Assured Guaranty Wraps £195 million Bond Issue for Glasgow City Council

Release Date: Thursday, October 31, 2019 1:00 am EDT

Dateline City: LONDON

LONDON--(BUSINESS WIRE)--Assured Guaranty (Europe) plc (AGE)* announced that it has guaranteed principal and interest payments on a £195 million private placement issued by City Property Glasgow (Operations SL1) Ltd, a newly formed SPV owned by Glasgow City Council to issue the bonds. This issuance has financed a long-term sale and leaseback transaction with Glasgow City Council on certain properties owned by the council throughout the city.

The 30-year fixed-rate fully amortising bond was issued on 30 October 2019 and privately placed in the capital markets. As a result of the financial guarantee provided by AGE, the bonds are rated AA by S&P Global Ratings.

Dominic Nathan, Managing Director, AGE, commented:

“This significant transaction employs Assured Guaranty’s financial guarantee to support a long term funding solution for the benefit of Glasgow City Council. It is another example of our versatile guarantee providing a bespoke solution for our client. We believe other UK councils could replicate the success of this transaction with our long-term and cost-effective wrap.”

Nick Proud, Chief Executive, AGE, commented:

“Once again, we have demonstrated AGE’s ability to add value in a wide range of financing structures. We serve our clients by understanding their needs and developing appropriate applications of our guarantees to provide cost-efficient financing solutions that are valued by investors.”

AGE guarantees timely payment of scheduled principal and interest to bondholders, throughout the life of the bonds, in accordance with the terms of its financial guarantee.

Assured Guaranty’s advisers on the transaction were Norton Rose Fulbright LLP and Shepherd and Wedderburn LLP (Legal), JLL (Valuation), Operis (Model Audit), and MUFG (private placement agent).

IMPORTANT NOTICE
All of the securities having been sold, this announcement is for information purposes only. This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (“Securities Act”), or with any securities regulatory authority of any state or jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in the United States absent registration under the Securities Act or an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States.

*AGE (company number 2510099) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. AGE provides its financial guarantee together with a co-guarantee from its affiliate Assured Guaranty Municipal Corp. (AGM).

Through its subsidiaries, Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) is the leading provider of financial guarantees for principal and interest payments due on municipal, public infrastructure and structured financings. Its subsidiary AGM guarantees international infrastructure and U.S. municipal bonds. AGE, a subsidiary of AGM, is Assured Guaranty’s European operating platform. AGL is a publicly traded (NYSE: AGO), Bermuda-based holding company. More information on AGL and its subsidiaries can be found at AssuredGuaranty.com.

Cautionary Statement Regarding Forward-Looking Statements:

Any forward-looking statements made in this press release reflect Assured Guaranty’s current views with respect to future events and are made pursuant to the safe harbour provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. These risks and uncertainties include, but are not limited to, those resulting from Assured Guaranty’s inability to execute its strategies; the demand for Assured Guaranty’s financial guarantees; further actions that the rating agencies may take with respect to Assured Guaranty’s financial strength ratings; adverse developments in Assured Guaranty’s guaranteed portfolio; and other risks and uncertainties that have not been identified at this time, management’s response to these factors, and other risk factors identified in AGL’s filings with the U.S. Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made as of October 31, 2019. Assured Guaranty undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.