ASSURED GUARANTY®

Financial Supplement

Assured Guaranty Municipal Corp.

June 30, 2023

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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the United States (U.S.) Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Reports on Form 10-Q for the quarterly period ended March 31, 2023 and June 30, 2023. This financial supplement should also be read in conjunction with the Company's most recent annual financial statements as of and for the year ended December 31, 2022 posted on agltd.com/investor-information. For the purposes of this financial supplement, all references to the "Company," or "Consolidated AGM," shall mean Assured Guaranty Municipal Corp. (AGM) and its consolidated entities (consisting primarily of Assured Guaranty UK Limited. (AGUK), Assured Guaranty (Europe) SA, AG Asset Strategies LLC (AGAS) certain variable interest entities). AGM owns 65% of AGAS.

Cautionary Statement Regarding Forward Looking Statements

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include (1) significant changes in inflation, interest rates, the world’s credit markets or segments thereof, credit spreads, foreign exchange rates or general economic conditions, including the possibility of a recession; (2) geopolitical risk, including United States (U.S.)-China strategic competition and technology decoupling, Russia’s invasion of Ukraine and the resulting economic sanctions, fragmentation of global supply chains, volatility in energy prices, potential for increased cyberattacks, and risk of intentional or accidental escalation between The North Atlantic Treaty Organization (NATO) and Russia; (3) the possibility of a U.S. government shutdown, payment defaults on the debt of the U.S. government or instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, and downgrades to their credit ratings; (4) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (5) developments in the world’s financial and capital markets, including stresses in the financial condition of banking institutions in the U.S., that adversely affect repayment rates related to commercial real estate, municipalities and other insured obligors, Assured Guaranty’s insurance loss or recovery experience, or investments of Assured Guaranty; (6) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty’s insurance; (7) the risk that the Company’s investments in funds managed by Sound Point Capital Management, LP (Sound Point) do not result in the benefits anticipated or subject Assured Guaranty to negative consequences; (8) 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; (9) insured losses, including losses with respect to related legal proceedings, in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including as a result of the final resolution of Assured Guaranty’s remaining Puerto Rico exposures or the amounts recovered on securities received in connection with the resolution of Puerto Rico exposures already resolved; (10) the impact of the Company satisfying its obligations under insurance policies with respect to legacy insured Puerto Rico bonds; (11) increased competition, including from new entrants into the financial guaranty industry, nonpayment insurance and other forms of capital saving or risk syndication available to banks and insurers; (12) 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; (13) the impacts of the completion of Assured Guaranty’s transactions with Sound Point and/or Assured Healthcare Partners LLC (AHP) on Assured Guaranty and its relationships with its shareholders, regulators, rating agencies, employees and the obligors it insures and on the AssuredIM Contributed Business and on the business of AHP and their relationships with their respective clients and employees; (14) the possibility that strategic transactions made by Assured Guaranty, including the consummation of the transactions with Sound Point and/or AHP, do not result in the benefits anticipated or subject Assured Guaranty to negative consequences; (15) the inability to control the business, management or policies of entities in which the Company holds a minority interest; (16) 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 financial guaranty contracts written in credit default swap (CDS) form, and certain consolidated variable interest entities (VIEs); (17) 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; (18) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (19) changes in applicable accounting policies or practices; (20) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (21) difficulties with the execution of Assured Guaranty’s business strategy; (22) loss of key personnel; (23) the effects of mergers, acquisitions and divestitures; (24) natural or man-made catastrophes or pandemics; (25) the impact of climate change on Assured Guaranty’s business and regulatory actions taken related to such risk; (26) other risk factors identified in AGL’s filings with the U.S. SEC; (27) other risks and uncertainties that have not been identified at this time; and (28) 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 Municipal Corp.

Selected Financial Highlights (1 of 2)

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
GAAP [1] Highlights				
Net income (loss) attributable to AGM	**$ 56**	**$ (42)**	**$ 129**	**$ (25)**
Gross written premiums (GWP)	**40**	**71**	**98**	**143**
Effective tax rate on net income	**8.3 %**	**9.6 %**	**14.6 %**	**7.7 %**
GAAP return on equity (ROE) [2]	**5.7 %**	**(4.1)%**	**6.6 %**	**(1.2)%**
Non-GAAP Highlights [3]				
Adjusted operating income (loss) [3]	$ 40	$ 12	$ 104	$ 51
Present value of new business production (PVP) [3]	38	85	90	153
Gross par written	6,196	6,835	9,554	11,340
Effective tax rate on adjusted operating income [4]	1.7 %	79.4 %	13.5 %	14.9 %
Adjusted operating ROE [2][3]	3.9 %	1.1 %	5.0 %	2.4 %
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 6**	**$ 4**	**$ 7**	**$ 23**
Net income effect	**5**	**2**	**6**	**18**
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [5], pre-tax	6	4	7	23
Adjusted operating income [5] effect	5	2	6	18

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

Assured Guaranty Municipal Corp.

Selected Financial Highlights (2 of 2)

(dollars in millions)

	As of	
	June 30, 2023	December 31, 2022
Shareholder’s equity attributable to AGM	**$ 3,950**	**$ 3,815**
Adjusted operating shareholder's equity [1]	4,193	4,097
Adjusted book value [1]	5,983	5,960
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:		
Adjusted operating shareholders’ equity	(6)	(2)
Adjusted book value	(13)	(10)
Exposure		
Financial guaranty net debt service outstanding	$ 256,597	$ 251,434
Financial guaranty net par outstanding:		
Investment grade	$ 156,548	$ 152,944
Below-investment-grade (BIG)	3,678	3,864
Total	$ 160,226	$ 156,808
Claims-paying resources [2]	**$ 6,411**	**$ 6,439**

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 Municipal Corp.

Condensed Consolidated Statements of Operations (unaudited)

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenues				
Net earned premiums	$ 51	$ 50	$ 103	$ 118
Net investment income	51	36	97	71
Net realized investment gains (losses)	1	(16)	4	(18)
Fair value gains (losses) on committed capital securities (CCS)	—	5	(7)	6
Fair value gains (losses) on FG VIEs	1	—	(1)	7
Foreign exchange gains (losses) on remeasurement	21	(62)	37	(87)
Fair value gains (losses) on trading securities	15	(6)	14	(12)
Gain (loss) on ceded funds held with affiliates	(6)	15	(9)	16
Other income (loss)	2	2	5	—
Total revenues	**136**	**24**	**243**	**101**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	40	15	31	31
Employee compensation and benefit expenses	22	23	47	47
Other expenses	17	12	36	25
Total expenses	**79**	**50**	**114**	**103**
Income (loss) before income taxes and equity in earnings (losses) of investees	**57**	**(26)**	**129**	**(2)**
Equity in earnings (losses) of investees	5	(33)	35	(34)
Income (loss) before income taxes	**62**	**(59)**	**164**	**(36)**
Less: Provision (benefit) for income taxes	5	(6)	24	(3)
Net income (loss)	**57**	**(53)**	**140**	**(33)**
Less: Noncontrolling interests	1	(11)	11	(8)
Net income (loss) attributable to Assured Guaranty Municipal Corp.	**$ 56**	**$ (42)**	**$ 129**	**$ (25)**

Assured Guaranty Municipal Corp.

Condensed Consolidated Balance Sheets (unaudited)

(dollars in millions)

	As of	
	June 30, 2023	December 31, 2022
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 3,341	$ 3,839
Fixed-maturity securities, trading, at fair value	141	127
Short-term investments, at fair value	1,193	456
Surplus note of affiliate, held-to-maturity, at amortized cost	300	300
Equity method investments	473	686
Other invested assets	3	4
Total investments	5,451	5,412
Cash	16	17
Loans receivable from affiliate	163	163
Premiums receivable	1,065	1,013
Ceded unearned premium reserve	714	668
Reinsurance recoverable on unpaid losses	78	68
Salvage and subrogation recoverable	227	211
FG VIEs' assets	308	314
Other assets	284	360
Total assets	**$ 8,306**	**$ 8,226**
Liabilities		
Unearned premium reserve	$ 3,006	$ 3,027
Loss and LAE reserve	236	189
Reinsurance balances payable, net	252	312
FG VIEs' liabilities	380	395
Other liabilities	260	277
Total liabilities	**4,134**	**4,200**
Shareholder's equity		
Preferred stock	—	—
Common stock	15	15
Additional paid-in capital	694	694
Retained earnings	3,541	3,452
Accumulated other comprehensive income (loss)	(300)	(346)
Total shareholder's equity attributable to Assured Guaranty Municipal Corp.	**3,950**	**3,815**
Noncontrolling interests	222	211
Total shareholder's equity	**4,172**	**4,026**
Total liabilities and shareholder's equity	**$ 8,306**	**$ 8,226**

Assured Guaranty Municipal Corp.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

(dollars in millions)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation for the Three Months Ended June 30, 2023 and June 30, 2022

	Three Months Ended June 30, 2023		Three Months Ended June 30, 2022	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ —	$ —	$ (1)
Net investment income	—	(1)	—	(1)
Net realized investment gains (losses)	1	—	(16)	—
Fair value gains (losses) on CCS	—	—	5	—
Fair value gains (losses) on FG VIEs	—	1	—	—
Foreign exchange gains (losses) on remeasurement	20	—	(60)	—
Gain (loss) on ceded funds held with affiliates	(1)	—	12	—
Other income (loss)	—	—	(1)	—
Total revenue adjustments	20	—	(60)	(2)
Adjustments to expenses:				
Loss expense	—	2	—	6
Total expense adjustments	—	2	—	6
Pre-tax adjustments	20	(2)	(60)	(8)
Less: Tax effect of adjustments	4	—	(6)	(2)
Less: Noncontrolling interests	—	—	—	—
After-tax adjustments	$ 16	$ (2)	$ (54)	$ (6)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation for the Six Months Ended June 30, 2023 and June 30, 2022

	Six Months Ended June 30, 2023		Six Months Ended June 30, 2022	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (1)	$ —	$ (2)
Net investment income	—	(2)	—	(1)
Net realized investment gains (losses)	4	—	(18)	—
Fair value gains (losses) on CCS	(7)	—	6	—
Fair value gains (losses) on FG VIEs	—	(1)	—	7
Foreign exchange gains (losses) on remeasurement	36	—	(84)	—
Change in ceded funds held	—	—	—	—
Gain (loss) on ceded funds held with affiliates	(2)	—	12	—
Other income (loss)	—	—	(2)	—
Total revenue adjustments	31	(4)	(86)	4
Adjustments to expenses:				
Loss expense	—	2	—	8
Total expense adjustments	—	2	—	8
Pre-tax adjustments	31	(6)	(86)	(4)
Less: Tax effect of adjustments	6	(1)	(10)	(1)
Less: Noncontrolling interests	—	—	—	—
After-tax adjustments	$ 25	$ (5)	$ (76)	$ (3)

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

Assured Guaranty Municipal Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (1 of 2)

(dollars in millions)

Adjusted Operating Income Reconciliation	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2023	**2022**	**2023**	**2022**
Net income (loss) attributable to AGM	**$ 56**	**$ (42)**	**$ 129**	**$ (25)**
Less pre-tax adjustments:				
Realized gains (losses) on investments [1]	—	(4)	2	(6)
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives [2]	—	(1)	—	(2)
Fair value gains (losses) on CCS	—	5	(7)	6
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	20	(60)	36	(84)
Total pre-tax adjustments	20	(60)	31	(86)
Less tax effect on pre-tax adjustments	(4)	6	(6)	10
Adjusted operating income (loss)	$ 40	$ 12	$ 104	$ 51

1) This is net of reinsurer's share of realized gains (losses).
2) Included in other income (loss) in the condensed consolidated statements of operations.

ROE Reconciliation and Calculation	**As of June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2021**
Shareholder's equity attributable to AGM	**$ 3,950**	**$ 3,903**	**$ 3,815**	**$ 3,946**	**$ 4,154**	**$ 4,428**
Adjusted operating shareholder's equity	4,193	4,136	4,097	4,168	4,211	4,309
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholder's equity	**(6)**	**(6)**	**(2)**	**7**	**11**	**7**

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2023	**2022**	**2023**	**2022**
Net income (loss) attributable to AGM	**$ 56**	**$ (42)**	**$ 129**	**$ (25)**
Adjusted operating income (loss)	40	12	104	51
Average shareholder's equity attributable to AGM	**$ 3,927**	**$ 4,050**	**$ 3,883**	**$ 4,187**
Average adjusted operating shareholder's equity	4,165	4,190	4,145	4,239
Gain (loss) related to FG VIE consolidation included in average adjusted operating shareholder's equity	(6)	9	(4)	7
GAAP ROE [1]	**5.7 %**	**(4.1)%**	**6.6 %**	**(1.2)%**
Adjusted operating ROE [1]	3.9 %	1.1 %	5.0 %	2.4 %

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 Municipal Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (2 of 2)

(dollars in millions)

	As of					
	June 30, 2023	March 31, 2023	December 31, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Reconciliation of shareholder's equity attributable to AGM to adjusted book value:						
Shareholder's equity attributable to AGM	**$ 3,950**	**$ 3,903**	**$ 3,815**	**$ 3,946**	**$ 4,154**	**$ 4,428**
Less pre-tax reconciling items:						
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	(1)	(1)	(1)	(1)	(1)	1
Fair value gains (losses) on CCS	16	16	22	16	11	10
Unrealized gain (loss) on investment portfolio	(298)	(284)	(346)	(271)	(76)	139
Less taxes	40	36	43	34	9	(31)
Adjusted operating shareholder's equity	4,193	4,136	4,097	4,168	4,211	4,309
Pre-tax reconciling items:						
Less: Deferred acquisition costs	(61)	(62)	(57)	(49)	(54)	(58)
Plus: Net present value of estimated net future revenue	2	2	3	3	3	3
Plus: Net deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed	2,217	2,256	2,295	2,284	2,254	2,252
Plus taxes	(490)	(484)	(492)	(487)	(481)	(483)
Adjusted book value	$ 5,983	$ 5,972	$ 5,960	$ 6,017	$ 6,041	$ 6,139
Gain (loss) related to FG VIE consolidation included in:						
Adjusted operating shareholder's equity (net of tax (provision) benefit of $1, $2, $1, $(1) $(3), $(2))	**$ (6)**	**$ (6)**	**$ (2)**	**$ 7**	**$ 11**	**$ 7**
Adjusted book value (net of tax (provision) benefit of $3, $4, $3, $1, $0, $0)	**$ (13)**	**$ (13)**	**$ (10)**	**$ (1)**	**$ 2**	**$ —**

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

Assured Guaranty Municipal Corp.

Claims-Paying Resources

(dollars in millions)

	As of	
	June 30, 2023	**December 31, 2022**
Claims-paying resources		
Policyholders' surplus	$ 2,702	$ 2,747
Contingency reserve	894	855
Qualified statutory capital	**3,596**	**3,602**
Unearned premium reserve and net deferred ceding commission income (1)	2,089	2,134
Loss and LAE reserves (1) (5)	13	—
Total policyholders' surplus and reserves	**5,698**	**5,736**
Present value of installment premium (1)	513	503
CCS	200	200
Total claims-paying resources	**$ 6,411**	**$ 6,439**
Statutory net par outstanding (2)	$ 158,390	$ 154,628
Net debt service outstanding (2)	254,657	249,089
Ratios:		
Statutory net par outstanding to qualified statutory capital	44:1	43:1
Capital ratio (3)	71:1	69:1
Financial resources ratio (4)	40:1	39:1
Statutory net par outstanding to claims-paying resources	25:1	24:1

1) The numbers shown for AGM have been adjusted to include 100% share of its United Kingdom (U.K.) and French insurance subsidiaries.
2) Net par outstanding and net debt service outstanding are presented on a statutory basis.
3) The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
4) The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.
5) Loss and LAE reserves exclude adjustments to claims-paying resources for AGM because it was in a net recoverable position of $26 million as of December 31, 2022.

Assured Guaranty Municipal Corp.

New Business Production

(dollars in millions)

Reconciliation of GWP to PVP for the Three Months Ended June 30, 2023 and June 30, 2022

	Three Months Ended June 30, 2023					Three Months Ended June 30, 2022				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
Total GWP	$ 31	$ 8	$ —	$ 1	$ 40	$ 66	$ 5	$ —	$ —	$ 71
Less: Installment GWP and other GAAP adjustments (1)	1	7	—	1	9	9	5	—	—	14
Upfront GWP	30	1	—	—	31	57	—	—	—	57
Plus: Installment premiums and other	1	5	—	1	7	9	19	—	—	28
Total PVP	$ 31	$ 6	$ —	$ 1	$ 38	$ 66	$ 19	$ —	$ —	$ 85
Gross par written	**$ 5,743**	**$ 249**	**$ 27**	**$ 177**	**$ 6,196**	**$ 6,569**	**$ 207**	**$ 16**	**$ 43**	**$ 6,835**

Reconciliation of GWP to PVP for the Six Months Ended June 30, 2023 and June 30, 2022

	Six Months Ended June 30, 2023					Six Months Ended June 30, 2022				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
Total GWP	$ 53	$ 43	$ 1	$ 1	$ 98	$ 115	$ 28	$ —	$ —	$ 143
Less: Installment GWP and other GAAP adjustments (1)	8	40	1	1	50	9	28	—	—	37
Upfront GWP	45	3	—	—	48	106	—	—	—	106
Plus: Installment premiums and other	8	33	—	1	42	9	38	—	—	47
Total PVP	$ 53	$ 36	$ —	$ 1	$ 90	$ 115	$ 38	$ —	$ —	$ 153
Gross par written	**$ 8,649**	**$ 609**	**$ 48**	**$ 248**	**$ 9,554**	**$ 10,500**	**$ 781**	**$ 16**	**$ 43**	**$ 11,340**

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

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

Assured Guaranty Municipal Corp.

Gross Par Written (1 of 2)

(dollars in millions)

Gross Par Written by Asset Type

	Three Months Ended June 30,			
	2023		2022	
	Gross Par Written	Average Internal Rating	Gross Par Written	Average Internal Rating
Sector:				
U.S. public finance:				
General obligation	$ 3,209	A	$ 1,938	A
Municipal utilities	1,950	A-	1,574	A+
Tax backed	319	BBB+	842	A
Transportation	189	BBB	826	BBB+
Healthcare	75	A-	1,005	A-
Infrastructure finance	1	BBB-	194	A
Higher Education	—	—	190	A-
Total U.S. public finance	5,743	A	6,569	A
Non-U.S. public finance:				
Regulated utilities	249	A-	—	—
Infrastructure finance	—	—	207	BBB-
Total non-U.S. public finance	249	A-	207	BBB-
Total public finance	**$ 5,992**	**A-**	**$ 6,776**	**A**
U.S. structured finance:				
Other structured finance	27	A	16	A
Total U.S. structured finance	27	A	16	A
Non-U.S. structured finance:				
Other structured finance	177	A	43	A
Total non-U.S. structured finance	177	A	43	A
Total structured finance	**204**	A	**59**	A
Total gross par written	**$ 6,196**	**A**	**$ 6,835**	**A**

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

Assured Guaranty Municipal Corp.

Gross Par Written (2 of 2)

(dollars in millions)

Gross Par Written by Asset Type

	Six Months Ended June 30,			
	2023		2022	
	Gross Par Written	Average Internal Rating	Gross Par Written	Average Internal Rating
Sector:				
U.S. public finance:				
General obligation	$ 4,619	A	$ 3,383	A
Municipal utilities	2,715	A-	1,866	A
Healthcare	463	A	1,361	BBB+
Tax backed	421	BBB+	1,216	A
Transportation	225	BBB	2,232	A-
Higher education	205	A-	243	A-
Infrastructure finance	1	BBB-	199	A
Total U.S. public finance	8,649	A	10,500	A-
Non-U.S. public finance:				
Regulated utilities	356	BBB+	223	BBB
Sovereign and sub-sovereign	253	A+	—	—
Infrastructure finance	—	—	558	BBB
Total non-U.S. public finance	609	A-	781	BBB
Total public finance	**$ 9,258**	**A**	**$ 11,281**	**A-**
U.S. structured finance:				
Other structured finance	48	A	16	A
Total U.S. structured finance	48	A	16	A
Non-U.S. structured finance:				
Other structured finance	248	A	43	A
Total non-U.S. structured finance	248	A	43	A
Total structured finance	**296**	A	**59**	A
Total gross par written	**$ 9,554**	**A**	**$ 11,340**	**A-**

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

Assured Guaranty Municipal Corp.

Investments and Cash (1 of 2)

As of June 30, 2023

(dollars in millions)

	Carrying Value as of June 30, 2023		
	AGM Consolidated (Excluding AGAS)	AGAS	AGM Consolidated
Fixed-maturity securities, available for sale:			
Obligations of state and political subdivisions [1][2]	$ 1,448	$ —	$ 1,448
U.S. government securities	32	—	32
Corporate securities	1,102	—	1,102
Mortgage-backed securities:			
Residential mortgage-backed securities (RMBS) [2]	186	—	186
Commercial mortgage-backed securities (CMBS)	82	—	82
Asset-backed securities (ABS): [2]			
Collateralized loan obligations	353	—	353
Other ABS [2]	40	—	40
Non-U.S. government securities	98	—	98
Total fixed-maturity securities, available for sale	3,341	—	3,341
Fixed-maturity securities, trading [3]	141	—	141
Short-term investments	907	286	1,193
Surplus note of affiliate	300	—	300
Equity method investments	123	350	473
Other invested assets	3	—	3
Cash	16	—	16
Total	**$ 4,831**	**$ 636**	**$ 5,467**

	Carrying Value as of December 31, 2022		
	AGM Consolidated (Excluding AGAS)	AGAS	AGM Consolidated
Fixed-maturity securities, available for sale:			
Obligations of state and political subdivisions [1][2]	$ 1,831	$ —	$ 1,831
U.S. government securities	62	—	62
Corporate securities	1,166	—	1,166
Mortgage-backed securities:			
RMBS [2]	188	—	188
CMBS	111	—	111
ABS: [2]			
Collateralized loan obligations	341	—	341
Other ABS [2]	42	—	42
Non-U.S. government securities	98	—	98
Total fixed-maturity securities, available for sale	3,839	—	3,839
Fixed-maturity securities, trading [3]	127	—	127
Short-term investments	418	38	456
Surplus note of affiliate	300	—	300
Equity method investments	117	569	686
Other invested assets	4	—	4
Cash	17	—	17
Total	**$ 4,822**	**$ 607**	**$ 5,429**

1) Reflects obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds average AA as of June 30, 2023, and AA as of December 31, 2022, 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).
2) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
3) Represents contingent value instruments (CVIs) received in connection with 2022 Puerto Rico Resolutions (see page 22). These securities are not rated.

Assured Guaranty Municipal Corp.

Investments and Cash (2 of 2)

As of June 30, 2023

(dollars in millions)

Fixed-Maturity, Short-Term Investments and Cash	**Amortized Cost**	**Allowance for Credit Losses**	**Pre-Tax Book Yield**	**After-Tax Book Yield**	**Fair Value**	**Annualized Investment Income [1]**
Fixed-maturity securities, available-for-sale:						
Obligations of state and political subdivisions [2][3]	$ 1,491	$ —	3.41 %	3.15 %	$ 1,448	$ 51
U.S. government securities	37	—	1.98	1.56	32	1
Corporate securities	1,265	(3)	2.31	2.02	1,102	29
Mortgage-backed securities:						
RMBS [3]	262	(18)	5.77	4.57	186	15
CMBS	87	—	3.26	2.58	82	3
ABS:						
Collateralized loan obligations	365	—	7.25	5.73	353	27
Other ABS [3]	47	(3)	2.95	2.75	40	1
Non-U.S. government securities	118	—	1.07	1.06	98	1
Fixed-maturity securities, available-for-sale	3,672	(24)	3.48	3.01	3,341	128
Short-term investments	1,193	—	4.69	3.73	1,193	56
Cash [4]	16	—	—	—	16	—
Total	**$ 4,881**	**$ (24)**	**3.78 %**	**3.19 %**	**$ 4,550**	**$ 184**
Fixed-maturity securities, trading [6]					**$ 141**	

Ratings [5]:	**Fair Value**	**% of Portfolio**
U.S. government securities	$ 32	1.0 %
AAA/Aaa	557	16.7
AA/Aa	1,191	35.6
A/A	991	29.7
BBB	364	10.9
BIG	162	4.8
Not rated [7]	44	1.3
Total fixed-maturity securities, available-for-sale	$ 3,341	100.0 %

Duration of available-for-sale fixed-maturity securities and short-term investments (in years):	**2.7**
Average ratings of available-for-sale fixed-maturity securities and short-term investments	**AA-**

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 AA, after giving effect to the lower of the rating assigned by S&P or Moody's.
3) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
4) Cash is not included in the yield calculation.
5) Ratings are represented by the lower of the Moody's or S&P classifications except for purchased securities that it has insured, and for which it had expected losses to be paid (loss mitigation securities) and certain other securities, which use internal ratings classifications. Loss mitigation and other securities total $387 million in par with carrying value of $183 million and are primarily included in the BIG category.
6) Represents contingent value instruments received in connection with 2022 Puerto Rico Resolutions (see page 22). These securities are not rated.
7) Includes $29 million of new general obligation bonds and new bonds backed by toll revenue received in connection with 2022 Puerto Rico Resolutions (see page 22).

Assured Guaranty Municipal Corp.

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

(dollars in millions)

			Financial Guaranty Insurance [2]			
	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Expected PV Net Earned Premiums (i.e. Net Deferred Premium Revenue)	Accretion of Discount	Effect of FG VIE Consolidation on Expected PV Net Earned Premiums and Accretion of Discount	Future Credit Derivative Revenues [3]
2023 (as of June 30)		$ 256,597				
2023 3Q	$ 4,338	252,259	$ 43	$ 3	$ 1	$ —
2023 4Q	3,094	249,165	43	3	1	—
2024	13,131	236,034	166	12	3	1
2025	13,438	222,596	155	12	2	—
2026	13,493	209,103	145	11	2	—
2027	11,954	197,149	137	11	2	—
2023-2027	59,448	197,149	689	52	11	1
2028-2032	58,559	138,590	574	44	11	1
2033-2037	46,070	92,520	410	31	10	—
2038-2042	33,965	58,555	262	21	—	—
After 2042	58,555	—	374	35	—	—
Total	**$ 256,597**		**$ 2,309**	**$ 183**	**$ 32**	**$ 2**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of June 30, 2023. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations, terminations and because of management's assumptions on structured finance amortization.
2) See also page 17, for ''Net Expected Loss to be Expensed.''
3) Represents expected future premiums on insured credit derivatives.

Assured Guaranty Municipal Corp.

Roll Forward of Net Expected Loss and LAE to be Paid

(dollars in millions)

Roll Forward of Net Expected Loss and LAE to be Paid [1] for the Three Months Ended June 30, 2023

	Net Expected Loss to be Paid (Recovered) as of March 31, 2023	Economic Loss Development (Benefit) During 2Q-23	Net (Paid) Recovered Losses During 2Q-23	Net Expected Loss to be Paid (Recovered) as of June 30, 2023
Public Finance:				
U.S. public finance	$ 73	$ 52	$ (4)	$ 121
Non-U.S. public finance	12	(3)	—	9
Public Finance	85	49	(4)	130
Structured Finance:				
U.S. RMBS	5	(5)	8	8
Other structured finance	4	1	(1)	4
Structured Finance	9	(4)	7	12
Total	**$ 94**	**$ 45**	**$ 3**	**$ 142**

Roll Forward of Net Expected Loss and LAE to be Paid [1] for the Six Months Ended June 30, 2023

	Net Expected Loss to be Paid (Recovered) as of December 31, 2022	Economic Loss Development (Benefit) During 2023	Net (Paid) Recovered Losses During 2023	Net Expected Loss to be Paid (Recovered) as of June 30, 2023
Public Finance:				
U.S. public finance	$ 87	$ 51	$ (17)	$ 121
Non-U.S. public finance	7	2	—	9
Public Finance	94	53	(17)	130
Structured Finance:				
U.S. RMBS	7	(15)	16	8
Other structured finance	5	—	(1)	4
Structured Finance	12	(15)	15	12
Total	**$ 106**	**$ 38**	**$ (2)**	**$ 142**

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

Assured Guaranty Municipal Corp.

Loss Measures
As of June 30, 2023
(dollars in millions)

	Total Net Par Outstanding for BIG Transactions	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
		GAAP Loss and LAE (1)	Loss and LAE included in Adjusted Operating Income (2)	Effect of FG VIE Consolidation (3)	GAAP Loss and LAE (1)	Loss and LAE included in Adjusted Operating Income (2)	Effect of FG VIE Consolidation (3)
Public finance:							
U.S. public finance	$ 2,148	**$ 40**	$ 40	$ —	**$ 40**	$ 40	$ 1
Non-U.S. public finance	928	**—**	—	—	**—**	—	—
Public finance	3,076	**40**	40	—	**40**	40	1
Structured finance:							
U.S. RMBS	587	**—**	—	2	**(9)**	(9)	1
Other structured finance	15	**—**	—	—	**—**	—	—
Structured finance	602	**—**	—	2	**(9)**	(9)	1
Total	**$ 3,678**	**$ 40**	$ 40	$ 2	**$ 31**	$ 31	$ 2

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 Municipal Corp.

Net Expected Loss to be Expensed [(1)]

As of June 30, 2023

(dollars in millions)

	GAAP
2023 3Q	**$ 2**
2023 4Q	**2**
2024	**6**
2025	**6**
2026	**7**
2027	**6**
2023-2027	**29**
2028-2032	**21**
2033-2037	**21**
2038-2042	**10**
After 2042	**11**
Total expected present value of net expected loss to be expensed [(2)]	**92**
Future accretion	**(26)**
Total expected future loss and LAE	**$ 66**

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 3.73% to 5.37% for U.S. dollar denominated obligations.
2) Excludes $23 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Municipal Corp.

Financial Guaranty Profile (1 of 3)

(dollars in millions)

Net Par Outstanding and Average Internal Rating by Asset Type

	As of June 30, 2023		As of December 31, 2022	
	Net Par Outstanding	**Average Internal Rating**	**Net Par Outstanding**	**Average Internal Rating**
U.S. public finance:				
General obligation	$ 51,553	A-	$ 49,895	A-
Tax backed	22,299	A-	23,017	A-
Municipal utilities	20,127	A-	19,165	A-
Transportation	13,286	BBB+	12,820	BBB+
Healthcare	9,173	BBB+	8,917	BBB+
Higher education	5,030	A-	4,955	A-
Infrastructure finance	3,218	BBB	3,250	BBB
Housing revenue	668	BBB	685	BBB-
Renewable energy	1	A	6	A
Other public finance	247	BBB+	248	BBB+
Total U.S. public finance	125,602	A-	122,958	A-
Non-U.S. public finance:				
Infrastructure finance	11,673	BBB	11,215	BBB
Regulated utilities	11,070	BBB+	10,723	BBB+
Sovereign and sub-sovereign	8,292	A+	8,257	A+
Renewable energy	1,626	A-	1,634	A-
Total non-U.S. public finance	32,661	BBB+	31,829	BBB+
Total public finance	**158,263**	**A-**	**154,787**	**A-**
U.S. structured finance:				
RMBS	1,204	BBB	1,267	BBB-
Financial products	450	AA-	453	AA-
Other structured finance	41	BB+	43	BB+
Total U.S. structured finance	1,695	BBB+	1,763	BBB+
Non-U.S. structured finance:				
RMBS	100	BBB	103	BBB
Other structured finance	168	AAA	155	AAA
Total non-U.S. structured finance	268	AA-	258	AA-
Total structured finance	**1,963**	**BBB+**	**2,021**	**BBB+**
Total net par outstanding	**$ 160,226**	**A-**	**$ 156,808**	**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 Municipal Corp.

Financial Guaranty Profile (2 of 3)

As of June 30, 2023

(dollars in millions)

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	
	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%
AAA	$ 158	0.1 %	$ 754	2.4 %	$ 293	17.3 %	$ 147	54.9 %	$ 1,352	0.8 %
AA	10,438	8.3	2,974	9.1	739	43.6	2	0.7	14,153	8.8
A	69,018	55.0	8,110	24.8	16	0.9	34	12.7	77,178	48.2
BBB	43,840	34.9	19,895	60.9	45	2.7	85	31.7	63,865	39.9
BIG	2,148	1.7	928	2.8	602	35.5	—	—	3,678	2.3
Net Par Outstanding (1)	**$ 125,602**	**100.0 %**	**$ 32,661**	**100.0 %**	**$ 1,695**	**100.0 %**	**$ 268**	**100.0 %**	**$ 160,226**	**100.0 %**

1) As of June 30, 2023, the Company excluded $519 million of net par primarily attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding (1)(2)	% of Total
Affiliated reinsurers	$ 56,042	99.7 %
Non-affiliated reinsurers	155	0.3 %
Total	**$ 56,197**	**100.0 %**

1) Of the total par ceded to BIG rated reinsurers, $16 million is rated BIG.
2) The total collateral posted by all affiliated and non-affiliated reinsurers required to post or which had agreed to post collateral is approximately $729 million.

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 Municipal Corp.

Financial Guaranty Profile (3 of 3)

As of June 30, 2023

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 23,857	14.9 %
Texas	13,595	8.5
Pennsylvania	11,870	7.4
New York	11,688	7.3
Illinois	9,207	5.7
New Jersey	6,222	3.9
Florida	5,754	3.6
Michigan	3,760	2.3
Louisiana	3,411	2.1
Alabama	2,797	1.7
Other	33,441	20.9
Total U.S. public finance	125,602	78.3
U.S. structured finance	1,695	1.1
Total U.S.	**127,297**	**79.4**
Non-U.S.:		
United Kingdom	25,093	15.7
Canada	1,503	0.9
Spain	1,247	0.8
France	1,246	0.8
Australia	1,057	0.7
Other	2,783	1.7
Total non-U.S.	**32,929**	**20.6**
Total net par outstanding	**$ 160,226**	**100.0 %**

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

Assured Guaranty Municipal Corp.

Expected Amortization of Net Par Outstanding

(dollars in millions)

	Public Finance		Structured Finance				
	Estimated Net Par Amortization	Estimated Ending Net Par Outstanding	U.S. RMBS	Financial Products	Other Structured Finance	Total	Estimated Ending Net Par Outstanding
2023 (as of June 30)		$ 158,263					$ 1,963
2023 3Q	$ 2,437	155,826	$ 63	$ (13)	$ 13	$ 63	1,900
2023 4Q	1,041	154,785	61	(3)	22	80	1,820
2024	6,205	148,580	220	10	52	282	1,538
2025	6,917	141,663	191	30	25	246	1,292
2026	7,334	134,329	143	37	30	210	1,082
2027	6,205	128,124	99	(9)	27	117	965
2023-2027	30,139	128,124	777	52	169	998	965
2028-2032	34,016	94,108	209	317	98	624	341
2033-2037	28,872	65,236	205	66	42	313	28
2038-2042	22,560	42,676	10	15	—	25	3
After 2042	42,676	—	3	—	—	3	—
Total	**$ 158,263**		**$ 1,204**	**$ 450**	**$ 309**	**$ 1,963**	

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

Assured Guaranty Municipal Corp.

Exposure to Puerto Rico (1 of 2)
As of June 30, 2023
(dollars in millions)

Exposure to Puerto Rico

	Par Outstanding		Debt Service Outstanding	
	Gross	Net	Gross	Net
Total	$ 939	$ 732	$ 1,175	$ 923

Exposure to Puerto Rico by Company [1]

	Net Par Outstanding	Gross Par Outstanding
Defaulted Puerto Rico Exposures		
Puerto Rico Electric Power Authority (PREPA)	446	592
Total Defaulted	**446**	**592**
Resolved Puerto Rico Exposures [2]		
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation revenue) [3]	7	10
PRHTA (Transportation revenue) (Second-to-pay policies on affiliate exposure) [3]	42	42
PRHTA (Transportation revenue) total	49	52
PRHTA (Highway revenue) [3]	140	164
Puerto Rico Public Buildings Authority (PBA) (Second-to-pay policies on affiliate exposure)	1	1
Total Resolved	**190**	**217**
Other Puerto Rico Exposures		
Puerto Rico Municipal Finance Agency (MFA) [4]	96	130
Total Other	**96**	**130**
Total exposure to Puerto Rico	**$ 732**	**$ 939**

1) The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations aggregating $732 million net par outstanding as of June 30, 2023. Of that amount, $689 million was rated BIG, while the remainder was rated AA because it relates to second-to-pay policies on obligations insured by AGC, an affiliate of the Company.
2) A substantial portion of the Company's Puerto Rico exposure was resolved in 2022 in accordance with two orders (including orders implementing the GO/PBA Plan and HTA Plan described below) entered by the United States District Court of the District of Puerto Rico (Federal District Court of Puerto Rico) related to the Company's exposure to all insured Puerto Rico credits experiencing payment default in 2022 except PREPA (2022 Puerto Rico Resolutions). Under the Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority (GO/PBA Plan), the Company received cash, new general obligation bonds (New GO Bonds) and CVIs. In connection with the Modified Fifth Amended Title III Plan of Adjustment for PRHTA (HTA Plan) and related arrangements, the Company received cash and new bonds backed by toll revenues (Toll Bonds) from the PRHTA and CVIs from the Commonwealth of Puerto Rico.
3) The Company's remaining PRHTA exposures consist of insured bondholders who elected to receive custody receipts that represent an interest in the legacy insurance policy plus cash and Toll Bonds that constitute distributions under the HTA Plan.
4) All debt service on these insured exposures have been paid to date without any insurance claim being made on the Company.

Assured Guaranty Municipal Corp.

Exposure to Puerto Rico (2 of 2)
As of June 30, 2023
(dollars in millions)

Amortization Schedule of Net Par Outstanding of Puerto Rico

	2023 (3Q)	2023 (4Q)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-2036	Total
Defaulted Puerto Rico Exposures													
PREPA	$ 69	$ —	$ 66	$ 53	$ 57	$ 59	$ 29	$ 30	$ 24	$ 59	$ —	$ —	$ 446
Total Defaulted	69	—	66	53	57	59	29	30	24	59	—	—	446
Resolved Puerto Rico Exposures													
PRHTA (Transportation revenue) (Primary policies)	7	—	—	—	—	—	—	—	—	—	—	—	7
PRHTA (Transportation revenue) (Second-to-pay policies) [1]	—	—	—	8	8	—	—	11	—	—	—	15	42
PRHTA (Transportation revenue) total	7	—	—	8	8	—	—	11	—	—	—	15	49
PRHTA (Highway revenue)	—	—	—	—	—	—	7	7	7	10	23	86	140
PBA (Second-to-pay policies) [1]	—	—	—	1	—	—	—	—	—	—	—	—	1
Total Resolved	**7**	**—**	**—**	**9**	**8**	**—**	**7**	**18**	**7**	**10**	**23**	**101**	**190**
Other Puerto Rico Exposures													
MFA	12	—	13	12	27	12	10	6	4	—	—	—	96
Total Other	**12**	**—**	**13**	**12**	**27**	**12**	**10**	**6**	**4**	**—**	**—**	**—**	**96**
Total	**$ 88**	**$ —**	**$ 79**	**$ 74**	**$ 92**	**$ 71**	**$ 46**	**$ 54**	**$ 35**	**$ 69**	**$ 23**	**$ 101**	**$ 732**

Amortization Schedule of Net Debt Service Outstanding of Puerto Rico

	2023 (3Q)	2023 (4Q)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-2036	Total
Defaulted Puerto Rico Exposures													
PREPA	$ 77	$ 2	$ 83	$ 67	$ 69	$ 68	$ 35	$ 35	$ 28	$ 62	$ —	$ —	$ 526
Total Defaulted	77	2	83	67	69	68	35	35	28	62	—	—	526
Resolved Puerto Rico Exposures													
PRHTA (Transportation revenue) (Primary policies)	7	—	—	—	—	—	—	—	—	—	—	—	7
PRHTA (Transportation revenue) (Second-to-pay policies) [1]	1	—	2	10	10	1	1	13	1	1	1	17	58
PRHTA (Transportation revenue) total	8	—	2	10	10	1	1	13	1	1	1	17	65
PRHTA (Highway revenue)	4	—	7	7	7	7	15	14	14	17	29	98	219
PBA (Second-to-pay policies) [1]	—	—	—	1	—	—	—	—	—	—	—	—	1
Total Resolved	**12**	**—**	**9**	**18**	**17**	**8**	**16**	**27**	**15**	**18**	**30**	**115**	**285**
Other Puerto Rico Exposures													
MFA	15	—	17	16	29	14	11	6	4	—	—	—	112
Total Other	**15**	**—**	**17**	**16**	**29**	**14**	**11**	**6**	**4**	**—**	**—**	**—**	**112**
Total	**$ 104**	**$ 2**	**$ 109**	**$ 101**	**$ 115**	**$ 90**	**$ 62**	**$ 68**	**$ 47**	**$ 80**	**$ 30**	**$ 115**	**$ 923**

1) Represents exposure in which AGM guarantees payment of principal and interest when due in the event that both the obligor and the AGM affiliate that issued a primary insurance policy fail to pay.

Assured Guaranty Municipal Corp.

U.S. RMBS Profile
As of June 30, 2023
(dollars in millions)

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	$ —	$ 32	$ —	$ 256	$ 1	$ 289
AA	—	11	6	134	138	289
A	—	—	—	—	6	6
BBB	—	—	—	33	—	33
BIG	13	138	10	347	79	587
Total exposures	**$ 13**	**$ 181**	**$ 16**	**$ 770**	**$ 224**	**$ 1,204**

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

Year insured:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
2004 and prior	$ —	$ 6	$ —	$ 262	$ 7	$ 275
2005	—	79	5	85	23	192
2006	13	23	—	—	85	121
2007	—	73	11	397	109	590
2008	—	—	—	26	—	26
Total exposures	**$ 13**	**$ 181**	**$ 16**	**$ 770**	**$ 224**	**$ 1,204**

1) Assured Guaranty Municipal 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 Municipal Corp.

Credit Derivative Net Par Outstanding Profile

As of June 30, 2023

(dollars in millions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	Net Par Outstanding	% of Total
AA	$ 27	17.3 %
A	50	32.1
BBB	79	50.6
Total credit derivative net par outstanding (1)	**$ 156**	**100.0 %**

1) Represents U.S. public finance.

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (1 of 3)

(dollars in millions)

BIG Exposures by Asset Exposure Type

	As of	
	June 30, 2023	December 31, 2022
U.S. public finance:		
Healthcare	$ 898	$ 897
Municipal utilities	635	636
Tax backed	247	468
General obligation	163	149
Transportation	80	81
Higher education	73	73
Other public finance	52	52
Total U.S. public finance	2,148	2,356
Non-U.S. public finance:		
Infrastructure finance	881	831
Sovereign and sub-sovereign	47	50
Total non-U.S. public finance	928	881
Total public finance	**3,076**	**3,237**
U.S. structured finance:		
RMBS	587	611
Other structured finance	15	16
Total U.S. structured finance	602	627
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**602**	**627**
Total BIG net par outstanding	**$ 3,678**	**$ 3,864**

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 Municipal Corp.

Below Investment Grade Exposures (2 of 3)

(dollars in millions)

Net Par Outstanding by BIG Category (1)

	As of	
	June 30, 2023	**December 31, 2022**
BIG Category 1		
U.S. public finance	$ 780	$ 1,673
Non-U.S. public finance	928	881
U.S. structured finance	2	2
Non-U.S. structured finance	—	—
Total BIG Category 1	1,710	2,556
BIG Category 2		
U.S. public finance	722	37
Non-U.S. public finance	—	—
U.S. structured finance	13	13
Non-U.S. structured finance	—	—
Total BIG Category 2	735	50
BIG Category 3		
U.S. public finance	646	646
Non-U.S. public finance	—	—
U.S. structured finance	587	612
Non-U.S. structured finance	—	—
Total BIG Category 3	1,233	1,258
BIG Total	**$ 3,678**	**$ 3,864**

1) The Company's surveillance department is responsible for monitoring the portfolio of credits and maintains a list of BIG credits. 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 Municipal Corp.

Below Investment Grade Exposures (3 of 3)

As of June 30, 2023

(dollars in millions)

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

Name or description	Net Par Outstanding	Internal Rating [1]	60+ Day Delinquencies
U.S. public finance:			
ProMedica Healthcare Obligated Group, Ohio	$ 682	BB-	
Puerto Rico Electric Power Authority	446	CCC	
OU Health (Medicine), Oklahoma	211	BB+	
Puerto Rico Highways & Transportation Authority	147	CCC	
Jackson Water & Sewer System, Mississippi	99	BB	
Puerto Rico Municipal Finance Agency	96	CCC	
New Jersey City University	63	BB	
Harrisburg Parking System, Pennsylvania	62	B	
Stockton City, California	52	B	
Total U.S. public finance	**1,858**		
Non-U.S. public finance:			
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	564	B+	
Road Management Services PLC (A13 Highway)	133	B+	
Dartford & Gravesham NHS Trust The Hospital Company (Dartford) Plc	119	BB+	
Total non-U.S. public finance	**816**		
Total public finance	**2,674**		
U.S. structured finance:			
RMBS:			
Option One 2007-FXD2	110	CCC	15.3%
Nomura Asset Accept. Corp. 2007-1	61	CCC	19.9%
New Century 2005-A	53	CCC	13.5%
Total RMBS - U.S. structured finance	**224**		
Subtotal U.S. structured finance	**224**		
Subtotal Non-U.S. structured finance	**—**		
Total	**$ 2,898**		

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

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

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (1 of 3)
As of June 30, 2023
(dollars in millions)

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

Credit Name:	Net Par Outstanding	Internal Rating [(1)]
Pennsylvania (Commonwealth of)	$ 1,695	BBB+
New Jersey (State of)	1,407	BBB
Foothill/Eastern Transportation Corridor Agency, California	1,079	BBB+
Metro Washington Airports Authority (Dulles Toll Road)	1,042	BBB+
Illinois (State of)	968	BBB
New York Metropolitan Transportation Authority	957	A-
CommonSpirit Health, Illinois	880	A-
Port Authority of New York and New Jersey	798	BBB
Great Lakes Water Authority (Sewerage), Michigan	698	A-
San Joaquin Hills Transportation, California	696	BBB
Montefiore Medical Center, New York	687	BBB-
ProMedica Healthcare Obligated Group, Ohio	682	BB-
Philadelphia School District, Pennsylvania	663	A-
Jefferson County Alabama Sewer	660	BBB
Tucson (City of), Arizona	635	A+
Municipal Electric Authority of Georgia	634	BBB+
Lower Colorado River Authority	623	A
Yankee Stadium LLC New York City Industrial Development Authority	608	BBB
Central Florida Expressway Authority, Florida	606	A+
Dade County Seaport, Florida	606	A
Massachusetts (Commonwealth of) Water Resources	600	AA
Alameda Corridor Transportation Authority, California	583	BBB+
Wisconsin (State of)	561	A
Anaheim (City of), California	561	A-
New York (City of), New York	551	AA-
Los Angeles Department of Airports (LAX Project), California	548	A-
South Carolina Public Service Authority - Santee Cooper	531	BBB
New York Power Authority	526	AA-
Chicago Water, Illinois	524	BBB+
Pennsylvania Turnpike Commission	519	A-
Mets Queens Ballpark	516	BBB
Pittsburgh Water & Sewer, Pennsylvania	503	A-
Oglethorpe Power Corporation, Georgia	500	BBB
Nassau County, New York	496	AA-
Metropolitan Pier and Exposition Authority, Illinois	496	BBB-
Chicago-O'Hare International Airport, Illinois	492	A-
California (State of)	482	AA-
Clark County School District, Nevada	453	A-
Puerto Rico Electric Power Authority	446	CCC
Kansas City, Missouri	442	A
Suffolk County, New York	438	BBB+
Philadelphia (City of), Pennsylvania	434	A-
North Carolina Turnpike Authority	420	BBB-
Hayward Unified School District, California	409	A
Chicago Public Schools, Illinois	402	BBB-
Chicago (City of) Wastewater Transmission, Illinois	400	BBB+
Sacramento County, California	384	A-
Duval County School Board, Florida	381	A
New York State Thruway Authority	380	A-
Garden State Preservation Trust, New Jersey Open Space & Farmland	377	BBB+
Total top 50 U.S. public finance exposures	**$ 30,979**	

1) Transactions rated below B- are categorized as CCC.
Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (2 of 3)

As of June 30, 2023

(dollars in millions)

25 Largest U.S. Structured Finance Exposures

Credit Name:		**Net Par Outstanding**	**Internal Rating [(1)]**
Option One 2007-FXD2	$	110	CCC
CWABS 2007-4		101	A+
Nomura Asset Accept. Corp. 2007-1		61	CCC
New Century 2005-A		53	CCC
ACE 2007-SL1		49	CCC
Countrywide 2007-13		48	AA
MABS 2007-NCW		42	B
Countrywide HELOC 2006-I		40	AA
Soundview 2007-WMC1		40	CCC
ACE 2007-D1		37	CCC
Countrywide Home Loans (CWABS) 2004-1		34	AAA
Renaissance (Delta) 2005-4		32	BBB-
Long Beach 2004-1		27	AAA
Soundview Home Loan Trust 2008-1		26	CCC
Asset Backed Funding Corp. 2005-AQ1		25	AAA
Wells Fargo Home Equity 2004-2		23	AAA
Terwin Mortgage Trust 2006-10SL		22	CCC
Countrywide HELOC 2007-A		22	AA
Countrywide HELOC 2006-F		22	AA
Terwin Mortgage Trust 2005-16HE		21	CCC
Long Beach 2004-4		21	AAA
Renaissance (Delta) 2004-2		20	AAA
Countrywide HELOC 2007-B		20	AA
Mid-State Trust X		20	AAA
Renaissance (Delta) 2004-3		19	AAA
Total top 25 U.S. structured finance exposures	**$**	**935**	

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

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

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (3 of 3)

As of June 30, 2023

(dollars in millions)

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

Credit Name:	Country	Net Par Outstanding	Internal Rating
Southern Water Services Limited	United Kingdom	$ 1,699	BBB
Quebec Province	Canada	1,289	AA-
Dwr Cymru Financing Limited	United Kingdom	1,205	A-
Anglian Water Services Financing PLC	United Kingdom	1,194	A-
Thames Water Utilities Finance Plc	United Kingdom	1,157	BBB
Channel Link Enterprises Finance PLC	France, United Kingdom	1,076	BBB
Southern Gas Networks PLC	United Kingdom	875	BBB
British Broadcasting Corporation (BBC)	United Kingdom	826	A+
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	739	AAA
Capital Hospitals (Issuer) PLC	United Kingdom	702	BBB-
Verdun Participations 2 S.A.S.	France	603	BBB-
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	United Kingdom	564	B+
Yorkshire Water Services Finance Plc	United Kingdom	536	BBB
Aspire Defence Finance plc	United Kingdom	502	BBB+
North Staffordshire PFI, 32-year EIB Index-Linked Facility	United Kingdom	490	BBB-
Derby Healthcare PLC	United Kingdom	447	BBB
Central Nottinghamshire Hospitals PLC	United Kingdom	441	BBB-
Sydney Airport Finance Company	Australia	437	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	412	A+
National Grid Gas PLC	United Kingdom	402	BBB+
Campania Region - Healthcare receivable	Italy	395	BBB-
The Hospital Company (QAH Portsmouth) Limited	United Kingdom	390	BBB
Envestra Limited	Australia	388	A-
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	386	BBB+
South East Water	United Kingdom	354	BBB
Wessex Water Services Finance plc	United Kingdom	343	BBB+
Heathrow Funding Limited	United Kingdom	336	BBB
Severn Trent Water Utilities Finance Plc	United Kingdom	314	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	275	A
University of Essex, United Kingdom	United Kingdom	274	BBB+
South Lanarkshire Schools	United Kingdom	274	BBB
Western Power Distribution (South West) PLC	United Kingdom	260	BBB+
National Grid Company PLC	United Kingdom	253	BBB+
Japan Expressway Holding and Debt Repayment Agency	Japan	246	A+
Hypersol Solar Inversiones, S.A.U.	Spain	246	BBB
Q Energy - Phase II - Pride Investments, S.A.	Spain	243	BBB
Private International Sub-Sovereign Transaction	United Kingdom	238	A
Private International Sub-Sovereign Transaction	United Kingdom	228	AA-
Q Energy - Phase III - FSL Issuer, S.A.U.	Spain	226	BBB
Feria Muestrario Internacional de Valencia	Spain	223	BBB-
University of York (Civitas Living LLP), UK	United Kingdom	221	BBB
Western Power Distribution (South Wales) PLC	United Kingdom	212	BBB+
Octagon Healthcare Funding PLC	United Kingdom	209	BBB
United Utilities Water PLC	United Kingdom	208	A-
Plenary Health North Bay Finco Inc.	Canada	205	BBB
Portsmouth Water, United Kingdom	United Kingdom	205	BBB
Bakethin Finance Plc	United Kingdom	198	A-
Keele Residential Funding PLC	United Kingdom	198	BBB+
University of Sussex - East Slope Residencies PLC	United Kingdom	198	BBB+
MPC Funding Limited	Australia	191	BBB+
Total top 50 non-U.S. exposures		**$ 23,533**	

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

Assured Guaranty Municipal Corp.

Summary of Statutory Financial and Statistical Data

(dollars in millions)

	As of and for the Three Months Ended June 30,	As of and for Year Ended December 31,			
	2023	**2022**	**2021**	**2020**	**2019**
Claims-Paying Resources (1)					
Policyholders' surplus	$ 2,702	$ 2,747	$ 3,053	$ 2,864	$ 2,691
Contingency reserve	894	855	877	940	986
Qualified statutory capital	**3,596**	**3,602**	**3,930**	**3,804**	**3,677**
Unearned premium reserve and net deferred ceding commission income	2,089	2,134	2,127	2,112	2,027
Loss and LAE reserves	13	—	12	64	196
Total policyholders' surplus and reserves	**5,698**	**5,736**	**6,069**	**5,980**	**5,900**
Present value of installment premium	513	503	460	445	409
CCS	200	200	200	200	200
Total claims-paying resources (including proportionate Municipal Assurance Corp. (MAC) ownership for AGM)	**6,411**	**6,439**	**6,729**	**6,625**	**6,509**
Adjustment for MAC	—	—	—	363	370
Total claims-paying resources (excluding proportionate MAC ownership for AGM)	**$ 6,411**	**$ 6,439**	**$ 6,729**	**$ 6,262**	**$ 6,139**
Ratios:					
Net par outstanding to qualified statutory capital	44:1	43:1	39:1	38:1	38:1
Capital ratio	71:1	69:1	62:1	61:1	62:1
Financial resources ratio	40:1	39:1	36:1	35:1	35:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGM)	25:1	24:1	23:1	22:1	22:1
Other Financial Information (Statutory Basis) (2)					
Net debt service outstanding (end of period)	$ 254,657	$ 249,089	$ 241,985	$ 231,966	$ 228,284
Gross debt service outstanding (end of period)	342,924	329,744	320,447	310,948	308,725
Net par outstanding (end of period)	158,390	154,628	152,812	144,501	140,579
Gross par outstanding (end of period)	213,894	205,479	204,014	195,657	192,018
Ceded to Assured Guaranty affiliates	55,349	50,696	50,859	50,768	50,665
Ceded par to other companies	155	154	343	388	774
Gross debt service written:					
Public finance	$ 16,445	$ 38,419	$ 35,945	$ 35,457	$ 45,642
Structured finance	300	375	361	—	—
Total gross debt service written	$ 16,745	$ 38,794	$ 36,306	$ 35,457	$ 45,642

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

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

Glossary

Net Par Outstanding and Internal Ratings

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

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

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

Performance Indicators

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

60+ Day Delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or real estate owned divided by current collateral balance.

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, 2022.

U.S. Public Finance:

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

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

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

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 or revenue relating to student accommodation.

Glossary (continued)

Sectors (continued)

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.

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.

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

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

Non-U.S. Public Finance:

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

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

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

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

Structured Finance:

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

Financial Products Business is the guaranteed investment contracts (GICs) portion of a line of business previously conducted by Assured Guaranty Municipal Holdings Inc. (AGMH) that Assured Guaranty did not acquire when it purchased AGMH in 2009 from Dexia SA and that is being run off. That line of business consisted of AGMH's GIC business, its medium term notes business and the equity payment agreements associated with AGMH's leveraged lease business. Although Dexia SA and certain of its affiliates (Dexia) assumed the liabilities related to such businesses when the Company purchased AGMH, AGM policies related to such businesses remained outstanding. Assured Guaranty is indemnified by Dexia SA and certain of its affiliates against loss from the former financial products business.

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

Non-GAAP Financial Measures

The Company discloses both: (i) financial measures determined in accordance with GAAP; and (ii) financial measures not determined in accordance with GAAP (non-GAAP financial measures). Financial measures identified as non-GAAP should not be considered substitutes for GAAP financial measures. The primary limitation of non-GAAP financial measures is the potential lack of comparability to financial measures of other companies, whose definitions of non-GAAP financial measures may differ from those of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures (continued)

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

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

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

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

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

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

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