

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2019  
OF THE CONDITION AND AFFAIRS OF THE

ASSURED GUARANTY CORP.

NAIC Group Code 0194 , 0194 NAIC Company Code 30180 Employer's ID Number 52-1533088  
(Current Period) (Prior Period)

Organized under the Laws of Maryland , State of Domicile or Port of Entry Maryland

Country of Domicile United States

Incorporated/Organized 10/25/1985 Commenced Business 01/28/1988

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

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

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

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

Internet Web Site Address www.assuredguaranty.com

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

jringler@agltd.com 212-581-3268  
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Dominic John Frederico</u>	<u>President &amp; Chief Executive Officer</u>	<u>Gon Ling Chow</u>	<u>General Counsel &amp; Secretary</u>
<u>Alfonso John Pisani #</u>	<u>Treasurer</u>		

OTHER OFFICERS

<u>Howard Wayne Albert</u>	<u>Chief Risk Officer</u>	<u>Robert Adam Bailenson</u>	<u>Chief Financial Officer</u>
<u>Laura Ann Bieling</u>	<u>Chief Accounting Officer and</u>	<u>Russell Brown Brewer II</u>	<u>Chief Surveillance Officer</u>
<u>Stephen Donnarumma</u>	<u>Controller</u>	<u>Andrew Todd Feldstein #</u>	<u>Chief Investment Officer</u>
	<u>Chief Credit Officer</u>		
<u>John Mahlon Ringler</u>	<u>Vice President Regulatory</u>	<u>Benjamin Gad Rosenblum</u>	<u>Chief Actuary</u>
<u>Bruce Elliot Stern</u>	<u>Reporting</u>		
	<u>Executive Officer</u>		

DIRECTORS OR TRUSTEES

<u>Howard Wayne Albert</u>	<u>Robert Adam Bailenson</u>	<u>Russell Brown Brewer II</u>	<u>David Allan Buzen</u>
<u>Gon Ling Chow</u>	<u>Stephen Donnarumma</u>	<u>Andrew Todd Feldstein #</u>	<u>Dominic John Frederico</u>
<u>Alfonso John Pisani #</u>	<u>Benjamin Gad Rosenblum</u>	<u>Bruce Elliot Stern</u>	

State of New York

County of New York ss

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

Dominic John Frederico Gon Ling Chow Alfonso John Pisani  
President & Chief Executive Officer General Counsel & Secretary Treasurer

Subscribed and sworn to before me this 12th day of November, 2019

Eileen M. Lanzisera

EILEEN M. LANZISERA  
Notary Public, State of New York  
No. 01LA4720044  
Qualified in Nassau County  
Commission Expires Jan. 31, 2023

a. Is this an original filing? Yes [X] No [ ]

b. If no:

1. State the amendment number \_\_\_\_\_

2. Date filed \_\_\_\_\_

3. Number of pages attached \_\_\_\_\_

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	2,474,777,133		2,474,777,133	2,659,415,250
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	91,927,977	16,829	91,911,148	121,848,105
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	1,797,495	1,797,495	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	25,431,414		25,431,414	25,269,794
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....98,272,650 ), cash equivalents (\$ .....134,790,070 ) and short-term investments (\$ .....6,718,275 ) .....	239,780,995		239,780,995	151,553,994
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	(198,242)	(4,253,748)	4,055,506	2,950,449
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	2,833,516,772	(2,439,424)	2,835,956,196	2,961,037,592
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	25,843,902		25,843,902	23,378,413
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,024,578	4,376,246	6,648,332	10,652,915
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,593,188		2,593,188	(122,925)
16.2 Funds held by or deposited with reinsured companies .....	9,273,918		9,273,918	14,969,438
16.3 Other amounts receivable under reinsurance contracts .....	(2,348)		(2,348)	(2,347)
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	106,330,372	41,511,059	64,819,313	61,362,875
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	1,876,403	1,668,360	208,043	126,204
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	3,510,487	19,533	3,490,954	2,827,122
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other-than-invested assets .....	10,072,035	4,289,695	5,782,340	7,252,305
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,004,039,307	49,425,469	2,954,613,838	3,081,481,592
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	3,004,039,307	49,425,469	2,954,613,838	3,081,481,592
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Other Assets .....	3,435,378	2,618,991	816,387	2,742,211
2502. Miscellaneous Receivable .....	4,965,953		4,965,953	4,510,094
2503. Prepaid expenses .....	1,670,704	1,670,704	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	10,072,035	4,289,695	5,782,340	7,252,305

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....0 ) .....	174,521,430	223,631,847
2. Reinsurance payable on paid losses and loss adjustment expenses .....	105,529	(139,278)
3. Loss adjustment expenses .....	15,153,623	12,847,928
4. Commissions payable, contingent commissions and other similar charges .....	372	4,367
5. Other expenses (excluding taxes, licenses and fees) .....	6,930,405	3,396,435
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	(723,040)	(491,752)
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	3,966,964	8,911,843
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....149,370,504 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	354,693,292	390,891,573
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....	0	0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	6,040,569	6,372,275
13. Funds held by company under reinsurance treaties .....	8,882,908	14,525,395
14. Amounts withheld or retained by company for account of others .....	(6,390)	(1,681)
15. Remittances and items not allocated .....		0
16. Provision for reinsurance (including \$ ..... certified) .....	80,435	0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	14,424,124	19,963,209
20. Derivatives .....	0	0
21. Payable for securities .....	21,999,912	2,025,209
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	592,210,424	606,583,650
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	1,198,280,557	1,288,521,020
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	1,198,280,557	1,288,521,020
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	15,000,480	15,000,480
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	300,000,000	300,000,000
34. Gross paid in and contributed surplus .....	623,305,670	723,287,299
35. Unassigned funds (surplus) .....	818,027,131	754,672,793
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	1,756,333,281	1,792,960,572
38. Totals (Page 2, Line 28, Col. 3)	2,954,613,838	3,081,481,592
DETAILS OF WRITE-INS		
2501. Contingency reserves .....	549,512,938	550,189,614
2502. Deferred Investment Gain .....	11,407,962	18,244,949
2503. Miscellaneous Liability .....	31,289,524	38,149,087
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	592,210,424	606,583,650
2901. ....		0
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....		0
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 18,239,201 )	65,432,200	79,006,878	110,929,410
1.2 Assumed (written \$ 7,184,228 )	26,005,466	20,582,439	32,541,567
1.3 Ceded (written \$ 10,225,269 )	41,390,607	43,222,472	62,462,343
1.4 Net (written \$ 15,198,160 )	50,047,059	56,366,845	81,008,634
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 5,961 ):			
2.1 Direct	23,584,826	16,178,920	6,115,837
2.2 Assumed	(4,862,595)	(70,256)	(1,044,893)
2.3 Ceded	15,515,473	21,169,222	6,789,136
2.4 Net	3,206,758	(5,060,558)	(1,718,192)
3. Loss adjustment expenses incurred	11,240,689	4,999,920	16,987,744
4. Other underwriting expenses incurred	44,314,214	46,559,688	62,510,666
5. Aggregate write-ins for underwriting deductions	0	11,961	11,961
6. Total underwriting deductions (Lines 2 through 5)	58,761,661	46,511,011	77,792,179
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(8,714,602)	9,855,834	3,216,455
INVESTMENT INCOME			
9. Net investment income earned	151,689,759	102,680,294	122,579,785
10. Net realized capital gains (losses) less capital gains tax of \$ 893,607	2,089	(11,789,948)	(29,469,276)
11. Net investment gain (loss) (Lines 9 + 10)	151,691,848	90,890,346	93,110,509
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	12,471,061	6,065,416	6,104,253
15. Total other income (Lines 12 through 14)	12,471,061	6,065,416	6,104,253
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	155,448,307	106,811,596	102,431,217
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	155,448,307	106,811,596	102,431,217
19. Federal and foreign income taxes incurred	(5,651,985)	108,159,242	107,357,980
20. Net income (Line 18 minus Line 19)(to Line 22)	161,100,292	(1,347,646)	(4,926,763)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	1,792,960,572	2,073,166,353	2,073,166,353
22. Net income (from Line 20)	161,100,292	(1,347,646)	(4,926,763)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(30,188,716)	9,005,708	21,216,006
25. Change in net unrealized foreign exchange capital gain (loss)	1,350,017	1,126,720	1,860,712
26. Change in net deferred income tax	(22,372,008)	55,699,135	55,198,683
27. Change in nonadmitted assets	33,868,512	(33,554,424)	(24,600,020)
28. Change in provision for reinsurance	(80,435)	(78,257)	2,856
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in	(99,981,629)	(200,008,296)	(200,008,296)
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders	(81,000,000)	(91,000,000)	(132,700,000)
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	676,676	(6,783,015)	3,751,041
38. Change in surplus as regards policyholders (Lines 22 through 37)	(36,627,291)	(266,940,075)	(280,205,781)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,756,333,281	1,806,226,278	1,792,960,572
DETAILS OF WRITE-INS			
0501. Commutation losses	0	11,961	11,961
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	11,961	11,961
1401. Other income	12,471,061	6,065,416	6,104,253
1402.		0	0
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	12,471,061	6,065,416	6,104,253
3701. Change in contingency reserve	676,676	(6,783,015)	3,751,041
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	676,676	(6,783,015)	3,751,041

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	18,650,532	205,535,734	213,925,261
2. Net investment income .....	111,005,411	74,533,848	88,536,210
3. Miscellaneous income .....	9,242,585	1,071,767	(2,435,272)
4. Total (Lines 1 to 3) .....	138,898,528	281,141,349	300,026,199
5. Benefit and loss related payments .....	61,679,308	(83,511,049)	(93,499,865)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	63,252,569	29,700,863	39,205,378
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	186,500	(4,669,452)	(66,846,361)
10. Total (Lines 5 through 9) .....	125,118,377	(58,479,638)	(121,140,848)
11. Net cash from operations (Line 4 minus Line 10) .....	13,780,151	339,620,987	421,167,047
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	479,143,964	436,895,727	552,967,121
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	1,199,826	1,000,606	1,000,606
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	140	753	753
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	480,343,930	437,897,086	553,968,480
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	228,807,904	412,684,854	586,348,729
13.2 Stocks .....	0	0	786,000
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	1,292,401	11,633	141,741
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	230,100,305	412,696,487	587,276,470
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	250,243,625	25,200,599	(33,307,990)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(99,981,629)	(200,008,296)	(200,008,296)
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	81,000,000	91,000,000	132,700,000
16.6 Other cash provided (applied).....	5,184,854	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(175,796,775)	(291,008,296)	(332,708,296)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	88,227,001	73,813,290	55,150,761
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	151,553,994	96,403,233	96,403,233
19.2 End of period (Line 18 plus Line 19.1) .....	239,780,995	170,216,523	151,553,994

STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

	SSAP #	F/S Page	F/S Line #	Nine Months Ended September 30, 2019	Year Ended December 31, 2018
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)				\$ 161,100,292	\$ (4,926,763)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None					—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
None					—
(4) NAIC SAP (1-2-3=4)				\$ 161,100,292	\$ (4,926,763)
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)				\$ 1,716,476,500	\$1,792,960,572
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
None					—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
None					—
(8) NAIC SAP (5-6-7=8)				\$ 1,716,476,500	\$1,792,960,572

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

There has been no significant change since the 2018 Annual Statement in the types of estimates and assumptions and estimation process inherent in the preparation of the financial statements.

C. Accounting Policies

There has been no significant change since the 2018 Annual Statement.

D. Going Concern

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

2. Accounting Changes and Corrections of Errors

There has been no change since the 2018 Annual Statement.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method. There has been no change since the 2018 Annual Statement.
- B. Statutory Merger. There has been no change since the 2018 Annual Statement.
- C. Impairment Loss. There has been no change since the 2018 Annual Statement.

4. Discontinued Operations

There has been no change since the 2018 Annual Statement.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - The Company did not hold investments in mortgage loans at September 30, 2019.
- B. Debt Restructuring - The Company has no investments in restructured debt in which the Company is a creditor at September 30, 2019.
- C. Reverse Mortgages - The Company did not hold reverse mortgages as investments at September 30, 2019.
- D. Loan-Backed Securities
  - 1. Prepayment assumptions for loan backed and structured securities were obtained from publicly available sources and internal models.
  - 2. The following table summarizes by quarter other-than-temporary-impairments ("OTTI") for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain for the time sufficient to recover the amortized cost as cited in the table:

STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

	(1)	(2)	(3)
Description	Amortized cost Before OTTI	OTTI Recognized	Fair Value 1 - 2
OTTI Recognized 1st Quarter			
a. Intent To Sell	\$ 8,442,562	\$ 81,834	\$ 8,360,728
b. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
c. Total 1st Quarter	\$ 8,442,562	\$ 81,834	\$ 8,360,728
OTTI Recognized 2nd Quarter			
d. Intent To Sell			\$ —
e. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis			—
f. Total 2nd Quarter	\$ —	\$ —	\$ —
OTTI Recognized 3rd Quarter			
g. Intent To Sell	\$ 5,615,593	\$ 43,382	\$ 5,572,211
h. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis			—
i. Total 3rd Quarter	\$ 5,615,593	\$ 43,382	\$ 5,572,211
OTTI Recognized 4th Quarter			
j. Intent To Sell			\$ —
k. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis			—
l. Total 4th Quarter	\$ —	\$ —	\$ —
m. Annual Aggregate Total		\$ 125,216	

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

CUSIP	Amortized Cost Before Other- Than-Temporary Impairment	Present Value of Projected Cash Flows	Other-Than- Temporary Impairment	Amortized Cost After Other- Than-Temporary Impairment	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
02149Q-AE-0	\$ 1,101,721	\$ 628,262	\$ 268,527	\$ 833,194	\$ 833,194	3/31/2019
68401N-AE-1	2,836,982	2,716,719	120,263	2,716,719	2,171,661	3/31/2019
000759-DG-2	830,862	790,785	1,993	828,869	828,869	9/30/2019
686337-AA-4	276,289,694	260,978,603	1,715,894	274,573,800	274,573,800	9/30/2019
68401N-AE-1	2,753,457	2,456,208	297,249	2,456,208	2,009,224	9/30/2019
			\$ 2,403,926			

The Company also had one structured security whose carrying value was written to market value as it had an NAIC designation of 3 through 6. The amount that was written down in 2019 was approximately \$300 thousand.

4. The following summarizes gross unrealized investment losses on loan-backed securities by the length of time that securities have continuously been in an unrealized loss position.

- a. The aggregate amount of unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ (461,741)	\$ (552,662)
Commercial mortgage-backed securities	(1)	—
Other loan backed & structured securities	(36,534)	(71,539)
Total	1. \$ (498,276)	2. \$ (624,201)

- b. The aggregate related fair value of securities with unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ 1,394,170	\$ 5,751,875
Commercial mortgage-backed securities	785,278	—
Other loan backed & structured securities	17,106,495	22,046,960
Total	1. \$ 19,285,943	2. \$ 27,798,835

5. All loan-backed securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position at September 30, 2019, the Company has not made a decision to sell any such securities and does not intend to sell such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. This unrealized loss is primarily attributable to an increase in interest rates since acquisition, market illiquidity and volatility in the U.S. economy and not specific to individual issuer credit.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - The Company did not enter into dollar repurchase agreements or securities lending transactions at September 30, 2019.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - The Company did not enter into repurchase agreements accounted for as secured borrowings at September 30, 2019.



STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - The Company did not enter into reverse repurchase agreements accounted for as secured borrowings at September 30, 2019.
- H. Repurchase Agreements Transactions Accounted for as a Sale - The Company did not enter into repurchase agreements accounted for as a sale at September 30, 2019.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - The Company did not enter into reverse repurchase agreements accounted for as a sale in the first nine months of 2019.
- J. Real Estate - At September 30, 2019, the Company did not have any real estate held for sale. The Company has one investment in real estate, which is an office building at 400 Main Street in Stockton, California.
1. The Company did not recognize any impairment losses in the first nine months of 2019.
2. The Company did not recognize any realized gains or losses on the disposition of real estate held for sale in the first nine months of 2019.
3. The Company has not changed plans for the sale of investments in real estate in the first nine months of 2019.
4. The Company does not engage in any land sale operations.
5. The Company does not hold real estate investments with participating mortgage loan features.
- K. Low Income Housing Tax Credits (LIHTC) - The Company did not hold investments in LIHTC at September 30, 2019.
- L. Restricted Assets
- (1) Restricted assets (including pledged) summarized by restricted asset category

Restricted Asset Category		Gross (Admitted & Nonadmitted) Restricted							8	9	Percentage	
		Current Year					6	7			10	11
		1	2	3	4	5						
		Total General Account (G/ A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/ A Activity (b)	Total (1 plus 3)						
(a)	Subj to contractual oblig by which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—%	—%
(b)	Collateral held under sec. lending arrangements					—		—			—%	—%
(c)	Subject to repurchase agreements					—		—			—%	—%
(d)	Subject to reverse repurchase agreements					—		—			—%	—%
(e)	Subject to dollar repurchase agreement					—		—			—%	—%
(f)	Subject to dollar reverse repurchase agreement					—		—			—%	—%
(g)	Placed under option contracts					—		—			—%	—%
(h)	Letter stock or securities restricted as to sale - excl. FHLB capital stock					—	—	—			—%	—%
(i)	FHLB capital stock					—		—			—%	—%
(j)	On deposit with state	6,075,530				6,075,530	6,192,915	(117,385)	—	6,075,530	0.2%	0.2%
(k)	On deposit with other regulatory bodies					—		—			—%	—%
(l)	Pledged as collateral to FHLB (incl. assets backing funding agreement)					—		—			—%	—%
(m)	Pledged as collateral not captured in other categories	324,797,691				324,797,691	474,787,605	(149,989,914)	—	324,797,691	10.8%	11%
(n)	Other restricted assets					—		—			—%	—%
(o)	Total restricted assets	\$ 330,873,221	\$ —	\$ —	\$ —	\$ 330,873,221	\$ 480,980,520	\$(150,107,299)	\$ —	\$ 330,873,221	11.0%	11.2%

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

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

Collateral Agreement	Gross (Admitted & Nonadmitted) Restricted								Percentage		
	Current Year					6	7		8	9	10
	1	2	3	4	5						
	Total General Account (G/ A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/ A Activity (b)	Total (1 plus 3)						
Collateral pledged under certain derivative contracts	\$ —				\$ —	\$ 538,982	\$ (538,982)		—%	—%	
Collateral pledged for reinsurance	324,797,691				324,797,691	474,248,623	(149,450,932)	324,797,691	10.8%	11.0%	
Total (c)	\$ 324,797,691	\$ —	\$ —	\$ —	\$ 324,797,691	\$ 474,787,605	\$ (149,989,914)	\$ 324,797,691	10.8%	11%	

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

Under certain agreements, the Company is required to post eligible securities as collateral. The need to post collateral under these agreements is generally based on fair value assessments in excess of contractual thresholds. The portfolio includes securities held in trust to secure AGC's reinsurance obligations to certain of its affiliates. The fair value of the Company's pledged securities totaled \$326 million as of September 30, 2019, with corresponding book/adjusted carrying value of \$325 million.



STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

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

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

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

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

- M. Working Capital Finance Investments ("WCFI") - The Company did not hold investments for WCFI at September 30, 2019.
- N. Offsetting and Netting of Assets and Liabilities - The Company has no derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets and liabilities that are offset and reported net in accordance to SSAP No. 64 at September 30, 2019.
- O. Structured Notes - The following table separately identifies structured notes on a cusip basis, with information by cusip for actual cost, fair value, book/adjusted carrying value, and whether the structured note is a mortgage referenced security:

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (YES/NO)
		NONE		
Total				

- P. 5GI Securities (unrated, but current on principal and interest) - The Company did not hold investments in 5GI securities at September 30, 2019.
- Q. Short Sales - The Company did not sell any securities short in the first nine months of 2019.
- R. Prepayment Penalty and Acceleration Fees - The Company had twelve securities called during the first nine months of 2019 because of a callable feature. Of the twelve securities called, one had a call price above 100, which generated prepayment penalties and acceleration fee income of \$10 thousand.

6. Joint Ventures, Partnerships and Limited Liability Companies

There has been no significant change since the 2018 Annual Statement.

7. Investment Income

- A. Accrued Investment Income  
Accrued investment income was \$25,843,902 and \$23,378,413 as of September 30, 2019 and December 31, 2018, respectively. There are no amounts due and accrued over 90 days included in these balances.
- B. The Company does not admit investment income due and accrued if amounts are over 90 days past due.

8. Derivative Instruments

There has been no change since the 2018 Annual Statement.

9. Income Taxes

There has been no significant change since the 2018 Annual Statement.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A, C through O. There has been no significant change since the 2018 Annual Statement.
- B. Transactions with Affiliates  
The Company engaged in the following non-insurance transactions (generally representing greater than 0.5% of admitted assets) with affiliates:

1. The Company made dividend payments of \$81 million in the first nine months of 2019 to Assured Guaranty US Holdings Inc. (the "Parent" or "AGUS").

2. The Company received dividends of \$41 million in the first nine months of 2019 from Municipal Assurance Holdings Inc.

3. On May 10, 2019, the MIA approved AGC’s request to repurchase certain of its shares of common stock from its direct parent, AGUS. Pursuant to such MIA approval, on June 14, 2019, AGC repurchased from AGUS 2,220 shares of its common stock, transferring approximately \$100 million in cash to AGUS. The par value of the remaining 493,339 shares of AGC’s authorized common stock, of which 14,173 remain issued and outstanding, increased to \$1,058.38 per share so as to maintain the value of AGC’s common capital stock at \$15,000,480, as is required under the laws of various states for the Company to be licensed as a financial guaranty insurer.

4. On October 1, 2019, AGUS and Assured Guaranty Ltd. ("AGL") completed the acquisition of all the outstanding equity interests in BlueMountain Capital Management, LLC ("BlueMountain") and its associated entities, for a purchase price of approximately \$160 million ("BlueMountain Acquisition"). As of the date of acquisition, BlueMountain managed \$18.3 billion in assets across CLOs and long-duration opportunity funds that build on its corporate credit, asset-backed finance

## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

and healthcare experience, as well as certain funds now subject to orderly wind-down. In addition, AGUS contributed \$60 million of cash to BlueMountain at closing and intends to contribute an additional \$30 million in cash within a year from closing. To fund the BlueMountain Acquisition and the related capital contributions, Assured Guaranty Municipal Corp. ("AGM"), AGC and Municipal Assurance Corp. ("MAC") made 10 year, 3.5% interest rate inter-company loans to AGUS totaling \$250 million (\$145 million from AGM, \$87.5 million from AGC and \$17.5 million from MAC).

In connection with the BlueMountain Acquisition, AGL, directly or indirectly through its subsidiaries, expects to invest \$500 million in BlueMountain-managed funds, CLOs and separately-managed accounts. In furtherance thereof, AGM, AGC and MAC, together, formed a new subsidiary, AG Asset Strategies LLC, which was capitalized with \$500 million of cash on October 18, 2019 (\$275 million from AGM, \$175 million from AGC and \$50 million from MAC).

### 11. Debt

There has been no change since the 2018 Annual Statement.

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

There has been no significant change since the 2018 Annual Statement.

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

2, 3, 6 through 9, and 11 through 13. There has been no significant change since the 2018 Annual Statement.

1. The Company repurchased shares of its common stock in Second Quarter 2019. See Note 10.B.3.
4. The Company paid dividends to AGUS of \$42 million on March 19, 2019, \$24 million on June 26, 2019 and \$15 million on September 30, 2019.
5. Under Maryland's insurance law, AGC may, with prior notice to the Maryland Insurance Commissioner, pay an ordinary dividend that, together with all dividends paid in the prior 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the prior December 31) or 100% of its adjusted net investment income during that period. The maximum amount available during 2019 for AGC to distribute as ordinary dividends is approximately \$123 million. Of such \$123 million, \$81 million was distributed by AGC to AGUS in the first nine months of 2019 and approximately \$42 million is available for distribution in Fourth Quarter 2019.
10. The portion of unassigned funds (surplus) represented by cumulative unrealized gains is \$1,085,858.

### 14. Liabilities, Contingencies and Assessments

A through F. There has been no change since the 2018 Annual Statement.

G. All Other Contingencies:

#### *Uncollected Premiums*

As of September 30, 2019, the Company had uncollected premiums of \$11,024,578. Uncollected premiums more than 90 days past due were \$4,376,246.

#### *Legal Proceedings*

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

In addition, in the ordinary course of its business, the Company is involved in litigation with third parties to recover losses paid in prior periods or prevent or reduce losses in the future, including those described in the "Puerto Rico Litigation" section below. The impact, if any, of these and other proceedings on the amount of recoveries the Company receives and losses it pays in the future is uncertain, and the impact of any one or more of these proceedings during any quarter or year could be material to the Company's results of operations in that particular quarter or year.

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

#### **Litigation**

On November 28, 2011, Lehman Brothers International (Europe) (in administration) ("LBIE") sued AG Financial Products Inc. ("AGFP"), an affiliate of AGC which in the past had provided credit protection to counterparties under CDS. AGC acts as the credit support provider of AGFP under these CDS. LBIE's complaint, which was filed in the Supreme Court of the State of New York, asserted a claim for breach of the implied covenant of good faith and fair dealing based on AGFP's termination of nine credit derivative transactions between LBIE and AGFP and asserted claims for breach of contract and breach of the implied covenant of good faith and fair dealing based on AGFP's termination of 28 other credit derivative transactions between LBIE and AGFP and AGFP's calculation of the termination payment in connection with those 28 other credit derivative transactions. Following defaults by LBIE, AGFP properly terminated the transactions in question in compliance with the agreement between AGFP and LBIE, and calculated the termination payment properly. AGFP calculated that LBIE owes AGFP approximately \$4 million for the claims which were dismissed and approximately \$25 million in connection with the termination of the other credit derivative transactions, whereas LBIE asserted in the complaint that AGFP owes LBIE a termination payment of approximately \$1.4 billion. AGFP filed a motion to dismiss the claims for breach of the implied covenant of good faith in LBIE's complaint, and on March 15, 2013, the court granted AGFP's motion to dismiss in respect of the count relating to the nine credit derivative transactions and narrowed LBIE's claim with respect to the 28 other credit derivative transactions. LBIE's administrators disclosed in an April 10, 2015 report to LBIE's unsecured creditors that LBIE's valuation expert has calculated

## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

LBIE's claim for damages in aggregate for the 28 transactions to range between a minimum of approximately \$200 million and a maximum of approximately \$500 million, depending on what adjustment, if any, is made for AGFP's credit risk and excluding any applicable interest. AGFP filed a motion for summary judgment on the remaining causes of action asserted by LBIE and on AGFP's counterclaims, and on July 2, 2018, the court granted in part and denied in part AGFP's motion. The court dismissed, in its entirety, LBIE's remaining claim for breach of the implied covenant of good faith and fair dealing and also dismissed LBIE's claim for breach of contract solely to the extent that it is based upon AGFP's conduct in connection with the auction. With respect to LBIE's claim for breach of contract, the court held that there are triable issues of fact regarding whether AGFP calculated its loss reasonably and in good faith. On October 1, 2018, AGFP filed an appeal with the Appellate Division of the Supreme Court of the State of New York, First Judicial Department, seeking reversal of the portions of the lower court's ruling denying AGFP's motion for summary judgment with respect to LBIE's sole remaining claim for breach of contract. On January 17, 2019, the Appellate Division affirmed the Supreme Court's decision, holding that the lower court correctly determined that there are triable issues of fact regarding whether AGFP calculated its loss reasonably and in good faith. A trial has been scheduled to take place in March 2020.

### Puerto Rico Litigation

The Company believes that a number of the actions taken by the Commonwealth of Puerto Rico ("Puerto Rico" or the "Commonwealth"), the federal financial oversight board ("Oversight Board") and others with respect to obligations it insures are illegal or unconstitutional or both, and has taken legal action, and may take additional legal action in the future, to enforce its rights with respect to these matters. In addition, the Commonwealth, the Oversight Board and others have taken legal action naming the Company as party.

Currently there are numerous legal actions relating to the default by the Commonwealth and certain of its entities on debt service payments, and related matters, and the Company is a party to a number of them. On July 24, 2019, Judge Laura Taylor Swain of the United States District Court for the District of Puerto Rico ("Federal District Court for Puerto Rico") held an omnibus hearing on litigation matters relating to the Commonwealth. At that hearing, she imposed a stay through November 30, 2019, on a series of adversary proceedings and contested matters amongst the stakeholders and imposed mandatory mediation on all parties through that date. On October 28, 2019, Judge Swain extended the stay until December 31, 2019. Among the goals of the mediation is to reach an agreed-upon schedule for addressing the resolution of numerous issues, including, among others: (a) issues related to the validity, secured status and priority regarding bonds issued by the Commonwealth and certain of its entities; (b) the validity and impact of the Clawback Orders and other diversion of collateral securing certain bonds; (c) classification of claims; (d) constitutional issues; and (e) identification of essential services. A number of the legal actions in which the Company is involved are covered by the stay and mandatory mediation order.

On January 7, 2016, AGC and its affiliate Assured Guaranty Municipal Corp. ("AGM"), and Ambac Assurance Corporation commenced an action for declaratory judgment and injunctive relief in the Federal District Court for Puerto Rico to invalidate the executive orders issued on November 30, 2015 and December 8, 2015 by the then governor of Puerto Rico directing that the Secretary of the Treasury of the Commonwealth of Puerto Rico and the Puerto Rico Tourism Company claw back certain taxes and revenues pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority ("PRHTA"), the Puerto Rico Convention Center District Authority ("PRCCDA") and the Puerto Rico Infrastructure Financing Authority ("PRIFA"). The Commonwealth defendants filed a motion to dismiss the action for lack of subject matter jurisdiction, which the court denied on October 4, 2016. On October 14, 2016, the Commonwealth defendants filed a notice of automatic stay under the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"). While the PROMESA automatic stay expired on May 1, 2017, on May 17, 2017, the court stayed the action under Title III of PROMESA.

On June 3, 2017, AGC and AGM filed an adversary complaint in the Federal District Court for Puerto Rico seeking (i) a judgment declaring that the application of pledged special revenues to the payment of the PRHTA bonds is not subject to the PROMESA Title III automatic stay and that the Commonwealth has violated the special revenue protections provided to the PRHTA bonds under the United States Bankruptcy Code ("Bankruptcy Code"); (ii) an injunction enjoining the Commonwealth from taking or causing to be taken any action that would further violate the special revenue protections provided to the PRHTA bonds under the Bankruptcy Code; and (iii) an injunction ordering the Commonwealth to remit the pledged special revenues securing the PRHTA bonds in accordance with the terms of the special revenue provisions set forth in the Bankruptcy Code. On January 30, 2018, the court rendered an opinion dismissing the complaint and holding, among other things, that (x) even though the special revenue provisions of the Bankruptcy Code protect a lien on pledged special revenues, those provisions do not mandate the turnover of pledged special revenues to the payment of bonds and (y) actions to enforce liens on pledged special revenues remain stayed. A hearing on AGM and AGC's appeal of the trial court's decision to the United States Court of Appeals for the First Circuit ("First Circuit") was held on November 5, 2018. On March 26, 2019, the First Circuit issued its opinion affirming the trial court's decision and held that Sections 928(a) and 922(d) of the Bankruptcy Code permit, but do not require, continued payments during the pendency of the Title III proceedings. The First Circuit agreed with the trial court that (i) Section 928(a) of the Bankruptcy Code does not mandate the turnover of special revenues or require continuity of payments to the PRHTA bonds during the pendency of the Title III proceedings, and (ii) Section 922(d) of the Bankruptcy Code is not an exception to the automatic stay that would compel PRHTA, or third parties holding special revenues, to apply special revenues to outstanding obligations. On April 9, 2019, AGM, AGC and other petitioners filed a petition with the First Circuit seeking a rehearing by the full court; the petition was denied by the First Circuit on July 31, 2019. On September 20, 2019, AGC, AGM and other petitioners filed a petition for review by the U.S. Supreme Court of the First Circuit's holding.

On June 26, 2017, AGM and AGC filed a complaint in the Federal District Court for Puerto Rico seeking (i) a declaratory judgment that the Puerto Rico Electric Power Authority ("PREPA") restructuring support agreement executed in December 2015 ("2015 PREPA RSA") is a "Preexisting Voluntary Agreement" under Section 104 of PROMESA and the Oversight Board's failure to certify the 2015 PREPA RSA is an unlawful application of Section 601 of PROMESA; (ii) an injunction enjoining the Oversight Board from unlawfully applying Section 601 of PROMESA and ordering it to certify the 2015 PREPA RSA; and (iii) a writ of mandamus requiring the Oversight Board to comply with its duties under PROMESA and certify the 2015 PREPA RSA. On July 21, 2017, in light of its PREPA Title III petition on July 2, 2017, the Oversight Board filed a notice of stay under PROMESA.

On July 18, 2017, AGM and AGC filed in the Federal District Court for Puerto Rico a motion for relief from the automatic stay in the PREPA Title III bankruptcy proceeding and a form of complaint seeking the appointment of a receiver for PREPA. The court denied the motion on September 14, 2017, but on August 8, 2018, the First Circuit vacated and remanded the court's decision. On October 3, 2018, AGM and AGC, together with other bond insurers, filed a motion with the court to lift the automatic stay to commence an action against PREPA for the appointment of a receiver. On May 3, 2019, AGC and AGM

## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

entered into a restructuring support agreement ("PREPA RSA") with PREPA and other stakeholders, including a group of uninsured PREPA bondholders, the Commonwealth of Puerto Rico, and the Oversight Board. Under the PREPA RSA, AGM and AGC have agreed to withdraw from the lift stay motion upon the Title III Court's approval of the settlement of claims embodied in the PREPA RSA.

On May 23, 2018, AGM and AGC filed an adversary complaint in the Federal District Court for Puerto Rico seeking a judgment declaring that (i) the Oversight Board lacked authority to develop or approve the new fiscal plan for Puerto Rico which it certified on April 19, 2018 ("Revised Fiscal Plan"); (ii) the Revised Fiscal Plan and the Fiscal Plan Compliance Law ("Compliance Law") enacted by the Commonwealth to implement the original Commonwealth Fiscal Plan violate various sections of PROMESA; (iii) the Revised Fiscal Plan, the Compliance Law and various moratorium laws and executive orders enacted by the Commonwealth to prevent the payment of debt service (a) are unconstitutional and void because they violate the Contracts, Takings and Due Process Clauses of the U.S. Constitution and (b) are preempted by various sections of PROMESA; and (iv) no Title III plan of adjustment based on the Revised Fiscal Plan can be confirmed under PROMESA. On August 13, 2018, the court-appointed magistrate judge granted the Commonwealth's and the Oversight Board's motion to stay this adversary proceeding pending a decision by the First Circuit in an appeal by Ambac Assurance Corporation of an unrelated adversary proceeding decision, which the First Circuit rendered on June 24, 2019. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019. Pursuant to the request of AGM, AGC and the defendants, Judge Swain ordered on September 6, 2019 that the claims in this complaint be addressed in the Commonwealth plan confirmation process and be subject to her July 24, 2019 stay and mandatory mediation order and be incorporated into the same schedule and mediation process.

On July 23, 2018, AGC and AGM filed an adversary complaint in the Federal District Court for Puerto Rico seeking a judgment (i) declaring the members of the Oversight Board are officers of the U.S. whose appointments were unlawful under the Appointments Clause of the U.S. Constitution; (ii) declaring void from the beginning the unlawful actions taken by the Oversight Board to date, including (x) development of the Commonwealth's Fiscal Plan, (y) development of PRHTA's Fiscal Plan, and (z) filing of the Title III cases on behalf of the Commonwealth and PRHTA; and (iii) enjoining the Oversight Board from taking any further action until the Oversight Board members have been lawfully appointed in conformity with the Appointments Clause of the U.S. Constitution. The Title III court dismissed a similar lawsuit filed by another party in the Commonwealth's Title III case in July 2018. On August 3, 2018, a stipulated judgment was entered against AGM and AGC at their request based upon the court's July decision in the other Appointments Clause lawsuit and, on the same date, AGM and AGC appealed the stipulated judgment to the First Circuit. On August 15, 2018, the court consolidated, for purposes of briefing and oral argument, AGM and AGC's appeal with the other Appointments Clause lawsuit. The First Circuit consolidated AGM and AGC's appeal with a third Appointments Clause lawsuit on September 7, 2018 and held a hearing on December 3, 2018. On February 15, 2019, the First Circuit issued its ruling on the appeal and held that members of the Oversight Board were not appointed in compliance with the Appointments Clause of the U.S. Constitution but declined to dismiss the Title III petitions citing the (i) de facto officer doctrine and (ii) negative consequences to the many innocent third parties who relied on the Oversight Board's actions to date, as well as the further delay which would result from a dismissal of the Title III petitions. The case was remanded back to the Federal District Court for Puerto Rico for the appellants' requested declaratory relief that the appointment of the board members of the Oversight Board is unconstitutional. The First Circuit delayed the effectiveness of its ruling for 90 days so as to allow the President and the Senate to validate the currently defective appointments or reconstitute the Oversight Board in accordance with the Appointments Clause. On April 23, 2019, the Oversight Board filed a petition for a review by the U.S. Supreme Court of the First Circuit's holding that its members were not appointed in compliance with the Appointments Clause and on the following day filed a motion in the First Circuit to further stay the effectiveness of the First Circuit's February 15, 2019 ruling pending final disposition by the U.S. Supreme Court. On May 24, 2019, AGC and AGM filed a petition for a review by the U.S. Supreme Court of the First Circuit's holding that the de facto officer doctrine allows courts to deny meaningful relief to successful challengers suffering ongoing injury at the hands of unconstitutionally appointed officers. On July 2, 2019, the First Circuit granted the Oversight Board's motion to stay the effectiveness of the First Circuit's February 15, 2019 ruling pending final disposition by the U.S. Supreme Court. On October 15, 2019, the U.S. Supreme Court heard oral arguments on the First Circuit's ruling.

On December 21, 2018, the Oversight Board and the Official Committee of Unsecured Creditors of all Title III Debtors (other than the Puerto Rico Sales Tax Financing Corporation ("COFINA")) filed an adversary complaint in the Federal District Court for Puerto Rico seeking a judgment declaring that (i) the leases to public occupants entered into by the Puerto Rico Public Buildings Authority ("PBA") are not "true leases" for purposes of Section 365(d)(3) of the Bankruptcy Code and therefore the Commonwealth has no obligation to make payments to the PBA under the leases or Section 365(d)(3) of the Bankruptcy Code, (ii) the PBA is not entitled to a priority administrative expense claim under the leases pursuant to Sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, and (iii) any such claims filed or asserted against the Commonwealth are disallowed. On January 28, 2019, the PBA filed an answer to the complaint. On March 12, 2019, the Federal District Court for Puerto Rico granted, with certain limitations, AGM's and AGC's motion to intervene. On March 21, 2019, AGM and AGC, together with certain other intervenors, filed a motion for judgment on the pleadings. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On May 2, 2019, the Oversight Board and the Official Committee of Unsecured Creditors filed an adversary complaint in the Federal District Court for Puerto Rico against various Commonwealth general obligation bondholders and bond insurers, including AGC and AGM, that had asserted in their proofs of claim that their bonds are secured. The complaint seeks a judgment declaring that defendants do not hold consensual or statutory liens and are unsecured claimholders to the extent they hold allowed claims. The complaint also asserts that even if Commonwealth law granted statutory liens, such liens are avoidable under Section 545 of the Bankruptcy Code. On July 24, 2019, Judge Swain of the Federal District Court for Puerto Rico announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On May 20, 2019, the Oversight Board and the Official Committee of Unsecured Creditors filed an adversary complaint in the Federal District Court for Puerto Rico against the fiscal agent and holders and/or insurers, including AGC and AGM, that have asserted their PRHTA bond claims are entitled to secured status in PRHTA's Title III case. Plaintiffs are seeking to avoid the PRHTA bondholders' liens and contend that (i) the scope of any lien only applies to revenues that have been both received by PRHTA and deposited in certain accounts held by the fiscal agent and does not include PRHTA's right to receive such revenues; (ii) any lien on revenues was not perfected because the fiscal agent does not have "control" of all accounts holding such revenues;

## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

(iii) any lien on the excise tax revenues is no longer enforceable because any rights PRHTA had to receive such revenues are preempted by PROMESA; and (iv) even if PRHTA held perfected liens on PRHTA's revenues and the right to receive such revenues, such liens were terminated by Section 552(a) of the Bankruptcy Code as of the petition date. On July 24, 2019, Judge Swain announced a court-imposed stay of a series of adversary proceedings and contested matters, which include this proceeding, through November 30, 2019, with a mandatory mediation element. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On August 23, 2019, AGM and AGC filed in the Federal District Court for Puerto Rico a motion for adequate protection for their property interests in pledged revenues securing PRHTA Bonds or, in the alternative, for relief from the automatic stay to permit AGC and AGM to enforce the application of the pledged revenues to the payment of the PRHTA bonds, including by permitting AGC and AGM to enforce their liens on the pledged revenues. On July 24, 2019, Judge Swain issued an order imposing a stay of a series of adversary proceedings and contested matters through November 30, 2019, with a mandatory mediation element. On August 28, 2019, Judge Swain granted the request of AGC and AGM that her July 24, 2019 stay and mandatory mediation order be extended to this motion, and that this motion be incorporated into the same schedule and mediation process. On October 28, 2019, Judge Swain extended the stay until December 31, 2019.

On September 30, 2019, certain parties that either had advanced funds to the PREPA for the purchase of fuel or had succeeded to such claims ("Fuel Line Lenders") filed an amended adversary complaint in the Federal District Court for Puerto Rico against the Oversight Board, PREPA, the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), U.S. Bank National Association, as trustee for PREPA bondholders, and various PREPA bondholders and bond insurers, including AGC and AGM. The complaint seeks, among other things, declarations that the advances made by the Fuel Line Lenders are Current Expenses as defined in the trust agreement pursuant to which the PREPA bonds were issued and there is no valid lien securing the PREPA bonds unless and until the Fuel Line Lenders are paid in full, as well as orders subordinating the PREPA bondholders' lien and claim to the Fuel Line Lenders' claims and declaring the PREPA RSA null and void. A hearing on a motion to dismiss is scheduled for January 2020.

On October 30, 2019, the retirement system for PREPA employees ("SREAEE") filed an amended adversary complaint in the Federal District Court for Puerto Rico against the Oversight Board, PREPA, AAFAF, the Commonwealth, the Governor, and U.S. Bank National Association, as trustee for PREPA bondholders. The complaint seeks, among other things, declarations that amounts owed to SREAEE are Current Expenses as defined in the trust agreement pursuant to which the PREPA bonds were issued, that there is no valid lien securing the PREPA bonds other than on amounts in the sinking funds and that SREAEE is a third-party beneficiary of certain trust agreement provisions, as well as orders subordinating the PREPA bondholders' lien and claim to the SREAEE claims. On November 7, 2019, the court granted a motion to intervene by AGC and AGM. A hearing on the defendants' motion to dismiss is scheduled for January 2020.

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

### ***RMBS Transactions***

On November 26, 2012, CIFG Assurance North America Inc. ("CIFGNA") filed a complaint in the Supreme Court of the State of New York against JP Morgan Securities LLC for material misrepresentation in the inducement of insurance and common law fraud, alleging that JP Morgan Securities LLC fraudulently induced CIFGNA to insure \$400 million of securities issued by ACA ABS CDO 2006-2 Ltd. and \$325 million of securities issued by Libertas Preferred Funding II, Ltd. On June 26, 2015, the court dismissed with prejudice CIFGNA's material misrepresentation in the inducement of insurance claim and dismissed without prejudice CIFGNA's common law fraud claim. On September 24, 2015, the court denied CIFGNA's motion to amend but allowed CIFGNA to re-plead a cause of action for common law fraud. On November 20, 2015, CIFGNA filed a motion for leave to amend its complaint to re-plead common law fraud. On April 29, 2016, CIFGNA filed an appeal to reverse the court's decision dismissing CIFGNA's material misrepresentation in the inducement of insurance claim. On November 29, 2016, the Appellate Division of the Supreme Court of the State of New York ruled that the court's decision dismissing with prejudice CIFGNA's material misrepresentation in the inducement of insurance claim should be modified to grant CIFGNA leave to re-plead such claim. On February 27, 2017, AGC (as successor to CIFGNA) filed an amended complaint which included a claim for material misrepresentation in the inducement of insurance. On July 31, 2019, the parties entered into a confidential settlement and, on August 12, 2019, agreed to dismiss, with prejudice, the action and all claims.

### **15. Leases**

There has been no material changes since the 2018 Annual Statement.

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

The Company provides insurance for public finance and structured finance obligations. Total net principal and interest exposure at September 30, 2019 was \$35.1 billion (\$30.0 billion for public finance and \$5.1 billion for structured finance exposures).

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

- A. The Company has not sold or transferred any receivables during the first nine months of 2019.
- B. The Company has not transferred or serviced any financial assets during the first nine months of 2019.
- C. The Company did not engage in any wash sale transactions during the first nine months of 2019.

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

There has been no change since the 2018 Annual Statement.

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

There has been no change since the 2018 Annual Statement.

### **20. Fair Value**

- A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value
  - 1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3

STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

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

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

An asset or liability’s categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Bonds are generally recorded at amortized cost. Stocks, excluding those for investments in subsidiaries, are reported at fair value on a recurring basis. The following fair value hierarchy table presents information about the Company's asset measured at fair value as of September 30, 2019.

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value	TOTAL
a. Assets at fair value					
Bonds					
Special Revenue & Assessment			\$ 5,304,522		\$ 5,304,522
Industrial & Miscellaneous			\$ 308,338,650		\$ 308,338,650
Total Bonds	\$ —	\$ —	\$ 313,643,172	\$ —	\$ 313,643,172
Money market mutual funds		113,414,158			113,414,158
Total Assets at Fair Value	\$ —	\$ 113,414,158	\$ 313,643,172	\$ —	\$ 427,057,330

Bonds

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

The fair value of bonds in the investment portfolio is generally based on prices received from third-party pricing services or alternative pricing sources with reasonable levels of price transparency. The pricing services prepare estimates of fair value using their pricing models, which take into account: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, industry and economic events, and sector groupings. Additional valuation factors that can be taken into account are nominal spreads and liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements, and sector news.

Benchmark yields have in many cases taken priority over reported trades for securities that trade less frequently or those that are distressed trades, and therefore may not be indicative of the market. The extent of the use of each input is dependent on the asset class and the market conditions. The valuation of fixed-maturity investments is more subjective when markets are less liquid due to the lack of market based inputs.

Stocks

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

Cash and Short-Term Investments

The carrying amounts reported in the statement of admitted assets, liabilities and surplus for these instruments are at amortized cost. Money market mutual funds are accounted for at fair value, which approximates amortized cost.

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

Description:	Beg. Balance at July 1, 2019	Transfers Into Level 3	Transfers Out of Level 3	Total Gains & Losses incl in Net Income	Total Gains & Loss incl in Surplus	Purchase	Issuance	Sales	Settle-ment	Ending Balance at September 30, 2019
Bonds - Special Revenue	\$ —		\$ —	\$ (233,405)	\$ —	\$ 5,537,927	\$ —	\$ —	\$ —	\$ 5,304,522
Bonds - Industrial & Miscellaneous	33,574,500	274,573,800	—	190,350	—	—	—	—	—	308,338,650
TOTAL	\$ 33,574,500	\$ 274,573,800	\$ —	\$ (43,055)	\$ —	\$ 5,537,927	\$ —	\$ —	\$ —	\$ 313,643,172

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

- During the three months ended September 30, 2019, one industrial and miscellaneous bond was transferred into Level 3 of the fair value hierarchy because it had an NAIC designation of 3 through 6, and it was recorded at fair value as its fair value was lower than its book value.

4. Inputs and Techniques Used for Level 3 Fair Values
- The level 3 securities were priced with the assistance of an independent third party. The pricing is based on a discounted cash flow approach using the third party's proprietary pricing models. The models use, as applicable, inputs such as projected prepayment speeds; severity assumptions; recovery lag assumptions; estimated default rates (determined on the basis of an analysis of collateral attributes, historical collateral performance, borrower profiles and other features relevant to the evaluation



STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

of collateral credit quality); home price depreciation/appreciation rates based on macroeconomic forecasts and recent trading activity. The yield used to discount the projected cash flows is determined by reviewing various attributes of the bond, including collateral type, weighted average life, sensitivity to losses, vintage and convexity, in conjunction with market data on comparable securities. Significant changes to any of these inputs could materially change the expected timing of cash flows within these securities which is a significant factor in determining the fair value of the securities.

5. Derivative Fair Values  
The Company does not own derivatives at September 30, 2019.

- B. Other Fair Value Disclosures  
The fair value of the Company’s financial guaranty contracts accounted for as insurance was approximately \$1.8 billion at September 30, 2019 and was based on management’s estimate of what a similarly rated financial guaranty insurance company would demand to acquire the Company’s in-force book of financial guaranty insurance business. This amount was based on a variety of factors that may include pricing assumptions management has observed for portfolio transfers, commutations, and acquisitions that have occurred in the financial guaranty market and included adjustments to the carrying value of unearned premium reserve for stressed losses, ceding commissions and return on capital. The Company classified this fair value measurement as Level 3.
- C. Fair Values for All Financial Instruments by Levels 1, 2 and 3  
The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Net Asset Value	Not Practicable (Carrying Value)
Bonds	\$ 2,665,221,712	\$ 2,474,777,133	\$ —	\$ 2,169,893,399	\$ 495,328,313	\$ —	\$ —
Cash, cash equivalents and short-term investments	239,790,213	239,780,995	106,858,884	132,931,329	—	—	—
Total assets	\$ 2,905,011,925	\$ 2,714,558,128	\$ 106,858,884	\$ 2,302,824,728	\$ 495,328,313	\$ —	\$ —

- D. Financial Instruments for Which it is Not Practical to Estimate Fair Values  
Not applicable
- E. Instruments Measured Using NAV Practical Expedient  
Not applicable

21. Other Items  
A, B, C, D, E. There has been no change since the 2018 Annual Statement.  
F. Subprime Mortgage-Related Risk Exposure  
(1) through (3)

The Company purchased securities with subprime mortgage related exposures that it has insured, and for which it has loss reserves, in order to mitigate the economic effect of insured losses ("loss mitigation bonds"). These securities were purchased at a discount and are accounted for excluding the effects of the Company's insurance on the securities. The Company's investment guidelines generally permit its outside managers to purchase only a small amount of securities rated lower than BBB- by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC ("S&P") or Baa3 by Moody’s Investors Service, Inc. ("Moody’s"), and then only those securities rated no lower than B by S&P or B2 by Moody’s and subject to certain other specific requirements. Additionally, the managed portfolio must maintain a minimum average rating of A+ by S&P or A1 by Moody’s.

As of September 30, 2019	Actual Cost	Book Value	Fair Value	OTTI Losses Recognized
Residential Mortgage-Backed Securities	\$ 5,877,952	\$ 6,110,094	\$ 6,276,690	\$ 1,363,203
Structured Securities				
Total	\$ 5,877,952	\$ 6,110,094	\$ 6,276,690	\$ 1,363,203

- (4) Underwriting Exposure

Selected U.S. Public Finance Transactions

The Company had insured exposure to general obligation bonds of the Commonwealth of Puerto Rico ("Puerto Rico" or the "Commonwealth") and various obligations of its related authorities and public corporations aggregating \$1.5 billion net par as of September 30, 2019, all of which was rated below investment grade ("BIG"). Beginning on January 1, 2016, a number of Puerto Rico exposures have defaulted on bond payments, and the Company has now paid claims on all of its Puerto Rico exposures except for Puerto Rico Aqueduct and Sewer Authority ("PRASA"), Municipal Finance Agency ("MFA") and University of Puerto Rico ("U of PR").

On November 30, 2015 and December 8, 2015, the then governor of Puerto Rico issued executive orders (“Clawback Orders”) directing the Puerto Rico Department of Treasury and the Puerto Rico Tourism Company to "claw back" certain taxes pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority ("PRHTA"), Puerto Rico Infrastructure Financing Authority ("PRIFA"), and Puerto Rico Convention Center District Authority ("PRCCDA").

On June 30, 2016, the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") was signed into law. PROMESA established a seven-member financial oversight board (“Oversight Board”) with authority to require that balanced budgets and fiscal plans be adopted and implemented by Puerto Rico.

The Company believes that a number of the actions taken by the Commonwealth, the Oversight Board and others with respect to obligations the Company insures are illegal or unconstitutional or both, and has taken legal action, and may take additional legal action in the future, to enforce its rights with respect to these matters. In addition, the Commonwealth, the Oversight Board and others have taken legal action naming the Company as party. In addition, the Commonwealth, the Oversight Board and others have taken legal action naming the Company as party.

Currently there are numerous legal actions relating to the default by the Commonwealth and certain of its entities on debt service payments, and related matters, and the Company is a party to a number of them. See Note 14, Liabilities, Contingencies and Assessments.



## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

The Company also participates in mediation and negotiations relating to its Puerto Rico exposure.

The final form and timing of responses to Puerto Rico's financial distress and the devastation of Hurricane Maria eventually taken by the federal government or implemented under the auspices of PROMESA and the Oversight Board or otherwise, and the final impact, after resolution of legal challenges, of any such responses on obligations insured by the Company, are uncertain.

The Company groups its Puerto Rico exposure into three categories:

- *Constitutionally Guaranteed.* The Company includes in this category public debt benefiting from Article VI of the Constitution of the Commonwealth, which expressly provides that interest and principal payments on the public debt are to be paid before other disbursements are made.
- *Public Corporations - Certain Revenues Potentially Subject to Clawback.* The Company includes in this category the debt of public corporations for which applicable law permits the Commonwealth to claw back, subject to certain conditions and for the payment of public debt, at least a portion of the revenues supporting the bonds the Company insures. As a constitutional condition to clawback, available Commonwealth revenues for any fiscal year must be insufficient to pay Commonwealth debt service before the payment of any appropriations for that year. The Company believes that this condition has not been satisfied to date, and accordingly that the Commonwealth has not to date been entitled to claw back revenues supporting debt insured by the Company.
- *Other Public Corporations.* The Company includes in this category the debt of public corporations that are supported by revenues it does not believe are subject to clawback.

### Constitutionally Guaranteed

*General Obligation.* As of September 30, 2019, the Company had \$268 million insured net par outstanding of the general obligations of Puerto Rico, which are supported by the good faith, credit and taxing power of the Commonwealth. Despite the requirements of Article VI of its Constitution, the Commonwealth defaulted on the debt service payment due on July 1, 2016, and the Company has been making claim payments on these bonds since that date. The Oversight Board has filed a petition under Title III of PROMESA with respect to the Commonwealth.

On May 9, 2019, the Oversight Board certified a revised fiscal plan for the Commonwealth. The revised certified Commonwealth fiscal plan indicates an expected primary budget surplus, if fiscal plan reforms are enacted, of \$13.7 billion that would be available for debt service over the six-year forecast period ending 2024. The Company believes the available surplus set forth in the Oversight Board's revised certified fiscal plan (which assumes certain fiscal reforms are implemented by the Commonwealth) should be sufficient to cover contractual debt service of Commonwealth general obligation issuances and of authorities and public corporations directly implicated by the Commonwealth's general fund during the forecast period. However, the revised certified Commonwealth fiscal plan indicates a net cumulative primary budget deficit through 2049, and there can be no assurance that the fiscal reforms will be enacted or, if they are, that the forecasted primary budget surplus will occur or, if it does, that such funds will be used to cover contractual debt service.

On June 16, 2019, the Oversight Board announced it had entered into a general obligation Plan Support Agreement ("GO PSA") with certain general obligation and Puerto Rico Public Buildings Authority ("PBA") bondholders representing only approximately \$3 billion of claims. The GO PSA purports to provide a framework to address approximately \$35 billion of claims against the Commonwealth. The Company is not a party to that agreement and does not support it.

The GO PSA provides for different recoveries for bonds issued before 2012 ("Vintage") and bonds issued in 2012 and 2014 ("New") based on the Oversight Board's attempt to invalidate the New general obligation and PBA bonds and the proposed recovery varies depending on the outcome of that litigation. Under the GO PSA:

- Vintage general obligation bondholders generally would receive newly issued Commonwealth bonds and cash equal to 64.3% of their outstanding claims, plus up to approximately 25.1% of their outstanding claims to a cap of 89.4% from settlement and litigation savings from the invalidation lawsuit, as well as a share of excess revenues if the Commonwealth outperforms its fiscal plan in the near term.
- If the Oversight Board loses its invalidation lawsuit, holders of New general obligation bonds generally would receive the same treatment as the holders of Vintage general obligation bonds but would not share in the upside if the Commonwealth outperforms its fiscal plan.
- If the Oversight Board wins its invalidation lawsuit, holders of New general obligation bonds would not receive any recovery.
- In all cases, holders of general obligation bonds supporting the GO PSA are also entitled to certain fees.

On September 27, 2019, the Oversight Board filed with the Title III court a Plan of Adjustment ("POA") to restructure approximately \$35 billion of debt (including the general obligation bonds) and other claims against the government of Puerto Rico and certain entities and \$50 billion in pension obligations. The POA incorporates the terms related to the general obligation bonds proposed under the GO PSA. The Company believes the POA, as currently constituted, does not comply with the laws and constitution of Puerto Rico and the provisions of PROMESA and does not satisfy the statutory requirements for confirmation of a plan of adjustment under Title III of PROMESA.

*PBA.* As of September 30, 2019, the Company had \$139 million insured net par outstanding of PBA bonds, which are supported by a pledge of the rents due under leases of government facilities to departments, agencies, instrumentalities and municipalities of the Commonwealth, and that benefit from a Commonwealth guaranty supported by a pledge of the Commonwealth's good faith, credit and taxing power. Despite the requirements of Article VI of its Constitution, the PBA defaulted on most of the debt service payment due on July 1, 2016, and the Company has been making claim payments on these bonds since then. On September 27, 2019, the Oversight Board filed a petition under Title III of PROMESA with respect to the PBA to allow the restructuring of the PBA claims through the POA.

## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

Under the GO PSA (which does not include the Company as a party and which the Company does not support):

- Holders of Vintage PBA bonds generally would receive newly issued Commonwealth bonds and cash equal to 72.6% of their outstanding claims, plus up to approximately 16.8% of their outstanding claims to a cap of 89.4% from settlement and litigation savings from the invalidation lawsuit, as well as a share of excess revenues if the Commonwealth outperforms its fiscal plan in the near term.
- If the Oversight Board loses its invalidation lawsuit, holders of New PBA bonds generally would receive the same treatment as the holders of Vintage PBA bonds but would not share in the upside if the Commonwealth outperforms its fiscal plan.
- If the Oversight Board wins its invalidation lawsuit, holders of New PBA bonds would not receive any recovery.
- In all cases, holders of PBA bonds supporting the GO PSA are also entitled to certain fees.

As noted above, on September 27, 2019, the Oversight Board filed with the Title III court a POA to restructure approximately \$35 billion of debt (including the PBA bonds) and other claims against the government of Puerto Rico and certain entities and \$50 billion in pension obligations. The POA incorporates the terms related to the PBA bonds proposed under the GO PSA. The Company believes the POA, as currently constituted, does not comply with the laws and constitution of Puerto Rico and the provisions of PROMESA and does not satisfy the statutory requirements for confirmation of a plan of adjustment under Title III of PROMESA.

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

*PRHTA.* As of September 30, 2019, the Company had \$482 million insured net par outstanding of PRHTA (transportation revenue) bonds and \$74 million insured net par outstanding of PRHTA (highways revenue) bonds. The transportation revenue bonds are secured by a subordinate gross lien on gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls, plus a first lien on up to \$120 million annually of taxes on crude oil, unfinished oil and derivative products. The highways revenue bonds are secured by a gross lien on gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls. The non-toll revenues consisting of excise taxes and fees collected by the Commonwealth on behalf of PRHTA and its bondholders that are statutorily allocated to PRHTA and its bondholders are potentially subject to clawback. Despite the presence of funds in relevant debt service reserve accounts that the Company believes should have been employed to fund debt service, PRHTA defaulted on the full July 1, 2017 insured debt service payment, and the Company has been making claim payments on these bonds since that date. The Oversight Board has filed a petition under Title III of PROMESA with respect to PRHTA.

On June 5, 2019, the Oversight Board certified a revised fiscal plan for PRHTA. The revised certified PRHTA fiscal plan projects very limited capacity to pay debt service over the six-year forecast period.

*PRCCDA.* As of September 30, 2019, the Company had \$152 million insured net par outstanding of PRCCDA bonds, which are secured by certain hotel tax revenues. These revenues are sensitive to the level of economic activity in the area and are potentially subject to clawback. There were sufficient funds in the PRCCDA bond accounts to make only partial payments on the July 1, 2017 PRCCDA bond payments guaranteed by the Company, and the Company has been making claim payments on these bonds since that date.

*PRIFA.* As of September 30, 2019, the Company had \$15 million insured net par outstanding of PRIFA bonds, which are secured primarily by the return to PRIFA and its bondholders of a portion of federal excise taxes paid on rum. These revenues are potentially subject to the clawback. The Company has been making claim payments on the PRIFA bonds since January 2016.

### Other Public Corporations

*PREPA.* As of September 30, 2019, the Company had \$71 million insured net par outstanding of PREPA obligations, which are secured by a lien on the revenues of the electric system. The Company has been making claim payments on these bonds since July 1, 2017. On July 2, 2017, the Oversight Board commenced proceedings for PREPA under Title III of PROMESA. On June 27, 2019, the Oversight Board certified a revised fiscal plan for PREPA.

On May 3, 2019, AGM and AGC entered into a restructuring support agreement with PREPA ("PREPA RSA") and other stakeholders, including a group of uninsured PREPA bondholders, the Commonwealth of Puerto Rico, and the Oversight Board, that is intended to, among other things, provide a framework for the consensual resolution of the treatment of the Company's insured PREPA revenue bonds in PREPA's recovery plan. Upon consummation of the restructuring transaction, PREPA's revenue bonds will be exchanged into new securitization bonds issued by a special purpose corporation and secured by a segregated transition charge assessed on electricity bills. The revised fiscal plan of PREPA certified by the Oversight Board on June 27, 2019 reflects the relevant terms of the PREPA RSA.

The closing of the restructuring transaction is subject to a number of conditions, including approval by the Title III Court of the PREPA RSA and settlement described therein, a minimum of 67% support of voting bondholders for a plan of adjustment that includes this proposed treatment of PREPA revenue bonds and confirmation of such plan by the Title III court, and execution of acceptable documentation and legal opinions. Under the PREPA RSA, the Company has the option to guarantee its allocated share of the securitization exchange bonds, which may then be offered and sold in the capital markets. The Company believes that the additive value created by attaching its guarantee to the securitization exchange bonds would materially improve its overall recovery under the transaction, as well as generate new insurance premiums; and therefore that its economic results could differ from those reflected in the PREPA RSA.

*PRASA.* As of September 30, 2019, the Company had \$284 million insured net par outstanding of PRASA bonds, which are secured by a lien on the revenues of the water and sewer system. On June 29, 2019, the Oversight Board certified a revised fiscal plan for PRASA. In July 2019, PRASA entered into a restructuring transaction with the federal government and the Oversight Board to restructure its subordinated loans from federal agencies that had been under forbearance for over three years (the PRASA Agreement). The PRASA Agreement extends the maturity of the loans for up to 40 years and provides for low interest rates and no interest accrual for the first ten years on a portion of the loans, but also places the subordinated loans on

## STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

a parity with the PRASA bonds the Company guarantees. The Company was not asked to consent to the PRASA Agreement. The PRASA Agreement reduces the amount of annual debt service owed by PRASA for its current debt. The PRASA bond accounts contained sufficient funds to make the PRASA bond payments due through the date of this filing that were guaranteed by the Company, and those payments were made in full.

*MFA.* As of September 30, 2019, the Company had \$33 million insured net par outstanding of bonds issued by MFA secured by a lien on local property tax revenues. The MFA bond accounts contained sufficient funds to make the MFA bond payments due through the date of this filing that were guaranteed by the Company, and those payments were made in full.

*U of PR.* As of September 30, 2019, the Company had \$1 million insured net par outstanding of U of PR bonds, which are general obligations of the university and are secured by a subordinate lien on the proceeds, profits and other income of the university, subject to a senior pledge and lien for the benefit of outstanding university system revenue bonds. As of the date of this filing, all debt service payments on U of PR bonds insured by the Company have been made in full.

### ***Exposure to the U.S. Virgin Islands***

As of September 30, 2019, the Company had \$11 million insured net par outstanding to the U.S. Virgin Islands and its related authorities ("USVI"), of which it rated \$9 million BIG. The \$2 million USVI net par the Company rated investment grade consisted of Public Finance Authority bonds secured by a gross receipts tax and the general obligation, full faith and credit pledge of the USVI. The \$9 million BIG USVI net par consisted of bonds of the Virgin Islands Water and Power Authority secured by a net revenue pledge of the electric system.

Hurricane Irma caused significant damage in St. John and St. Thomas, while Hurricane Maria made landfall on St. Croix as a Category 4 hurricane on the Saffir-Simpson scale, causing loss of life and substantial damage to St. Croix's businesses and infrastructure, including the power grid. The USVI is benefiting from the federal response to the 2017 hurricanes and has made its debt service payments to date.

### ***U.S. Public Finance Loss and LAE***

The Company had loss and LAE reserves across its troubled U.S. public finance exposures as of September 30, 2019, including those mentioned above, of \$245.0 million compared to \$304.1 million as of December 31, 2018. The Company's loss and LAE reserves incorporate management's probability weighted estimates of possible scenarios. Each quarter, the Company may revise its scenarios, update assumptions and/or shift probability weightings of its scenarios based on public information as well as nonpublic information obtained through its surveillance and loss mitigation activities. Management assesses the possible implications of such information on each insured obligation, considering the unique characteristics of each transaction.

The decrease in reserves was primarily attributable to loss payments made on the Company's Puerto Rico exposures. The loss development attributable to the Company's Puerto Rico exposures reflects adjustments the Company made to the assumptions and weightings it uses in its scenarios based on the public information summarized in Note 14, Liabilities, Contingencies and Assessments - Recovery Litigation, as well as nonpublic information related to its loss mitigation activities during the periods presented.

### ***U.S. RMBS Loss Projections***

The Company projects losses on its insured U.S. RMBS on a transaction-by-transaction basis by projecting the performance of the underlying pool of mortgages over time and then applying the structural features (i.e., payment priorities and tranching) of the RMBS and any expected representation and warranty ("R&W") recoveries/payables to the projected performance of the collateral over time. The resulting projected claim payments or reimbursements are then discounted using a rate of 5.0%, the approximate taxable equivalent yield on the Company's investment portfolio.

The further behind a mortgage borrower falls in making payments, the more likely it is that he or she will default. The rate at which borrowers from a particular delinquency category (number of monthly payments behind) eventually default is referred to as the "liquidation rate." The Company derives its liquidation rate assumptions from observed roll rates, which are the rates at which loans progress from one delinquency category to the next and eventually to default and liquidation. The Company applies liquidation rates to the mortgage loan collateral in each delinquency category and makes certain timing assumptions to project near-term mortgage collateral defaults from loans that are currently delinquent.

Mortgage borrowers that are not more than one payment behind (generally considered performing borrowers) have demonstrated an ability and willingness to pay through the recession and mortgage crisis, and as a result are viewed as less likely to default than delinquent borrowers. Performing borrowers that eventually default will also need to progress through delinquency categories before any defaults occur. The Company projects how many of the currently performing loans will default and when they will default, by first converting the projected near term defaults of delinquent borrowers derived from liquidation rates into a vector of conditional default rates ("CDR"), then projecting how the CDR will develop over time. Loans that are defaulted pursuant to the CDR after the near-term liquidation of currently delinquent loans represent defaults of currently performing loans and projected re-performing loans. A CDR is the outstanding principal amount of defaulted loans liquidated in the current month divided by the remaining outstanding amount of the whole pool of loans (or "collateral pool balance"). The collateral pool balance decreases over time as a result of scheduled principal payments, partial and whole principal prepayments, and defaults.

In order to derive collateral pool losses from the collateral pool defaults it has projected, the Company applies a loss severity. The loss severity is the amount of loss the transaction experiences on a defaulted loan after the application of net proceeds from the disposal of the underlying property. The Company projects loss severities by sector and vintage based on its experience to date. The Company continues to update its evaluation of these loss severities as new information becomes available.

As of September 30, 2019, the Company had a net R&W recoverable of \$13.2 million from R&W counterparties, compared to a net R&W recoverable of \$23.4 million as of December 31, 2018. The Company's agreements with providers of R&W generally provide for reimbursement to the Company as claim payments are made and, to the extent the Company later receives reimbursements of such claims from excess spread or other sources, for the Company to provide reimbursement to the R&W providers. When the Company projects receiving more reimbursements in the future than it projects to pay in claims on transactions covered by R&W settlement agreements, the Company will have a net R&W payable.

STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

The Company projects the overall future cash flow from a collateral pool by adjusting the payment stream from the principal and interest contractually due on the underlying mortgages for the collateral losses it projects as described above; assumed voluntary prepayments; and servicer advances. The Company then applies an individual model of the structure of the transaction to the projected future cash flow from that transaction’s collateral pool to project the Company’s future claims and claim reimbursements for that individual transaction. Finally, the projected claims and reimbursements are discounted using a rate that approximates the taxable equivalent yield on the Company's investment portfolio. The Company runs several sets of assumptions regarding mortgage collateral performance, or scenarios, and probability weights them.

The Company's RMBS loss projection methodology assumes that the housing and mortgage markets will continue improving. Each period the Company makes a judgment as to whether to change the assumptions it uses to make RMBS loss projections based on its observation during the period of the performance of its insured transactions (including early stage delinquencies, late stage delinquencies and loss severity) as well as the residential property market and economy in general, and, to the extent it observes changes, it makes a judgment as to whether those changes are normal fluctuations or part of a trend. In Third Quarter 2019, the economic benefit was \$6 million for first lien U.S. RMBS and the economic benefit was \$3 million for second lien U.S. RMBS. The assumptions that the Company uses to project RMBS losses are shown in the sections below.

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

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

First Lien Liquidation Rates

	September 30, 2019	December 31, 2018
<b>Delinquent/Modified in the Previous 12 Months</b>	20%	20%
<b>30 - 59 Days Delinquent</b>		
Alt-A and Prime	30	30
Option ARM	35	35
Subprime	35	40
<b>60 - 89 Days Delinquent</b>		
Alt-A and Prime	40	40
Option ARM	45	45
Subprime	45	45
<b>90+ Days Delinquent</b>		
Alt-A and Prime	55	50
Option ARM	55	55
Subprime	50	50
<b>Bankruptcy</b>		
Alt-A and Prime	45	45
Option ARM	50	50
Subprime	40	40
<b>Foreclosure</b>		
Alt-A and Prime	65	60
Option ARM	65	65
Subprime	60	60
<b>Real Estate Owned</b>		
All	100	100

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

In the most heavily weighted scenario (the "base case"), after the initial 36-month CDR plateau period, each transaction’s CDR is projected to improve over 12 months to an intermediate CDR (calculated as 20% of its CDR plateau); that intermediate CDR is held constant for 36 months and then trails off in steps to a final CDR of 5% of the CDR plateau. In the base case, the Company assumes the final CDR will be reached 3.75 years after the initial 36-month CDR plateau period. Under the Company’s methodology, defaults projected to occur in the first 36 months represent defaults that can be attributed to loans that were modified or delinquent in the last 12 months or that are currently delinquent or in foreclosure, while the defaults projected to occur using the projected CDR trend after the first 36-month period represent defaults attributable to borrowers that are currently performing or are projected to reperform.

Another important driver of loss projections is loss severity, which is the amount of loss the transaction incurs on a loan after the application of net proceeds from the disposal of the underlying property. Loss severities experienced in first lien transactions had reached historically high levels, and the Company is assuming in the base case that the still elevated levels generally will continue for another 18 months. The Company determines its initial loss severity based on actual recent experience. Each quarter the Company reviews available data and (if necessary) adjusts its severities based on its observations. The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning after the initial 18 month period, declining to 40% in the base case over 2.5 years.

STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

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

Key Assumptions in Base Case Loss Reserve Estimates				
First Lien RMBS				
	As of September 30, 2019		As of December 31, 2018	
	Range	Weighted Average	Range	Weighted Average
<b>Alt A and Prime</b>				
Plateau CDR	0.5% - 10.5%	3.8%	1.2% - 10.3%	3.9%
Final CDR	0.0% - 0.5%	0.2%	0.1% - 0.5%	0.2%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	70.0%		70.0%	
2007+	70.0%		70.0%	
<b>Option ARM</b>				
Plateau CDR	2.0% - 6.8%	5.2%	1.8% - 6.8%	5.2%
Final CDR	0.1% - 0.3%	0.3%	0.1% - 0.3%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	60.0%		60.0%	
2007+	70.0%		70.0%	
<b>Subprime</b>				
Plateau CDR	3.4% - 13.4%	5.9%	3.2% - 11.5%	6.3%
Final CDR	0.2% - 0.7%	0.3%	0.2% - 0.6%	0.3%
Initial loss severity:				
2005 and prior	80.0%		80.0%	
2006	75.0%		75.0%	
2007+	85.0%		95.0%	

The rate at which the principal amount of loans is voluntarily prepaid may impact both the amount of losses projected (since that amount is a function of the CDR, the loss severity and the loan balance over time) as well as the amount of excess spread (the amount by which the interest paid by the borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations). The assumption for the voluntary conditional prepayment rate ("CPR") follows a similar pattern to that of the CDR. The current level of voluntary prepayments is assumed to continue for the plateau period before gradually increasing over 12 months to the final CPR, which is assumed to be 15% in the base case. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. These CPR assumptions are the same as those the Company used for December 31, 2018.

In estimating loss reserves, the Company modeled and probability weighted sensitivities for first lien transactions by varying its assumptions of how fast a recovery is expected to occur. One of the variables used to model sensitivities was how quickly the CDR returned to its modeled equilibrium, which was defined as 5% of the initial CDR. The Company also stressed CPR and the speed of recovery of loss severity rates. The Company probability weighted a total of five scenarios as of September 30, 2019 and December 31, 2018.

Total loss and LAE reserves on all first lien U.S. RMBS was \$68 million and \$92 million as of September 30, 2019 and December 31, 2018, respectively. The decrease was primarily attributable to higher excess spread on certain transactions supported by large portions of fixed rate assets (either originally fixed or modified to be fixed) and with insured floating rate debt linked to London Interbank Offered Rate ("LIBOR"), which decreased in Nine Months 2019. The Company used a similar approach to establish its pessimistic and optimistic scenarios as of September 30, 2019 as it used as of December 31, 2018, increasing and decreasing the periods of stress from those used in the base case. LIBOR may be discontinued, and it is not yet clear how this will impact the calculation of the various interest rates in this portfolio referencing LIBOR.

In the Company's most stressful scenario where loss severities were assumed to rise and then recover over nine years and the initial ramp-down of the CDR was assumed to occur over 15 months, loss reserves would increase from current projections by approximately \$9.6 million for all first lien U.S. RMBS transactions.

In the Company's least stressful scenario where the CDR plateau was six months shorter (30 months, effectively assuming that liquidation rates would improve) and the CDR recovery was more pronounced (including an initial ramp-down of the CDR over nine months), loss reserves would decrease from current projections by approximately \$4.1 million for all first lien U.S. RMBS transactions.

U.S. Second Lien RMBS Loss Projections

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

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

For the base case scenario, the CDR (the "plateau CDR") was held constant for six months. Once the plateau period has ended, the CDR is assumed to gradually trend down in uniform increments to its final long-term steady state CDR. (The long-term

STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

steady state CDR is calculated as the constant CDR that would have yielded the amount of losses originally expected at underwriting.) In the base case scenario, the time over which the CDR trends down to its final CDR is 28 months. Therefore, the total stress period for second lien transactions is 34 months, representing six months of delinquent loan liquidations followed by 28 months of decrease to the steady state CDR, the same as of December 31, 2018.

HELOC loans generally permit the borrower to pay only interest for an initial period (often ten years) and, after that period, require the borrower to make both the monthly interest payment and a monthly principal payment. This causes the borrower's total monthly payment to increase, sometimes substantially, at the end of the initial interest-only period. In prior periods, as the HELOC loans underlying the Company's insured HELOC transactions reached their principal amortization period, the Company incorporated an assumption that a percentage of loans reaching their principal amortization periods would default around the time of the payment increase.

The HELOC loans underlying the Company's insured HELOC transactions are now past their original interest-only reset date, although a significant number of HELOC loans were modified to extend the original interest-only period for another five years. As a result, the Company does not apply a CDR increase when such loans reach their principal amortization period. In addition, based on the average performance history, the Company applies a CDR floor of 2.5% for the future steady state CDR on all its HELOC transactions.

When a second lien loan defaults, there is generally a low recovery. The Company assumed, as of September 30, 2019 and December 31, 2018, that it will generally recover 2% of future defaulting collateral at the time of charge-off, with additional amounts of post charge-off recoveries projected to come in over time. A second lien on the borrower's home may be retained in the Company's second lien transactions after the loan is charged off and the loss applied to the transaction, particularly in cases where the holder of the first lien has not foreclosed. If the second lien is retained and the value of the home increases, the servicer may be able to use the second lien to increase recoveries, either by arranging for the borrower to resume payments or by realizing value upon the sale of the underlying real estate. The Company evaluates its assumptions periodically based on actual recoveries of charged-off loans observed from period to period. In instances where the Company is able to obtain information on the lien status of charged-off loans, it assumes there will be a certain level of future recoveries of the balance of the charged-off loans where the second lien is still intact. The Company projected future recoveries on these charged off loans of 20% as of September 30, 2019 and 10% as of December 31, 2018, with such recoveries to be received evenly over the next five years. The increase in recovery assumptions is attributable to the higher actual recovery rates observed in certain transactions during the year. Increasing the recovery rate to 30% would result in an economic benefit of \$14 million, while decreasing the recovery rate back to 10% would result in an economic loss of \$14 million.

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected as well as the amount of excess spread. In the base case, an average CPR (based on experience of the past year) is assumed to continue until the end of the plateau before gradually increasing to the final CPR over the same period the CDR decreases. The final CPR is assumed to be 15% for second lien transactions (in the base case), which is lower than the historical average but reflects the Company's continued uncertainty about the projected performance of the borrowers in these transactions. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. This pattern is consistent with how the Company modeled the CPR as of December 31, 2018. To the extent that prepayments differ from projected levels it could materially change the Company's projected excess spread and losses.

In estimating expected losses, the Company modeled and probability weighted five scenarios, each with a different CDR curve applicable to the period preceding the return to the long-term steady state CDR. The Company believes that the level of the elevated CDR and the length of time it will persist and the ultimate prepayment rate are the primary drivers behind the amount of losses the collateral will likely suffer.

The Company continues to evaluate the assumptions affecting its modeling results. The Company believes the most important driver of its projected second lien RMBS losses is the performance of its HELOC transactions. Total loss and LAE recoveries on all second lien U.S. RMBS was \$16 million as of September 30, 2019 and total loss and LAE reserves on all second lien U.S. RMBS was \$3 million as of December 31, 2018. The economic benefit is primarily attributable to higher projected recoveries for previously charged-off loans and improved performance of underlying collateral.

The following table shows the range as well as the average, weighted by net par outstanding, for key assumptions used in the calculation of expected loss to be paid for individual transactions for vintage 2004 - 2008 HELOCs.

Key Assumptions in Base Case Loss Reserve Estimates  
HELOCs

	As of September 30, 2019		As of December 31, 2018	
	Range	Weighted Average	Range	Weighted Average
Plateau CDR	4.8% - 20.7%	10.1%	7.2% - 26.8%	12.8%
Final CDR trended down to	2.5% - 2.5%	2.5%	2.5% - 2.5%	2.5%
Liquidation rates:				
Delinquent/Modified in the Previous 12 Months	20%		20%	
30 - 59 Days Delinquent	35		35	
60 - 89 Days Delinquent	45		50	
90+ Days Delinquent	65		70	
Bankruptcy	55		55	
Foreclosure	55		65	
Real Estate Owned	100		100	
Loss severity (1)	98		98	

(1) Loss severities on future defaults.

The Company's base case assumed a six month CDR plateau and a 28 month ramp-down (for a total stress period of 34 months). The Company also modeled a scenario with a longer period of elevated defaults and another with a shorter period of elevated defaults. In the Company's most stressful scenario, increasing the CDR plateau to eight months and increasing the ramp-down



STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

by three months to 31 months (for a total stress period of 39 months) would increase the loss reserves by approximately \$1.3 million for HELOC transactions. On the other hand, in the Company's least stressful scenario, reducing the CDR plateau to four months and decreasing the length of the CDR ramp-down to 25 months (for a total stress period of 29 months), and lowering the ultimate prepayment rate to 10% would decrease the loss reserves by approximately \$1.3 million for HELOC transactions.

Life Insurance Transactions

The Company also had exposure to troubled life insurance transactions. As of September 30, 2019, the Company's BIG net par in these transactions was \$86 million, which was lower than the \$160 million as of December 31, 2018 because of the settlement of a transaction.

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

The following table summarizes U.S. subprime loss activity at September 30, 2019:

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at the End of Current Period	IBNR Reserves at the End of Current Period
a. Mortgage Guaranty coverage				\$ —
b. Financial Guaranty coverage	4,792,180	(16,592,707)	68,880,853	—
c. Other lines (specify):				—
d. Total	\$ 4,792,180	\$ (16,592,707)	\$ 68,880,853	\$ —

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

22. Events Subsequent

Subsequent events have been considered through November 13, 2019 for these statutory financial statements which are to be issued on November 13, 2019. There were no material events occurring subsequent to September 30, 2019 that have not already been disclosed in these financial statements.

23. Reinsurance

- A. The Company has an unsecured reinsurance recoverable of \$48,470,067 with an authorized affiliate, MAC, at September 30, 2019.
- B. The Company has no reinsurance recoverable in dispute at September 30, 2019.
- C. Reinsurance Assumed and Ceded  
The following table summarizes ceded and assumed unearned premiums and the related commission equity at September 30, 2019:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 31,912,564	\$ 8,543,005	\$ 146,247,889	\$ 28,345,600	\$ (114,335,325)	\$ (19,802,595)
b. All Other	220,908,078	4,778,019	3,122,615	411,074	217,785,463	4,366,945
c. Total	\$ 252,820,642	\$ 13,321,024	\$ 149,370,504	\$ 28,756,674	\$ 103,450,138	\$ (15,435,650)
d. Direct Unearned Premium Reserve			\$ 251,243,154			

- D. The Company has no uncollectible reinsurance at September 30, 2019.
- E. There is no effect from commutation and reassumption of ceded and assumed business for the nine months ended September 30, 2019.
- F. The Company has no retroactive reinsurance in effect at September 30, 2019.
- G. The Company does not utilize the deposit method to account for any of its reinsurance transactions.
- H. There has been no significant change since the 2018 Annual Statement in the Company's one run-off agreement.
- I. The Company has no certified reinsurance downgraded or status subject to revocation at September 30, 2019.
- J. The Company has no reinsurance agreements qualifying for reinsurer aggregation at September 30, 2019.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not issue retrospectively rated contracts or contracts subject to redetermination; none of the company's reinsurance contracts are retrospectively rated or subject to redetermination.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss expenses attributable to insured events of prior years were \$14,440,963 for the first nine months of 2019. The current year increase is a result of ongoing analysis of recent loss development trends. Original estimates are adjusted as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

There has been no change since the 2018 Annual Statement.

27. Structured Settlements

There has been no change since the 2018 Annual Statement.

28. Health Care Receivables

There has been no change since the 2018 Annual Statement.



STATEMENT AS OF SEPTEMBER 30, 2019 OF ASSURED GUARANTY CORP.

29. Participating Policies

There has been no change since the 2018 Annual Statement.

30. Premium Deficiency Reserves

There has been no change since the 2018 Annual Statement.

31. High Deductibles

There has been no change since the 2018 Annual Statement.

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

The net loss and LAE reserves of \$189,675,053 are discounted at a rate of 5.0%, the approximate taxable equivalent yield on the Company's investment portfolio, amounting to a total discount of \$56,294,848.

Nontabular Discount:	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
Financial Guaranty	\$	56,294,848		

33. Asbestos and Environmental Reserves

There has been no change since the 2018 Annual Statement.

34. Subscriber Savings Accounts

There has been no change since the 2018 Annual Statement.

35. Multiple Peril Crop Insurance

There has been no change since the 2018 Annual Statement.

36. Financial Guaranty Insurance

A. There has been no significant change since the 2018 Annual Statement.

B. Schedule of BIG insured financial obligations as of September 30, 2019:

	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
	(dollars in thousands)			
1. Number of risks	76	22	114	212
2. Remaining weighted-average contract period (in yrs)	7.9	17.9	11.4	11.8
Insured contractual payments outstanding:				
3a. Principal	\$ 497,406	\$ 518,916	\$ 2,685,018	\$ 3,701,340
3b. Interest	166,020	427,640	993,404	1,587,064
3c. Total	\$ 663,426	\$ 946,556	\$ 3,678,422	\$ 5,288,404
4. Gross claim liability	\$ 20,950	\$ 104,457	\$ 1,577,408	\$ 1,702,815
Less:				
5a1. Gross potential recoveries - subrogation	364,735	46,320	930,638	1,341,693
5a2. Ceded claim liability	(29,283)	12,422	132,543	115,682
5a. Total gross potential recoveries	335,452	58,742	1,063,181	1,457,375
5b. Discount, net	(77,752)	12,606	121,441	56,295
6. Net claim liability	\$ (236,750)	\$ 33,109	\$ 392,786	\$ 189,145
7. Unearned premium revenue	\$ 6,033	\$ 14,549	\$ 62,936	\$ 83,518
8. Reinsurance recoverables	\$ 45	\$ 73	\$ 2,475	\$ 2,593

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

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

Yes ☐ No ☒
- 1.2

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

Yes ☐ No ☐
- 2.1

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

Yes ☒ No ☐
- 2.2

If yes, date of change:

.06/14/2019
- 3.1

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

Yes ☒ No ☐

If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

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

Yes ☒ No ☐
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.  
A new entity, Assured Guaranty (Europe) S.A., was formed as a direct, majority owned subsidiary of AGM. A new entity, AG Assets Strategies LLC, was formed as a direct subsidiary jointly owned by AGM (55%), AGC (35%) and MAC (10%)
- 3.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☒ No ☐
- 3.5

If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group

.0001273813
- 4.1

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

Yes ☐ No ☒

If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 4.2

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

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

5.

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

Yes ☐ No ☐ NA ☒

If yes, attach an explanation.
- 6.1

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

.12/31/2016
- 6.2

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

.12/31/2016
- 6.3

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

.05/30/2018
- 6.4

By what department or departments?  
Maryland Insurance Administration
- 6.5

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

Yes ☐ No ☐ NA ☒
- 6.6

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

Yes ☐ No ☐ NA ☒
- 7.1

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

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

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

Yes ☐ No ☒
- 8.2

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

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

Yes ☐ No ☒
- 8.4

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

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

GENERAL INTERROGATORIES

- 9.1

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

Yes [X] No [ ]
- 9.11

If the response to 9.1 is No, please explain:  
.....
- 9.2

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

Yes [X] No [ ]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).  
The Code of Conduct is revised annually to make ordinary course updates.....
- 9.3

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

Yes [ ] No [X]
- 9.31

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

FINANCIAL

- 10.1

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

Yes [X] No [ ]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....173,328

INVESTMENT

- 11.1

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

Yes [ ] No [X]
- 11.2

If yes, give full and complete information relating thereto:  
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0
13.

Amount of real estate and mortgages held in short-term investments: .....\$ .....0
- 14.1

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

Yes [X] No [ ]
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....0	\$ .....
14.22 Preferred Stock .....	\$ .....0	\$ .....
14.23 Common Stock .....	\$ .....120,312,926	\$ .....90,405,670
14.24 Short-Term Investments .....	\$ .....0	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....(1,697,335)	\$ .....(4,253,748)
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....118,615,591	\$ .....86,151,922
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

- 15.1

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

Yes [ ] No [X]
- 15.2

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

Yes [ ] No [ ]
- If no, attach a description with this statement.
- 16

For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....0
- 16.2

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

\$ .....0
- 16.3

Total payable for securities lending reported on the liability page

\$ .....0

GENERAL INTERROGATORIES

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon.....	One Wall Street, New York, NY 10286.....
Wilmington Trust.....	1800 Washington Blvd, Baltimore, MD 21230.....

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

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

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Blackrock Financial Management Inc.....	U.....
New England Asset Managment Inc.....	U.....
Wellington Management Company LLP.....	U.....
Goldman Sachs Asset Management, L.P.....	U.....
Mackay Shields LLC.....	U.....
Wasmer, Schroeder & Company, LLC.....	A.....
Assured Guaranty Corp.....	I.....

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s assets? .....

Yes [ X ] No [ ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s assets? .....

Yes [ X ] No [ ]

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107-105.....	Blackrock Financial Management Inc.....	549300LVXYIVJKE13M84.....	Securities and Exchange Commission.....	NO.....
105-900.....	New England Asset Managment Inc.....	KUR85E5PS4GQFZTFC130.....	Securities and Exchange Commission.....	NO.....
106-595.....	Wellington Management Company LLP.....	549300YHP12TEZNL CX41.....	Securities and Exchange Commission.....	NO.....
107-738.....	Goldman Sachs Asset Management, L.P.....	CF5M58QA35CFPUX70H17.....	Securities and Exchange Commission.....	NO.....
107-717.....	Mackay Shields LLC.....	549300Y7LLC0FU7R8H16.....	Securities and Exchange Commission.....	NO.....
105-323.....	Wasmer, Schroeder & Company, LLC.....	N/A.....	Securities and Exchange Commission.....	DS.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? .....

Yes [X] No [ ]

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

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:  
Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or  
a. PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?.....

Yes [ ] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is  
c. shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?.....

Yes [ ] No [X]

GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
Financial Guaranty.....		5.000	56,294,848			56,294,848	(8,154,524)			(8,154,524)
TOTAL			56,294,848	0	0	56,294,848	(8,154,524)	0	0	(8,154,524)

5. Operating Percentages:

5.1 A&H loss percent ..... %  
5.2 A&H cost containment percent ..... %  
5.3 A&H expense percent excluding cost containment expenses..... %

6.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$

6.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?..... Yes [X] No [ ]

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?..... Yes [ ] No [ ]



SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

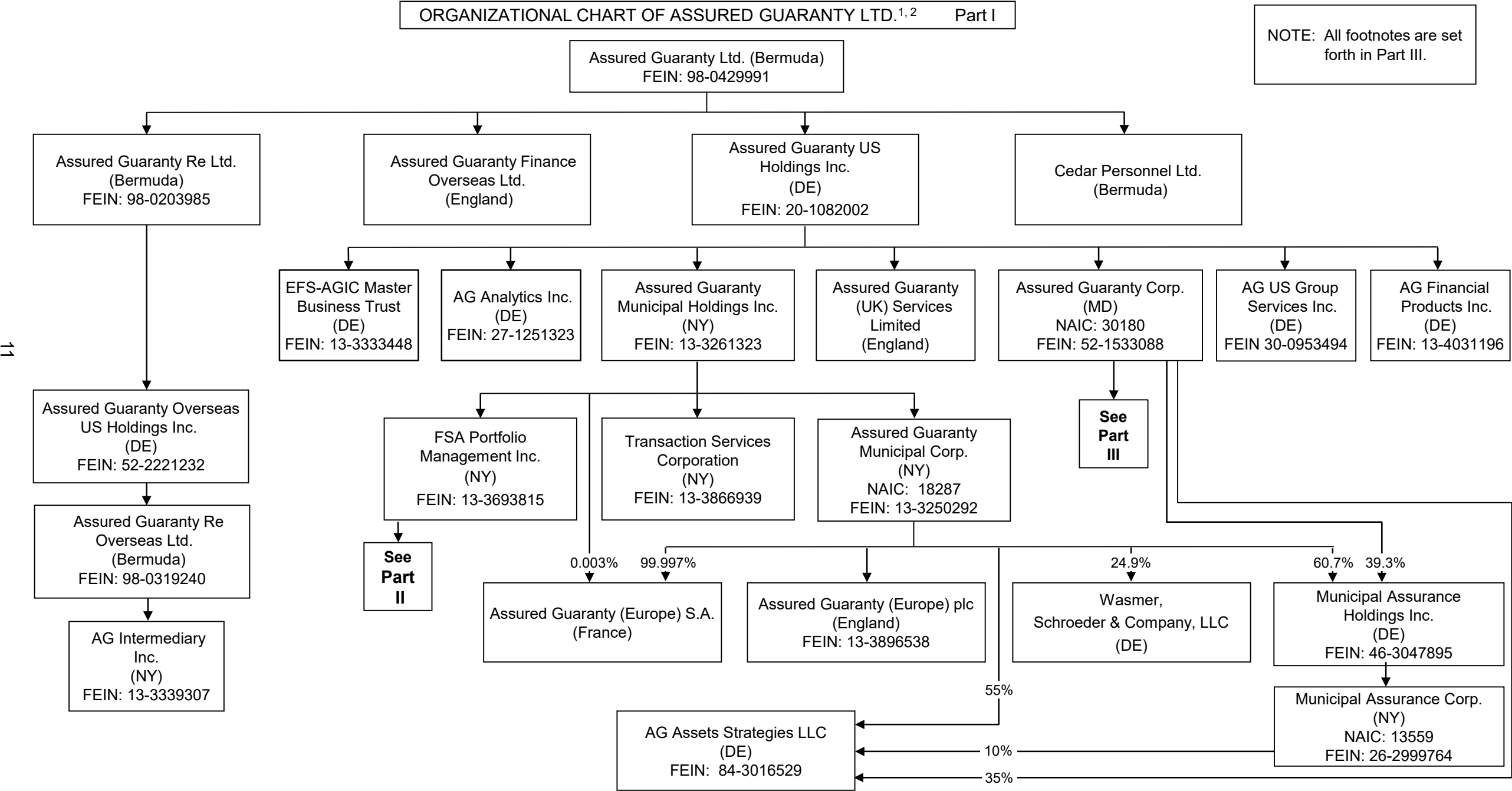
Current Year to Date – Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status (a)	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L		.0		.0		.0
2. Alaska	AK L	102,132	103,726		.0		.0
3. Arizona	AZ L		.0		.0		.0
4. Arkansas	AR L	33,388	48,283	(156,339)	(120,821)	2,481,458	4,122,221
5. California	CA L	256,274	262,682	(34,804)	172,423	3,007,254	2,878,125
6. Colorado	CO L		.0		.0		.0
7. Connecticut	CT L		.0		.0		.0
8. Delaware	DE L	4,849,700	9,840,337	(225,795)	(254,739)	(1,132,057)	6,442,474
9. Dist. Columbia	DC L		.0		.0		.0
10. Florida	FL L		.0	1,502,763	11,977,763	(3,507,024)	(3,618,288)
11. Georgia	GA L		.0		.0		.0
12. Hawaii	HI L	99,687	100,662		.0		.0
13. Idaho	ID L		.0		.0		.0
14. Illinois	IL L	126,018	127,381	67,366	77,214	439,328	445,470
15. Indiana	IN L		.0		.0		.0
16. Iowa	IA L		.0		.0		.0
17. Kansas	KS L		.0		.0		.0
18. Kentucky	KY L		.0		.0		.0
19. Louisiana	LA L		.0		.0		.0
20. Maine	ME L	168,729	130,666		.0		.0
21. Maryland	MD L	212,542	614,901	(197,915)	.0	1,422,871	1,003,487
22. Massachusetts	MA L	14,584	52,802	(49,558)	287,711	7,366,828	6,917,370
23. Michigan	MI L		.0		8,040,470		.0
24. Minnesota	MN L		.0		.0		.0
25. Mississippi	MS L	710,322	.0	12,104,697	919,947		11,032,734
26. Missouri	MO L	2,250,000	3,750,000		.0		.0
27. Montana	MT L		.0		.0		.0
28. Nebraska	NE L		.0		.0		.0
29. Nevada	NV L		.0		.0		.0
30. New Hampshire	NH L		.0		.0		.0
31. New Jersey	NJ L		76,426	25,000	25,000	51,844	20,540
32. New Mexico	NM L		.0		.0		.0
33. New York	NY L	8,191,424	7,302,949	19,488,601	(82,683,857)	(48,069,047)	(22,276,179)
34. No. Carolina	NC L		.0		.0		.0
35. No. Dakota	ND L		.0		.0		.0
36. Ohio	OH L		.0		.0		.0
37. Oklahoma	OK L		.0		.0		.0
38. Oregon	OR L		.0		.0		.0
39. Pennsylvania	PA L		.0	532,700	532,700	2,899,113	3,171,878
40. Rhode Island	RI L		.0		.0		.0
41. So. Carolina	SC L		.0		.0		.0
42. So. Dakota	SD L		.0		.0		.0
43. Tennessee	TN L		.0		.0		.0
44. Texas	TX L	48,193	54,746		.0		.0
45. Utah	UT L	53,144	53,799		.0		.0
46. Vermont	VT L		.0		.0		.0
47. Virginia	VA L		.0		.0		.0
48. Washington	WA L		.0		.0	585,521	.0
49. West Virginia	WV L		.0		.0		.0
50. Wisconsin	WI L		.0		.0		.0
51. Wyoming	WY L		.0		.0		.0
52. American Samoa	AS N		.0		.0		.0
53. Guam	GU N		.0		.0		.0
54. Puerto Rico	PR L		.0	79,234,319	78,653,811	186,002,945	236,191,460
55. U.S. Virgin Islands	VI N		.0		.0		.0
56. Northern Mariana Islands	MP N		.0		.0		.0
57. Canada	CAN N		.0		.0		.0
58. Aggregate Other Alien	OT XXX	1,123,064	962,586	.0	.0	.0	.0
59. Totals	XXX	18,239,201	23,481,946	112,291,035	17,627,622	151,549,034	246,331,292
DETAILS OF WRITE-INS							
58001. CYM Cayman Islands	XXX	1,044,939	884,461		.0		.0
58002. GBR United Kingdom	XXX	78,125	78,125		.0		.0
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	1,123,064	962,586	0	0	0	0

(a) Active Status Counts

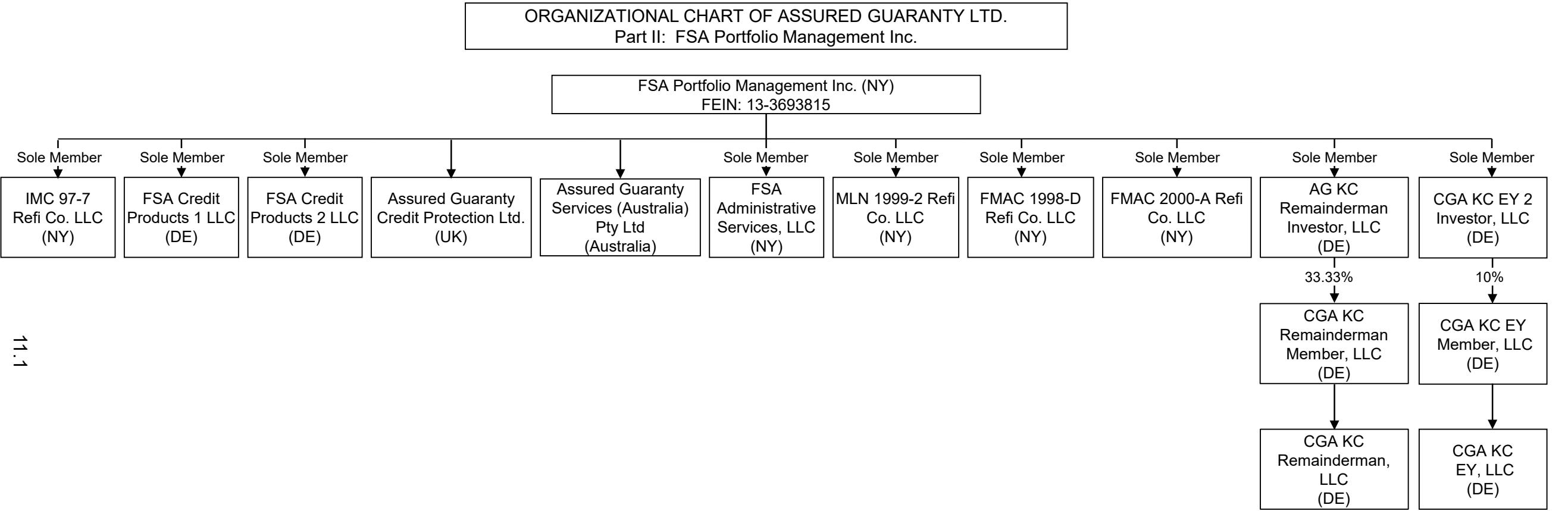
L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG .....52 R – Registered – Non-domiciled RRGs .....0  
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) .....0 Q – Qualified – Qualified or accredited reinsurer .....0  
D – Domestic Surplus Lines Insurer (DSLI) – Reporting entities authorized to write surplus lines in the state of domicile .....0 N – None of the above – Not allowed to write business in the state .....5



STATEMENT as of SEPTEMBER 30, 2019 of the ASSURED GUARANTY CORP.  
SCHEDULE Y - Part 1 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

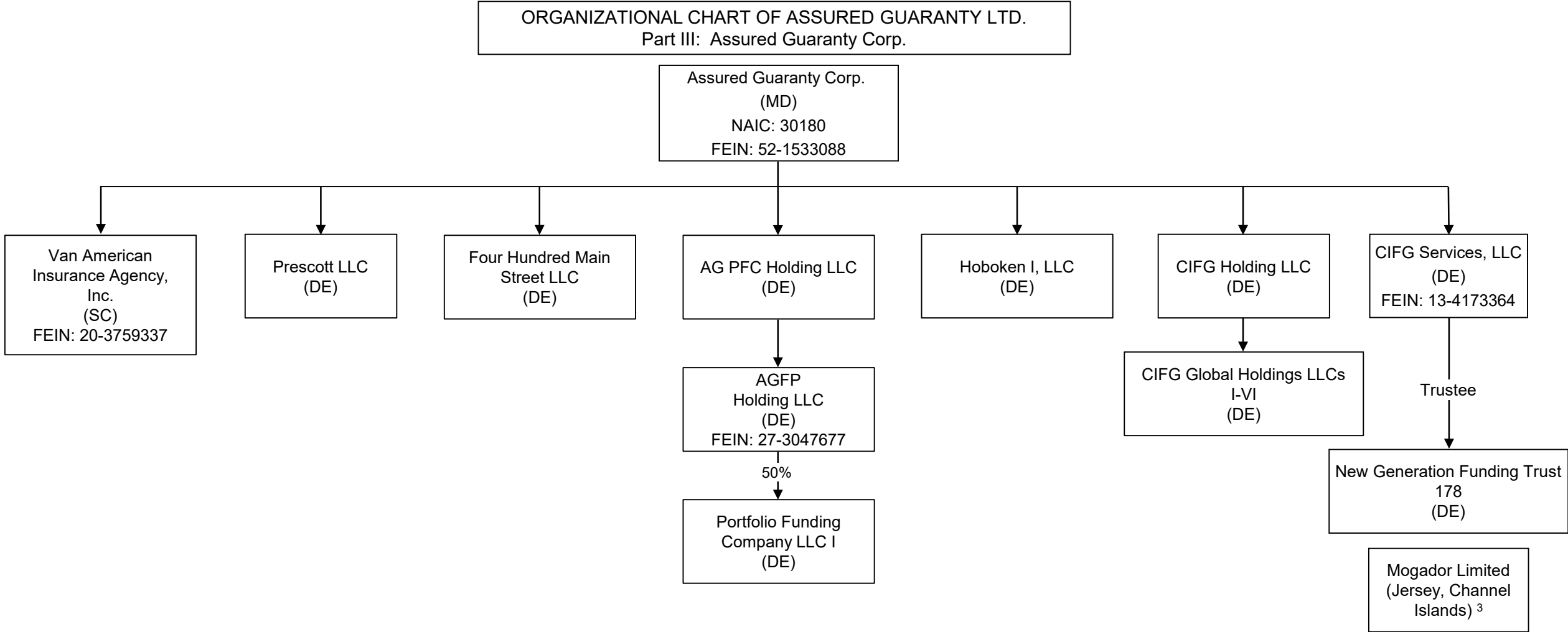


STATEMENT as of SEPTEMBER 30, 2019 of the ASSURED GUARANTY CORP.  
SCHEDULE Y - Part 1 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of SEPTEMBER 30, 2019 of the ASSURED GUARANTY CORP.  
SCHEDULE Y - Part 1 – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

11.2



Footnotes:

1. Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%.
2. All companies listed are corporations, except for (i) limited liability companies (designated as LLCs) and (ii) EFS-AGIC Master Business Trust and New Generation Funding Trust 178 (which are both Delaware trusts).
3. Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is (i) the depositor of New Generation Funding Trust 178 and (ii) the seller of protection on derivatives guaranteed by Assured Guaranty (Europe) plc (as successor to CIFG Europe S.A.) and Assured Guaranty Corp. (as successor to CIFG Assurance North America, Inc.).

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
00194	Assured Guaranty Ltd	00000	98-0429991		0001273813	NYSE	Assured Guaranty Ltd	BMU	UIP			0.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	20-1082002		0001289244		Assured Guaranty US Holdings Inc	DE	UDP	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	13-3261323		1111913357		Assured Guaranty Municipal Holdings Inc	NY	NIA	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	18287	13-3250292				Assured Guaranty Municipal Corp	NY	IA	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	13-3693815				FSA Portfolio Management Inc	NY	NIA	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	13-3866939				Transaction Services Corporation	NY	NIA	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	46-3047895				Municipal Assurance Holdings Inc	DE	DS	Assured Guaranty Municipal Corp	Ownership	60.7	Assured Guaranty Ltd	Y	(1)
00194	Assured Guaranty Ltd	00000	13-3896538				Assured Guaranty (Europe) plc	GBR	IA	Assured Guaranty Municipal Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	98-0203985				Assured Guaranty Re Ltd	BMU	IA	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Assured Guaranty Finance Overseas Ltd	GBR	NIA	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Cedar Personnel Ltd	BMU	NIA	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	52-2221232				Assured Guaranty Overseas US Holdings Inc	DE	NIA	Assured Guaranty Re Ltd	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	98-0319240				Assured Guaranty Re Overseas Ltd	BMU	IA	Assured Guaranty Overseas US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	13-3339307				AG Intermediary Inc	NY	NIA	Assured Guaranty Re Overseas Ltd	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	13559	26-2999764				Municipal Assurance Corp	NY	DS	Municipal Assurance Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	27-1251323				AG Analytics Inc	DE	NIA	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Assured Guaranty (UK) Services Limited	GBR	NIA	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	30180	52-1533088				Assured Guaranty Corp	MD	RE	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	13-4031196				AG Financial Products Inc	DE	NIA	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Prescott LLC	DE	DS	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					AG PFC Holding LLC	DE	DS	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000	27-3047677				AGFP Holding LLC	DE	DS	AG PFC Holding LLC	Ownership	100.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					Portfolio Funding Company LLC 1	DE	DS	AGFP Holding LLC	Ownership	50.0	Assured Guaranty Ltd	N	0
00194	Assured Guaranty Ltd	00000					FSA Credit Products 1 LLC	DE	NIA	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	N	0

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 2 LLC.....	DE.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Credit Protection Ltd.....	GBR.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Services (Australia) Pty Ltd.....	AUS.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Administrative Services, LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					MLN 1999-2 Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 1998-D Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 2000-A Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					IMC 97-7 Refi Co. LLC.....	NY.....	NIA.....	FSA Portfolio Management Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....	13-3333448.....				EFS-AGIC Master Business Trust.....	DE.....	NIA.....	Assured Guaranty US Holdings, Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					Four Hundred Main Street LLC.....	DE.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....	20-3759337.....				Van American Insurance Agency, Inc.....	SC.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	(3)
00194.....	Assured Guaranty Ltd.....	00000.....					Hoboken I, LLC.....	DE.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....	13-4173364.....				CIFG Services, LLC.....	DE.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Holding LLC.....	DE.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					New Generation Funding Trust.....	DE.....	NIA.....	CIFG Services, LLC.....	Other.....	0.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					Mogador Limited.....	JEY.....	OTH.....	Sanne Nominees Limited and Sanne Nominees 2 Limited.....	Ownership.....	100.0	Sanne Nominees Limited and Sanne Nominees 2 Limited.....	N.....	(2)
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings I, LLC.....	DE.....	DS.....	CIFG Holding LLC.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings II, LLC.....	DE.....	DS.....	CIFG Holding LLC.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings III, LLC.....	DE.....	DS.....	CIFG Holding LLC.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings IV, LLC.....	DE.....	DS.....	CIFG Holding LLC.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings V, LLC.....	DE.....	DS.....	CIFG Holding LLC.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....					CIFG Global Holdings VI, LLC.....	DE.....	DS.....	CIFG Holding LLC.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0
00194.....	Assured Guaranty Ltd.....	00000.....	30-0953494.....				AG US Group Services Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	N.....	.0

## 12.2

[illegible]

Asterisk	Explanation
	(1) The remaining 39.3% of Municipal Assurance Holdings Inc. is directly owned by Assured Guaranty Corp.
	(2) Mogador Limited is wholly owned by Sanne Nominees Limited and Sanne Nominees 2 Limited, which companies are organized under the laws of Jersey, Channel Islands and are not owned or controlled by Assured Guaranty Ltd. Mogador Limited is (i) the depositor of New Generation Funding Trust 178 and (ii) the seller of protection on derivatives guaranteed by Assured Guaranty (Europe) plc (as successor to ClFG Europe S.A.) and Assured Guaranty Corp. (as successor to ClFG Assurance North America, Inc.)
	(3) AGC does not file a SUB-2 form in respect of Van American Insurance Agency, Inc. since AGC reports such subsidiary as a non-admitted asset on its statutory financial statements.
	(4) Assured Guaranty Municipal Holdings Inc. owns 0.003% of Assured Guaranty (Europe) S.A.
	(5) The remaining 45.0% of AG Assets Strategies LLC is directly owned 35.0% by Assured Guaranty Corp. and 10% by Municipal Assurance Corp.

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....			0.0	0.0
2.	Allied lines .....			0.0	0.0
3.	Farmowners multiple peril .....			0.0	0.0
4.	Homeowners multiple peril .....			0.0	0.0
5.	Commercial multiple peril .....			0.0	0.0
6.	Mortgage guaranty .....			0.0	0.0
8.	Ocean marine .....			0.0	0.0
9.	Inland marine .....			0.0	0.0
10.	Financial guaranty .....	65,432,200	23,584,826	36.0	20.5
11.1	Medical professional liability -occurrence .....			0.0	0.0
11.2	Medical professional liability -claims made .....			0.0	0.0
12.	Earthquake .....			0.0	0.0
13.	Group accident and health .....			0.0	0.0
14.	Credit accident and health .....			0.0	0.0
15.	Other accident and health .....			0.0	0.0
16.	Workers' compensation .....			0.0	0.0
17.1	Other liability occurrence .....			0.0	0.0
17.2	Other liability-claims made .....			0.0	0.0
17.3	Excess Workers' Compensation .....			0.0	0.0
18.1	Products liability-occurrence .....			0.0	0.0
18.2	Products liability-claims made .....			0.0	0.0
19.1,19.2	Private passenger auto liability .....			0.0	0.0
19.3,19.4	Commercial auto liability .....			0.0	0.0
21.	Auto physical damage .....			0.0	0.0
22.	Aircraft (all perils) .....			0.0	0.0
23.	Fidelity .....			0.0	0.0
24.	Surety .....			0.0	0.0
26.	Burglary and theft .....			0.0	0.0
27.	Boiler and machinery .....			0.0	0.0
28.	Credit .....			0.0	0.0
29.	International .....			0.0	0.0
30.	Warranty .....			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....	0	0	0.0	0.0
35.	TOTALS .....	65,432,200	23,584,826	36.0	20.5
DETAILS OF WRITE-INS					
3401.	.....			0.0	0.0
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34) .....	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire .....	0		0
2.	Allied lines .....	0		0
3.	Farmowners multiple peril .....	0		0
4.	Homeowners multiple peril .....	0		0
5.	Commercial multiple peril .....	0		0
6.	Mortgage guaranty .....	0		0
8.	Ocean marine .....	0		0
9.	Inland marine .....	0		0
10.	Financial guaranty .....	4,612,159	18,239,201	23,481,946
11.1	Medical professional liability-occurrence .....	0		0
11.2	Medical professional liability-claims made .....	0		0
12.	Earthquake .....	0		0
13.	Group accident and health .....	0		0
14.	Credit accident and health .....	0		0
15.	Other accident and health .....	0		0
16.	Workers' compensation .....	0		0
17.1	Other liability occurrence .....	0		0
17.2	Other liability-claims made .....	0		0
17.3	Excess Workers' Compensation .....	0		0
18.1	Products liability-occurrence .....	0		0
18.2	Products liability-claims made .....	0		0
19.1,19.2	Private passenger auto liability .....	0		0
19.3,19.4	Commercial auto liability .....	0		0
21.	Auto physical damage .....	0		0
22.	Aircraft (all perils) .....	0		0
23.	Fidelity .....	0		0
24.	Surety .....	0		0
26.	Burglary and theft .....	0		0
27.	Boiler and machinery .....	0		0
28.	Credit .....	0		0
29.	International .....	0		0
30.	Warranty .....	0		0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....	0	0	0
35.	TOTALS .....	4,612,159	18,239,201	23,481,946
DETAILS OF WRITE-INS				
3401.	.....	0		0
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34) .....	0	0	0



PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2016 + Prior .....	143,483	150	143,633	59,070		59,070	117,221		150	117,371	32,808	0	32,808
2. 2017 .....			0			0				0	0	0	0
3. Subtotals 2017 + prior .....	143,483	150	143,633	59,070	0	59,070	117,221	0	150	117,371	32,808	0	32,808
4. 2018.....	92,847		92,847	2,176		2,176	72,304			72,304	(18,367)	0	(18,367)
5. Subtotals 2018 + prior .....	236,330	150	236,480	61,246	0	61,246	189,525	0	150	189,675	14,441	0	14,441
6. 2019 .....	XXX	XXX	XXX	XXX	6	6	XXX			0	XXX	XXX	XXX
7. Totals .....	236,330	150	236,480	61,246	6	61,252	189,525	0	150	189,675	14,441	0	14,441
8. Prior Year-End Surplus As Regards Policy-holders	1,792,961										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 6.1	2. 0.0	3. 6.1
											Col. 13, Line 7 Line 8		
											4.	0.8	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES


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

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

Explanation:


Bar Code:

1.




301802019490000003

2.




301802019455000003

3.



301802019365000003

4.



301802019505000003

**OVERFLOW PAGE FOR WRITE-INS**

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SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	27,158,356	28,550,006
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	0
2.2 Additional investment made after acquisition .....	1,292,401	141,742
3. Current year change in encumbrances .....	0	0
4. Total gain (loss) on disposals .....	0	0
5. Deduct amounts received on disposals .....	0	0
6. Total foreign exchange change in book/adjusted carrying value .....	0	0
7. Deduct current year's other-than-temporary impairment recognized .....	0	0
8. Deduct current year's depreciation .....	1,221,848	1,533,392
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	27,228,909	27,158,356
10. Deduct total nonadmitted amounts .....	1,797,495	1,888,564
11. Statement value at end of current period (Line 9 minus Line 10)	25,431,414	25,269,792

SCHEDULE B – VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	1,253,114	2,647,754
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....	(251,530)	(394,034)
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....	1,199,826	1,000,606
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	(198,242)	1,253,114
12. Deduct total nonadmitted amounts .....	(4,253,748)	(1,697,335)
13. Statement value at end of current period (Line 11 minus Line 12)	4,055,506	2,950,449

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	2,781,280,414	2,744,375,752
2. Cost of bonds and stocks acquired .....	254,320,534	563,214,008
3. Accrual of discount .....	54,515,279	54,546,030
4. Unrealized valuation increase (decrease) .....	(29,937,187)	21,610,040
5. Total gain (loss) on disposals .....	4,255,130	(2,037,844)
6. Deduct consideration for bonds and stocks disposed of .....	479,154,787	553,094,771
7. Deduct amortization of premium .....	15,225,522	19,600,476
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other-than-temporary impairment recognized .....	3,359,072	27,859,975
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....	10,321	127,650
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) .....	2,566,705,110	2,781,280,414
12. Deduct total nonadmitted amounts .....	16,829	17,059
13. Statement value at end of current period (Line 11 minus Line 12)	2,566,688,281	2,781,263,355

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	2,020,657,180	28,823,048	85,164,836	5,483,795	2,057,345,384	2,020,657,180	1,969,799,187	2,419,487,277
2. NAIC 2 (a).....	91,983,431	60,330,002	459,696	(9,986,725)	51,692,778	91,983,431	141,867,012	54,806,425
3. NAIC 3 (a).....	0	0	0	0	0	0	0	0
4. NAIC 4 (a).....	0	0	0	0	0	0	0	0
5. NAIC 5 (a).....	344,464,801	5,537,927	7,819,271	3,926,053	340,214,702	344,464,801	346,109,510	16,218
6. NAIC 6 (a).....	34,299,335	0	0	2,210,042	208,883,493	34,299,335	36,509,377	205,095,797
7. Total Bonds	2,491,404,747	94,690,977	93,443,803	1,633,165	2,658,136,357	2,491,404,747	2,494,285,086	2,679,405,717
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0	0	0	0	0	0	0	0
9. NAIC 2 .....	0	0	0	0	0	0	0	0
10. NAIC 3 .....	0	0	0	0	0	0	0	0
11. NAIC 4 .....	0	0	0	0	0	0	0	0
12. NAIC 5 .....	0	0	0	0	0	0	0	0
13. NAIC 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	2,491,404,747	94,690,977	93,443,803	1,633,165	2,658,136,357	2,491,404,747	2,494,285,086	2,679,405,717

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....19,507,952 ; NAIC 2 \$ .....0 ;  
NAIC 3 \$ .....0 ; NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

SCHEDULE DA - PART 1  
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	6,718,275	XXX	6,662,163	72,858	

SCHEDULE DA - VERIFICATION  
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	5,756,015	1,455,626
2. Cost of short-term investments acquired .....	10,613,590	5,780,950
3. Accrual of discount .....	108,661	3,368
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals .....	0	0
6. Deduct consideration received on disposals .....	9,751,206	1,471,563
7. Deduct amortization of premium.....	8,785	12,366
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other-than-temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	6,718,275	5,756,015
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	6,718,275	5,756,015

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION  
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	118,255,886	50,983,436
2. Cost of cash equivalents acquired .....	97,313,066	422,145,740
3. Accrual of discount .....	29,863	187,511
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....	140	753
6. Deduct consideration received on disposals .....	80,808,383	355,061,554
7. Deduct amortization of premium .....	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	502	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	134,790,070	118,255,886
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	134,790,070	118,255,886



## EO1

# NONE

[illegible]

# NONE

[illegible]

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

## E04

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator <sup>(a)</sup>
<b>Bonds - U.S. Special Revenue</b>									
3138EQ-KB-7	FN AL7489		08/21/2019	STEPHENS	XXX	248,047	240,530	.501	1
3136B6-HH-9	FNR 2019-58 LP		09/20/2019	JP MORGAN SECURITIES	XXX	477,406	465,000	1,124	1
701555-AL-8	PARKWAY EAST PUBLIC IMPROVEMENT DI		08/01/2019	DIRECT	XXX	5,537,927	6,939,330		.5FE
235036-4M-9	TX DALLAS-FORT WORTH-A		08/08/2019	JP MORGAN SECURITIES	XXX	1,160,000	1,160,000		1FE
928104-ME-5	VA VA SMALL BUSINESS FIN 95 EXPRES		07/19/2019	JP MORGAN SECURITIES	XXX	1,058,160	1,000,000		2FE
<b>3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>						8,481,540	9,804,860	1,625	XXX
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
01400E-AB-9	ALCON FINANCE CORP 144A		09/16/2019	BANK OF AMERICA SECURITIES LLC	XXX	777,130	780,000		2FE
06540W-BC-6	BANK 2019-BN19 A2		07/23/2019	WELLS FARGO BROKER SERVICES LLC	XXX	555,465	550,000	.313	1FE
14041N-FV-8	COMET 2019-A3 A3		08/28/2019	RBC DOMINION	XXX	274,927	275,000		1FE
205887-CD-2	CONAGRA BRANDS INC		08/16/2019	MARKET TAXESS	XXX	6,331,301	5,425,000	87,056	2FE
26078J-AE-0	DOWDUPONT INC		08/16/2019	JP MORGAN SECURITIES	XXX	6,328,629	5,150,000	72,287	2FE
37940X-AB-8	GNP 3.20000 08/15/2029		08/07/2019	BANK OF AMERICA SECURITIES LLC	XXX	947,017	950,000		2FE
55336V-AS-9	MPLX LP		08/16/2019	GOLDMAN SACHS	XXX	6,398,560	5,800,000	3,867	2FE
674599-CW-3	Occidental Petroleum		08/06/2019	CITIGROUP GLOBAL MARKETS	XXX	5,298,104	5,305,000		2FE
674599-CS-2	OCCIDENTAL PETROLEUM COR		08/07/2019	VARIOUS	XXX	2,377,525	2,375,000	.192	2FE
70450Y-AE-3	PAYPAL HOLDINGS INC		09/19/2019	GOLDMAN SACHS	XXX	996,630	1,000,000		2FE
75884R-AZ-6	REGENCY CENTERS LP 09/15/2029		08/13/2019	U.S. BANCORP INVESTMENTS INC	XXX	599,418	600,000		2FE
817743-AA-5	SERVPRO MASTER ISSUER,LLC		09/17/2019	BARCLAYS CAPITAL	XXX	20,000,000	20,000,000		2FE
824348-BJ-4	SHW 2.95000 08/15/2029		08/12/2019	CITIGROUP GLOBAL MARKETS	XXX	2,990,010	3,000,000		2FE
80281G-AD-8	SRT 2019-B A3		07/16/2019	BARCLAYS CAPITAL	XXX	499,909	500,000		1FE
92857W-AQ-3	VODAFONE GROUP PLC	D	08/16/2019	MORGAN STANLEY CO	XXX	6,227,520	4,875,000	144,077	2FE
94354K-AA-8	WAAV 2019-1 A		09/30/2019	GOLDMAN SACHS	XXX	1,999,912	2,000,000		1FE
<b>3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)</b>						62,602,057	58,585,000	307,792	XXX
<b>8399997 - Subtotals - Bonds - Part 3</b>						71,083,597	68,389,860	309,417	XXX
<b>8399999 - Subtotals - Bonds</b>						71,083,597	68,389,860	309,417	XXX
<b>9999999 Totals</b>						71,083,597	XXX	309,417	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator <sup>(a)</sup>
Bonds - U.S. Governments																					
36202F-SE-7	G2 5017		09/20/2019	PRINCIPAL RECEIPT	.XXX	113,829	113,829	126,492	129,576		(15,748)		(15,748)		113,829			.0	3,125	04/20/2041	.1
3620AC-5Y-6	GNMA 30 YR		09/15/2019	PRINCIPAL RECEIPT	.XXX	101,674	101,674	106,684	106,686		(5,012)		(5,012)		101,674			.0	3,314	10/15/2039	.1
36295N-NY-0	GNMA PASST 675502		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,276	1,276	1,331	1,328		(52)		(52)		1,276			.0	.36	06/15/2023	.1
3620A5-MN-6	GNMA PASST 719565		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,583	1,583	1,642	1,632		(49)		(49)		1,583			.0	.44	09/15/2024	.1
36202E-02-8	GNMA PASSTHRU 004073		09/20/2019	PRINCIPAL RECEIPT	.XXX	1,229	1,229	1,348	1,352		(122)		(122)		1,229			.0	.47	01/20/2038	.1
36202E-RE-1	GNMA PASSTHRU 004085		09/20/2019	PRINCIPAL RECEIPT	.XXX	3,109	3,109	3,409	3,458		(349)		(349)		3,109			.0	.110	02/20/2038	.1
36202E-TA-7	GNMA PASSTHRU 004145		09/20/2019	PRINCIPAL RECEIPT	.XXX	1,414	1,414	1,551	1,565		(151)		(151)		1,414			.0	.54	05/20/2038	.1
36202E-WE-5	GNMA PASSTHRU 004245		09/20/2019	PRINCIPAL RECEIPT	.XXX	1,028	1,028	1,127	1,141		(113)		(113)		1,028			.0	.40	09/20/2038	.1
36295B-SR-0	GNMA PASSTHRU 666056		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,436	1,436	1,528	1,523		(87)		(87)		1,436			.0	.40	03/15/2023	.1
36296J-M3-6	GNMA PASSTHRU 692578		09/15/2019	PRINCIPAL RECEIPT	.XXX	710	710	773	780		(70)		(70)		710			.0	.23	05/15/2039	.1
36296K-P4-8	GNMA PASSTHRU 693543		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,520	1,520	1,586	1,578		(58)		(58)		1,520			.0	.42	07/15/2023	.1
36296N-ZS-8	GNMA PASSTHRU 696553		09/15/2019	PRINCIPAL RECEIPT	.XXX	226	226	234	231		(5)		(5)		226			.0	.6	08/15/2023	.1
36296U-ZS-2	GNMA PASSTHRU 701953		09/15/2019	PRINCIPAL RECEIPT	.XXX	459	459	477	472		(13)		(13)		459			.0	.13	06/15/2024	.1
36296X-X9-0	GNMA PASSTHRU 704604		09/15/2019	PRINCIPAL RECEIPT	.XXX	3,287	3,287	3,409	3,375		(88)		(88)		3,287			.0	.95	07/15/2024	.1
3620A2-EJ-1	GNMA PASSTHRU 716637		09/15/2019	PRINCIPAL RECEIPT	.XXX	7,069	7,069	7,264	7,211		(143)		(143)		7,069			.0	.196	08/15/2024	.1
3620A3-SN-5	GNMA PASSTHRU 717925		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,931	1,931	1,931	1,931						1,931			.0	.53	09/15/2024	.1
3620A3-XL-3	GNMA PASSTHRU 718083		09/15/2019	PRINCIPAL RECEIPT	.XXX	7,476	7,476	7,654	7,621		(145)		(145)		7,476			.0	.209	12/15/2024	.1
3620AA-R6-7	GNMA PASSTHRU 724209		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,185	1,185	1,223	1,215		(31)		(31)		1,185			.0	.29	08/15/2024	.1
3620AC-U9-3	GNMA PASSTHRU 726108		09/15/2019	PRINCIPAL RECEIPT	.XXX	2,005	2,005	2,066	2,066		(62)		(62)		2,005			.0	.56	12/15/2024	.1
3620AC-20-6	GNMA PASSTHRU 726283		09/15/2019	PRINCIPAL RECEIPT	.XXX	1,461	1,461	1,535	1,518		(57)		(57)		1,461			.0	.40	09/15/2024	.1
3620AD-AL-6	GNMA PASSTHRU 726411		09/15/2019	PRINCIPAL RECEIPT	.XXX	2,725	2,725	2,805	2,794		(69)		(69)		2,725			.0	.73	10/15/2024	.1
3620AF-Y3-5	GNMA PASSTHRU 728930		09/15/2019	PRINCIPAL RECEIPT	.XXX	948	948	974	973		(25)		(25)		948			.0	.28	12/15/2024	.1
36179M-E4-8	GNMA PASSTHRU MA0155		09/20/2019	PRINCIPAL RECEIPT	.XXX	248,304	248,304	273,455	261,551		(13,246)		(13,246)		248,304			.0	6,392	06/20/2042	.1
38381T-KF-1	GNR 2019-29 CB		09/20/2019	PRINCIPAL RECEIPT	.XXX	8,310	8,310	8,380			(70)		(70)		8,310			.0	.48	10/20/2048	.1
36179T-Z5-7	11 #MA52 GOVERNMENT NATL MTG ASSOC		09/20/2019	PRINCIPAL RECEIPT	.XXX	437,343	437,343	447,679	447,483		(10,140)		(10,140)		437,343			.0	10,896	06/20/2048	.1
36179U-CB-6	11 #MA54 GOVERNMENT NATL MTG ASSOC		09/20/2019	PRINCIPAL RECEIPT	.XXX	273,318	273,318	278,016	277,946		(4,628)		(4,628)		273,318			.0	6,871	09/20/2048	.1
05999999 - Bonds - U.S. Governments						1,224,855	1,224,856	1,284,573	1,267,006	0	(50,533)	0	(50,533)	0	1,224,855	0	0	0	31,880	XXX	XXX
Bonds - U.S. States, Territories and Possessions																					
20772G-Y6-9	CT GO C19 S09A		08/26/2019	CALLED @ 100.0000000	.XXX	4,000,000	4,000,000	4,355,732	4,006,881		16,540		16,540		4,023,421		(23,421)	(23,421)	206,111	02/15/2026	1FE
93974D-ZY-7	WA GO		08/19/2019	JP MORGAN SECURITIES	.XXX	4,883,191	4,030,000	4,919,300	4,733,563		(53,902)		(53,902)		4,679,661		203,530	203,530	212,135	08/01/2038	1FE
93974D-YR-3	Washington State GO		08/19/2019	JP MORGAN SECURITIES	.XXX	6,330,975	5,250,000	6,470,468	6,202,092		(73,173)		(73,173)		6,128,919		202,056	202,056	276,354	08/01/2040	1FE
17999999 - Bonds - U.S. States, Territories and Possessions						15,214,166	13,280,000	15,745,500	14,942,536	0	(110,535)	0	(110,535)	0	14,832,001	0	382,165	382,165	694,600	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
051595-AY-2	Aurora CO Water Sys Rev		08/19/2019	METROW FINANCIAL INC.	.XXX	4,918,320	4,000,000	5,004,760	4,779,951		(60,322)		(60,322)		4,719,629		198,691	198,691	210,556	08/01/2034	1FE
57584X-UR-0	BERKLEE MA CLG MUSIC REV		08/19/2019	JP MORGAN SECURITIES	.XXX	1,831,635	1,500,000	1,841,100	1,767,657		(20,027)		(20,027)		1,747,630		84,005	84,005	66,458	10/01/2035	1FE
20775C-0B-3	CONNECTICUT ST HSG FIN AUTH HS		09/12/2019	CALLED @ 100.0000000	.XXX	85,000	85,000	91,282	90,217		(412)		(412)		89,805		(4,805)	(4,805)	1,746	11/15/2047	1FE
3138WH-SW-3	FEDERAL NATIONAL MTG ASSOC #AS7732		09/25/2019	PRINCIPAL RECEIPT	.XXX	231,526	231,526	241,387	241,095		(9,569)		(9,569)		231,526			.0	4,679	08/01/2041	.1
3140Q9-KU-6	FEDERAL NATIONAL MTG ASSOC #CA2106		09/25/2019	PRINCIPAL RECEIPT	.XXX	58,132	58,132	58,709	58,712		(580)		(580)		58,132			.0	1,287	07/01/2033	.1
31306X-0S-5	FGLMC 15 YR		09/15/2019	PRINCIPAL RECEIPT	.XXX	109,698	109,698	115,114	114,093		.0		.0		114,093		(4,395)	(4,395)	1,753	09/01/2027	.1
3128MJ-4C-1	FGLMC PL#G08818		09/15/2019	PRINCIPAL RECEIPT	.XXX	145,160	145,160	150,535	150,454		(5,295)		(5,295)		145,160			.0	4,044	06/01/2048	.1
3128MJ-4M-9	FGLMC PL#G08827		09/15/2019	PRINCIPAL RECEIPT	.XXX	93,419	93,419	96,878	96,822		(3,403)		(3,403)		93,419			.0	2,609	07/01/2048	.1
3128MJ-4S-6	FGLMC PL#G08832		09/15/2019	PRINCIPAL RECEIPT	.XXX	165,200	165,200	171,421	171,303		(6,102)		(6,102)		165,200			.0	4,944	08/01/2048	.1
3128MF-AK-4	FGOLD 15YR GIANT		09/15/2019	PRINCIPAL RECEIPT	.XXX	337,226	337,226	337,964	337,940		(714)		(714)		337,226			.0	6,137	03/01/2032	.1
3137B4-WA-0	FHLMC REMIC SERIES K-033		09/25/2019	PRINCIPAL RECEIPT	.XXX	170,874	170,874	174,290	173,077		.0		.0		173,077		(2,203)	(2,203)	3,142	02/25/2023	.1
3128MJ-3D-0	FHLMG #G08795		09/15/2019	PRINCIPAL RECEIPT	.XXX	60,255	60,255	58,245	58,238		2,017		2,017		60,255			.0	1,131	01/01/2048	.1
3138EQ-KB-7	FN AL7489		09/25/2019	PRINCIPAL RECEIPT	.XXX	802	802	827	827		(25)		(25)		802			.0	.0	04/01/2044	.1
31418C-WU-4	FNCL PL#MA3358		09/25/2019	PRINCIPAL RECEIPT	.XXX	144,140	144,140	149,568	149,542		(5,401)		(5,401)		144,140			.0	4,015	05/01/2048	.1
31418C-XN-9	FNCL PL#MA3384		09/25/2019	PRINCIPAL RECEIPT	.XXX	173,735	173,735	176,236	176,186		(2,451)		(2,451)		173,735			.0	4,185	06/01/2048	.1
31418C-YM-0	FNCL PL#MA3415		09/25/2019	PRINCIPAL RECEIPT	.XXX	188,225	188,225	191,019	190,974		(2,748)		(2,748)		188,225			.0	4,773	07/01/2048	.1
31418C-YN-8	FNCL PL#MA3416		09/25/2019	PRINCIPAL RECEIPT	.XXX	87,132	87,132	90,399	90,322												

**STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.**

## SCHEDULE D - PART 4

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

1	2	3 F o r e i g n	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description		Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator <sup>(a)</sup>
368290-AA-3	GDB DEBT RECOVERY AUTH 7.5 20AUG40 KANSAS ST DEPT OF TRANSPORT		08/20/2019	CALLED @ 100.0000000	XXX	1,266	1,266		.6		(6)		(6)				1,266	1,266	.69	08/20/2040	6FE
485424-RJ-6	MINNESOTA ST HSG FIN AGY		08/19/2019	ALLIANCE GLOBAL PARTNERS	XXX	1,900,455	1,500,000	1,756,110	1,749,775		(16,283)		(16,283)		1,733,491		166,964	166,964	72,708	09/01/2031	1FE
604160-CW-8	MO HSG SF PAC		09/01/2019	CALLLED @ 100.0000000	XXX	45,581		45,011	45,026		7		7		45,033		548	548	805	10/01/2047	1FE
60636X-BE-6	MS HSG PAC		09/03/2019	CALLLED @ 100.0000000	XXX	95,000		102,320	95,000		0		0		95,000			0	2,524	11/01/2027	1FE
605356-AX-0	NY DORM SALES TAX REV		09/03/2019	CALLLED @ 100.0000000	XXX	55,000		57,888	55,547		(225)		(225)		55,323		(323)	(323)	1,480	12/01/2031	1FE
64990A-FE-0	NYS ENVIRONMENTAL FACS		08/19/2019	PIPER JAFFRAY INC	XXX	5,061,953	4,125,000	5,152,785	4,938,936		(61,867)		(61,867)		4,877,069		184,883	184,883	191,927	03/15/2034	1FE
64985H-YE-1	CORP REV		08/19/2019	RAMIREZ & CO INC	XXX	1,274,920	1,000,000	1,231,990	1,206,409		(13,801)		(13,801)		1,192,608		82,312	82,312	50,694	08/15/2032	1FE
64985H-YF-8	CORP REV		08/19/2019	RAMIREZ & CO INC	XXX	1,270,590	1,000,000	1,226,110	1,201,243		(13,423)		(13,423)		1,187,820		82,770	82,770	50,694	08/15/2033	1FE
64985H-YG-6	CORP REV		08/19/2019	ROBERT W BAIRD & CO	XXX	1,265,580	1,000,000	1,221,230	1,196,954		(13,110)		(13,110)		1,183,843		81,737	81,737	50,694	08/15/2034	1FE
796253-7C-0	SAN ANTONIO TX E&G		08/19/2019	UBS SECURITIES	XXX	1,896,300	1,500,000	1,833,510	1,791,747		(19,492)		(19,492)		1,772,255		124,045	124,045	78,958	02/01/2031	1FE
837545-LS-9	SOUTH DAKOTA SRF		08/19/2019	FUND-FUNDS II	XXX	3,050,000	2,410,000	2,953,913	2,885,013		(31,776)		(31,776)		2,853,237		196,762	196,762	126,860	08/01/2031	1FE
31329K-WB-3	UMBS- FN ZA2471		09/25/2019	PRINCIPAL RECEIPT	XXX	55,832	55,832	57,115	57,048		(1,216)		(1,216)		55,832			0	1,101	09/01/2037	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						25,890,352	21,455,601	25,709,910	24,991,198	0	(293,929)	0	(293,929)	0	24,698,093	0	1,192,257	1,192,257	976,957	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
01449T-AA-1	ALESCO PREF FDG IX	D.	09/23/2019	PRINCIPAL RECEIPT	XXX	.411	.411	.231	.271			140		140	.411			.0	.6	06/23/2036	1FE
01449C-AB-6	ALESCO PREF FDG VII	D.	09/23/2019	PRINCIPAL RECEIPT	XXX	.183	.183	.103	.103			.81		.81	.183			.0	.3	12/23/2035	1FE
01450D-AB-0	ALESCO PREF FDG XII	D.	07/15/2019	PRINCIPAL RECEIPT	XXX	.591	.591	.332	.355			236		236	.591			.0	.9	07/15/2037	1FE
60159X-AA-7	LTD.	C.	09/23/2019	PRINCIPAL RECEIPT	XXX	1,589	1,589	.892	.918		671		671	1,589			.0	.24	12/23/2037	1FE	
092650-AD-2	BLADE 2006-1AW A1	D.	09/15/2019	PRINCIPAL RECEIPT	XXX	5,473,490	5,473,490	2,474,978	2,258,809		3,214,681		3,214,681	5,473,490			.0	.0	09/15/2041	5FE	
092650-AF-7	BLADE 2006-1AWA A1	D.	09/15/2019	PRINCIPAL RECEIPT	XXX	2,345,781	2,345,781	1,105,170	1,022,849		1,322,932		1,322,932	2,345,781			.0	.0	09/15/2041	5FE	
63250C-CW-9	NATIONAL AUSTRALIA BANK	D.	07/01/2019	MATURITY	XXX	2,900,000	2,900,000	2,897,419	2,899,729			271		271	2,900,000			.0	.65,250	07/01/2019	1FE
874060-AK-2	TAKEDA PHARMACEUTICAL 144A	D.	08/29/2019	VARIOUS	XXX	445,321	435,000	434,806	434,816		.62		.62	434,879		121	121	22,856	11/26/2020	2FE	
69301N-AA-7	US CAPITAL FUNDING LTD.	C.	07/10/2019	PRINCIPAL RECEIPT	XXX	5,833	5,833	3,208	3,796		2,038		2,038	5,833			.0	.127	10/10/2040	1FE	
000292-AB-8	AAA 2007-2 A2		09/25/2019	PRINCIPAL RECEIPT	XXX	1,975	1,975	1,414	1,407		.569		.569	1,975			.0	.0	10/12/2046	1FM	
000759-DG-2	ABFS 2003-1 M		09/15/2019	PRINCIPAL RECEIPT	XXX	19,574	19,574	17,153	17,541		2,033		2,033	19,574			.0	.0	08/15/2033	1FM	
000759-DW-9	ABFS MORTGAGE LOAN TRUST		09/25/2019	PRINCIPAL RECEIPT	XXX	41,956	41,956	46,040	46,040		(4,084)		(4,084)	41,956			.0	.0	04/25/2034	1FM	
02660Y-AA-0	AHM 2006-2 5A MTGE		09/25/2019	PRINCIPAL RECEIPT	XXX	90,300	90,300	72,409	66,771		23,529		23,529	90,300			.0	.0	05/25/2031	1FM	
05950C-AA-0	BANC OF AMERICA FUNDING CORPORATIO		09/27/2019	PRINCIPAL RECEIPT	XXX	2,916	2,916	2,864	2,852		.64		.64	2,916			.0	.0	02/27/2036	1FM	
05950C-AB-8	BANC OF AMERICA FUNDING CORPORATIO		09/27/2019	PRINCIPAL RECEIPT	XXX	60,071	60,071	58,999	58,749		1,322		1,322	60,071			.0	.0	02/27/2036	1FM	
056059-AA-6	BX 18-IND A		09/16/2019	PRINCIPAL RECEIPT	XXX	26,845	26,845	26,845	26,845		.0		.0	26,845			.0	.649	10/15/2020	1FM	
1248MK-AB-1	SERVING		09/25/2019	PRINCIPAL RECEIPT	XXX	10,457	10,457	5,989	6,268		4,189		4,189	10,457			.0	.178	02/25/2037	1FM	
021490-AE-0	CWALT INC 2007 OA10		09/25/2019	PRINCIPAL RECEIPT	XXX	11,452	11,452	20,259	37,301		(16,354)	9,495	(25,849)	11,452			.0	.0	09/25/2047	1FM	
126673-MY-5	CWHEL 2004-Q 2A		09/16/2019	PRINCIPAL RECEIPT	XXX	10,081	10,081	7,776	8,076		2,005		2,005	10,081			.0	.171	12/15/2033	1FM	
126673-QB-1	CWHEL 2004-R 2A		09/16/2019	PRINCIPAL RECEIPT	XXX	91,446	91,446	67,579	71,655		19,791		19,791	91,446			.0	1,580	03/15/2030	1FM	
126685-DT-0	CWHEL 2006-D 2A		09/16/2019	PRINCIPAL RECEIPT	XXX	14,858	14,858	11,870	11,958		2,900		2,900	14,858			.0	253	05/15/2036	1FM	
233046-AM-3	DNKN 2019-1A A23		09/06/2019	PRINCIPAL RECEIPT	XXX	31,250	31,250	31,250	31,250		.0		.0	31,250			.0	411	05/20/2049	1FE	
344170-AB-4	FOCUS BRANDS FUNDING LLC		09/05/2019	VARIOUS	XXX	8,329,706	7,960,000	7,960,000	7,960,000		.0		.0	7,960,000		369,707	369,707	353,764	10/29/2048	1FE	
36185H-EC-3	GMACN MTG LN TR 2004-GH1		09/25/2019	PRINCIPAL RECEIPT	XXX	18,067	18,067	8,086	9,706		8,361		8,361	18,067			.0	.0	07/25/2035	2FE	
362246-AA-8	GSAA HOME EQUITY TRUST		09/25/2019	PRINCIPAL RECEIPT	XXX	199,367	199,367	155,443	160,325		39,042		39,042	199,367			.0	.0	02/25/2037	1FM	
43284B-AA-0	HILTON GRAND VACATIONS TRUST 18-AA		09/25/2019	PRINCIPAL RECEIPT	XXX	37,134	37,134	37,133	37,133		.1		.1	37,134			.0	.813	02/25/2032	1FE	
43730W-AA-4	HOME PARTNERS OF AMERICA TRUST 18-		09/19/2019	PRINCIPAL RECEIPT	XXX	129,851	129,851	129,851	129,851		.0		.0	129,851			.0	2,509	07/17/2037	1FE	
46187V-AA-7	SFR3 A		09/19/2019	PRINCIPAL RECEIPT	XXX	54,884	54,884	54,884	54,884		.0		.0	54,884			.0	1,230	07/17/2037	1FE	
46187X-AA-3	SFR4 A		09/19/2019	PRINCIPAL RECEIPT	XXX	19,167	19,167	19,167	19,167		.0		.0	19,167			.0	.435	01/17/2038	1FE	
59066R-AE-7	MESA 2002-1 B1		09/18/2019	PRINCIPAL RECEIPT	XXX	20,898	20,898	17,264	17,264		.0		.0	20,898			.0	1,003	02/18/2033	1FM	
616900-AD-1	MSBAM 2015-C23 A3		08/05/2019	BMO CAPITAL MARKETS	XXX	3,183,164	3,000,000	3,029,804	3,019,872		(1,770)		(1,770)	3,018,102		165,063	165,063	70,746	07/15/2050	1FM	
68401N-AE-1	OPTION ONE OOWL 2004-1 M		09/25/2019	PRINCIPAL RECEIPT	XXX	18,757	18,757	14,167	14,712		4,045	632	4,045	18,757			.0	.0	02/25/2034	1FM	
827304-AA-4	PROJECT SILVER 19-1 A		09/15/2019	PRINCIPAL RECEIPT	XXX	19,231	19,231	19,231	19,231		.0		.0	19,231			.0	.32	07/15/2044	1FE	
872227-AH-6	TBW MTG BKD TR 2007-2		09/25/2019	PRINCIPAL RECEIPT	XXX	402,985	402,985	257,424	293,765		109,220		109,220	402,985			.0	.0	07/25/2037	1FM	
88158A-AJ-1	TERWIN MORTGAGE TRUST 07-		09/25/2019	PRINCIPAL RECEIPT	XXX	222,630	222,630	119,643	147,688		74,942		74,942	222,630			.0	.0	06/25/2038	1FM	
88158A-AA-0	TERWIN MTG TR 2007-SL9		09/25/2019	PRINCIPAL RECEIPT	XXX	138,727	138,727	120,387	121,574		17,153		17,153	138,727			.0	.0	06/25/2038	1FM	
95058X-AE-8	WENDY'S FUNDING LLC		09/15/2019	PRINCIPAL RECEIPT	XXX	6,750	6,750	6,805	6,805		(55)		(55)	6,750			.0	.66	03/15/2048	2FE	

**STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.**

## SCHEDULE D - PART 4

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

1  CUSIP Identi- fication	2  Description	3  F o r e i g n	4  Disposal Date	5  Name of Purchaser	6  Number of Shares of Stock	7  Consideration	8  Par Value	9  Actual Cost	10  Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16  Book/ Adjusted Carrying Value at Disposal Date	17  Foreign Exchange Gain (Loss) on Disposal	18  Realized Gain (Loss) on Disposal	19  Total Gain (Loss) on Disposal	20  Bond Interest/Stock Dividends Received During Year	21  Stated Contractual Maturity Date	22  NAIC Designation and Administrative Symbol/Market Indicator <sup>(a)</sup>
										11  Unrealized Valuation Increase/ (Decrease)	12  Current Year's (Amortization)/ Accretion	13  Current Year's Other Than Temporary Impairment Recognized	14  Total Change in B./A.C.V. (11+12-13)	15  Total Foreign Exchange Change in B./A.C.V.							
95058X-AJ-7	WENDY'S FUNDING LLC		07/09/2019	GUGGENHEIM CAPITAL MARKETS	XXX	10,000,000	10,000,000	10,000,000					0		10,000,000		0	30,600	06/15/2049	1FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						34,387,698	33,824,509	29,236,875	18,963,050	0	4,828,647	10,127	4,818,520	0	33,838,854	0	538,525	538,525	552,715	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						76,717,071	69,784,966	71,976,858	60,163,790	0	4,373,650	10,127	4,363,523	0	74,593,803	0	2,112,947	2,112,947	2,256,152	XXX	XXX
8399999 - Subtotals - Bonds						76,717,071	69,784,966	71,976,858	60,163,790	0	4,373,650	10,127	4,363,523	0	74,593,803	0	2,112,947	2,112,947	2,256,152	XXX	XXX
9999999 Totals																					
9999999 Totals						76,717,071	XXX	71,976,858	60,163,790	0	4,373,650	10,127	4,363,523	0	74,593,803	0	2,112,947	2,112,947	2,256,152	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

## E05.2

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

**STATEMENT AS OF SEPTEMBER 30, 2019 OF THE ASSURED GUARANTY CORP.**

## SCHEDULE E - PART 1 - CASH

[illegible]



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

E13