



National Public Finance Guarantee Voluntarily Dismisses Adversary Complaint That Sought to Compel PREPA to Remit Pledged Revenues to the Bond Trustee

PURCHASE, N.Y.--(BUSINESS WIRE)--National Public Finance Guarantee Corporation (National), an indirect subsidiary of MBIA Inc. (NYSE:MBI), today announced that National and other creditors have voluntarily dismissed without prejudice the adversary complaint filed on August 7, 2017 which sought to compel the Puerto Rico Electric Power Authority (“PREPA”) to deposit revenues with the bond Trustee as required by the terms of the PREPA Trust Agreement, PROMESA and the U.S. Constitution. The voluntary dismissal of this proceeding follows National’s decision on October 6, 2017 to dismiss a separate action that challenged the Commonwealth of Puerto Rico’s fiscal plan.

“While we have strong legal rights and believe that PREPA is required to remit pledged revenues to the bond Trustee, we also believe that it would be inappropriate to continue litigating the issue while PREPA is fully engaged in efforts to restore power across the island,” said Bill Fallon, CEO of National Public Finance Guarantee Corporation. “Consequently, National has voluntarily dismissed without prejudice its adversary complaint against PREPA, the Oversight Board and other parties. We hope that PREPA will view this as a renewed opportunity, once circumstances permit, to re-engage with creditors to resolve the utility’s debt and position it for greater efficiency, reliability and renewed market access in the future. As a guarantor of Puerto Rico’s debt, National succeeds when the island succeeds and our interests will remain aligned with Puerto Rico for decades to come.”

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; 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, an indirect subsidiary of MBIA Inc. (NYSE: MBI), is headquartered in Purchase, New York and provides financial guarantee insurance for the U.S. public finance market. Please visit National’s website at www.nationalpfg.com.

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