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Kroll Bond Rating Agency Affirms Assured Guaranty Corp.'s AA Financial Strength Rating with Stable Outlook.

NEW YORK-(BUSINESS WIRE)-Kroll Bond Rating Agency (KBRA) affirmed its insurance financial strength rating of AA, with a Stable Outlook, for Assured Guaranty Corp. (AGC), a financial guaranty subsidiary of Assured Guaranty Ltd. (together with its subsidiaries, Assured Guaranty)(NYSE:AGO) on November 30, 2018.

In the report, KBRA noted that “AGC’s financial position is strong” and cited the following key strengths to support its rating conclusion:

- AGC demonstrates the “ability to withstand KBRA’s conservative stress case loss assumptions across AGC’s insured portfolio.”
- AGC’s “substantial and continuing runoff in higher risk components of the Company’s portfolio.”
- AGC’s “experienced management which operates with a mature and high-functioning operating platform supported by strong governance and risk management systems.”
- The **Stable Outlook** for AGC reflects “KBRA’s stress case loss analysis which incorporates significant deterioration in the distressed sectors of AGC’s portfolio from current performance, which should contribute to stability if ultimate losses do not approach or exceed these modeled levels.”
- Additionally, although it acknowledged that some recent developments may signal a more positive path forward for Puerto Rico, KBRA’s analysis incorporated high severity loss assumptions applicable to AGC’s Puerto Rico exposure and also determined that Puerto Rico ultimate loss recoveries would have to approach zero to place downward pressure on AGC’s rating.

“Once again, KBRA recognized the strength of AGC’s financial position, affirming AGC’s AA stable rating. KBRA also conducted a detailed analysis of AGC’s corporate governance, credit and risk management processes and consider them reflective of the industry’s best practices,” said Dominic Frederico, President and CEO of Assured Guaranty, adding: “KBRA also noted that our leverage ratios remain at historic lows.”

AGC is part of Assured Guaranty, the leading provider of financial guaranty insurance. Including AGC and its affiliates, the group has \$12 billion of claims-paying resources. Assured Guaranty generates approximately \$400 million of annual investment income from its high-quality, fixed-income investment portfolio. On average, \$2 billion of municipal bonds insured by Assured Guaranty companies trade each week.

AGC affiliates Assured Guaranty Municipal Corp. (AGM) and Municipal Assurance Corp. (MAC) are both rated AA+, Stable Outlook, by KBRA. Additionally, AGC, AGM and MAC are all rated AA with Stable Outlooks by S&P.