



E X P E R I E N C E                      C O M M I T M E N T                      S T R E N G T H

*July 8, 2015*

## **S&P Affirms National Public Finance Guarantee Corporation's AA- Financial Strength Rating and Stable Outlook**

PURCHASE, N.Y. -- (BUSINESS WIRE) -- National Public Finance Guarantee Corporation (National), an indirect subsidiary of MBIA Inc. (NYSE: MBI), today announced that Standard & Poor's Ratings Services (S&P) has affirmed its AA- financial strength rating of National with a Stable Outlook. In its June 29 report affirming National's rating, which is available on National's website, S&P recognized National's extremely strong capital adequacy position, strong liquidity and operating performance and prospective strong competitive position within the financial guarantee industry. In addition, S&P noted that there would be no change in National's capital adequacy score if there were a default by multiple Puerto Rico issuers over a one, two or three year time period, without accounting for any other factors, reflecting the substantial capital available at National in excess of S&P's triple-A capital level, which the company estimates to be almost \$1 billion as of year-end 2014.

"We're pleased that S&P continues to recognize National's financial strength and standing in the municipal bond insurance industry," said Bill Fallon, National's Chief Executive Officer. "We've made great strides in reestablishing our franchise and demonstrating the benefits and value of our financial guarantee to both issuers and investors. With respect to our exposure in Puerto Rico, we continue to believe that consensual agreements can be reached among the financial guarantors, other creditors and Puerto Rico's various governmental issuers and therefore that access to Chapter 9 of the bankruptcy code for Puerto Rican government corporations is not necessary. In any event, National will ensure that its policyholders continue to receive all of their scheduled interest and principal payments on time and in full."

### **Forward-Looking Statements**

This release includes statements that are not historical or current facts and are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words "believe," "anticipate," "project," "plan," "expect," "estimate," "intend," "will likely result," "looking forward" or "will continue," and similar expressions identify

forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, including, among other factors, the possibility that MBIA Inc. or National will experience increased credit losses or impairments on public finance obligations issued by state, local and territorial governments and finance authorities that are experiencing unprecedented fiscal stress; the possibility that loss reserve estimates are not adequate to cover potential claims; MBIA Inc.'s or National's ability to fully implement their strategic plan, including the ability to maintain high stable ratings for National and generate investor demand for National's financial guarantees; and changes in general economic and competitive conditions. These and other factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying MBIA Inc.'s or National's forward-looking statements are discussed under the "Risk Factors" section in MBIA Inc.'s most recent Annual Report on Form 10-K, which may be updated or amended in MBIA Inc.'s subsequent filings with the Securities and Exchange Commission. MBIA Inc. and National caution readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. National and MBIA Inc. undertake no obligation to publicly correct or update any forward-looking statement if it later becomes aware that such result is not likely to be achieved.

National Public Finance Guarantee Corporation, headquartered in Purchase, New York is the world's largest U.S. public finance-only financial guarantee insurance company, with offices in New York and San Francisco. Please visit National's website at [www.nationalpfg.com](http://www.nationalpfg.com).

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