ASSURED GUARANTY®

Financial Supplement

Assured Guaranty Corp.

September 30, 2023

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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the United States (U.S.) Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2022 and its Quarterly Reports on Forms 10-Q for the quarterly periods ended March 31, 2023, June 30, 2023 and September 30, 2023. This financial supplement should also be read in conjunction with the Company's most recent annual financial statements as of and for the year ended December 31, 2022 posted on agltd.com/investor-information. For the purposes of this financial supplement, all references to the "Company" shall mean Assured Guaranty Corp. (AGC) and its consolidated entities.

Cautionary Statement Regarding Forward Looking Statements

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include (1) significant changes in inflation, interest rates, the world’s credit markets or segments thereof, credit spreads, foreign exchange rates or general economic conditions, including the possibility of a recession or stagflation; (2) geopolitical risk, including Russia’s invasion of Ukraine and the resulting economic sanctions, volatility in energy prices, potential for increased cyberattacks, and risk of intentional or accidental escalation between The North Atlantic Treaty Organization (NATO) and Russia, conflict in the Middle East, confrontation over Iran’s nuclear program, and U.S. – China strategic competition and the pursuit of technological independence; (3) the possibility of a U.S. government shutdown, payment defaults on the debt of the U.S. government or instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, and downgrades to their credit ratings; (4) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (5) developments in the world’s financial and capital markets, including stresses in the financial condition of banking institutions in the U.S., that adversely affect repayment rates related to commercial real estate, municipalities and other insured obligors, Assured Guaranty’s insurance loss or recovery experience, or investments of Assured Guaranty; (6) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty’s insurance; (7) the possibility that budget or pension shortfalls or other factors will result in credit losses or impairments on obligations of state, territorial and local governments and their related authorities and public corporations that Assured Guaranty insures or reinsures; (8) insured losses, including losses with respect to related legal proceedings, in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including as a result of the final resolution of Assured Guaranty’s remaining Puerto Rico exposures or the amounts recovered on securities received in connection with the resolution of Puerto Rico exposures already resolved; (9) the impact of the Company satisfying its obligations under insurance policies with respect to legacy insured Puerto Rico bonds; (10) increased competition, including from new entrants into the financial guaranty industry, nonpayment insurance and other forms of capital saving or risk syndication available to banks and insurers; (11) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments and investments it manages, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity, or to other negative or unanticipated consequences; (12) the impacts of the completion of Assured Guaranty’s transactions with Sound Point Capital Management, LP (Sound Point) and/or Assured Healthcare Partners LLC (AHP) on Assured Guaranty and its relationships with its shareholders, regulators, rating agencies, employees and the obligors it insures and on the asset management business contributed to Sound Point and on the business of AHP and their relationships with their respective clients and employees; (13) the possibility that strategic transactions made by Assured Guaranty, including the consummation of the transactions with Sound Point and/or AHP, do not result in the benefits anticipated or subject Assured Guaranty to negative consequences; (14) the inability to control the business, management or policies of entities in which the Company holds a minority interest; (15) the impact of market volatility on the mark-to-market of Assured Guaranty’s assets and liabilities subject to mark-to-market, including certain of its investments, contracts accounted for as derivatives, and certain consolidated variable interest entities (VIEs); (16) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of AGL or any of its insurance subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL’s insurance subsidiaries have insured; (17) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (18) changes in applicable accounting policies or practices; (19) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (20) difficulties with the execution of Assured Guaranty’s business strategy; (21) loss of key personnel; (22) the effects of mergers, acquisitions and divestitures; (23) natural or man-made catastrophes or pandemics; (24) the impact of climate change on Assured Guaranty’s business and regulatory actions taken related to such risk; (25) other risk factors identified in AGL’s filings with the U.S. SEC; (26) other risks and uncertainties that have not been identified at this time; and (27) management’s response to these factors. Assured Guaranty undertakes no obligation to update publicly or review any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Assured Guaranty Corp.

Selected Financial Highlights (1 of 2)

(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
GAAP [1] Highlights				
Net income (loss)	**$ 31,445**	**$ (190)**	**$ 146,467**	**$ 95,337**
Gross written premiums (GWP)	**22,318**	**3,606**	**143,693**	**7,928**
Effective tax rate on net income	**15.4 %**	**92.0 %**	**18.5 %**	**17.1 %**
GAAP return on equity (ROE) [2]	**6.2 %**	**— %**	**9.8 %**	**6.1 %**
Non-GAAP Highlights [3]				
Adjusted operating income (loss) [3]	$ 43,313	$ 34,709	$ 105,079	$ 135,773
Present value of new business production (PVP) [3]	22,160	8,901	138,803	24,465
Gross par written	1,693,158	427,822	8,310,572	1,639,777
Effective tax rate on adjusted operating income [4]	17.0 %	16.9 %	17.4 %	18.3 %
Adjusted operating ROE [2][3]	8.4 %	6.7 %	6.8 %	8.7 %
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 3,040**	**$ 1,937**	**$ 5,579**	**$ 112,903**
Fair value gains (losses) of credit derivatives, pre-tax	**—**	**—**	**—**	**1,951**
Net income effect	**2,394**	**1,476**	**4,422**	**90,534**
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [5], pre-tax	3,040	1,937	5,579	114,854
Adjusted operating income [5] effect	2,394	1,476	4,422	90,534

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

Assured Guaranty Corp.

Selected Financial Highlights (2 of 2)

(dollars in thousands)

	As of	
	September 30, 2023	December 31, 2022
Shareholder's equity	**$ 2,032,069**	**$ 1,971,597**
Adjusted operating shareholder's equity (1)	2,088,183	2,046,758
Adjusted book value (1)	2,513,315	2,434,289
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:		
Adjusted operating shareholders' equity	(161)	3,000
Adjusted book value	1,811	5,455
Exposure		
Financial guaranty net debt service outstanding	$ 42,791,219	$ 32,562,288
Financial guaranty net par outstanding:		
Investment grade	$ 25,913,399	$ 19,809,913
Below-investment-grade (BIG)	789,964	915,129
Total	$ 26,703,363	$ 20,725,042
Claims-paying resources (2)	**$ 3,072,092**	**$ 2,990,292**

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

Assured Guaranty Corp.

Condensed Consolidated Statements of Operations (unaudited)

(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues				
Net earned premiums	$ 17,798	$ 15,856	$ 47,555	$ 159,493
Net investment income	37,998	22,136	88,638	60,820
Net realized investment gains (losses)	(7,203)	(3,204)	(20,578)	(10,070)
Fair value gains (losses) on credit derivatives	6,228	(36,107)	93,999	(32,981)
Fair value gains (losses) on committed capital securities (CCS)	(9,613)	610	(18,453)	5,992
Fair value gains (losses) on FG VIEs	4,220	2,471	(1,792)	11,203
Foreign exchange gains (losses) on remeasurement	(3,092)	(4,516)	451	(10,440)
Fair value gains (losses) on trading securities	2,553	(6,548)	26,202	(16,534)
Other income (loss)	1,210	(2,494)	16,172	2,335
Total revenues	**50,099**	**(11,796)**	**232,194**	**169,818**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	2,380	(24,113)	13,427	(1,623)
Interest expense on note payable to affiliate	2,625	2,625	7,875	7,875
Employee compensation and benefit expenses	8,917	8,175	27,759	25,830
Other expenses	6,572	6,673	21,853	17,384
Total expenses (benefit)	**20,494**	**(6,640)**	**70,914**	**49,466**
Income (loss) before income taxes and equity in earnings (losses) of investees	**29,605**	**(5,156)**	**161,280**	**120,352**
Equity in earnings (losses) of investees	7,551	2,771	18,341	(5,392)
Income (loss) before income taxes	37,156	(2,385)	179,621	114,960
Less: Provision (benefit) for income taxes	5,711	(2,195)	33,154	19,623
Net income (loss)	**$ 31,445**	**$ (190)**	**$ 146,467**	**$ 95,337**

Assured Guaranty Corp.

Condensed Consolidated Balance Sheets (unaudited)

(dollars in thousands)

	As of	
	September 30, 2023	December 31, 2022
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 1,923,583	$ 2,092,528
Fixed-maturity securities, trading, at fair value	207,472	175,896
Short-term investments, at fair value	113,172	111,452
Equity method investments	321,121	211,125
Other invested assets	653	790
Total investments	2,566,001	2,591,791
Cash	24,974	24,225
Loan receivable from parent	87,500	87,500
Premiums receivable, net of commissions payable	392,226	297,015
Ceded unearned premium reserve	221,296	187,380
Reinsurance recoverable on unpaid losses	166,064	158,641
Salvage and subrogation recoverable	66,740	71,749
FG VIEs’ assets	74,035	177,681
Other assets	121,977	242,067
Total assets	**$ 3,720,813**	**$ 3,838,049**
Liabilities		
Unearned premium reserve	$ 739,442	$ 655,404
Loss and LAE reserve	106,461	84,112
Reinsurance balances payable, net	141,555	168,026
Note payable to affiliate	300,000	300,000
Credit derivative liabilities, at fair value	45,890	159,498
FG VIEs’ liabilities	242,051	395,447
Other liabilities	113,345	103,965
Total liabilities	**1,688,744**	**1,866,452**
Shareholder's equity		
Preferred stock	—	—
Common stock	15,000	15,000
Additional paid-in capital	746,169	742,015
Retained earnings	1,365,175	1,278,108
Accumulated other comprehensive income (loss)	(94,275)	(63,526)
Total shareholder’s equity	**2,032,069**	**1,971,597**
Total liabilities and shareholder’s equity	**$ 3,720,813**	**$ 3,838,049**

Assured Guaranty Corp.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

(dollars in thousands)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

	Three Months Ended September 30, 2023		Three Months Ended September 30, 2022	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (28)	$ —	$ (64)
Net investment income	—	(132)	—	(382)
Net realized investment gains (losses)	(7,203)	—	(3,204)	—
Fair value gains (losses) on credit derivatives	4,404	—	(37,967)	—
Fair value gains (losses) on CCS	(9,613)	—	610	—
Fair value gains (losses) on FG VIEs	—	4,220	—	2,471
Foreign exchange gains (losses) on remeasurement	(3,042)	—	(4,443)	—
Other income (loss)	(226)	(2,071)	66	(838)
Total revenue adjustments	(15,680)	1,989	(44,938)	1,187
Adjustments to expenses:				
Loss expense	(657)	338	(762)	(83)
Total expense adjustments	(657)	338	(762)	(83)
Pre-tax adjustments	(15,023)	1,651	(44,176)	1,270
Less: Tax effect of adjustments	(3,155)	346	(9,277)	267
After-tax adjustments	$ (11,868)	$ 1,305	$ (34,899)	$ 1,003

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

	Nine Months Ended September 30, 2023		Nine Months Ended September 30, 2022	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (174)	$ —	$ (194)
Net investment income	—	(387)	—	(945)
Net realized investment gains (losses)	(20,578)	—	(10,070)	—
Fair value gains (losses) on credit derivatives	88,530	—	(40,481)	—
Fair value gains (losses) on CCS	(18,453)	—	5,992	—
Fair value gains (losses) on FG VIEs	—	(1,792)	—	11,203
Foreign exchange gains (losses) on remeasurement	500	—	(10,216)	—
Other income (loss)	1,028	(3,283)	(393)	(2,029)
Total revenue adjustments	51,027	(5,636)	(55,168)	8,035
Adjustments to expenses:				
Loss expense	(1,363)	5,681	(3,983)	(1,856)
Total expense adjustments	(1,363)	5,681	(3,983)	(1,856)
Pre-tax adjustments	52,390	(11,317)	(51,185)	9,891
Less: Tax effect of adjustments	11,002	(2,377)	(10,749)	2,077
After-tax adjustments	$ 41,388	$ (8,940)	$ (40,436)	$ 7,814

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

Assured Guaranty Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (1 of 2)

(dollars in thousands)

Adjusted Operating Income Reconciliation	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2023	**2022**	**2023**	**2022**
Net income (loss)	**$ 31,445**	**$ (190)**	**$ 146,467**	**$ 95,337**
Less pre-tax adjustments:				
Realized gains (losses) on investments [1]	(7,429)	(3,138)	(19,550)	(10,463)
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	5,061	(37,205)	89,893	(36,498)
Fair value gains (losses) on CCS	(9,613)	610	(18,453)	5,992
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	(3,042)	(4,443)	500	(10,216)
Total pre-tax adjustments	(15,023)	(44,176)	52,390	(51,185)
Less tax effect on pre-tax adjustments	3,155	9,277	(11,002)	10,749
Adjusted operating income (loss)	$ 43,313	$ 34,709	$ 105,079	$ 135,773

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

ROE Reconciliation and Calculation	**As of**					
	September 30, 2023	**June 30, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**December 31, 2021**
Shareholder's equity	**$2,032,069**	**$2,046,213**	**$1,971,597**	**$1,953,966**	**$2,018,020**	**$2,237,340**
Adjusted operating shareholder's equity	2,088,183	2,059,739	2,046,758	2,064,769	2,051,656	2,109,931
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholders' equity	**(161)**	**(6,751)**	**3,000**	**(795)**	**(1,978)**	**(8,793)**

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2023	**2022**	**2023**	**2022**
Net income (loss)	**$ 31,445**	**$ (190)**	**$ 146,467**	**$ 95,337**
Adjusted operating income (loss)	43,313	34,709	105,079	135,773
Average shareholder's equity	**$ 2,039,141**	**$ 1,985,993**	**$ 2,001,833**	**$ 2,095,653**
Average adjusted operating shareholder's equity	2,073,961	2,058,213	2,067,471	2,087,350
Gain (loss) related to FG VIE consolidation included in average adjusted operating shareholders' equity	**(3,456)**	**(1,387)**	**1,420**	**(4,794)**
GAAP ROE [1]	**6.2 %**	**— %**	**9.8 %**	**6.1 %**
Adjusted operating ROE [1]	8.4 %	6.7 %	6.8 %	8.7 %

1) Quarterly ROE calculations represent annualized returns.

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

Assured Guaranty Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (2 of 2)

(dollars in thousands)

	As of					
	September 30, 2023	**June 30 2023**	**December 31, 2022**	**September 30, 2022**	**June 30 2022**	**December 31, 2021**
Reconciliation of shareholders' equity attributable to AGC to adjusted book value:						
Shareholders' equity attributable to AGC	**$ 2,032,069**	**$ 2,046,213**	**$ 1,971,597**	**$ 1,953,966**	**$ 2,018,020**	**$ 2,237,340**
Less pre-tax reconciling items:						
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	47,245	42,184	(42,647)	(66,347)	(29,143)	(29,849)
Fair value gains (losses) on CCS	6,418	16,031	24,872	18,770	18,160	12,778
Unrealized gain (loss) on investment portfolio	(136,400)	(87,043)	(89,071)	(104,386)	(43,301)	166,642
Less taxes	26,623	15,302	31,685	41,160	20,648	(22,162)
Adjusted operating shareholder's equity	2,088,183	2,059,739	2,046,758	2,064,769	2,051,656	2,109,931
Pre-tax reconciling items:						
Less: Deferred acquisition costs	(10,428)	(8,485)	(12,399)	(13,379)	(16,737)	(23,216)
Plus: Net present value of estimated net future revenue	98,231	100,053	104,864	105,721	108,259	114,085
Plus: Net deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed	429,483	439,834	373,283	347,927	354,779	395,427
Plus taxes	(113,010)	(115,158)	(103,015)	(98,076)	(100,753)	(111,872)
Adjusted book value	$ 2,513,315	$ 2,492,953	$ 2,434,289	$ 2,433,720	$ 2,430,678	$ 2,530,787
Gain (loss) related to FG VIE consolidation included in:						
Adjusted operating shareholder's equity (net of tax benefit of $43, $1,795, $(797), $212, $526, $2,338)	**$ (161)**	**$ (6,751)**	**$ 3,000**	**$ (795)**	**$ (1,978)**	**$ (8,793)**
Adjusted book value (net of tax benefit of $(481), $1,199, $(1,450), $199, $469, $2,373)	**$ 1,811**	**$ (4,508)**	**$ 5,455**	**$ (748)**	**$ (1,767)**	**$ (8,920)**

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

Assured Guaranty Corp.

Claims-Paying Resources

(dollars in thousands)

	As of	
	September 30, 2023	December 31, 2022
Claims-paying resources		
Policyholders' surplus	$ 1,897,149	$ 1,916,078
Contingency reserve	400,471	346,940
Qualified statutory capital	**2,297,620**	**2,263,018**
Unearned premium reserve and net deferred ceding commission income	338,348	326,786
Loss and LAE reserves (4)	—	—
Total policyholders' surplus and reserves	**2,635,968**	**2,589,804**
Present value of installment premium	236,124	200,488
CCS	200,000	200,000
Total claims-paying resources	**$ 3,072,092**	**$ 2,990,292**
Statutory net par outstanding (1)	$ 26,922,378	$ 20,950,705
Net debt service outstanding (1)	43,250,890	32,982,853
Ratios:		
Statutory net par outstanding to qualified statutory capital	12:1	9:1
Capital ratio (2)	19:1	15:1
Financial resources ratio (3)	14:1	11:1
Statutory net par outstanding to claims-paying resources	9:1	7:1

1) Net par outstanding and net debt service outstanding are presented on a statutory basis.
2) The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
3) The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.
4) Loss and LAE reserves exclude adjustments to claims-paying resources for AGC because they were in a net recoverable position of $105.8 million as of September 30, 2023 and $49.3 million as of December 31, 2022.

Assured Guaranty Corp.

New Business Production (1 of 2)

(dollars in thousands)

Reconciliation of GWP to PVP

	Three Months Ended September 30, 2023					Three Months Ended September 30, 2022				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 7,347**	**$ 1,723**	**$ 13,142**	**$ 106**	**$ 22,318**	**$ 3,153**	**$ 3,460**	**$ (1,532)**	**$ (1,475)**	**$ 3,606**
Less: Installment GWP and other GAAP adjustments [1]	1,646	1,219	13,142	106	16,113	(2,220)	3,460	(2,182)	(1,475)	(2,417)
Upfront GWP	5,701	504	—	—	6,205	5,373	—	650	—	6,023
Plus: Installment premiums and other	1,673	1,362	12,769	151	15,955	268	2,149	461	—	2,878
Total PVP	$ 7,374	$ 1,866	$ 12,769	$ 151	$ 22,160	$ 5,641	$ 2,149	$ 1,111	$ —	$ 8,901
Gross par written	**$1,270,576**	**$128,696**	**$264,105**	**$ 29,781**	**$ 1,693,158**	**$ 362,206**	**$34,836**	**$ 30,780**	**$ —**	**$ 427,822**

Reconciliation of GWP to PVP

	Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2022				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 67,033**	**$ 29,238**	**$ 44,246**	**$ 3,176**	**$ 143,693**	**$ 5,653**	**$ 318**	**$ 3,037**	**$ (1,080)**	**$ 7,928**
Less: Installment GWP and other GAAP adjustments [1]	44,569	28,430	44,246	3,176	120,421	(10,320)	318	387	(1,080)	(10,695)
Upfront GWP	22,464	808	—	—	23,272	15,973	—	2,650	—	18,623
Plus: Installment premiums and other	44,064	23,342	42,289	5,836	115,531	268	4,944	510	120	5,842
Total PVP	$ 66,528	$ 24,150	$ 42,289	$ 5,836	$ 138,803	$ 16,241	$ 4,944	$ 3,160	$ 120	$ 24,465
Gross par written	**$ 5,359,889**	**$1,030,714**	**$1,093,904**	**$ 826,065**	**$ 8,310,572**	**$ 1,395,942**	**$108,291**	**$102,701**	**$ 32,843**	**$1,639,777**

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

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

Assured Guaranty Corp.

New Business Production (2 of 2)

(dollars in thousands)

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross
GWP	**$ 13,248**	**$ 9,070**	**$ 22,318**	**$ (4,640)**	**$ 8,246**	**$ 3,606**
PVP	12,920	9,239	22,159	1,111	7,790	8,901
Gross par written	293,885	1,399,272	1,693,157	30,780	397,042	427,822

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross	Direct and Assumed from Third Parties	Assumed from Affiliates	Total Gross
GWP	**$ 95,369**	**$ 48,324**	**$ 143,693**	**$ (13,647)**	**$ 21,575**	**$ 7,928**
PVP	93,588	45,215	138,803	3,111	21,354	24,465
Gross par written	3,664,237	4,646,335	8,310,572	90,430	1,549,347	1,639,777

Assured Guaranty Corp.

Gross Par Written (1 of 2)

(dollars in thousands)

Gross Par Written by Asset Type

	Three Months Ended September 30,	
	2023	2022
Sector:		
U.S. public finance:		
General obligation	$ 357,109	$ 148,134
Municipal utilities	294,988	39,413
Tax backed	276,134	58,866
Transportation	203,700	74,239
Healthcare	60,739	22,474
Housing revenue	54,291	—
Higher education	23,615	12,534
Infrastructure finance	—	6,546
Total U.S. public finance	1,270,576	362,206
Non-U.S. public finance:		
Sovereign and sub-sovereign	84,627	—
Regulated utilities	44,069	34,836
Total non-U.S. public finance	128,696	34,836
Total public finance	**1,399,272**	**397,042**
U.S. structured finance:		
Insurance Securitization	250,000	—
Commercial mortgage-backed securities	—	13,000
Structured credit	—	17,780
Other structured finance	14,105	—
Total U.S. structured finance	264,105	30,780
Non-U.S. structured finance:		
Other structured finance	29,781	—
Total non-U.S. structured finance	29,781	—
Total structured finance	**293,886**	**30,780**
Total gross par written	**$ 1,693,158**	**$ 427,822**

Please refer to the Glossary for a description of sectors.

Assured Guaranty Corp.

Gross Par Written (2 of 2)

(dollars in thousands)

Gross Par Written by Asset Type

	Nine Months Ended September 30,	
	2023	2022
Sector:		
U.S. public finance:		
Infrastructure finance	$ 1,784,564	$ 12,411
General obligation	1,551,575	485,843
Municipal utilities	918,502	225,995
Tax backed	525,114	180,462
Transportation	259,551	295,850
Healthcare	168,589	158,548
Higher education	70,528	36,833
Housing revenue	54,291	—
Other public finance	27,175	—
Total U.S. public finance	5,359,889	1,395,942
Non-U.S. public finance:		
Regulated utilities	553,073	90,672
Sovereign and sub-sovereign	287,332	—
Infrastructure finance	190,309	17,619
Total non-U.S. public finance	1,030,714	108,291
Total public finance	**6,390,603**	**1,504,233**
U.S. structured finance:		
Insurance securitization	750,000	—
Structured credit	275,000	17,780
Commercial mortgage-backed securities	—	13,000
Other structured finance	68,904	71,921
Total U.S. structured finance	1,093,904	102,701
Non-U.S. structured finance:		
Other structured finance	826,065	32,843
Total non-U.S. structured finance	826,065	32,843
Total structured finance	**1,919,969**	**135,544**
Total gross par written	**$ 8,310,572**	**$ 1,639,777**

Please refer to the Glossary for a description of sectors.

Assured Guaranty Corp.

Fixed-Maturity Securities, Short-Term Investments and Cash
As of September 30, 2023
(dollars in thousands)

Fixed-Maturity, Short-Term Investments and Cash	Amortized Cost	Allowance for Credit Losses	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income (1)
Fixed-maturity securities, available-for-sale:						
Obligations of states and political subdivisions (2)(3)	$ 1,207,875	$ (14,059)	3.50 %	3.13 %	$ 1,137,626	$ 42,257
U.S. government and agencies	6,968	—	0.39	0.30	6,437	27
Corporate securities	417,417	(2,272)	3.59	2.83	357,433	14,970
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) (3)	19,841	(1,815)	5.30	4.19	16,283	1,052
Commercial mortgage-backed securities	27,406	—	3.46	2.74	25,552	949
Asset-backed securities (ABS):						
Collateralized loan obligations	62,911	—	7.40	5.85	62,208	4,655
Other ABS (3)	381,365	(42,144)	6.43	5.08	318,044	24,505
Fixed-maturity securities, available-for-sale	2,123,783	(60,290)	4.16	3.50	1,923,583	88,415
Short-term investments	113,172	—	5.30	4.19	113,172	6,001
Cash (4)	24,974	—	—	—	24,974	—
Total	**$ 2,261,929**	**(60,290)**	**4.22 %**	**3.53 %**	**$ 2,061,729**	**$ 94,416**

Fixed-maturity securities, trading (7)	**$ 207,472**

Ratings (5):	Fair Value	% of Portfolio
U.S. government and agencies	$ 6,437	0.3 %
AAA/Aaa	177,156	9.2
AA/Aa	769,000	40.0
A/A	328,925	17.1
BBB	239,663	12.5
BIG	320,051	16.6
Not rated (6)	82,351	4.3
Total fixed-maturity securities, available-for-sale	**$ 1,923,583**	**100.0 %**

Duration of available-for-sale fixed-maturity securities and short-term investments (in years):	**4.0**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes securities purchased or obtained for loss mitigation purposes and other risk management securities.
3) Cash is not included in the yield calculation.
4) Ratings are represented by the lower of the Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC classifications except for purchased securities that it has insured, and for which it had expected losses to be paid (loss mitigation securities) and certain other securities, which use internal ratings classifications. Loss mitigation and other securities total $505.2 million in par with carrying value of $362.4 million and primarily included in the BIG category.
5) Includes $40.5 million of new general obligation bonds and new bonds backed by toll revenue received in connection with 2022 Puerto Rico Resolutions (see page 21).
6) Represents contingent value instruments (CVIs) received in connection with 2022 Puerto Rico Resolutions (see page 21). These securities are not rated.

Assured Guaranty Corp.

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

(dollars in thousands)

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance [2]: Expected PV Net Earned Premiums (i.e. Net Deferred Premium Revenue)	Financial Guaranty Insurance [2]: Accretion of Discount	Financial Guaranty Insurance [2]: Effect of FG VIE Consolidation on Expected PV Net Earned Premiums and Accretion of Discount	Future Credit Derivative Revenues [3]
2023 (as of September 30)		$ 42,791,219				
2023 4Q	$ 574,675	42,216,544	$ 13,436	$ 1,240	$ 72	$ 1,782
2024	2,301,183	39,915,361	51,201	4,626	271	6,913
2025	2,655,586	37,259,775	46,367	4,190	252	6,639
2026	2,181,830	35,077,945	42,505	3,828	235	6,351
2027	2,110,344	32,967,601	39,000	3,493	220	6,085
2023-2027	9,823,618	32,967,601	192,509	17,377	1,050	27,770
2028-2032	10,442,316	22,525,285	151,563	13,213	942	27,331
2033-2037	8,217,168	14,308,117	91,103	7,607	752	22,273
2038-2042	5,923,088	8,385,029	41,244	4,090	63	14,993
After 2042	8,385,029	—	45,048	2,566	—	10,419
Total	**$ 42,791,219**		**$ 521,467**	**$ 44,853**	**$ 2,807**	**$ 102,786**

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

Assured Guaranty Corp.

Roll Forward of Net Expected Loss and LAE to be Paid

(dollars in thousands)

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

	Net Expected Loss to be Paid (Recovered) as of June 30, 2023	Net Economic Loss Development (Benefit) During 3Q-23	Net (Paid) Recovered Losses During 3Q-23	Net Expected Loss to be Paid (Recovered) as of September 30, 2023
Public Finance:				
U.S. public finance	$ 187,586	$ 12,135	$ (34,359)	$ 165,362
Non-U.S. public finance	930	(562)	—	368
Public Finance	188,516	11,573	(34,359)	165,730
Structured Finance:				
U.S. RMBS	63,682	(13,105)	2,392	52,969
Other structured finance	(64,237)	(3,983)	3,156	(65,064)
Structured Finance	(555)	(17,088)	5,548	(12,095)
Total	**$ 187,961**	**$ (5,515)**	**$ (28,811)**	**$ 153,635**

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

	Net Expected Loss to be Paid (Recovered) as of December 31, 2022	Net Economic Loss Development (Benefit) During 2023	Net (Paid) Recovered Losses During 2023	Net Expected Loss to be Paid (Recovered) as of September 30, 2023
Public Finance:				
U.S. public finance	$ 187,961	$ 13,249	$ (35,848)	$ 165,362
Non-U.S public finance	1,050	(682)	—	368
Public Finance	189,011	12,567	(35,848)	165,730
Structured Finance:				
U.S. RMBS	58,352	(233)	(5,150)	52,969
Other structured finance	(58,584)	(13,833)	7,353	(65,064)
Structured Finance	(232)	(14,066)	2,203	(12,095)
Total	**$ 188,779**	**$ (1,499)**	**$ (33,645)**	**$ 153,635**

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

Assured Guaranty Corp.

Loss Measures

As of September 30, 2023

(dollars in thousands)

	Total Net Par Outstanding for BIG Transactions	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
		GAAP Loss and LAE (1)	Loss and LAE Included in Adjusted Operating Income (2)	Effect of FG VIE Consolidation (3)	GAAP Loss and LAE (1)	Loss and LAE Included in Adjusted Operating Income (2)	Effect of FG VIE Consolidation (3)
Public finance:							
U.S. public finance	$ 412,129	**$ 12,080**	$ 12,080	$ (509)	**$ 19,500**	$ 19,500	$ 4,890
Non-U.S. public finance	42,755	**(2)**	(2)	—	**(4)**	(4)	—
Public finance	454,884	**12,078**	12,078	(509)	**19,496**	19,496	4,890
Structured finance:							
U.S. RMBS	327,012	**(5,084)**	(5,052)	847	**9,496**	9,668	791
Other structured finance	8,068	**(4,614)**	(3,989)	—	**(15,565)**	(14,374)	—
Structured finance	335,080	**(9,698)**	(9,041)	847	**(6,069)**	(4,706)	791
Total	**$ 789,964**	**$ 2,380**	$ 3,037	$ 338	**$ 13,427**	$ 14,790	$ 5,681

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

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

Assured Guaranty Corp.

Net Expected Loss to be Expensed (1)

As of September 30, 2023

(dollars in thousands)

	GAAP
2023 4Q	$ 417
2024	5,231
2025	5,503
2026	7,574
2027	9,485
2023-2027	28,210
2028-2032	37,483
2033-2037	24,897
2038-2042	923
After 2042	471
Total expected present value of net expected loss to be expensed (2)	**91,984**
Future accretion	45,732
Total expected future loss and LAE	**$ 137,716**

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 4.51% to 5.45% for U.S. dollar denominated obligations.
2) Excludes $4.6 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Corp.

Financial Guaranty Profile (1 of 3)

(dollars in thousands)

Net Par Outstanding by Asset Type

	As of September 30, 2023	As of December 31, 2022
U.S. public finance:		
General obligation	$ 4,941,900	$ 3,572,690
Infrastructure finance	3,248,319	1,763,072
Transportation	3,004,303	2,768,610
Tax backed	2,813,921	2,483,477
Municipal utilities	2,251,146	1,355,883
Healthcare	584,365	474,660
Higher education	420,115	366,948
Housing revenue	134,440	84,771
Renewable energy	121,353	121,353
Investor-owned utilities	99,326	101,501
Other public finance	497,407	519,879
Total U.S. public finance	18,116,595	13,612,844
Non-U.S. public finance:		
Regulated utilities	2,660,172	1,878,033
Infrastructure finance	787,664	629,756
Pooled infrastructure	542,948	540,258
Sovereign and sub-sovereign	504,764	231,376
Renewable energy	20,199	38,622
Total non-U.S. public finance	4,515,747	3,318,045
Total public finance	**22,632,342**	**16,930,889**
U.S. structured finance:		
Life insurance transactions	1,105,843	1,094,457
RMBS	535,697	569,455
Pooled corporate obligations	534,161	562,764
Consumer receivables	196,679	251,621
Other structured finance	929,350	727,920
Total U.S. structured finance	3,301,730	3,206,217
Non-U.S. structured finance:		
Pooled corporate obligations	269,850	273,492
RMBS	148,238	152,655
Other structured finance	351,203	161,789
Total non-U.S. structured finance	769,291	587,936
Total structured finance	**4,071,021**	**3,794,153**
Total net par outstanding	**$ 26,703,363**	**$ 20,725,042**

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

Assured Guaranty Corp.

Financial Guaranty Profile (2 of 3)

As of September 30, 2023

(dollars in thousands)

Distribution by Ratings of Financial Guaranty Portfolio

	Public Finance - U.S.		Public Finance - Non-U.S.		Structured Finance - U.S.		Structured Finance - Non-U.S.		Total	
Ratings:	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%
AAA	$ 6,606	0.0 %	$ 621,126	13.8 %	$ 515,240	15.6 %	$ 280,223	36.4 %	$ 1,423,195	5.3 %
AA	3,113,566	17.2	267,283	6.0	1,281,437	38.8	15,286	2.0	4,677,572	17.5
A	7,848,364	43.3	1,063,208	23.5	713,052	21.7	461,679	60.0	10,086,303	37.8
BBB	6,735,930	37.2	2,521,375	55.8	456,921	13.8	12,103	1.6	9,726,329	36.4
BIG	412,129	2.3	42,755	0.9	335,080	10.1	—	—	789,964	3.0
Net Par Outstanding [1]	**$ 18,116,595**	**100.0 %**	**$ 4,515,747**	**100.0 %**	**$ 3,301,730**	**100.0 %**	**$ 769,291**	**100.0 %**	**$ 26,703,363**	**100.0 %**

1) As of September 30, 2023, the Company excluded $462.9 million of net par primarily attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding [1][2]	% of Total
Affiliated reinsurers	$ 9,232,882	99.7 %
Non-affiliated reinsurers	25,500	0.3
Total	**$ 9,258,382**	**100.0 %**

1) Of the total par ceded to non-affiliates, none is rated BIG.
2) There was no collateral posted by third party reinsurers and $181.9 million posted by affiliated reinsurers as of September 30, 2023.

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

Assured Guaranty Corp.

Financial Guaranty Profile (3 of 3)
As of September 30, 2023
(dollars in thousands)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 4,507,566	16.9 %
Texas	2,844,007	10.7
New Jersey	1,081,566	4.1
New York	1,017,425	3.8
Illinois	978,073	3.7
Florida	933,706	3.5
Pennsylvania	850,927	3.2
Virginia	833,575	3.1
Georgia	484,247	1.8
North Carolina	478,432	1.8
Other	4,107,071	15.4
Total U.S public finance	18,116,595	68.0
U.S. structured finance	3,301,730	12.4
Total U.S.	**21,418,325**	**80.4**
Non-U.S.:		
United Kingdom	4,055,368	15.2
Australia	166,115	0.6
France	145,064	0.5
Mexico	136,177	0.5
Italy	128,621	0.4
Other	653,693	2.4
Total non-U.S.	**5,285,038**	**19.6**
Total net par outstanding	**$ 26,703,363**	**100.0 %**

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

Assured Guaranty Corp.
Exposure to Puerto Rico (1 of 2)
As of September 30, 2023
(dollars in thousands)

Exposure to Puerto Rico

	Par Outstanding		Debt Service Outstanding	
	Gross	Net	Gross	Net
Total	$ 365,522	$ 242,478	$ 571,221	$ 377,832

Exposure to Puerto Rico by Company [1]

	Net Par Outstanding	Gross Par Outstanding
Defaulted Puerto Rico Exposures		
Puerto Rico Electric Power Authority (PREPA)	$ 67,613	$ 116,770
Total Defaulted	**67,613**	**116,770**
Resolved Puerto Rico Exposures [2]		
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation revenue) [3]	157,066	230,953
PRHTA (Highway revenue) [3]	11,207	11,207
Total Resolved	**168,273**	**242,160**
Other Puerto Rico Exposures		
Puerto Rico Municipal Finance Agency (MFA) [4]	5,670	5,670
Puerto Rico Aqueduct and Sewer Authority (PRASA) and University of Puerto Rico (U of PR)[4]	922	922
Total Other	**6,592**	**6,592**
Total exposure to Puerto Rico	**$ 242,478**	**$ 365,522**

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

Assured Guaranty Corp.

Exposure to Puerto Rico (2 of 2)

As of September 30, 2023

(dollars in thousands)

Amortization Schedule of Net Par Outstanding of Puerto Rico

	2023 (4Q)	2024 (1Q)	2024 (2Q)	2024 (3Q)	2024 (4Q)	2025	2026	2027	2028	2029	2030	2031	2032	2033-2037	2038-2041	Total
Defaulted Puerto Rico Exposures																
PREPA	$ —	$ —	$ —	$ 1,331	$ —	$ 1,398	$ 19,264	$ 17,030	$ 16,652	$ 1,053	$ 2,784	$ 1,839	$ 5,680	$ 582	$ —	$ 67,613
Total Defaulted	—	—	—	1,331	—	1,398	19,264	17,030	16,652	1,053	2,784	1,839	5,680	582	—	67,613
Resolved Puerto Rico Exposures																
PRHTA (Transportation revenue)	—	—	—	—	—	—	—	—	—	—	—	—	—	99,384	57,682	157,066
PRHTA (Highway revenue)	—	—	—	—	—	—	—	—	—	—	—	—	2,373	8,834	—	11,207
Total Resolved	—	—	—	—	—	—	—	—	—	—	—	—	2,373	108,218	57,682	168,273
Other Puerto Rico Exposures																
MFA	—	—	—	358	—	326	1,567	1,271	1,064	614	470	—	—	—	—	5,670
PRASA and U of PR	—	—	—	345	—	51	55	58	61	64	67	70	74	77	—	922
Total Other	—	—	—	703	—	377	1,622	1,329	1,125	678	537	70	74	77	—	6,592
Total	**$ —**	**$ —**	**$ —**	**$ 2,034**	**$ —**	**$ 1,775**	**$ 20,886**	**$ 18,359**	**$ 17,777**	**$ 1,731**	**$ 3,321**	**$ 1,909**	**$ 8,127**	**$108,877**	**$ 57,682**	**$ 242,478**

Amortization Schedule of Net Debt Service Outstanding of Puerto Rico

	2023 (4Q)	2024 (1Q)	2024 (2Q)	2024 (3Q)	2024 (4Q)	2025	2026	2027	2028	2029	2030	2031	2032	2033-2037	2038-2041	Total
Defaulted Puerto Rico Exposures																
PREPA	$ 52	$ 1,553	$ 52	$2,884	$ 52	$ 4,528	$ 22,336	$19,161	$18,052	$ 1,627	$ 3,320	$ 2,251	$ 5,995	$ 661	$ —	$ 82,524
Total Defaulted	52	1,553	52	2,884	52	4,528	22,336	19,161	18,052	1,627	3,320	2,251	5,995	661	—	82,524
Resolved Puerto Rico Exposures																
PRHTA (Transportation revenue)	—	4,123	—	4,123	—	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	129,294	66,050	269,558
PRHTA (Highway revenue)	—	294	—	294	—	588	588	588	589	589	588	588	2,962	10,134	—	17,802
Total Resolved	—	4,417	—	4,417	—	8,834	8,834	8,834	8,835	8,835	8,834	8,834	11,208	139,428	66,050	287,360
Other Puerto Rico Exposures																
MFA	—	142	—	499	—	591	1,817	1,441	1,171	668	494	—	—	—	—	6,823
PRASA and U of PR	—	25	—	371	—	81	81	81	81	81	81	81	81	81	—	1,125
Total Other	—	167	—	870	—	672	1,898	1,522	1,252	749	575	81	81	81	—	7,948
Total	**$ 52**	**$ 6,137**	**$ 52**	**$8,171**	**$ 52**	**$ 14,034**	**$ 33,068**	**$29,517**	**$28,139**	**$11,211**	**$12,729**	**$11,166**	**$17,284**	**$ 140,170**	**$66,050**	**$377,832**

Assured Guaranty Corp.

U.S. RMBS Profile

As of September 30, 2023

(dollars in thousands)

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

Ratings:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
AAA	$ 7,387	$ 23,725	$ 5,992	$ 68,957	$ 1,559	$ 107,620
AA	5,173	51,632	79	7,444	30,714	95,042
A	39	—	—	2,616	129	2,784
BBB	1,818	—	1	51	1,369	3,239
BIG	10,253	48,566	3,557	249,359	15,277	327,012
Total exposures	**$ 24,670**	**$ 123,923**	**$ 9,629**	**$ 328,427**	**$ 49,048**	**$ 535,697**

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

Year insured:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
2004 and prior	$ 7,305	$ 336	$ 118	$ 44,481	$ 3,030	$ 55,270
2005	13,497	30,347	5,803	93,490	10,697	153,834
2006	3,868	347	—	33,830	5,631	43,676
2007	—	92,893	3,708	156,626	29,690	282,917
Total exposures	**$ 24,670**	**$ 123,923**	**$ 9,629**	**$ 328,427**	**$ 49,048**	**$ 535,697**

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

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

Assured Guaranty Corp.
Direct Pooled Corporate Obligations Profile
As of September 30, 2023
(dollars in thousands)

Distribution of Direct Pooled Corporate Obligations by Ratings

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement
Ratings:				
AAA	$ 455,897	75.9 %	43.5 %	57.6 %
AA	51,656	8.6	41.4	52.9
A	72,074	12.0	37.3	46.2
BBB	21,341	3.5	42.2	45.6
Total exposures	**$ 600,968**	**100.0 %**	**42.5 %**	**55.4 %**

Distribution of Direct Pooled Corporate Obligations by Asset Class

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement	Number of Transactions
Asset class:					
Trust preferred:					
Banks and insurance	$ 331,534	55.2 %	43.6 %	63.8 %	12
U.S. mortgage and real estate investment trusts	60,563	10.1	47.3	64.3	3
Collateralized loan obligations	208,871	34.7	39.4	39.4	7
Total exposures	**$ 600,968**	**100.0 %**	**42.5 %**	**55.4 %**	**22**

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

Assured Guaranty Corp.

Credit Derivative Net Par Outstanding Profile
As of September 30, 2023
(dollars in thousands)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	**Net Par Outstanding**	**% of Total**
AAA	$ 706,673	34.2 %
AA	990,548	47.9
A	142,737	6.9
BBB	180,260	8.7
BIG	46,574	2.3
Total credit derivative net par outstanding	**$ 2,066,792**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector

	Net Par Outstanding
Public finance:	
U.S. public finance	$ 921,509
Non-U.S. public finance	721,471
Total public finance	**1,642,980**
U.S. structured finance:	
Pooled corporate obligations	180,616
RMBS	121,206
Total U.S. structured finance	301,822
Non-U.S. structured finance:	
RMBS	121,990
Total non-U.S. structured finance	121,990
Total structured finance	**423,812**
Total credit derivative net par outstanding	**$ 2,066,792**

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

Assured Guaranty Corp.

Below Investment Grade Exposures (1 of 3)

(dollars in thousands)

BIG Exposures by Asset Exposure Type

	As of	
	September 30, 2023	December 31, 2022
U.S. public finance:		
Tax backed	$ 182,444	$ 234,066
Municipal utilities	80,148	82,507
Housing revenue	53,953	56,201
General obligation	34,276	66,657
Transportation	15,003	15,458
Healthcare	11,090	12,650
Higher education	2,627	3,610
Other public finance	32,588	29,164
Total U.S. public finance	412,129	500,313
Non-U.S. public finance:		
Infrastructure finance	42,056	45,088
Sovereign and sub-sovereign	699	772
Renewable energy	—	18,424
Total non-U.S. public finance	42,755	64,284
Total public finance	**454,884**	**564,597**
U.S. structured finance:		
RMBS	327,012	339,425
Life insurance transactions	6,385	6,385
Consumer receivables	195	118
Other structured finance	1,488	4,604
Total U.S. structured finance	335,080	350,532
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**335,080**	**350,532**
Total BIG net par outstanding	**$ 789,964**	**$ 915,129**

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

Assured Guaranty Corp.

Below Investment Grade Exposures (2 of 3)

(dollars in thousands)

Net Par Outstanding by BIG Category [1]

	As of	
	September 30, 2023	December 31, 2022
BIG Category 1		
U.S. public finance	$ 119,707	$ 144,701
Non-U.S. public finance	42,755	64,284
U.S. structured finance	19,052	12,702
Non-U.S. structured finance	—	—
Total BIG Category 1	181,514	221,687
BIG Category 2		
U.S. public finance	56,536	51,296
Non-U.S. public finance	—	—
U.S. structured finance	19,337	22,795
Non-U.S. structured finance	—	—
Total BIG Category 2	75,873	74,091
BIG Category 3		
U.S. public finance	235,886	304,316
Non-U.S. public finance	—	—
U.S. structured finance	296,691	315,035
Non-U.S. structured finance	—	—
Total BIG Category 3	532,577	619,351
BIG Total	**$ 789,964**	**$ 915,129**

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

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

Assured Guaranty Corp.

Below Investment Grade Exposures (3 of 3)
As of September 30, 2023
(dollars in thousands)

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

	Net Par Outstanding	Internal Rating (1)
Name or description		
U.S. public finance:		
Puerto Rico Highways & Transportation Authority	$ 168,273	CCC
Puerto Rico Electric Power Authority	67,613	CCC
Subtotal U.S. public finance	**235,886**	
Non-U.S. public finance	—	
U.S. structured finance		
RMBS:		
Option One Mortgage Loan Trust 2007-HI1	98,068	CCC
Argent Securities Inc. 2005-W4	92,618	CCC
Subtotal RMBS	**190,686**	
Non-RMBS	—	
Subtotal U.S. structured finance	**190,686**	
Non-U.S. structured finance	—	
Total	**$ 426,572**	

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

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

Assured Guaranty Corp.

Largest Exposures by Sector (1 of 3)
As of September 30, 2023
(dollars in thousands)

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

Credit Name:	Net Par Outstanding	Internal Rating [1]
New Jersey (State of)	$ 912,694	BBB
San Diego Family Housing, LLC	895,875	AA
North Texas Tollway Authority	886,239	A+
Alameda Corridor Transportation Authority, California	494,340	BBB+
LCOR Alexandria LLC	362,582	BBB-
Private Transaction	342,981	BBB-
Metro Washington Airports Authority (Dulles Toll Road)	324,136	BBB+
Private Transaction	301,927	BBB+
Private Transaction	236,595	A
Private Transaction	231,121	BBB+
Miami-Dade County, Florida	221,106	AA-
Chicago Water, Illinois	202,466	BBB+
New York Metropolitan Transportation Authority	199,705	BBB+
Houston Airport System, Texas	195,180	A
Lower Colorado River Authority	186,550	A
Private Transaction	185,766	A
Houston Hotel Occupancy Tax, Texas	179,607	BBB
Puerto Rico Highways & Transportation Authority	168,273	CCC
California (State of)	158,201	AA-
Palomar Health	155,643	BBB+
San Joaquin Hills Transportation, California	152,091	BBB
Philadelphia Water & Wastewater, Pennsylvania	141,209	A
Dodger Tickets LLC	138,128	BBB
Southern California Logistic Airport, California	129,762	BBB-
Navy Midwest Family Housing LLC	119,605	AA
San Antonio Electric and Gas Systems, Texas	118,630	AA
Chicago (City of) Wastewater Transmission, Illinois	116,334	BBB+
Washington Water Power (Avista Project)	107,250	A-
Metropolitan Government Sports Authority of Nashville and Davidson County, Tennessee	106,356	A
Escondido Union High School District, California	103,389	AA-
Maine (State of)	99,067	A
Municipal Gas Authority of Georgia	90,583	A+
Santa Ana Unified School District, California	90,144	A+
Chicago Public Schools, Illinois	90,082	BBB-
Grossmont-Cuyamaca Community College District, California	89,567	AA-
Municipal Electric Authority of Georgia	89,116	BBB+
Private Transaction	88,652	A-
Offutt Air Force Base, Nebraska - America First Communities, LLC	87,445	AA
New York (City of), New York	85,226	AA
West Contra Costa Unified School District, California	81,889	A+
Pasco County (H. Lee Moffitt Cancer Center Project), Florida	81,471	A
Yankee Stadium LLC New York City Industrial Development Authority	81,328	BBB
Ohana Military Communities, LLC	81,275	A+
Dade County Seaport, Florida	80,033	A-
St. Louis, Missouri	79,216	BBB+
Duke Energy Florida	77,613	A
North Carolina Turnpike Authority	74,013	BBB-
Aurora Military Housing I & II (Elmendorf Air Force Base), LLC	71,763	AA
Long Beach Bond Financing Authority (Natural Gas Prepayment Transaction), California	69,617	A
Puerto Rico Electric Power Authority	67,613	CCC
Total top 50 U.S. public finance exposures	**$ 9,729,454**	

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

Assured Guaranty Corp.

Largest Exposures by Sector (2 of 3)

As of September 30, 2023

(dollars in thousands)

25 Largest U.S. Structured Finance Exposures

Credit Name:	Net Par Outstanding	Internal Rating [1]
Private US Insurance Securitization	$ 187,500	A+
Private US Insurance Securitization	179,395	AA-
Private US Insurance Securitization	171,071	AA-
Private US Insurance Securitization	165,000	AA
Private US Insurance Securitization	160,249	AA-
SLM Student Loan Trust 2007-A	148,312	AA
Private US Insurance Securitization	115,800	AA-
DB Master Finance LLC	110,439	BBB
Private Middle Market CLO	109,480	AAA
Private US Insurance Securitization	106,944	AA
Option One Mortgage Loan Trust 2007-HI1	98,069	CCC
Argent Securities Inc. 2005-W4	92,618	CCC
Private Balloon Note Guarantee	85,000	A
Private Balloon Note Guarantee	59,500	BBB
ALESCO Preferred Funding XIII, Ltd.	53,969	AAA
CAPCO - Excess SIPC Excess of Loss Reinsurance	53,550	BBB
Private Other Structured Finance Transaction	50,837	A-
Preferred Term Securities XXIV, Ltd.	48,766	AAA
CWALT Alternative Loan Trust 2007-HY9	45,332	A+
Alesco Preferred Funding XVI, Ltd.	44,054	A
Private Balloon Note Guarantee	42,500	A
Private Other Structured Finance Transaction	41,995	A-
Sonic Capital LLC 2020-1	39,108	BBB
SLM Student Loan Trust 2006-C	38,237	AA
Preferred Term Securities XXIII	37,385	AAA
Total top 25 U.S. structured finance exposures	**$ 2,285,110**	

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

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

Assured Guaranty Corp.

Largest Exposures by Sector (3 of 3)

As of September 30, 2023

(dollars in thousands)

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

Credit Name:	Country	Net Par Outstanding	Internal Rating
Southern Water Services Limited	United Kingdom	$ 389,565	BBB
Dwr Cymru Financing Limited	United Kingdom	321,826	A-
Anglian Water Services Financing PLC	United Kingdom	316,901	A-
British Broadcasting Corporation (BBC)	United Kingdom	253,350	A+
Thames Water Utilities Finance PLC	United Kingdom	218,185	BBB
National Grid Gas PLC	United Kingdom	217,049	BBB+
International Infrastructure Pool	United Kingdom	180,983	AAA
International Infrastructure Pool	United Kingdom	180,983	AAA
International Infrastructure Pool	United Kingdom	180,983	AAA
Aspire Defence Finance plc	United Kingdom	179,847	A-
Wessex Water Services Finance Plc	United Kingdom	156,925	AA
Northumbrian Water PLC	United Kingdom	153,149	BBB+
Yorkshire Water Services Finance Plc	United Kingdom	150,036	BBB
Comision Federal De Electricidad (CFE) El Cajon Project	Mexico	135,407	BBB-
Private International Residential Mortgage Transaction	United Kingdom	121,990	A
National Grid Company PLC	United Kingdom	104,156	BBB+
Regione Lazio	Italy	103,747	BBB-
Channel Link Enterprises Finance PLC	France, United Kingdom	100,425	BBB
United Utilities Water PLC	United Kingdom	98,122	A-
Private Subscription Finance Transaction	See Footnote 1	93,369	A
Bain Capital EURO CLO 2021-2	See Footnote 2	93,117	AAA
M77 - Glasgow Southern Orbital PFI Road Project	United Kingdom	91,847	BBB-
Southern Gas Networks PLC	United Kingdom	91,381	BBB
Tymon Park CLO DAC Reset	See Footnote 3	83,701	AAA
North Westerly V Leveraged Loan Strategies CLO	See Footnote 4	83,512	AAA
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	77,952	AAA
Ancora (OAHS) Pty Ltd.	Australia	74,964	BBB
Envestra Limited	Australia	70,845	A-
Private Subscription Finance Transaction	See Footnote 5	56,233	A
Sociedad Concesionaria Autopista Vespucio Sur S.A., Chile	Chile	55,056	BBB
Electricity North West Ltd	United Kingdom	54,756	BBB+
Severn Trent Water Utilities Finance Plc	United Kingdom	53,942	BBB+
Capital Hospitals (Issuer) PLC	United Kingdom	48,091	BBB-
Private Subscription Finance Transaction	See Footnote 6	41,008	A
Newcastle Hospitals PFI Project	United Kingdom	33,934	BB+
Feria Muestrario Internacional de Valencia	Spain	30,202	BBB-
Private Subscription Finance Transaction	See Footnote 7	25,760	A
Private International Sub-Sovereign Transaction	United Kingdom	25,616	A+
Private Subscription Finance Transaction	See Footnote 8	25,009	A
Private Subscription Finance Transaction	See Footnote 9	24,824	A
Southern Electric Power Distribution Plc	United Kingdom	24,398	BBB
Heathrow Funding Limited	United Kingdom	23,587	BBB
Western Power Distribution (South West) PLC	United Kingdom	23,371	BBB+
Private Subscription Finance Transaction	See Footnote 10	23,278	A
Derby Healthcare PLC	United Kingdom	20,765	BBB
Western Power Distribution (South Wales) PLC	United Kingdom	20,522	BBB+
Quebec Province	Canada	20,199	AA-
ALBA 2005-1 PLC	United Kingdom	19,238	AAA
Private Subscription Finance Transaction	See Footnote 11	18,720	A
Verdun Participations 2 S.A.S.	France	18,509	BBB-
Total top 50 non-U.S. exposures		**$ 5,011,335**	

1) Primarily Germany, Luxembourg, United Kingdom, Netherlands, Singapore
2) Primarily France, Luxembourg, United Kingdom, Netherlands, Germany
3) Primarily United Kingdom, France, Netherlands, Luxembourg, Germany
4) Primarily France, United Kingdom, Germany, Netherlands, Sweden
5) Primarily Netherlands, Luxembourg, France, Norway, Singapore
6) Primarily United Kingdom, Switzerland, Germany, Norway, Sweden
7) Primarily Netherlands, Italy, Switzerland, France, Denmark
8) Primarily Canada, China, Hong Kong, Saudi Arabia, South Korea
9) Primarily Canada, China, Hong Kong, Australia, Kuwait
10) Primarily Canada, China, Saudi Arabia, Australia, United Arab Emirates
11) Primarily Finland, South Korea, Cayman Islands, United Kingdom, France

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

Assured Guaranty Corp.

Summary of Statutory Financial and Statistical Data

(dollars in thousands)

	As of and for the Nine Months Ended September 30,	As of and for Year Ended December 31,			
	2023	2022	2021	2020	2019
Claims-Paying Resources (1)					
Policyholders' surplus	$ 1,897,149	$ 1,916,078	$ 2,069,827	$ 1,716,777	$ 1,775,111
Contingency reserve	400,471	346,940	348,062	617,634	621,131
Qualified statutory capital	**2,297,620**	**2,263,018**	**2,417,889**	**2,334,411**	**2,396,242**
Unearned premium reserve and net deferred ceding commission income	338,348	326,786	352,782	363,452	430,665
Loss and LAE reserves	—	—	7,072	13,118	150,811
Total policyholders' surplus and reserves	**2,635,968**	**2,589,804**	**2,777,743**	**2,710,981**	**2,977,718**
Present value of installment premium	236,124	200,488	193,521	189,445	187,369
CCS	200,000	200,000	200,000	200,000	200,000
Total claims-paying resources (including proportionate Municipal Assurance Corp. (MAC) ownership for AGC)	**3,072,092**	**2,990,292**	**3,171,264**	**3,100,426**	**3,365,087**
Adjustment for MAC	—	—	—	234,852	239,643
Total claims-paying resources (excluding proportionate MAC ownership for AGC)	**$ 3,072,092**	**$ 2,990,292**	**$ 3,171,264**	**$ 2,865,574**	**$ 3,125,444**
Ratios:					
Net par outstanding to qualified statutory capital	12:1	9:1	9:1	11:1	13:1
Capital ratio	19:1	15:1	14:1	16:1	19:1
Financial resources ratio	14:1	11:1	10:1	12:1	14:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGC)	9:1	7:1	7:1	8:1	9:1
Other Financial Information (Statutory Basis) (2)					
Net debt service outstanding (end of period)	$ 43,250,890	$32,982,853	$33,024,098	$38,015,005	$45,707,258
Gross debt service outstanding (end of period)	56,102,458	44,599,698	45,424,851	50,842,602	60,496,257
Net par outstanding (end of period)	26,922,378	20,950,705	21,603,648	25,377,477	30,069,673
Gross par outstanding (end of period)	36,383,074	29,302,574	30,328,782	34,273,962	40,158,338
Ceded to Assured Guaranty affiliates	9,435,196	8,326,369	8,699,634	8,870,984	9,989,191
Gross debt service written:					
Public finance - U.S.	$ 9,910,375	$ 3,690,150	$ 3,480,668	$ —	$ 922,886
Public finance - non-U.S.	1,821,274	480,692	56,226	—	663,929
Structured finance - U.S.	1,094,726	1,107,988	1,311,776	508,015	1,703,593
Structured finance - non-U.S.	840,301	259,941	357,051	—	—
Total gross debt service written	$ 13,666,676	$ 5,538,771	$ 5,205,721	$ 508,015	$ 3,290,408

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

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

Glossary

Net Par Outstanding and Internal Ratings

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

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

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

Performance Indicators

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

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

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2022.

U.S. Public Finance:

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

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

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

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

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

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

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

Glossary (continued)

***Sectors* (continued)**

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

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

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

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

Non-U.S. Public Finance:

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

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

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

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

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

Structured Finance:

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

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

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

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

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

Non-GAAP Financial Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures (continued)

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

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

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

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

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

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

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