



INVESTORS SERVICE

**Rating Action: Moody's Ratings upgrades Assured Guaranty Corp.'s IFS rating to A1; affirms Assured Guaranty Municipal Corp.'s A1 IFS rating; outlook stable**

---

30 April 2024

New York, April 30, 2024

Moody's Ratings (Moody's) has upgraded the insurance financial strength (IFS) rating of Assured Guaranty Corp. (AGC) to A1 from A2. In the same rating action, Moody's also affirmed the A1 IFS ratings of Assured Guaranty Municipal Corp. (AGM) and Assured Guaranty UK Limited (AGUK), as well as the debt ratings of Assured Guaranty US Holdings, Inc. (AGUS - backed senior unsecured debt at Baa1), the Baa2 (hyb) junior subordinated debt rating of Assured Guaranty Municipal Holdings Inc. (AGMH) and the Baa1 long-term issuer rating of Assured Guaranty Ltd. (Assured Guaranty). The outlook for the ratings of Assured Guaranty and its subsidiaries remains stable. A complete list of rating actions is included towards the end of this press release.

These rating actions also have implications for the various transactions wrapped by AGC as discussed later in this press release.

#### RATINGS RATIONALE

The upgrade of AGC's IFS rating to A1 reflects the company's strong risk-adjusted capital adequacy, the significant improvement in the credit quality of its insured portfolio over the past several years and an increased strategic role within the Assured Guaranty group of companies as evidenced by higher new business production. As a result of these factors, Moody's has aligned the IFS rating of AGC with the A1 IFS rating of AGM. Going forward, the IFS ratings of the two companies are expected to be closely linked.

AGM's A1 IFS rating reflects its strong capital profile, conservative underwriting of US municipal and international infrastructure finance risks and leading market position in the financial guaranty insurance sector. These strengths are tempered by the confidence-sensitive nature of the financial guaranty insurance business as well as a number of large single risk exposures relative to capital. AGM is the flagship guarantor within the Assured Guaranty group of companies, producing the majority of group's new business. AGM's ability to organically generate significant capital through premium and investment earnings make its credit profile resilient to a broad range of stress scenarios.

AGC's A1 IFS rating reflects AGC's very strong capital adequacy profile and the improved credit quality of its insured portfolio due to the amortization of below investment grade exposures over the past several years, including the resolution of a large majority of the firm's Puerto Rico exposures. During 2023, AGC wrote or assumed nearly \$11 billion of gross par exposure, which bolsters the company's flow of embedded earnings associated with its unearned premium base. These strengths are tempered by the confidence-sensitive nature of the financial guaranty insurance business and its smaller scale and higher exposure to structured finance risks relative to AGM.

The A1 IFS rating of AGUK reflects a combination of formal and implicit support from its parent, AGM. Formal support from AGM includes a net worth maintenance agreement and quota share and

excess of loss reinsurance arrangements. AGUK is the platform from which Assured Guaranty writes its financial guaranty business in the United Kingdom and certain other non-EU countries.

The Baa1 senior unsecured debt rating of AGUS represents a three notch spread between the senior debt rating and AGM's A1 IFS rating, which is consistent with Moody's typical notching practices for U.S. insurance holding company structures. Assured Guaranty's Baa1 long-term issuer rating is aligned with the senior debt rating of AGUS. Assured Guaranty fully and unconditionally guarantees the senior debt of AGUS and guarantees on a junior subordinated basis the junior subordinated debt of AGMH and AGUS.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Factors that could lead to an upgrade of Assured Guaranty's ratings include: 1) Continued demonstration of very strong risk-adjusted capital adequacy; 2) an increase in demand for financial guaranty insurance (15%+ US municipal market insured penetration and/or annual present value of premiums written in excess of \$600 million) at attractive pricing levels; and 3) continued reductions in below investment grade insured exposures relative to capital.

Conversely, the factors that could lead to a downgrade of Assured Guaranty's ratings include: 1) the extraction of meaningful amounts of capital without an associated reduction of risk; 2) Assured Guaranty's new business production falls to unsustainable levels (less than 25% insured market share or less than \$100 million in annual premiums); and 3) significant deterioration in the credit quality of insured portfolios.

#### LIST OF AFFECTED RATINGS

Issuer: Assured Guaranty Ltd.

Affirmation:

..LT issuer rating, affirmed Baa1

Outlook action:

..Outlook remains Stable

Issuer: Assured Guaranty US Holdings, Inc.

Affirmations:

..Backed senior unsecured, affirmed Baa1

..Backed junior subordinate, affirmed Baa2 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Assured Guaranty Corp.

Upgrade:

..Insurance financial strength, upgraded to A1 from A2

Outlook action:

..Outlook remains Stable

Issuer: Woodbourne Capital Trust I

Upgrade:

..Backed preferred stock non-cumulative, upgraded to Baa1 (hyb) from Baa2 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Woodbourne Capital Trust II

Upgrade:

..Backed preferred stock non-cumulative, upgraded to Baa1 (hyb) from Baa2 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Woodbourne Capital Trust III

Upgrade:

..Backed preferred stock non-cumulative, upgraded to Baa1 (hyb) from Baa2 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Woodbourne Capital Trust IV

Upgrade:

..Backed preferred stock non-cumulative, upgraded to Baa1 (hyb) from Baa2 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Assured Guaranty Municipal Holdings Inc.

Affirmation:

..Junior subordinate, affirmed Baa2 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Assured Guaranty Municipal Corp.

Affirmation:

..Insurance financial strength, affirmed A1

Outlook action:

..Outlook remains Stable

Issuer: Assured Guaranty UK Limited

Affirmation:

..Insurance financial strength, affirmed A1

Outlook action:

..Outlook remains Stable

Issuer: Sutton Capital Trust I

Affirmation:

..Backed preferred stock non-cumulative, affirmed Baa1 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Sutton Capital Trust II

Affirmation:

..Backed preferred stock non-cumulative, affirmed Baa1 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Sutton Capital Trust III

Affirmation:

..Backed preferred stock non-cumulative, affirmed Baa1 (hyb)

Outlook action:

..Outlook remains Stable

Issuer: Sutton Capital Trust IV

Affirmation:

..Backed preferred stock non-cumulative, affirmed Baa1 (hyb)

Outlook action:

..Outlook remains Stable

#### TREATMENT OF WRAPPED TRANSACTIONS

Moody's ratings on securities that are guaranteed or "wrapped" by a financial guarantor are generally maintained at a level equal to the higher of the following: a) the rating of the guarantor (if rated at the investment grade level); or b) the published underlying rating (and for structured securities, the published or unpublished underlying rating). Moody's approach to rating wrapped transactions is outlined in Moody's methodology "Guarantees, Letters of Credit and Other Forms of Credit Substitution Methodology" (July 2022).

Assured Guaranty Ltd. is a Bermuda-based holding company. Through its subsidiaries, Assured Guaranty provides financial guaranty insurance to the US and international public finance and structured finance markets. As of December 31, 2023, Assured Guaranty had consolidated net par

outstanding of approximately \$249 billion, qualified statutory capital of \$6.1 billion, and total claims paying resources of \$10.7 billion.

The principal methodology used in these ratings was Financial Guarantors published in March 2024 and available at <https://ratings.moodys.com/rmc-documents/416491>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/deal page for the respective issuer on <https://ratings.moodys.com>.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moodys.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see <https://ratings.moodys.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on <https://ratings.moodys.com> for additional regulatory disclosures for each credit rating.

James Eck  
VP-Sr Credit Officer  
Financial Institutions Group  
Moody's Investors Service, Inc.

250 Greenwich Street  
New York, NY 10007  
U.S.A.

JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

Scott Robinson, CFA  
Associate Managing Director  
Financial Institutions Group  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

Releasing Office:  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

**MOODY'S**  
INVESTORS SERVICE

© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES**

**AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF



ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moodys.com](http://www.moodys.com) under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V, I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.