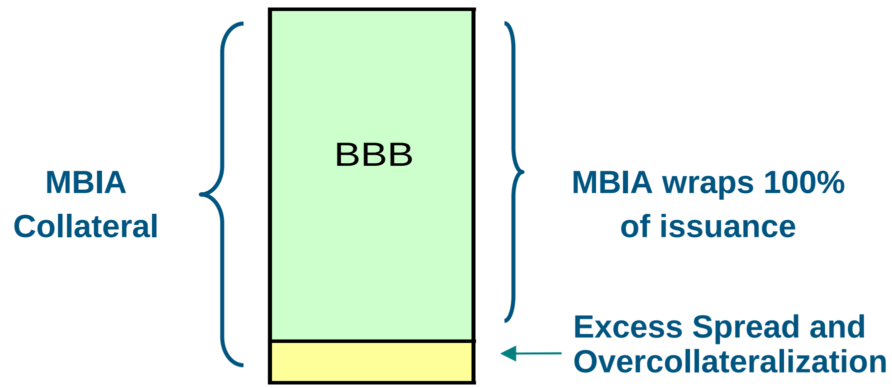
RMBS exposure comprises 7% of insured portfolio as of 9/30/07

$45.2 billion of RMBS Exposure



Closed-End Seconds / HELOCs by Vintage

	$ bn	%
2005 and Prior	5.3	23%
2006	8.4	37%
2007	9.1	40%
Total	**22.8**	**100%**



Prime HELOC and Closed-End Seconds Portfolio More Exposed

- **Total HELOC and Closed-End Seconds Portfolio of $22.8bn**
- **MBIA identified several HELOC and Closed-End Seconds deals totaling $9.5bn of net par outstanding performing below expectations**
  - Defaults consumed excess spread and overcollateralization
  - “Layered” risk unexpectedly increased
    - Low documentation (i.e. limited income/employment verification)
    - High Combined Loan to Value (CLTV)
    - Negative Home Price Appreciation (HPA) environment)
    - Speculation
- **MBIA has announced loss reserves of $614 million**
- **MBIA has paid $46 million of claims so far**

Multi-Sector CDOs

Structural protections include:

- Most senior position
- Full control rights within the deal documentation
- Interest coverage and overcollateralization tests (funded deals)
- Collateral portfolio quality tests (managed deals)
- Events of default (including par based OC tests)
  - Collateral manager termination and replacement rights
  - Acceleration and liquidation of collateral fully in control of MBIA

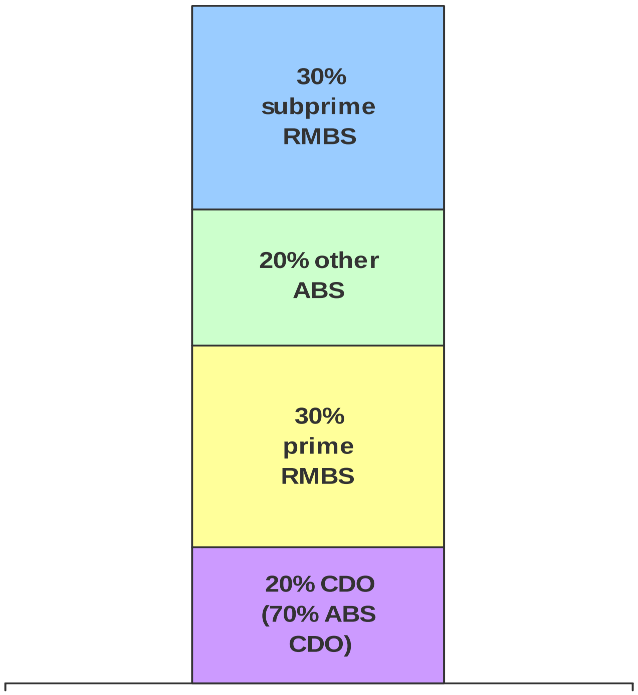
In the event of impairment, our CDOs have one of the three payout patterns:

- Principal only or capped– $4.3bn
- Scheduled interest and ultimate principal – $18.2bn
- Credit events as they occur- $8.1bn

Typical Multi-Sector High Grade CDO Exposure Losses

$1 billion CDO, with $1 billion in High Grade Collateral.

MBIA wrapped top 85%, most senior tranche



Hypothetical Collateral Loss Assumptions

- 15% loss, less average 10% overcollateralization
  - (15% - 10%) x 30% = 1.5%
- 15% loss less, average 10% overcollateralization
  - (15% - 10%) x 20% = 1.0%
- 0% loss = 0.0%
- 49% loss of CDO collateral (70% loss of ABS CDOs)
  - (70% x 20%) x 70% = 9.8%

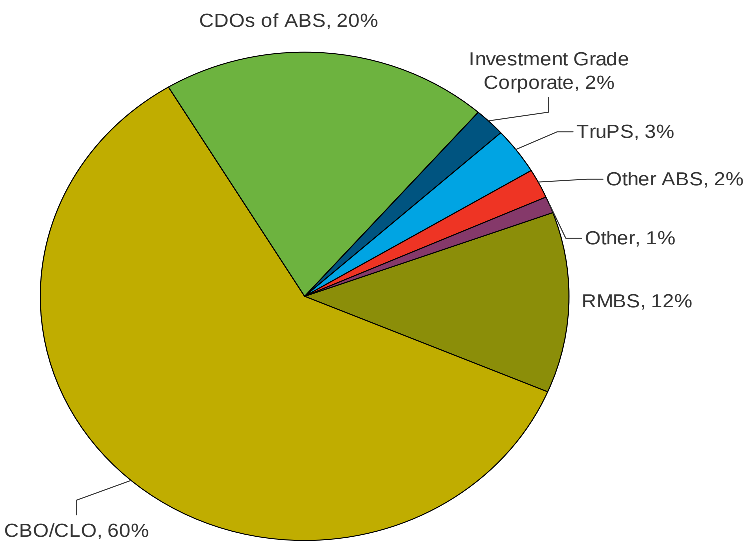
12.3%

Total loss of 12.3% is below MBIA's 15% attachment point.

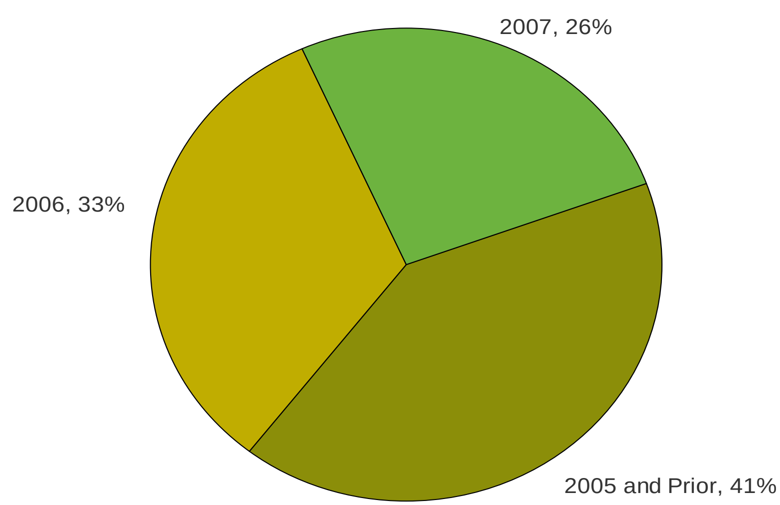
CDOs of CDOs Exposure

- 9 transactions, $9bn in total
- 70% of the underlying collateral rated Triple-A
- Subordination = 12% on average
- $200 million of credit impairment

By collateral type



By vintage of underlying collateral



Rating Agency Capital Position

Estimating *capital requirements* based on hypothetical:

- "worst case" ratings downgrades
- "worst case" economic losses

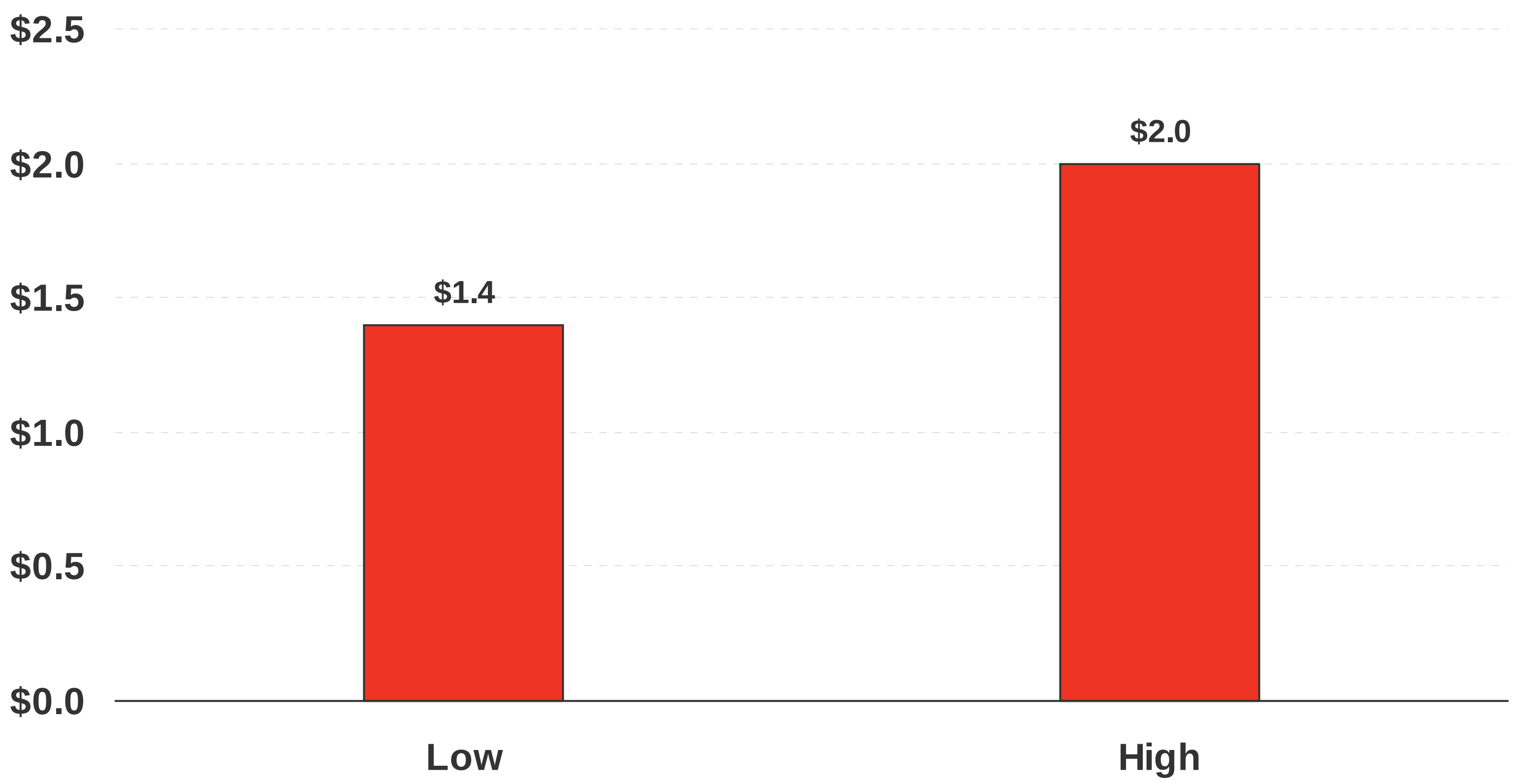
"Forward looking" analyses incorporate future stress

- S&P using 40% and 16% cumulative net loss (CNL) for Prime/Closed-End Seconds (CES) mortgages and HELOCs
- Moody's using 19% CNL for subprime first mortgages
- Fitch "downgrading" all current CDO collateral 6 to 9 additional notches

Rating Agency Capital Position- After Stress Analysis

Post re-rating & stress analysis: Capital Shortfall as of 9/30/07

($ in billions)



Loss Reserve/Credit Impairment versus Capital Requirement

	P&L Impact	Reflection of Expected Losses	Reason for Capital Raise
1. Loss reserves *(expected losses in insured portfolio)*	✓	✓	No
2. Mark-to-Market (a) *(with credit impairment)*	✓	✓	No
3. Mark-to-Market (b) *(non-economic; will reverse to zero as bonds approach maturity)*	✓	No	No
4. Capital Requirement *(Stress scenario – worst case loss in a 1 in 10,000 loss stress case plus 30% added cushion)*	No	No	✓

Capital Plan Exceeds Rating Agencies' Capital Requirement

Common Equity	**$1,000 million**	Warburg Pincus Commitment & Backstopped Rights Offering
Debt	**$1,000 million**	To be Completed
Q4 2007 Roll-off Of Back Book	**$300- $500 million**	Net maturities, amortization
Reinsurance Benefit	**$50- $150 million**	Covering diversified portions of our portfolio
Total	**$2,350- $2,650 million**	

MBIA has also announced a 62% dividend cut

The Warburg Pincus Commitment

Announced December 10, 2007

Two "tranches"

- $500 million common equity investment @$31 per share
- $500 million commitment to backstop a rights offering to existing shareholders

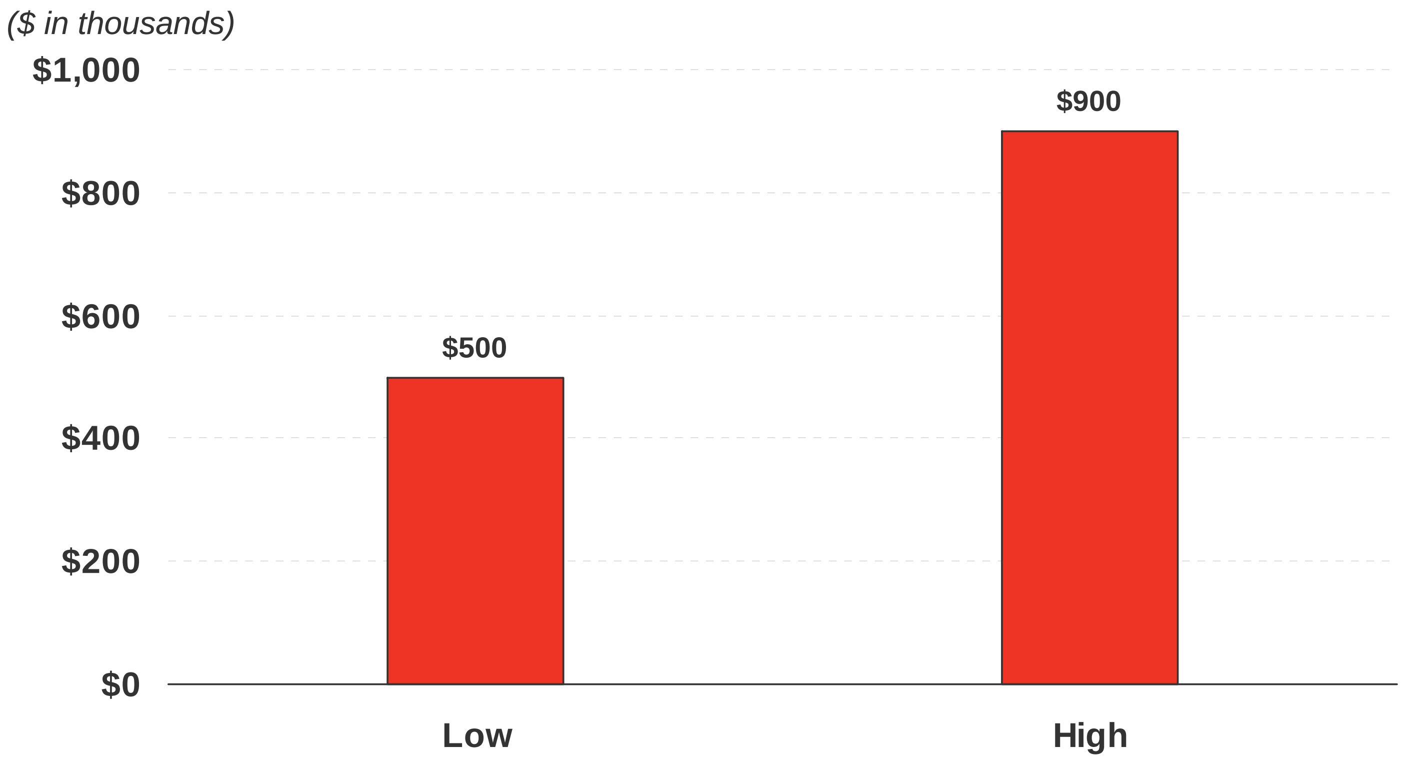
Firm commitment

- No "outs" for rating agency outcomes or MAC
- No bring-down of reps and warranties

Expected closing dates

- First $500 million to close upon HSR and FSA approvals – approximately late January
- Rights offering expected to close in February

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



The capital plan will increase MBIA's total claims-paying resources from $14.2bn at 09/30/2007 to at least $16.2bn proforma at 12/31/2007.

Current Market Trends Play to MBIA's Strengths

Demand for financial guarantee insurance is expected to rebound

- Credit market disruptions have reinforced the need for financial guarantees
- Public finance and global infrastructure finance needs are growing
  - Resilience of demand for the municipal bond insurance industry
- Structured finance market is expected to recover from the dislocation

Market conditions are attractive

- Wider spreads and increased overcollateralization are creating significantly higher ROE on new business
- Competitive dynamics in the industry are shifting
- Underwriting can be more selective

MBIA remains well positioned in this market.

Core Business Opportunities are Robust

Public Finance

- Risk-adjusted pricing is improving
- Public finance needs in the U.S. are expected to grow
- Privatization of essential infrastructure projects globally continues to present attractive opportunities

Structured Finance

- Insured volume will be very low in the first half of 2008
- Minimal impact on revenue due to long tail nature of business
- As structured finance market rebuilds, MBIA will play a key role resulting in new opportunities at attractive prices

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