



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2017  
OF THE CONDITION AND AFFAIRS OF THE

ASSURED GUARANTY MUNICIPAL CORP.

NAIC Group Code 0194 (Current Period) , 0194 (Prior Period) NAIC Company Code 18287 Employer's ID Number 13-3250292

Organized under the Laws of New York , State of Domicile or Port of Entry New York

Country of Domicile United States

Incorporated/Organized 03/16/1984 Commenced Business 09/23/1985

Statutory Home Office 1633 Broadway , New York, NY, US 10019  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1633 Broadway , New York, NY, US 10019 212-974-0100  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1633 Broadway , New York, NY, US 10019  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1633 Broadway , New York, NY, US 10019 212-974-0100  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.assuredguaranty.com

Statutory Statement Contact John Mahlon Ringler 212-974-0100  
(Name) (Area Code) (Telephone Number) (Extension)

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(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Dominic John Frederico</u>	<u>President &amp; Chief Executive Officer</u>	<u>James Michael Michener</u>	<u>Executive Vice President &amp; Secretary</u>
<u>Donald Hal Paston</u>	<u>Treasurer</u>		

OTHER OFFICERS

<u>Howard Wayne Albert</u>	<u>Chief Risk Officer</u>	<u>Robert Adam Bailenson</u>	<u>Chief Financial Officer</u>
<u>Laura Ann Bieling</u>	<u>Controller</u>	<u>Russell Brown Brewer II</u>	<u>Chief Surveillance Officer</u>
<u>Gon Ling Chow</u>	<u>U.S. General Counsel &amp; Asst. Secretary</u>	<u>Stephen Donnarumma</u>	<u>Chief Credit Officer</u>
<u>John Mahlon Ringler</u>	<u>Vice President Regulatory Reporting</u>	<u>Benjamin Gad Rosenblum</u>	<u>Chief Actuary</u>
<u>Bruce Elliot Stern</u>	<u>Executive Officer</u>		

DIRECTORS OR TRUSTEES

<u>Howard Wayne Albert</u>	<u>Robert Adam Bailenson</u>	<u>Russell Brown Brewer II</u>	<u>Gon Ling Chow</u>
<u>Stephen Donnarumma</u>	<u>Dominic John Frederico</u>	<u>James Michael Michener</u>	<u>Donald Hal Paston</u>
<u>Benjamin Gad Rosenblum</u>	<u>Bruce Elliot Stern</u>		

State of New York  
County of New York ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dominic John Frederico James Michael Michener Donald Hal Paston  
President & Chief Executive Officer Executive Vice President & Secretary Treasurer

Subscribed and sworn to before me this 10th day of May, 2017

Eileen M. Lanzisera  
EILEEN M. LANZISERA  
Notary Public, State of New York  
No. 01LA4728044  
Qualified in Nassau County  
Commission Expires Jan. 31, 2019

a. Is this an original filing? Yes [X] No [ ]  
b. If no:  
1. State the amendment number  
2. Date filed  
3. Number of pages attached

STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3  Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	4,102,120,653		4,102,120,653	4,074,773,849
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	497,172,098		497,172,098	484,806,811
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....9,038,702 ), cash equivalents (\$ .....188,818,623 ) and short-term investments (\$ .....365,003 ) .....	198,222,328		198,222,328	127,000,309
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	385,703,488		385,703,488	371,616,172
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	5,183,218,567	0	5,183,218,567	5,058,197,141
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	39,014,230		39,014,230	38,980,926
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,666,961	163,167	11,503,794	14,116,543
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	1,966,097		1,966,097	(381,736)
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	241,022,555	88,904,972	152,117,583	156,992,197
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	470,758	331,796	138,962	153,590
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	21,398,557	21,398,557	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	357,470		357,470	2,707,641
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other-than-invested assets .....	12,101,462	4,532,279	7,569,183	8,368,538
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	5,511,216,657	115,330,771	5,395,885,886	5,279,134,840
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	5,511,216,657	115,330,771	5,395,885,886	5,279,134,840
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Miscellaneous receivables .....	2,006,825		2,006,825	2,863,141
2502. Prepaid Expenses .....	3,383,698	3,383,698	0	0
2503. Other Assets .....	6,710,939	1,148,581	5,562,358	5,505,397
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	12,101,462	4,532,279	7,569,183	8,368,538

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....0 ) .....	442,509,694	407,625,675
2. Reinsurance payable on paid losses and loss adjustment expenses .....		0
3. Loss adjustment expenses .....	5,493,141	2,893,520
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	31,034,344	33,676,177
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	7,055	(1,019,231)
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	147,932,301	88,194,589
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....731,027,599 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	1,182,724,130	1,155,247,411
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	15,721,517	15,797,112
13. Funds held by company under reinsurance treaties .....	38,951,813	39,632,155
14. Amounts withheld or retained by company for account of others .....	(912)	(263)
15. Remittances and items not allocated .....		0
16. Provision for reinsurance (including \$ ..... certified) .....	3,412,329	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	22,701,889	37,135,271
20. Derivatives .....	0	0
21. Payable for securities .....	41,650,250	0
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	1,259,951,025	1,233,334,649
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	3,192,088,576	3,012,517,065
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	3,192,088,576	3,012,517,065
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	15,000,000	15,000,000
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....		0
34. Gross paid in and contributed surplus .....	477,204,782	477,204,782
35. Unassigned funds (surplus) .....	1,711,592,527	1,774,412,993
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	2,203,797,309	2,266,617,775
38. Totals (Page 2, Line 28, Col. 3)	5,395,885,885	5,279,134,840
DETAILS OF WRITE-INS		
2501. Contingency Reserve.....	1,100,452,768	1,073,839,424
2502. Deferred Investment Gain.....	66,022,713	67,668,761
2503. Miscellaneous Liability.....	93,475,544	91,826,464
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,259,951,025	1,233,334,649
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 66,357,102 )	73,160,007	106,474,682	433,338,904
1.2 Assumed (written \$ 15,301,693 )	5,090,562	6,590,366	0
1.3 Ceded (written \$ 20,560,317 )	40,303,665	42,445,509	137,539,494
1.4 Net (written \$ 61,098,478 )	37,946,904	70,619,539	295,799,410
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 93,426 ):			
2.1 Direct	67,575,662	19,323,573	116,485,099
2.2 Assumed		0	0
2.3 Ceded	43,682,061	1,405,077	37,539,455
2.4 Net	23,893,601	17,918,496	78,945,644
3. Loss adjustment expenses incurred	3,560,931	8,934,143	24,076,154
4. Other underwriting expenses incurred	25,984,774	20,771,820	84,226,225
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	53,439,306	47,624,459	187,248,023
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(15,492,402)	22,995,080	108,551,387
INVESTMENT INCOME			
9. Net investment income earned	49,666,851	47,046,809	189,422,762
10. Net realized capital gains (losses) less capital gains tax of \$ (26,759)	(11,444,135)	(7,181,448)	(33,934,576)
11. Net investment gain (loss) (Lines 9 + 10)	38,222,716	39,865,361	155,488,186
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	69,384,579	1,124,480	29,055,320
15. Total other income (Lines 12 through 14)	69,384,579	1,124,480	29,055,320
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	92,114,893	63,984,921	293,094,893
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	92,114,893	63,984,921	293,094,893
19. Federal and foreign income taxes incurred	59,764,471	41,647,320	102,369,051
20. Net income (Line 18 minus Line 19)(to Line 22)	32,350,422	22,337,601	190,725,842
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	2,266,617,775	2,440,808,930	2,440,808,930
22. Net income (from Line 20)	32,350,422	22,337,601	190,725,842
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	12,302,318	(11,994,877)	47,346,366
25. Change in net unrealized foreign exchange capital gain (loss)	2,991,587	9,112,355	32,065,083
26. Change in net deferred income tax	36,155,735	22,523,608	23,508,676
27. Change in nonadmitted assets	(37,471,604)	(4,868,528)	24,108,618
28. Change in provision for reinsurance	(3,412,329)	(3,415,500)	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	(299,748,234)
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders	(79,000,000)	(95,000,000)	(246,600,000)
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(26,736,595)	(17,843,522)	54,402,494
38. Change in surplus as regards policyholders (Lines 22 through 37)	(62,820,466)	(79,148,863)	(174,191,155)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	2,203,797,309	2,361,660,067	2,266,617,775
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income.	69,384,579	1,124,480	29,055,320
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	69,384,579	1,124,480	29,055,320
3701. Change in Contingency Reserve.	(26,613,344)	(17,843,522)	108,789,617
3702. Change in Accounting.	(123,251)	0	0
3703. SSAP 97 adjustment for investment in subsidiary.		0	(54,387,123)
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(26,736,595)	(17,843,522)	54,402,494

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	68,112,086	22,432,061	140,936,236
2. Net investment income .....	51,286,684	42,082,487	166,762,477
3. Miscellaneous income .....	67,716,569	(1,123,061)	9,554,453
4. Total (Lines 1 to 3) .....	187,115,339	63,391,487	317,253,166
5. Benefit and loss related payments .....	16,319,069	65,700,129	227,040,267
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	38,757,437	39,138,420	75,779,266
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	0	0	30,395,707
10. Total (Lines 5 through 9) .....	55,076,506	104,838,549	333,215,240
11. Net cash from operations (Line 4 minus Line 10) .....	132,038,833	(41,447,062)	(15,962,074)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	150,345,961	200,069,148	998,231,786
12.2 Stocks .....	0	0	23,281,657
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	6,196,747
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(39)	1,240	6,841
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	150,345,922	200,070,388	1,027,717,031
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	119,042,237	164,637,112	573,122,898
13.2 Stocks .....	0	0	242,800
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	12,725,000	3,363,318	3,363,318
13.6 Miscellaneous applications .....	395,499	0	16,835,567
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	132,162,736	168,000,430	593,564,583
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	18,183,186	32,069,958	434,152,448
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	(299,982,203)
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	79,000,000	95,000,000	246,600,000
16.6 Other cash provided (applied).....	0	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(79,000,000)	(95,000,000)	(546,582,203)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	71,222,019	(104,377,104)	(128,391,829)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	127,000,309	255,392,137	255,392,138
19.2 End of period (Line 18 plus Line 19.1) .....	198,222,328	151,015,033	127,000,309

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Assured Guaranty Municipal Corp. (the “Company” or “AGM”) are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (“NYSDFS”). The NYSDFS recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the New York Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures *Manual* (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of New York. The NYSDFS has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company’s net income and capital and surplus between practices prescribed and permitted by NYSDFS and NAIC SAP is shown below:

	SSAP #	F/S Page	F/S Line #	Three Months Ended March 31, 2017	Year Ended December 31, 2016
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)				\$ 32,350,423	\$ 190,725,842
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None				—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
None				—	—
(4) NAIC SAP (1-2-3=4)				\$ 32,350,423	\$ 190,725,842
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)				\$ 2,203,797,309	\$ 2,266,617,775
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None				—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
None				—	—
(8) NAIC SAP (5-6-7=8)				\$ 2,203,797,309	\$ 2,266,617,775

B. Use of Estimates in the Preparation of the Financial Statements

There has been no significant change since the 2016 Annual Statement.

C. Accounting Policies

Previously, the Company reported the carrying value of its foreign insurance subsidiary at its statutory equity. In 2017, the investment in the foreign insurance subsidiary is reported at the audited equity based on accounting principles generally accepted in the United States of America, adjusted to a statutory basis of accounting.

D. Going Concern

There are currently no conditions or events to cause management to have any substantial doubt about the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

During the audit of the 2016 statutory financial statements, the Company changed the carrying value of the Company's investment in Assured Guaranty (Europe) Ltd. by \$54,387,123 as per the provisions of statement of statutory accounting principles 97, Investments in Subsidiary, Controlled and Affiliated Entities. Amounts for Common Stocks and Surplus as regards policyholders that were originally reported as \$539,193,934 and \$2,321,004,898, respectively, in the 2016 Annual Statement have been restated as \$484,806,811 and \$2,266,617,775, respectively, in these financial statements.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method. There has been no change since the 2016 Annual Statement.
- B. Statutory Merger. There has been no change since the 2016 Annual Statement.
- C. Impairment Loss. There has been no change since the 2016 Annual Statement.

4. Discontinued Operations

There has been no change since the 2016 Annual Statement.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans. The Company did not hold investments in mortgage loans at March 31, 2017.
- B. Debt Restructuring. The Company has no investments in restructured debt in which the Company is a creditor at March 31, 2017.
- C. Reverse Mortgages. The Company did not hold reverse mortgages as investments at March 31, 2017.
- D. Loan-Backed Securities
  - 1. Prepayment assumptions for loan backed and structured securities were obtained from publicly available sources and internal models.
  - 2. The Company had no loan-backed securities with other-than-temporary impairments ("OTTI") due to either the intent to sell the securities or the inability or lack of intent to retain for the time sufficient to recover the amortized cost basis.

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

3. The following table summarizes other-than-temporary-impairments recorded for loan-backed securities which the Company still owns at the end of the respective quarters recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

CUSIP	Amortized Cost Before Other-Than-Temporary Impairment	Present Value of Projected Cash Flows	Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
00083BAB1	\$ 1,205,652	\$ 1,183,037	\$ 22,615	\$ 1,183,037	\$ 1,048,409	03/31/2017
126686AH7	2,533,431	1,697,697	89,824	2,443,607	2,443,607	03/31/2017
12668WAD9	5,302,079	4,874,162	130,962	5,171,117	5,152,624	03/31/2017
23242LAB9	20,790,024	20,680,038	109,985	20,680,038	18,906,657	03/31/2017
576456AA5	19,362,207	19,043,267	318,940	19,043,267	17,289,839	03/31/2017
576456AB3	114,733,187	109,056,062	5,677,125	109,056,062	105,555,992	03/31/2017
57645NAR1	17,244,112	16,950,833	293,279	16,950,833	14,559,575	03/31/2017
88156VAB4	949,179	919,915	29,264	919,915	639,737	03/31/2017
88157VAB3	17,354,591	17,069,459	285,132	17,069,459	17,045,986	03/31/2017
			\$ 6,957,126			

- The Company also had one structured security whose carrying value was written to market value as it had an NAIC designation of 3. The year-to-date amount that was written down was approximately \$4.4 million.
4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.
- a. The aggregate amount of unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ (8,746,521)	\$ (6,476,008)
Commercial mortgage-backed securities	(2,361,194)	
Other loan backed & structured securities	(82,434)	—
Total	1. \$ (11,190,149)	2. \$ (6,476,008)

- b. The aggregate related fair value of securities with unrealized losses:
- |   | Less than 12 months | 12 Months or More |
|---|---------------------|-------------------|
| Residential mortgage-backed securities    | \$ 206,201,476      | \$ 50,656,803     |
| Commercial mortgage-backed securities     | 47,102,573          |                   |
| Other loan backed & structured securities | 6,516,679           | —                 |
| Total                                     | 1. \$ 259,820,728   | 2. \$ 50,656,803  |
5. All loan-backed securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position at March 31, 2017, the Company has not made a decision to sell any such securities and does not intend to sell such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. This unrealized loss is primarily attributable to an increase in interest rates since acquisition, market illiquidity and volatility in the U.S. economy and not specific to individual issuer credit.
- E. Repurchase Agreements - The Company did not enter into repurchase agreements at March 31, 2017.
- F. Real Estate - The Company did not hold investments in real estate, recognize any real estate impairments, or engage in any retail land sales at March 31, 2017.
- G. Low Income Housing Tax Credits (LIHTC) – The Company did not hold investments in LIHTC at March 31, 2017.
- H. Restricted Assets
- (1) Restricted assets (including pledged) summarized by restricted asset category



STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

Restricted Asset Category		Gross (Admitted & Nonadmitted) Restricted							8	9	Percentage	
		Current Year					6	7			10	11
		1	2	3	4	5						
		Total General Account (G/ A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/ A Activity (b)	Total (1 plus 3)						
(a)	Subj to contractual oblig by which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—%	—%
(b)	Collateral held under sec. lending arrangements				—		—				—%	—%
(c)	Subject to repurchase agreements				—		—				—%	—%
(d)	Subject to reverse repurchase agreements				—		—				—%	—%
(e)	Subject to dollar repurchase agreement				—		—				—%	—%
(f)	Subject to dollar reverse repurchase agreement				—		—				—%	—%
(g)	Placed under option contracts				—		—				—%	—%
(h)	Letter stock or securities restricted as to sale - excl. FHLB capital stock				—	—	—				—%	—%
(i)	FHLB capital stock				—		—				—%	—%
(j)	On deposit with state	6,621,194			6,621,194	6,641,438	(20,244)		6,621,194	0.1%	0.1%	
(k)	On deposit with other regulatory bodies				—		—				—%	—%
(l)	Pledged as collateral to FHLB (incl. assets backing funding agreement)				—		—				—%	—%
(m)	Pledged as collateral not captured in other categories	207,249,090			207,249,090	210,935,750	(3,686,660)	—	207,249,090	3.8%	3.9%	
(n)	Other restricted assets				—		—				—%	—%
(o)	Total restricted assets	\$ 213,870,284	\$ —	\$ —	\$ —	\$ 213,870,284	\$ 217,577,188	\$ (3,706,904)	\$ —	\$ 213,870,284	3.9%	4.0%

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of assets pledged as collateral not captured in other categories (reported on line m above)

	Gross (Admitted & Nonadmitted) Restricted								Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
	Total General Account (G/ A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/ A Activity (b)	Total (1 plus 3)						
Collateral Agreement											
Collateral pledged for reinsurance	\$ 207,249,090	\$ —	\$ —	\$ —	\$ 207,249,090	\$ 210,935,750	\$ (3,686,660)	\$ 207,249,090	3.8%	3.9%	
					—		—		—%	—%	
Total (c)	\$ 207,249,090	\$ —	\$ —	\$ —	\$ 207,249,090	\$ 210,935,750	\$ (3,686,660)	\$ 207,249,090	3.8%	3.9%	

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)m Columns 9 through 11 respectively

(3) Detail of other restricted assets (reported on line n above)

Other Restricted Assets	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/A Activity (b)	Total (1 plus 3)					
				NONE					—%	—%
Total (c)	—	—	—	—	—	—	—	—	—%	—%

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Total Line for Columns 1 through 7 should equal 5H(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)n Columns 9 through 11 respectively

(4) The Company does not have collateral received and reflected as assets within its financial statements.

- I. Working Capital Finance Investments ("WCFI")– The Company did not hold investments for WCFI at March 31, 2017.
- J. Offsetting and Netting of Assets and Liabilities - The Company has no derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets and liabilities that are offset and reported net in accordance to SSAP No. 64 at March 31, 2017.
- K. Structured Notes - The following table separately identifies structured notes on a cusip basis, with information by cusip for actual cost, fair value, book/adjusted carrying value, and whether the structured note is a mortgage referenced security:



STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (YES/NO)
167485-J4-4	\$ 419,953	\$ 526,685	\$ 525,000	NO
167485-J6-9	763,468	1,314,284	1,310,000	NO
59333N-KK-8	687,670	1,020,300	1,001,505	NO
771902-FZ-1	1,808,608	1,828,505	1,795,066	NO
771902-GB-3	3,389,847	3,427,141	3,374,743	NO
837227-D5-3	2,540,825	2,600,500	2,505,063	NO
837227-D6-1	1,013,980	1,039,590	1,001,736	NO
Total	\$ 10,624,351	\$ 11,757,005	\$ 11,513,113	

L. 5\* Securities (unrated, but current on principal and interest) - The Company did not hold investments in 5\* investments at March 31, 2017.

6. **Joint Ventures, Partnerships and Limited Liability Companies**

In February 2017, AGM committed to purchase \$100 million of limited partnership interests in a fund that invests in the equity of private equity managers. Through March 31, 2017, the Company has invested \$12.7 million in this fund. This investment is recorded in Other Invested Assets based on the underlying U.S. GAAP equity.

7. **Investment Income**

- A. Accrued Investment Income  
Accrued investment income was \$39,014,230 and \$38,980,926 as of March 31, 2017 and December 31, 2016, respectively. There are no amounts due and accrued over 90 days included in these balances.
- B. The Company does not admit investment income due and accrued if amounts are over 90 days past due.

8. **Derivative Instruments**

There has been no change since the 2016 Annual Statement.

9. **Income Taxes**

There has been no significant change since the 2016 Annual Statement.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

- A, C through H, J through N. There has been no significant change from the 2016 Annual Statement.
- B. Transactions with Affiliates  
The Company engaged in the following non-insurance transactions (generally representing greater than 0.5% of admitted assets) with affiliates:
1. The Company made dividend payments of \$79 million in the first quarter of 2017 to Assured Guaranty Municipal Holdings Inc. (the "Parent" or "AGMH").
- I. Detail of Investments in Affiliates greater than 10% of Admitted Assets  
The Company's investment in its subsidiary Municipal Assurance Holdings Inc., recorded at its statutory equity value of \$282,660,863, represents 5.2% of the Company's admitted assets as of March 31, 2017.

11. **Debt**

There has been no change since the 2016 Annual Statement.

12. **Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans**

There has been no change since the 2016 Annual Statement.

13. **Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

1. through 3, 6 through 9, 11 through 13. There has been no significant change since the 2016 Annual Statement.
4. The Company paid dividends to AGMH of \$79 million on March 17, 2017.
5. Under New York insurance law, AGM may only pay dividends out of "earned surplus", which is the portion of a company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets. AGM may pay dividends without the prior approval of the New York Superintendent of Financial Services ("New York Superintendent") that, together with all dividends declared or distributed by it during the preceding 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the last annual or quarterly statement filed with the New York Superintendent) or 100% of its adjusted net investment income during that period. The maximum amount available during 2017 for AGM to distribute as dividends without regulatory approval is estimated to be approximately \$192 million. Of such \$192 million, \$79 million was distributed by AGM to AGMH in First Quarter 2017 and none of such \$192 million is available for distribution in the second quarter of 2017.
10. The portion of unassigned funds (surplus) represented by cumulative unrealized gains is \$54,293,380.

14. **Liabilities, Contingencies and Assessments**

A. through F. There has been no significant change since the 2016 Annual Statement.

G. All Other Contingencies:

*Uncollected Premiums:*

As of March 31, 2017, the Company had uncollected premiums of \$11,666,961. Uncollected premiums more than 90 days past due were \$163,167.

*Legal Proceedings*

## STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

Lawsuits arise in the ordinary course of the Company's business. It is the opinion of the Company's management, based upon the information available, that the expected outcome of litigation against the Company, individually or in the aggregate, will not have a material adverse effect on the Company's financial position or liquidity, although an adverse resolution of litigation against the Company in a fiscal quarter or year could have a material adverse effect on the Company's results of operations in a particular quarter or year.

The Company establishes accruals for litigation and regulatory matters to the extent it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. For litigation and regulatory matters where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimable, no accrual is established, but if the matter is material, it is disclosed, including matters discussed below. The Company reviews relevant information with respect to its litigation and regulatory matters on a quarterly and annual basis and updates its accruals, disclosures and estimates of reasonably possible loss based on such reviews.

In addition, in the ordinary course of its business, the Company asserts claims in legal proceedings against third parties to recover losses paid in prior periods or prevent losses in the future, including those described in the "Recovery Litigation" section below. The amounts, if any, the Company will recover in these and other proceedings to recover losses are uncertain, and recoveries, or failure to obtain recoveries, in any one or more of these proceedings during any quarter or year could be material to the Company's results of operations in that particular quarter or year.

The Company receives subpoenas *duces tecum* and interrogatories from regulators from time to time.

On September 25, 2013, Wells Fargo Bank, N.A., as trust administrator of the MASTR Adjustable Rate Mortgages Trust 2007-3 (Wells Fargo), filed an interpleader complaint in the U.S. District Court for the Southern District of New York seeking adjudication of a dispute between Wales LLC (Wales) and AGM as to whether AGM is entitled to reimbursement from certain cashflows for principal claims paid in respect of insured certificates. After the court issued an opinion on September 30, 2016, denying a motion for judgment on the pleadings filed by Wales, Wales sold its interests in the MASTR Adjustable Rate Mortgage Trust 2007-3 certificates, and on March 20, 2017, the court dismissed the case.

### Recovery Litigation

#### *Public Finance Transactions*

On January 7, 2016, AGM, AGC and Ambac Assurance Corporation ("Ambac") commenced an action for declaratory judgment and injunctive relief in the U.S. District Court for the District of Puerto Rico to invalidate the executive orders issued by the Governor on November 30, 2015 and December 8, 2015 directing that the Secretary of the Treasury of the Commonwealth of Puerto Rico and the Puerto Rico Tourism Company retain or transfer (in other words, claw back) certain taxes and revenues pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority ("PRHTA"), the Puerto Rico Convention Center District Authority ("PRCCDA") and the Puerto Rico Infrastructure Financing Authority ("PRIFA"). The Commonwealth defendants filed a motion to dismiss the action for lack of subject matter jurisdiction, which the Court denied on October 4, 2016. On October 14, 2016, the Commonwealth defendants filed a notice of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") automatic stay, which has now expired.

On July 21, 2016, AGC and AGM filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico sought relief from the stay provided by PROMESA. Upon a grant of relief from the PROMESA stay, the lawsuit further seeks a declaration that the Moratorium Act is preempted by Federal bankruptcy law and that certain gubernatorial executive orders diverting PRHTA pledged toll revenues (which are not subject to the Clawback) are preempted by PROMESA and violate the U.S. Constitution. Additionally, it sought damages for the value of the PRHTA toll revenues diverted and injunctive relief prohibiting the defendants from taking any further action under these executive orders. On October 28, 2016, the Oversight Board filed a motion seeking leave to intervene in the action, which motion was denied on November 1, 2016, without prejudice, on procedural grounds. On November 2, 2016, the Court denied AGC's and AGM's motion for relief from the PROMESA stay, without prejudice, on procedural grounds.

On May 3, 2017, AGM and AGC filed in the Federal District Court in Puerto Rico an adversary complaint seeking a judgment that the Commonwealth's Fiscal Plan violates various sections of PROMESA and the Contracts, Takings and Due Process Clauses of the U.S. Constitution, an injunction enjoining the Commonwealth and Oversight Board from presenting or proceeding with confirmation of any plan of adjustment based on the Fiscal Plan, and a stay on the confirmation of any plan of adjustment based on the Fiscal Plan pending development of a fiscal plan that complies with PROMESA and the U.S. Constitution.

For a discussion of the Company's exposure to Puerto Rico related to the litigation described above, please see Note 21, Other Items -- Underwriting Exposure.

### 15. Leases

There has been no material changes since the 2016 Annual Statement.

### 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company provides insurance for public finance and structured finance obligations. Total net principal and interest exposure at March 31, 2017 was \$175.0 billion (\$163.9 billion for public finance and \$11.1 billion for structured finance exposures).

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. The Company has not sold or transferred any receivables during the first three months of 2017.
- B. The Company has not transferred or serviced any financial assets during the first three months of 2017.
- C. The Company did not engage in any wash sale transactions during the first three months of 2017.

### 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

There has been no change since the 2016 Annual Statement.

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

There has been no change since the 2016 Annual Statement.

### 20. Fair Value

- A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

- 1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

The Company categorizes its assets and liabilities that are reported on the balance sheet at fair value into the three-level hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

- Level 1 – Quoted prices for identical instruments in active markets. The Company generally defines an active market as a market in which trading occurs at significant volumes. Active markets generally are more liquid and have a lower bid-ask spread than an inactive market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and observable inputs other than quoted prices, such as interest rates or yield curves and other inputs derived from or corroborated by observable market inputs.
- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

An asset or liability’s categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Bonds are generally recorded at amortized cost. Stocks, excluding those for investments in subsidiaries, are reported at fair value on a recurring basis. The following fair value hierarchy table presents information about the Company's asset measured at fair value as of March 31, 2017.

Description for each class of asset or liability	Level 1	Level 2	Level 3	TOTAL
a. Assets at fair value				
Bonds				
Special Revenue	\$ —	\$ —	\$ —	\$ —
Industrial & Miscellaneous	—	—	—	—
Total Bonds	—	—	—	—
Other Invested Assets				
Industrial & Miscellaneous	—	\$ —	23,415,343	\$ 23,415,343
Total Other Invested Assets	—	—	23,415,343	23,415,343
Total Assets at Fair Value	\$ —	\$ —	23,415,343	\$ 23,415,343

Cash and Short Term Investments

The carrying amounts reported in the statement of admitted assets, liabilities and surplus for these instruments are at amortized cost.

Bonds

Bonds with an NAIC designation of 1 and 2 are carried at amortized cost while bonds with an NAIC designation of 3 through 6 are carried at the lower of cost or fair value.

The fair value of bonds in the investment portfolio is generally based on prices received from third party pricing services or alternative pricing sources with reasonable levels of price transparency. The pricing services prepare estimates of fair value measurements using their pricing models, which include available relevant market information, benchmark curves, benchmarking of like securities, and sector groupings. Additional valuation factors that can be taken into account are nominal spreads and liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements, and sector news. The market inputs used in the pricing evaluation include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. Benchmark yields have in many cases taken priority over reported trades for securities that trade less frequently or those that are distressed trades, and therefore may not be indicative of the market. The extent of the use of each input is dependent on the asset class and the market conditions. Given the asset class, the priority of the use of inputs may change or some market inputs may not be relevant. Additionally, the valuation of fixed-maturity investments is more subjective when markets are less liquid due to the lack of market based inputs, which may increase the potential that the estimated fair value of an investment is not reflective of the price at which an actual transaction would occur.

Stocks

The Company’s stocks are comprised of investments in subsidiaries. Investments in subsidiaries are carried on the equity basis, to the extent admissible.

2. Rollforward of Level 3 Items
- For fair value measurements categorized within Level 3 of the fair value hierarchy, the following table is a reconciliation from the opening balance to the closing balance disclosing changes year-to-date:

Description:	Beg. Balance at January 1, 2017	Transfers Into Level 3	Transfers Out of Level 3	Total Gains & Losses incl in Net Income	Total Gains & Loss incl in Surplus	Purchase	Issuance	Sales	Settle-ment	Ending Balance at March 31, 2017
Bonds - Special Revenue	\$ 28,972,979	\$ —	\$ 29,624,953	\$1,295,253	\$ —	\$ —	\$ —	\$ —	\$ 643,279	\$ —
Bonds - Industrial & Miscellaneous	60,423,636	—	61,785,469	1,361,833	—	—	—	—	—	—
Other invested assets	23,478,310	—	—	—	(62,967)	—	—	—	—	23,415,343
TOTAL	\$112,874,925	\$ —	\$ 91,410,422	\$2,657,086	\$ (62,967)	\$ —	\$ —	\$ —	\$ 643,279	\$ 23,415,343

3. Policy on Transfers Into and Out of Level 3
- Transfers in and out of Level 3 are recognized at the end of the quarter when the Company evaluates whether securities with unobservable inputs need to be carried at fair value.

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

- During the three months ended March 31, 2017, four Puerto Rico bonds and two corporate bonds were transferred out of Level 3 of the fair value hierarchy due to an increase in market value to a level greater than book value.

4. Inputs and Techniques Used for Level 3 Fair Values  
Certain Level 3 securities were priced with the assistance of an independent third party. The pricing is based on a discounted cash flow approach using the third party's proprietary pricing models. The models use, as applicable, inputs such as projected prepayment speeds; severity assumptions; recovery lag assumptions; estimated default rates (determined on the basis of an analysis of collateral attributes, historical collateral performance, borrower profiles and other features relevant to the evaluation of collateral credit quality); house price depreciation/appreciation rates based on macroeconomic forecasts and recent trading activity. The yield used to discount the projected cash flows is determined by reviewing various attributes of the bond, including collateral type, weighted average life, sensitivity to losses, vintage and convexity, in conjunction with market data on comparable securities. Significant changes to any of these inputs could materially change the expected timing of cash flows within these securities which is a significant factor in determining the fair value of the securities.
5. Derivative Fair Values  
The Company does not own derivatives at March 31, 2017.

- B. Other Fair Value Disclosures  
The fair value of the Company's financial guaranty contracts accounted for as insurance was approximately \$4.3 billion at March 31, 2017 and was based on management's estimate of what a similarly rated financial guaranty insurance company would demand to acquire the Company's in-force book of financial guaranty insurance business. This amount was based on the pricing assumptions management has observed for portfolio transfers and acquisitions that have occurred in the financial guaranty market and included adjustments to the carrying value of unearned premium reserve for stressed losses, ceding commissions and return on capital. The significant inputs were not readily observable. The Company accordingly classified this fair value measurement as Level 3.
- C. Fair Values for All Financial Instruments by Levels 1, 2 and 3  
The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 4,206,873,875	\$ 4,102,120,653	\$ —	\$ 3,403,344,341	\$ 803,529,534	\$ —
Cash equivalents and short-term investments	198,222,293	198,222,327	178,226,313	19,995,980	—	—
Other invested assets	386,297,968	385,703,488	24,277,667	—	362,020,301	—
Total assets	\$ 4,791,394,136	\$ 4,686,046,468	\$ 202,503,980	\$ 3,423,340,321	\$ 1,165,549,835	\$ —

- D. Financial Instruments for Which it is Not Practical to Estimate Fair Values  
Not applicable

21. Other Items

- A, B, C, D, E. There has been no change since the 2016 Annual Statement.
- F. Subprime Mortgage-Related Risk Exposure  
(1) through (3)

The Company purchased securities with subprime mortgage related exposures that it has insured, and for which it has loss reserves, in order to mitigate the economic effect of insured losses ("loss mitigation bonds"). These securities were purchased at a discount and are accounted for excluding the effects of the Company's insurance on the securities. The Company's investment guidelines generally do not permit its outside managers to purchase securities rated lower than A- by S&P or A3 by Moody's, excluding a 2.5% allocation to corporate securities not rated lower than BBB by S&P or Baa2 by Moody's.

As of March 31, 2017	Actual Cost	Book Value	Fair Value	OTTI Losses Recognized
Residential Mortgage Backed Securities	\$ 230,708,307	\$ 232,354,623	\$ 231,580,153	\$ (38,848,529)
Structured Securities	574,017	628,684	724,545	(98,253)
Total	\$ 231,282,324	\$ 232,983,307	\$ 232,304,698	\$ (38,946,782)

- (4) Underwriting Exposure

Selected U.S. Public Finance Transactions

The Company has insured exposure to general obligation bonds of the Commonwealth of Puerto Rico ("Puerto Rico" or the "Commonwealth") and various obligations of its related authorities and public corporations aggregating \$2.2 billion net par as of March 31, 2017, 96% of which is rated below investment grade ("BIG"). Puerto Rico has experienced significant general fund budget deficits in recent years and a challenging economic environment. Beginning on January 1, 2016, a number of Puerto Rico credits have defaulted on bond payments, and the Company has now paid claims on several Puerto Rico credits.

On November 30, 2015 and December 8, 2015, Governor García Padilla of Puerto Rico (the "Former Governor") issued executive orders ("Clawback Orders") directing the Puerto Rico Department of Treasury and the Puerto Rico Tourism Company to retain or transfer certain taxes pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority ("PRHTA"). On January 7, 2016, the Company sued various Puerto Rico governmental officials in the United States District Court, District of Puerto Rico asserting that this attempt to "claw back" pledged taxes is unconstitutional, and demanding declaratory and injunctive relief.

On April 6, 2016, the Former Governor signed into law the Puerto Rico Emergency Moratorium & Financial Rehabilitation Act (the "Moratorium Act"). The Moratorium Act purportedly empowers the governor to declare, entity by entity, states of emergency and moratoriums on debt service payments on obligations of the Commonwealth and its related authorities and public corporations, as well as instituting a stay against related litigation, among other things. The Former Governor used the authority of the Moratorium Act to take a number of actions related to issuers of obligations the Company insures. National Public Finance Guarantee Corporation

## STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

("National") (another financial guarantor), holders of certain Commonwealth general obligation bonds and certain Puerto Rico residents (the "National Plaintiffs") have filed suits to invalidate the Moratorium Act, and after the passage of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), the National Plaintiffs sought a relief from the stay of litigation imposed by PROMESA to pursue the action. On July 21, 2016, the Company filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico seeking relief from the stay of litigation imposed by PROMESA to seek a declaration that the Moratorium Act is preempted by Federal bankruptcy law. In November 2016, that court denied both the Company's and the National Plaintiffs' motions for relief from stay in the respective actions. The PROMESA stay expired on May 1, 2017.

On June 30, 2016, the PROMESA was signed into law by the President of the United States. PROMESA establishes a seven-member federal financial oversight board ("Oversight Board") with authority to require that balanced budgets and fiscal plans be adopted and implemented by Puerto Rico. PROMESA provides a legal framework under which the debt of the Commonwealth and its related authorities and public corporations may be voluntarily restructured, and grants the Oversight Board the sole authority to file restructuring petitions in a federal court to restructure the debt of the Commonwealth and its related authorities and public corporations if voluntary negotiations fail, provided that any such restructuring must be in accordance with an Oversight Board approved fiscal plan that respects the liens and priorities provided under Puerto Rico law. PROMESA also appears to preempt at least portions of the Moratorium Act and to stay debt-related litigation, including the Company's litigation regarding the Clawback Orders, until May 1, 2017. On August 31, 2016, the President of the United States appointed the seven members of the Oversight Board.

On January 2, 2017, Ricardo Antonio Rosselló Nevares (the "Governor") took office, replacing the Former Governor. On January 29, 2017, the Governor signed the Puerto Rico Emergency and Fiscal Responsibility Act (Emergency Act") that, among other things, repealed portions of the Moratorium Act, defined an emergency period that lasted until May 1, 2017, continued diversion of collateral away from bonds the Company insures, and defined the powers and duties of the Fiscal Agency and Financial Advisory Authority ("FAFAA"). The emergency period has been extended through August 1, 2017.

In mid-March 2017, the Oversight Board certified Puerto Rico's fiscal plan, dated March 13, 2017 ("Fiscal Plan"). The Fiscal Plan provides only approximately \$7.9 billion for Commonwealth debt service over the next ten years, an amount less than scheduled debt service for such period. The Fiscal Plan itself acknowledges that there are a number of legal and contractual issues not addressed by the Fiscal Plan. On May 3, 2017, AGM and AGC filed in the Federal District Court in Puerto Rico an adversary complaint seeking a judgment that the Fiscal Plan violates various sections of PROMESA and the U.S. Constitution, an injunction enjoining the Commonwealth and Oversight Board from presenting or proceeding with confirmation of any plan of adjustment based on the Fiscal Plan, and a stay on the confirmation of any plan of adjustment based on the Fiscal Plan pending development of a fiscal plan that complies with PROMESA and the U.S. Constitution.

On April 28, 2017, the Oversight Board approved fiscal plans for PREPA and PRHTA, and directed PRASA to amend its proposed plan in several ways. The PREPA plan appears to be consistent with the Restructuring Support Agreement ("RSA") described below. The PRHTA plan assumes that PRHTA will not pay any debt service at least through 2026. The PRASA plan assumes it will pay only approximately 65% of its debt service through 2026. Because PRASA has several categories of debt outstanding and the Company insures only PRASA debt with a senior lien on gross revenues of PRASA, it is unclear whether (or to what extent, if any) the payment of only 65% of debt service through 2026 would result in a reduction in PRASA payments of Company-insured debt. The Company does not believe the fiscal plans of PRHTA or PRASA in their current forms comply with certain mandatory requirements of PROMESA.

On May 3, 2017, the Oversight Board filed a petition with the Federal District Court of Puerto Rico for the Commonwealth under Title III of PROMESA. Title III of PROMESA provides for a process analogous to a voluntary bankruptcy process under chapter 9 of the federal bankruptcy code. On May 5, 2017, the Oversight Board certified a filing under Title III of PROMESA for the Puerto Rico Sales Tax Financing Corporation ("COFINA"). Also on Friday, May 5, 2017, it was announced that Chief Justice Roberts of the United States Supreme Court had appointed Judge Laura Taylor Swain of the Southern District of New York to preside over the Title III proceedings.

The final shape, timing and validity of responses to Puerto Rico's distress eventually enacted or implemented under the auspices of PROMESA and the Oversight Board or otherwise, and the final impact, after resolution of legal challenges, of any such responses on obligations insured by the Company, are uncertain.

The Company groups its Puerto Rico exposure into three categories:

- *Constitutionally Guaranteed.* The Company includes in this category public debt benefiting from Article VI of the Constitution of the Commonwealth, which expressly provides that interest and principal payments on the public debt are to be paid before other disbursements are made.
- *Public Corporations - Certain Revenues Potentially Subject to Clawback.* The Company includes in this category the debt of public corporations for which applicable law permits the Commonwealth to claw back, subject to certain conditions and for the payment of public debt, at least a portion of the revenues supporting the bonds the Company insures. As a constitutional condition to clawback, available Commonwealth revenues for any fiscal year must be insufficient to pay Commonwealth debt service before the payment of any appropriations for that year. The Company believes that this condition has not been satisfied to date, and accordingly that the Commonwealth has not to date been entitled to claw back revenues supporting debt insured by the Company. As noted above, the Company sued various Puerto Rico governmental officials in the United States District Court, District of Puerto Rico asserting that Puerto Rico's attempt to "claw back" pledged taxes is unconstitutional, and demanding declaratory and injunctive relief.
- *Other Public Corporations.* The Company includes in this category the debt of public corporations that are supported by revenues it does not believe are subject to clawback.

### Constitutionally Guaranteed

*General Obligation.* As of March 31, 2017, the Company had \$699 million insured net par outstanding of the general obligations of Puerto Rico, which are supported by the good faith, credit and taxing power of the Commonwealth. On July 1, 2016, despite the requirements of Article VI of its Constitution but pursuant to an executive order issued by the Former Governor under the Moratorium Act, the Commonwealth defaulted on most of the debt service payment due that day, and the Company made its first claim payments on these bonds, and has continued to make claim payments on these bonds. As noted above, the Oversight Board filed a petition under Title III of PROMESA with respect to the Commonwealth.

*Puerto Rico Public Buildings Authority ("PBA").* As of March 31, 2017, the Company had \$11 million insured net par outstanding of PBA bonds, which are supported by a pledge of the rents due under leases of government facilities to departments, agencies ,

## STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

instrumentalities and municipalities of the Commonwealth, and that benefit from a Commonwealth guaranty supported by a pledge of the Commonwealth's good faith, credit and taxing power. On July 1, 2016, despite the requirements of Article VI of its Constitution but pursuant to an executive order issued by the Former Governor under the Moratorium Act, the PBA defaulted on most of the debt service payment due that day, and the Company made its first claim payments on these bonds, and has continued to make claim payments on these bonds.

### Public Corporations - Certain Revenues Potentially Subject to Clawback

*PRHTA.* As of March 31, 2017, the Company had \$273 million insured net par outstanding of PRHTA (Transportation revenue) bonds and \$272 million insured net par of PRHTA (Highways revenue) bonds. The transportation revenue bonds are secured by a subordinate gross pledge of gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls, plus a first lien on up to \$120 million annually of taxes on crude oil, unfinished oil and derivative products. The highways revenue bonds are secured by a gross pledge of gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls. The Clawback Orders cover Commonwealth-derived taxes that are allocated to PRHTA. The Company believes that such sources represented a substantial majority of PRHTA's revenues in 2015. The PRHTA bonds are subject to executive orders issued pursuant to the Moratorium Act. As noted above, the Company filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico seeking relief from the PROMESA stay to seek a declaration that the Moratorium Act is preempted by Federal bankruptcy law and that certain gubernatorial executive orders diverting PRHTA pledged toll revenues (which are not subject to the Clawback Orders) are preempted by PROMESA and violate the U.S. Constitution, and also seeking damages and injunctive relief. That motion was denied on November 2, 2016, on procedural grounds. The PROMESA stay expired on May 1, 2017. There were sufficient funds in the PRHTA bond accounts to make the July 1, 2016 and January 1, 2017 PRHTA debt service payments guaranteed by the Company on a primary basis, and those payments were made in full. As noted above, on April 28, 2017, the Oversight Board approved a fiscal plan for PRHTA that PRHTA will not pay any debt service at least through 2026. The Company does not believe the PRHTA fiscal plan in its current form complies with certain mandatory requirements of PROMESA.

### Other Public Corporations

*Puerto Rico Electric Power Authority ("PREPA").* As of March 31, 2017, the Company had \$468 million insured net par outstanding of PREPA obligations, which are payable from a pledge of net revenues of the electric system.

On December 24, 2015, AGM and AGC entered into a Restructuring Support Agreement ("RSA") with PREPA, an ad hoc group of uninsured bondholders and a group of fuel-line lenders that would, subject to certain conditions, result in, among other things, modernization of the utility and a restructuring of current debt. Upon finalization of the contemplated restructuring transaction, insured PREPA revenue bonds (with no reduction to par or stated interest rate) will be supported by securitization bonds issued by a special purpose corporation and secured by a transition charge assessed on ratepayers. To facilitate the securitization transaction and in exchange for a market premium, Assured Guaranty will issue surety insurance policies to support a portion of the reserve fund for the securitization bonds. Certain of the creditors also agreed, subject to certain conditions, to participate in a relending financing, which was closed in two tranches on May 19, 2016 and June 22, 2016. AGM's and AGC's share of the relending financing was approximately \$15 million (\$2 million for AGC and \$13 million for AGM). Legislation meeting the requirements of the original RSA was enacted on February 16, 2016, and a transition charge to be paid by PREPA rate payers for debt service on the securitization bonds as contemplated by the RSA was approved by the Puerto Rico Energy Commission on June 20, 2016.

On July 1, 2016, PREPA made full payment of the \$41 million of principal and interest due on PREPA revenue bonds insured by AGM and AGC. That payment was funded in part by relending financing provided by AGM in the form of \$26 million of PREPA bonds.

On January 1, 2017, PREPA made full payment of the \$18 million of interest due on PREPA revenue bonds insured by AGM and AGC.

In March 2017, the Governor indicated a desire to modify certain aspects of the RSA. On April 6, 2017, the Governor announced that the Commonwealth, acting on behalf of PREPA, had reached an agreement in principle with the other parties to the RSA (including AGM and AGC) to supplement the RSA. As supplemented, the RSA calls for AGM and AGC to provide surety insurance policies aggregating approximately \$113 million (\$14 million for AGC and \$99 million for AGM) to support the securitization bonds contemplated by the RSA, to extend the maturity of all of the relending financing provided in 2016, to provide approximately \$18 million of relending financing in July 2017, and to provide \$120 million of principal payment deferrals in 2018 through 2023. The agreement also provides that, upon the finalization of the transactions contemplated by the RSA, the approximately \$41 million of relending bonds purchased in 2016, and the \$18 million of bonds to be purchased in July 2017, all will be supported by, or exchanged into, securitization bonds contemplated by the RSA. In addition, the RSA now provides for a consensual restructuring under Title VI of PROMESA.

There can be no assurance that the conditions in the modified RSA will be met or that, if the conditions are met, the modified RSA's other provisions, including those related to the insured PREPA revenue bonds, will be implemented as currently contemplated. In addition, the impact of PROMESA, any action taken by the Oversight Board, the Moratorium Act and Emergency Act or any attempt to exercise the power purportedly granted by the Moratorium Act or the Emergency Act on the implementation of the RSA is uncertain. PREPA, during the pendency of the agreements, has suspended deposits into its debt service fund.

*Municipal Finance Agency ("MFA").* As of March 31, 2017, the Company had \$195 million net par outstanding of bonds issued by MFA secured by a pledge of local property tax revenues. There were sufficient funds in the MFA bond accounts to make the July 1, 2016 and January 1, 2017 MFA bond payments guaranteed by the Company, and those payments were made in full.

*COFINA.* As of March 31, 2017, the Company had \$263 million insured net par outstanding of junior COFINA bonds, which are secured primarily by a second lien on certain sales and use taxes. As of the date of this filing, all payments on Company-insured COFINA bonds had been made. As noted above, on May 5, 2017, the Oversight Board certified a filing under Title III of PROMESA for COFINA.

### Other Selected U.S. Public Finance Transactions

On February 25, 2015, a plan of adjustment resolving the bankruptcy filing of the City of Stockton, California under chapter 9 of the U.S. Bankruptcy Code became effective. As of March 31, 2017, the Company's net par subject to the plan consists of \$60 million of pension obligation bonds. As part of the plan settlement, the City will repay the pension obligation bonds from certain fixed payments and certain variable payments contingent on the City's revenue growth.



STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

U.S. Public Finance Loss and LAE

The Company has loss and LAE reserves across its troubled U.S. public finance credits, including those mentioned above, which incorporated the likelihood of the various outcomes, as of March 31, 2017 of \$247.5 million compared to \$200.8 million as of December 31, 2016. The higher loss reserves are primarily attributable to Puerto Rico exposures.

First Quarter 2017 U.S. RMBS Loss Projections

Based on its observation during the period of the performance of its insured transactions (including early stage delinquencies, late stage delinquencies and loss severity) as well as the residential property market and economy in general, the Company chose to use the same general assumptions to project RMBS losses as of March 31, 2017 as it used as of December 31, 2016, except that it reduced the liquidation rates for certain Alt-A, prime and adjustable rate mortgage ("Option-ARM") delinquency categories and increased the loss severity for subprime transactions of 2007+ vintages.

U.S. First Lien RMBS Loss Projections: Alt-A First Lien, Option ARM, Subprime and Prime

The majority of projected losses in first lien RMBS transactions are expected to come from non-performing mortgage loans (those that are or in the past twelve months have been two or more payments behind, have been modified, are in foreclosure, or have been foreclosed upon). Changes in the amount of non-performing loans from the amount projected in the previous period are one of the primary drivers of loss development in this portfolio. In order to determine the number of defaults resulting from these delinquent and foreclosed loans, the Company applies a liquidation rate assumption to loans in each of various non-performing categories. The Company arrived at its liquidation rates based on data purchased from a third party provider and assumptions about how delays in the foreclosure process and loan modifications may ultimately affect the rate at which loans are liquidated. Each quarter the Company reviews the most recent twelve months of this data and (if necessary) adjusts its liquidation rates based on its observations. The following table shows liquidation assumptions for various non-performing categories.

	March 31, 2017	December 31, 2016
Current Loans Modified in the Previous 12 Months	25%	25%
Current Loans Delinquent in the Previous 12 Months	25	25
30 - 59 Days Delinquent		
Alt-A	30	35
Option ARM	35	35
Subprime	40	40
60 - 89 Days Delinquent		
Alt-A	45	45
Option ARM	45	50
Subprime	50	50
90+ Days Delinquent		
Alt-A	55	55
Option ARM	55	55
Subprime	55	55
Bankruptcy		
Alt-A	45	45
Option ARM	50	50
Subprime	40	40
Foreclosure		
Alt-A	65	65
Option ARM	65	65
Subprime	65	65
Real Estate Owned		
All	100	100

While the Company uses liquidation rates as described above to project defaults of non-performing loans (including current loans modified or delinquent within the last 12 months), it projects defaults on presently current loans by applying a conditional default rate ("CDR") trend. The start of that CDR trend is based on the defaults the Company projects will emerge from currently nonperforming, recently nonperforming and modified loans. The total amount of expected defaults from the non-performing loans is translated into a constant CDR (i.e., the CDR plateau), which, if applied for each of the next 36 months, would be sufficient to produce approximately the amount of defaults that were calculated to emerge from the various delinquency categories. The CDR thus calculated individually on the delinquent collateral pool for each RMBS is then used as the starting point for the CDR curve used to project defaults of the presently performing loans.

In the base case, after the initial 36-month CDR plateau period, each transaction’s CDR is projected to improve over 12 months to an intermediate CDR (calculated as 20% of its CDR plateau); that intermediate CDR is held constant for 36 months and then trails off in steps to a final CDR of 5% of the CDR plateau. In the base case, the Company assumes the final CDR will be reached 6.25 years after the initial 36-month CDR plateau period. Under the Company’s methodology, defaults projected to occur in the first 36 months represent defaults that can be attributed to loans that were modified or delinquent in the last 12 months or that are currently delinquent or in foreclosure, while the defaults projected to occur using the projected CDR trend after the first 36-month period represent defaults attributable to borrowers that are currently performing or are projected to re-perform.

Another important driver of loss projections is loss severity, which is the amount of loss the transaction incurs on a loan after the application of net proceeds from the disposal of the underlying property. Loss severities experienced in first lien transactions have reached historically high levels, and the Company is assuming in the base case that these high levels generally will continue for another 18 months. The Company determines its initial loss severity based on actual recent experience. As a result, the Company updated loss severities for specific asset classes and vintages based on observed data, as shown in the tables below. The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning after the initial 18 month period, declining to 40% in the base case over 2.5 years.

The following table shows the range as well as the average, weighted by outstanding net insured par, for key assumptions used in the calculation of loss reserves for individual transactions for direct vintage 2004 - 2008 first lien U.S. RMBS.



STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

Key Assumptions in Base Case Loss Reserve Estimates  
First Lien RMBS <sup>(1)</sup>

	As of March 31, 2017		As of December 31, 2016	
	Range	Weighted Average	Range	Weighted Average
<b>Alt A</b>				
Plateau CDR	4.0% - 10.8%	5.9%	3.9% - 10.5%	6.1%
Final CDR	0.2% - 0.5%	0.3%	0.2% - 0.5%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	80.0%		80.0%	
2007+	70.0%		70.0%	
<b>Option ARM</b>				
Plateau CDR	3.2% - 7.1%	5.8%	3.2% - 7.0%	5.7%
Final CDR	0.2% - 0.4%	0.3%	0.2% - 0.3%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	70.0%		70.0%	
2007+	75.0%		75.0%	
<b>Subprime</b>				
Plateau CDR	4.6% - 10.0%	8.3%	4.3% - 10.1%	8.1%
Final CDR	0.2% - 0.5%	0.4%	0.2% - 0.5%	0.4%
Initial loss severity:				
2005 and prior	80.0%		80.0%	
2006	90.0%		90.0%	
2007+	95.0%		90.0%	

(1) Represents variables for most heavily weighted scenario (the “base case”).

The rate at which the principal amount of loans is voluntarily prepaid may impact both the amount of losses projected (since that amount is a function of the CDR, the loss severity and the loan balance over time) as well as the amount of excess spread (the amount by which the interest paid by the borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations). The assumption for the voluntary conditional prepayment rate ("CPR") follows a similar pattern to that of the CDR. The current level of voluntary prepayments is assumed to continue for the plateau period before gradually increasing over 12 months to the final CPR, which is assumed to be 15% in the base case. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. These CPR assumptions are the same as those the Company used for December 31, 2016.

In estimating loss reserves, the Company modeled and probability weighted sensitivities for first lien transactions by varying its assumptions of how fast a recovery is expected to occur. One of the variables used to model sensitivities was how quickly the CDR returned to its modeled equilibrium, which was defined as 5% of the initial CDR. The Company also stressed CPR and the speed of recovery of loss severity rates. The Company probability weighted a total of five scenarios as of March 31, 2017. The Company used a similar approach to establish its pessimistic and optimistic scenarios as of March 31, 2017 as it used as of December 31, 2016, increasing and decreasing the periods of stress from those used in the base case.

In the Company's most stressful scenario where loss severities were assumed to rise and then recover over nine years and the initial ramp-down of the CDR was assumed to occur over 15 months, loss reserves would increase from current projections by approximately \$17.6 million for Alt-A first liens, \$5.8 million for Option ARM and \$18.7 million for subprime transactions.

In the Company's least stressful scenario where the CDR plateau was six months shorter (30 months, effectively assuming that liquidation rates would improve) and the CDR recovery was more pronounced, (including an initial ramp-down of the CDR over nine months), loss reserves would decrease from current projections by approximately \$6.8 million for Alt-A first liens, \$12.9 million for Option ARM and \$30.4 million for subprime transactions.

U.S. Second Lien RMBS Loss Projections

Second lien RMBS transactions include both home equity lines of credit ("HELOC") and closed end second lien transactions. The Company believes the primary variable affecting its loss reserves in second lien RMBS transactions is the amount and timing of future losses in the collateral pool supporting the transactions. Loss reserves are also a function of the structure of the transaction; the voluntary prepayment rate (typically also referred to as CPR of the collateral); the interest rate environment; and assumptions about the draw rate and loss severity.

In second lien transactions the projection of near-term defaults from currently delinquent loans is relatively straightforward because loans in second lien transactions are generally “charged off” (treated as defaulted) by the securitization’s servicer once the loan is 180 days past due. The Company estimates the amount of loans that will default over the next six months by calculating current representative liquidation rates. A liquidation rate is the percent of loans in a given cohort (in this instance, delinquency category) that ultimately default. Similar to first liens, the Company then calculates a CDR for six months, which is the period over which the currently delinquent collateral is expected to be liquidated. That CDR is then used as the basis for the plateau CDR period that follows the embedded plateau losses.

For the base case scenario, the CDR (the “plateau CDR”) was held constant for six months. Once the plateau period has ended, the CDR is assumed to gradually trend down in uniform increments to its final long-term steady state CDR. (The long-term steady state CDR is calculated as the constant CDR that would have yielded the amount of losses originally expected at underwriting.) In the base case scenario, the time over which the CDR trends down to its final CDR is 28 months. Therefore, the total stress period for second lien transactions is 34 months, comprising six months of delinquent data and 28 months of decrease to the steady state CDR the same as of December 31, 2016.

HELOC loans generally permit the borrower to pay only interest for an initial period (often ten years) and, after that period, require the borrower to make both the monthly interest payment and a monthly principal payment, and so increase the borrower's aggregate monthly payment. Some of the HELOC loans underlying the Company's insured HELOC transactions have reached their principal amortization period. The Company has observed that the increase in monthly payments occurring when a loan reaches its principal amortization period, even if mitigated by borrower relief offered by the servicer, is associated with increased borrower defaults. Thus, most of the Company's HELOC projections incorporate an assumption that a percentage of loans reaching their amortization periods

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

will default around the time of the payment increase. These projected defaults are in addition to those generated using the CDR curve as described above. This assumption is similar to the one used at December 31, 2016.

When a second lien loan defaults, there is generally a very low recovery. The Company assumed as of March 31, 2017 that it will generally recover only 2% of the collateral defaulting in the future and declining additional amounts of post-default receipts on previously defaulted collateral. This is the same assumption used as of December 31, 2016.

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected as well as the amount of excess spread. In the base case, an average CPR (based on experience of the past year) is assumed to continue until the end of the plateau before gradually increasing to the final CPR over the same period the CDR decreases. The final CPR is assumed to be 15% for second lien transactions (in the base case), which is lower than the historical average but reflects the Company’s continued uncertainty about the projected performance of the borrowers in these transactions. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. This pattern is generally consistent with how the Company modeled the CPR as of December 31, 2016. To the extent that prepayments differ from projected levels it could materially change the Company’s projected excess spread and losses.

The Company uses a number of other variables in its second lien loss projections, including the spread between relevant interest rate indices. These variables have been relatively stable and have less impact on the projection results than the variables discussed above. However, in a number of HELOC transactions the servicers have been modifying poorly performing loans from floating to fixed rates, and, as a result, rising interest rates would negatively impact the excess spread available from these modified loans to support the transactions. The Company incorporated these modifications in its assumptions.

In estimating loss reserves, the Company modeled and probability weighted five possible CDR curves applicable to the period preceding the return to the long-term steady state CDR. The Company used five scenarios at March 31, 2017 and December 31, 2016. The Company believes that the level of the elevated CDR and the length of time it will persist, the ultimate prepayment rate, and the amount of additional defaults because of the expiry of the interest only period, are the primary drivers behind the likely amount of losses the collateral will suffer. The Company continues to evaluate the assumptions affecting its modeling results.

The Company believes the most important driver of its projected second lien RMBS losses is the performance of its HELOC transactions. The following table shows the range as well as the average, weighted by outstanding net insured par, for key assumptions for the calculation of expected loss to be paid for individual transactions for direct vintage 2004 - 2008 HELOCs.

Key Assumptions in Base Case Loss Reserve Estimates  
HELOCs <sup>(1)</sup>

	As of March 31, 2017		As of December 31, 2016	
	Range	Weighted Average	Range	Weighted Average
Plateau CDR	3.8% - 23.9%	14.3%	3.5% - 22.4%	13.5%
Final CDR trended down to	0.6% - 3.2%	1.2%	0.6% - 3.2%	1.2%
Liquidation Rates:				
Current Loans Modified in the Previous 12 Months	25%		25%	
Current Loans Delinquent in the Previous 12 Months	25		25	
30 - 59 Days Delinquent	50		50	
60 - 89 Days Delinquent	65		65	
90+ Days Delinquent	80		80	
Bankruptcy	55		55	
Foreclosure	75		75	
Real Estate Owned	100		100	
Loss severity	98.0%		98.0%	

(1) Represents variables for most heavily weighted scenario (the “base case”).

The Company’s base case assumed a six month CDR plateau and a 28 month ramp-down (for a total stress period of 34 months). The Company also modeled a scenario with a longer period of elevated defaults and another with a shorter period of elevated defaults. Increasing the CDR plateau to eight months and increasing the ramp-down by three months to 31 months (for a total stress period of 39 months), and doubling the defaults relating to the end of the interest only period would increase the loss reserves by approximately \$21.4 million for HELOC transactions. On the other hand, reducing the CDR plateau to four months and decreasing the length of the CDR ramp-down to 25 months (for a total stress period of 29 months), and lowering the ultimate prepayment rate to 10% would decrease the loss reserves by approximately \$14.6 million for HELOC transactions.

Breaches of Representations and Warranties

As of March 31, 2017, the Company had a net R&W payable of \$43.0 million to R&W counterparties, compared to an R&W recoverable of \$26.6 million as of December 31, 2016. The increase in the payable is related primarily to higher expected recoveries in a transaction where an interpleader proceeding has been dismissed in the Company's favor (and thus higher R&W payable).

Underwriting exposure to subprime mortgage risk through Financial Guaranty insurance coverage.

The following table summarizes U.S. subprime loss activity at March 31, 2017:

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at the End of Current Period	IBNR Reserves at the End of Current Period
a. Mortgage Guaranty coverage	\$ —	\$ —	\$ —	\$ —
b. Financial Guaranty coverage	5,103,826	1,467,467	132,298,833	—
c. Other lines (specify):	—	—	—	—
d. Total	\$ 5,103,826	\$ 1,467,467	\$ 132,298,833	\$ —

G. Insurance-Linked Securities (ILS) Contracts  
The Company does not participate in any ILS contracts.

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

22. Events Subsequent

Subsequent events have been considered through May 11, 2017 for these statutory financial statements which are to be issued on May 11, 2017. There were no material events occurring subsequent to March 31, 2017 that have not already been disclosed in these financial statements.

23. Reinsurance

- A. The Company has no unsecured reinsurance recoverable at March 31, 2017.  
B. The Company has no reinsurance recoverable in dispute at March 31, 2017.  
C. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at March 31, 2017:

	Assumed Reinsurance		Ceded Reinsurance		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. AFFILIATES	\$ 248,734,516	\$ 74,625,924	\$ 662,803,788	\$ 150,107,038	\$ (414,069,272)	\$ (75,481,114)
b. ALL OTHER	2,877,010	—	68,223,811	17,571,597	(65,346,801)	(17,571,597)
c. TOTAL	251,611,526	74,625,924	731,027,599	167,678,635	(479,416,073)	(93,052,711)
d. Direct Unearned Premium Reserve			\$ 1,662,140,203			

The Company has no protected cells at March 31, 2017.

- D. The Company has no uncollectible reinsurance at March 31, 2017.  
E. Commutation of Ceded Reinsurance. The Company has reported in its results of operations on March 31, 2017 as a result of commutations of reinsurance with companies listed below, amounts that are shown below:

	Mitsui Sumitomo Ins. Co. Ltd.	Amount
Paid losses	\$ 7,766,972	\$ 7,766,972
Change in reserves	(7,766,972)	(7,766,972)
(1) Losses incurred	—	—
Paid LAE	—	—
Change in LAE reserves	—	—
(2) Loss adjustment expenses incurred	—	—
Ceded written premium	9,697,762	9,697,762
Change in unearned premium reserve	(9,697,762)	(9,697,762)
(3) Premiums earned	—	—
Return of ceding commission	(2,883,780)	(2,883,780)
Other income (expense)	79,397,062	79,397,062
(4) Other	76,513,282	76,513,282
Total	\$ 76,513,282	\$ 76,513,282
(5) Companies:		
Mitsui Sumitomo Ins. Co. Ltd.	\$ 76,513,282	\$ 76,513,282

- F. The Company has no retroactive reinsurance in effect at March 31, 2017.  
G. The Company does not utilize the deposit method to account for any of its reinsurance transactions.  
H. The Company has no run-off agreements at March 31, 2017.  
I. The Company has no certified reinsurance downgraded or status subject to revocation at March 31, 2017.  
J. The Company has no reinsurance agreements qualifying for reinsurer aggregation at March 31, 2017.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There has been no change since the 2016 Annual Statement.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss expenses attributable to insured events of prior years were \$27,125,490 for the first three months ended March 31, 2017. The current year increase is a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

There has been no change since the 2016 Annual Statement.

27. Structured Settlements

There has been no change since the 2016 Annual Statement.

28. Health Care Receivables

There has been no change since the 2016 Annual Statement.

29. Participating Policies

There has been no change since the 2016 Annual Statement.

30. Premium Deficiency Reserves

There has been no change since the 2016 Annual Statement.

STATEMENT AS OF MARCH 31, 2017 OF ASSURED GUARANTY MUNICIPAL CORP.

31. High Deductibles

There has been no change since the 2016 Annual Statement.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

The net loss and LAE reserves of \$448,002,835 are discounted at a rate of 5% amounting to a total discount of \$264,139,803.

B. Nontabular Discount:	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
Financial Guaranty	\$ 264,139,803	\$ —	\$ —	\$ —

33. Asbestos and Environmental Reserves

There has been no change since the 2016 Annual Statement.

34. Subscriber Savings Accounts

There has been no change since the 2016 Annual Statement.

35. Multiple Peril Crop Insurance

There has been no change since the 2016 Annual Statement.

36. Financial Guaranty Insurance

A. There has been no significant change since the 2016 Annual Statement.

B. Schedule of Below Investment Grade ("BIG") insured financial obligations as of March 31, 2017:

	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
(Dollars in Thousands)				
1. Number of risks	57	10	51	118
2. Remaining weighted-average contract period (in yrs)	8.4	10.9	8.5	9.0
Insured contractual payments outstanding:				
3a. Principal	\$ 2,725,465	\$ 2,120,071	\$ 3,972,134	\$ 8,817,670
3b. Interest	1,261,383	1,180,238	1,731,042	4,172,663
3c. Total	\$ 3,986,848	\$ 3,300,309	\$ 5,703,176	\$ 12,990,333
4. Gross claim liability	\$ 90,155	\$ 735,632	\$ 982,655	\$ 1,808,442
Less:				
5a1. Gross potential recoveries - subrogation	267,684	97,453	588,498	953,635
5a2. Ceded claim liability	(34,477)	163,062	14,079	142,664
5a. Total gross potential recoveries	233,207	260,515	602,577	1,096,299
5b. Discount, net	(55,576)	204,278	115,438	264,140
6. Net claim liability	\$ (87,476)	\$ 270,839	\$ 264,640	\$ 448,003
7. Unearned premium revenue	\$ 30,152	\$ 22,706	\$ 12,165	\$ 65,023
8. Reinsurance recoverables	\$ 151	\$ 49	\$ 1,752	\$ 1,952

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☒ No ☐
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.

Assured Guaranty Corp. purchased Assured Guaranty (London) Ltd., formerly MBIA UK Insurance Limited
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☐ NA ☒
- If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2016
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/27/2013
- 6.4

By what department or departments?

New York State Department of Financial Services
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes [X] No [ ]

9.11

If the response to 9.1 is No, please explain:  
.....

9.2

Has the code of ethics for senior managers been amended? .....

Yes [ ] No [X]

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).  
.....

9.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ ] No [X]

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).  
.....

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [X] No [ ]

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....0

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes [ ] No [X]

11.2

If yes, give full and complete information relating thereto:  
.....

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....

13.

Amount of real estate and mortgages held in short-term investments: .....\$ .....

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes [X] No [ ]

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....484,806,811	\$ .....497,172,097
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....484,806,811	\$ .....497,172,097
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes [ ] No [X]

15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes [ ] No [ ]

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity’s security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.3 Total payable for securities lending reported on the liability page
- \$ .....0

\$ .....0

\$ .....0

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....
- Yes [X] No [ ]

- 17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1	2
Name of Custodian(s)	Custodian Address
The Bank of New York Mellon.....	One Wall Street, New York, NY 10286.....

- 17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....
- Yes [ ] No [X]

- 17.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1	2
Name of Firm or Individual	Affiliation
Blackrock Financial Management Inc.....	U.....
New England Asset Management Inc.....	U.....
Wellington Management Company LLP.....	U.....
Goldman Sachs Asset Management, L.P.....	U.....
Assured Guaranty Municipal Corp.....	I.....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s assets?
- Yes [ X ] No [ ]

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s assets?
- Yes [ X ] No [ ]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
107-105.....	Blackrock Financial Management Inc.....	549300LVXYIVJKE13M84.....	Securities and Exchange Commission.....	NO.....
105-900.....	New England Asset Management Inc.....	KUR85E5PS4GQFZTFC130.....	Securities and Exchange Commission.....	NO.....
106-595.....	Wellington Management Company LLP.....	549300YHP12TEZNL CX41.....	Securities and Exchange Commission.....	NO.....
107-738.....	Goldman Sachs Asset Management, L.P.....	CF5M58QA35CFPUX70H17.....	Securities and Exchange Commission.....	NO.....

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? .....
- Yes [X] No [ ]

- 18.2 If no, list exceptions:
- .....



GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]  
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? ..... Yes [X] No [ ]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
Financial Guaranty.....		.5 .000	264,139,803			264,139,803	47,933,775			47,933,775
TOTAL			264,139,803	0	0	264,139,803	47,933,775	0	0	47,933,775

5. Operating Percentages:  
5.1 A&H loss percent ..... %  
5.2 A&H cost containment percent ..... %  
5.3 A&H expense percent excluding cost containment expenses..... %

6.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [X]  
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$  
6.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]  
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$

**STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.**

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

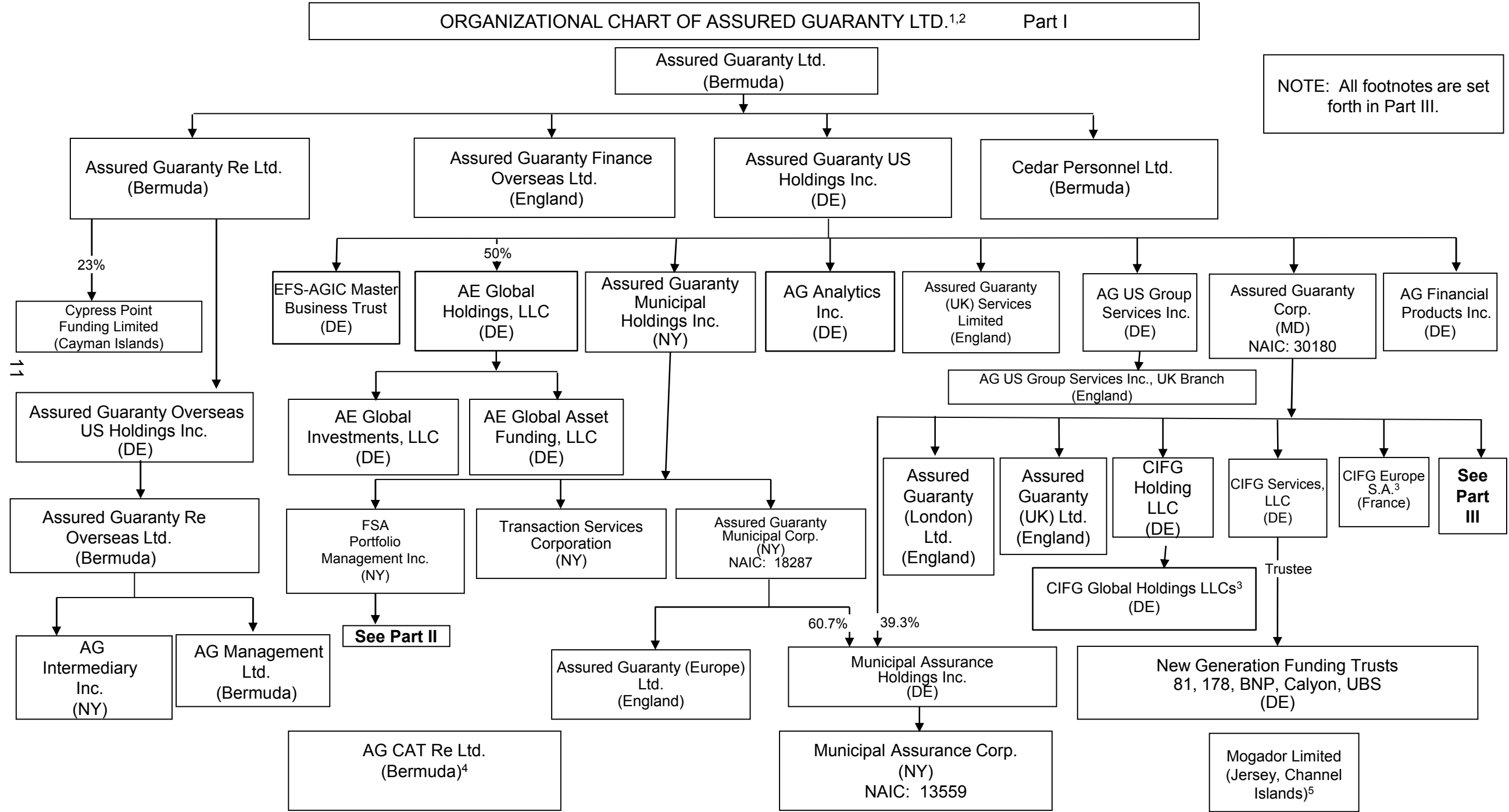
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date – Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L	2,816,004	487,709	40,830	11,766	5,045,150	4,551,020
2. Alaska	AK L		0		0		0
3. Arizona	AZ L	167,916	50,762		0		0
4. Arkansas	AR L	26,763	181,068		0		0
5. California	CA L	2,554,900	6,337,384	3,149,043	3,222,506	12,245,007	27,494,091
6. Colorado	CO L	332,517	81,013	(446,700)	(423,584)		0
7. Connecticut	CT L	293,944	236,131		0		0
8. Delaware	DE L	17,742,891	2,045,359	821,362	6,251,465	241,190,258	193,776,190
9. Dist. Columbia	DC L	30,739	34,639		0		0
10. Florida	FL L	2,188,842	381,375	213,211	113,838	755,653	999,616
11. Georgia	GA L	98,179	0		0		0
12. Hawaii	HI L	47,791	49,678		0		0
13. Idaho	ID L		0		0		0
14. Illinois	IL L	1,523,734	5,777,442	(1,885)	355,334		0
15. Indiana	IN L		25,360		0		0
16. Iowa	IA L		16,279		0		0
17. Kansas	KS L		375,631		0		0
18. Kentucky	KY L	5,507	0		0		0
19. Louisiana	LA L	50,727	111,000		0		0
20. Maine	ME L		23,900		0		0
21. Maryland	MD L	348,895	2,017,332	(3,880,418)	30,995,848	(118,546,849)	(8,759,429)
22. Massachusetts	MA L	1,144,084	59,598		(2,233,134)		(1,271,756)
23. Michigan	MI L	99,959	554,931		0		10,578,853
24. Minnesota	MN L	39,374	44,258	(11,402)	(454,983)	1,043,900	2,065,144
25. Mississippi	MS L	108,928	191,700		0		0
26. Missouri	MO L	25,566	0		0		0
27. Montana	MT L		0		0		0
28. Nebraska	NE L	12,189	0		0		0
29. Nevada	NV L		0		0		0
30. New Hampshire	NH L		0		0		0
31. New Jersey	NJ L	51,197	367,064		0		0
32. New Mexico	NM L		0		0		0
33. New York	NY L	19,891,844	15,233,903	(19,990,483)	3,843,032	116,754,252	116,507,326
34. No. Carolina	NC L	2,682,399	1,371		0		0
35. No. Dakota	ND L		0		0		0
36. Ohio	OH L		737,846		0		0
37. Oklahoma	OK L		0		0		0
38. Oregon	OR L		173,238		0		0
39. Pennsylvania	PA L	1,361,033	398,938		0		0
40. Rhode Island	RI L	319,130	17,500		0		0
41. So. Carolina	SC L	73,138	18,394	(4,867)	0		0
42. So. Dakota	SD L		0		0		0
43. Tennessee	TN L		7,300		0		0
44. Texas	TX L	1,519,565	1,208,716		0		0
45. Utah	UT L	35,943	0		0		0
46. Vermont	VT L		0		0		0
47. Virginia	VA L	54	58		0		0
48. Washington	WA L		0		0		0
49. West Virginia	WV L	27,301	0		0		0
50. Wisconsin	WI L	20,123	0		0		0
51. Wyoming	WY L		0		0		0
52. American Samoa	AS N		0		0		0
53. Guam	GU L		0		0		0
54. Puerto Rico	PR L		233	30,236,882	0	301,243,094	220,634,326
55. U.S. Virgin Islands	VI L		0		0		0
56. Northern Mariana Islands	MP N		0		0		0
57. Canada	CAN N	301,229	328,429		0		0
58. Aggregate Other Alien	OT XXX	10,414,697	1,024,679	0	0	0	0
59. Totals	(a) 54	66,357,102	38,600,218	10,125,573	41,682,088	559,730,465	566,575,381
DETAILS OF WRITE-INS							
58001. AUS Australia	XXX	192,323	211,897		0		0
58002. AUT Austria	XXX		0		0		0
58003. CYM Cayman Islands	XXX	161,518	362,780		0		0
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX	10,060,856	450,002	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	10,414,697	1,024,679	0	0	0	0

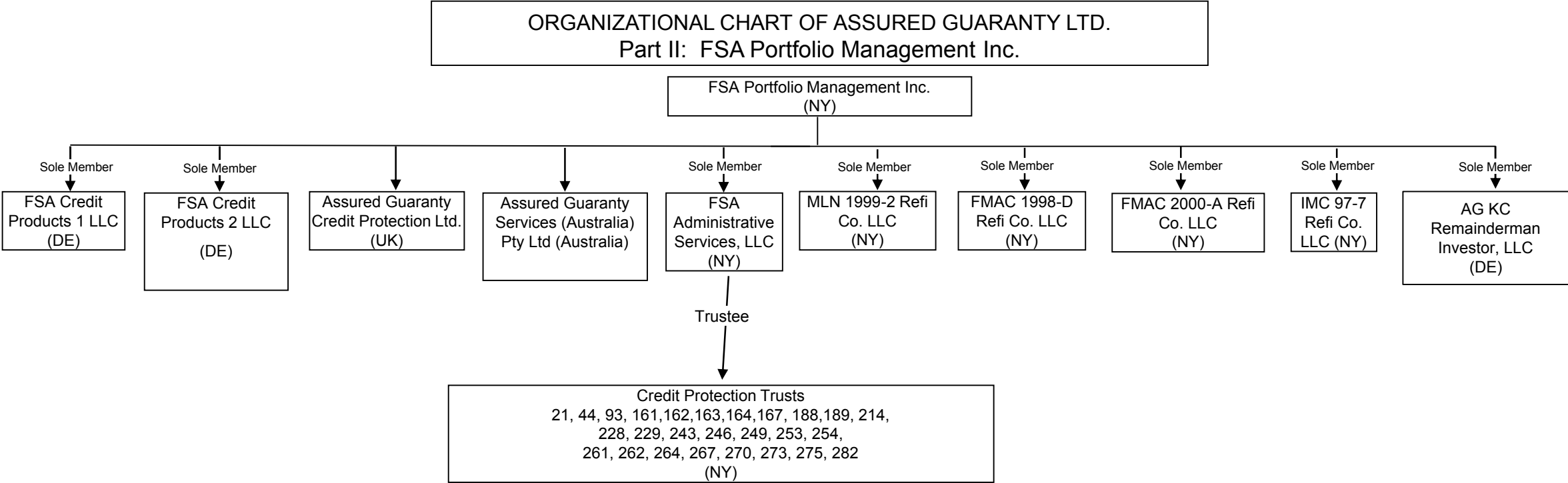
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile – see DSLI); (D) DSLI – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of D and L responses except for Canada and Other Alien.

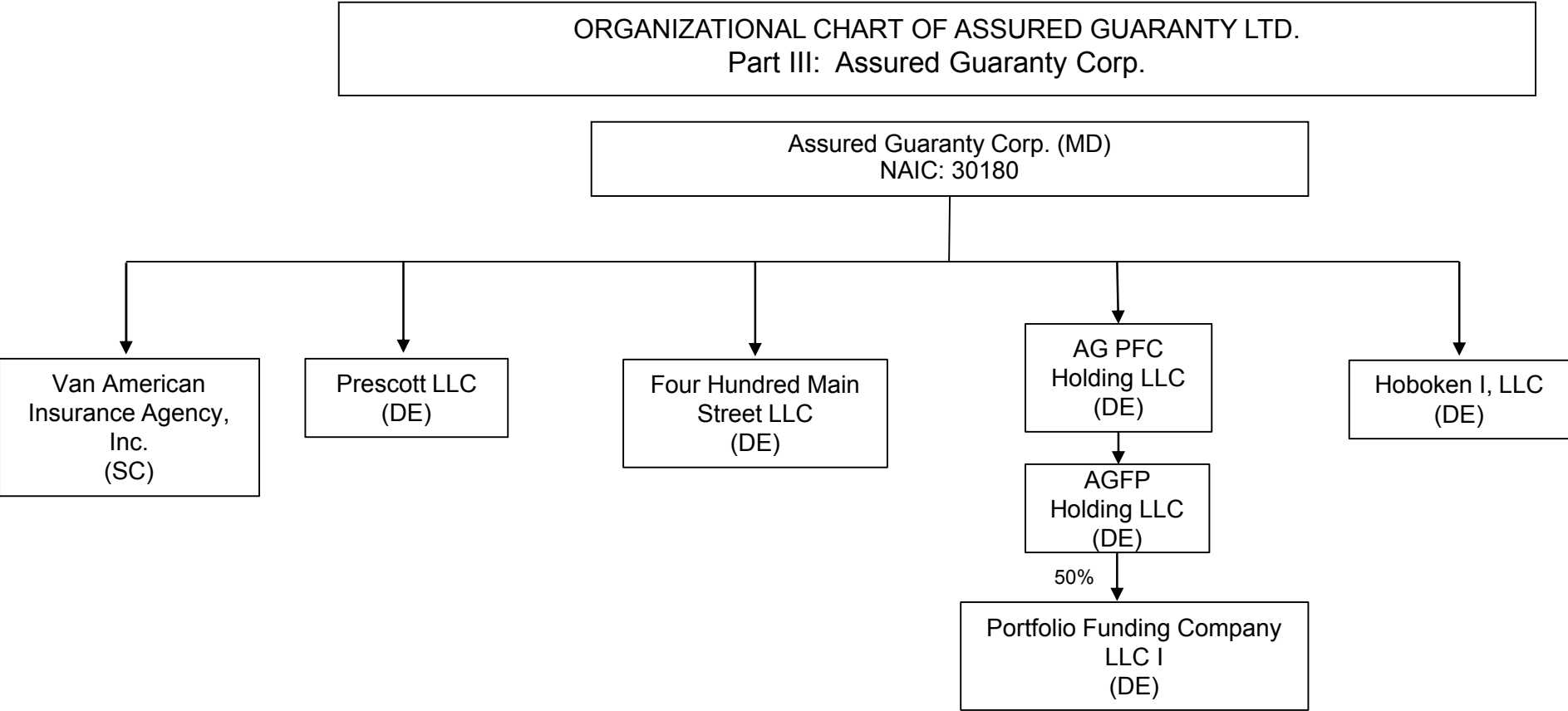
STATEMENT as of MARCH 31, 2017 of the ASSURED GUARANTY MUNICIPAL CORP.  
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of MARCH 31, 2017 of the ASSURED GUARANTY MUNICIPAL CORP.  
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of MARCH 31, 2017 of the ASSURED GUARANTY MUNICIPAL CORP.  
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



Footnotes:

1. Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%. Percentages shown represent voting control, except that percentages in parentheses represent economic interest where voting control and economic interest are different.
2. All companies listed are corporations, except for (i) limited liability companies (designated as LLCs) , (ii) EFS-AGIC Master Business Trust and the New Generation Funding Trusts (which are Delaware trusts;) and (iii) the Credit Protection Trusts (which are New York trusts).
3. In order to comply with a French law in effect at the time CIFG Europe S.A. was organized mandating that corporations have at least seven (7) shareholders, Assured Guaranty Corp. ("AGC") has loaned one share of CIFG Europe S.A. to each of the following six Delaware limited liability companies, each of which is wholly owned by CIFG Holding LLC, a direct, wholly owned subsidiary of AGC: CIFG Global Holdings I, LLC, CIFG Global Holdings II, LLC, CIFG Global Holdings III, LLC, CIFG Global Holdings IV, LLC, CIFG Global Holdings V, LLC, and CIFG Global Holdings VI, LLC.
4. AG CAT Re Ltd. is wholly owned by Conyers Trust Company (Bermuda) Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The insurance manager of AG CAT Re Ltd. is AG Management Ltd.
5. Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is the depositor of the New Generation Funding Trusts and the seller of protection on derivatives guaranteed by CIFG Europe S.A.

STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
00194.....	Assured Guaranty Ltd.....	00000.....	98-0429991.....		0001573813	NYSE	Assured Guaranty Ltd.....	BMU	UIP			0.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	20-1082002.....		0001289244		Assured Guaranty US Holdings Inc.....	DE	UIP	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3261323.....		1111913357		Assured Guaranty Municipal Holdings Inc.....	NY	UDP	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	18287.....	13-3250292.....				Assured Guaranty Municipal Corp.....	NY	RE	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3693815.....				FSA Portfolio Management Inc. Transaction Services Corporation.....	NY	NIA	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3866939.....				Municipal Assurance Holdings Inc.....	NY	NIA	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	46-3047895.....					DE	DS	Assured Guaranty Municipal Corp.....	Ownership.....	60.7	Assured Guaranty Ltd.....	Y	(1)
00194.....	Assured Guaranty Ltd.....	00000.....	13-3896538.....				Assured Guaranty (Europe) Ltd.....	GBR	DS	Assured Guaranty Municipal Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	Y	
00194.....	Assured Guaranty Ltd.....	00000.....					Cypress Point Funding Ltd.....	CYM	NIA	Assured Guaranty Re Ltd.....	Ownership.....	23.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	98-0203985.....				Assured Guaranty Re Ltd.....	BMU	IA	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Finance Overseas Ltd.....	GBR	NIA	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....					Cedar Personnel Ltd.....	BMU	NIA	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	52-2221232.....				Assured Guaranty Overseas US Holdings Inc.....	DE	NIA	Assured Guaranty Re Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	98-0319240.....				Assured Guaranty Re Overseas Ltd.....	BMU	IA	Assured Guaranty Overseas US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....					AG Management Ltd.....	BMU	NIA	Assured Guaranty Re Overseas Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3339307.....				AG Intermediary Inc.....	NY	NIA	Assured Guaranty Re Overseas Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	13559.....	26-2999764.....				Municipal Assurance Corp.....	NY	DS	Municipal Assurance Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	27-1251323.....				AG Analytics Inc.....	DE	NIA	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (UK) Services Limited.....	GBR	NIA	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	30180.....	52-1533088.....				Assured Guaranty Corp.....	MD	IA	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	13-4031196.....				AG Financial Products Inc.....	DE	NIA	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....					Prescott LLC.....	DE	NIA	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....	52-1533088.....				AG PFC Holding LLC.....	DE	NIA	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (UK) Ltd.....	GBR	IA	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	Y	



SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
00194.....	Assured Guaranty Ltd.....	00000.....	27-3047677.....				AGFP Holding LLC.....	DE.....	NIA.....	AG PFC Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Portfolio Funding Company LLC 1.....	DE.....	NIA.....	AGFP Holding LLC.....	Ownership.....	50.0.....	Assured Guaranty Ltd.....	N.....	
00000.....	Conyers Trust Company (Bermuda) Limited.....	00000.....					AG CAT Re Ltd.....	BMU.....	OTH.....	Conyers Trust Company (Bermuda) Limited.....	Other.....	0.0.....	Conyers Trust Company (Bermuda) Limited.....	N.....	(2)
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 1 LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 2 LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Credit Protection Ltd.....	GBR.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Services (Australia) Pty Ltd.....	AUS.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Administrative Services, LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					MLN 1992-2 Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 1998-D Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 2000-A Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					IMC 97-7 Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Credit Protection Trusts.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Other.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-3333448.....				EFS-AGIC Master Business Trust.....	DE.....	NIA.....	Assured Guaranty US Holdings, Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	36-4446928.....				AE Global Holdings, LLC.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	50.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AE Global Investments, LLC.....	DE.....	NIA.....	AE Global Holdings, LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AE Global Asset Funding, LLC.....	DE.....	NIA.....	AE Global Holdings, LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Four Hundred Main Street, LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	20-3759337.....				Van American Insurance Agency, Inc.....	SC.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Hoboken I, LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	13-4173364.....				CIFG Services, LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....	98-0647426.....				CIFG Europe S.A.....	FRA.....	IA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	Y.....	(3)
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Holding LLC.....	DE.....	NIA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
00194.....	Assured Guaranty Ltd.....	00000.....	13-4173364.....				New Generation Funding Trusts.....	DE.....	NIA.....	CIFG Services, LLC.....	Other.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Mogador Limited.....	JEY.....	OTH.....	Sanne Nominees Limited and Sanne Nominees 2 Limited.....	Ownership.....	100.0.....	Sanne Nominees Limited and Sanne Nominees 2 Limited.....	N.....	(4)
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings I, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings II, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings III, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings IV, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings V, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings VI, LLC.....	DE.....	NIA.....	CIFG Holding LLC.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (London) Ltd.....	GBR.....	IA.....	Assured Guaranty Corp.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	Y.....	
00194.....	Assured Guaranty Ltd.....	00000.....	30-0953494.....				AG US Group Services Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AG US Group Services Inc., UK Branch.....	GBR.....	NIA.....	AG US Group Services Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	
00194.....	Assured Guaranty Ltd.....	00000.....					AG KC Remainderman Investor, LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0.....	Assured Guaranty Ltd.....	N.....	

Asterisk	Explanation
	(1) The remaining 39.3% of Municipal Assurance Holdings Inc. is directly owned by Assurance Guaranty Corp.....
	(2) AG CAT Re Ltd. is wholly owned by Conyers Trust Company (Bermuda) Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The insurance manager of AG CAT Re Ltd. is AG Management Ltd.....
	(3) In order to comply with a French law in effect at the time CIFG Europe S.A. was organized, mandating that corporations have at least seven shareholders, Assured Guaranty Corp. has loaned one share of CIFG Europe S.A. to each of the following six Delaware limited liability companies, each of which is wholly owned by CIFG Holding LLC, a direct, wholly owned subsidiary of Assured Guaranty Corp.: CIFG Global Holdings I, LLC, CIFG Global Holdings II, LLC, CIFG Global Holdings III, LLC, CIFG Global Holdings IV, LLC, CIFG Global Holdings V, LLC, and CIFG Global Holdings VI, LLC.....
	(4) Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is the depositor of the New Generation Funding Trusts and the seller of protection on derivatives guaranteed by CIFG Europe S.A.....

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....			0.0	0.0
2.	Allied lines .....			0.0	0.0
3.	Farmowners multiple peril .....			0.0	0.0
4.	Homeowners multiple peril .....			0.0	0.0
5.	Commercial multiple peril .....			0.0	0.0
6.	Mortgage guaranty .....			0.0	0.0
8.	Ocean marine .....			0.0	0.0
9.	Inland marine .....			0.0	0.0
10.	Financial guaranty .....	73,160,007	67,575,662	92.4	18.1
11.1	Medical professional liability -occurrence .....			0.0	0.0
11.2	Medical professional liability -claims made .....			0.0	0.0
12.	Earthquake .....			0.0	0.0
13.	Group accident and health .....			0.0	0.0
14.	Credit accident and health .....			0.0	0.0
15.	Other accident and health .....			0.0	0.0
16.	Workers' compensation .....			0.0	0.0
17.1	Other liability occurrence .....			0.0	0.0
17.2	Other liability-claims made .....			0.0	0.0
17.3	Excess Workers' Compensation .....			0.0	0.0
18.1	Products liability-occurrence .....			0.0	0.0
18.2	Products liability-claims made .....			0.0	0.0
19.1,19.2	Private passenger auto liability .....			0.0	0.0
19.3,19.4	Commercial auto liability .....			0.0	0.0
21.	Auto physical damage .....			0.0	0.0
22.	Aircraft (all perils) .....			0.0	0.0
23.	Fidelity .....			0.0	0.0
24.	Surety .....			0.0	0.0
26.	Burglary and theft .....			0.0	0.0
27.	Boiler and machinery .....			0.0	0.0
28.	Credit .....			0.0	0.0
29.	International .....			0.0	0.0
30.	Warranty .....			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....	0	0	0.0	0.0
35.	TOTALS .....	73,160,007	67,575,662	92.4	18.1
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34) .....	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire .....	0		0
2.	Allied lines .....	0		0
3.	Farmowners multiple peril .....	0		0
4.	Homeowners multiple peril .....	0		0
5.	Commercial multiple peril .....	0		0
6.	Mortgage guaranty .....	0		0
8.	Ocean marine .....	0		0
9.	Inland marine .....	0		0
10.	Financial guaranty .....	66,357,102	66,357,102	38,600,218
11.1	Medical professional liability-occurrence .....	0		0
11.2	Medical professional liability-claims made .....	0		0
12.	Earthquake .....	0		0
13.	Group accident and health .....	0		0
14.	Credit accident and health .....	0		0
15.	Other accident and health .....	0		0
16.	Workers' compensation .....	0		0
17.1	Other liability occurrence .....	0		0
17.2	Other liability-claims made .....	0		0
17.3	Excess Workers' Compensation .....	0		0
18.1	Products liability-occurrence .....	0		0
18.2	Products liability-claims made .....	0		0
19.1,19.2	Private passenger auto liability .....	0		0
19.3,19.4	Commercial auto liability .....	0		0
21.	Auto physical damage .....	0		0
22.	Aircraft (all perils) .....	0		0
23.	Fidelity .....	0		0
24.	Surety .....	0		0
26.	Burglary and theft .....	0		0
27.	Boiler and machinery .....	0		0
28.	Credit .....	0		0
29.	International .....	0		0
30.	Warranty .....	0		0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....	0	0	0
35.	TOTALS .....	66,357,102	66,357,102	38,600,218
DETAILS OF WRITE-INS				
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34) .....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2014 + Prior .....	410,218		410,218	(10,073)		(10,073)	447,394			447,394	27,104	.0	27,104
2. 2015 .....	300		300	.21		.21	279			279	.0	.0	.0
3. Subtotals 2015 + prior .....	410,518	.0	410,518	(10,051)	.0	(10,051)	447,673	.0	.0	447,673	27,104	.0	27,104
4. 2016 .....	1		1	.20		.20	.3			.3	.22	.0	.22
5. Subtotals 2016 + prior .....	410,519	.0	410,519	(10,032)	.0	(10,032)	447,676	.0	.0	447,676	27,125	.0	27,125
6. 2017 .....	XXX	XXX	XXX	XXX	2	2	XXX	.327		.327	XXX	XXX	XXX
7. Totals .....	410,519	0	410,519	(10,032)	2	(10,029)	447,676	.327	0	448,003	27,125	0	27,125
8. Prior Year-End Surplus As Regards Policy-holders	2,266,618										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 6.6	2. 0.0	3. 6.6
											Col. 13, Line 7 Line 8		
											4. 1.2		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.


	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	.....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:

1.




182872017490000001

2.




182872017455000001

3.



182872017365000001

4.



182872017505000001

OVERFLOW PAGE FOR WRITE-INS

PQ010 Additional Aggregate Lines for Page 10 Line 58.  
\*SCT

	1	2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
58004. CHL Chile.....	.XXX.....	(243,121)	(183,588)		.0		.0
58005. FRA France.....	.XXX.....		.0		.0		.0
58006. DEU Germany.....	.XXX.....		.0		.0		.0
58007. IRL Ireland.....	.XXX.....	939,304	13,094		.0		.0
58008. NZL New Zealand.....	.XXX.....	8,801	.0		.0		.0
58009. PER Peru.....	.XXX.....		.0		.0		.0
58010. PRT Portugal.....	.XXX.....		620,496		.0		.0
58011. GBR United Kingdom.....	.XXX.....	9,355,872	.0		.0		.0
Summary of remaining write-							
58997. ins for Line 58 from Page 10	XXX	10,060,856	450,002	0	0	0	0

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....		0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	371,616,172	471,565,485
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	12,725,000	0
2.2 Additional investment made after acquisition .....	1,407,701	3,363,318
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....	17,583	69,372
5. Unrealized valuation increase (decrease) .....	(62,968)	1,183,874
6. Total gain (loss) on disposals .....		1,640,886
7. Deduct amounts received on disposals .....		106,196,747
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		10,016
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	385,703,488	371,616,172
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	385,703,488	371,616,172

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	4,559,580,660	4,909,190,193
2. Cost of bonds and stocks acquired .....	184,995,762	850,070,280
3. Accrual of discount .....	12,722,967	55,495,182
4. Unrealized valuation increase (decrease) .....	12,365,288	(8,224,631)
5. Total gain (loss) on disposals .....	(76,412)	1,298,496
6. Deduct consideration for bonds and stocks disposed of .....	157,705,029	1,179,030,453
7. Deduct amortization of premium .....	8,511,377	31,898,523
8. Total foreign exchange change in book/adjusted carrying value .....	7,316,734	(1,428,282)
9. Deduct current year's other-than-temporary impairment recognized .....	11,395,842	35,891,602
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	4,599,292,751	4,559,580,660
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	4,599,292,751	4,559,580,660



STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	4,041,831,745	297,768,294	202,062,314	(43,138,876)	4,094,398,849	0	0	4,041,831,745
2. NAIC 2 (a).....	59,164,645			(26,641,303)	32,523,342	0	0	59,164,645
3. NAIC 3 (a).....	0			2,634,846	2,634,846	0	0	0
4. NAIC 4 (a).....	0			64,426,083	64,426,083	0	0	0
5. NAIC 5 (a).....	0			0	0	0	0	0
6. NAIC 6 (a).....	96,124,388		1,668,062	2,864,832	97,321,158	0	0	96,124,388
7. Total Bonds	4,197,120,778	297,768,294	203,730,376	145,582	4,291,304,278	0	0	4,197,120,778
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0				0	0	0	0
9. NAIC 2 .....	0				0	0	0	0
10. NAIC 3 .....	0				0	0	0	0
11. NAIC 4 .....	0				0	0	0	0
12. NAIC 5 .....	0				0	0	0	0
13. NAIC 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	4,197,120,778	297,768,294	203,730,376	145,582	4,291,304,278	0	0	4,197,120,778

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....168,822,614 ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	365,003	XXX	365,002	97	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	365,003	59,970,399
2. Cost of short-term investments acquired .....		41,054,158
3. Accrual of discount .....		20,831
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		4,224
6. Deduct consideration received on disposals .....		100,682,080
7. Deduct amortization of premium.....		2,529
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	365,003	365,003
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	365,003	365,003

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14.....	0
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote – Total Ending Cash Balance.....	0
3.	Total (Line 1 plus Line 2).....	0
4.	Part D, Section 1, Column 5.....	0
5.	Part D, Section 1, Column 6.....	0
6.	Total (Line 3 minus Line 4 minus Line 5).....	0
		Fair Value Check
7.	Part A, Section 1, Column 16.....	0
8.	Part B, Section 1, Column 13.....	0
9.	Total (Line 7 plus Line 8).....	0
10.	Part D, Section 1, Column 8.....	0
11.	Part D, Section 1, Column 9.....	0
12.	Total (Line 9 minus Line 10 minus Line 11).....	0
		Potential Exposure Check
13.	Part A, Section 1, Column 21.....	0
14.	Part B, Section 1, Column 20.....	0
15.	Part D, Section 1, Column 11.....	0
16.	Total (Line 13 plus Line 14 minus Line 15).....	0

SCHEDULE E - VERIFICATION  
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	121,981,926	190,865,789
2. Cost of cash equivalents acquired .....	112,772,532	743,088,915
3. Accrual of discount .....	13,101	81,510
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....	(39)	2,617
6. Deduct consideration received on disposals .....	45,948,898	812,056,905
7. Deduct amortization of premium .....		0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	188,818,622	121,981,926
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	188,818,622	121,981,926

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

## E03

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STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator <sup>(a)</sup>
Bonds - U.S. Governments									
912828-UZ-1	US TREASURY NOTE		03/31/2017	GOLDMAN SACHS		14,924,464	15,000,000	39,106	1
0599999 - Bonds - U.S. Governments						14,924,464	15,000,000	39,106	XXX
Bonds - U.S. States, Territories and Possessions									
246381-KC-0	DELAWARE ST.		03/29/2017	TD SECURITIES		4,980,280	4,000,000	13,333	1FE
93974D-VN-5	WASHINGTON ST.		03/02/2017	BB&T CAPITAL MARKETS		1,377,390	1,225,000	6,125	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						6,357,670	5,225,000	19,458	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
005626-SC-1	ADAMS COUNTY SCHOOL DISTRICT 5.25%		03/23/2017	RBC CAPITAL MARKETS		3,491,820	3,000,000	21,438	1FE
054789-XC-1	AZLE TEXAS INDEPENDENT SCHOOL DIST.		02/07/2017	RAYMOND JAMES & ASSOC.		4,708,732	4,175,000		1FE
283461-G8-8	EL PASO CNTY CO SCH DIST #20		03/03/2017	FIRST TENNESSEE		2,030,660	2,000,000	9,778	1FE
542264-HZ-2	LONE STAR TX CLG SYS		03/31/2017	CITIGROUP GLOBAL MARKETS		5,139,270	4,500,000	30,625	1FE
179093-JH-3	N CLACKAMAS CNTY OR SCH DIST #12		02/01/2017	US BANCORP PIPER JAFFRAY		496,451	425,000		1FE
718814-Q4-1	PHOENIX AZ		03/29/2017	WELLS FARGO BROKER SERVICES LLC		6,127,600	5,000,000	63,889	1FE
938395-RQ-5	WASHINGTON & CLACKAMAS CNTYS OR		03/10/2017	BARCLAYS CAPITAL		1,453,838	1,250,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						23,448,371	20,350,000	125,730	XXX
Bonds - U.S. Special Revenue									
02765U-MH-4	AMERICAN MUNI PWR-OHIO INC OH		03/22/2017	CITIGROUP GLOBAL MARKETS		1,926,323	1,755,000	10,238	1FE
052398-FT-6	AUSTIN TEX ARPT SYS REV.		01/13/2017	RBC CAPITAL MARKETS		1,117,180	1,000,000		1FE
052398-FQ-2	Austin TX Air AMT		01/25/2017	RBC CAPITAL MARKETS		2,672,832	2,400,000		1FE
052398-FU-3	AUSTIN TX ARPT SYS REVENUE		03/23/2017	RBC CAPITAL MARKETS		1,471,050	1,335,000	10,383	1FE
05922K-YU-7	BALTIMORE MD PROJ REVENUE		03/28/2017	MORGAN STANLEY CO.		4,855,336	4,290,000	30,983	1FE
05922K-ZR-3	BALTIMORE MD PROJ REVENUE		03/07/2017	FIRST TENNESSEE		3,149,785	2,810,000	12,099	1FE
059231-G6-1	BALTIMORE MD REVENUE		03/07/2017	PIPER JAFFRAY INC.		1,169,650	1,000,000		1FE
155048-DK-4	CENTRAL PUGET SOUND REGIONAL TRANS.		02/15/2017	FIRST TENNESSEE		3,406,710	3,000,000	25,833	1FE
15504R-G6-8	CENTRAL PUGET SOUND WA REGL TR		02/23/2017	VARIOUS		5,787,102	5,130,000	83,363	1FE
18085P-RB-2	CLARK COUNTY NV AIRPORT REV.		03/22/2017	JP MORGAN SECURITIES		2,701,656	2,400,000		1FE
181685-HY-7	CLARKE CNTY GA HOSP AUTH REV.		02/13/2017	WELLS FARGO BROKER SERVICES LLC		1,186,160	1,000,000	6,250	1FE
246343-LJ-4	DELAWARE RIVER JOINT TOLL BRIDGE		02/15/2017	MERRILL LYNCH, PIERCE, FENNER & SMITH		4,464,800	4,000,000		1FE
254845-NY-2	DISTRICT OF COLUMBIA WATER & SEWER		03/02/2017	VARIOUS		4,045,664	3,940,000	2,551	1FE
25484J-DA-5	Georgetown Univ.		01/06/2017	WELLS FARGO BROKER SERVICES LLC		856,155	750,000		1FE
414005-WJ-3	HARRIS CNTY TEX.		01/24/2017	JEFFERIES		1,181,380	1,000,000	27,083	1FE
414005-VP-0	HARRIS CNTY TX		02/09/2017	BB&T CAPITAL MARKETS		1,984,255	1,750,000	43,507	1FE
455160-CM-1	INDIANA UNIV LEASE PUR SER A 5.000		02/15/2017	MORGAN STANLEY CO.		6,834,480	6,000,000		1FE
495289-4R-8	KING CNTY WA SWR REVENUE		03/02/2017	FIRST TENNESSEE		5,642,500	5,000,000	45,833	1FE
544552-ZX-3	LOS ANGELES CA HARBOR DEPT		02/10/2017	MORGAN STANLEY CO.		1,116,194	1,075,000	1,672	1FE
544445-BW-8	LOS ANGELES CITY CA DEPT OF ARTS		02/07/2017	RAYMOND JAMES & ASSOC.		1,357,524	1,200,000	3,500	1FE
59259N-6U-2	MET TRANSPRTN AUTH NY DEDICATED		03/13/2017	MORGAN STANLEY CO.		1,924,196	1,700,000	5,431	1FE
59261A-HK-6	MET TRANSPRTN AUTH NY REVENUE		02/03/2017	MORGAN STANLEY CO.		1,131,989	1,015,000	11,701	1FE
594712-TS-0	MICHIGAN ST UNIV REVENUES		03/10/2017	JP MORGAN SECURITIES		1,957,480	1,750,000	7,292	1FE
662835-YH-4	N TEXAS ST MUNI WTR DISTR REV.		03/29/2017	STIFEL NICOLAUS & CO INC		3,100,705	2,695,000		1FE
650009-G3-1	NEW YORK ST THRUWAY AUTH		03/27/2017	WELLS FARGO BROKER SERVICES LLC		1,411,806	1,230,000	15,204	1FE
650035-3T-3	NEW YORK ST URBAN DEV CORP REV.		03/30/2017	JEFFERIES		1,191,750	1,000,000		1FE
662835-YJ-0	NORTH TEXAS MUNICIPAL WATER DIST		03/27/2017	MERRILL LYNCH, PIERCE, FENNER & SMITH		4,089,301	3,560,000		1FE
67765Q-CL-8	OHIO ST WTR DEV AUTH REV.		03/29/2017	CITIGROUP GLOBAL MARKETS		2,469,240	2,000,000	33,889	1FE
67766W-XX-5	OHIO ST WTR DEV AUTH WTR		03/14/2017	RBC CAPITAL MARKETS		1,755,705	1,500,000		1FE
679111-WR-1	OK ST TURNPIKE AUTH.		02/01/2017	WELLS FARGO BROKER SERVICES LLC		107,127	95,000		1FE
67884X-BK-2	OKLAHOMA DEV FIN AUTH HEALTH REV.		02/13/2017	WELLS FARGO BROKER SERVICES LLC		983,517	830,000	115	1FE
679111-XB-5	OKLAHOMA ST TURNPIKE AUTH.		02/01/2017	WELLS FARGO BROKER SERVICES LLC		219,570	195,000		1FE
735240-M8-3	PORT OF PORTLAND OR ARPRT REV.		01/12/2017	GOLDMAN SACHS		2,632,395	2,355,000		1FE
795576-FX-0	SALT LAKE CITY UTAH AIRPORT AUTHOR.		02/09/2017	CITIGROUP GLOBAL MARKETS		3,324,660	3,000,000		1FE
798136-VS-3	SAN JOSE CALIFORNIA ARPRT REV.		03/29/2017	CITIGROUP GLOBAL MARKETS		2,210,120	2,000,000		1FE
810489-SB-1	SCOTTSDALE AZ MUNI PROPERTY CORP.		03/07/2017	FINANCIAL SECURITIES CORPORATION		1,187,880	1,000,000	1,250	1FE
812728-VZ-3	SEATTLE CITY WASHINGTON WATER SYS.		02/02/2017	MORGAN STANLEY CO.		2,400,423	2,325,000	3,100	1FE
89602N-7D-0	TRIBOROUGH NY BRIDGE & TUNNEL		03/27/2017	SIEBURT, BRANDFORD, SHANK		4,293,038	3,750,000	36,979	1FE
89602N-7L-2	TRIBOROUGH NY BRIDGE & TUNNEL		03/09/2017	JEFFERIES		1,159,860	1,000,000	7,639	1FE
914302-CQ-5	UNIV OF HOUSTON TX RFNG CONS SER		03/30/2017	MERRILL LYNCH, PIERCE, FENNER & SMITH		2,065,008	1,820,000	12,133	1FE
914437-TG-2	Univ of MA		01/20/2017	CITIGROUP GLOBAL MARKETS		4,698,120	4,000,000		1FE
914437-TG-3	UNIV OF MASSACHUSETTS MA BLDG.		02/21/2017	RBC CAPITAL MARKETS		6,710,342	5,825,000	19,417	1FE



## E04.1

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STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36178C-7C-1	GNMA #0AA5391 SF30		03/15/2017	PRINCIPAL RECEIPT		175,924	175,924	189,215	189,468		(13,544)		(13,544)		175,924			.0	555	06/15/2042	1
36241L-BC-9	GNMA #782735		03/15/2017	PRINCIPAL RECEIPT		112,538	112,538	122,402	125,819		(13,281)		(13,281)		112,538			.0	718	07/15/2039	1
36295W-EN-3	GNMA #682441		03/15/2017	PRINCIPAL RECEIPT		9,261	9,261	9,953	9,903		(642)		(642)		9,261			.0	41	05/15/2023	1
36225C-BQ-8	GNMA 11 ARM POOL 080046		03/20/2017	PRINCIPAL RECEIPT		196	196	198	201		(5)		(5)		196			.0		02/20/2027	1
36207R-3A-1	GNMA POOL 440093		03/15/2017	PRINCIPAL RECEIPT		55	55	53	55		.0		.0		55			.0		02/15/2027	1
36201F-V2-0	GNMA POOL 582133		03/15/2017	PRINCIPAL RECEIPT		807	807	857	836		(29)		(29)		807			.0	6	05/15/2032	1
0599999 - Bonds - U.S. Governments						298,781	298,781	322,678	326,282	0	(27,501)	0	(27,501)	0	298,781	0	0	0	1,320	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
13063C-QT-0	CALIFORNIA ST FOR PREVIOUS ISS		01/13/2017	WILLIAM BLAIR & CO.LLC		4,805,200	4,000,000	4,905,880	4,812,346		(3,028)		(3,028)		4,809,318		(4,118)	(4,118)	76,667	03/01/2026	1FE
709141-6M-2	PENNSYLVANIA ST		03/01/2017	CALLED @ 100.0000000		10,975,000	10,975,000	11,294,812	11,054,810		(79,810)		(79,810)		10,975,000			.0	274,375	03/01/2023	1FE
93974B-WJ-7	WASHINGTON ST 5.00%		01/01/2017	CALLED @ 100.0000000		11,740,000	11,740,000	12,459,730	11,740,000		.0		.0		11,740,000			.0	293,500	01/01/2024	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						27,520,200	26,715,000	28,660,422	27,607,156	0	(82,838)	0	(82,838)	0	27,524,318	0	(4,118)	(4,118)	644,542	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
481305-FC-9	JUDSON TEX INDPT SCH DIST REFUNDED		02/01/2017	CALLED @ 100.0000000		1,770,000	1,770,000	1,886,342	1,771,213		(1,213)		(1,213)		1,770,000			.0	44,250	02/01/2020	1FE
481305-FM-7	JUDSON TEX INDPT SCH DIST UNREFUND		02/01/2017	CALLED @ 100.0000000		925,000	925,000	985,800	925,634		(634)		(634)		925,000			.0	23,125	02/01/2020	1FE
70360U-EH-5	PAULDING CNTY GA SCH DIST		02/01/2017	CALLED @ 100.0000000		8,440,000	8,440,000	8,899,466	8,444,857		(4,857)		(4,857)		8,440,000			.0	211,000	02/01/2033	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						11,135,000	11,135,000	11,771,608	11,141,704	0	(6,704)	0	(6,704)	0	11,135,000	0	0	0	278,375	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
160853-KW-6	CHARLOTTE-MECKLENBERG HOSP AUTH N		01/15/2017	CALLED @ 100.0000000		10,000,000	10,000,000	10,044,000	10,000,229		(229)		(229)		10,000,000			.0	250,000	01/15/2022	1FE
160853-KZ-9	CHARLOTTE-MECKLENBERG HOSP AUTH N		01/15/2017	CALLED @ 100.0000000		1,175,000	1,175,000	1,160,571	1,164,445		20		20		1,164,465		10,535	10,535	29,375	01/15/2031	1FE
196707-PR-8	COLORADO ST BOARD GOVERNORS UNIV E		03/01/2017	CALLED @ 100.0000000		1,430,000	1,430,000	1,458,823	1,428,422		1,578		1,578		1,430,000			.0	37,538	03/01/2027	1FE
196707-NF-6	COLORADO ST BRD OF GOV UNIV		03/01/2017	CALLED @ 100.0000000		60,000	60,000	60,000	60,000		.0		.0		60,000			.0	1,500	03/01/2037	1FE
196707-NB-5	COLORADO ST BRD OF GOV UNIV PRE-RE		03/01/2017	CALLED @ 100.0000000		940,000	940,000	940,000	940,000		.0		.0		940,000			.0	23,500	03/01/2037	1FE
226706-AA-7	CRISP CNTY GA SOL WST MGMT AUTH		01/01/2017	Sink PMT @ 100.0000000		924,147	924,147	772,983	782,387		141,760		141,760		924,147			.0		01/01/2023	6FE
246395-TY-3	DE HSG-SR-SFM-B		03/01/2017	CALLED @ 100.0000000		175,000	175,000	175,000	175,000		.0		.0		175,000			.0	4,783	07/01/2039	1FE
3136A6-N5-9	FANNIE MAE 12-76 A		03/25/2017	PRINCIPAL RECEIPT		60,288	60,288	62,803	62,406		(2,118)		(2,118)		60,288			.0	219	08/25/2038	1
3136AK-KB-8	FANNIE MAE 14-41 CG		03/25/2017	PRINCIPAL RECEIPT		37,666	37,666	38,572	38,445		(779)		(779)		37,666			.0	156	06/25/2040	1
31402V-LU-2	Fannie Mae POOL # 739339		03/25/2017	PRINCIPAL RECEIPT		11,572	11,572	11,817	11,613		(41)		(41)		11,572			.0	91	09/01/2018	1
31406C-MA-3	Fannie Mae POOL# 805953		03/25/2017	PRINCIPAL RECEIPT		7,514	7,514	7,685	7,571		(57)		(57)		7,514			.0	62	12/01/2019	1
31349U-JL-3	FED' HOME LOAN MTGE CORP # 782967		01/15/2017	PRINCIPAL RECEIPT		11,810	11,810	11,877	11,976		(166)		(166)		11,810			.0	2,178	01/01/2035	1
31320Q-TT-9	FEDERAL HOME LN MTG CORP #034161		03/15/2017	PRINCIPAL RECEIPT		120,718	120,718	124,848	124,610		(3,893)		(3,893)		120,718			.0	403	06/01/2045	1
3138WE-KW-8	FEDERAL NATIONAL MTG ASSOC #AS4808		03/25/2017	PRINCIPAL RECEIPT		102,152	102,152	107,276	106,456		(4,304)		(4,304)		102,152			.0	457	04/01/2045	1
3138WH-SW-3	FEDERAL NATIONAL MTG ASSOC #AS7732		03/25/2017	PRINCIPAL RECEIPT		294,375	294,375	306,913	306,516		(12,140)		(12,140)		294,375			.0	1,186	08/01/2041	1
3138YR-QX-9	FEDERAL NATIONAL MTG ASSOC #AZ0469		03/25/2017	PRINCIPAL RECEIPT		288,691	288,691	303,351	301,597		(12,906)		(12,906)		288,691			.0	867	05/01/2045	1
3128PU-EW-8	FG J14649		03/15/2017	PRINCIPAL RECEIPT		100,199	100,199	99,713	99,757		442		442		100,199			.0	563	04/01/2026	1
31307R-Z8-1	FG J35267		03/15/2017	PRINCIPAL RECEIPT		98,592	98,592	102,320	102,247		(3,655)		(3,655)		98,592			.0	336	09/01/2031	1
3128LO-DE-9	FGOLD 30YR		03/15/2017	PRINCIPAL RECEIPT		21,226	21,226	21,352	21,378		(152)		(152)		21,226			.0	206	11/01/2037	1
3128LX-FB-1	FGOLD 30YR GIANT		03/15/2017	PRINCIPAL RECEIPT		16,846	16,846	16,157	16,113		733		733		16,846			.0	87	12/01/2035	1
3128M5-HJ-2	FGOLD 30YR GIANT		03/15/2017	PRINCIPAL RECEIPT		19,588	19,588	19,781	19,778		(190)		(190)		19,588			.0	133	06/01/2036	1
3128M5-LE-8	FGOLD 30YR GIANT		03/15/2017	PRINCIPAL RECEIPT		31,651	31,651	32,375	32,484		(833)		(833)		31,651			.0	209	11/01/2037	1
3128M6-EF-1	FGOLD 30YR GIANT		03/15/2017	PRINCIPAL RECEIPT		8,616	8,616	8,162	8,169		446		446		8,616			.0	47	04/01/2038	1
3128MJ-TP-5	FGOLD 30YR GIANT		03/15/2017	PRINCIPAL RECEIPT		196,852	196,852	196,037	195,943		909		909		196,852			.0	696	11/01/2043	1
3128M5-ME-7	FGOLD 30YR GIANT POOL # G03657		03/15/2017	PRINCIPAL RECEIPT		24,138	24,138	24,988	25,142		(1,004)		(1,004)		24,138			.0	257	12/01/2037	1
31292H-5P-5	FGOLD POOL # C01754		03/15/2017	PRINCIPAL RECEIPT		11,925	11,925	12,072	12,063		(137)		(137)		11,925			.0	90	01/01/2034	1
31288J-ZR-0	FGOLD POOL # C79752		03/15/2017	PRINCIPAL RECEIPT		3,267	3,267	3,302	3,293		(26)		(26)		3,267			.0	20	05/01/2033	1
3128LX-BJ-8	FGOLD POOL # G01841		03/15/2017	PRINCIPAL RECEIPT		11,089	11,089	11,117	11,118		(29)		(29)		11,089			.0	67	06/01/2035	1
31292H-KJ-2	FGOLD POOL 01197		03/15/2017	PRINCIPAL RECEIPT		6,419	6,419	6,383	6,385		13		13		6,395		25	25	40	07/01/2031	1
31287M-HU-7	FGOLD POOL 62043		03/15/2017	PRINCIPAL RECEIPT		927	927	939	936		(9)		(9)		927			.0	6	12/01/2031	1
312926-VZ-6	FGOLD POOL C00632		03/15/2017	PRINCIPAL RECEIPT		162	162	158	158		.3		.3		162			.0	1	07/01/2028	1
31292H-OR-8	FGOLD POOL C01364		03/15/2017	PRINCIPAL RECEIPT		2,578	2,578	2,617	2,632		(54)		(54)		2,578			.0	24	06/01/2032	1

STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31293E-EW-6...	FGOLD POOL C18249		03/15/2017	PRINCIPAL RECEIPT		1,739	1,739	1,715	1,723		.16		.16		1,739			.0	.14	11/01/2028	.1
31294E-HK-8...	FGOLD POOL C37434		03/15/2017	PRINCIPAL RECEIPT		2,761	2,761	2,706	2,729		.32		.32		2,761			.0	.25	12/01/2029	.1
31280H-UA-6...	HYBRID ARM		03/15/2017	PRINCIPAL RECEIPT		7,234	7,234	7,366	7,342		(107)		(107)		7,234			.0	.38	05/01/2037	.1
	FHLMC Gold 30 Yr P/T Pool																				
	# 607542		03/15/2017	PRINCIPAL RECEIPT		252,644	252,644	269,776	266,089		(13,445)		(13,445)		252,644			.0	.191	11/01/2043	.1
3128MJ-YY-0...	FHLMG #608726		03/15/2017	PRINCIPAL RECEIPT		9,867	9,867	10,262	10,253		(386)		(386)		9,867			.0	.33	10/11/2046	.1
3137BD-ZX-7...	FHR 4387 KG		03/15/2017	PRINCIPAL RECEIPT		221,912	221,912	226,122	226,122		(4,210)		(4,210)		221,912			.0	.891	02/15/2039	.1
34073N-7G-9...	FL HSG FIN-HMOWNER-3		01/03/2017	CALLED @ 100.0000000		95,000	95,000	95,000	95,000		.0		.0		95,000			.0	2,375	07/01/2023	1FE
34073N-2J-8...	FLORIDA HSG FIN CORP REV		03/01/2017	CALLED @ 100.0000000		550,000	550,000	550,000	550,000		.0		.0		550,000			.0	18,883	07/01/2038	1FE
31376K-JR-8...	FNMA POOL# 357672		03/25/2017	PRINCIPAL RECEIPT		59,962	59,962	57,905	59,320		.642		.642		59,962			.0	.326	12/01/2019	.1
31410F-YJ-8...	FNMA 30YR		03/25/2017	PRINCIPAL RECEIPT		47,994	47,994	47,000	46,998		.996		.996		47,994			.0	.314	05/01/2036	.1
31403D-T8-2...	FNMA 30YR POOL # 745875		03/25/2017	PRINCIPAL RECEIPT		33,866	33,866	34,687	34,750		(883)		(883)		33,866			.0	.299	09/01/2036	.1
31414U-6M-5...	FNMA 30YR POOL # 977076		03/25/2017	PRINCIPAL RECEIPT		15,185	15,185	14,568	14,509		.676		.676		15,185			.0	.89	01/01/2038	.1
31405R-AK-2...	FNMA 30YR POOL #796610		03/25/2017	PRINCIPAL RECEIPT		109,205	109,205	108,148	108,150		1,055		1,055		109,205			.0	.965	10/01/2034	.1
31406M-4A-1...	FNMA 30YR POOL #814517		03/25/2017	PRINCIPAL RECEIPT		6,233	6,233	6,176	6,180		.53		.53		6,233			.0	.48	03/01/2035	.1
31385X-09-1...	FNMA 30YR POOL#555880		03/25/2017	PRINCIPAL RECEIPT		32,674	32,674	32,481	32,483		.190		.190		32,674			.0	.248	11/01/2033	.1
31402D-P7-9...	FNMA 30YR POOL#725946		03/25/2017	PRINCIPAL RECEIPT		43,440	43,440	42,900	42,884		.556		.556		43,440			.0	.321	11/01/2034	.1
31402D-SZ-5...	FNMA 30YR POOL#735036		03/25/2017	PRINCIPAL RECEIPT		47,541	47,541	46,968	46,945		.597		.597		47,541			.0	.364	12/01/2034	.1
31392C-AV-6...	FNMA 02-14: 1A		03/25/2017	PRINCIPAL RECEIPT		4,931	4,931	5,363	5,346		.0		.0		5,346				(416)	01/25/2042	.1
31407N-ZJ-5...	FNMA 15 YR MBS/POOL		03/25/2017	PRINCIPAL RECEIPT		17,274	17,274	17,266	17,268		.5		.5		17,274				.151	10/01/2020	.1
31410F-Z2-4...	FNMA 15YR MBS/POOL		03/25/2017	PRINCIPAL RECEIPT		18,797	18,797	18,527	18,699		.98		.98		18,797				.129	07/01/2020	.1
31413E-UA-1...	FNMA 30 YEAR POOL		03/25/2017	PRINCIPAL RECEIPT		30,645	30,645	30,307	30,351		.295		.295		30,645				.306	08/01/2037	.1
31402R-R9-2...	FNMA 30 YR		03/25/2017	PRINCIPAL RECEIPT		13,596	13,596	13,357	13,334		.262		.262		13,596				.109	10/01/2035	.1
31409G-MP-8...	FNMA 30 YR POOL		03/25/2017	PRINCIPAL RECEIPT		5,199	5,199	5,201	5,201		(2)		(2)		5,199				.51	07/01/2036	.1
31402C-VP-4...	FNMA 30YR		03/25/2017	PRINCIPAL RECEIPT		30,547	30,547	30,463	30,475		.71		.71		30,547				.222	02/01/2034	.1
31402D-WA-5...	FNMA 30YR		03/25/2017	PRINCIPAL RECEIPT		27,054	27,054	26,435	26,416		.638		.638		27,054				.206	01/01/2035	.1
31410G-AF-0...	FNMA 30YR MBS POOL		03/25/2017	PRINCIPAL RECEIPT		10,820	10,820	10,490	10,498		.322		.322		10,820				.76	08/01/2036	.1
31410F-T6-2...	FNMA 30YR MBS/POOL		03/25/2017	PRINCIPAL RECEIPT		61,336	61,336	60,620	60,736		.600		.600		61,336				.528	02/01/2035	.1
31403D-DX-4...	FNMA 30YR MBS/POOL# 13442		03/25/2017	PRINCIPAL RECEIPT		26,546	26,546	25,673	25,712		.834		.834		26,546				.190	04/01/2036	.1
31403D-PN-3...	FNMA 30YR POOL		03/25/2017	PRINCIPAL RECEIPT		24,017	24,017	23,819	23,831		.186		.186		24,017				.187	08/01/2036	.1
31410G-AE-3...	FNMA 30YR POOL		03/25/2017	PRINCIPAL RECEIPT		47,099	47,099	44,402	44,454		2,644		2,644		47,099				.377	12/01/2036	.1
31400Y-4J-2...	FNMA 30YR POOL 702025		03/25/2017	PRINCIPAL RECEIPT		407	407	429	432		(25)		(25)		407				.3	05/01/2033	.1
31402R-UN-7...	FNMA 30YR pool#735989		03/25/2017	PRINCIPAL RECEIPT		19,320	19,320	19,201	19,206		.114		.114		19,320				.140	02/01/2035	.1
31371L-W3-0...	FNMA POOL # 255178		03/25/2017	PRINCIPAL RECEIPT		14,458	14,458	14,499	14,501		(43)		(43)		14,458				.100	04/01/2034	.1
31371L-ZT-9...	FNMA POOL # 255554		03/25/2017	PRINCIPAL RECEIPT		5,659	5,659	5,578	5,577		.81		.81		5,659				.39	12/01/2034	.1
31385X-EC-7...	FNMA POOL # 555531		03/25/2017	PRINCIPAL RECEIPT		7,143	7,143	7,138	7,140		.3		.3		7,143				.62	06/01/2033	.1
31401B-P6-6...	FNMA POOL # 703445		03/25/2017	PRINCIPAL RECEIPT		5,781	5,781	5,857	5,793		(12)		(12)		5,781				.41	05/01/2018	.1
31401L-PL-1...	FNMA POOL # 711527		03/25/2017	PRINCIPAL RECEIPT		128	128	127	127		.1		.1		128				.1	06/01/2033	.1
31402B-S7-0...	FNMA POOL # 724242		03/25/2017	PRINCIPAL RECEIPT		1,080	1,080	1,070	1,068		.12		.12		1,080				.10	07/01/2033	.1
31402C-4H-2...	FNMA POOL # 725424		03/25/2017	PRINCIPAL RECEIPT		39,801	39,801	40,043	40,045		(243)		(243)		39,801				.294	04/01/2034	.1
31402D-JF-8...	FNMA POOL # 725762		03/25/2017	PRINCIPAL RECEIPT		35,493	35,493	36,359	36,221		(728)		(728)		35,493				.309	08/01/2034	.1
31402U-4B-5...	FNMA POOL # 738918		03/25/2017	PRINCIPAL RECEIPT		774	774	767	767		.7		.7		774				.6	06/01/2033	.1
31407E-ZU-0...	FNMA POOL # 828855		03/25/2017	PRINCIPAL RECEIPT		11,718	11,718	11,319	11,326		.392		.392		11,718				.65	10/01/2035	.1
31407S-A2-8...	FNMA POOL #838925		03/25/2017	PRINCIPAL RECEIPT		8,190	8,190	7,861	7,960		.229		.229		8,190				.69	08/01/2035	.1
31371K-GA-3...	FNMA POOL 254093		03/25/2017	PRINCIPAL RECEIPT		8,545	8,545	9,440	9,376		(831)		(831)		8,545				.84	12/01/2031	.1
31371L-PJ-2...	FNMA POOL 255225		03/25/2017	PRINCIPAL RECEIPT		9,415	9,415	9,288	9,292		.123		.123		9,415				.67	06/01/2034	.1
31390L-J9-8...	FNMA POOL 49288		03/25/2017	PRINCIPAL RECEIPT		7,484	7,484	7,664	7,499		(15)		(15)		7,484				.62	08/01/2017	.1
31385H-4Y-5...	FNMA POOL 545439		03/25/2017	PRINCIPAL RECEIPT		6,860	6,860	6,954	6,994		(134)		(134)		6,860				.72	02/01/2032	.1
31385J-K8-0...	FNMA POOL 545819		03/25/2017	PRINCIPAL RECEIPT		3,246	3,246	3,541	3,549		(303)		(303)		3,246				.29	08/01/2032	.1
31385X-F9-3...	FNMA POOL 555592		03/25/2017	PRINCIPAL RECEIPT		788	788	809	808		(20)		(20)		788				.4	07/01/2033	.1
31388W-KN-5...	FNMA POOL 616901		03/25/2017	PRINCIPAL RECEIPT		289	289	291	290		(2)		(2)		289				.2	12/01/2031	.1
31388W-PP-5...	FNMA POOL 617030		03/25/2017	PRINCIPAL RECEIPT		108	108	109	109		(1)		(1)		108				.1	12/01/2031	.1
31388X-X4-1...	FNMA POOL 618199		03/25/2017	PRINCIPAL RECEIPT		2,240	2,240	2,299	2,291		(36)		(36)		2,255			(15)	.20	11/01/2031	.1
31390B-XK-9...	FNMA POOL 641582		03/25/2017	PRINCIPAL RECEIPT		51,078	51,078	51,873	51,587		(510)		(510)		51,078				.303	04/01/2032	.1
31390M-3E-2...	FNMA POOL 650697		03/25/2017	PRINCIPAL RECEIPT		4,469	4,469	4,590	4,479		(10)		(10)		4,469				.34	07/01/2017	.1
31390Y-2V-9...	FNMA POOL 660588		03/25/2017	PRINCIPAL RECEIPT		635	635	637	636		.0		.0		635				.4	09/01/2017	.1
31391H-RS-5...	FNMA POOL 667497		03/25/2017	PRINCIPAL RECEIPT		298	298	307	316		(18)		(18)		298				.2	01/01/2033	.1
31391Y-5G-8...	FNMA POOL 681347		03/25/2017	PRINCIPAL RECEIPT		2,252	2,252	2,308	2,259		(7)		(7)		2,252				.15	02/01/2018	.1
31400A-WX-3...	FNMA POOL 681774		03/25/2017	PRINCIPAL RECEIPT		3,671	3,671	3,670	3,671		.0		.0		3,671				.25	01/01/2018	.1
31400P-ZK-4...	FNMA POOL 693846		03/25/2017	PRINCIPAL RECEIPT		34,902	34,902	35,712	35,591		(689)		(689)		34,902				.318	03/01/2033	.1
31400R-WZ-0...	FNMA POOL 695564		03/25/2017	PRINCIPAL RECEIPT		418	418	427	425		(7)		(7)		418				.3	03/01/2033	.1</

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										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
3137BC-TN-8...	FREDDIE MAC -4376 HA.....		03/15/2017..	PRINCIPAL RECEIPT.....		215,670	215,670	219,242	218,659		(2,989)		(2,989)		215,670			.0	.744	04/15/2040..	1
3137BD-CR-5...	FREDDIE MAC -4377 LA.....		03/15/2017..	PRINCIPAL RECEIPT.....		361,920	361,920	367,462	366,707		(4,787)		(4,787)		361,920			.0	1,171	06/15/2040..	1
31283H-66-5...	Freddie Mac pool # G01771 ILLINOIS MUN ELEC AGY PWR SUPP.....		03/15/2017..	PRINCIPAL RECEIPT.....		10,146	10,146	10,166	10,166		(20)		(20)		10,146			.0	.63	02/01/2035..	1
452024-DP-4...	INDIANA MUN PWR AGY PWR SUPPLY SYS.....		02/01/2017..	LOISIANA LOC GOV ENVRNT		24,370,000	24,370,000	24,011,030	24,365,966		4,034		4,034		24,370,000			.0	.609,250	02/01/2035..	1FE
454898-NT-0...	LOISIANA LOC GOV ENVRNT		01/01/2017..	SINK PMT @ 100.0000000.....		500,000	500,000	514,106	500,000				.0		500,000			.0	12,500	01/01/2042..	1FE
54627R-AC-4...	MINNESOTA ST HSG FIN AGY.....		02/01/2017..	SINK PMT @ 100.0000000.....		1,231,140	1,231,140	1,230,673	1,230,911		228		228		1,231,140			.0	21,237	02/01/2022..	1FE
60416S-GV-6...	NEW JERSEY ST HLTHCARE.....		03/01/2017..	CALLLED @ 100.0000000.....		170,000	170,000	185,156	181,354		(120)		(120)		181,234		(11,234)	(11,234)	3,406	01/01/2038..	1FE
64579E-EW-2...	BAYONNE HOS.....		01/30/2017..	PRINCIPAL RECEIPT.....		23,227	36,395	29,473	34,266		.110		.110		34,376		(11,149)	(11,149)		07/01/2018..	6FE
64579E-EX-0...	NEW JERSEY ST HLTHCARE.....		01/30/2017..	PRINCIPAL RECEIPT.....		49,529	77,605	62,521	66,181		.81		.81		66,261		(16,733)	(16,733)		07/01/2027..	6FE
646139-YX-7...	TPK REV.....		01/01/2017..	CALLLED @ 100.0000000.....		5,000,000	5,000,000	3,002,750	5,000,000		.0		.0		5,000,000			.0	128,750	01/01/2035..	1FE
647200-YP-3...	NM MTG-SFM-D2.....		01/03/2017..	CALLLED @ 100.0000000.....		95,000	95,000	95,000	95,000		.0		.0		95,000			.0	2,613	07/01/2039..	1FE
677560-LD-7...	OHIO ST HSG FIN AGY.....		03/01/2017..	CALLLED @ 100.0000000.....		45,000	45,000	45,000	45,000		.0		.0		45,000			.0		03/01/2040..	1FE
681663-BF-6...	RESIDENTIAL MT.....		03/27/2017..	CALLLED @ 100.0000000.....		1,930,000	1,930,000	2,083,609	1,931,599		(1,599)		(1,599)		1,930,000			.0	63,261	02/01/2018..	1FE
681793-2V-6...	OMAHA PUB PWR DIST NEB.....		02/01/2017..	CALLLED @ 100.0000000.....		3,000,000	3,000,000	3,175,110	3,001,907		(1,907)		(1,907)		3,000,000			.0	75,000	02/01/2021..	1FE
745260-C3-4...	ELEC REV.....		01/01/2017..	PUERTO RICO ELEC PWR AUTH.....		321,639	321,639	216,935	216,935		104,704		104,704		321,639			.0		07/01/2019..	6FE
745260-B7-6...	B SERIES.....		01/01/2017..	SINK PMT @ 100.0000000.....		321,639	321,639	216,935	216,935		104,704		104,704		321,639			.0		07/01/2019..	6FE
756872-FJ-1...	POWER A1.....		03/15/2017..	SINK PMT @ 100.0000000.....		2,250,000	2,250,000	2,299,725	2,252,052		(2,052)		(2,052)		2,250,000			.0	56,250	03/15/2032..	1FE
796253-C8-3...	RED RIVER TEX ED FIN REV.....		02/01/2017..	CALLLED @ 100.0000000.....		8,000,000	8,000,000	8,448,880	8,004,742		(4,742)		(4,742)		8,000,000			.0	200,000	02/01/2022..	1FE
837147-8M-2...	SAN ANTONIO TEX ELEC & GAS.....		02/01/2017..	U.S. BANCORP INVESTMENTS INC.....		2,391,204	2,235,000	2,665,106	2,347,978		(4,578)		(4,578)		2,343,400		47,804	47,804	66,740	01/01/2019..	1FE
83756C-FR-1...	SOUTH DAKOTA HSG DEV AUTH.....		03/15/2017..	CALLLED @ 100.0000000.....		25,000	25,000	26,842	26,370		(37)		(37)		26,333		(1,333)	(1,333)		11/01/2044..	1FE
880461-DK-1...	TENNESSEE HSG DEV AGY.....		03/01/2017..	CALLLED @ 100.0000000.....		30,000	30,000	30,000	30,000		.0		.0		30,000			.0	601	01/01/2034..	1FE
880461-DL-9...	RSOL FIN.....		02/01/2017..	CALLLED @ 100.0000000.....		160,000	160,000	174,803	171,104		(119)		(119)		170,985		(10,985)	(10,985)	3,200	07/01/2039..	1FE
88283L-KH-8...	TEXAS TRANSN COMMN ST HWY REV.....		02/13/2017..	WELLS FARGO BROKER SERVICES LL.....		1,200,980	1,000,000	1,253,120	1,246,185		(3,487)		(3,487)		1,242,698		(41,718)	(41,718)	15,278	10/01/2024..	1FE
917567-AR-0...	UTAH ST TRANSIT AUTH.....		01/24/2017..	JEFFERIES.....		1,181,360	1,000,000	1,186,540	1,160,371		(1,068)		(1,068)		1,159,303		22,057	22,057	5,833	06/15/2029..	1FE
92778U-AR-1...	SALES TAX.....		02/13/2017..	WELLS FARGO BROKER SERVICES LL.....		1,197,580	1,000,000	1,242,350	1,237,160		(3,370)		(3,370)		1,233,790		(36,210)	(36,210)	13,472	09/15/2024..	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						72,700,546	72,005,665	71,381,958	72,478,782	0	271,134	0	271,134	0	72,749,917	0	(49,372)	(49,372)	1,666,788	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
00083B-AB-1...	ACE 2007-D1 A2.....		03/25/2017..	PRINCIPAL RECEIPT.....		8,484	8,484	6,987	6,987		1,497		1,497		8,484			.0		02/25/2038..	1FM
00083B-AA-3...	ACE SECURITIES CORP.....		03/25/2017..	PRINCIPAL RECEIPT.....		730,470	730,470	641,499	613,304		117,166		117,166		730,470			.0		02/25/2038..	1FM
026934-AC-3...	AHMA 2007-4 A3.....		03/25/2017..	PRINCIPAL RECEIPT.....		1,815,775	1,815,775	1,289,798	1,315,351		500,424		500,424		1,815,775			.0		08/25/2037..	1FM
05522R-AS-7...	BANK OF AMERICA CRED CARD TRUST.....		01/15/2017..	PRINCIPAL RECEIPT.....		30,648,000	30,648,000	32,906,816	30,674,149		(26,149)		(26,149)		30,648,000			.0	132,042	06/15/2019..	1FE
07401W-AP-4...	BEAR STEARNS SECOND LIEN.....		03/25/2017..	PRINCIPAL RECEIPT.....		150,057	150,057	75,871	40,370		57,319		57,319		150,057			.0		08/25/2037..	1FM
23242L-AB-9...	2007-1 2A.....		03/15/2017..	PRINCIPAL RECEIPT.....		2,146,448	2,146,448	1,473,076	1,499,013		647,435		647,435		2,146,448			.0		07/15/2036..	1FM
126686-AH-7...	CWHEL 2006-F 2A1A.....		03/15/2017..	PRINCIPAL RECEIPT.....		46,239	46,239	69,160	69,160		.0		.0		46,239		(22,921)	(22,921)		11/15/2036..	1AM
126682-AA-1...	CWHEL 2006-HW 2A11B.....		03/15/2017..	PRINCIPAL RECEIPT.....		495,599	495,599	313,618	348,952		146,647		146,647		495,599			.0		04/15/2037..	1FM
12666U-AF-0...	CWEL 2007-A A.....		03/25/2017..	PRINCIPAL RECEIPT.....		720,688	720,688	444,197	447,870		272,818		272,818		720,688			.0		10/25/2046..	1FM
126698-AC-3...	CWL 2006-15 ASB.....		03/25/2017..	PRINCIPAL RECEIPT.....		925,201	925,201	598,353	563,750		361,451		361,451		925,201			.0		02/25/2036..	1FM
126698-AB-5...	CWL 2007-13 2A1.....		03/25/2017..	PRINCIPAL RECEIPT.....		91,533	91,533	13,642	15,680		75,853		75,853		91,533			.0		10/25/2047..	1FM
12668W-AD-9...	CWL 2007-13 2A2M.....		03/25/2017..	PRINCIPAL RECEIPT.....		89,275	89,275	56,093	56,551		32,724		32,724		89,275			.0	14	04/25/2047..	1FM
32029H-AB-8...	CWL 2007-4 A4W.....		03/25/2017..	PRINCIPAL RECEIPT.....		463,892	463,892	448,816			15,076		15,076		463,892			.0		06/25/2027..	1FM
41162C-AE-1...	FIRST FRANKLIN MTG LOAN.....		03/19/2017..	PRINCIPAL RECEIPT.....		22,197	22,197	4,328	6,413		15,784		15,784		22,197			.0		12/19/2037..	1FM
576456-AA-5...	HVMTL 2006-10 2A1C.....		03/25/2017..	PRINCIPAL RECEIPT.....		1,389,697	1,389,697	1,076,376	1,085,234		304,463		304,463		1,389,697			.0		05/25/2037..	1FM
57645N-AR-1...	MABS 2007-NCW A1.....		03/25/2017..	PRINCIPAL RECEIPT.....		33,483	33,483	25,337	25,640		7,843		7,843		33,483			.0		05/25/2047..	1FM

### E05.3

### E05.3

### E05.3

### E05.3

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

**STATEMENT AS OF MARCH 31, 2017 OF THE ASSURED GUARANTY MUNICIPAL CORP.**

## SCHEDULE E - PART 1 - CASH

[illegible]

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

[illegible]