

FACTS ABOUT Assured Guaranty's Municipal Bond Insurance

Assured Guaranty Increases Financial Stability

- Approximately \$11.1 billion in claims-paying resources across the Assured Guaranty group.¹
- Over three decades of experience.
- The only longstanding municipal bond insurer to continue to write new business throughout the financial crisis and recession.
- Insured approximately 14,000 new municipal issues since beginning of the financial crisis in January 2008, with an aggregate par amount exceeding \$200 billion.
- Insurance in force on approximately 6,700 municipal credits through its operating subsidiaries, including Assured Guaranty Municipal (AGM), Municipal Assurance Corp. (MAC) and Assured Guaranty Corp. (AGC).

Assured Guaranty Protects Investors in Distress Situations

- Unconditionally and irrevocably guarantees timely payment of principal and interest when due.
- Proven record of paying investors' claims as contractually obligated. Investors in Assured Guaranty-wrapped obligations of Harrisburg, Pennsylvania; Jefferson County, Alabama; Stockton, California; Detroit, Michigan; and Puerto Rico have all received timely debt service payments, despite issuer defaults and even a trustee's refusal to draw on insurance policies. (See case history at right.)

Assured Guaranty Manages Risk

- Insures only transactions that meet its disciplined underwriting criteria and diversification requirements.
- Provides continuous surveillance of every credit in its insured portfolio, works with issuers to address financial problems before they become serious and takes remedial action when appropriate.

Assured Guaranty Provides Enhanced Market Liquidity for Investors' Bonds

- On average, over \$2 billion of bonds insured by Assured Guaranty trade each week.
- Assured Guaranty-insured bonds have historically tended to demonstrate greater price stability than comparable uninsured bonds of the same issuer when that issuer was under financial stress.
- AGM is rated AA by S&P Global Ratings (S&P), AA+ by Kroll Bond Rating Agency (KBRA) and A2 by Moody's Investors Service (Moody's), and AGC is rated AA by S&P and AA by KBRA.² All the ratings have Stable Outlooks.

Assured Guaranty Provides Transparency

- AGM and AGC are subsidiaries of a public company that is subject to New York Stock Exchange and SEC regulation and therefore held to higher legal standards of disclosure, oversight and transparency than non-public companies.
- Credit Summaries on its website provide financial and economic data on insured new-issue obligations.

COMMITMENT TO INVESTORS A Case History

On Friday, February 1, 2013, Bank of New York Mellon, the trustee for the sewer revenue warrants issued by Jefferson County, Alabama, suspended principal and interest payments to warrant holders, including draws on AGM's insurance policy. To protect its policyholders, AGM paid all the scheduled principal and interest payments due on the AGM-insured sewer warrants directly to The Depository Trust Company (DTC), where the ownership accounts were maintained. DTC credited holders' accounts on the following Monday.

¹ As of September 30, 2019. Consolidated claims-paying resources of the Assured Guaranty group include \$5.8 billion at AGM, \$3.3 billion at AGC, \$0.8 billion at MAC and \$1.9 billion at Assured Guaranty Re Ltd., less intercompany eliminations of \$0.6 billion. Claims on each subsidiary's insurance policies/financial guarantees are paid from that subsidiary's separate claims-paying resources. September 30, 2019 Statutory Financial Information - admitted assets: \$5.2B (Assured Guaranty Municipal Corp.), \$3.0B (AGC), \$0.6B (MAC); total liabilities \$2.7B (Assured Guaranty Municipal Corp.), \$1.2B (AGC), \$0.4 (MAC); contingency reserves: \$1.0B (Assured Guaranty Municipal Corp.), \$0.6B (AGC), \$0.2B (MAC); surplus to policyholders \$2.5B (Assured Guaranty Municipal Corp.), \$1.8B (AGC), \$0.2B (MAC).

² Assured Guaranty requested in January 2017 that Moody's discontinue its rating of AGC; Moody's declined and continues to rate AGC.



A STRONGER BOND