ASSURED GUARANTY®

Financial Supplement

Assured Guaranty Corp.

December 31, 2023

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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the United States (U.S.) Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2023. For the purposes of this financial supplement, all references to the “Company” shall mean Assured Guaranty Corp. (AGC) and its consolidated entities. Certain prior year balances have been reclassified to conform to the current year’s presentation.

Cautionary Statement Regarding Forward Looking Statements

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor 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. Assured Guaranty's forward looking statements could be affected by many events. These events include (1) significant changes in inflation, interest rates, the world's credit markets or segments thereof, credit spreads, foreign exchange rates or general economic conditions, including the possibility of a recession or stagflation; (2) geopolitical risk, including Russia's invasion of Ukraine and risk of intentional or accidental escalation between The North Atlantic Treaty Organization (NATO) and Russia, conflict in the Middle East, confrontation over Iran's nuclear program, U.S. – China strategic competition and pursuit of technological independence; (3) global terrorism risk with threats increasing from conflicts in the Middle East and Ukraine/Russia, and the polarized political environment of the 2024 U.S. presidential election; (4) the impacts of artificial intelligence, machine learning and other technological advances, including potentially increasing the risks of malicious cyber attacks, dissemination of misinformation, and disruption of markets; (5) the possibility of a U.S government shutdown, payment defaults on the debt of the U.S. government or instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, and downgrades to their credit ratings; (6) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (7) developments in the world's financial and capital markets, including stresses in the financial condition of banking institutions in the U.S., that adversely affect repayment rates of insured obligors, Assured Guaranty's insurance loss or recovery experience, or investments of Assured Guaranty; (8) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (9) the possibility that budget or pension shortfalls or other factors will result in credit losses or liquidity claims on obligations of state, territorial and local governments and their related authorities and public corporations that Assured Guaranty insures or reinsures; (10) insured losses, including losses with respect to related legal proceedings, in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including as a result of the final resolution of Assured Guaranty's Puerto Rico Electric Power Authority exposure or the amounts recovered on securities received in connection with the resolution of Puerto Rico exposures already resolved; (11) the impact of the Company satisfying its obligations under insurance policies with respect to legacy insured Puerto Rico bonds; (12) increased competition, including from new entrants into the financial guaranty industry, nonpayment insurance and other forms of capital saving or risk syndication available to banks and insurers; (13) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity, or to other negative or unanticipated consequences; (14) the impacts of Assured Guaranty's transactions with Sound Point Capital Management, LP (Sound Point, LP) and certain of its investment management affiliates (together with Sound Point, LP, Sound Point) and/or Assured Healthcare Partners LLC (AHP) on Assured Guaranty and its relationships with its shareholders, regulators, rating agencies, employees and the obligors it insures and on the asset management business contributed to Sound Point, LP and on the business of AHP and their relationships with their respective clients and employees; (15) the possibility that strategic transactions made by Assured Guaranty, including the consummation of the transactions with Sound Point and/or AHP, do not result in the benefits anticipated or subject Assured Guaranty to negative consequences; (16) the inability to control the business, management or policies of entities in which the Company holds a minority interest; (17) the impact of market volatility on the fair value of Assured Guaranty's assets and liabilities subject to mark-to-market, including certain of its investments, contracts accounted for as derivatives, its committed capital securities, its consolidated investment vehicles and certain consolidated variable interest entities (VIEs); (18) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of AGL or any of its insurance subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL's insurance subsidiaries have insured; (19) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (20) changes in applicable accounting policies or practices; (21) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (22) difficulties with the execution of Assured Guaranty's business strategy; (23) loss of key personnel; (24) the effects of mergers, acquisitions and divestitures; (25) natural or man-made catastrophes; (26) the impact of climate change on Assured Guaranty's business and regulatory actions taken related to such risk; (27) other risk factors identified in AGL's filings with the U.S. SEC; (28) other risks and uncertainties that have not been identified at this time; and (29) management's response to these factors. Assured Guaranty undertakes no obligation to update publicly or review any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Assured Guaranty Corp.

Selected Financial Highlights (1 of 2)

(dollars in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
GAAP [1] Highlights				
Net income (loss)	**$ 45,377**	**$ 48,610**	**$ 191,844**	**$ 143,947**
Gross written premiums (GWP)	**40,420**	**47,935**	**184,113**	**55,863**
Effective tax rate on net income	**16.1 %**	**19.4 %**	**17.9 %**	**17.9 %**
GAAP return on equity (ROE) [2]	**9.3 %**	**9.9 %**	**10.0 %**	**6.8 %**
Non-GAAP Highlights [3]				
Adjusted operating income (loss) [3]	$ 39,571	$ 26,150	$ 144,650	$ 161,923
Present value of new business production (PVP) [3]	41,664	54,353	180,467	78,818
Gross par written	2,650,658	1,862,107	10,961,230	3,501,884
Effective tax rate on adjusted operating income [4]	15.3 %	17.9 %	16.8 %	18.2 %
Adjusted operating ROE [2][3]	8.0 %	5.1 %	7.3 %	7.8 %
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 300**	**$ 36,224**	**$ 5,879**	**$ 149,127**
Fair value gains (losses) of credit derivatives, pre-tax	**—**	**—**	**—**	**1,951**
Net income effect	**213**	**28,457**	**4,635**	**118,991**
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [5], pre-tax	300	36,224	5,879	151,078
Adjusted operating income [5] effect	213	28,457	4,635	118,991

1) Accounting principles generally accepted in the United States of America (GAAP).
2) Quarterly ROE calculations represent annualized returns. See page 6 for additional information on calculation.
3) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
4) Represents the ratio of adjusted operating provision for income taxes to adjusted operating income before income taxes.
5) Condensed consolidated statement of operations items mentioned in this Financial Supplement that are described as operating (i.e. operating net earned premiums) are non-GAAP measures and represent components of adjusted operating income. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Corp.

Selected Financial Highlights (2 of 2)

(dollars in thousands)

	As of	
	December 31, 2023	December 31, 2022
Shareholder's equity	**$ 1,882,238**	**$ 1,971,597**
Adjusted operating shareholder's equity [1]	1,890,396	2,046,758
Adjusted book value [1]	2,328,693	2,434,289
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:		
Adjusted operating shareholders' equity	(1,374)	3,000
Adjusted book value	417	5,455
Exposure		
Financial guaranty net debt service outstanding	$ 46,938,627	$ 32,562,288
Financial guaranty net par outstanding:		
Investment grade	28,109,589	19,809,913
Below-investment-grade (BIG)	785,953	915,129
Total	$ 28,895,542	$ 20,725,042
Claims-paying resources [2]	**$ 2,877,618**	**$ 2,990,292**

1) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
2) See page 8 for additional detail on claims-paying resources.

Assured Guaranty Corp.

Condensed Consolidated Statements of Operations (unaudited)

(dollars in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenues				
Net earned premiums	$ 15,244	$ 49,613	$ 62,799	$ 209,106
Net investment income	30,260	26,361	118,898	87,181
Net realized investment gains (losses)	7,898	(5,745)	(12,680)	(15,815)
Fair value gains (losses) on credit derivatives	(1,839)	26,005	92,160	(6,976)
Fair value gains (losses) on committed capital securities (CCS)	131	6,102	(18,322)	12,094
Fair value gains (losses) on FG VIEs	8	4,830	(1,784)	16,033
Foreign exchange gains (losses) on remeasurement	3,338	4,027	3,789	(6,413)
Fair value gains (losses) on trading securities	20,435	(3,259)	46,637	(19,793)
Change in assumed and ceded funds held with affiliates	(3,772)	2,369	(8,000)	2,980
Reversal of litigation accrual	—	—	17,000	—
Other income (loss)	2,631	1,992	6,031	3,716
Total revenues	**74,334**	**112,295**	**306,528**	**282,113**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	9,496	33,732	22,923	32,109
Interest expense on note payable to affiliate	2,625	2,625	10,500	10,500
Employee compensation and benefit expenses	11,437	9,946	39,196	35,776
Other expenses	7,848	6,394	29,701	23,778
Total expenses (benefit)	**31,406**	**52,697**	**102,320**	**102,163**
Income (loss) before income taxes and equity in earnings (losses) of investees	**42,928**	**59,598**	**204,208**	**179,950**
Equity in earnings (losses) of investees	11,150	692	29,491	(4,700)
Income (loss) before income taxes	54,078	60,290	233,699	175,250
Less: Provision (benefit) for income taxes	8,701	11,680	41,855	31,303
Income (loss) before equity in after-tax earnings (losses) of investee	**45,377**	**48,610**	**191,844**	**143,947**
Equity in after-tax earnings (losses) of investee	—	—	—	—
Net income (loss)	**$ 45,377**	**$ 48,610**	**$ 191,844**	**$ 143,947**

Assured Guaranty Corp.

Condensed Consolidated Balance Sheets (unaudited)

(dollars in thousands)

	As of	
	December 31, 2023	**December 31, 2022**
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 1,888,946	$ 2,092,528
Fixed-maturity securities, trading, at fair value	211,023	175,896
Short-term investments, at fair value	25,160	111,452
Equity method investments	332,271	211,125
Other invested assets, at fair value	790	790
Total investments	2,458,190	2,591,791
Cash	21,874	24,225
Loan receivable from parent	87,500	87,500
Premiums receivable, net of commissions payable	414,083	297,015
Ceded unearned premium reserve	214,151	187,380
Reinsurance recoverable on unpaid losses	158,518	158,641
Salvage and subrogation recoverable	66,782	71,749
FG VIEs' assets, at fair value	71,103	177,681
Other assets	119,314	242,067
Total assets	**$ 3,611,515**	**$ 3,838,049**
Liabilities		
Unearned premium reserve	$ 761,057	$ 655,404
Loss and LAE reserve	112,789	84,112
Reinsurance balances payable, net	137,343	168,026
Notes payable to affiliates	300,000	300,000
Credit derivative liabilities	48,087	159,498
FG VIEs' liabilities at fair value (with recourse of $245,899 and $393,531, without recourse of $1,911 and $1,916)	247,810	395,447
Other liabilities	122,191	103,965
Total liabilities	**1,729,277**	**1,866,452**
Shareholder's equity		
Preferred stock	—	—
Common stock	15,000	15,000
Additional paid-in capital	546,174	742,015
Retained earnings	1,368,452	1,278,108
Accumulated other comprehensive income (loss)	(47,388)	(63,526)
Total shareholder's equity	**1,882,238**	**1,971,597**
Total liabilities and shareholder's equity	**$ 3,611,515**	**$ 3,838,049**

Assured Guaranty Corp.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

(dollars in thousands)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

	Three Months Ended December 31, 2023		Three Months Ended December 31, 2022	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (53)	$ —	$ (63)
Net investment income	—	(165)	—	(224)
Net realized investment gains (losses)	7,898	—	(5,745)	—
Fair value gains (losses) on credit derivatives	(3,658)	—	24,150	—
Fair value gains (losses) on CCS	131	—	6,102	—
Fair value gains (losses) on FG VIEs	—	8	—	4,830
Foreign exchange gains (losses) on remeasurement	3,324	—	3,869	—
Change in assumed and ceded funds held with affiliates	(382)	—	504	—
Other income (loss)	—	(194)	—	(133)
Total revenue adjustments	7,313	(404)	28,880	4,410
Adjustments to expenses:				
Loss expense	(36)	(4,134)	450	(125)
Total expense adjustments	(36)	(4,134)	450	(125)
Pre-tax adjustments	7,349	3,730	28,430	4,535
Less: Tax effect of adjustments	1,543	784	5,970	952
After-tax adjustments	$ 5,806	$ 2,946	$ 22,460	$ 3,583

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (227)	$ —	$ (257)
Net investment income	—	(552)	—	(1,169)
Net realized investment gains (losses)	(12,680)	—	(15,815)	—
Fair value gains (losses) on credit derivatives	84,872	—	(16,331)	—
Fair value gains (losses) on CCS	(18,322)	—	12,094	—
Fair value gains (losses) on FG VIEs	—	(1,784)	—	16,033
Foreign exchange gains (losses) on remeasurement	3,824	—	(6,347)	—
Change in assumed and ceded funds held with affiliates	646	—	111	—
Other income (loss)	—	(3,477)	—	(2,162)
Total revenue adjustments	58,340	(6,040)	(26,288)	12,445
Adjustments to expenses:				
Loss expense	(1,399)	1,547	(3,533)	(1,981)
Total expense adjustments	(1,399)	1,547	(3,533)	(1,981)
Pre-tax adjustments	59,739	(7,587)	(22,755)	14,426
Less: Tax effect of adjustments	12,545	(1,593)	(4,779)	3,029
After-tax adjustments	$ 47,194	$ (5,994)	$ (17,976)	$ 11,397

1) The “Adjusted Operating Income Adjustments” column represents the amounts recorded in the condensed consolidated statements of operations that the Company removes to arrive at adjusted operating income. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
2) The “Effect of FG VIE Consolidation” column represents the amounts included in the condensed consolidated statements of operations and adjusted operating income that the Company removes to arrive at the core financial measures that management uses in certain of its compensation calculations and its decision making process. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (1 of 2)

(dollars in thousands)

Adjusted Operating Income Reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income (loss)	**$ 45,377**	**$ 48,610**	**$ 191,844**	**$ 143,947**
Less pre-tax adjustments:				
Realized gains (losses) on investments [1]	7,516	(5,241)	(12,034)	(15,704)
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	(3,622)	23,700	86,271	(12,798)
Fair value gains (losses) on CCS	131	6,102	(18,322)	12,094
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	3,324	3,869	3,824	(6,347)
Total pre-tax adjustments	7,349	28,430	59,739	(22,755)
Less tax effect on pre-tax adjustments	(1,543)	(5,970)	(12,545)	4,779
Adjusted operating income (loss)	$ 39,571	$ 26,150	$ 144,650	$ 161,923

1) This is net of reinsurer's share of realized gains (losses)

ROE Reconciliation and Calculation

	As of				
	December 31, 2023	September 30, 2023	December 31, 2022	September 30, 2022	December 31, 2021
Shareholder's equity	**$ 1,882,238**	**$2,032,069**	**$1,971,597**	**$1,953,966**	**$2,237,340**
Adjusted operating shareholder's equity	1,890,396	2,088,183	2,046,758	2,064,769	2,109,931
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholders' equity	**(1,374)**	**(161)**	**3,000**	**(795)**	**(8,793)**

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income (loss)	**$ 45,377**	**$ 48,610**	**$ 191,844**	**$ 143,947**
Adjusted operating income (loss)	39,571	26,150	144,650	161,923
Average shareholder's equity	**$ 1,957,154**	**$ 1,962,782**	**$ 1,926,918**	**$ 2,104,469**
Average adjusted operating shareholder's equity	1,989,290	2,055,764	1,968,577	2,078,345
Gain (loss) related to FG VIE consolidation included in average adjusted operating shareholders' equity	**(768)**	**1,103**	**813**	**(2,897)**
GAAP ROE [1]	**9.3 %**	**9.9 %**	**10.0 %**	**6.8 %**
Adjusted operating ROE [1]	8.0 %	5.1 %	7.3 %	7.8 %

1) Quarterly ROE calculations represent annualized returns.

Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (2 of 2)

(dollars in thousands)

	As of				
	December 31, 2023	September 30, 2023	December 31, 2022	September 30, 2022	December 31, 2021
Reconciliation of shareholders' equity attributable to AGC to adjusted book value:					
Shareholders' equity attributable to AGC	**$ 1,882,238**	**$ 2,032,069**	**$ 1,971,597**	**$ 1,953,966**	**$ 2,237,340**
Less pre-tax reconciling items:					
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	43,623	47,245	(42,647)	(66,347)	(29,849)
Fair value gains (losses) on CCS	6,550	6,418	24,872	18,770	12,778
Unrealized gain (loss) on investment portfolio	(72,206)	(136,400)	(89,071)	(104,386)	166,642
Less taxes	13,875	26,623	31,685	41,160	(22,162)
Adjusted operating shareholder's equity	1,890,396	2,088,183	2,046,758	2,064,769	2,109,931
Pre-tax reconciling items:					
Less: Deferred acquisition costs	(1,221)	(10,428)	(12,399)	(13,379)	(23,216)
Plus: Net present value of estimated net future revenue	96,857	98,231	104,864	105,721	114,085
Plus: Net deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed	456,728	429,483	373,283	347,927	395,427
Plus taxes	(116,509)	(113,010)	(103,015)	(98,076)	(111,872)
Adjusted book value	$ 2,328,693	$ 2,513,315	$ 2,434,289	$ 2,433,720	$ 2,530,787
Gain (loss) related to FG VIE consolidation included in:					
Adjusted operating shareholder's equity (net of tax (provision) benefit of $365, $43, $(797), $212 and $2,338)	**$ (1,374)**	**$ (161)**	**$ 3,000**	**$ (795)**	**$ (8,793)**
Adjusted book value (net of tax (provision) benefit of $(111), $(481), $(1,450), $199 and $2,373)	**$ 417**	**$ 1,811**	**$ 5,455**	**$ (748)**	**$ (8,920)**

Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Corp.

Claims-Paying Resources

(dollars in thousands)

	As of	
	December 31, 2023	December 31, 2022
Claims-paying resources		
Policyholders' surplus	$ 1,650,573	$ 1,916,078
Contingency reserve	419,642	346,940
Qualified statutory capital	**2,070,215**	**2,263,018**
Unearned premium reserve and net deferred ceding commission income	350,737	326,786
Loss and LAE reserves (4)	—	—
Total policyholders' surplus and reserves	**2,420,952**	**2,589,804**
Present value of installment premium	256,666	200,488
CCS	200,000	200,000
Total claims-paying resources	**2,877,618**	**2,990,292**
Statutory net par outstanding (1)	$ 29,114,871	$ 20,950,705
Net debt service outstanding (1)	47,395,589	32,982,853
Ratios:		
Statutory net par outstanding to qualified statutory capital	14:1	9:1
Capital ratio (2)	23:1	15:1
Financial resources ratio (3)	16:1	11:1
Statutory net par outstanding to claims-paying resources	10:1	7:1

1) Net par outstanding and net debt service outstanding are presented on a statutory basis.
2) The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
3) The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.
4) Loss and LAE reserves exclude adjustments to claims-paying resources for AGC because they were in a net recoverable position of $107.6 million as of December 31, 2023 and $49.3 million as of December 31, 2022.

Assured Guaranty Corp.

New Business Production (1 of 2)

(dollars in thousands)

Reconciliation of GWP to PVP

	Three Months Ended December 31, 2023					Three Months Ended December 31, 2022				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 20,501**	**$ 9,096**	**$ 9,730**	**$ 1,093**	**$ 40,420**	**$ 8,814**	**$ 6,999**	**$ 31,221**	**$ 901**	**$ 47,935**
Less: Installment GWP and other GAAP adjustments (1)	13,729	7,930	9,730	1,093	32,482	4,051	7,692	26,221	901	38,865
Upfront GWP	6,772	1,166	—	—	7,938	4,763	(693)	5,000	—	9,070
Plus: Installment premiums and other	13,846	8,381	10,172	1,327	33,726	4,650	5,495	34,162	976	45,283
Total PVP	$ 20,618	$ 9,547	$ 10,172	$ 1,327	$ 41,664	$ 9,413	$ 4,802	$ 39,162	$ 976	$ 54,353
Gross par written	**$1,678,047**	**$ 214,538**	**$ 477,227**	**$ 280,846**	**$2,650,658**	**$ 581,113**	**$ 96,966**	**$ 962,753**	**$ 221,275**	**$1,862,107**

Reconciliation of GWP to PVP

	Year Ended December 31, 2023					Year Ended December 31, 2022				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
Total GWP	**$ 87,534**	**$ 38,334**	**$ 53,976**	**$ 4,269**	**$ 184,113**	**$ 14,467**	**$ 7,317**	**$ 34,258**	**$ (179)**	**$ 55,863**
Less: Installment GWP and other GAAP adjustments (1)	58,298	36,360	53,976	$ 4,269	152,903	(6,269)	8,010	26,608	$ (179)	28,170
Upfront GWP	29,236	1,974	—	—	31,210	20,736	(693)	7,650	—	27,693
Plus: Installment premiums and other	57,910	31,723	52,461	7,163	149,257	4,918	10,439	34,672	1,096	51,125
Total PVP	$ 87,146	$ 33,697	$ 52,461	$ 7,163	$ 180,467	$ 25,654	$ 9,746	$ 42,322	$ 1,096	$ 78,818
Gross par written	**$7,037,936**	**$1,245,252**	**$1,571,131**	**$1,106,911**	**$10,961,230**	**$1,977,055**	**$205,257**	**$1,065,454**	**$ 254,118**	**$3,501,884**

1) Includes the present value (PV) of new business on installment policies discounted at the prescribed GAAP discount rates, GWP adjustments on existing installment policies due to changes in assumptions and other GAAP adjustments.

Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Corp.

New Business Production (2 of 2)

(dollars in thousands)

	Three Months Ended December 31, 2023			Three Months Ended December 31, 2022		
	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross
GWP	**$ 9,438**	**$ 30,982**	**$ 40,420**	**$ 32,470**	**$ 15,465**	**$ 47,935**
PVP	10,362	31,302	41,664	39,127	15,226	54,353
Gross par written	482,795	2,167,863	2,650,658	902,850	959,257	1,862,107

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross
GWP	**$ 104,807**	**$ 79,306**	**$ 184,113**	**$ 18,823**	**$ 37,040**	**$ 55,863**
PVP	103,950	76,517	180,467	42,238	36,580	78,818
Gross par written	4,147,032	6,814,198	10,961,230	993,280	2,508,604	3,501,884

Assured Guaranty Corp.

Gross Par Written (1 of 2)

(dollars in thousands)

Gross Par Written by Asset Type

	Three Months Ended December 31,	
	2023	2022
Sector:		
U.S. public finance:		
General obligation	$ 583,992	$ 139,447
Transportation	399,303	73,231
Municipal utilities	288,149	97,992
Healthcare	211,033	76,972
Tax backed	163,570	94,908
Higher education	26,154	36,550
Housing revenue	3,911	—
Infrastructure finance	1,935	57,281
Investor-owned utilities	—	4,732
Total U.S. public finance	1,678,047	581,113
Non-U.S. public finance:		
Infrastructure finance	153,406	—
Regulated utilities	37,859	96,966
Sovereign and sub-sovereign	23,273	—
Total non-U.S. public finance	214,538	96,966
Total public finance	**1,892,585**	**678,079**
U.S. structured finance:		
Insurance securitizations	275,000	653,000
Structured credit	90,000	9,850
Subscription finance facilities	70,806	71,103
Pooled corporate obligations	41,421	128,800
Commercial mortgage-backed securities	—	100,000
Total U.S. structured finance	477,227	962,753
Non-U.S. structured finance:		
Subscription finance facilities	204,472	210,075
Pooled corporate obligations	76,374	11,200
Other structured finance	—	—
Total non-U.S. structured finance	280,846	221,275
Total structured finance	**758,073**	**1,184,028**
Total gross par written	**$ 2,650,658**	**$ 1,862,107**

Please refer to the Glossary for a description of sectors.

Assured Guaranty Corp.

Gross Par Written (2 of 2)

(dollars in thousands)

Gross Par Written by Asset Type

	Year Ended December 31, 2023 Gross Par Written	Year Ended December 31, 2022 Gross Par Written
Sector:		
U.S. public finance:		
General obligation	$ 2,135,567	$ 625,289
Infrastructure finance	1,786,499	69,692
Municipal utilities	1,206,651	323,987
Tax backed	688,684	275,370
Transportation	658,854	369,082
Healthcare	379,622	235,521
Higher education	96,682	73,382
Housing revenue	58,202	—
Investor-owned utilities	—	4,732
Other public finance	27,175	—
Total U.S. public finance	7,037,936	1,977,055
Non-U.S. public finance:		
Regulated utilities	590,932	187,638
Infrastructure finance	343,715	17,619
Sovereign and sub-sovereign	310,605	—
Total non-U.S. public finance	1,245,252	205,257
Total public finance	**8,283,188**	**2,182,312**
U.S. structured finance:		
Insurance securitizations	1,025,000	653,000
Structured credit	365,000	27,630
Subscription finance facilities	139,710	83,374
Pooled corporate obligations	41,421	128,800
Commercial mortgage-backed securities	—	113,000
Other structured finance	—	59,650
Total U.S. structured finance	1,571,131	1,065,454
Non-U.S. structured finance:		
Subscription finance facilities	1,030,537	242,918
Pooled corporate obligations	76,374	11,200
Other structured finance	—	—
Total non-U.S. structured finance	1,106,911	254,118
Total structured finance	**2,678,042**	**1,319,572**
Total gross par written	**$ 10,961,230**	**$ 3,501,884**

Please refer to the Glossary for a description of sectors.

Assured Guaranty Corp.

Fixed-Maturity Securities, Short-Term Investments and Cash

As of December 31, 2023

(dollars in thousands)

Fixed-Maturity, Short-Term Investments and Cash	Amortized Cost	Allowance for Credit Losses	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income [1]
Fixed-maturity securities, available-for-sale:						
Obligations of states and political subdivisions [2][3]	$ 1,100,189	$ (13,465)	3.50 %	3.11 %	$ 1,073,322	$ 38,455
U.S. government and agencies	6,966	—	0.45	0.36	6,576	31
Corporate securities	413,577	(2,234)	3.59	2.84	376,769	14,847
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) [3]	19,409	(1,981)	5.27	4.17	16,445	1,023
Commercial mortgage-backed securities	26,764	—	3.44	2.72	25,549	922
Asset-backed securities (ABS):						
Collateralized loan obligations	62,397	—	7.46	5.89	61,960	4,652
Other ABS [3]	384,079	(33,368)	6.23	4.92	328,325	23,926
Fixed-maturity securities, available-for-sale	$ 2,013,381	$ (51,048)	4.17	3.48	$ 1,888,946	$ 83,856
Short-term investments	25,160	—	5.25	4.15	25,160	1,322
Cash [4]	21,874	—	—	—	21,874	—
Total	**$ 2,060,415**	**$ (51,048)**	**4.18 %**	**3.49 %**	**$ 1,935,980**	**$ 85,178**

Fixed-maturity securities, trading	**$ 211,023**

Ratings [5]:	Fair Value	% of Portfolio
U.S. government and agencies	$ 6,576	0.3 %
AAA/Aaa	168,250	8.9
AA/Aa	751,941	39.8
A/A	340,009	18.0
BBB	235,258	12.5
BIG	330,416	17.5
Not rated [6]	56,496	3.0
Total fixed-maturity securities, available-for-sale	**$ 1,888,946**	**100.0 %**

Duration of available-for-sale fixed-maturity securities and short-term investments (in years):	**3.9**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes securities purchased or obtained for loss mitigation purposes and other risk management securities.
3) Cash is not included in the yield calculation.
4) Ratings are represented by the lower of the Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC classifications except for purchased securities that it has insured, and for which it had expected losses to be paid (Loss Mitigation Securities) and certain other securities, which use internal ratings classifications. Loss mitigation and other securities total $497.7 million in par with carrying value of $374.3 million and primarily included in the BIG category.
5) Includes $10.7 million of new general obligation bonds and new bonds backed by toll revenue received in connection with 2022 Puerto Rico Resolutions (see page 21).
6) Represents contingent value instruments (CVIs) received in connection with 2022 Puerto Rico Resolutions (see page 21). These securities are not rated.

Assured Guaranty Corp.

Estimated Net Exposure Amortization [1] and Estimated Future Financial Guaranty Net Premium and Credit Derivative Revenues

(dollars in thousands)

			Financial Guaranty Insurance [2]			
	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Expected PV Net Earned Premiums (i.e. Net Deferred Premium Revenue)	Accretion of Discount	Effect of FG VIE Consolidation on Expected PV Net Earned Premiums and Accretion of Discount	Future Credit Derivative Revenues [3]
2023 (as of December 31)		$ 46,938,627				
2024 Q1	$ 505,587	46,433,040	$ 13,726	$ 1,463	$ 69	$ 1,755
2024 Q2	388,731	46,044,309	13,673	1,420	68	1,745
2024 Q3	731,964	45,312,345	13,508	1,407	67	1,719
2024 Q4	707,134	44,605,211	13,080	1,375	66	1,716
2025	2,821,750	41,783,461	48,767	5,177	250	6,675
2026	2,364,131	39,419,330	44,527	4,786	233	6,387
2027	2,292,911	37,126,419	40,913	4,430	218	6,117
2028	2,630,643	34,495,776	37,613	4,111	205	5,872
2024-2028	12,442,851	34,495,776	225,807	24,169	1,176	31,986
2029-2033	10,700,775	23,795,001	146,737	16,188	889	26,410
2034-2038	8,328,778	15,466,223	85,761	10,140	643	21,137
2039-2043	6,231,966	9,234,257	43,210	5,872	—	13,665
After 2043	9,234,257	—	47,739	4,547	—	8,103
Total	**$ 46,938,627**		**$ 549,254**	**$ 60,916**	**$ 2,708**	**$ 101,301**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of December 31, 2023. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations, terminations and because of management's assumptions on structured finance amortization.
2) See also page 17, ''Net Expected Loss to be Expensed.''
3) Represents expected future premiums on insured credit derivatives.

Assured Guaranty Corp.

Rollforward of Net Expected Loss and LAE to be Paid

(dollars in thousands)

Roll Forward of Net Expected Loss and LAE to be Paid [1] for the Three Months Ended December 31, 2023

	Net Expected Loss to be Paid (Recovered) as of September 30, 2023	Net Economic Loss Development (Benefit) During 4Q-23	Net (Paid) Recovered Losses During 4Q-23	Net Expected Loss to be Paid (Recovered) as of December 31, 2023
Public Finance:				
U.S. public finance	$ 165,362	$ 4,006	$ (736)	$ 168,632
Non-U.S public finance	368	99	—	467
Public Finance	165,730	4,105	(736)	169,099
Structured Finance:				
U.S. RMBS	52,969	2,730	2,969	58,668
Other structured finance	(65,064)	6,015	3,202	(55,847)
Structured Finance	(12,095)	8,745	6,171	2,821
Total	**$ 153,635**	**$ 12,850**	**$ 5,435**	**$ 171,920**

Roll Forward of Net Expected Loss and LAE to be Paid [1] for the Year Ended December 31, 2023

	Net Expected Loss to be Paid (Recovered) as of December 31, 2022	Net Economic Loss Development (Benefit) During 2023	Net (Paid) Recovered Losses During 2023	Net Expected Loss to be Paid (Recovered) as of December 31, 2023
Public Finance:				
U.S. public finance	$ 187,961	$ 17,255	$ (36,584)	$ 168,632
Non-U.S public finance	1,050	(583)	—	467
Public Finance	189,011	16,672	(36,584)	169,099
Structured Finance:				
U.S. RMBS	58,352	2,497	(2,181)	58,668
Other structured finance	(58,584)	(7,818)	10,555	(55,847)
Structured Finance	(232)	(5,321)	8,374	2,821
Total	**$ 188,779**	**$ 11,351**	**$ (28,210)**	**$ 171,920**

1) Includes net expected loss to be paid (recovered), economic loss development (benefit) and (paid) recovered losses for all contracts (i.e., those accounted for as insurance, credit derivatives and FG VIEs).

Assured Guaranty Corp.

Loss Measures

As of December 31, 2023

(dollars in thousands)

	Total Net Par Outstanding for BIG Transactions	Three Months Ended December 31, 2023			Year Ended December 31, 2023		
		GAAP Loss and LAE (1)	Loss and LAE Included in Adjusted Operating Income (2)	Effect of FG VIE Consolidation (3)	GAAP Loss and LAE (1)	Loss and LAE Included in Adjusted Operating Income (2)	Effect of FG VIE Consolidation (3)
Public finance:							
U.S. public finance	$ 409,198	**$ 2,036**	$ 2,036	$ (3,762)	**$ 21,536**	$ 21,536	$ 1,128
Non-U.S public finance	45,856	**(1)**	(1)	—	**(5)**	(5)	—
Public finance	455,054	**2,035**	2,035	(3,762)	**21,531**	21,531	1,128
Structured finance:							
U.S. RMBS	322,856	**2,273**	1,475	(372)	**11,769**	11,143	419
Other structured finance	8,043	**5,188**	6,022	—	**(10,377)**	(8,352)	—
Structured finance	330,899	**7,461**	7,497	(372)	**1,392**	2,791	419
Total	**$ 785,953**	**$ 9,496**	$ 9,532	$ (4,134)	**$ 22,923**	$ 24,322	$ 1,547

1) Includes loss expense related to contracts that are accounted for as insurance contracts.
2) Includes loss expense related to contracts that are accounted for as insurance contracts and credit derivatives.
3) The "Effect of FG VIE Consolidation" column represents amounts included in the condensed consolidated statements of operations and adjusted operating income that the Company removes to arrive at the core financial measures that management uses in certain of its compensation calculations and its decision making process. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Please refer to the Glossary for an explanation of the presentation of net par outstanding and of the various sectors.

Assured Guaranty Corp.

Net Expected Loss to be Expensed [(1)]

As of December 31, 2023

(dollars in thousands)

	GAAP
2024 Q1	$ 1,382
2024 Q2	1,365
2024 Q3	1,364
2024 Q4	1,405
2025	5,498
2026	9,384
2027	9,486
2028	8,810
2024-2028	38,694
2029-2033	33,900
2034-2038	19,053
2039-2043	479
After 2043	400
Total expected present value of net expected loss to be expensed [(2)]	92,526
Future accretion	39,925
Total expected future loss and LAE	$ 132,451

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 3.79% to 5.40% for U.S. dollar denominated obligations.
2) Excludes $4.3 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Corp.

Financial Guaranty Profile (1 of 3)

(dollars in thousands)

Net Par Outstanding by Asset Type

	As of December 31, 2023	As of December 31, 2022
U.S. public finance:		
General obligation	$ 5,493,797	$ 3,572,690
Transportation	3,391,150	2,768,610
Infrastructure finance	3,241,421	1,763,072
Tax Backed	2,924,178	2,483,477
Municipal utilities	2,532,765	1,355,883
Healthcare	789,123	474,660
Higher Education	440,322	366,948
Housing revenue	138,350	84,771
Renewable Energy	118,862	121,353
Investor-owned utilities	99,217	101,501
Other public finance	483,449	519,879
Total U.S. public finance	19,652,634	13,612,844
Non-U.S. public finance:		
Regulated utilities	2,854,361	1,878,033
Infrastructure finance	976,628	629,756
Pooled infrastructure	566,626	540,258
Sovereign and sub-sovereign	544,250	231,376
Renewable energy	20,199	38,622
Total non-U.S. public finance	4,962,064	3,318,045
Total public finance	**24,614,698**	**16,930,889**
U.S. structured finance:		
Insurance securitizations	1,271,312	1,094,457
Pooled corporate obligations	555,799	562,764
RMBS	524,819	569,455
Consumer receivables	180,808	251,621
Subscription finance facilities	142,593	50,452
Other structured finance	756,787	677,468
Total U.S. structured finance	3,432,118	3,206,217
Non-U.S. structured finance:		
Subscription finance facilities	345,867	153,572
Pooled corporate obligations	342,004	273,492
RMBS	152,917	152,655
Other structured finance	7,938	8,217
Total non-U.S. structured finance	848,726	587,936
Total structured finance	**4,280,844**	**3,794,153**
Total net par outstanding	**$ 28,895,542**	**$ 20,725,042**

Please refer to the Glossary for an explanation of the presentation of net par outstanding and various sectors.

Assured Guaranty Corp.

Financial Guaranty Profile (2 of 3)

As of December 31, 2023

(dollars in thousands)

Distribution by Ratings of Financial Guaranty Portfolio

	Public Finance - U.S.		Public Finance - Non-U.S.		Structured Finance - U.S.		Structured Finance - Non-U.S.		Total	
Ratings:	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**
AAA	$ 6,596	— %	$ 645,792	13.0 %	$ 531,010	15.5 %	$ 286,406	33.7 %	$ 1,469,804	5.1 %
AA	3,299,755	16.8	362,384	7.3	1,397,149	40.7	81,152	9.6	5,140,440	17.8
A	8,620,094	43.9	1,409,026	28.4	721,241	21.0	468,851	55.2	11,219,212	38.8
BBB	7,316,991	37.2	2,499,006	50.4	451,819	13.2	12,317	1.5	10,280,133	35.6
BIG	409,198	2.1	45,856	0.9	330,899	9.6	—	—	785,953	2.7
Net Par Outstanding (1)	**$ 19,652,634**	**100.0 %**	**$ 4,962,064**	**100.0 %**	**$ 3,432,118**	**100.0 %**	**$ 848,726**	**100.0 %**	**$ 28,895,542**	**100.0 %**

1) As of December 31, 2023, the Company excluded $456.8 million of net par primarily attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding (1)(2)	% of Total
Affiliated reinsurers	$ 9,192,108	99.7 %
Non-affiliated reinsurers	25,500	0.3
Total	**$ 9,217,608**	**100.0 %**

1) Of the total par ceded to non-affiliates, none is rated BIG.
2) There was no collateral posted by third party reinsurers and $186.5 million posted by affiliated reinsurers as of December 31, 2023.

Please refer to the Glossary for an explanation of the presentation of net par outstanding, the Company's internal rating approach and of the various sectors.

Assured Guaranty Corp.

Financial Guaranty Profile (3 of 3)
As of December 31, 2023
(dollars in thousands)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 4,696,746	16.2 %
Texas	3,146,549	10.9
New York	1,415,477	4.9
New Jersey	1,114,199	3.9
Pennsylvania	1,008,202	3.5
Illinois	978,883	3.4
Florida	955,099	3.3
Virginia	879,467	3.0
Georgia	506,736	1.8
North Carolina	476,975	1.6
Other	4,474,301	15.5
Total U.S public finance	19,652,634	68.0
U.S. structured finance (multiple states)	3,432,118	11.9
Total U.S.	**23,084,752**	**79.9**
Non-U.S.:		
United Kingdom	4,480,945	15.5
Australia	174,089	0.6
France	165,720	0.6
Italy	139,853	0.5
Mexico	131,437	0.4
Other	718,746	2.5
Total non-U.S.	**5,810,790**	**20.1**
Total net par outstanding	**$ 28,895,542**	**100.0 %**

Please refer to the Glossary for an explanation of the presentation of net par outstanding and of the various sectors.

Assured Guaranty Corp.

Exposure to Puerto Rico (1 of 2)

As of December 31, 2023

(dollars in thousands)

Exposure to Puerto Rico

	Par Outstanding		Debt Service Outstanding	
	Gross	Net	Gross	Net
Total	$ 365,504	$ 242,463	$ 571,089	$ 377,710

Exposure to Puerto Rico by Company [1]

	Net Par Outstanding	Gross Par Outstanding
Defaulted Puerto Rico Exposures		
Puerto Rico Electric Power Authority (PREPA) [4]	$ 67,613	$ 116,770
Total Defaulted	**67,613**	**116,770**
Resolved Puerto Rico Exposures [2], [3]		
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation revenue)	157,051	230,935
PRHTA (Highway revenue)	11,207	11,207
Total Resolved	**168,258**	**242,142**
Other Puerto Rico Exposures [4]		
Puerto Rico Municipal Finance Agency (MFA)	5,670	5,670
Puerto Rico Aqueduct and Sewer Authority (PRASA) and University of Puerto Rico (U of PR)	922	922
Total Other	**6,592**	**6,592**
Total exposure to Puerto Rico	**$ 242,463**	**$ 365,504**

1) The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are rated BIG.
2) A substantial portion of the Company's Puerto Rico exposure was resolved in 2022 in accordance with four orders (including orders implementing the GO/PBA Plan and HTA Plan described below) entered by the United States District Court of the District of Puerto Rico related to the Company's exposure to all insured Puerto Rico credits experiencing payment default in 2022 except PREPA (2022 Puerto Rico Resolutions). Under the Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority (GO/PBA Plan), the Company received cash, new general obligation bonds and CVIs. In connection with the Modified Fifth Amended Title III Plan of Adjustment for PRHTA (HTA Plan) and related arrangements, the Company received cash and new bonds backed by toll revenues (Toll Bonds) from the PRHTA and CVIs from the Commonwealth of Puerto Rico.
3) Resolved pursuant to the 2022 Puerto Rico Resolutions. In January 2024, $36.8 million of the remaining PRHTA net par was paid down. The remaining liabilities are payable in full by AGC under its financial guaranty policy and are no longer dependent on the credit of PRHTA.
4) All debt service on these insured exposures have been paid to date without any insurance claim being made on the Company.

Assured Guaranty Corp.

Exposure to Puerto Rico (2 of 2)
As of December 31, 2023
(dollars in thousands)

Amortization Schedule of Net Par Outstanding of Puerto Rico

	2024 (Q1)	2024 (Q2)	2024 (Q3)	2024 (Q4)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034-2038	2039-2041	Total
Defaulted Puerto Rico Exposures																
PREPA	$ —	$ —	$ 1,331	$ —	$ 1,398	$19,264	$17,030	$16,652	$ 1,053	$ 2,784	$ 1,839	$ 5,680	$ 332	$ 250	$ —	$ 67,613
Total Defaulted	—	—	1,331	—	1,398	19,264	17,030	16,652	1,053	2,784	1,839	5,680	332	250	—	67,613
Resolved Puerto Rico Exposures																
PRHTA (Transportation revenue)	—	—	—	—	—	—	—	—	—	—	—	—	—	99,696	57,355	157,051
PRHTA (Highway revenue)	—	—	—	—	—	—	—	—	—	—	—	2,373	1,465	7,369	—	11,207
Total Resolved	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,373**	**1,465**	**107,065**	**57,355**	**168,258**
Other Puerto Rico Exposures																
MFA	—	—	358	—	326	1,567	1,271	1,064	614	470	—	—	—	—	—	5,670
PRASA and U of PR	—	—	345	—	52	55	57	61	64	67	70	74	77	—	—	922
Total Other	**—**	**—**	**703**	**—**	**378**	**1,622**	**1,328**	**1,125**	**678**	**537**	**70**	**74**	**77**	**—**	**—**	**6,592**
Total	**$ —**	**$ —**	**$ 2,034**	**$ —**	**$ 1,776**	**$20,886**	**$18,358**	**$17,777**	**$ 1,731**	**$ 3,321**	**$ 1,909**	**$ 8,127**	**$ 1,874**	**$107,315**	**$ 57,355**	**$ 242,463**

Amortization Schedule of Net Debt Service Outstanding of Puerto Rico

	2024 (Q1)	2024 (Q2)	2024 (Q3)	2024 (Q4)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034-2038	2039-2041	Total
Defaulted Puerto Rico Exposures																
PREPA	$ 1,553	$ 52	$ 2,884	$ 52	$ 4,528	$22,336	$19,161	$ 18,052	$ 1,627	$ 3,320	$ 2,250	$ 5,995	$ 361	$ 300	$ —	$ 82,471
Total Defaulted	1,553	52	2,884	52	4,528	22,336	19,161	18,052	1,627	3,320	2,250	5,995	361	300	—	82,471
Resolved Puerto Rico Exposures																
PRHTA (Transportation revenue)	4,081	—	4,123	—	8,245	8,245	8,245	8,245	8,245	8,245	8,245	8,245	8,245	124,384	62,695	269,488
PRHTA (Highway revenue)	294	—	294	—	588	588	589	589	589	588	588	2,962	1,929	8,205	—	17,803
Total Resolved	**4,375**	**—**	**4,417**	**—**	**8,833**	**8,833**	**8,834**	**8,834**	**8,834**	**8,833**	**8,833**	**11,207**	**10,174**	**132,589**	**62,695**	**287,291**
Other Puerto Rico Exposures																
MFA	142	—	499	—	591	1,817	1,441	1,171	668	494	—	—	—	—	—	6,823
PRASA and U of PR	25	—	370	—	81	81	81	81	81	81	82	81	81	—	—	1,125
Total Other	**167**	**—**	**869**	**—**	**672**	**1,898**	**1,522**	**1,252**	**749**	**575**	**82**	**81**	**81**	**—**	**—**	**7,948**
Total	**$ 6,095**	**$ 52**	**$ 8,170**	**$ 52**	**$14,033**	**$33,067**	**$29,517**	**$ 28,138**	**$ 11,210**	**$12,728**	**$11,165**	**$17,283**	**$ 10,616**	**$132,889**	**$ 62,695**	**$ 377,710**

Assured Guaranty Corp.

U.S. RMBS Profile

As of December 31, 2023

(dollars in thousands)

Distribution of U.S. RMBS by Rating and Type of Exposure (1)

Ratings:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
AAA	$ 7,172	$ 22,769	$ 5,877	$ 66,057	$ 1,281	$ 103,156
AA	5,033	50,701	76	7,311	29,066	92,187
A	34	—	—	2,483	33	2,550
BBB	1,789	—	1	45	2,235	4,070
BIG	10,054	47,965	3,554	247,394	13,889	322,856
Total exposures	**$ 24,082**	**$ 121,435**	**$ 9,508**	**$ 323,290**	**$ 46,504**	**$ 524,819**

Distribution of U.S. RMBS by Year Insured and Type of Exposure

Year insured:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
2004 and prior	$ 6,992	$ 327	$ 113	$ 42,670	$ 2,578	$ 52,680
2005	13,378	29,860	5,704	93,468	9,992	152,402
2006	3,712	336	—	32,379	5,475	41,902
2007	—	90,912	3,691	154,773	28,459	277,835
Total exposures	**$ 24,082**	**$ 121,435**	**$ 9,508**	**$ 323,290**	**$ 46,504**	**$ 524,819**

1) AGC has not insured any new U.S. RMBS transactions since 2008.

Please refer to the Glossary for an explanation of the Company's presentation of net par outstanding, internal ratings and a description of sectors.

Assured Guaranty Corp.

Direct Pooled Corporate Obligations Profile

As of December 31, 2023

(dollars in thousands)

Distribution of Direct Pooled Corporate Obligations by Ratings

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement
Ratings:				
AAA	$ 474,872	69.2 %	43.6%	58.2%
AA	100,275	14.6	37.7	39.5
A	90,103	13.1	45.0	53.0
BBB	21,433	3.1	41.9	45.6
Total exposures	**$ 686,683**	**100.0 %**	**42.9%**	**54.4%**

Distribution of Direct Pooled Corporate Obligations by Asset Class

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement	Number of Transactions
Asset class:					
Trust preferred:					
Banks and insurance	$ 322,231	46.9 %	43.6%	65.0%	12
U.S. mortgage and real estate investment trusts	59,417	8.7	47.3	65.0	3
Collateralized loan obligations	305,035	44.4	41.2	41.2	9
Total exposures	**$ 686,683**	**100.0 %**	**42.9%**	**54.4%**	**24**

Please refer to the Glossary for an explanation of internal ratings, performance indicators and sectors.

Assured Guaranty Corp.

Credit Derivative Net Par Outstanding Profile

As of December 31, 2023

(dollars in thousands)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	Net Par Outstanding	% of Total
AAA	$ 751,959	35.8 %
AA	972,295	46.3
A	153,567	7.3
BBB	177,357	8.4
BIG	45,953	2.2
Total credit derivative net par outstanding	**$ 2,101,131**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector

	Net Par Outstanding
Public finance:	
U.S. public finance	$ 935,689
Non-U.S. public finance	741,246
Total public finance	**1,676,935**
U.S. structured finance:	
Pooled corporate obligations	177,905
RMBS	118,981
Total U.S. structured finance	296,886
Non-U.S. structured finance:	
RMBS	127,310
Total non-U.S. structured finance	127,310
Total structured finance	**424,196**
Total credit derivative net par outstanding	**$ 2,101,131**

Please refer to the Glossary for a description of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Below Investment Grade Exposures (1 of 3)

(dollars in thousands)

BIG Exposures by Asset Exposure Type

	As of	
	December 31, 2023	**December 31, 2022**
U.S. public finance:		
Tax backed	$ 187,572	$ 234,066
Municipal utilities	79,648	82,507
Housing revenue	53,953	56,201
General obligation	30,870	66,657
Transportation	15,211	15,458
Healthcare	7,185	12,650
Higher education	2,627	3,610
Other public finance	32,132	29,164
Total U.S. public finance	409,198	500,313
Non-U.S. public finance:		
Infrastructure finance	45,181	45,088
Sovereign and sub-sovereign	675	772
Renewable energy	—	18,424
Total non-U.S. public finance	45,856	64,284
Total public finance	**455,054**	**564,597**
U.S. structured finance:		
RMBS	322,856	339,425
Insurance securitizations	6,385	6,385
Consumer receivables	170	118
Other structured finance	1,488	4,604
Total U.S. structured finance	330,899	350,532
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**330,899**	**350,532**
Total BIG net par outstanding	**$ 785,953**	**$ 915,129**

Please refer to the Glossary for an explanation of the Company's presentation of net par outstanding and a description of various sectors.

Assured Guaranty Corp.

Below Investment Grade Exposures (2 of 3)

(dollars in thousands)

Net Par Outstanding by BIG Category [1]

	As of	
	December 31, 2023	December 31, 2022
BIG Category 1		
U.S. public finance	$ 116,791	$ 144,701
Non-U.S. public finance	45,856	64,284
U.S. structured finance	17,486	12,702
Non-U.S. structured finance	—	—
Total BIG Category 1	180,133	221,687
BIG Category 2		
U.S. public finance	56,536	51,296
Non-U.S. public finance	—	—
U.S. structured finance	19,233	22,795
Non-U.S. structured finance	—	—
Total BIG Category 2	75,769	74,091
BIG Category 3		
U.S. public finance	235,871	304,316
Non-U.S. public finance	—	—
U.S. structured finance	294,180	315,035
Non-U.S. structured finance	—	—
Total BIG Category 3	530,051	619,351
BIG Total	**$ 785,953**	**$ 915,129**

1) BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make future losses possible, but for which none are currently expected. BIG Category 2: Below-investment-grade transactions for which future losses are expected but for which no claims (other than liquidity claims which are claims that the Company expects to be reimbursed within one year) have yet been paid. BIG Category 3: Below-investment-grade transactions for which future losses are expected and on which claims (other than liquidity claims) have been paid.

Please refer to the Glossary for an explanation of the Company's internal rating approach, presentation of net par outstanding and a description of various sectors.

Assured Guaranty Corp.

Below Investment Grade Exposures (3 of 3)

As of December 31, 2023

(dollars in thousands)

Public Finance and Structured Finance BIG Exposures with Revenue Sources Greater Than $50 Million

	Net Par Outstanding	Internal Rating (1)
Name or description		
U.S. public finance:		
Puerto Rico Highways & Transportation Authority	$ 168,258	CCC
Puerto Rico Electric Power Authority	67,613	CCC
Subtotal U.S. public finance	**235,871**	
Non-U.S. public finance:		
Subtotal non-U.S. public finance	—	
U.S. structured finance		
RMBS:		
Option One Mortgage Loan Trust 2007-HL1	97,682	CCC
Argent Securities Inc. 2005-W4	92,617	CCC
Subtotal RMBS	**190,299**	
Non-RMBS	—	
Subtotal U.S. structured finance	**190,299**	
Non-U.S. structured finance	—	
Total	**$ 426,170**	

1) Transactions rated below B- are categorized as CCC.

Please refer to the Glossary for an explanation of the Company's internal rating approach, presentation of net par outstanding and a description of performance indicators and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (1 of 3)

As of December 31, 2023

(dollars in thousands)

50 Largest U.S. Public Finance Exposures by Revenue Source

Credit Name:	**Net Par Outstanding**	**Internal Rating [1]**
New Jersey (State of)	$ 905,000	BBB
North Texas Tollway Authority	897,199	A+
San Diego Family Housing, LLC	895,875	AA
Alameda Corridor Transportation Authority, California	501,394	BBB+
LCOR Alexandria LLC	356,657	BB+
Private Transaction	341,804	BBB-
Metro Washington Airports Authority (Dulles Toll Road)	311,503	BBB+
Private Transaction	299,593	BBB+
New York Power Authority	244,386	AA-
Private Transaction	234,894	A
Private Transaction	230,172	BBB+
Miami-Dade County, Florida	223,887	AA-
JFK New Terminal One, New York	200,000	BBB-
Chicago Water, Illinois	195,205	BBB+
Houston Airport System, Texas	195,160	A
Lower Colorado River Authority	186,550	A
Private Transaction	184,536	A
Houston Hotel Occupancy Tax, Texas	182,126	BBB
New York Metropolitan Transportation Authority	180,133	BBB+
Puerto Rico Highways & Transportation Authority	168,258	CCC
Palomar Health	157,954	BBB+
California (State of)	157,565	AA-
San Joaquin Hills Transportation, California	152,923	BBB
Philadelphia Water & Wastewater, Pennsylvania	141,209	A
Dodger Tickets LLC	138,128	BBB
Southern California Logistic Airport, California	125,967	BBB
Pittsburgh International Airport, Pennsylvania	123,540	A-
Maine (State of)	121,794	A
Navy Midwest Family Housing LLC	119,605	AA-
San Antonio Electric and Gas Systems, Texas	118,630	AA
Chicago (City of) Wastewater Transmission, Illinois	116,359	BBB+
Washington Water Power (Avista Project)	107,250	A-
Metropolitan Government Sports Authority of Nashville and Davidson County, Tennessee	106,356	A
Escondido Union High School District, California	105,082	AA-
Municipal Electric Authority of Georgia	93,366	BBB+
Detroit-Metropolitan Wayne County Airport, Michigan	92,438	A-
Santa Ana Unified School District, California	91,841	A+
Grossmont-Cuyamaca Community College District, California	90,796	AA-
Municipal Gas Authority of Georgia	90,583	A+
Private Transaction	88,355	A-
Chicago Public Schools, Illinois	87,640	BBB-
Offutt Air Force Base, Nebraska - America First Communities, LLC	87,445	AA-
New York (City of), New York	85,226	AA
West Contra Costa Unified School District, California	83,246	A+
Yankee Stadium LLC New York City Industrial Development Authority	83,082	BBB
Pasco County (H. Lee Moffitt Cancer Center Project), Florida	81,471	A
Ohana Military Communities, LLC	80,725	A+
Dade County Seaport, Florida	79,533	A-
St. Louis, Missouri	79,333	BBB+
Duke Energy Florida	77,613	A
Total top 50 U.S. public finance exposures	**$ 10,099,387**	

1) Transactions rated below B- are categorized as CCC.

Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (2 of 3)

As of December 31, 2023

(dollars in thousands)

25 Largest U.S. Structured Finance Exposures

Credit Name:	Net Par Outstanding	Internal Rating [1]
Private US Insurance Securitization	$ 311,262	AA-
Private US Insurance Securitization	187,500	A+
Private US Insurance Securitization	179,393	AA-
Private US Insurance Securitization	171,840	AA-
Private US Insurance Securitization	165,000	AA
SLM Student Loan Trust 2007-A	138,455	AA
Private US Insurance Securitization	115,800	AA-
Private Middle Market CLO	109,480	AAA
Private US Insurance Securitization	106,085	AA
DB Master Finance LLC	98,376	BBB
Option One Mortgage Loan Trust 2007-Hl1	97,682	CCC
Argent Securities Inc. 2005-W4	92,617	CCC
Private Balloon Note Guarantee	85,000	A
Private Balloon Note Guarantee	59,500	BBB
CAPCO - Excess SIPC Excess of Loss Reinsurance	53,550	BBB
ALESCO Preferred Funding XIII, Ltd.	53,514	AAA
Private Other Structured Finance Transaction	49,835	A-
Preferred Term Securities XXIV, Ltd.	46,367	AAA
CWALT Alternative Loan Trust 2007-HY9	44,862	BBB+
Alesco Preferred Funding XVI, Ltd.	44,054	A
Private Balloon Note Guarantee	42,500	A
Private Other Structured Finance Transaction	41,388	A-
Sonic Capital LLC 2020-1	39,007	BBB
Augusta Funding Limited 02Perpetual Note Issue	36,667	AA
Preferred Term Securities XXIII	36,080	AAA
Total top 25 U.S. structured finance exposures	**$ 2,405,814**	

1) Transactions rated below B- are categorized as CCC.

Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (3 of 3)

As of December 31, 2023

(dollars in thousands)

50 Largest Non-U.S. Exposures by Revenue Source

Credit Name:	**Country**	**Net Par Outstanding**	**Internal Rating**
Southern Water Services Limited	United Kingdom	$ 410,881	BBB
Dwr Cymru Financing Limited	United Kingdom	343,005	A-
Anglian Water Services Financing PLC	United Kingdom	338,548	A-
British Broadcasting Corporation (BBC)	United Kingdom	260,406	A+
Thames Water Utilities Finance PLC	United Kingdom	235,305	BBB
National Grid Gas PLC	United Kingdom	234,373	A-
International Infrastructure Pool	United Kingdom	188,875	AAA
International Infrastructure Pool	United Kingdom	188,875	AAA
International Infrastructure Pool	United Kingdom	188,875	AAA
Aspire Defence Finance plc	United Kingdom	187,690	BBB+
Wessex Water Services Finance Plc	United Kingdom	169,349	AA-
Northumbrian Water PLC	United Kingdom	164,801	BBB+
Yorkshire Water Services Finance Plc	United Kingdom	157,322	BBB
Comision Federal De Electricidad (CFE) El Cajon Project	Mexico	130,392	BBB-
Private International Residential Mortgage Transaction	United Kingdom	127,310	A
National Grid Company PLC	United Kingdom	110,794	BBB+
Regione Lazio	Italy	108,959	BBB-
United Utilities Water PLC	United Kingdom	105,954	A-
Channel Link Enterprises Finance PLC	France, United Kingdom	104,622	BBB
Southern Gas Networks PLC	United Kingdom	98,024	BBB+
Bain Capital EURO CLO 2021-2	Refer to Footnote 1	96,588	AAA
M77 - Glasgow Southern Orbital PFI Road Project	United Kingdom	95,852	BBB-
Tymon Park CLO DAC Reset	Refer to Footnote 2	86,762	AA
North Westerly V Leveraged Loan Strategies CLO	Refer to Footnote 3	84,216	AAA
Private Subscription Finance Transaction	Refer to Footnote 4	83,201	A
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	78,948	AAA
Ancora (OAHS) Pty Ltd.	Australia	78,903	BBB
Envestra Limited	Australia	75,137	A-
Heathrow Funding Limited	United Kingdom	69,305	BBB
Private Subscription Finance Transaction	Refer to Footnote 5	65,632	A
Private Pooled Corporate Transaction	Refer to Footnote 6	64,918	AA
Electricity North West Ltd	United Kingdom	58,576	BBB+
Severn Trent Water Utilities Finance Plc	United Kingdom	56,748	BBB+
University of Sussex	United Kingdom	54,533	BBB
Capital Hospitals (Issuer) PLC	United Kingdom	51,929	BBB-
Sociedad Concesionaria Autopista Vespucio Sur S.A., Chile	Chile	51,225	BBB
Private Subscription Finance Transaction	Refer to Footnote 7	39,908	A
Newcastle Hospitals PFI Project	United Kingdom	36,642	BB+
Private International Housing Association Transaction	United Kingdom	35,010	A-
South West Water UK	United Kingdom	34,122	BBB+
Feria Muestrario Internacional de Valencia	Spain	31,533	BBB-
Private Subscription Finance Transaction	Refer to Footnote 8	28,846	A
Private International Sub-Sovereign Transaction	United Kingdom	26,733	A+
Southern Electric Power Distribution Plc	United Kingdom	25,462	BBB
Private Subscription Finance Transaction	Refer to Footnote 9	25,346	A
Western Power Distribution (South West) PLC	United Kingdom	25,237	BBB+
Metro de Madrid SA	Spain	23,273	BBB
Private International Education Transaction	United Kingdom	22,279	A+
Private Subscription Finance Transaction	Refer to Footnote 10	22,050	A
Derby Healthcare PLC	United Kingdom	21,442	BBB
Total top 50 non-U.S. exposures		**$ 5,404,716**	

Primarily: (1) France, Luxembourg, United Kingdom, Netherlands, Germany, (2) United Kingdom, France, Netherlands, Luxembourg, Germany, (3) France, Germany, United Kingdom, Netherlands, Sweden, (4) Germany, Luxembourg, United Kingdom, Netherlands, Singapore, (5) Netherlands, Luxembourg, France, Norway, Singapore, (6) France, United Kingdom, Netherlands, Spain, Italy, (7) Canada, China, Hong Kong, Saudi Arabia, South Korea, (8) Netherlands, Italy, Switzerland, France, Denmark, (9) South Korea, China, Luxembourg, Singapore, Kuwait, (10) United Kingdom, Switzerland, Germany, Norway, Sweden.

Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Summary of Statutory Financial and Statistical Data

(dollars in thousands)

	As of and for Year Ended December 31,				
	2023	2022	2021	2020	2019
Claims-Paying Resources [1]					
Policyholders' surplus	$ 1,650,573	$ 1,916,078	$ 2,069,827	$ 1,716,777	$ 1,775,111
Contingency reserve	419,642	346,940	348,062	617,634	621,131
Qualified statutory capital	**2,070,215**	**2,263,018**	**2,417,889**	**2,334,411**	**2,396,242**
Unearned premium reserve and net deferred ceding commission income	350,737	326,786	352,782	363,452	430,665
Loss and LAE reserves	—	—	7,072	13,118	150,811
Total policyholders' surplus and reserves	**2,420,952**	**2,589,804**	**2,777,743**	**2,710,981**	**2,977,718**
Present value of installment premium	256,666	200,488	193,521	189,445	187,369
CCS	200,000	200,000	200,000	200,000	200,000
Total claims-paying resources (including proportionate Municipal Assurance Corp. (MAC) ownership for AGC)	**2,877,618**	**2,990,292**	**3,171,264**	**3,100,426**	**3,365,087**
Adjustment for MAC	—	—	—	234,852	239,643
Total claims-paying resources (excluding proportionate MAC ownership for AGC)	**$ 2,877,618**	**$ 2,990,292**	**$ 3,171,264**	**$ 2,865,574**	**$ 3,125,444**
Ratios:					
Net par outstanding to qualified statutory capital	14 :1	9:1	9:1	11:1	13:1
Capital ratio	23 :1	15:1	14:1	16:1	19:1
Financial resources ratio	16 :1	11:1	10:1	12:1	14:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGC)	10 :1	7:1	7:1	8:1	9:1
Other Financial Information (Statutory Basis) [2]					
Net debt service outstanding (end of period)	$47,395,589	$32,982,853	$33,024,098	$38,015,005	$45,707,258
Gross debt service outstanding (end of period)	60,185,021	44,599,698	45,424,851	50,842,602	60,496,257
Net par outstanding (end of period)	29,114,871	20,950,705	21,603,648	25,377,477	30,069,673
Gross par outstanding (end of period)	38,534,762	29,302,574	30,328,782	34,273,962	40,158,338
Ceded to Assured Guaranty affiliates	9,394,391	8,326,369	8,699,634	8,870,984	9,989,191
Gross debt service written:					
Public finance - U.S.	$13,195,816	$ 3,690,150	$ 3,480,668	$ —	$ 922,886
Public finance - non-U.S.	2,373,439	480,692	56,226	—	663,929
Structured finance - U.S.	1,814,644	1,107,988	1,311,776	508,015	1,703,593
Structured finance - non-U.S.	1,123,945	259,941	357,051	—	—
Total gross debt service written	$18,507,844	$ 5,538,771	$ 5,205,721	$ 508,015	$ 3,290,408

1) See page 8 for additional detail on claims-paying resources and exposure. The December 31, 2019 - 2020 numbers shown for AGC have been adjusted to include its indirect share of MAC. Until April 1, 2021, AGM and AGC owned 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc. (MAC Holdings), which owned 100% of the outstanding common stock of MAC. On April 1, 2021, as part of a multi-step transaction, AGC sold its interest in MAC Holdings to AGM and MAC was merged with and into AGM, with AGM as the surviving company.
2) The National Association of Insurance Commissioners Annual Statements for U.S. Domiciled Insurance Companies are prepared on a stand-alone basis.

Please refer to the Glossary for an explanation of the presentation of net debt service and net par outstanding and of the various sectors.

Glossary

Net Par Outstanding and Internal Ratings

Net Par Outstanding is insured par exposure, net of reinsurance cessions. Unless otherwise indicated, GAAP net par outstanding amounts exclude amounts as a result of loss mitigation strategies, including securities the Company has purchased for loss mitigation purposes that are held in the investment portfolio.

Internal Rating utilizes the Company's ratings scale, which is similar to that used by the nationally recognized statistical rating organizations; however, the ratings in the tables may not be the same as ratings assigned by any such rating agency.

Statutory Net Par and Net Debt Service Outstanding Under statutory accounting, net par and net debt service outstanding would be reduced both when an outstanding issue is legally defeased (i.e., an issuer has legally discharged its obligations with respect to a municipal security by satisfying conditions set forth in defeasance provisions contained in transaction documents and is no longer responsible for the payment of debt service with respect to such obligations) and when such issue is economically defeased (i.e., transaction documents for a municipal security do not contain defeasance provisions but the issuer establishes an escrow account with U.S. government securities in amounts sufficient to pay the refunded bonds when due; the refunded bonds are not considered paid and continue to be outstanding under the transaction documents and the issuer remains responsible to pay debt service when due to the extent monies on deposit in the escrow account are insufficient for such purpose).

Performance Indicators

The performance information described below is obtained from third parties and/or provided by the trustee and may be subject to revision as updated or additional information is obtained:

Average Credit Enhancement is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured Guaranty's exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes. Some asset classes may not have subordinated tranches so they are excluded from the weighted averages.

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2023.

U.S. Public Finance:

General Obligation Bonds are full faith and credit obligations that are issued by states, their political subdivisions and other municipal issuers, and are supported by the general obligation of the issuer to pay from available funds and by a pledge of the issuer to levy property taxes in an amount sufficient to provide for the full payment of the bonds.

Transportation Bonds include a wide variety of revenue-supported obligations, such as bonds for airports, ports, tunnels, municipal parking facilities, toll roads and toll bridges.

Infrastructure Bonds include obligations issued by a variety of entities engaged in the financing of infrastructure projects, such as roads, airports, ports, social infrastructure and other physical assets delivering essential services supported by long-term concession arrangements with a public sector entity.

Tax-Backed Bonds are obligations that are supported by the issuer from specific and discrete sources of taxation and tax-backed revenue bonds. Tax-backed obligations may be secured by a lien on specific pledged tax revenues, such as a gasoline or excise tax, or an income tax, or incrementally from growth in property tax revenue associated with growth in property values. These obligations also include obligations secured by special assessments levied against property owners and often benefit from issuer covenants to enforce collections of such assessments and to foreclose on delinquent properties. Lease revenue bonds typically are general fund obligations of a municipality or other governmental authority that are subject to annual appropriation or abatement; projects financed and subject to such lease payments ordinarily include real estate or equipment serving an essential public purpose.

Municipal Utility Bonds are obligations of all forms of municipal utilities, including electric, water and sewer utilities and resource recovery revenue bonds. These utilities may be organized in various forms, including municipal enterprise systems, authorities or joint action agencies.

Healthcare Bonds are obligations of healthcare facilities, including community-based hospitals and systems, as well as of health maintenance organizations and long-term care facilities.

Higher Education Bonds are obligations secured by revenue collected by either public or private secondary schools, colleges and universities. Such revenue can encompass all of an institution's revenue, including tuition and fees, or in other cases, can be specifically restricted to certain auxiliary sources of revenue or revenue relating to student accommodation.

Housing Revenue Bonds are obligations relating to both single and multi-family housing, issued by states and localities, supported by cash flow and, in some cases, insurance from entities such as the Federal Housing Administration.

Glossary (continued)

***Sectors* (continued)**

Renewable Energy Bonds are obligations backed by revenue from renewable energy sources.

Investor-Owned Utility Bonds are obligations primarily issued by investor-owned utilities, and include first mortgage bond obligations of for-profit electric or water utilities providing retail, industrial and commercial service, as well as sale-leaseback obligation bonds supported by such entities.

Other Public Finance Bonds include other debt issued, guaranteed or otherwise supported by U.S. national or local governmental authorities, as well as student loans, revenue bonds, and obligations of some not-for-profit organizations.

Non-U.S. Public Finance:

Regulated Utility Obligations are obligations issued by government-regulated providers of essential services and commodities, including electric, water and gas utilities, supported by the rates and charges paid by the utilities' customers. The majority of the Company's non-U.S. regulated utility business is conducted in the U.K.

Infrastructure Finance Obligations are obligations issued by a variety of entities engaged in the financing of non-U.S. infrastructure projects, such as roads, airports, ports, social infrastructure, student accommodations, stadiums, and other physical assets delivering essential services supported either by long-term concession arrangements or a regulatory regime. The majority of the Company's non-U.S. infrastructure business is conducted in the United Kingdom.

Pooled Infrastructure Obligations are synthetic asset-backed obligations that take the form of CDS obligations or credit-linked notes that reference either infrastructure finance obligations or a pool of such obligations, with a defined deductible to cover credit risks associated with the referenced obligations. The Company has not entered into a pooled infrastructure transaction since 2006.

Sovereign and Sub-Sovereign Obligations primarily includes obligations of local, municipal, regional or national governmental authorities or agencies outside of the U.S.

Renewable Energy Bonds are obligations secured by revenues relating to renewable energy sources, typically solar or wind farms. These transactions often benefit from regulatory support in the form of regulated minimum prices for the electricity produced. The majority of the Company's international renewable energy business is conducted in Spain.

Other Public Finance Obligations are obligations of, or backed by, local, municipal, regional or national governmental authorities or agencies not generally described in any of the other described categories.

Structured Finance:

Insurance Securitizations are transactions, including life insurance transactions, where obligations are secured by the future earnings from pools of various types of insurance/reinsurance policies and income produced by invested assets.

Pooled Corporate Obligations are securities primarily backed by various types of corporate debt obligations, such as secured or unsecured bonds, bank loans or loan participations and trust preferred securities. These securities are often issued in "tranches," with subordinated tranches providing credit support to the more senior tranches. The Company's financial guaranty exposures generally are to the more senior tranches of these issues.

Residential Mortgage-Backed Securities (RMBS) are obligations backed by first and second lien mortgage loans on residential properties. The credit quality of borrowers covers a broad range, including "prime," "subprime" and "Alt-A." A prime borrower is generally defined as one with strong risk characteristics as measured by factors such as payment history, credit score, and debt-to-income ratio. A subprime borrower is a borrower with higher risk characteristics. An Alt-A borrower is generally defined as a prime quality borrower that lacks certain ancillary characteristics, such as fully documented income. RMBS include home equity lines of credit (HELOCs), which refers to a type of residential mortgage-backed transaction backed by second-lien loan collateral. The Company has not provided insurance for RMBS in the primary market since 2008.

Consumer Receivables Securities are obligations backed by non-mortgage consumer receivables, such as student loans, automobile loans and leases, manufactured home loans and other consumer receivables.

Subscription Finance Facilities are lending facilities provided to closed-end private market funds, most frequently private-equity funds. The facilities are secured by the uncalled capital commitments of the limited partners (LP) to the fund. The Company may guarantee new or existing facilities and on a single facility or portfolio basis. Assured Guaranty's exposures are generally to facilities with characteristics that include a high-quality fund sponsor with strong historical performance, diverse LP base composed primarily of institutional LPs and experienced bank lenders.

Other Structured Finance Obligations are obligations backed by assets not generally described in any of the other described categories.

Non-GAAP Financial Measures

The Company discloses both: (i) financial measures determined in accordance with GAAP and (ii) financial measures not determined in accordance with GAAP (non-GAAP financial measures).

Financial measures identified as non-GAAP should not be considered substitutes for GAAP financial measures. The primary limitation of non-GAAP financial measures is the potential lack of comparability to financial measures of other companies, whose definitions of non-GAAP financial measures may differ from those of the Company.

The Company believes its presentation of non-GAAP financial measures provides information that is necessary for analysts to calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and for investors, analysts and the financial news media to evaluate Assured Guaranty's financial results.

GAAP requires the Company to consolidate entities where it is deemed to be the primary beneficiary which include:

- FG VIEs, which the Company does not own and where its exposure is limited to its obligation under the financial guaranty insurance contract, and
- CIVs in which certain subsidiaries invest.

The Company discloses the effect of FG VIE and CIV consolidation that is embedded in each non-GAAP financial measure, as applicable. The Company believes this information may also be useful to analysts and investors evaluating Assured Guaranty's financial results. In the case of both the consolidated FG VIEs and the CIVs, the economic effect on the Company of each of the consolidated FG VIEs and CIVs is reflected primarily in the results of the Insurance segment.

Management of the Company and AGL's Board of Directors use non-GAAP financial measures further adjusted to remove the effect of FG VIE and CIV consolidation (which the Company refers to as its core financial measures), as well as GAAP financial measures and other factors, to evaluate the Company's results of operations, financial condition and progress towards long-term goals. The Company uses core financial measures in its decision-making process for and in its calculation of certain components of management compensation. The financial measures that the Company uses to help determine compensation are: (1) adjusted operating income, further adjusted to remove the effect of FG VIE and CIV consolidation; (2) adjusted operating shareholders' equity, further adjusted to remove the effect of FG VIE and CIV consolidation; (3) adjusted book value per share, further adjusted to remove the effect of FG VIE and CIV consolidation; and (4) PVP.

Management believes that many investors, analysts and financial news reporters use adjusted operating shareholders' equity and/or adjusted book value, each further adjusted to remove the effect of FG VIE and CIV consolidation, as the principal financial measures for valuing AGL's current share price or projected share price and also as the basis of their decision to recommend, buy or sell AGL's common shares. Management also believes that many of the Company's fixed income investors also use adjusted operating shareholders' equity, further adjusted to remove the effect of FG VIE and CIV consolidation, to evaluate the Company's capital adequacy.

Adjusted operating income, further adjusted for the effect of FG VIE and CIV consolidation enables investors and analysts to evaluate the Company's financial results in comparison with the consensus analyst estimates distributed publicly by financial databases.

The following paragraphs define each non-GAAP financial measure disclosed by the Company and describe why it is useful. To the extent there is a directly comparable GAAP financial measure, a reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure is presented within this financial supplement.

Adjusted Operating Income: Management believes that adjusted operating income is a useful measure because it clarifies the understanding of the operating results of the Company. Adjusted operating income is defined as net income (loss) attributable to the Company, as reported under GAAP, adjusted for the following:

1) Elimination of realized gains (losses) on the Company's investments, except for gains and losses on securities classified as trading. The timing of realized gains and losses, which depends largely on market credit cycles, can vary considerably across periods. The timing of sales is largely subject to the Company's discretion and influenced by market opportunities, as well as the Company's tax and capital profile.

2) Elimination of non-credit impairment-related unrealized fair value gains (losses) on credit derivatives that are recognized in net income, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, the Company's credit spreads, and other market factors and are not expected to result in an economic gain or loss.

3) Elimination of fair value gains (losses) on the Company's CCS that are recognized in net income. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.

4) Elimination of foreign exchange gains (losses) on remeasurement of net premium receivables and loss and LAE reserves that are recognized in net income. Long-dated receivables and loss and LAE reserves represent the present value of future contractual or expected cash flows. Therefore, the current period’s foreign exchange remeasurement gains (losses) are not necessarily indicative of the total foreign exchange gains (losses) that the Company will ultimately recognize.

5) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

Adjusted Operating Shareholders’ Equity and Adjusted Book Value: Management believes that adjusted operating shareholders’ equity is a useful measure because it excludes the fair value adjustments on investments, credit derivatives and CCS that are not expected to result in economic gain or loss.

Adjusted operating shareholders’ equity is defined as shareholders’ equity attributable to the Company, as reported under GAAP, adjusted for the following:

1) Elimination of non-credit impairment-related unrealized fair value gains (losses) on credit derivatives, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.

2) Elimination of fair value gains (losses) on the Company’s CCS. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.

3) Elimination of unrealized gains (losses) on the Company’s investments that are recorded as a component of accumulated other comprehensive income (AOCI). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore would not recognize an economic gain or loss.

4) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

Management uses adjusted book value, further adjusted to remove the effect of FG VIE and CIV consolidation, to measure the intrinsic value of the Company, excluding franchise value. Adjusted book value per share, further adjusted for FG VIE and CIV consolidation (core adjusted book value), is one of the key financial measures used in determining the amount of certain long-term compensation elements to management and employees and used by rating agencies and investors. Management believes that adjusted book value is a useful measure because it enables an evaluation of the Company’s in-force premiums and revenues net of expected losses. Adjusted book value is adjusted operating shareholders’ equity, as defined above, further adjusted for the following:

1) Elimination of deferred acquisition costs, net. These amounts represent net deferred expenses that have already been paid or accrued and will be expensed in future accounting periods.

2) Addition of the net present value of estimated net future revenue. See below.

3) Addition of the deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed, net of reinsurance. This amount represents the present value of the expected future net earned premiums, net of the present value of expected losses to be expensed, which are not reflected in GAAP equity.

4) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

The unearned premiums and revenues included in adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current adjusted book value due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults and other factors.

Non-GAAP Financial Measures (continued)

Adjusted Operating Return on Equity (Adjusted Operating ROE): Adjusted Operating ROE represents adjusted operating income for a specified period divided by the average of adjusted operating shareholders' equity at the beginning and the end of that period. Management believes that adjusted operating ROE is a useful measure to evaluate the Company's return on invested capital. Many investors, analysts and members of the financial news media use adjusted operating ROE, adjusted for VIE consolidation, to evaluate AGL's share price and as the basis of their decision to recommend, buy or sell the AGL common shares. Quarterly and year-to-date adjusted operating ROE are calculated on an annualized basis. Adjusted operating ROE, adjusted for VIE consolidation, is one of the key management financial measures used in determining the amount of certain long-term compensation to management and employees and used by rating agencies and investors.

Net Present Value of Estimated Net Future Revenue: Management believes that this amount is a useful measure because it enables an evaluation of the present value of estimated net future revenue for non-financial guaranty insurance contracts. This amount represents the net present value of estimated future revenue from these contracts (other than credit derivatives with net expected losses), net of reinsurance, ceding commissions and premium taxes.

Future installment premiums are discounted at the approximate average pre-tax book yield of fixed-maturity securities purchased during the prior calendar year, other than Loss Mitigation Securities. The discount rate is recalculated annually and updated as necessary. Net present value of estimated future revenue for an obligation may change from period to period due to a change in the discount rate or due to a change in estimated net future revenue for the obligation, which may change due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation. There is no corresponding GAAP financial measure.

PVP or Present Value of New Business Production: Management believes that PVP is a useful measure because it enables the evaluation of the value of new business production in the Insurance segment by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period as well as additional installment premiums and fees on existing contracts (which may result from supplements or fees or from the issuer not calling an insured obligation the Company projected would be called), regardless of form, which management believes GAAP gross written premiums and changes in fair value of credit derivatives do not adequately measure. PVP in respect of contracts written in a specified period is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums.

Future installment premiums are discounted at the approximate average pre-tax book yield of fixed-maturity securities purchased during the prior calendar year, other than certain fixed-maturity securities such as Loss Mitigation Securities. The discount rate is recalculated annually and updated as necessary. Under GAAP, financial guaranty installment premiums are discounted at a risk-free rate. Additionally, under GAAP, management records future installment premiums on financial guaranty insurance contracts covering non-homogeneous pools of assets based on the contractual term of the transaction, whereas for PVP purposes, management records an estimate of the future installment premiums the Company expects to receive, which may be based upon a shorter period of time than the contractual term of the transaction.

Actual installment premiums may differ from those estimated in the Company's PVP calculation due to factors including, but not limited to, changes in foreign exchange rates, prepayment speeds, terminations, credit defaults, or other factors that affect par outstanding or the ultimate maturity of an obligation.

Assured Guaranty Corp.
1633 Broadway
New York, NY 10019
(212) 974-0100
www.assuredguaranty.com

Contacts:

Equity and Fixed Income Investors:

Robert Tucker
Senior Managing Director, Investor Relations and Corporate Communications
(212) 339-0861
rtucker@agltd.com

Michael Walker
Managing Director, Fixed Income Investor Relations
(212) 261-5575
mwalker@agltd.com

Andre Thomas
Managing Director, Equity Investor Relations
(212) 339-3551
athomas@agltd.com

Media:

Ashweeta Durani
Vice President, Media Relations
(212) 408-6042
adurani@agltd.com