ASSURED GUARANTY®

Financial Supplement

Assured Guaranty Corp.

September 30, 2021

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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2020 and its Quarterly Report on Form 10-Q for the quarterly periods ended March 31, 2021, June 30, 2021 and September 30, 2021. For the purposes of this financial supplement, all references to the "Company" shall mean Assured Guaranty Corp. (AGC) and its consolidated entities. Some amounts in this financial supplement may not add due to rounding.

Cautionary Statement Regarding Forward Looking Statements

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include (1) the development, course and duration of the COVID-19 pandemic and the governmental and private actions taken in response, the effectiveness, acceptance and distribution of COVID-19 vaccines, and the global consequences of the pandemic and such actions, including their impact on the factors listed below; (2) changes in the world's credit markets, segments thereof, interest rates, credit spreads or general economic conditions; (3) developments in the world's financial and capital markets that adversely affect insured obligors' repayment rates, Assured Guaranty's insurance loss or recovery experience, investments of Assured Guaranty or assets it manages; (4) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (5) the loss of investors in Assured Guaranty's asset management strategies or the failure to attract new investors to Assured Guaranty's asset management business; (6) the possibility that budget or pension shortfalls or other factors will result in credit losses or impairments on obligations of state, territorial and local governments and their related authorities and public corporations that Assured Guaranty insures or reinsures; (7) insured losses in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including as a result of the failure to resolve Assured Guaranty's Puerto Rico exposure in a manner substantially consistent with the support agreements signed to date; (8) increased competition, including from new entrants into the financial guaranty industry; (9) poor performance of Assured Guaranty's asset management strategies compared to the performance of the asset management strategies of Assured Guaranty's competitors; (10) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments and investments it manages, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity or to unanticipated consequences; (11) the impact of market volatility on the mark-to-market of Assured Guaranty's assets and liabilities subject to mark-to-market, including certain of its investments, most of its contracts written in credit default swap form, and variable interest entities as well as on the mark-to-market of assets Assured Guaranty manages; (12) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of AGL or any of its insurance subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL's insurance subsidiaries have insured; (13) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (14) changes in applicable accounting policies or practices; (15) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (16) the failure of Assured Guaranty to successfully integrate the business of BlueMountain Capital Management, LLC (BlueMountain now known as Assured Investment Management LLC) and its associated entities; (17) the possibility that acquisitions made by Assured Guaranty, including its acquisition of BlueMountain (BlueMountain Acquisition), do not result in the benefits anticipated or subject Assured Guaranty to unanticipated consequences; (18) difficulties with the execution of Assured Guaranty's business strategy; (19) loss of key personnel; (20) the effects of mergers, acquisitions and divestitures; (21) natural or man-made catastrophes or pandemics; (22) other risk factors identified in AGL's filings with the U.S. SEC; (23) other risks and uncertainties that have not been identified at this time; and; (24) management's response to these factors. Assured Guaranty undertakes no obligation to update publicly or review any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Assured Guaranty Corp.

Selected Financial Highlights (1 of 2)

(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
GAAP Highlights				
Net income (loss)	**$ 56,339**	**$ 34,861**	**$ 38,388**	**$ 83,591**
Gross written premiums (GWP)	**50,886**	**616**	**72,006**	**31,102**
Effective tax rate on net income	**16.2 %**	**15.3 %**	**14.0 %**	**14.2 %**
GAAP return on equity (ROE) (1)	**10.2 %**	**6.2 %**	**2.3 %**	**4.9 %**
Non-GAAP Highlights(2)				
Adjusted operating income (loss) (2)	$ 54,281	$ 37,659	$ 77,798	$ 68,437
Present value of new business production (PVP) (2)	40,813	—	60,847	17,896
Gross par written	2,203,276	—	2,870,333	187,419
Effective tax rate on adjusted operating income (3)	16.0 %	15.8 %	17.6 %	12.3 %
Adjusted operating ROE (1)(2)	10.6 %	7.3 %	5.1 %	4.4 %
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 658**	**$ 1,305**	**$ 4,120**	**$ 8,352**
Net change in fair value of credit derivatives, pre-tax	**7,076**	**930**	**7,382**	**930**
Net income effect	**6,025**	**3,057**	**9,445**	**11,309**
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues (4), pre-tax	$ 7,734	$ 2,235	$ 11,502	$ 9,282
Adjusted operating income (4) effect	6,025	3,057	9,445	11,309

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

Assured Guaranty Corp.

Selected Financial Highlights (2 of 2)

(dollars in thousands)

	As of	
	September 30, 2021	December 31, 2020
Shareholder's equity	**$ 2,221,448**	**$ 2,265,008**
Adjusted operating shareholder's equity (1)	2,058,578	2,031,871
Adjusted book value (1)	2,474,696	2,454,386
Gain (loss) related to the effect of consolidating FG VIEs (FG VIE consolidation) included in adjusted operating shareholder's equity	(8,625)	(5,829)
Gain (loss) related to FG VIE consolidation included in adjusted book value	(8,769)	(6,038)
Exposure		
Financial guaranty net debt service outstanding	$ 33,197,087	$ 29,466,117
Financial guaranty net par outstanding	21,695,550	19,483,389
Claims-paying resources (including Municipal Assurance Corp. (MAC)) (2)	**3,103,200**	**3,100,426**

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

Assured Guaranty Corp.

Condensed Consolidated Balance Sheets (unaudited)

(dollars in thousands)

	As of	
	September 30, 2021	December 31, 2020
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 2,543,367	$ 2,368,822
Short-term investments, at fair value	53,783	65,609
Equity method investments	221,356	414,292
Other invested assets, at fair value	1,212	1,415
Total investments	2,819,718	2,850,138
Cash	24,180	56,103
Loan receivable from parent	87,500	87,500
Premiums receivable, net of commissions payable	299,029	269,756
Ceded unearned premium reserve	189,442	200,219
Reinsurance recoverable on unpaid losses	154,958	165,318
Salvage and subrogation recoverable	491,906	420,894
Financial guaranty variable interest entities' (FG VIEs') assets, at fair value	34,702	38,811
Other assets	139,782	154,261
Total assets	**$ 4,241,217**	**$ 4,243,000**
Liabilities		
Unearned premium reserve	$ 795,371	$ 796,939
Loss and loss adjustment expense (LAE) reserve	521,515	528,006
Reinsurance balances payable, net	160,089	139,240
Notes payable to affiliates	300,000	300,000
Credit derivative liabilities	133,985	97,282
FG VIE liabilities at fair value (with recourse of $29,832 and $36,775, without recourse of $2,341 and $1,254)	32,173	38,029
Other liabilities	76,636	78,496
Total liabilities	**2,019,769**	**1,977,992**
Shareholder's equity		
Preferred stock	—	—
Common stock	15,000	15,000
Additional paid-in capital	742,015	742,015
Retained earnings	1,305,377	1,318,989
Accumulated other comprehensive income	159,056	189,004
Total shareholder's equity	**2,221,448**	**2,265,008**
Total liabilities and shareholder's equity	**$ 4,241,217**	**$ 4,243,000**

Assured Guaranty Corp.

Condensed Consolidated Statements of Operations (unaudited)

(dollars in thousands)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenues:				
Net earned premiums	$ 19,846	$ 21,430	$ 60,987	$ 71,909
Net investment income	22,043	23,902	68,644	77,804
Net realized investment gains (losses)	(410)	3,151	(1,849)	4,194
Net change in fair value of credit derivatives	18,358	(2,382)	(29,132)	21,818
Fair value gains (losses) on committed capital securities (CCS)	(1,805)	(5,455)	(14,895)	7,307
Fair value gains (losses) on FG VIE	1,223	1,061	4,014	(1,317)
Other income (loss)	1,258	3,866	12,738	5,653
Total revenues	**60,513**	**45,573**	**100,507**	**187,368**
Expenses:				
Loss and LAE (benefit)	(15,394)	(1,465)	23,921	60,982
Interest expense on note payable to affiliate	2,625	2,625	7,875	7,875
Employee compensation and benefit expenses	8,652	8,233	26,573	26,033
Other operating expenses	6,590	6,268	19,299	18,552
Total expenses	**2,473**	**15,661**	**77,668**	**113,442**
Income (loss) before income taxes and equity in earnings of investees	**58,040**	**29,912**	**22,839**	**73,926**
Equity in earnings of investees	9,203	5,140	26,093	10,370
Income (loss) before income taxes	**67,243**	**35,052**	**48,932**	**84,296**
Less: Provision (benefit) for income taxes	10,904	5,353	6,827	11,998
Income (loss) before equity in after-tax earnings of investee	**56,339**	**29,699**	**42,105**	**72,298**
Equity in after-tax earnings of investee	—	5,162	(3,717)	11,293
Net income (loss)	**$ 56,339**	**$ 34,861**	**$ 38,388**	**$ 83,591**

Assured Guaranty Corp.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

(dollars in thousands)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation for the Three Months Ended September 30, 2021 and September 30, 2020

	Three Months Ended September 30, 2021		Three Months Ended September 30, 2020	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (81)	$ —	$ (144)
Net investment income	—	(161)	—	(301)
Net realized investment gains (losses)	(410)	—	3,151	—
Net change in fair value of credit derivatives	8,153	—	(5,874)	—
Fair value gains (losses) on CCS	(1,805)	—	(5,455)	—
Other income (loss) (3)	(1,619)	(168)	2,293	1,061
Total revenue adjustments	4,319	(410)	(5,885)	616
Adjustments to expenses:				
Loss expense	1,714	3,213	(2,228)	806
Total expense adjustments	1,714	3,213	(2,228)	806
Pre-tax adjustments	2,605	(3,623)	(3,657)	(190)
Less: Tax effect of adjustments	547	(760)	(768)	(40)
Equity in after-tax earnings of investee	—	—	91	—
After-tax adjustments	$ 2,058	$ (2,863)	$ (2,798)	$ (150)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation for the Nine Months Ended September 30, 2021 and September 30, 2020

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (294)	$ —	$ (342)
Net investment income	—	(670)	—	(913)
Net realized investment gains (losses)	(1,849)	—	4,194	—
Net change in fair value of credit derivatives	(44,603)	—	12,706	—
Fair value gains (losses) on CCS	(14,895)	—	7,307	—
Other income (loss) (3)	(1,056)	2,623	(1,144)	(1,317)
Total revenue adjustments	(62,403)	1,659	23,063	(2,572)
Adjustments to expenses:				
Loss expense	(8,423)	5,166	4,364	1,116
Total expense adjustments	(8,423)	5,166	4,364	1,116
Pre-tax adjustments	(53,980)	(3,507)	18,699	(3,688)
Less: Tax effect of adjustments	(11,335)	(736)	3,927	(775)
Equity in after-tax earnings of investee	3,235	—	382	—
After-tax adjustments	$ (39,410)	$ (2,771)	$ 15,154	$ (2,913)

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

Assured Guaranty Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (1 of 2)

(dollars in thousands)

Adjusted Operating Income Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	**$ 56,339**	**$ 34,861**	**$ 38,388**	**$ 83,591**
Less pre-tax adjustments:				
Realized gains (losses) on investments	(410)	3,267	2,244	4,678
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	6,439	(3,646)	(36,179)	8,342
Fair value gains (losses) on CCS	(1,805)	(5,455)	(14,895)	7,307
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves[1]	(1,619)	2,293	(1,056)	(1,144)
Total pre-tax adjustments	$ 2,605	$ (3,541)	$ (49,886)	$ 19,183
Less tax effect on pre-tax adjustments	(547)	743	10,476	(4,029)
Adjusted operating income	$ 54,281	$ 37,659	$ 77,798	$ 68,437

1) Included in other income (loss) in the condensed consolidated statements of operations.

ROE Reconciliation and Calculation

	As of					
	September 30, 2021	June 30, 2021	December 31, 2020	September 30, 2020	June 30, 2020	December 31, 2019
Shareholder's equity	**$ 2,221,448**	**$ 2,190,618**	**$ 2,265,008**	**$ 2,251,730**	**$ 2,211,457**	**$ 2,277,317**
Adjusted operating shareholder's equity	2,058,578	2,020,893	2,031,871	2,071,568	2,044,817	2,123,543
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholder's equity	**(8,625)**	**(5,764)**	**(5,829)**	**(5,607)**	**(5,084)**	**(3,426)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	**$ 56,339**	**$ 34,861**	**$ 38,388**	**$ 83,591**
Adjusted operating income	54,281	37,659	77,798	68,437
Average shareholder's equity	**$ 2,206,033**	**$ 2,231,594**	**$ 2,243,228**	**$ 2,264,524**
Average adjusted operating shareholder's equity	2,039,736	2,058,193	2,045,225	2,097,556
Gain (loss) related to FG VIE consolidation included in average adjusted operating shareholder's equity	**(7,195)**	**(5,346)**	**(7,227)**	**(4,517)**
GAAP ROE [1]	**10.2 %**	**6.2 %**	**2.3 %**	**4.9 %**
Adjusted operating ROE [1]	10.6 %	7.3 %	5.1 %	4.4 %

1) Quarterly ROE calculations represent annualized returns.

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

Assured Guaranty Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (2 of 2)

(dollars in thousands)

	As of					
	September 30, 2021	June 30, 2021	December 31, 2020	September 30, 2020	June 30, 2020	December 31, 2019
Reconciliation of shareholder's equity to adjusted book value						
Shareholder's equity	**$ 2,221,448**	**$ 2,190,618**	**$ 2,265,008**	**$ 2,251,730**	**$ 2,211,457**	**$ 2,277,317**
Less pre-tax reconciling items:						
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(10,385)	(16,823)	25,796	(24,954)	(21,308)	(33,296)
Fair value gains (losses) on CCS	12,987	14,792	27,882	34,967	40,423	27,660
Unrealized gain (loss) on investment portfolio	191,856	205,166	226,424	203,216	177,117	186,326
Less taxes	(31,588)	(33,410)	(46,965)	(33,067)	(29,592)	(26,916)
Adjusted operating shareholder's equity	2,058,578	2,020,893	2,031,871	2,071,568	2,044,817	2,123,543
Pre-tax reconciling items:						
Less: Deferred acquisition costs	(23,932)	(21,928)	(21,927)	(22,398)	(23,643)	(22,340)
Plus: Net present value of estimated net future credit derivative revenue	116,257	129,205	133,792	135,985	138,627	140,827
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	386,542	364,385	379,110	405,976	422,699	432,611
Plus taxes	(110,613)	(108,259)	(112,314)	(118,515)	(122,843)	(125,113)
Adjusted book value	$ 2,474,696	$ 2,428,152	$ 2,454,386	$ 2,517,412	$ 2,506,943	$ 2,594,208
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholder's equity (net of tax benefit of $2,294, $1,533, $1,551, $1,491, $1,352 and $910)	**$ (8,625)**	**$ (5,764)**	**$ (5,829)**	**$ (5,607)**	**$ (5,084)**	**$ (3,426)**
Gain (loss) related to FG VIE consolidation included in adjusted book value (net of tax benefit of $2,332, $1,577, $1,606, $1,593, $1,466 and $988)	**$ (8,769)**	**$ (5,930)**	**$ (6,038)**	**$ (5,990)**	**$ (5,512)**	**$ (3,717)**

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

Assured Guaranty Corp.

Claims-Paying Resources

(dollars in thousands)

	As of	
	September 30, 2021	**December 31, 2020**
Claims-paying resources		
Policyholders' surplus	$ 1,758,310	$ 1,716,777
Contingency reserve (1)	593,877	617,634
Qualified statutory capital	**2,352,187**	**2,334,411**
Unearned premium reserve and net deferred ceding commission income (1)	356,235	363,452
Loss and LAE reserves (1)(6)	—	13,118
Total policyholders' surplus and reserves	**2,708,422**	**2,710,981**
Present value of installment premium (1)	194,778	189,445
CCS	200,000	200,000
Total claims-paying resources (including proportionate MAC ownership for AGC)	**3,103,200**	**3,100,426**
Adjustment for MAC (2)	—	234,852
Total claims-paying resources (excluding proportionate MAC ownership for AGC)	**$ 3,103,200**	**$ 2,865,574**
Statutory net par outstanding (3)	$ 21,979,731	$ 19,947,679
Equity method adjustment (2)	—	5,429,798
Adjusted statutory net par outstanding (1)	$ 21,979,731	$ 25,377,477
Net debt service outstanding (3)	$ 33,464,566	$ 29,966,037
Equity method adjustment (2)	—	8,048,968
Adjusted net debt service outstanding (1)	$ 33,464,566	$ 38,015,005
Ratios:		
Adjusted net par outstanding to qualified statutory capital	9:1	11:1
Capital ratio (4)	14:1	16:1
Financial resources ratio (5)	11:1	12:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGC)	7:1	8:1

1) The December 31, 2020 numbers shown for AGC have been adjusted to include its indirect share of MAC. Until April 1, 2021, Assured Guaranty Municipal Corp. (AGM) and AGC owned 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owned 100% of the outstanding common stock of MAC. On April 1, 2021, as part of a multi-step transaction, AGC sold its interest in MAC Holdings to AGM and MAC was merged with and into AGM, with AGM as the surviving company.
2) Represents adjustment for AGC's interest and indirect ownership of MAC.
3) Net par outstanding and net debt service outstanding are presented on a statutory basis. Statutory net par outstanding is financial guaranty net par outstanding plus specialty insurance and reinsurance exposure. Net debt service outstanding is financial guaranty net debt service outstanding plus specialty reinsurance and reinsurance exposure.
4) The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
5) The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources (including MAC adjustment for AGC).
6) Loss and LAE reserves exclude adjustments to claims-paying resources for AGC because they were in a net recoverable position of $21 million.

Assured Guaranty Corp.

New Business Production (1 of 2)

(dollars in thousands)

Reconciliation of GWP to PVP for the Three Months Ended September 30, 2021 and September 30, 2020

	Three Months Ended September 30, 2021					Three Months Ended September 30, 2020				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 15,196**	**$ 2,325**	**$ 30,363**	**$ 3,002**	**$ 50,886**	**$ (6)**	**$ (184)**	**$ 652**	**$ 154**	**$ 616**
Less: Installment GWP and other GAAP adjustments (1)	53	2,325	29,006	3,002	34,386	(6)	(184)	652	154	616
Upfront GWP	15,143	—	1,357	—	16,500	—	—	—	—	—
Plus: Installment premium PVP	163	1,240	20,435	2,475	24,313	—	—	—	—	—
Total PVP	$ 15,306	$ 1,240	$ 21,792	$ 2,475	$ 40,813	$ —	$ —	$ —	$ —	$ —
Gross par written	**$ 1,520,357**	**$ 15,594**	**$ 436,311**	**$ 231,014**	**$ 2,203,276**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

Reconciliation of GWP to PVP for the Nine Months Ended September 30, 2021 and September 30, 2020

	Nine Months Ended September 30, 2021					Nine Months Ended September 30, 2020				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 21,934**	**$ 3,499**	**$ 43,386**	**$ 3,187**	**$ 72,006**	**$ (8)**	**$ 22,736**	**$ 8,795**	**$ (421)**	**$ 31,102**
Less: Installment GWP and other GAAP adjustments (1)	6,743	3,499	39,515	3,187	52,944	(8)	22,736	8,795	(421)	31,102
Upfront GWP	15,191	—	3,871	—	19,062	—	—	—	—	—
Plus: Installment premium PVP	9,583	1,266	28,461	2,475	41,785	—	8,817	9,079		17,896
Total PVP	$ 24,774	$ 1,266	$ 32,332	$ 2,475	$ 60,847	$ —	$ 8,817	$ 9,079	$ —	$ 17,896
Gross par written	**$ 1,682,149**	**$ 15,594**	**$ 941,576**	**$ 231,014**	**$ 2,870,333**	**$ —**	**$ —**	**$ 187,419**	**$ —**	**$ 187,419**

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

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

Assured Guaranty Corp.

New Business Production (2 of 2)

(dollars in thousands)

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross
GWP	**$ 43,028**	**$ 7,858**	**$ 50,886**	**$ 653**	**$ (37)**	**$ 616**
PVP	33,760	7,053	40,813	—	—	—
Gross par written	1,387,781	815,495	2,203,276	—	—	—

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross
GWP	**$ 64,051**	**$ 7,955**	**$ 72,006**	**$ 32,045**	**$ (943)**	**$ 31,102**
PVP	53,794	7,053	60,847	17,896	—	17,896
Gross par written	2,054,838	815,495	2,870,333	187,419	—	187,419

Assured Guaranty Corp.

Gross Par Written (1 of 2)

(dollars in thousands)

Gross Par Written by Asset Type

	Three Months Ended September 30,			
	2021		2020	
	Gross Par Written	Average Internal Rating	Gross Par Written	Average Internal Rating
Sector				
U.S. public finance				
Tax backed	$ 735,577	BBB+	$ —	—
General obligation	261,380	A-	—	—
Transportation	232,388	A-	—	—
Municipal utilities	152,711	A-	—	—
Higher education	105,059	A+	—	—
Healthcare	33,242	BBB+	—	—
Total U.S. public finance	1,520,357	A-	—	—
Non-U.S. public finance:				
Infrastructure finance	15,594	A-	—	—
Total non-U.S. public finance	15,594	A-	—	—
Total public finance	**1,535,951**	A-	**—**	—
U.S. structured finance:				
Insurance securitization	395,268	AA-	—	—
Other structured finance	41,043	A-	—	—
Total U.S. structured finance	436,311	AA-	—	—
Non-U.S. structured finance:				
Pooled corporate obligations	231,014	AA-	—	—
Total non-U.S. structured finance	231,014	AA-	—	—
Total structured finance	**667,325**	**AA-**	**—**	—
Total gross par written	**$ 2,203,276**	**A**	**$ —**	—

Please refer to the Glossary for a description of internal ratings and sectors.

Assured Guaranty Corp.

Gross Par Written (2 of 2)

(dollars in thousands)

Gross Par Written by Asset Type

	Nine Months Ended September 30,			
	2021		2020	
Sector	Gross Par Written	Average Internal Rating	Gross Par Written	Average Internal Rating
U.S. public finance:				
Tax backed	$ 735,577	BBB+	$ —	—
General obligation	261,380	A-	—	—
Transportation	232,388	A-	—	—
Municipal utilities	152,711	A-	—	—
Infrastructure finance	142,647	A+	—	—
Higher education	105,059	A+	—	—
Healthcare	33,242	BBB+	—	—
Other public finance	19,145	A	—	—
Total U.S. public finance	1,682,149	A-	—	—
Non-U.S. public finance:				
Infrastructure finance	15,594	A-	—	—
Total non-U.S. public finance	15,594	A-	—	—
Total public finance	**1,697,743**	A-	**—**	—
U.S. structured finance:				
Insurance securitization	848,212	A+	140,000	AA
Commercial mortgage-backed securities	37,000	A	—	—
Structured credit	—	—	47,419	BBB
Other structured finance	56,364	A-	—	—
Total U.S. structured finance	941,576	A+	187,419	A+
Non-U.S. structured finance:				
Pooled corporate obligations	231,014	AA-	—	—
Total non-U.S. structured finance	231,014	AA-	—	—
Total structured finance	**1,172,590**	**A+**	**187,419**	**A+**
Total gross par written	**$ 2,870,333**	**A**	**$ 187,419**	**A+**

Please refer to the Glossary for a description of internal ratings and sectors.

Assured Guaranty Corp.

Fixed-Maturity Securities, Short-Term Investments and Cash
As of September 30, 2021
(dollars in thousands)

	Amortized Cost	Allowance for Credit Losses	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income [1]
Fixed-maturity securities:						
Obligations of state and political subdivisions [2][3]	$ 1,385,131	$ (11,649)	3.61 %	3.26 %	$ 1,503,703	$ 49,963
U.S. government and agencies	24,952	—	1.28	1.02	25,208	321
Corporate securities	449,891	(418)	3.10	2.45	471,353	13,926
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) [3]	29,634	(709)	4.08	3.22	30,865	1,210
Commercial mortgage-backed securities (CMBS)	29,094	—	3.54	2.80	31,409	1,030
Asset-backed securities (ABS):						
Collateralized loan obligations	81,952	—	1.82	1.44	82,075	1,495
Other ABS [3]	370,821	(7,188)	4.98	3.93	398,754	18,461
Total fixed-maturity securities	2,371,475	(19,964)	3.64	3.12	2,543,367	86,406
Short-term investments	53,783	—	0.01	0.01	53,783	7
Cash [4]	24,180	—	—	—	24,180	—
Total	**$ 2,449,438**	**$ (19,964)**	**3.56 %**	**3.05 %**	**$ 2,621,330**	**$ 86,413**

Ratings [5]:	**Fair Value**	**% of Portfolio**
U.S. government and agencies	$ 25,208	1.0 %
AAA/Aaa	230,597	9.1
AA/Aa	1,008,728	39.7
A/A	447,086	17.5
BBB	355,781	14.0
Below investment grade (BIG) [6]	418,272	16.4
Not rated	57,695	2.3
Total fixed-maturity securities, available-for-sale	**$ 2,543,367**	**100.0 %**

Duration of fixed-maturity securities and short-term investments (in years):	**5.3**
Average ratings of fixed-maturity securities and short-term investments	**A-**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds average A, after giving effect to the lower of the rating assigned by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC (S&P) or Moody's Investors Service, Inc. (Moody's).
3) Includes securities purchased or obtained for loss mitigation purposes.
4) Cash is not included in the yield calculation.
5) Ratings are represented by the lower of Moody's or S&P classifications except for bonds purchased for loss mitigation (loss mitigation securities) or other risk management strategies which use internal ratings classifications.
6) Includes below investment grade securities that were purchased or obtained as part of loss mitigation or other risk management strategies of $510.9 million in par with carrying value of $418.2 million.

Assured Guaranty Corp.

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

(dollars in thousands)

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance [2]: Expected PV Net Earned Premiums	Financial Guaranty Insurance [2]: Accretion of Discount	Financial Guaranty Insurance [2]: Effect of FG VIE Consolidation on Expected PV Net Earned Premiums and Accretion of Discount	Future Credit Derivative Revenues [3]
2021 (as of September 30)		$ 33,197,087				
2021 Q4	$ 756,295	32,440,792	$ 17,686	$ 724	$ 98	$ 2,079
2022	2,083,622	30,357,170	66,511	2,741	349	7,684
2023	1,745,330	28,611,840	60,742	2,543	317	7,346
2024	1,606,173	27,005,667	55,898	2,357	293	7,040
2025	2,120,989	24,884,678	51,655	2,163	270	6,742
2021-2025	$ 8,312,409	$ 24,884,678	$ 252,492	$ 10,528	$ 1,327	$ 30,891
2026-2030	7,946,070	16,938,608	192,571	8,280	1,137	30,220
2031-2035	6,447,302	10,491,306	122,088	4,789	925	25,383
2036-2040	5,413,001	5,078,305	44,542	2,405	391	18,613
After 2040	5,078,305	—	35,049	1,526	—	15,564
Total	**$ 33,197,087**		**$ 646,742**	**$ 27,528**	**$ 3,780**	**$ 120,671**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of September 30, 2021. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations, terminations and because of management's assumptions on structured finance amortization.
2) See page 15 for ''Net Expected Loss to be Expensed.''
3) Represents expected future premiums on insured credit derivatives.

Assured Guaranty Corp.

Rollforward of Net Expected Loss and LAE to be Paid

(dollars in thousands)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Three Months Ended September 30, 2021

	Net Expected Loss to be Paid (Recovered) as of June 30, 2021	Economic Loss Development (Benefit) During 3Q-21	(Paid) Recovered Losses During 3Q-21	Net Expected Loss to be Paid (Recovered) as of September 30, 2021
Public Finance:				
U.S. public finance	$ 200,125	$ (12,399)	$ (74,393)	$ 113,333
Non-U.S public finance	2,040	(173)	—	1,867
Public Finance	202,165	(12,572)	(74,393)	115,200
Structured Finance:				
U.S. RMBS	75,529	(19,051)	7,569	64,047
Other structured finance	(33,890)	2,423	2	(31,465)
Structured Finance	41,639	(16,628)	7,571	32,582
Total	**$ 243,804**	**$ (29,200)**	**$ (66,822)**	**$ 147,782**

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Nine Months Ended September 30, 2021

	Net Expected Loss to be Paid (Recovered) as of December 31, 2020	Economic Loss Development (Benefit) During 2021	(Paid) Recovered Losses During 2021	Net Expected Loss to be Paid (Recovered) as of September 30, 2021
Public Finance:				
U.S. public finance	$ 199,041	$ 18,338	$ (104,046)	$ 113,333
Non-U.S public finance	3,122	(1,251)	(4)	1,867
Public Finance	202,163	17,087	(104,050)	115,200
Structured Finance:				
U.S. RMBS	73,701	(28,667)	19,013	64,047
Other structured finance	(38,336)	6,997	(126)	(31,465)
Structured Finance	35,365	(21,670)	18,887	32,582
Total	**$ 237,528**	**$ (4,583)**	**$ (85,163)**	**$ 147,782**

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

Assured Guaranty Corp.

Loss Measures

As of September 30, 2021

(dollars in thousands)

	Total Net Par Outstanding for BIG Transactions	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
		GAAP Loss and LAE (1)	**Loss and LAE Included in Adjusted Operating Income (2)**	**Effect of FG VIE Consolidation(3)**	**GAAP Loss and LAE (1)**	**Loss and LAE Included in Adjusted Operating Income(2)**	**Effect of FG VIE Consolidation(3)**
Public finance:							
U.S. public finance	$ 1,292,264	**$ (7,612)**	$ (7,612)	$ —	**$ 41,506**	$ 41,506	$ —
Non-U.S public finance	73,030	**(1)**	(1)	—	**(2)**	(2)	—
Public finance	1,365,294	**(7,613)**	(7,613)	—	**41,504**	41,504	—
Structured finance:							
U.S. RMBS	375,685	**(10,217)**	(11,931)	3,213	**(16,945)**	(17,589)	5,166
Other structured finance	15,073	**2,436**	2,436	—	**(638)**	8,429	—
Structured finance	390,758	**(7,781)**	(9,495)	3,213	**(17,583)**	(9,160)	5,166
Total	**$ 1,756,052**	**$ (15,394)**	$ (17,108)	$ 3,213	**$ 23,921**	$ 32,344	$ 5,166

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

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

Assured Guaranty Corp.

Net Expected Loss to be Expensed[1]

As of September 30, 2021

(dollars in thousands)

		GAAP
2021 (October 1 - December 31)	$	**5,714**
2022		**23,506**
2023		**24,014**
2024		**22,523**
2025		**20,953**
2021-2025		**96,710**
2026-2030		**90,643**
2031-2035		**59,740**
2036-2040		**12,598**
After 2040		**509**
Total expected present value of net expected loss to be expensed[2]		**260,200**
Future accretion		**56,567**
Total expected future loss and LAE	**$**	**316,767**

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 0.00% to 2.13% for U.S. dollar denominated obligations.
2) Excludes $2.7 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Corp.

Financial Guaranty Profile (1 of 3)

(dollars in thousands)

Net Par Outstanding and Average Internal Rating by Asset Type

	As of September 30, 2021		As of December 31, 2020	
	Net Par Outstanding	Average Internal Rating	Net Par Outstanding	Average Internal Rating
U.S. public finance:				
General obligation	$ 3,282,399	A-	$ 1,927,620	BBB+
Tax backed	3,224,017	BBB-	2,670,755	BB+
Transportation	2,677,910	A-	2,283,159	A-
Infrastructure finance	1,827,369	A+	1,795,801	A+
Municipal utilities	1,240,132	A-	935,471	A-
Healthcare	366,741	BBB	357,714	BBB
Higher education	331,866	A	210,277	A-
Investor-owned utilities	322,014	A-	336,587	A-
Renewable energy	125,926	A-	125,926	A-
Housing revenue	89,247	B	103,599	BB
Other public finance	567,426	A-	580,877	A-
Total U.S. public finance	14,055,047	A-	11,327,786	BBB+
Non-U.S. public finance:				
Regulated utilities	1,705,791	BBB+	1,730,724	BBB+
Infrastructure finance	1,290,002	BBB	1,404,850	BBB
Pooled infrastructure	685,875	AAA	724,330	AAA
Sovereign and sub-sovereign	253,480	A-	289,167	A-
Renewable energy	64,989	BBB-	261,841	BBB+
Total non-U.S. public finance	4,000,137	A-	4,410,912	A-
Total public finance	**18,055,184**	**A-**	**15,738,698**	**BBB+**
U.S. structured finance:				
Life insurance transactions	1,054,979	AA-	716,106	AA-
RMBS	722,427	BBB-	928,067	BBB-
Pooled corporate obligations	590,344	AA	947,947	AA
Consumer receivables	352,517	A+	428,374	A+
Other structured finance	490,285	A-	438,732	BBB+
Total U.S. structured finance	3,210,552	A	3,459,226	A
Non-U.S. structured finance:				
RMBS	184,220	A+	190,945	A+
Pooled corporate obligations	183,118	AA-	251	AA
Other structured finance	62,476	BBB+	94,269	BBB
Total non-U.S. structured finance	429,814	A+	285,465	A
Total structured finance	**3,640,366**	**A**	**3,744,691**	**A**
Total	**$ 21,695,550**	**A-**	**$ 19,483,389**	**A-**

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

Assured Guaranty Corp.

Financial Guaranty Profile (2 of 3)

As of September 30, 2021

(dollars in thousands)

Distribution by Ratings of Financial Guaranty Portfolio

	Public Finance - U.S.		Public Finance - Non-U.S.		Structured Finance - U.S.		Structured Finance - Non-U.S.		Total	
Ratings:	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**	**Net Par Outstanding**	**%**
AAA	$ 8,985	0.1 %	$ 768,249	19.2 %	$ 435,891	13.5 %	$ 140,330	32.6 %	$ 1,353,455	6.2 %
AA	3,092,858	22.0	164,517	4.1	1,376,319	42.9	21,738	5.1	4,655,432	21.4
A	5,303,736	37.7	294,856	7.4	612,829	19.1	134,740	31.4	6,346,161	29.3
BBB	4,357,204	31.0	2,699,485	67.5	394,755	12.3	133,006	30.9	7,584,450	35.0
BIG	1,292,264	9.2	73,030	1.8	390,758	12.2	—	—	1,756,052	8.1
Net Par Outstanding[1]	**$ 14,055,047**	**100.0 %**	**$ 4,000,137**	**100.0 %**	**$ 3,210,552**	**100.0 %**	**$ 429,814**	**100.0 %**	**$ 21,695,550**	**100.0 %**

1) As of September 30, 2021, the Company excluded $521.6 million of net par attributable to loss mitigation securities.

Ceded Par Outstanding

	Ceded Par Outstanding[1][2]	% of Total
Affiliated reinsurers	$ 8,553,670	99.7 %
Non-affiliated reinsurers	25,500	0.3 %
Total	**$ 8,579,170**	**100.0 %**

1) Of the total par ceded to non-affiliates, none is rated BIG.
2) There was no collateral posted by third party reinsurers and $166.4 million posted by affiliated reinsurers as of September 30, 2021.

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

Assured Guaranty Corp.

Financial Guaranty Profile (3 of 3)
As of September 30, 2021
(dollars in thousands)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 4,321,688	19.9 %
Texas	1,527,461	7.0
New Jersey	1,179,193	5.4
Puerto Rico	1,063,717	4.9
Illinois	646,211	3.0
Florida	608,386	2.9
New York	589,694	2.7
Virginia	430,057	2.0
District of Columbia	414,080	1.9
Pennsylvania	402,214	1.9
Other	2,872,346	13.2
Total U.S. public finance	14,055,047	64.8
U.S. structured finance:	3,210,552	14.8
Total U.S.	**17,265,599**	**79.6**
Non-U.S.:		
United Kingdom	3,096,453	14.3
Australia	377,070	1.7
France	159,709	0.7
Mexico	156,218	0.7
Italy	135,053	0.7
Other	505,448	2.3
Total non-U.S.	**4,429,951**	**20.4**
Total net par outstanding	**$ 21,695,550**	**100.0 %**

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

Assured Guaranty Corp.

Exposure to Puerto Rico (1 of 3)
As of September 30, 2021
(dollars in thousands)

Exposure to Puerto Rico

	Gross Par Outstanding	Net Par Outstanding	Gross Debt Service Outstanding	Net Debt Service Outstanding
Total	$ 1,279,236	$ 1,063,717	$ 1,985,549	$ 1,633,921

Exposure to Puerto Rico by Risk (1)

	Net Par Outstanding	Gross Par Outstanding
Puerto Rico Exposures Subject to a Support Agreement (2)		
Commonwealth of Puerto Rico - General Obligation Bonds (3)	$ 169,958	$ 200,265
Puerto Rico Public Buildings Authority (PBA) (3)	121,369	121,925
Subtotal - GO/PBA PSA	291,327	322,190
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation revenue) (3)	467,024	590,406
PRHTA (Highways revenue) (3)	51,094	54,724
Puerto Rico Convention Center District Authority (PRCCDA)	152,250	152,250
Subtotal - HTA/CCDA PSA	670,368	797,380
Puerto Rico Electric Power Authority (PREPA) (3)	69,459	118,616
Puerto Rico Infrastructure Financing Authority (PRIFA)	15,335	16,000
Subtotal Subject to a Support Agreement	**1,046,489**	**1,254,186**
Other Puerto Rico Exposures		
Puerto Rico Municipal Finance Agency (MFA) (4)	15,673	23,495
Puerto Rico Aqueduct and Sewer Authority (PRASA) and University of Puerto Rico (U of PR) (4)	1,555	1,555
Subtotal Other Puerto Rico Exposures	**17,228**	**25,050**
Total exposure to Puerto Rico	**$ 1,063,717**	**$ 1,279,236**

1) The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are rated BIG.
2) The Support Agreements, including the GO/PBA plan support agreements (PSA) and the HTA/CCDA PSA, are described in Assured Guaranty's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021, Part 1, Financial Information, Item 1, Financial Statements, Note 3, Outstanding Exposure.
3) As of the date of this filing, the seven-member financial oversight board established by the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) has certified a filing under Title III of PROMESA for these exposures.
4) As of the date of this filing, the Company has not paid claims on these credits.

Assured Guaranty Corp.

Exposure to Puerto Rico (2 of 3)

As of September 30, 2021

(dollars in thousands)

Amortization Schedule of Net Par Outstanding of Puerto Rico

	2021 (4Q)	2022 (1Q)	2022 (2Q)	2022 (3Q)	2022 (4Q)	2023	2024	2025	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2042	Total
Puerto Rico Exposures Subject to a Support Agreement																	
Commonwealth of Puerto Rico - General Obligation Bonds	$ —	$ —	$ —	$12,916	$ —	$ 7,832	$ 9,000	$ 8,424	$15,934	$ 23,075	$ 6,848	$37,799	$ 5,644	$ 42,486	$ —	$ —	$ 169,958
PBA	—	—	—	64	—	6,931	71	6,610	11,078	39,510	535	560	587	38,932	16,491	—	121,369
Subtotal - GO/PBA PSA	—	—	—	12,980	—	14,763	9,071	15,034	27,012	62,585	7,383	38,359	6,231	81,418	16,491	—	291,327
PRHTA (Transportation revenue)	—	—	—	13,975	—	19,192	4,173	21,127	16,986	7,943	11,590	20,921	4,606	177,856	143,820	24,835	467,024
PRHTA (Highway revenue)	—	—	—	—	—	477	493	509	16	—	877	1,567	1,882	40,665	4,608	—	51,094
PRCCDA	—	—	—	—	—	—	—	—	—	19,075	—	—	—	104,150	29,025	—	152,250
Subtotal - HTA/ CCDA PSA	—	—	—	13,975	—	19,669	4,666	21,636	17,002	27,018	12,467	22,488	6,488	322,671	177,453	24,835	670,368
PREPA	—	—	—	577	—	1,269	1,331	1,397	19,264	17,031	16,652	1,053	2,784	7,851	250	—	69,459
PRIFA	—	—	—	—	—	1,700	—	—	—	—	—	—	—	—	9,969	3,666	15,335
Subtotal Subject to a Support Agreement	—	—	—	27,532	—	37,401	15,068	38,067	63,278	106,634	36,502	61,900	15,503	411,940	204,163	28,501	1,046,489
Other Puerto Rico Exposures																	
MFA	—	—	—	7,243	—	2,639	395	360	1,617	1,270	1,064	614	471	—	—	—	15,673
PRASA and U of PR	—	—	—	45	—	47	885	52	55	58	61	64	67	221	—	—	1,555
Subtotal Other Puerto Rico Exposures	—	—	—	7,288	—	2,686	1,280	412	1,672	1,328	1,125	678	538	221	—	—	17,228
Total	**$ —**	**$ —**	**$ —**	**$34,820**	**$ —**	**$40,087**	**$16,348**	**$38,479**	**$64,950**	**$107,962**	**$37,627**	**$62,578**	**$16,041**	**$412,161**	**$204,163**	**$ 28,501**	**$ 1,063,717**

Assured Guaranty Corp.

Exposure to Puerto Rico (3 of 3)

As of September 30, 2021

(dollars in thousands)

Amortization Schedule of Net Debt Service Outstanding of Puerto Rico

	2021 (4Q)	2022 (1Q)	2022 (2Q)	2022 (3Q)	2022 (4Q)	2023	2024	2025	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2042	Total
Puerto Rico Exposures Subject to a Support Agreement																	
Commonwealth of Puerto Rico - General Obligation Bonds	$ —	$ 4,399	$ —	$17,315	$ —	$15,926	$16,700	$15,674	$ 22,754	$ 29,086	$11,670	$42,277	$ 8,078	$ 49,875	$ —	$ —	$ 233,754
PBA	—	3,141	—	3,206	—	13,211	5,987	12,522	16,644	44,495	3,447	3,447	3,447	48,583	17,320	—	175,450
Subtotal - GO/PBA PSA	—	7,540	—	20,521	—	29,137	22,687	28,196	39,398	73,581	15,117	45,724	11,525	98,458	17,320	—	409,204
PRHTA (Transportation revenue)	—	12,176	—	26,151	—	42,768	26,778	43,525	38,256	28,313	31,563	40,313	22,869	259,938	168,972	26,376	767,998
PRHTA (Highway revenue)	—	1,365	—	1,365	—	3,206	3,198	3,190	2,672	2,654	3,533	4,175	4,406	46,564	4,850	—	81,178
PRCCDA	—	3,473	—	3,473	—	6,947	6,947	6,946	6,947	26,022	5,992	5,993	5,993	127,342	30,331	—	236,406
Subtotal - HTA/CCDA PSA	—	17,014	—	30,989	—	52,921	36,923	53,661	47,875	56,989	41,088	50,481	33,268	433,844	204,153	26,376	1,085,582
PREPA	52	1,599	52	2,175	52	4,542	4,542	4,528	22,336	19,161	18,051	1,627	3,320	8,631	275	—	90,943
PRIFA	—	383	—	383	—	2,467	682	682	681	682	682	681	682	3,409	12,898	3,849	28,161
Subtotal Subject to a Support Agreement	52	26,536	52	54,068	52	89,067	64,834	87,067	110,290	150,413	74,938	98,513	48,795	544,342	234,646	30,225	1,613,890
Other Puerto Rico Exposures																	
MFA	—	401	—	7,644	—	3,065	685	630	1,869	1,441	1,171	668	494	—	—	—	18,068
PRASA and U of PR	—	44	—	89	—	132	967	81	81	81	82	82	80	244	—	—	1,963
Subtotal Other Puerto Rico Exposures	—	445	—	7,733	—	3,197	1,652	711	1,950	1,522	1,253	750	574	244	—	—	20,031
Total	**$ 52**	**$26,981**	**$ 52**	**$61,801**	**$ 52**	**$92,264**	**$66,486**	**$87,778**	**$112,240**	**$151,935**	**$76,191**	**$99,263**	**$49,369**	**$544,586**	**$234,646**	**$30,225**	**$1,633,921**

Assured Guaranty Corp.

U.S. RMBS Profile

As of September 30, 2021

(dollars in thousands)

Distribution of U.S. RMBS by Rating and Type of Exposure [1]

Ratings:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
AAA	$ 2,939	$ 35,152	$ 7,734	$ 119,604	$ 2,253	$ 167,682
AA	6,404	51,519	114	24,944	5,284	88,265
A	3,307	17,188	—	5,592	327	26,414
BBB	5,468	—	681	8,990	49,242	64,381
BIG	17,625	60,440	3,936	259,730	33,954	375,685
Total exposures	**$ 35,743**	**$ 164,299**	**$ 12,465**	**$ 418,860**	**$ 91,060**	**$ 722,427**

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

Year insured:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
2004 and prior	$ 10,584	$ 724	$ 38	$ 63,967	$ 10,676	$ 85,989
2005	19,689	38,790	7,799	93,736	19,356	179,370
2006	5,470	460	—	79,871	9,223	95,024
2007	—	124,325	4,628	181,286	51,805	362,044
Total exposures	**$ 35,743**	**$ 164,299**	**$ 12,465**	**$ 418,860**	**$ 91,060**	**$ 722,427**

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

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

Assured Guaranty Corp.

Direct Pooled Corporate Obligations Profile

As of September 30, 2021

(dollars in thousands)

Distribution of Direct Pooled Corporate Obligations by Ratings

	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement
Ratings:				
AAA	$ 198,105	30.1 %	47.0 %	70.5 %
AA	280,200	42.6	42.1	52.9
A	79,126	12.0	38.0	47.6
BBB	100,272	15.3	38.1	38.4
Total exposures	**$ 657,703**	**100.0 %**	**42.5 %**	**55.4 %**

Distribution of Direct Pooled Corporate Obligations by Asset Class

	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement	Number of Transactions	Avg. Rating
Asset class:						
Trust preferred						
Banks and insurance	$ 396,701	60.3 %	44.0 %	60.7 %	12	AA+
U.S. mortgage and real estate investment trusts	69,457	10.6	47.3	64.8	3	A+
Collateralized loan obligations	191,545	29.1	37.6	40.9	5	A
Total exposures	**$ 657,703**	**100.0 %**	**42.5 %**	**55.4 %**	**20**	**AA**

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

Assured Guaranty Corp.

Credit Derivative Net Par Outstanding Profile
As of September 30, 2021
(dollars in thousands)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating	Net Par Outstanding	% of Total
AAA	$ 813,284	30.0 %
AA	1,187,075	43.8
A	211,421	7.8
BBB	447,327	16.5
BIG	52,631	1.9
Total credit derivative net par outstanding	**$ 2,711,738**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector and Average Rating

	Net Par Outstanding	Average Internal Rating
Public finance		
U.S. public finance	$ 1,067,310	AA
Non-U.S. public finance	1,118,678	AA
Total public finance	**2,185,988**	**AA**
U.S. structured finance:		
Pooled corporate obligations	208,162	AA+
RMBS	182,848	A
Total U.S. structured finance	391,010	AA-
Non-U.S. structured finance:		
RMBS	134,740	A
Total non-U.S. structured finance	134,740	A
Total structured finance	**525,750**	**AA-**
Total credit derivative net par outstanding	**$ 2,711,738**	**AA**

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

Assured Guaranty Corp.

Below Investment Grade Exposures (1 of 3)

(dollars in thousands)

BIG Exposures by Asset Exposure Type

	As of	
	September 30, 2021	December 31, 2020
U.S. public finance:		
Tax backed	$ 719,628	$ 736,543
General obligation	347,244	362,887
Municipal utilities	85,423	87,258
Housing revenue	58,325	60,335
Higher education	49,370	33,126
Healthcare	18,370	25,820
Transportation	13,904	14,218
Total U.S. public finance	1,292,264	1,320,187
Non-U.S. public finance:		
Infrastructure finance	40,079	43,783
Renewable energy	31,896	36,980
Sovereign and sub-sovereign	1,055	38,708
Total non-U.S. public finance	73,030	119,471
Total public finance	**1,365,294**	**1,439,658**
U.S. structured finance:		
RMBS	375,685	460,743
Life insurance transactions	6,385	6,430
Consumer receivables	2,016	2,630
Other structured finance	6,672	22,921
Total U.S. structured finance	390,758	492,724
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**390,758**	**492,724**
Total BIG net par outstanding	**$ 1,756,052**	**$ 1,932,382**

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

Assured Guaranty Corp.

Below Investment Grade Exposures (2 of 3)

(dollars in thousands)

Net Par Outstanding by BIG Category[1]

	As of	
	September 30, 2021	**December 31, 2020**
BIG Category 1		
U.S. public finance	$ 192,790	$ 216,644
Non-U.S. public finance	72,862	119,290
U.S. structured finance	26,414	96,256
Non-U.S. structured finance	—	—
Total BIG Category 1	292,066	432,190
BIG Category 2		
U.S. public finance	52,985	11,083
Non-U.S. public finance	—	—
U.S. structured finance	21,246	22,558
Non-U.S. structured finance	—	—
Total BIG Category 2	74,231	33,641
BIG Category 3		
U.S. public finance	1,046,489	1,092,460
Non-U.S. public finance	168	181
U.S. structured finance	343,098	373,910
Non-U.S. structured finance	—	—
Total BIG Category 3	1,389,755	1,466,551
BIG Total	**$ 1,756,052**	**$ 1,932,382**

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

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

Assured Guaranty Corp.

Below Investment Grade Exposures (3 of 3)

As of September 30, 2021

(dollars in thousands)

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

Name or description	Net Par Outstanding	Internal Rating [1]
U.S. public finance:		
Puerto Rico Highways & Transportation Authority	$ 518,118	CCC
Puerto Rico, General Obligation, Appropriations and Guarantees of the Commonwealth	306,662	CCC
Puerto Rico Convention Center District Authority	152,250	CCC
Puerto Rico Electric Power Authority	69,459	CCC
Subtotal U.S. public finance	**1,046,489**	
Non-U.S. public finance:		
Subtotal non-U.S. public finance	—	
U.S. structured finance		
RMBS:		
Option One Mortgage Loan Trust 2007-HL1	104,138	CCC
Argent Securities Inc. 2005-W4	92,618	CCC
Subtotal RMBS	**196,756**	
Non-RMBS:		
Subtotal non-RMBS	—	
Subtotal U.S. structured finance	**196,756**	
Total	**$ 1,243,245**	

1) Transactions below B- are categorized as CCC.

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

Assured Guaranty Corp.

Largest Exposures by Sector (1 of 3)

As of September 30, 2021

(dollars in thousands)

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

Credit Name	Net Par Outstanding	Internal Rating [(1)]
New Jersey (State of)	$ 1,057,915	BBB
San Diego Family Housing, LLC	925,040	AA
North Texas Tollway Authority	804,107	A
Puerto Rico Highways & Transportation Authority	518,118	CCC
Metro Washington Airports Authority (Dulles Toll Road)	414,080	BBB+
Alameda Corridor Transportation Authority, California	406,438	BBB+
LCOR Alexandria LLC	405,915	A-
Puerto Rico, General Obligation, Appropriations and Guarantees of the Commonwealth	306,662	CCC
California (State of)	212,627	AA-
New York Metropolitan Transportation Authority	204,245	BBB+
Miami-Dade County, Florida	203,518	AA-
San Joaquin Hills Transportation, California	202,080	BBB-
Houston Hotel Occupancy Tax, Texas	198,265	BBB
Dallas (City of) Civic Center Convention Complex, Texas	195,622	A+
Dodger Tickets LLC	165,196	BBB
Puerto Rico Convention Center District Authority	152,250	CCC
Duke Energy Florida	149,195	A
Palomar Health	140,123	BBB+
New York (City of), New York	136,977	AA
Southern California Logistic Airport, California	136,830	BBB-
Navy Midwest Family Housing LLC	123,040	AA-
Piedmont Municipal Power Authority, South Carolina	121,420	A-
GMH Military Housing Navy Northeast Family Housing Privatization Project	120,495	A+
Washington Water Power (Avista Project)	107,250	A-
San Diego County, California	105,695	AA-
Escondido Union High School District, California	100,018	AA-
San Francisco Airports Commission (San Francisco International Airport), California	94,294	A+
Municipal Gas Authority of Georgia	90,583	A+
Offutt Air Force Base, Nebraska - America First Communities, LLC	90,083	A+
St. Louis, Missouri	86,826	BBB+
Denver (City & County) Airport System, Colorado	85,000	A+
Ohana Military Communities, LLC	83,659	A
Grossmont-Cuyamaca Community College District, California	80,319	AA-
Dade County Seaport, Florida	80,033	A
Santa Ana Unified School District, California	77,725	A+
West Contra Costa Unified School District, California	77,148	AA-
Aurora Military Housing I & II (Elmendorf Air Force Base), LLC	74,756	AA
North Oaks Health System	74,250	BBB-
Long Beach Bond Financing Authority (Natural Gas Prepayment Transaction), California	69,617	A
Puerto Rico Electric Power Authority	69,459	CCC
Chicago Water, Illinois	68,886	BBB+
Massachusetts State College Building Authority	67,953	AA-
Duke Energy Ohio	67,210	BBB+
Fort Benning Family Communities LLC	66,685	A-
E-470 Public Highway Authority, Colorado	62,164	A-
Yankee Stadium LLC New York City Industrial Development Authority	61,882	BBB
New Haven Unified School District, California	61,836	A+
North Carolina Turnpike Authority	61,368	BBB-
Maine (State of)	60,985	A
Los Medanos California Community Development Pittsburg, California	57,670	A-
Total top 50 U.S. public finance exposures	**$ 9,383,512**	

1) Transactions below B- are categorized as CCC.

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

Assured Guaranty Corp.

Largest Exposures by Sector (2 of 3)

As of September 30, 2021

(dollars in thousands)

25 Largest U.S. Structured Finance Exposures

Credit Name	Net Par Outstanding	Internal Rating [1]
SLM Student Loan Trust 2007-A	$ 244,247	A+
Private US Insurance Securitization	171,166	AA-
Private US Insurance Securitization	168,660	A
Private US Insurance Securitization	160,662	AA-
Private US Insurance Securitization	150,000	AA
Private US Insurance Securitization	150,000	AA-
Private US Insurance Securitization	129,619	AA-
Private US Insurance Securitization	113,987	AA
Option One Mortgage Loan Trust 2007-HL1	104,138	CCC
Fortress Credit Opportunities VII CLO Limited	93,115	AA-
Argent Securities Inc. 2005-W4	92,617	CCC
SLM Student Loan Trust 2006-C	86,630	AA-
New Century Home Equity Loan Trust 2006-1	83,340	AAA
ALESCO Preferred Funding XIII, Ltd.	65,388	AAA
Private Balloon Note Guarantee	59,500	BBB
Preferred Term Securities XXIV, Ltd.	58,656	AA
CWALT Alternative Loan Trust 2007-HY9	58,219	A
CAPCO - Excess SIPC Excess of Loss Reinsurance	53,550	BBB
OwnIt Mortgage Loan ABS Certificates 2006-3	51,522	AAA
Soundview Home Equity Loan Trust 2006-OPT1	49,257	AAA
Preferred Term Securities XXIII	48,728	AA
Structured Asset Investment Loan Trust 2006-1	47,064	AAA
Alesco Preferred Funding XVI, Ltd.	44,986	A
ALESCO Preferred Funding XII, Ltd.	42,332	AAA
Sonic Capital LLC 2020-1	39,915	BBB
Total top 25 U.S. structured finance exposures	**$ 2,367,298**	

1) Transactions below B- are categorized as CCC.

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

Assured Guaranty Corp.

Largest Exposures by Sector (3 of 3)

As of September 30, 2021

(dollars in thousands)

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

Credit Name	Country	Net Par Outstanding	Internal Rating
South Lanarkshire Schools	United Kingdom	$ 329,553	BBB
International Infrastructure Pool	United Kingdom	228,625	AAA
International Infrastructure Pool	United Kingdom	228,625	AAA
International Infrastructure Pool	United Kingdom	228,625	AAA
National Grid Gas PLC	United Kingdom	191,578	BBB+
Thames Water Utilities Finance PLC	United Kingdom	188,348	BBB
Comision Federal De Electricidad (CFE) El Cajon Project	Mexico	155,468	BBB-
Sydney Airport Finance Company	Australia	147,314	BBB+
Northumbrian Water PLC	United Kingdom	141,492	BBB+
Private International Residential Mortgage Transaction	United Kingdom	134,740	A
Wessex Water Services Finance plc	United Kingdom	131,037	AA
Regione Lazio	Italy	117,555	BBB-
M77 - Glasgow Southern Orbital PFI Road Project	United Kingdom	112,470	BBB-
Channel Link Enterprises Finance PLC	France, United Kingdom	108,719	BBB
Anglian Water Services Financing PLC	United Kingdom	106,040	A-
National Grid Company PLC	United Kingdom	93,820	BBB+
North Westerly V Leveraged Loan Strategies CLO	Refer to Note 1	91,978	AAA
Yorkshire Water Services Finance Plc	United Kingdom	90,014	BBB
United Utilities Water PLC	United Kingdom	88,615	BBB+
Southern Gas Networks PLC	United Kingdom	86,146	BBB
Ancora (OAHS) Pty Ltd.	Australia	84,872	BBB
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	82,080	AAA
Envestra Limited	Australia	78,229	A-
Sociedad Concesionaria Autopista Vespucio Sur S.A., Chile	Chile	70,069	BBB
Southern Water Services Limited	United Kingdom	67,396	BBB
Dwr Cymru Financing Limited	United Kingdom	65,884	A-
Tymon Park CLO	Refer to Note 2	61,100	BBB
BBI (DBCT) Finance Pty Limited	Australia	51,673	BBB
Electricity North West Ltd	United Kingdom	48,900	BBB+
Societe des Autoroutes du Nord et de l'est de la France S.A.	France	47,682	BBB+
Private Other Structured Finance Transaction	Guatemala	46,875	BBB-
Capital Hospitals (Issuer) PLC	United Kingdom	46,616	BBB-
Sociedad Concesionaria Autopista del Bosque S.A., Chile	Chile	42,241	BBB-
Severn Trent Water Utilities Finance Plc	United Kingdom	37,119	BBB+
Feria Muestrario Internacional de Valencia	Spain	34,823	BBB-
Newcastle Hospitals PFI Project	United Kingdom	33,292	BB+
Quebec Province	Canada	33,093	AA-
ALBA 2005-1 PLC	United Kingdom	32,490	AAA
Breeze Finance S.A.	Germany	31,896	B-
Southern Electric Power Distribution Plc	United Kingdom	26,948	BBB+
Derby Healthcare PLC	United Kingdom	23,756	BBB
Western Power Distribution (South Wales) PLC	United Kingdom	22,667	BBB+
Western Power Distribution (South West) PLC	United Kingdom	21,107	BBB+
Verdun Participations 2 S.A.S.	France	19,386	BBB-
Scotland Gas Networks plc	United Kingdom	16,280	BBB
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	16,188	BBB+
University of Essex, United Kingdom	United Kingdom	15,346	A-
MPC Funding Limited	Australia	14,982	BBB+
Tymon Park CLO	United Kingdom	14,765	AA
South Tees	United Kingdom	14,486	BBB+
Total top 50 non-U.S. exposures		**$ 4,203,003**	

1) Primarily France, Germany, Netherlands, United Kingdom, and Sweden.
2) Primarily United Kingdom, France, Germany, Luxembourg, and Netherlands.
Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Summary of Statutory Financial and Statistical Data

(dollars in thousands)

	As of and for Nine Months Ended September 30,	As of and for Year Ended December 31,			
	2021	**2020**	**2019**	**2018**	**2017**
Claims-Paying Resources [1]					
Policyholders' surplus	$ 1,758,310	$ 1,716,777	$ 1,775,111	$ 1,792,961	$ 2,073,166
Contingency reserve	593,877	617,634	621,131	628,738	641,930
Qualified statutory capital	**2,352,187**	**2,334,411**	**2,396,242**	**2,421,699**	**2,715,096**
Unearned premium reserve and net deferred ceding commission income	356,235	363,452	430,665	483,836	353,554
Loss and LAE reserves [2]	—	13,118	150,811	236,295	135,023
Total policyholders' surplus and reserves	**2,708,422**	**2,710,981**	**2,977,718**	**3,141,830**	**3,203,673**
Present value of installment premium	194,778	189,445	187,369	167,058	153,082
CCS	200,000	200,000	200,000	200,000	200,000
Excess of loss reinsurance facility	—	—	—	180,000	180,000
Total claims-paying resources (including proportionate MAC ownership for AGC)	**3,103,200**	**3,100,426**	**3,365,087**	**3,688,888**	**3,736,755**
Adjustment for MAC	—	234,852	239,643	281,013	292,179
Total claims-paying resources (excluding proportionate MAC ownership for AGC)	**$ 3,103,200**	**$ 2,865,574**	**$ 3,125,444**	**$ 3,407,875**	**$ 3,444,576**
Ratios:					
Net par outstanding to qualified statutory capital	9:1	11:1	13:1	15:1	13:1
Capital ratio	14:1	16:1	19:1	22:1	20:1
Financial resources ratio	11:1	12:1	14:1	14:1	14:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGC)	7:1	8:1	9:1	10:1	10:1
Other Financial Information (Statutory Basis) [3]					
Net debt service outstanding (end of period)	$ 33,464,566	$38,015,005	$45,707,258	$53,213,108	$53,437,089
Gross debt service outstanding (end of period)	46,021,548	50,842,602	60,496,257	70,087,190	67,864,890
Net par outstanding (end of period)	21,979,731	25,377,477	30,069,673	35,545,662	35,743,672
Gross par outstanding (end of period)	30,770,731	34,273,962	40,158,338	47,201,518	45,664,045
Ceded to Assured Guaranty affiliates	8,765,500	8,870,984	9,989,191	11,556,382	9,845,784
Gross debt service written:					
Public finance - U.S.	$ 2,558,855	$ —	$ 922,886	$10,932,113	$ 14,582
Public finance - non-U.S.	25,603	—	663,929	6,369,827	—
Structured finance - U.S.	945,091	508,015	1,703,593	1,190,662	55,955
Structured finance - non-U.S.	231,014	—	—	230,439	326
Total gross debt service written	$ 3,760,563	$ 508,015	$ 3,290,408	$18,723,041	$ 70,863

1) See page 9 for additional detail on claims-paying resources and exposure. The December 31, 2017 - 2020 numbers shown for AGC have been adjusted to include its indirect share of MAC. Until April 1, 2021, AGM and AGC owned 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owned 100% of the outstanding common stock of MAC. On April 1, 2021, as part of a multi-step transaction, AGC sold its interest in MAC Holdings to AGM and MAC was merged with and into AGM, with AGM as the surviving company.
2) Loss and LAE reserves exclude adjustments to claims-paying resources for AGC because they were in a net recoverable position of $21 million.
3) The National Association of Insurance Commissioners Annual Statements for U.S. Domiciled Insurance Companies are prepared on a stand-alone basis.

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

Glossary

Net Par Outstanding and Internal Ratings

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

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

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

Performance Indicators

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

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

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2020.

Public Finance:

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

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

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

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

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

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

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

Glossary (continued)

Sectors (continued)

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

Renewable Energy Bonds are obligations backed by renewable energy sources, such as solar, wind farm, hydroelectric, geothermal and fuel cell.

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

Regulated Utility Obligations are obligations issued by government-regulated providers of essential services and commodities, including electric, water and gas utilities. The majority of the Company's international regulated utility business is conducted in the United Kingdom.

Pooled Infrastructure Obligations are synthetic asset-backed obligations that take the form of CDS obligations or credit-linked notes that reference either infrastructure finance obligations or a pool of such obligations, with a defined deductible to cover credit risks associated with the referenced obligations.

Sovereign and Sub-Sovereign Obligations primarily include obligations of local, municipal, regional or national governmental authorities or agencies outside of the United States.

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

Structured Finance:

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

Residential Mortgage-Backed Securities (RMBS) are obligations backed by closed-end and open-end first and second lien mortgage loans on one-to-four family residential properties, including condominiums and cooperative apartments. First lien mortgage loan products in these transactions include fixed rate, adjustable rate (ARM) and option adjustable-rate (Option ARM) mortgages. The credit quality of borrowers covers a broad range, including ‘‘prime’’, ‘‘subprime’’ and ‘‘Alt-A’’. A prime borrower is generally defined as one with strong risk characteristics as measured by factors such as payment history, credit score, and debt-to-income ratio. A subprime borrower is a borrower with higher risk characteristics, usually as determined by credit score and/or credit history. An Alt-A borrower is generally defined as a prime quality borrower that lacks certain ancillary characteristics, such as fully documented income.

Additional insured obligations within RMBS include Home Equity Lines of Credit (HELOCs), which refers to a type of residential mortgage-backed transaction backed by second-lien loan collateral consisting of home equity lines of credit. U.S. Prime First Lien is a type of residential mortgage-backed securities transaction backed primarily by prime first-lien loan collateral plus an insignificant amount of other miscellaneous RMBS transactions.

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

Life Insurance Transactions are obligations secured by the future earnings from pools of various types of insurance/reinsurance policies and income produced by invested assets.

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

Non-GAAP Financial Measures

The Company discloses both (a) financial measures determined in accordance with GAAP and (b) financial measures not determined in accordance with GAAP (non-GAAP financial measures).

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures (continued)

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

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

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

Adjusted operating shareholder's equity is defined as shareholder's equity attributable to AGL, as reported under GAAP, adjusted for the following:

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

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

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures (continued)

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

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

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

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

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

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

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