



NYSE · THE OTHER MONOLINE

# MBI

A solvent insurer, a stuck credit, and  
a stub **priced for zero.**

BOOK VALUE AGAINST PRICE, PER SHARE · THE ZERO LINE IS SOLVENCY ON PAPER



GAAP BOOK **-\$45.58**      PRICE **\$4.49**      EX-CORP. REMAINDER **+\$8.68**      MBIA INC.

MARKET CAP **~\$229M**      HOLDCO CASH **\$337M**      NATIONAL RESOURCES **\$1.4B**      SHARES **51.0M**

THE IDEA IN ONE SLIDE

# The market cap is smaller than the cash in the holding company.

HOLDING COMPANY CASH AGAINST THE WHOLE MARKET VALUE



Unencumbered cash and liquid assets at the holding company, against a market capitalization of about \$229M at \$4.49 on 51.0M shares.

Behind the holdco stands National Public Finance Guarantee: \$968M of statutory capital and \$1.4B of claims-paying resources behind a \$20.8B municipal book. The negative GAAP book value that anchors the story is an accounting sum: MBIA Corp. at -\$54.26 a share, everything else at +\$8.68.

|                                                |         |
|------------------------------------------------|---------|
| National claims-paying resources               | \$1.4B  |
| Book per share ex-Corp. (arithmetic remainder) | +\$8.68 |
| Price to that reference figure                 | 0.52×   |

## VARIANT PERCEPTION

# What the market thinks. What the filings show.

## THE MARKET THINKS

- Negative book value means insolvent. The equity is a stub on a corpse.
- PREPA ends at zero and takes National down with it.
- MBIA Corp. is a hole with no fence around it.
- A runoff has no terminal value. Time only subtracts.
- One stale analyst target and no real coverage: nothing to miss.

## THE FILINGS SHOW

- Corp. is ring-fenced by insurance regulation, and management removes it from adjusted book value on the stated view that it will not upstream value, and that the holdco carries no material liability for it.
- National's statutory capital rose to \$968M in Q2 2026, and leverage improved to 21 to 1 as par ran off.
- PREPA is \$390M of gross par against \$1.4B of National claims-paying resources (slide 6).
- The adjusted business lost \$7M in Q2 2026. In runoff, that is close to breakeven.

THE STRUCTURE

# Three boxes. One price.

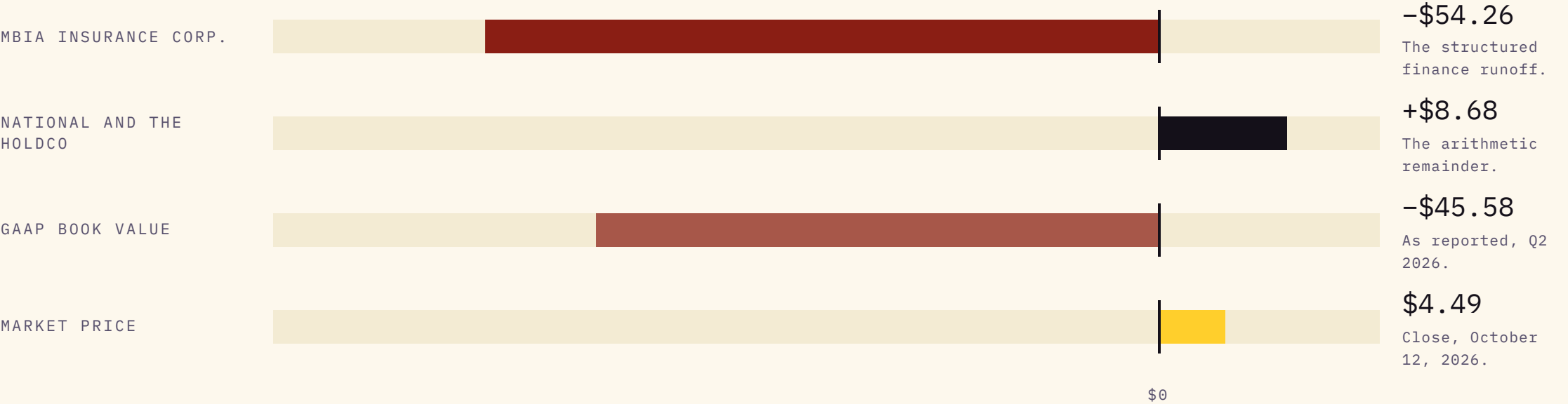
MBIA Inc. is a holding company over two regulated insurers that do not guarantee each other. National wraps municipal credits and is solvent by every statutory measure. MBIA Corp. holds the structured finance runoff and the Puerto Rico exposure. The stock prices the consolidated sum of the three boxes as if the worst box were the only one.

| NATIONAL PUBLIC FINANCE GUARANTEE                                                        |  | THE SOLVENT INSURER |
|------------------------------------------------------------------------------------------|--|---------------------|
| Statutory capital                                                                        |  | \$968M              |
| Claims-paying resources                                                                  |  | \$1.4B              |
| Gross par outstanding · leverage 21 to 1                                                 |  | \$20.8B             |
| MBIA INSURANCE CORP.                                                                     |  | THE RUNOFF          |
| Statutory capital                                                                        |  | \$106M              |
| Claims-paying resources · gross par just under \$1.8B                                    |  | \$342M              |
| MBIA INC.                                                                                |  | THE HOLDING COMPANY |
| Unencumbered cash and liquid assets                                                      |  | \$337M              |
| Corporate segment assets, incl. \$183M pledged to GIC holders and \$66M at MBIA Services |  | ~\$635M             |

THE BRIDGE

# Negative book is an accounting sum, not a valuation.

GAAP BOOK VALUE PER SHARE AT JUNE 30, 2026, ON 51.0M SHARES · BARS DRAWN TO SCALE AGAINST THE ZERO LINE

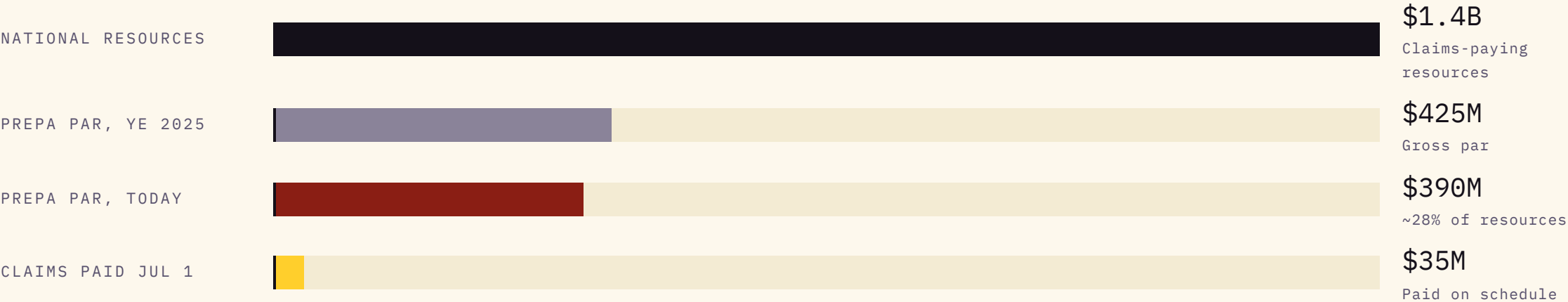


WHY THERE IS NO ADJUSTED BOOK VALUE POINT ESTIMATE HERE

MBIA's adjusted book value adds back National's net unearned premium revenue in excess of expected losses, on top of the \$8.68. The exact second quarter figure sits in the company's operating supplement, which is not publicly retrievable in full. We publish only what we can tie to a filing, so this deck shows the bridge rather than an invented total. The direction is not in doubt; the size of the discount is the debate.

PREPA, DRAWN TO SCALE

\$390M against \$1.4B of resources.



|               |                                                                                                                                        |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------|
| The offer     | The Oversight Board's offer rose from \$1.6B to roughly \$3B of new bonds and cash. Holders of about 90 percent of claims rejected it. |
| Discovery     | The bondholders' net revenue counterclaim is in discovery, after Judge Swain lifted the litigation stay.                               |
| First Circuit | The administrative claim appeal is fully briefed, with First Circuit argument scheduled for September 15, 2026.                        |

WHAT THE OVERHANG ACTUALLY BLOCKS

Even a severe outcome on this single credit does not impair National's solvency. It impairs the story, and it gates everything else: distributions, the buyback debate, and any strategic review.

WHAT RESOLUTION UNLOCKS

# The \$390M is small. What it blocks is not.

Resolution converts a survival debate into a distribution debate. Capital released by runoff becomes discussable, an adjusted book value the market will underwrite becomes publishable, a buyback at a price below holdco cash becomes undeniable, and a strategic process has a real asset to sell.



PROOF OF MODEL · THE MACHINE WORKS

# Runoff, recoveries, and claims paid on time.

Every part of this company that is allowed to work, works. The stuck part is a court docket in San Juan.

## Claims paid

National paid **\$35M of PREPA claims on the July 1, 2026 maturities, on schedule**. \$30M is now held as custodial receipts it can sell on any deal.

## Runoff

National's gross par fell about **\$1.5B in the first half of 2026**, and leverage improved from 24 to 1 to 21 to 1.

## Recoveries

MBIA Corp. posted **\$27M of statutory net income in Q2 2026** on improved Zohar CDO recovery estimates. Its statutory capital rose to \$106M.

## Precedent

In **2023 National paid a special distribution** to the holding company. Capital does move upstream when the board chooses.

CAPITAL ALLOCATION

# The best investment MBIA can make is MBIA.

SHARES OUTSTANDING, BEFORE AND AFTER THE CONFIRMED \$71M BUYBACK CAPACITY SPENT AT \$4.49



|                                                          |                   |
|----------------------------------------------------------|-------------------|
| Buyback at \$4.49: what \$71M does                       | ~31% of the count |
| Holdco liquid assets per share: \$337M over 51.0M shares | ~\$6.61           |
| Status quo: repurchases in Q2 2026                       | \$0               |

**The authorization exists.** The chief executive confirmed on the second quarter call that the remaining \$71M is available. Every quarter of delay at this price transfers value from continuing holders to departing ones.

Meanwhile holdco liquidity fell from \$357M at year end 2025 to \$337M on debt service and operating expenses: the cash is spent either way. The only question is whether it buys the discount first.

## THE ACTIVIST AGENDA

# Four asks. None needs a court's permission.

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- 01 **Publish a quarterly PREPA dashboard.** Par, claims paid, reserves, salvage, the status of each proceeding, and the board's expected timeline for resolution.
  - 02 **Deploy the \$71M buyback.** At \$4.49 it retires about 31 percent of the shares outstanding. Answer the discount with trades, not acknowledgment.
  - 03 **Report National's distributable capital quarterly.** Quantify the capital held above the board's target as runoff releases it, and state what would have to be true for it to be distributed.
  - 04 **Give the strategic review a date.** A named deadline by which the board completes and reports the full analysis: sale, distribution, or return of capital at scale, even if PREPA is still open.
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The full shareholder letter, written for any holder to send as their own, sits at the top of the wiki page: [activistwiki.triangulatedreality.com/mbi](https://activistwiki.triangulatedreality.com/mbi).

CATALYSTS

# Dated, checkable, near.

|                |                                                                                                                                                                          |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sep 15, 2026   | <b>First Circuit argument</b> in the administrative claim appeal, fully briefed. A ruling moves the PREPA endgame out of the Title III queue.                            |
| Discovery      | <b>Title III:</b> the bondholders' net revenue counterclaim is in discovery after the stay was lifted. The Oversight Board's composition remains litigated.              |
| The offer      | <b>Roughly \$3B sits rejected</b> by holders of about 90 percent of claims. The next offer, or a court-imposed path, reprices the credit.                                |
| The next print | <b>The next quarterly print:</b> the first clean read on whether the \$71M buyback has moved, and on how fast National's runoff is releasing capital.                    |
| Coverage       | <b>KBW carries an Outperform rating and a \$7.00 target</b> (August 13, 2026), 56 percent above the price. The covering set is thin enough for one initiation to matter. |

# The hole is real. So is the fence around it.

None of that makes the parts worthless. National is solvent and deleveraging, the holding company holds more cash than the entire market value of the company, and the feared credit is \$390M against \$1.4B of claims-paying resources. The market charges for the hole and credits nothing for the fence, the franchise, or the cash. That gap, not PREPA, is the pitch.

## RISKS, HONESTLY

GAAP book value is negative \$45.58 a share, and the MBIA Corp. component is negative \$54.26. Corp. is ring-fenced, but its improving results rest on recovery estimates, Zohar above all, that have moved in both directions across the years.

PREPA has already taken nine years; a recovery below National's reserves, or several more years of duration, are both live outcomes. The holding company burns cash while it waits, \$20M in the first half of 2026, and no mechanism forces the board's hand.

An investor here is short time, not just long value.