ASSURED GUARANTY®

Financial Supplement

Assured Guaranty Municipal Corp.

December 31, 2019

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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2019. This financial supplement should also be read in conjunction with the Company's financial statements posted on agltd.com/investor-information. For the purposes of this financial supplement, all references to the "Company", or "Consolidated AGM" shall mean Assured Guaranty Municipal Corp. (AGM) and its consolidated entities (consisting primarily of Assured Guaranty (Europe) plc. Assured Guaranty (Europe) SA, Municipal Assurance Holdings Inc., a company formed to own 100% of the common stock of Municipal Assurance Corp. (MAC), and variable interest entities. AGM is required to consolidate under accounting principles generally accepted in the United States). AGM owns 60.7% of the outstanding shares of Municipal Assurance Holdings Inc., and AGM's affiliate Assured Guaranty Corp. (AGC) owns the remaining 39.3%; AGM also owns 55% of AG Asset Strategies LLC (AGAS); AGM consolidates all of MAC and AGAS. AGM (excluding MAC and AGAS) shall mean Consolidated AGM excluding Municipal Assurance Holdings Inc., MAC and AGAS. Some amounts in this financial supplement may not add due to rounding.

Cautionary Statement Regarding Forward Looking Statements:

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

Assured Guaranty Municipal Corp.

Selected Financial Highlights (1 of 2)

(dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
GAAP Highlights				
Net income (loss) attributable to AGM	**$ 113**	**$ 58**	**$ 327**	**$ 253**
Gross written premiums (GWP)	**409**	**97**	**558**	**272**
Effective tax rate on net income	**3.2%**	**12.4%**	**15.8%**	**8.5%**
GAAP return on equity (ROE)[(3)]	**10.7%**	**5.8%**	**7.9%**	**6.3%**
Non-GAAP Highlights[(1)]				
Adjusted operating income[(1)]	$ 85	$ 72	$ 319	$ 287
Present value of new business production (PVP)[(1)]	229	93	374	250
Gross par written	11,804	4,651	22,354	12,475
Effective tax rate on adjusted operating income[(2)]	1.6 %	12.2 %	15.3 %	9.0 %
Adjusted operating ROE[(1)(3)]	8.5 %	7.4 %	8.0 %	7.4 %

	As of	
	December 31, 2019	December 31, 2018
Shareholder's equity attributable to AGM	**$ 4,250**	**$ 3,988**
Adjusted operating shareholder's equity [(1)]	4,061	3,903
Adjusted book value[(1)]	5,817	5,378
Gain (loss) related to the effect of consolidating FG VIEs (FG VIE consolidation) included in adjusted operating shareholder's equity	11	10
Gain (loss) related to FG VIE consolidation included in adjusted book value	—	(6)
Exposure		
Financial guaranty net debt service outstanding [(4)]	$ 244,433	$ 226,248
Financial guaranty net par outstanding [(4)]	152,673	146,637
Claims-paying resources (including MAC)[(5)]	**6,396**	**6,516**

1) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
2) Represents the ratio of adjusted operating provision for income taxes to adjusted operating income before income taxes.
3) Quarterly ROE calculations represent annualized returns. See page 6 for additional information on calculation.
4) Amounts include those of Municipal Assurance Corp. (MAC). Although Assured Guaranty Municipal owns approximately 60.7% of the outstanding shares of Municipal Assurance Holdings Inc. (MAC Holdings), a company formed to own 100% of the common stock of MAC, and Assured Guaranty Municipal's affiliate Assured Guaranty Corp. owns the remaining 39.3%, Assured Guaranty Municipal consolidates all of MAC.
5) See page 8 for additional detail on claims-paying resources.

Assured Guaranty Municipal Corp.

Selected Financial Highlights (2 of 2)

(dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 24**	**$ 8**	**$ 67**	**$ 76**
Net change in fair value of credit derivatives, pre-tax	**—**	**—**	**—**	**1**
Net income effect	**17**	**4**	**46**	**53**
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues[(1)], pre-tax	24	8	67	76
Adjusted operating income [(1)] effect	17	4	46	52

1) Consolidated statement of operations items mentioned in this Financial Supplement that are described as operating (i.e. operating net earned premiums) are non-GAAP measures and represent components of adjusted operating income. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Municipal Corp.

Consolidated Balance Sheets (unaudited)

(dollars in millions)

	As of	
	December 31, 2019	December 31, 2018
Assets:		
Investment portfolio:		
Fixed-maturity securities, available-for-sale, at fair value	$ 4,752	$ 5,342
Short-term investments, at fair value	736	319
Surplus note from affiliate	300	300
Other invested assets	173	31
Total investment portfolio	5,961	5,992
Loans receivable from affiliate	163	—
Cash	87	53
Premiums receivable	1,019	698
Ceded unearned premium reserve	619	714
Reinsurance recoverable on unpaid losses	200	179
Salvage and subrogation recoverable	488	311
Financial guaranty variable interest entities (FG VIE) assets, at fair value	392	467
Other assets	202	234
Total assets	**$ 9,131**	**$ 8,648**
Liabilities and shareholders' equity:		
Liabilities:		
Unearned premium reserve	$ 2,891	$ 2,634
Loss and loss adjustment expense (LAE) reserve	631	770
Reinsurance balances payable, net	257	196
FG VIE liabilities with recourse, at fair value	321	409
FG VIE liabilities without recourse, at fair value	100	101
Other liabilities	298	324
Total liabilities	**4,498**	**4,434**
Shareholders' equity:		
Preferred stock	—	—
Common stock	15	15
Additional paid-in capital	702	702
Retained earnings	3,415	3,308
Accumulated other comprehensive income (loss)	118	(37)
Total shareholders' equity attributable to Assured Guaranty Municipal Corp.	**4,250**	**3,988**
Noncontrolling interests	383	226
Total shareholders' equity	**4,633**	**4,214**
Total liabilities and shareholders' equity	**$ 9,131**	**$ 8,648**

Assured Guaranty Municipal Corp.

Consolidated Statements of Operations (unaudited)
(dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues:				
Net earned premiums	$ 71	$ 57	$ 259	$ 291
Net investment income	46	50	191	204
Net realized investment gains (losses)	2	(17)	5	(24)
Fair value gains (losses) on FG VIEs	(1)	3	32	10
Foreign exchange gains (losses) on remeasurement	41	(13)	21	(32)
Other income (loss)	3	12	12	(1)
Total revenues	**162**	**92**	**520**	**448**
Expenses:				
Loss and LAE	9	(11)	(17)	25
Employee compensation and benefit expenses	19	21	83	80
Other expenses	13	12	46	43
Total expenses	**41**	**22**	**112**	**148**
Income (loss) before provision for income taxes and equity in net earnings of investees	**121**	**70**	**408**	**300**
Equity in net earnings of investees	—	2	2	3
Income (loss) before income taxes	**121**	**72**	**410**	**303**
Provision (benefit) for income taxes	4	9	65	26
Net income (loss)	**117**	**63**	**345**	**277**
Less: Noncontrolling interests	4	5	18	24
Net income (loss) attributable to Assured Guaranty Municipal Corp.	**$ 113**	**$ 58**	**$ 327**	**$ 253**

Assured Guaranty Municipal Corp.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

(dollars in millions)

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation for the Three Months Ended December 31, 2019 and December 31, 2018

	Three Months Ended December 31, 2019		Three Months Ended December 31, 2018	
	Adjusted Operating Income Adjustments (1)	Effect of FG VIE Consolidation (2)	Adjusted Operating Income Adjustments(1)	Effect of FG VIE Consolidation (2)
Adjustments to revenues:				
Net earned premiums	$ —	$ (1)	$ —	$ (2)
Net investment income	—	(1)	—	(1)
Net realized investment gains (losses)	2	—	(17)	—
Fair value gains (losses) on FG VIEs	—	(1)	—	3
Foreign exchange gain (loss) on remeasurement	37	—	(11)	—
Other income (loss)	(9)	—	12	—
Total revenue adjustments	30	(3)	(16)	—
Adjustments to expenses:				
Loss expense	—	4	—	(1)
Total expense adjustments	—	4	—	(1)
Pre-tax adjustments	30	(7)	(16)	1
Tax effect of adjustments	2	(2)	(2)	—
Less: Noncontrolling interests	—	—	—	—
After-tax adjustments	$ 28	$ (5)	$ (14)	$ 1

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation for the Year Ended December 31, 2019 and December 31, 2018

	Year Ended December 31, 2019		Year Ended December 31, 2018	
	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	$ —	$ (16)	$ —	$ (11)
Net investment income	—	(4)	—	(4)
Net realized investment gains (losses)	5	—	(24)	—
Fair value gains (losses) on FG VIEs	—	32	—	10
Foreign exchange gain (loss) on remeasurement	18	—	(27)	—
Other income (loss)	(10)	—	10	—
Total revenue adjustments	13	12	(41)	(5)
Adjustments to expenses:				
Loss expense	—	16	(1)	(3)
Total expense adjustments	—	16	(1)	(3)
Pre-tax adjustments	13	(4)	(40)	(2)
Tax effect of adjustments	4	(1)	(6)	(1)
Less: Noncontrolling interests	1	—	—	—
After-tax adjustments	$ 8	$ (3)	$ (34)	$ (1)

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

Assured Guaranty Municipal Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (1 of 2)

(dollars in millions)

Adjusted Operating Income Reconciliation	**Three Months Ended December 31,**		**Year Ended December 31,**	
	2019	**2018**	**2019**	**2018**
Net income (loss) attributable to AGM	**$ 113**	**$ 58**	**$ 327**	**$ 253**
Less pre-tax adjustments:				
Realized gains (losses) on investments	2	(17)	3	(24)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives[1]	—	3	2	3
Fair value gains (losses) on committed capital securities (CCS)[1]	(9)	9	(12)	8
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	37	(11)	18	(27)
Total pre-tax adjustments	30	(16)	11	(40)
Less tax effect on pre-tax adjustments	(2)	2	(3)	6
Adjusted operating income	$ 85	$ 72	$ 319	$ 287

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

ROE Reconciliation and Calculation	**As of**				
	December 31, 2019	**September 30, 2019**	**December 31, 2018**	**September 30, 2018**	**December 31, 2017**
Shareholder's equity attributable to AGM	**$ 4,250**	**$ 4,131**	**$ 3,988**	**$ 3,964**	**$ 4,034**
Adjusted operating shareholders' equity	4,061	3,915	3,903	3,909	3,878
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholders' equity	**11**	**17**	**10**	**9**	**11**

	Three Months Ended December 31,		**Year Ended December 31,**	
	2019	**2018**	**2019**	**2018**
Net income (loss) attributable to AGM	**$ 113**	**$ 58**	**$ 327**	**$ 253**
Adjusted operating income	85	72	319	287
Average shareholder's equity attributable to AGM	**$ 4,191**	**$ 3,976**	**$ 4,119**	**$ 4,011**
Average adjusted operating shareholders' equity	3,988	3,906	3,982	3,891
Gain (loss) related to FG VIE consolidation included in average adjusted operating shareholders' equity	**14**	**10**	**11**	**11**
GAAP ROE [1]	**10.7%**	**5.8%**	**7.9%**	**6.3%**
Adjusted operating ROE [1]	8.5%	7.4%	8.0%	7.4%

1) Quarterly ROE calculations represent annualized returns.

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

Assured Guaranty Municipal Corp.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (2 of 2)

(dollars in millions)

	As of				
	December 31, 2019	September 30, 2019	December 31, 2018	September 30, 2018	December 31, 2017
Reconciliation of shareholder's equity to adjusted book value:					
Consolidated shareholder's equity attributable to AGM	**$ 4,250**	**$ 4,131**	**$ 3,988**	**$ 3,964**	**$ 4,034**
Less pre-tax reconciling items:					
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	—	—	(2)	(4)	(5)
Fair value gains (losses) on CCS	25	34	37	28	29
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	209	234	72	45	173
Less taxes	(45)	(52)	(22)	(14)	(41)
Adjusted operating shareholders' equity	4,061	3,915	3,903	3,909	3,878
Pre-tax reconciling items:					
Less: Deferred acquisition costs	(67)	(95)	(98)	(92)	(93)
Plus: Net present value of estimated net future credit derivative revenue	5	5	7	8	9
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,140	1,724	1,751	1,731	1,764
Plus taxes	(456)	(375)	(381)	(377)	(384)
Adjusted book value	$ 5,817	$ 5,364	$ 5,378	$ 5,363	$ 5,360
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholder's equity (net of tax benefit (provision) of $(3), $(4), $(3), $(3) and $(3))	$ 11	$ 17	$ 10	$ 9	$ 11
Gain (loss) related to FG VIE consolidation included in adjusted book value (net of tax benefit (provision) of $0, $(1), $2, $1 and $2)	—	6	(6)	(8)	(5)

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

Assured Guaranty Municipal Corp.

Claims-Paying Resources
(dollars in millions)

	As of	
	December 31, 2019	December 31, 2018
Claims-paying resources		
Policyholders' surplus	$ 2,691	$ 2,533
Contingency reserve [1]	986	1,034
Qualified statutory capital	**3,677**	**3,567**
Unearned premium reserve and net deferred ceding commission income [1]	2,027	1,873
Loss and LAE reserves [1]	196	518
Total policyholders' surplus and reserves	**5,900**	**5,958**
Present value of installment premium [1]	296	178
CCS	200	200
Excess of loss reinsurance facility [2]	—	180
Total claims-paying resources (including proportionate MAC ownership for AGM)	**6,396**	**6,516**
Adjustment for MAC [3]	370	434
Total claims-paying resources (excluding proportionate MAC ownership for AGM)	**$ 6,026**	**$ 6,082**
Statutory net par outstanding [4]	$ 129,562	$ 115,555
Equity method adjustment [3]	11,017	14,338
Adjusted statutory net par outstanding [1]	$ 140,579	$ 129,893
Net debt service outstanding [4]	$ 212,011	$ 183,075
Equity method adjustment [3]	16,273	21,222
Adjusted net debt service outstanding [1]	$ 228,284	$ 204,297
Ratios:		
Adjusted net par outstanding to qualified statutory capital	38:1	36:1
Capital ratio [5]	62:1	57:1
Financial resources ratio [6]	36:1	31:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGM)	22:1	20:1

1) The numbers shown for AGM have been adjusted to include (i) its 100% share of Assured Guaranty (Europe) plc, AGM's United Kingdom (U.K.) subsidiary and (ii) its indirect share of MAC. AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. Amounts include financial guaranty insurance and credit derivatives.
2) The excess of loss reinsurance facility represented the $180 million portion placed with an unaffiliated reinsurer of a $400 million aggregate excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2018. The facility terminated on January 1, 2020.
3) Represents adjustment for AGM's interest and indirect ownership of MAC.
4) Net par outstanding and net debt service outstanding are presented on a statutory basis.
5) The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
6) The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources (including MAC adjustment for AGM).

Assured Guaranty Municipal Corp.

New Business Production (1 of 5)

(dollars in millions)

Reconciliation of GWP to PVP for the Three Months Ended December 31, 2019 and December 31, 2018

	Three Months Ended December 31, 2019					Three Months Ended December 31, 2018				
	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	$ 70	$ 339	$ —	$ —	$ 409	$ 94	$ 3	$ —	$ —	$ 97
Less: Installment GWP and other GAAP adjustments(1)	—	339	—	—	339	26	3	—	—	29
Upfront GWP	70	—	—	—	70	68	—	—	—	68
Plus: Installment premium PVP	—	159	—	—	159	21	4	—	—	25
Total PVP	$ 70	$ 159	$ —	$ —	$ 229	$ 89	$ 4	$ —	$ —	$ 93
Gross par written	**$ 5,976**	**$ 5,828**	**$ —**	**$ —**	**$ 11,804**	**$ 4,555**	**$ 96**	**$ —**	**$ —**	**$ 4,651**

Reconciliation of GWP to PVP for the Year Ended December 31, 2019 and December 31, 2018

	Year Ended December 31, 2019					Year Ended December 31, 2018				
	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	$ 190	$ 373	$ (5)	$ —	$ 558	$ 208	$ 63	$ 1	$ —	$ 272
Less: Installment GWP and other GAAP adjustments(1)	(1)	373	(5)	—	367	24	46	1	—	71
Upfront GWP	191	—	—	—	191	184	17	—	—	201
Plus: Installment premium PVP	—	183	—	—	183	21	28	—	—	49
Total PVP	$ 191	$ 183	$ —	$ —	$ 374	$ 205	$ 45	$ —	$ —	$ 250
Gross par written	**$ 15,813**	**$ 6,541**	**$ —**	**$ —**	**$ 22,354**	**$ 12,004**	**$ 471**	**$ —**	**$ —**	**$ 12,475**

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

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

Assured Guaranty Municipal Corp.

New Business Production (2 of 5)

(dollars in millions)

Reconciliation of GWP to PVP for the Three Months Ended December 31, 2019

	Three Months Ended December 31, 2019				
	Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
AGM (Excluding MAC)					
Total GWP	$ 70	$ 339	$ —	$ —	$ 409
Less: Installment GWP and other GAAP adjustments(1)	—	339	—	—	339
Upfront GWP	70	—	—	—	70
Plus: Installment premium PVP	—	159	—	—	159
Total PVP	**$ 70**	**$ 159**	**$ —**	**$ —**	**$ 229**
Gross par written	**$ 5,859**	**$ 5,828**	**$ —**	**$ —**	**$ 11,687**
MAC					
Total GWP	$ —	$ —	$ —	$ —	$ —
Less: Installment GWP and other GAAP adjustments(2)	—	—	—	—	—
Upfront GWP	—	—	—	—	—
Plus: Installment premium PVP	—	—	—	—	—
Total PVP	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Gross par written	**$ 117**	**$ —**	**$ —**	**$ —**	**$ 117**
Consolidated AGM					
Total GWP	$ 70	$ 339	$ —	$ —	$ 409
Less: Installment GWP and other GAAP adjustments(1)	—	339	—	—	339
Upfront GWP	70	—	—	—	70
Plus: Installment premium PVP	—	159	—	—	159
Total PVP	**$ 70**	**$ 159**	**$ —**	**$ —**	**$ 229**
Gross par written	**$ 5,976**	**$ 5,828**	**$ —**	**$ —**	**$ 11,804**

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

2) Includes present value of GWP adjustments on existing installment policies due to changes in assumptions.

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

Assured Guaranty Municipal Corp.

New Business Production (3 of 5)

(dollars in millions)

Reconciliation of GWP to PVP for the Three Months Ended December 31, 2018

	Three Months Ended December 31, 2018				
	Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
AGM (Excluding MAC)					
Total GWP	$ 93	$ 3	$ —	$ —	$ 96
Less: Installment GWP and other GAAP adjustments(1)	26	3	—	—	29
Upfront GWP	67	—	—	—	67
Plus: Installment premium PVP	21	4	—	—	25
Total PVP	**$ 88**	**$ 4**	**$ —**	**$ —**	**$ 92**
Gross par written	**$ 4,408**	**$ 96**	**$ —**	**$ —**	**$ 4,504**
MAC					
Total GWP	$ 1	$ —	$ —	$ —	$ 1
Less: Installment GWP and other GAAP adjustments(2)	—	—	—	—	—
Upfront GWP	1	—	—	—	1
Plus: Installment premium PVP	—	—	—	—	—
Total PVP	**$ 1**	**$ —**	**$ —**	**$ —**	**$ 1**
Gross par written	**$ 147**	**$ —**	**$ —**	**$ —**	**$ 147**
Consolidated AGM					
Total GWP	$ 94	$ 3	$ —	$ —	$ 97
Less: Installment GWP and other GAAP adjustments(1)	26	3	—	—	29
Upfront GWP	68	—	—	—	68
Plus: Installment premium PVP	21	4	—	—	25
Total PVP	**$ 89**	**$ 4**	**$ —**	**$ —**	**$ 93**
Gross par written	**$ 4,555**	**$ 96**	**$ —**	**$ —**	**$ 4,651**

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

2) Includes present value of GWP adjustments on existing installment policies due to changes in assumptions.

Assured Guaranty Municipal Corp.

(dollars in millions)

Reconciliation of GWP to PVP for the Year Ended Ended December 31, 2019

	Year Ended December 31, 2019				
	Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
AGM (Excluding MAC)					
Total GWP	$ 188	$ 373	$ (5)	$ —	$ 556
Less: Installment GWP and other GAAP adjustments(1)	(1)	373	(5)	—	367
Upfront GWP	189	—	—	—	189
Plus: Installment premium PVP	—	183	—	—	183
Total PVP	**$ 189**	**$ 183**	**$ —**	**$ —**	**$ 372**
Gross par written	**$ 15,248**	**$ 6,541**	**$ —**	**$ —**	**$ 21,789**
MAC					
Total GWP	$ 2	$ —	$ —	$ —	$ 2
Less: Installment GWP and other GAAP adjustments(2)	—	—	—	—	—
Upfront GWP	2	—	—	—	2
Plus: Installment premium PVP	—	—	—	—	—
Total PVP	**$ 2**	**$ —**	**$ —**	**$ —**	**$ 2**
Gross par written	**$ 565**	**$ —**	**$ —**	**$ —**	**$ 565**
Consolidated AGM					
Total GWP	$ 190	$ 373	$ (5)	$ —	$ 558
Less: Installment GWP and other GAAP adjustments(1)	(1)	373	(5)	—	367
Upfront GWP	191	—	—	—	191
Plus: Installment premium PVP	—	183	—	—	183
Total PVP	**$ 191**	**$ 183**	**$ —**	**$ —**	**$ 374**
Gross par written	**$ 15,813**	**$ 6,541**	**$ —**	**$ —**	**$ 22,354**

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

2) Includes present value of GWP adjustments on existing installment policies due to changes in assumptions.

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

Assured Guaranty Municipal Corp.

New Business Production (5 of 5)

(dollars in millions)

Reconciliation of GWP to PVP for the Year Ended Ended December 31, 2018

	Year Ended December 31, 2018				
	Public Finance		Structured Finance		
	U.S.	Non - U.S.	U.S.	Non - U.S.	Total
AGM (Excluding MAC)					
Total GWP	$ 207	$ 63	$ 1	$ —	$ 271
Less: Installment GWP and other GAAP adjustments(1)	25	46	1	—	72
Upfront GWP	182	17	—	—	199
Plus: Installment premium PVP	21	28	—	—	49
Total PVP	**$ 203**	**$ 45**	**$ —**	**$ —**	**$ 248**
Gross par written	**$ 11,547**	**$ 471**	**$ —**	**$ —**	**$ 12,018**
MAC					
Total GWP	$ 1	$ —	$ —	$ —	$ 1
Less: Installment GWP and other GAAP adjustments(2)	(1)	—	—	—	(1)
Upfront GWP	2	—	—	—	2
Plus: Installment premium PVP	—	—	—	—	—
Total PVP	**$ 2**	**$ —**	**$ —**	**$ —**	**$ 2**
Gross par written	**$ 457**	**$ —**	**$ —**	**$ —**	**$ 457**
Consolidated AGM					
Total GWP	$ 208	$ 63	$ 1	$ —	$ 272
Less: Installment GWP and other GAAP adjustments(1)	24	46	1	—	71
Upfront GWP	184	17	—	—	201
Plus: Installment premium PVP	21	28	—	—	49
Total PVP	**$ 205**	**$ 45**	**$ —**	**$ —**	**$ 250**
Gross par written	**$ 12,004**	**$ 471**	**$ —**	**$ —**	**$ 12,475**

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

2) Includes present value of GWP adjustments on existing installment policies due to changes in assumptions.

Assured Guaranty Municipal Corp.

Gross Par Written

(dollars in millions)

Gross Par Written by Asset Type

	Three Months Ended December 31, 2019		Year Ended December 31, 2019	
	Gross Par Written	Avg. Internal Rating	Gross Par Written	Avg. Internal Rating
Sector:				
U.S. public finance:				
General obligation	$ 2,479	A-	$ 7,549	A-
Transportation	1,644	BBB+	2,587	BBB+
Municipal utilities	673	A-	1,805	A-
Tax backed	283	A-	1,784	A-
Healthcare	652	BBB	1,552	BBB+
Higher education	245	A	454	A-
Housing revenue	—	--	62	BBB-
Infrastructure finance	—	--	20	A-
Total U.S. public finance	5,976	BBB+	15,813	A-
Non-U.S. public finance:				
Sovereign and sub-sovereign	5,423	AA-	5,423	AA-
Regulated utilities	193	A-	455	A-
Infrastructure finance	212	BBB	427	BBB+
Renewable energy	—	--	236	BBB
Total non-U.S. public finance	5,828	AA-	6,541	A+
Total public finance	**11,804**	**A**	**22,354**	**A**
U.S. structured finance:				
Total U.S. structured finance	—	--	—	--
Non-U.S. structured finance:				
Total non-U.S. structured finance	—	--	—	--
Total structured finance	—	--	—	--
Total gross par written	**$ 11,804**	**A**	**$ 22,354**	**A**

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

Assured Guaranty Municipal Corp.

Investment Portfolio and Cash (1 of 2)

As of December 31, 2019

(dollars in millions)

	Fair Value			
	AGM (Excluding MAC and AGAS)	**MAC**	**AGAS**	**Consolidated AGM**
Investment portfolio:				
Fixed-maturity securities:				
Obligations of state and political subdivisions[1][2]	$ 2,006	$ 396	$ —	$ 2,402
U.S. government securities	20	21	—	41
Corporate securities [2]	1,121	105	—	1,226
Mortgage-backed securities (MBS):				
Residential MBS (RMBS) [2]	392	11	—	403
Commercial MBS (CMBS)	192	17	—	209
Asset-backed securities [2]	212	28	—	240
Non-U.S. government securities	231	—	—	231
Total fixed-maturity securities	4,174	578	—	4,752
Short-term investments and cash	389	12	422	823
Total	**$ 4,563**	**$ 590**	**$ 422**	**$ 5,575**

Ratings[3]:	**Fair Value (AGM Excluding MAC and AGAS)**	**% of Portfolio**
U.S. government securities	$ 20	0.5 %
AAA/Aaa	852	20.4 %
AA/Aa	1,755	42.0 %
A/A	888	21.3 %
BBB	304	7.3 %
Below investment grade (BIG) [4]	353	8.5 %
Not rated	2	— %
Total fixed-maturity securities, available-for-sale	**$ 4,174**	**100.0%**

1) Reflects obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds average A+, after giving effect to the lower of the rating assigned by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC (S&P) or Moody's Investors Service, Inc. (Moody's).
2) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
3) Ratings are represented by the lower of the Moody's or S&P classifications except for bonds purchased for loss mitigation (loss mitigation bonds) or other risk management strategies which use internal ratings.
4) Includes BIG securities that were purchased or obtained as part of loss mitigation or other risk management strategies of $563 million in par with carrying value of $354 million.

Assured Guaranty Municipal Corp.

Investment Portfolio and Cash (2 of 2)

As of December 31, 2019

(dollars in millions)

	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income [1]
Investment portfolio:					
Fixed-maturity securities:					
Obligations of state and political subdivisions [2][3]	$ 2,250	3.52 %	3.28 %	$ 2,402	$ 79
U.S. government securities	38	2.94	2.34	41	1
Corporate securities [3]	1,189	2.76	2.34	1,226	33
Mortgage-backed securities (MBS):					
Residential MBS (RMBS) [3]	390	5.59	4.42	403	22
Commercial MBS (CMBS)	202	3.46	2.74	209	7
Asset-backed securities [3]	239	3.63	3.05	240	8
Non-U.S. government securities	229	1.33	1.33	231	3
Total fixed-maturity securities	4,537	3.39	2.99	4,752	153
Short-term investments	736	1.44	1.20	736	11
Cash [4]	87	—	—	87	—
Total	**$ 5,360**	**3.12%**	**2.74%**	**$ 5,575**	**$ 164**

Ratings [5]:	Fair Value	% of Portfolio
U.S. government securities	$ 41	0.9 %
AAA/Aaa	931	19.6
AA/Aa	2,077	43.7
A/A	972	20.5
BBB	376	7.9
Below investment grade (BIG) [6]	353	7.4
Not rated	2	—
Total fixed-maturity securities, available-for-sale	**$ 4,752**	**100.0%**

Duration of fixed-maturity securities and short-term investments (in years):	**3.7**
Average ratings of fixed-maturity securities and short-term investments	**AA-**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Reflects obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds average A+, after giving effect to the lower of the rating assigned by S&P or Moody's.
3) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
4) Cash is not included in the yield calculation.
5) Ratings are represented by the lower of the Moody's or S&P classifications except for bonds purchased for loss mitigation (loss mitigation bonds) or other risk management strategies which use internal ratings classifications.
6) Includes below investment grade securities that were purchased or obtained as part of loss mitigation or other risk management strategies of $563 million in par with carrying value of $354 million.

Assured Guaranty Municipal Corp.

Estimated Net Exposure Amortization[1] and Estimated Future Net Premium
and Credit Derivative Revenues
(dollars in millions)

			Financial Guaranty Insurance [2]			
	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Expected PV Net Earned Premiums	Accretion of Discount	Effect of FG VIE Consolidation on Expected PV Net Earned Premiums and Accretion of Discount	Future Credit Derivative Revenues[3]
2019 (as of December 31)		$ 244,433				
2020 Q1	$ 4,306	240,127	$ 46	$ 3	$ 1	$ —
2020 Q2	3,038	237,089	45	3	1	—
2020 Q3	4,791	232,298	45	3	1	—
2020 Q4	3,859	228,439	44	3	1	—
2021	14,400	214,039	166	12	4	1
2022	13,322	200,717	155	11	3	1
2023	11,668	189,049	145	11	3	1
2024	12,390	176,659	136	10	3	—
2020-2024	67,774	176,659	782	56	17	3
2025-2029	55,333	121,326	539	40	11	2
2030-2034	44,535	76,791	376	27	10	—
2035-2039	30,782	46,009	238	19	6	—
After 2039	46,009	—	354	38	—	—
Total	**$ 244,433**		**$ 2,289**	**$ 180**	**$ 44**	**$ 5**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of December 31, 2019. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations, terminations and because of management's assumptions on structured finance amortization.

2) See page 20 ‘‘Net Expected Loss to be Expensed.’’

3) Represents a non-GAAP financial measure. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Municipal Corp.

Rollforward of Net Expected Loss and LAE to be Paid

(dollars in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Three Months Ended December 31, 2019

	Net Expected Loss to be Paid (Recovered) as of September 30, 2019	Economic Loss Development (Benefit) During 4Q-19	(Paid) Recovered Losses During 4Q-19	Net Expected Loss to be Paid (Recovered) as of December 31, 2019
Public Finance:				
U.S. public finance	$ 136	$ 13	$ (6)	$ 143
Non-U.S. public finance	23	(4)	—	19
Public Finance	159	9	(6)	162
Structured Finance:				
U.S. RMBS [2]	41	(12)	16	45
Other structured finance	8	—	—	8
Structured Finance	49	(12)	16	53
Total	**$ 208**	**$ (3)**	**$ 10**	**$ 215**

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Year Ended December 31, 2019

	Net Expected Loss to be Paid (Recovered) as of December 31, 2018	Economic Loss Development (Benefit) During 2019	(Paid) Recovered Losses During 2019	Net Expected Loss to be Paid (Recovered) as of December 31, 2019
Public Finance:				
U.S. public finance	$ 347	$ 88	$ (292)	$ 143
Non-U.S. public finance	26	(7)	—	19
Public Finance	373	81	(292)	162
Structured Finance:				
U.S. RMBS [2]	155	(165)	55	45
Other structured finance	9	—	(1)	8
Structured Finance	164	(165)	54	53
Total	**$ 537**	**$ (84)**	**$ (238)**	**$ 215**

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

2) Includes future net representations and warranties (R&W) payable of $65 million as of December 31, 2019 and $22 million as of December 31, 2018.

Assured Guaranty Municipal Corp.

Loss Measures

As of December 31, 2019

(dollars in millions)

		Three Months Ended December 31, 2019			Year Ended December 31, 2019		
	Total Net Par Outstanding for BIG Transactions	Loss and LAE	Loss and LAE Included in Adjusted Operating Income (1)	Effect of FG VIE Consolidation (2)	Loss and LAE	Loss and LAE Included in Adjusted Operating Income (1)	Effect of FG VIE Consolidation (2)
Public finance:							
U.S. public finance	$ 2,656	**$ 14**	$ 14	$ —	**$ 96**	$ 96	**$** —
Non-U.S public finance	671	**(1)**	(1)	—	**(6)**	(6)	—
Public finance	3,327	**13**	13	—	**90**	90	—
Structured finance:							
U.S. RMBS	993	**(4)**	(4)	4	**(108)**	(108)	16
Other structured finance	66	**—**	—	—	**1**	1	—
Structured finance	1,059	**(4)**	(4)	4	**(107)**	(107)	16
Total	**$ 4,386**	**$ 9**	$ 9	$ 4	**$ (17)**	$ (17)	$ 16

1) Adjusted operating income includes financial guaranty insurance and credit derivatives.

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

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

Assured Guaranty Municipal Corp.

Net Expected Loss to be Expensed[1]

As of December 31, 2019

(dollars in millions)

	GAAP
2020 Q1	$ 3
2020 Q2	3
2020 Q3	3
2020 Q4	2
2021	10
2022	9
2023	8
2024	9
2020-2024	47
2025-2029	36
2030-2034	16
2035-2039	6
After 2039	2
Total expected PV of net expected loss to be expensed[2]	**107**
Future accretion	(15)
Total expected future loss and LAE	**$ 92**

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 0.00% to 2.45% for U.S. dollar denominated obligations.

2) Excludes $30 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Municipal Corp.

Financial Guaranty Profile (1 of 4)

As of December 31, 2019

(dollars in millions)

Net Par Outstanding by Asset Type

	AGM (excluding MAC)	MAC: Assumed from Assured Guaranty Municipal	MAC: Assumed from AGC	MAC: Direct	MAC: Total MAC	Consolidated AGM
U.S. public finance:						
General obligation	$ 36,071	$ 7,372	$ 2,028	$ 3,556	$ 12,956	$ 49,027
Tax backed	21,431	2,116	326	146	2,588	24,019
Municipal utilities	14,822	1,923	496	347	2,766	17,588
Transportation	9,042	664	222	38	924	9,966
Healthcare	5,030	—	—	—	—	5,030
Higher education	3,033	331	195	5	531	3,564
Infrastructure finance	1,564	—	—	—	—	1,564
Housing revenue	893	78	—	—	78	971
Renewable energy	17	—	—	—	—	17
Other public finance	408	8	3	—	11	419
Total U.S. public finance	92,311	12,492	3,270	4,092	19,854	112,165
Non-U.S. public finance:						
Infrastructure finance	13,520	—	—	—	—	13,520
Regulated utilities	12,485	—	—	—	—	12,485
Sovereign and sub-sovereign	9,940	—	—	—	—	9,940
Renewable energy	977	—	—	—	—	977
Total non-U.S. public finance	36,922	—	—	—	—	36,922
Total public finance	**129,233**	**12,492**	**3,270**	**4,092**	**19,854**	**149,087**
U.S. structured finance:						
RMBS	2,086	—	—	—	—	2,086
Financial products	1,019	—	—	—	—	1,019
Other structured finance	137	—	—	—	—	137
Total U.S. structured finance	3,242	—	—	—	—	3,242
Non-U.S. structured finance:						
RMBS	201	—	—	—	—	201
Other structured finance	143	—	—	—	—	143
Total non-U.S. structured finance	344	—	—	—	—	344
Total structured finance	**3,586**	**—**	**—**	**—**	**—**	**3,586**
Total	**$ 132,819**	**$ 12,492**	**$ 3,270**	**$ 4,092**	**$ 19,854**	**$ 152,673**

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

Assured Guaranty Municipal Corp.

Financial Guaranty Profile (2 of 4)

(dollars in millions)

Net Par Outstanding and Average Rating by Asset Type

	As of December 31, 2019		As of December 31, 2018	
	Net Par Outstanding	**Avg. Internal Rating**	**Net Par Outstanding**	**Avg. Internal Rating**
U.S. public finance:				
General obligation	$ 49,027	A-	$ 50,927	A-
Tax backed	24,019	A-	24,374	A-
Municipal utilities	17,588	A-	17,915	A-
Transportation	9,966	BBB+	8,541	A-
Healthcare	5,030	A-	3,421	A-
Higher education	3,564	A-	3,764	A-
Infrastructure finance	1,564	BBB	1,232	BBB
Housing revenue	971	BBB+	904	BBB+
Renewable energy	17	A	17	A
Other public finance	419	A-	480	A-
Total U.S. public finance	112,165	A-	111,575	A-
Non-U.S. public finance:				
Infrastructure finance	13,520	BBB	13,129	BBB
Regulated utilities	12,485	BBB+	11,408	BBB+
Sovereign and sub-sovereign	9,940	A+	5,425	A
Renewable energy	977	A+	835	A+
Total non-U.S. public finance	36,922	A-	30,797	BBB+
Total public finance	**149,087**	**A-**	**142,372**	**A-**
U.S. structured finance:				
RMBS	2,086	BBB-	2,488	BB+
Financial products	1,019	AA-	1,094	AA-
Other structured finance	137	A-	174	BBB+
Total U.S. structured finance	3,242	BBB+	3,756	BBB
Non-U.S. structured finance:				
RMBS	201	BBB+	342	BBB
Other structured finance	143	AA	167	AA
Total non-U.S. structured finance	344	A	509	A-
Total structured finance	**3,586**	**BBB+**	**4,265**	**BBB**
Total	**$ 152,673**	**A-**	**$ 146,637**	**A-**

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

Assured Guaranty Municipal Corp.

Financial Guaranty Profile (3 of 4)

As of December 31, 2019

(dollars in millions)

Distribution by Ratings of Financial Guaranty Portfolio

	Public Finance - U.S.		Public Finance - Non-U.S.		Structured Finance - U.S.		Structured Finance - Non-U.S.		Total	
Ratings:	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%
AAA	$ 272	0.2%	$ 935	2.5%	$ 570	17.6%	$ 100	29.1%	$ 1,877	1.2%
AA	12,420	11.1	4,426	12.0	1,238	38.2	23	6.7	18,107	11.9%
A	61,845	55.1	12,890	34.9	100	3.1	50	14.5	74,885	49.0%
BBB	34,972	31.2	18,000	48.8	315	9.7	131	38.1	53,418	35.0%
BIG	2,656	2.4	671	1.8	1,019	31.4	40	11.6	4,386	2.9%
Net Par Outstanding[1]	**$ 112,165**	**100.0%**	**$ 36,922**	**100.0%**	**$ 3,242**	**100.0%**	**$ 344**	**100.0%**	**$ 152,673**	**100.0%**

1) As of December 31, 2019 , excludes $573 million of net par attributable to loss mitigation strategies, including loss mitigation securities held in the investment portfolio which are primarily BIG.

Distribution by Ratings of U.S. Public Finance Portfolio

		MAC				
Ratings:	AGM(excluding MAC)	Assumed from AGM	Assumed from AGC	Direct	Total MAC	Consolidated AGM
AAA	$ 112	$ 160	$ —	$ —	$ 160	$ 272
AA	8,521	3,155	707	37	3,899	12,420
A	50,064	6,906	2,018	2,857	11,781	61,845
BBB	31,202	2,079	496	1,195	3,770	34,972
BIG	2,412	192	49	3	244	2,656
Net Par Outstanding	**$ 92,311**	**$ 12,492**	**$ 3,270**	**$ 4,092**	**$ 19,854**	**$ 112,165**

Ceded Par Outstanding

	Ceded Par Outstanding[1][2]	% of Total
Affiliated reinsurers	$ 51,755	98.5%
Non-affiliated reinsurers	774	1.5%
Total	**$ 52,529**	**100.0%**

1) Of the total ceded par to unrated or BIG rated reinsurers, $224 million is rated BIG.

2) The total collateral posted by all affiliated and non-affiliated reinsurers required to post or which had agreed to post collateral is approximately $933 million. The collateral excludes amounts posted by AGM for the benefit of AGE.

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

Assured Guaranty Municipal Corp.

Financial Guaranty Profile (4 of 4)

As of December 31, 2019

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance		
California	$ 20,949	13.7%
Pennsylvania	11,336	7.4
New York	9,607	6.3
Illinois	9,279	6.1
Texas	9,050	5.9
New Jersey	6,665	4.4
Florida	4,462	3.0
Michigan	3,730	2.4
Alabama	2,701	1.8
Colorado	2,691	1.8
Other	31,695	20.8
Total U.S public finance	112,165	73.6
U.S. structured finance	3,242	2.1
Total U.S.	**115,407**	**75.7**
Non-U.S.:		
United Kingdom	27,643	18.1
France	2,496	1.6
Canada	2,205	1.4
Australia	1,140	0.7
Austria	1,038	0.7
Other	2,744	1.8
Total non-U.S.	**37,266**	**24.3**
Total net par outstanding	**$ 152,673**	**100.0%**

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

Assured Guaranty Municipal Corp.

Expected Amortization of Net Par Outstanding (1 of 2)

(dollars in millions)

Structured Finance

	Estimated Net Par Amortization				
	U.S. RMBS	Financial Products	Other Structured Finance	Total	Estimated Ending Net Par Outstanding
2019 (as of December 31)					$ 3,586
2020 Q1	$ 80	$ 22	$ 16	$ 118	3,468
2020 Q2	75	6	10	91	3,377
2020 Q3	69	(12)	28	85	3,292
2020 Q4	67	(9)	8	66	3,226
2021	247	3	31	281	2,945
2022	214	20	31	265	2,680
2023	227	12	39	278	2,402
2024	193	17	35	245	2,157
2020-2024	1,172	59	198	1,429	2,157
2025-2029	517	197	140	854	1,303
2030-2034	129	664	92	885	418
2035-2039	266	96	51	413	5
After 2039	2	3	—	5	—
Total structured finance	**$ 2,086**	**$ 1,019**	**$ 481**	**$ 3,586**	

Public Finance

	Estimated Net Par Amortization	Estimated Ending Net Par Outstanding
2019 (as of December 31)		$ 149,087
2020 Q1	$ 2,465	146,622
2020 Q2	1,330	145,292
2020 Q3	3,010	142,282
2020 Q4	2,174	140,108
2021	7,765	132,343
2022	7,066	125,277
2023	5,708	119,569
2024	6,731	112,838
2020-2024	36,249	112,838
2025-2029	32,044	80,794
2030-2034	28,383	52,411
2035-2039	20,882	31,529
After 2039	31,529	—
Total public finance	**$ 149,087**	

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

Assured Guaranty Municipal Corp.

Expected Amortization of Net Par Outstanding (2 of 2)

(dollars in millions)

Public Finance:
Estimated Ending Net Par Outstanding

	AGM (excluding MAC)	MAC				Consolidated AGM
		Assumed from Assured Guaranty Municipal	Assumed from AGC	Direct	Total MAC	
2019 (as of December 31)	$ 129,233	$ 12,492	$ 3,270	$ 4,092	$ 19,854	$ 149,087
2020 Q1	127,572	11,938	3,064	4,048	19,050	146,622
2020 Q2	126,771	11,559	2,990	3,972	18,521	145,292
2020 Q3	124,735	10,757	2,886	3,904	17,547	142,282
2020 Q4	123,089	10,400	2,766	3,853	17,019	140,108
2021	116,829	9,331	2,581	3,602	15,514	132,343
2022	111,085	8,409	2,444	3,339	14,192	125,277
2023	106,452	7,675	2,346	3,096	13,117	119,569
2024	100,733	6,999	2,258	2,848	12,105	112,838
2029	73,451	3,975	1,692	1,676	7,343	80,794
2034	48,689	1,961	997	764	3,722	52,411
2039	29,902	948	433	246	1,627	31,529

Public Finance:
Estimated Net Par Amortization

	AGM (excluding MAC)	MAC				Consolidated AGM
		Assumed from Assured Guaranty Municipal	Assumed from AGC	Direct	Total MAC	
2020 Q1	$ 1,661	$ 554	$ 206	$ 44	$ 804	$ 2,465
2020 Q2	801	378	75	76	529	1,330
2020 Q3	2,036	802	104	68	974	3,010
2020 Q4	1,646	357	120	51	528	2,174
2021	6,260	1,070	184	251	1,505	7,765
2022	5,744	922	137	263	1,322	7,066
2023	4,633	734	98	243	1,075	5,708
2024	5,719	676	87	249	1,012	6,731
2020-2024	28,500	5,493	1,011	1,245	7,749	36,249
2025-2029	27,282	3,025	566	1,171	4,762	32,044
2030-2034	24,762	2,013	695	913	3,621	28,383
2035-2039	18,787	1,013	564	518	2,095	20,882
After 2039	29,902	948	433	246	1,627	31,529

Assured Guaranty Municipal Corp.

Exposure to Puerto Rico (1 of 3)

As of December 31, 2019

(dollars in millions)

Exposure to Puerto Rico

	Gross Par Outstanding	Net Par Outstanding	Gross Debt Service Outstanding	Net Debt Service Outstanding
Total	$ 2,788	$ 1,864	$ 4,089	$ 2,732

Exposure to Puerto Rico by Risk[1]

	Net Par Outstanding	Gross Par Outstanding
Commonwealth Constitutionally Guaranteed		
Commonwealth of Puerto Rico - General Obligation Bonds	$ 610	$ 986
Commonwealth of Puerto Rico - General Obligation Bonds (Second-to-pay policy on affiliate exposure)[2][4]	1	1
Commonwealth of Puerto Rico - General Obligation Bonds total[3]	611	987
Puerto Rico Public Buildings Authority (PBA)[3]	—	56
PBA (Second-to-pay policies on affiliate exposure)[2][4]	7	8
PBA total	7	64
Public Corporations - Certain Revenues Potentially Subject to Clawback		
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation revenue)	144	233
PRHTA (Transportation revenue) (Second-to-pay policies on affiliate exposure)[2][4]	79	79
PRHTA (Transportation revenue) total[3]	223	312
PRHTA (Highways revenue)[3]	345	487
Other Public Corporations		
Puerto Rico Electric Power Authority (PREPA)[3]	525	699
Puerto Rico Municipal Finance Agency (MFA)[4]	153	239
Total exposure to Puerto Rico	$ 1,864	$ 2,788

1) The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations total $1.9 billion net par as of December 31, 2019. Of that amount, $1.8 billion is rated BIG, while the remainder is rated AA since it relates to second-to-pay policies on obligations insured by an affiliate of the Company.

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

3) As of the date of this filing, the seven-member financial oversight board established by the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) has certified a filing under Title III of PROMESA for these exposures.

4) As of the date of this filing, the Company has not paid claims on these credits.

Assured Guaranty Municipal Corp.

Exposure to Puerto Rico (2 of 3)

As of December 31, 2019

(dollars in millions)

Amortization Schedule of Net Par Outstanding of Puerto Rico

	2020 (Q1)	2020 (Q2)	2020 (Q3)	2020 (Q4)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030 -2034	2035 -2037	Total
Commonwealth Constitutionally Guaranteed																
Commonwealth of Puerto Rico - General Obligation Bonds (Primary policies)	$ —	$ —	$ 36	$ —	$ —	$ 12	$ 3	$ 38	$ 35	$ 10	$ 39	$ 19	$ 12	$ 253	$ 153	$ 610
Commonwealth of Puerto Rico - General Obligation Bonds (Second-to-pay policy)[1]	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	1
PBA (Second-to-pay policies)[1]	—	—	5	—	—	—	1	—	1	—	—	—	—	—	—	7
Public Corporations - Certain Revenues Potentially Subject to Clawback																
PRHTA (Transportation revenue) (Primary policies)	—	—	10	—	10	12	12	—	4	4	17	18	19	38	—	144
PRHTA (Transportation revenue) (Second-to-pay policies)[1]	—	—	—	—	—	—	—	—	17	12	—	—	20	19	11	79
PRHTA (Highways revenue)	—	—	7	—	18	4	30	32	33	1	—	7	9	126	78	345
Other Public Corporations																
PREPA	—	—	37	—	21	22	69	66	53	58	59	29	30	81	—	525
MFA	—	—	22	—	21	21	13	13	13	25	9	8	5	3	—	153
Total	$ —	$ —	$118	$ —	$ 70	$ 71	$128	$149	$156	$110	$124	$ 81	$ 95	$ 520	$ 242	$ 1,864

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

Assured Guaranty Municipal Corp.

Exposure to Puerto Rico (3 of 3)
As of December 31, 2019
(dollars in millions)

Amortization Schedule of Net Debt Service Outstanding of Puerto Rico

	2020 (Q1)	2020 (Q2)	2020 (Q3)	2020 (Q4)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030 -2034	2035 -2037	Total
Commonwealth Constitutionally Guaranteed																
Commonwealth of Puerto Rico - General Obligation Bonds (Primary policies)	$ 16	$ —	$ 52	$ —	$ 30	$ 42	$ 33	$ 68	$ 62	$ 35	$ 64	$ 41	$ 35	$ 340	$ 170	$ 988
Commonwealth of Puerto Rico - General Obligation Bonds (Second-to-pay policy)(1)	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	1
PBA (Second-to-pay policies)(1)	—	—	6	—	—	—	1	—	1	—	—	—	—	—	—	8
Public Corporations - Certain Revenues Potentially Subject to Clawback																
PRHTA (Transportation revenue) (Primary policies)	4	—	13	—	17	18	18	5	9	9	22	22	22	41	—	200
PRHTA (Transportation revenue) (Second-to-pay policies)(1)	2	—	2	—	4	4	4	4	22	16	3	3	23	26	12	125
PRHTA (Highways revenue)	9	—	16	—	36	21	47	46	46	13	11	19	21	170	84	539
Other Public Corporations																
PREPA	10	2	47	2	43	43	89	83	67	69	68	35	35	89	—	682
MFA	4	—	26	—	28	27	17	17	16	27	11	9	4	3	—	189
Total	$ 45	$ 2	$163	$ 2	$158	$155	$209	$223	$223	$169	$179	$129	$140	$ 669	$ 266	$ 2,732

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

Assured Guaranty Municipal Corp.

U.S. RMBS Profile

As of December 31, 2019

(dollars in millions)

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

Ratings:	Prime First Lien	Alt-A First Lien	Option ARMs	Subprime First Lien	Second Lien	Total Net Par Outstanding
AAA	$ —	$ 56	$ —	$ 457	$ —	$ 513
AA	—	17	11	172	13	213
A	—	—	—	1	99	100
BBB	—	8	—	8	251	267
BIG	20	224	16	643	90	993
Total exposures	**$ 20**	**$ 305**	**$ 27**	**$ 1,281**	**$ 453**	**$ 2,086**

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	$ —	$ 16	$ —	$ 455	$ 18	$ 489
2005	—	125	8	124	66	323
2006	20	42	—	—	184	246
2007	—	122	19	666	185	992
2008	—	—	—	36	—	36
Total exposures	**$ 20**	**$ 305**	**$ 27**	**$ 1,281**	**$ 453**	**$ 2,086**

1) Assured Guaranty Municipal has not insured any new U.S. RMBS transactions since 2008.

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

Assured Guaranty Municipal Corp.

Credit Derivative Net Par Outstanding Profile

As of December 31, 2019

(dollars in millions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	**Net Par Outstanding**	**% of Total**
AA	$ 119	13.9 %
A	459	53.5
BBB	279	32.6
Total credit derivative net par outstanding	**$ 857**	**100.0%**

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

	Net Par Outstanding	**Average Rating**
Public finance		
U.S. public finance	$ 652	A
Non-U.S. public finance	185	A-
Total public finance	**837**	**A-**
Structured finance		
U.S. structured finance	20	BBB
Non-U.S. structured finance	—	--
Total structured finance	**20**	**BBB**
Total credit derivative net par outstanding	**$ 857**	**A-**

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (1 of 3)

(dollars in millions)

BIG Exposures by Asset Exposure Type

	As of	
	December 31, 2019	December 31, 2018
U.S. public finance:		
General obligation	$ 982	$ 1,067
Tax backed	743	1,060
Municipal utilities	697	710
Higher education	101	125
Transportation	73	68
Healthcare	2	—
Other public finance	58	60
Total U.S. public finance	2,656	3,090
Non-U.S. public finance:		
Infrastructure finance	339	487
Sovereign and sub-sovereign	332	310
Total non-U.S. public finance	671	797
Total public finance	**3,327**	**3,887**
U.S. structured finance:		
RMBS	993	1,464
Other structured finance	26	34
Total U.S. structured finance	1,019	1,498
Non-U.S. structured finance:		
RMBS	—	45
Other structured finance	40	41
Total non-U.S. structured finance	40	86
Total structured finance	**1,059**	**1,584**
Total BIG net par outstanding	**$ 4,386**	**$ 5,471**

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (2 of 3)

(dollars in millions)

Net Par Outstanding by BIG Category[1]

	As of	
	December 31, 2019	**December 31, 2018**
BIG Category 1		
U.S. public finance	$ 931	$ 1,071
Non-U.S. public finance	636	600
U.S. structured finance	65	252
Non-U.S. structured finance	40	86
Total BIG Category 1	1,672	2,009
BIG Category 2		
U.S. public finance	43	—
Non-U.S. public finance	—	197
U.S. structured finance	40	24
Non-U.S. structured finance	—	—
Total BIG Category 2	83	221
BIG Category 3		
U.S. public finance	1,682	2,019
Non-U.S. public finance	35	—
U.S. structured finance	914	1,222
Non-U.S. structured finance	—	—
Total BIG Category 3	2,631	3,241
BIG Total	**$ 4,386**	**$ 5,471**

1) Assured Guaranty's surveillance department is responsible for monitoring the Company's portfolio of credits and maintains a list of BIG credits. BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make future losses possible, but for which none are currently expected. BIG Category 2: Below-investment-grade transactions for which future losses are expected but for which no claims (other than liquidity claims which are claims that the Company expects to be reimbursed within one year) have yet been paid. BIG Category 3: Below-investment-grade transactions for which future losses are expected and on which claims (other than liquidity claims) have been paid.

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (3 of 3)

As of December 31, 2019

(dollars in millions)

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

Name or description	BIG Net Par Outstanding	Internal Rating (1)
U.S. public finance:		
Puerto Rico, General Obligation, Appropriations and Guarantees of the Commonwealth	$ 610	CCC
Puerto Rico Electric Power Authority	525	CCC
Puerto Rico Highways & Transportation Authority	489	CCC
Puerto Rico Municipal Finance Agency	153	CCC
Jackson Water & Sewer System, Mississippi	111	BB
Penn Hills School District, Pennsylvania	106	BB
Virgin Islands Public Finance Authority	99	BB
Pennsylvania Economic Development Financing Authority (Capitol Region Parking System)	60	BB
Stockton Pension Obligation Bonds, California	58	B
Coatesville Area School District, Pennsylvania	53	BB
Total U.S. public finance	**2,264**	
Non-U.S. public finance:		
Valencia Fair	232	BB+
Road Management Services PLC (A13 Highway)	190	B+
M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	108	BB+
Total non-U.S. public finance	**530**	
Total	**$ 2,794**	

Structured Finance BIG Exposures Greater Than $50 Million

Name or description	Net Par Outstanding	Internal Rating (1)	60+ Day Delinquencies
U.S. structured finance:			
RMBS:			
Option One 2007-FXD2	$ 176	CCC	15.2%
Soundview 2007-WMC1	154	CCC	28.4
Nomura Asset Accept. Corp. 2007-1	104	CCC	15.8
New Century 2005-A	84	CCC	12.9
MABS 2007-NCW	63	BB	18.7
Ace Home Equity Loan Trust 2007-SL1	51	CCC	3.7
Total RMBS	**632**		
Subtotal U.S. structured finance	**632**		
Non-U.S. structured finance:	—		
Subtotal Non-U.S. structured finance	—		
Total	**$ 632**		

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.

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

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (1 of 3)

As of December 31, 2019

(dollars in millions)

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

Credit Name	Net Par Outstanding	Internal Rating (1)
New Jersey (State of)	$ 2,162	BBB
Pennsylvania (Commonwealth of)	1,545	A-
Illinois (State of)	1,392	BBB
New York Metropolitan Transportation Authority	1,026	A-
CommonSpirit Health, Colorado	886	A-
Chicago (City of) Illinois	845	BBB
Great Lakes Water Authority (Sewerage), Michigan	820	A-
Foothills - Eastern Transportation Corridor, California	808	BBB
Wisconsin (State of)	760	A+
Massachusetts (Commonwealth of) Water Resources	713	AA
Massachusetts (Commonwealth of)	712	AA-
California (State of)	676	AA-
Philadelphia School District, Pennsylvania	675	A-
Arizona (State of)	660	A+
Long Island Power Authority	654	A-
New York (City of), New York	650	AA-
Port Authority of New York & New Jersey	640	BBB-
ProMedica Healthcare Obligated Group	629	BBB
Pennsylvania Turnpike Commission	626	A-
Puerto Rico, General Obligation, Appropriations and Guarantees of the Commonwealth	618	CCC
Jefferson County Alabama Sewer	594	BBB
Puerto Rico Highways & Transportation Authority	568	B-
Suffolk County, New York	548	BBB
Puerto Rico Electric Power Authority	525	CCC
Metropolitan Pier & Exposition Authority, Illinois	516	BBB-
Chicago Public Schools, Illinois	510	BBB-
Oglethorpe Power Corporation, Georgia	500	BBB
Regional Transportation Authority, Illinois	494	AA
Sacramento County, California	474	A-
Pittsburgh Water & Sewer, Pennsylvania	461	A-
Nassau County, New York	454	A-
Metro Washington Airports Authority (Dulles Toll Road)	441	BBB
Garden State Preservation Trust (Open Space & Farmland), New Jersey	438	BBB+
Philadelphia (City of), Pennsylvania	436	BBB+
New Jersey Turnpike Authority, New Jersey	404	A-
North Carolina Turnpike Authority	404	BBB-
Connecticut (State of)	391	A-
Montefiore Medical Center, New York	377	BBB
Kansas (State of)	361	A+
New York State Thruway Authority	356	A-
Harris County - Houston Sports Authority, Texas	356	A-
Great Lakes Water Authority (Water), Michigan	351	A-
Pennsylvania Turnpike Commission Registration Fee	339	BBB
Miami-Dade County Aviation, Florida	324	A
Louisville Arena Authority Inc.	321	BBB-
Oregon School Boards Association	319	AA-
Jets Stadium Development, LLC	319	BBB
Alameda Corridor Transportation Authority, California	317	BBB+
Oyster Bay, New York	313	BBB-
Clark County School District, Nevada	307	BBB+
Total top 50 U.S. public finance exposures	**$ 30,015**	

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

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

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (2 of 3)

As of December 31, 2019

(dollars in millions)

25 Largest U.S. Structured Finance Exposures

Credit Name	Net Par Outstanding	Internal Rating (1)
Option One 2007-FXD2	$ 176	CCC
Soundview 2007-WMC1	153	CCC
CWABS 2007-4	115	A+
Nomura Asset Accept. Corp. 2007-1	104	CCC
Countrywide HELOC 2006-I	99	A
New Century 2005-A	84	CCC
Countrywide 2007-13	81	AA-
MABS 2007-NCW	63	BB
Countrywide HELOC 2006-F	54	BBB
Countrywide HELOC 2007-A	53	BBB
Countrywide HELOC 2007-B	53	BBB
Ace Home Equity Loan Trust 2007-SL1	51	CCC
Ace 2007-D1	49	CCC
Augusta Funding Limited	47	AAA
Long Beach 2004-1	44	AAA
Countrywide HELOC 2005-D	44	BBB-
Wells Fargo Home Equity 2004-2	43	AAA
Mid-State Trust X	42	AAA
Countrywide Home Loans (CWABS) 2004-1	41	AAA
Asset Backed Funding Corp. 2005-AQ1	40	AAA
Soundview (Delta) 2008-1	36	CCC
Renaissance (Delta) 2005-4	32	B
Terwin Mortgage Trust 2005-16HE	31	CCC
Renaissance (Delta) 2004-2	29	AAA
Long Beach 2004-3N	28	AAA
Total top 25 U.S. structured finance exposures	**$ 1,592**	

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

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

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (3 of 3)

As of December 31, 2019

(dollars in millions)

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

Credit Name	Country	Net Par Outstanding	Internal Rating
Southern Water Services Limited	United Kingdom	$ 2,551	A-
Hydro-Quebec, Province of Quebec	Canada	1,736	A+
Welsh Water PLC	United Kingdom	1,528	A-
Anglian Water Services Financing	United Kingdom	1,388	A-
British Broadcasting Corporation (BBC)	United Kingdom	1,288	A+
Societe des Autoroutes du Nord et de l'Est de France S.A.	France	1,242	BBB+
Thames Water Utility Finance Plc	United Kingdom	1,176	A-
Channel Link Enterprises Finance PLC	France, United Kingdom	1,067	BBB
Verbund - Lease and Sublease of Hydro-Electric Equipment	Austria	914	AAA
Aspire Defence Finance plc	United Kingdom	867	BBB+
National Grid Gas PLC	United Kingdom	768	BBB+
Southern Gas Networks PLC	United Kingdom	756	BBB
Capital Hospitals (Barts)	United Kingdom	639	BBB-
Verdun Participations 2 S.A.S.	France	609	BBB-
Coventry & Rugby Hospital Company	United Kingdom	546	BBB-
Derby Healthcare PLC	United Kingdom	494	BBB
North Staffordshire PFI	United Kingdom	476	BBB-
Sydney Airport Finance Company	Australia	460	BBB+
Campania Region - Healthcare receivable	Italy	442	BB+
Central Nottinghamshire Hospitals PLC	United Kingdom	433	BBB
National Grid Company PLC	United Kingdom	426	BBB+
NATS (En Route) PLC	United Kingdom	418	A
Envestra Limited	Australia	391	A-
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	362	BBB
Private International Sub-sovereign Transaction	United Kingdom	326	AA-
The Hospital Company (QAH Portsmouth) Limited	United Kingdom	325	BBB
Yorkshire Water Services Finance Plc	United Kingdom	323	A-
Wessex Water Services Finance plc	United Kingdom	314	BBB+
South East Water	United Kingdom	303	BBB+
Private International Sub-sovereign Transaction	United Kingdom	287	AA
Severn Trent Water Utilities Finance Plc	United Kingdom	268	BBB+
Octagon Healthcare Funding PLC	United Kingdom	255	BBB
Private International Sub-sovereign Transaction	United Kingdom	249	AA-
Sarawak Capital Incorporated	Malaysia	245	BBB+
Integrated Accommodation Services PLC	United Kingdom	243	BBB+
Japan Expressway Holding and Debt Repayment Agency	Japan	240	A+
Scotland Gas Networks plc	United Kingdom	236	BBB
Plenary Health North Bay Finco Inc.	Canada	234	BBB
Valencia Fair	Spain	232	BB+
MPC Funding Limited	Australia	228	BBB+
The Republic of Poland	Poland	227	A-
Western Power Distribution (South Wales) PLC	United Kingdom	222	BBB+
Western Power Distribution (SW) PLC	United Kingdom	220	BBB+
Bakethin Finance Plc	United Kingdom	217	A-
St. James's Oncology Financing plc	United Kingdom	203	BBB
Road Management Services PLC (A13 Highway)	United Kingdom	191	B+
University of York (Civitas Living LLP), UK	United Kingdom	185	BBB
Catalyst Higher Education (Sheffield) plc	United Kingdom	184	BBB
Keele Residential Funding PLC	United Kingdom	183	BBB+
DirectRoute (Limerick) Holdings Ltd	Ireland	183	BBB-
Total top 50 non-U.S. exposures		**$ 27,300**	

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

Assured Guaranty Municipal Corp.

Summary of Statutory Financial and Statistical Data

(dollars in millions)

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Claims-Paying Resources[1]					
Policyholders' surplus	$ 2,691	$ 2,533	$ 2,254	$ 2,321	$ 2,441
Contingency reserve	986	1,034	1,108	1,236	1,357
Qualified statutory capital	**3,677**	**3,567**	**3,362**	**3,557**	**3,798**
Unearned premium reserve and net deferred ceding commission income	2,027	1,873	1,926	1,573	1,849
Loss and LAE reserves	196	518	634	410	438
Total policyholders' surplus and reserves	**5,900**	**5,958**	**5,922**	**5,540**	**6,085**
Present value of installment premium	296	178	183	200	275
CCS	200	200	200	200	200
Excess of loss reinsurance facility	—	180	180	360	360
Total claims-paying resources (including proportionate MAC ownership for AGM)	**6,396**	**6,516**	**6,485**	**6,300**	**6,920**
Adjustment for MAC	370	434	451	657	940
Total claims-paying resources (excluding proportionate MAC ownership for AGM)	**$ 6,026**	**$ 6,082**	**$ 6,034**	**$ 5,643**	**$ 5,980**
Ratios:					
Net par outstanding to qualified statutory capital	38:1	36:1	41:1	39:1	45:1
Capital ratio	62:1	57:1	65:1	60:1	69:1
Financial resources ratio	36:1	31:1	34:1	34:1	38:1
Adjusted statutory net par outstanding to claims-paying resources (including MAC adjustment for AGM)	22:1	20:1	21:1	22:1	25:1
Other Financial Information (Statutory Basis)[2]					
Net debt service outstanding (end of period)	$ 228,284	$ 204,297	$ 218,788	$ 213,198	$ 262,652
Gross debt service outstanding (end of period)	308,725	291,926	311,805	310,057	371,282
Net par outstanding (end of period)	140,579	129,893	138,775	139,420	170,925
Gross par outstanding (end of period)	192,018	185,515	197,164	200,061	238,062
Ceded to Assured Guaranty affiliates	50,665	53,733	54,628	60,641	54,855
Ceded par to other companies	774	1,889	3,762	9,170	12,282
Gross debt service written:					
Public finance	$ 45,642	$ 21,854	$ 29,785	$ 26,269	$ 27,849
Structured finance	—	—	—	—	—
Total gross debt service written	$ 45,642	$ 21,854	$ 29,785	$ 26,269	$ 27,849

1) See page 8 for additional detail on claims-paying resources and exposure.

2) The National Association of Insurance Commissioners Annual Statements for U.S. Domiciled Insurance Companies are prepared on a stand-alone basis.

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

Glossary

Net Par Outstanding and Internal Ratings

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

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

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

Performance Indicators

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

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

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, 2019.

Public Finance:

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

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

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

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

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

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

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

Glossary (continued)

Sectors (continued)

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

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

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

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

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

Structured Finance:

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

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

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

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

Non-GAAP Financial Measures

To reflect the key financial measures that management analyzes in evaluating the Company's operations and progress towards long-term goals, the Company discloses both financial measures determined in accordance with GAAP and 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.

By disclosing non-GAAP financial measures, the Company gives investors, analysts and financial news reporters access to information that management and the Board of Directors review internally. The Company believes its presentation of non-GAAP financial measures, along with the effect of VIE consolidation, 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 certain FG VIEs and investment vehicles. The Company does not own such FG VIEs and its exposure is limited to its obligation under the financial guaranty insurance contract, which is captured in the Insurance segment results. The economic effect of its consolidated investment vehicles is also captured in its Insurance segment results through the insurance subsidiaries' economic interest in such vehicles. Management and the Board of Directors use non-GAAP financial measures further adjusted to remove VIE consolidation (which the Company refers to as its core financial measures), as well as GAAP financial measures and other factors, to evaluate the Company's results of operations, financial condition and progress towards long-term goals. The Company uses these core financial measures in its decision making process and in its calculation of certain components of management compensation. Wherever possible, the Company has separately disclosed the effect of VIE consolidation.

Management believes that many investors, analysts and financial news reporters use adjusted operating shareholders' equity, further adjusted to remove the effect of VIE consolidation, as the principal financial measure 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 this measure to evaluate the Company's capital adequacy.

Management believes that many investors, analysts and financial news reporters also use adjusted book value, further adjusted to remove the effect of VIE consolidation, to evaluate AGL's share price and as the basis of their decision to recommend, buy or sell the AGL common shares. Adjusted operating income further adjusted for the effect of VIE consolidation enables investors and analysts to evaluate the Company's financial results in comparison with the consensus analyst estimates distributed publicly by financial databases.

The core financial measures that the Company uses to help determine compensation are: (1) adjusted operating income, further adjusted to remove the effect of VIE consolidation, (2) adjusted operating shareholders' equity, further adjusted to remove the effect of VIE consolidation, (3) growth in adjusted book value per share, further adjusted to remove the effect of VIE consolidation, and (4) PVP.

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 underwriting results and financial condition of the Company and presents the results of operations of the Company excluding the fair value adjustments on credit derivatives and CCS that are not expected to result in economic gain or loss, as well as other adjustments described below. Management further adjusts adjusted operating income by removing VIE consolidation to arrive at its core operating income measure. Adjusted operating income is defined as net income (loss) attributable to AGL, as reported under GAAP, adjusted for the following:

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

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

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

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 presents the equity of the Company excluding the fair value adjustments on investments, credit derivatives and CCS that are not expected to result in economic gain or loss, along with other adjustments described below. Management further adjusts adjusted operating shareholders' equity by removing VIE consolidation to arrive at its core operating shareholders' equity and core adjusted book value.

Adjusted operating shareholders' equity is the basis of the calculation of adjusted book value (see below). Adjusted operating shareholders' equity is defined as shareholders' equity attributable to AGL, as reported under GAAP, adjusted for the following:

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

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

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

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

Management uses adjusted book value, further adjusted for VIE consolidation, to measure the intrinsic value of the Company, excluding franchise value. Growth in adjusted book value per share, further adjusted for VIE consolidation (core adjusted book value), is one of the key financial measures used in determining the amount of certain long-term compensation elements to management and employees and used by rating agencies and investors. Management believes that adjusted book value is a useful measure because it enables an evaluation of the Company's in-force premiums and revenues net of expected losses. Adjusted book value is adjusted operating 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 expected future net earned premiums, net 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 value of future estimated revenue for contracts other than financial guaranty insurance contracts (such as specialty insurance and reinsurance contracts and credit derivatives). There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from these contracts, net of reinsurance, ceding commissions and premium taxes, for contracts without expected economic losses, and is discounted at 6%. Estimated net future revenue may change from period to period 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.

PVP or Present Value of New Business Production: Management believes that PVP is a useful measure because it enables the evaluation of the value of new business production for the Company by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period as well as premium supplements and additional installment premium on existing contracts as to which the issuer has the right to call the insured obligation but has not exercised such right, whether in insurance or credit derivative contract form, which management believes GAAP gross written premiums and the net credit derivative premiums received and receivable portion of net realized gains and other settlements on credit derivatives (Credit Derivative Realized Gains (Losses)) 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, discounted, in each case, at 6%. 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 future earned or written premiums and Credit Derivative Realized Gains (Losses) may differ from PVP 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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