EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Fixed Income Investor Presentation

September 30, 2019

Assured Guaranty Municipal

Municipal Assurance Corp.
An Assured Guaranty Company

Assured Guaranty Corp.

Table of Contents

1. Please see page 3 for a definition of this convention.

Forward-Looking Statements and Safe Harbor Disclosure

- This presentation contains information that includes or is based upon forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements give the expectations or forecasts of future events of Assured Guaranty Ltd. (AGL) and its subsidiaries (collectively with AGL, Assured Guaranty or the Company). These statements can be identified by the fact that they do not relate strictly to historical or current facts and relate to future operating or financial performance.
- Any forward looking statements made in this presentation 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) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (2) 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 subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL's subsidiaries have insured; (3) developments in the world's financial and capital markets that adversely affect obligors' payment rates or Assured Guaranty's loss experience; (4) 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; (5) the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates; (6) increased competition, including from new entrants into the financial guaranty industry; (7) rating agency action on obligors, including sovereign debtors, resulting in a reduction in the value of securities in Assured Guaranty's investment portfolio and in collateral posted by and to Assured Guaranty; (8) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (9) changes in the world's credit markets, segments thereof, interest rates or general economic conditions; (10) the impact of market volatility on the mark-to-market of Assured Guaranty's assets and liabilities subject to mark-to-market, including certain of its investments, most of its contracts written in credit default swap form, and variable interest entities; (11) changes in applicable accounting policies or practices; (12) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (13) the impact of changes in the world's economy and credit and currency markets and in applicable laws or regulations relating to the decision of the United Kingdom to exit the European Union; (14) the impact of Assured Guaranty's acquisition (BlueMountain Acquisition) of all of the outstanding equity interests in BlueMountain Capital Management, LLC (BlueMountain) and its associated entities on the Company and its relationships with its investors, regulators, rating agencies, employees and the obligors it insures and on the business of BlueMountain and its relationships with its clients and employees; (15) the failure of Assured Guaranty to successfully integrate the business of BlueMountain; (16) the possibility that acquisitions made by Assured Guaranty, including its BlueMountain Acquisition, do not result in the benefits anticipated or subject Assured Guaranty to unanticipated consequences; (17) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments and investments in BlueMountain-managed funds, collateralized loan obligations (CLOs) and separately managed accounts, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity or 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; (22) other risk factors identified in AGL's filings with the SEC; (23) other risks and uncertainties that have not been identified at this time and; (24) management's response to these factors. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the dates on which they are made. The foregoing review of important factors should not be construed as exhaustive, and should be read in conjunction with the other cautionary statements that are included in Assured Guaranty's 2019 third quarter Form 10-Q as well as risk factors included in Assured Guaranty's 2018 Annual Report on Form 10-K. The Company 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. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company's reports filed with the SEC.
- If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may vary materially from what the Company projected. Any forward looking statements in this presentation reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity.
- For these statements, the Company claims the protection of the safe harbor for forward looking statements contained in Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Conventions, Non-GAAP Financial Measures and Certain Statutory Data

- Unless otherwise noted, the following conventions are used in this presentation:
  - “AGM Consolidated” means Assured Guaranty Municipal Corp. and its consolidated entities (consisting primarily of Assured Guaranty (Europe) plc (AGE), Municipal Assurance Holdings Inc. (MAC Holdings), a company formed to own 100% of the common stock of Municipal Assurance Corp. (MAC), and variable interest entities Assured Guaranty Municipal Corp. is required to consolidate under accounting principles generally accepted in the United States).
    - “AGM” means AGM Consolidated excluding MAC Holdings and MAC. **<u>All financial and exposure data related to AGM presented in this presentation are on this basis unless otherwise stated.</u>**
    - “Assured Guaranty Municipal” means AGM Consolidated excluding MAC Holdings, MAC and AGE.
  - Ratings on Assured Guaranty’s insured portfolio and on bonds purchased pursuant to our loss mitigation or risk management strategies are our internal credit ratings. Internal credit ratings are expressed on a ratings scale similar to that used by the rating agencies and are generally reflective of an approach similar to that employed by the rating agencies, except that the Company's credit ratings focus on future performance, rather than lifetime performance. Exposures rated below investment grade are designated “BIG”.
  - The Company reclassifies those portions of risks benefitting from collateralized reimbursement arrangements as the higher of AA or their current internal rating.
  - The Company excludes Company-insured securities that it has purchased for loss mitigation purposes from its disclosure of par and debt service outstanding (unless otherwise indicated) because it manages such securities as investments and not insurance exposure.
  - Ratings on the investment portfolios are the lower of the ratings from Moody’s Investors Service, Inc. (“Moody’s”) or S&P Global Ratings Services (“S&P”).
  - Percentages and totals in tables or graphs may not add due to rounding.
- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles (“GAAP”), which management uses in order to assist analysts and investors in evaluating Assured Guaranty’s financial results. These financial measures are determined on the basis of methodologies other than in accordance with GAAP (“non-GAAP financial measures”), and are defined in the Appendix. Wherever possible, the Company has separately disclosed the effect of consolidating FG VIEs on the non-GAAP financial measures. See the Appendix for a more comprehensive description of non-GAAP financial measures.
- When a financial measure is described as “operating,” it is a non-GAAP measure.
- All reconciliations in the Appendix of this presentation are on an AGL consolidated basis.

Corporate Overview

Corporate Overview

- **Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty" or the "Company") is the leading financial guaranty franchise**
  – We are the only long-standing financial guaranty company to have written new business throughout the financial crisis and recession, and continue to do so today, leading the industry in new business production
  – We maintain strong financial strength ratings from S&P, KBRA and A.M. Best
- **Assured Guaranty's focus is financial guaranty**
  – Over three decades of experience in the financial guaranty market
  – Publicly traded holding company (NYSE: AGO) with extensive quarterly financial disclosures by holding company and subsidiaries, providing transparency to all investors
  – Three principal U.S. financial guaranty direct subsidiaries, two principal Bermuda financial guaranty reinsurance subsidiaries and one principal European financial guaranty subsidiary
- **Strong capital base**
  – Consolidated investment portfolio and cash of $10.7 billion as of September 30, 2019[1]
  – Consolidated claims-paying resources of $11.1 billion as of September 30, 2019[2]

($ in billions)	AGL Consolidated (9/30/19)
Net par outstanding	$229.4
Total investment portfolio and cash[1]	$10.7
Claims-paying resources[2]	$11.1

1. See page 29 for a breakdown of the available-for-sale portfolio ($10.7 billion), which includes $57 million of other invested assets.
2. Aggregate data for the Company's insurance subsidiaries, based primarily on statutory measures. Claims on each insurer's guaranties are paid from that insurer's separate claims-paying resources. See page 9 for components of claims-paying resources.

Operating Principles and Investor and Issuer Benefits

- **Underwriting principles and a strong risk management culture designed to protect our franchise**
- **Experienced and disciplined management**
- **Commitment to disclosure and transparency**
- **Our guaranty benefits investors and issuers because we provide credit selection, underwriting, surveillance and remediation, in addition to timely payment of scheduled principal and interest if an underlying transaction defaults**
  - Bond insurance helps homogenize the market's view of insured credits, which typically increases market liquidity; the municipal market trades an average $2 billion weekly in bonds insured by Assured Guaranty companies
  - Credit enhancement provides protection in an uncertain credit environment

Strategic Priorities

- **Insurance**
  - **Growth of insured portfolio**
  - **Loss mitigation**
- **Asset management and alternative investments**
- **Capital management**

Assured Guaranty Ltd.

Corporate Structure

Assured Guaranty Ltd.
Hamilton, Bermuda
Publicly Traded Holding Company (NYSE: AGO)
A (stable outlook) / Baa2 (stable outlook)
issuer credit ratings

Assured Guaranty Re Ltd (AG Re)
Financial Guaranty Reinsurance
S&P: AA (stable outlook)
financial strength rating

Assured Guaranty Overseas US Holding Inc.
U.S. Holding Company
NR

Assured Guaranty Re Overseas Ltd (AGRO)
Specialty Reinsurance
S&P: AA (stable outlook) /
A.M. Best: A+ (stable outlook)
financial strength rating

Assured Guaranty US Holdings (AGUS)
U.S. Holding Company
A (stable outlook) / Baa2 (stable outlook)
issuer credit ratings

Assured Guaranty Finance Overseas Ltd.
European Marketing
NR

AG Financial Products Inc.
Swap Counterparty
NR

Assured Guaranty Corp. (AGC)
Financial Guaranty Direct
S&P: AA (stable outlook) /
KBRA: AA (stable outlook) /
Moody's [1]
financial strength rating

Assured Guaranty Municipal Holdings Inc. (AGMH; formerly Financial Security Assurance Holdings Ltd.)
U.S. Holding Company
A (stable outlook) / Baa2 (stable outlook)
issuer credit ratings

Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.)
Financial Guaranty Direct
S&P: AA (stable outlook) /
KBRA: AA+ (stable outlook)/
Moody's: A2 (stable outlook)
financial strength rating

Municipal Assurance Holdings Inc.[2]
U.S. Holdings Company
NR

Municipal Assurance Corp. (MAC)
Financial Guaranty Direct
S&P: AA (stable outlook) /
KBRA: AA+ (stable outlook)
financial strength rating

Assured Guaranty (Europe) plc (AGE) (formerly Financial Security Assurance (U.K.) Limited)
Financial Guaranty Direct
S&P: AA (stable outlook) /
KBRA: AA+ (stable outlook)/
Moody's: A2 (stable outlook)
financial strength rating

Corporate structure as of September 30 and ratings as of November 18, 2019.
S&P / Moody's (unless otherwise specified)
NR = Not rated

1. Assured Guaranty requested in January 2017 that Moody's drop its rating of AGC; Moody's declined, and continues to rate AGC.
2. AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of MAC Holdings, which owns 100% of the outstanding common stock of MAC.

Four Discrete Operating Companies with Separate Capital Bases

ASSURED GUARANTY®

Consolidated Statutory-Basis Claims-Paying Resources and Exposures

($ in millions)	AGM	AGC	MAC	AG Re[8]	Eliminations[3]	Consolidated
	As of September 30, 2019					
Claims-paying resources						
Policyholders' surplus	$2,473	$1,756	$245	$838	$(418)	$4,894
Contingency reserve[1]	1,100	633	213	-	(213)	1,733
Qualified statutory capital	**3,573**	**2,389**	**458**	**838**	**(631)**	**6,627**
UPR and net deferred ceding commission income[1]	1,829	434	161	709	(277)	2,856
Loss and loss adjustment expense reserves[1]	204	189	(1)	179	1	572
Total policyholders' surplus and reserves	**5,606**	**3,012**	**618**	**1,726**	**(907)**	**10,055**
Present value of installment premium[1]	185	123	-	132	-	440
Committed Capital Securities	200	200	-	-	-	400
Excess of loss reinsurance facility[2]	180	180	180	-	(360)	180
Total claims-paying resources (including MAC adjustment for AGM and AGC)	**$6,171**	**$3,515**	**$798**	**$1,858**	**$(1,267)**	**$11,075**
Adjustment for MAC[4]	375	243	-	-	(618)	-
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)	**$5,796**	**$3,272**	**$798**	**$1,858**	**($649)**	**$11,075**
Statutory net exposure[5]	$115,643	$23,228	$20,149	$66,287	($331)	$224,976
Equity method adjustment[4]	12,231	7,918	-	-	(20,149)	-
Adjusted statutory net exposure[1]	$127,874	$31,146	$20,149	$66,287	$(20,480)	$224,976
Net debt service outstanding[5]	$182,205	$35,174	$29,706	$102,944	$(456)	$349,573
Equity method adjustment[4]	18,031	11,675	-	-	(29,706)	-
Adjusted net debt service outstanding[1]	$200,236	$46,849	$29,706	$102,944	$(30,162)	$349,573
Ratios:						
Adjusted net exposure to qualified statutory capital	36:1	13:1	44:1	79:1		34:1
Capital ratio[6]	56:1	20:1	65:1	123:1		53:1
Financial resources ratio[7]	32:1	13:1	37:1	55:1		32:1
Separate Company Statutory Basis:						
Admitted Assets	$5,197	$2,955	$637			
Total Liabilities	2,724	1,198	392			
Contingency Reserves	970	550	213			
Surplus to Policyholders	2,473	1,756	245			

1. The numbers shown for Assured Guaranty Municipal Corp. (AGM) and Assured Guaranty Corp. (AGC) have been adjusted to include their indirect share of Municipal Assurance Corp. (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. AGM has been adjusted to include 100% share of its European insurance subsidiary. Amounts include financial guaranty insurance and credit derivatives.
2. Represents 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 terminates on January 1, 2020, unless AGC, AGM and MAC choose to extend it.
3. Eliminations are primarily for (i) intercompany surplus notes between AGM and AGC, and (ii) MAC amounts, whose proportionate share are included in AGM and AGC based on ownership percentages, and (iii) eliminations of intercompany deferred ceding commissions. Net exposure and net debt service outstanding eliminations relate to second-to-pay policies under which an Assured Guaranty insurance subsidiary guarantees an obligation already insured by another Assured Guaranty insurance subsidiary, and net exposure related to intercompany cessions from AGM and AGC to MAC.
4. Represents adjustments for AGM's and AGC's indirect ownership interest in MAC.
5. Net exposure and net debt service outstanding are presented on a statutory basis.
6. The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
7. The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources (including MAC adjustment for AGM and AGC).
8. Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimate of United States (U.S.) statutory accounting practices prescribed or permitted by insurance regulatory authorities, except for contingency reserves.

Assured Guaranty
Principal Insurance Platforms

- **Assured Guaranty Municipal[1], MAC, AGC and AGE operate as four separate direct financial guaranty platforms, with AG Re operating as a reinsurer**
  - Assured Guaranty Municipal[1] focuses exclusively on public finance and global infrastructure finance
  - MAC insures only U.S. municipal bonds, primarily small and medium-size issues in select categories, such as G.O. and tax-backed bonds and public electric, water, sewer and transportation revenue bonds – a subset of Assured Guaranty Municipal's[1] focus
  - AGC, as the most diversified platform, insures the same categories as Assured Guaranty Municipal[1], as well as selected sectors within the U.S. and international structured finance market
  - AG Re, as a reinsurer, provides additional capital and flexibility to Assured Guaranty Municipal[1] and AGC; its subsidiary AGRO is a specialty reinsurance company that primarily provides financial guaranty reinsurance and certain non-financial guaranty insurance and reinsurance
  - AGE serves the European market
- **Each of the operating companies and the other subsidiaries share Assured Guaranty's experience, culture of prudent risk management and business infrastructure**
- **Assured Guaranty's financial position and market standing, along with the franchise value of each of the operating companies and the other subsidiaries are strengthened through this structure**
  - Greater capacity to write business
  - More flexibility in balancing portfolio exposures
  - Enhanced operating efficiencies through common infrastructure

1. Please see page 3 for a definition of this convention.

Assured Guaranty
Principal Insurance Platforms (Continued)

- **Companies distinct for legal and regulatory purposes**
  - Separate capital bases – claims-paying resources[2] as of September 30, 2019 – AGM[1] $5.8 billion, MAC $0.8 billion, AGC $3.3 billion, AG Re $1.9 billion
  - Separate insurance licenses
  - Separate regulators – Assured Guaranty Municipal[1] and MAC are domiciled in New York; AGC is domiciled in Maryland; AGE is domiciled in the United Kingdom; AG Re is domiciled in Bermuda
  - Dividend restrictions – New York, Maryland, the United Kingdom and Bermuda insurance law restrictions apply

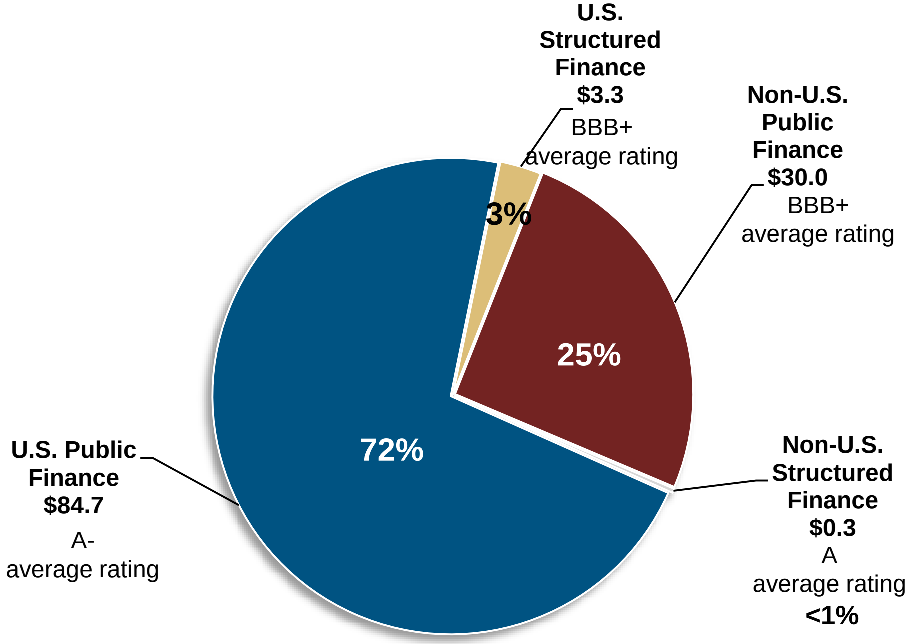
1. Please see page 3 for a definition of this convention.
2. Please see page 9 for additional details about the components of claims-paying resources as well as other statutory financial information.

AGM's[1] Commitment to the Public Finance Market

- **AGM[1] is committed to insuring U.S. public finance and global infrastructure transactions[2]. Through its subsidiary, AGE, AGM[1] may underwrite some structured finance transactions.**
- **AGM[1] legacy global structured finance insured portfolio ($3.7 billion as of September 30, 2019) represents only 3% of its net par outstanding.**
  - The share of AGM[1] net insured portfolio represented by its legacy structured finance portfolio is expected to continue to shrink

Net Par Outstanding

As of September 30, 2019
($ in billions)



$118.4 billion, A- average rating

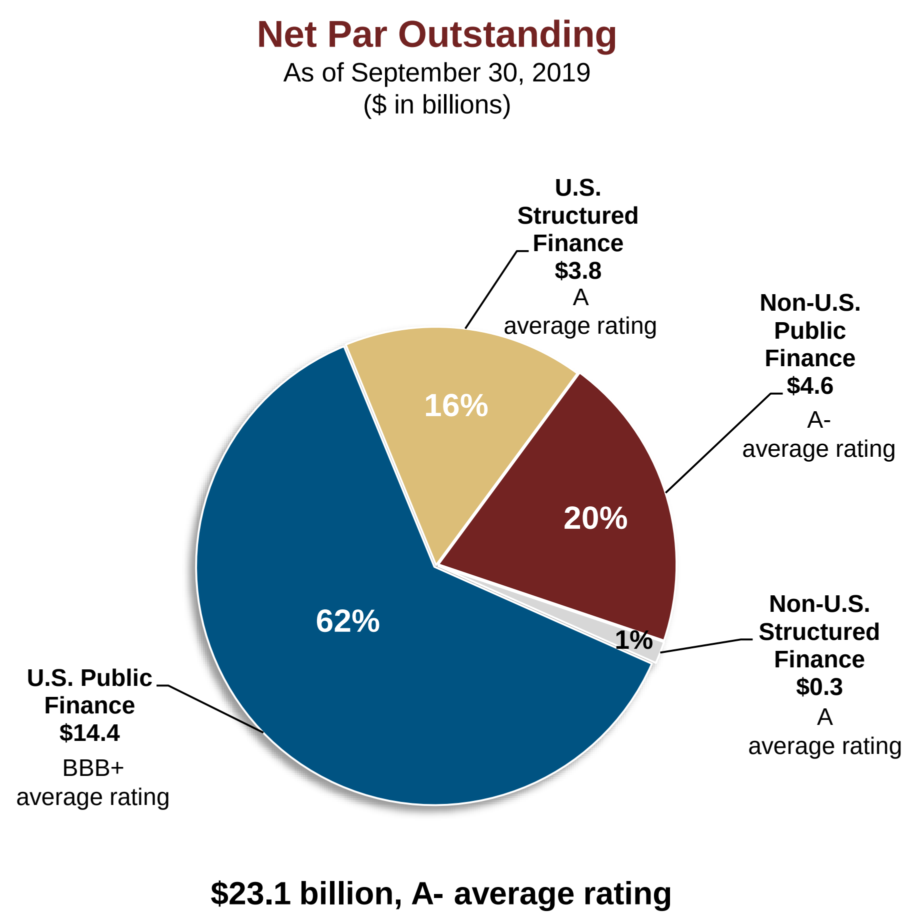
1. Please see page 3 for a definition of this convention.
2. AGM[1] has not written structured finance transactions since August 2008.

Municipal Assurance Corp.
Municipal Only Bond Insurance

- **MAC is committed to insuring only U.S. public finance transactions;**
- **A $22 billion insured U.S. municipal-only portfolio that is geographically diversified;**
- **Conservative and well-defined underwriting standards; and**
- **A high level of transparency, including quarterly financial supplements and the publication of Credit Summaries for primary-market insured transactions.**

AGC is Our Most Diversified Platform

- **AGC, a diversified insurer, may write all classes of financial guaranty business, including structured finance, U.S. public finance and global infrastructure**
- **Structured finance eligible for new business originations:**
  - Traditional ABS (e.g., auto loans and leases, credit card receivables, consumer loans, equipment loans and leases, trade receivables)
  - Capital management solutions for financial institutions
  - Actively managed risk tolerance
  - Investment grade underlying credit quality

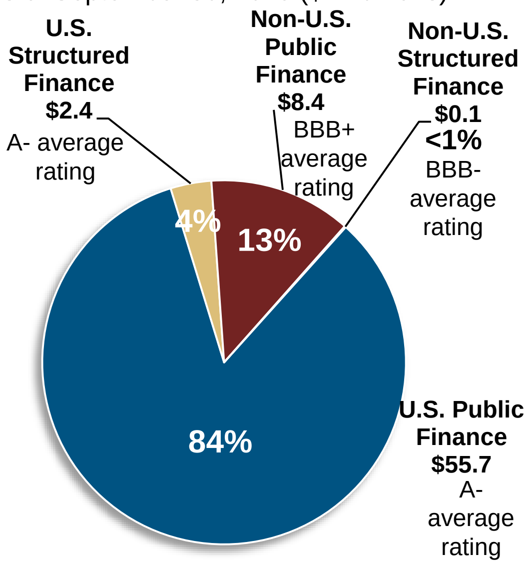


AG Re and AGRO

- **AG Re is an insurance company primarily engaged in providing reinsurance to financial guarantors**
  - Rated AA (stable outlook) by S&P
  - Licensed as a Class 3B Insurer in Bermuda
  - Provides financial guaranty reinsurance for its affiliates

AG Re Financial Guaranty Net Par Outstanding

As of September 30, 2019 ($ in billions)

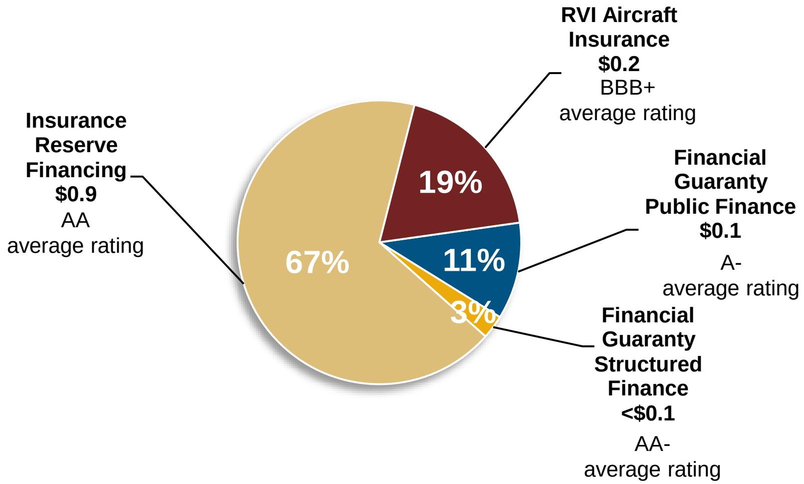


$66.6 billion, A- average rating

- **AG Re's subsidiary, AGRO, is a specialty reinsurance company**
  - Rated AA (stable outlook) by S&P and A+ (stable outlook) by A.M. Best
  - Licensed as a Class 3A Insurer and Class C Long-Term Insurer in Bermuda
  - Provides non-financial guaranty insurance and reinsurance, including aircraft residual value insurance and life financial reinsurance programs
  - Also has a financial guaranty reinsurance portfolio

AGRO Outstanding Net Exposure[1]

As of September 30, 2019 ($ in billions)



$1.3 billion, AA- average rating

1. Includes non-financial guaranty reinsurance not included in the net par of the other operating companies

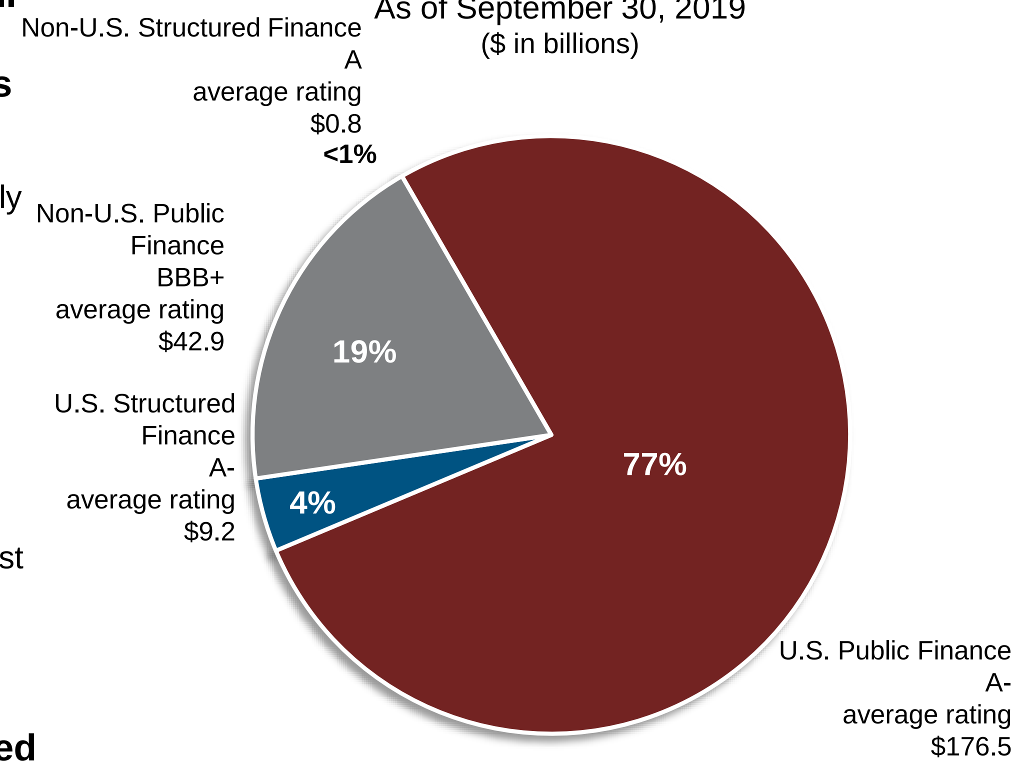
Underwriting Discipline

- **Our U.S. public finance portfolio, our largest exposure category, generally performed well during the recession and in subsequent years, despite persistent financial pressures on municipal obligors**
  - Our portfolio is well-diversified with approximately 6,700 direct U.S. public finance obligors. We currently expect future losses to be paid, net of recoveries, on less than ten exposures.[1]
  - We have proactively managed those exposures that have experienced credit deterioration and payment default, like Detroit, Harrisburg and Stockton, with relatively small expected losses.
  - Our Puerto Rico exposure[2] represents our largest below investment grade U.S. public finance exposure.
- **Assured Guaranty did not underwrite direct collateralized debt obligations (CDOs) backed by RMBS, which has protected us from losses on the scale experienced by our former competitors**

Consolidated Net Par Outstanding[3]

As of September 30, 2019

($ in billions)



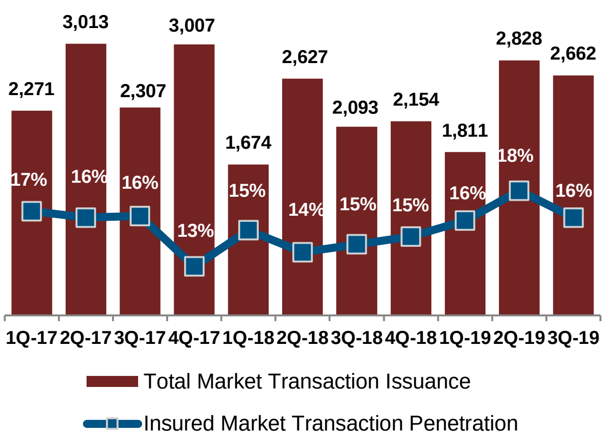
$229.4 billion, A- average rating

1. Includes exposure to Puerto Rico.
2. See pages 34-36 for a more detailed analysis of the Company's Puerto Rico exposure.
3. Excludes non-financial guaranty net exposure of $1.1 billion

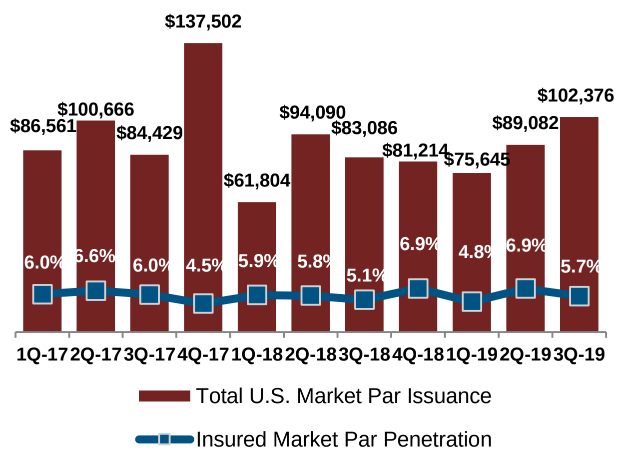
Strategic Priorities
Insurance
Penetration in the U.S. Public Finance Market (excluding SGI portfolio)

- **We are focused on building demand for our guarantees, both in the primary and the secondary markets for U.S. public finance**
  - In 3Q 2019, we insured 197 primary market transactions totaling $4.0 billion, and 58 secondary market policies totaling $0.2 billion.
- **Industry insured volume was flat in 3Q 2019 relative to 3Q 2018**
  - Insurance was utilized on 52% of all transactions with an underlying A rating, consistent with 3Q 2018
  - Insurance was utilized on 20% of the par of all transactions with an underlying A rating, up from 14% in 3Q 2018
- **Assured Guaranty wrote 58% of the total insured par of U.S. public finance insured new issues[1] in 3Q 2019.**

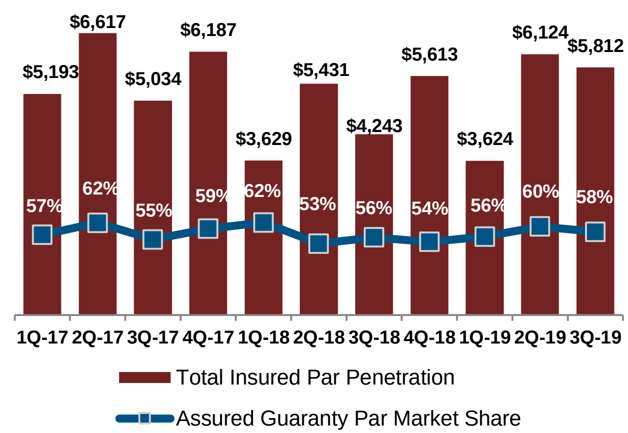
Insured Market Transaction Penetration Rate and Total U.S. Public Finance Transaction Volume[2]



Insured Market Par Penetration Rate and Total U.S. Public Finance Market Volume[2]
($ in millions)



Assured Guaranty's Insured Market Share[1] and Insured Market Primary Par Insured[2]
($ in millions)



1. Includes a $700 million taxable portion of a $6.5 billion healthcare transaction insured by AGM in 3Q-19
2. Source: SDC database as of September 30, 2019

Broadening Market Awareness

Advertising Campaigns

PROOF OF OUR ENDURING FINANCIAL STRENGTH:

We increased our claims-paying resources* by more than $500 million over 11 years, while paying $10 billion to insured investors.

Assured Guaranty has proven our reliability and the resilience of our business model by executing successful strategies for new business production, loss mitigation and prudent management of our risk profile, capital and investment portfolio. From January 2008 to December 2018:

- We paid $10.1 billion to keep investors whole.
- After reinsurance payments and our effective loss mitigation efforts, our net claims paid totaled $4.8 billion.
- We also spent an additional $3.4 billion to repurchase shares and pay dividends.

Yet during the same period:

- **Our claims-paying resources* *increased* by $507 million.**
- Our insured leverage declined significantly.
- We produced $5.2 billion of operating income‡

We are even better prepared today for whatever the future may hold.

ASSURED GUARANTY

A STRONGER BOND

AGO NYSE

ASSURED GUARANTY MUNICIPAL CORP. – MUNICIPAL ASSURANCE CORP. – ASSURED GUARANTY CORP. – NEW YORK, NY

AA Credit Enhancement* for a Diverse Range of ABS.

RECENT WRAPS BY ASSURED GUARANTY

COLLATERALIZED LOAN OBLIGATIONS

Fortress Credit Opportunities VII CLO Limited	$256,600,000
Brightwood Fund III Static 2018-1, LLC	$249,880,000

WHOLE BUSINESS

DB Master Finance LLC	$15,000,000
Five Guys Funding, LLC	$31,571,425
Sonic Capital LLC	$11,351,597
Wendy's Funding LLC	$29,850,000
Focus Brands Funding LLC	$14,962,500

TIMESHARE

Westgate Resorts	$4,427,512

Assured Guaranty has decades of experience across a wide variety of consumer and commercial asset classes. Whether you wish to launch a new securitization more cost-effectively or improve the security of an existing ABS investment, please contact us to see if our unconditional financial guaranty is the right solution for you.

*The insured bonds shown are rated AA by S&P Global Ratings based on the financial strength rating of the guarantor, Assured Guaranty Corp. (AGC), which is also rated AA by Kroll Bond Rating Agency. Assured Guaranty requested in January 2017 that Moody's Investors Service (Moody's) discontinue its rating of AGC; Moody's declined, and continues to rate AGC.

Paul Livingstone, Senior Managing Director, plivingstone@agltd.com, 212-261-5506
Michael Walker, Managing Director, mwalker@agltd.com, 212-261-5575
Jeffrey Farron, Director, jfarron@agltd.com, 212-261-5565

ASSURED GUARANTY

A STRONGER BOND

ASSURED GUARANTY CORP. – NEW YORK, NY

We've guaranteed the largest insured Green Bond issue to date.

$454,150,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Green Bonds
Series 2019A
(Climate Bond Certified)

$79,415,000	$100,000,000
Subseries 2019A-2	Subseries 2019A-3 (maturing November 15, 2044)
insured by ASSURED GUARANTY MUNICIPAL	insured by ASSURED GUARANTY MUNICIPAL
JPMorgan	BofA Merrill Lynch

For more than three decades, Assured Guaranty has helped municipalities lower the financing cost of projects with environmental benefits, from mass transit systems to water treatment and resource recovery facilities, from alternative energy to regulatory compliance projects. As the Green Bond initiative gains momentum, we have the financial strength, the scale, the experience and the market liquidity in our insured bonds to bring greater cost-efficiency to Green Bond offerings. For more information on Assured Guaranty bond insurance for Green Bonds, contact Jason Kissane, Managing Director, at jkissane@agltd.com, (415) 995 - 8023.

AGO NYSE AGM | MAC | AGC

ASSURED GUARANTY

A STRONGER BOND

We've guaranteed the largest insured Green Bond issue to date. Again.

$422,430,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Green Bonds
Series 2019C
(Climate Bond Certified)

$204,240,000
maturing 2044 - 2049

insured by
ASSURED GUARANTY MUNICIPAL

BofA Securities, Inc.

For more than three decades, Assured Guaranty has helped municipalities lower the financing cost of projects with environmental benefits, from mass transit systems to water treatment and resource recovery facilities, from alternative energy to regulatory compliance projects. As the Green Bond initiative gains momentum, we have the financial strength, the scale, the experience and the market liquidity in our insured bonds to bring greater cost-efficiency to Green Bond offerings. For more information on Assured Guaranty bond insurance for Green Bonds, contact Jason Kissane, Managing Director, at jkissane@agltd.com, (415) 995 - 8023.

AGO NYSE AGM | MAC | AGC

ASSURED GUARANTY

A STRONGER BOND

Highly Rated Credit Enhancement for Private Placements

Assured Guaranty has more than three decades of experience providing guarantees for a wide range of private placements for U.S. and international clients, including:

- Guarantees of consumer and commercial asset securitizations
- Balloon note guarantees for government and corporate credit tenant lease finance
- Balloon note guarantees for aircraft finance
- Wraps of infrastructure financings
- Guarantees supporting portfolio finance
- CLO wraps

Ask how our financial guaranty can bring greater efficiency to your next transaction:

Paul Livingstone, Senior Managing Director, plivingstone@agltd.com, 212-261-5506
Jack Gray, Managing Director, jgray@agltd.com, 212-261-5549

ASSURED GUARANTY

A STRONGER BOND

ASSURED GUARANTY MUNICIPAL CORP. – ASSURED GUARANTY CORP. – NEW YORK, NY

Market Update

Select Assured Guaranty Transactions in 2019

ASSURED GUARANTY®

Our market leadership has continued into 2019:

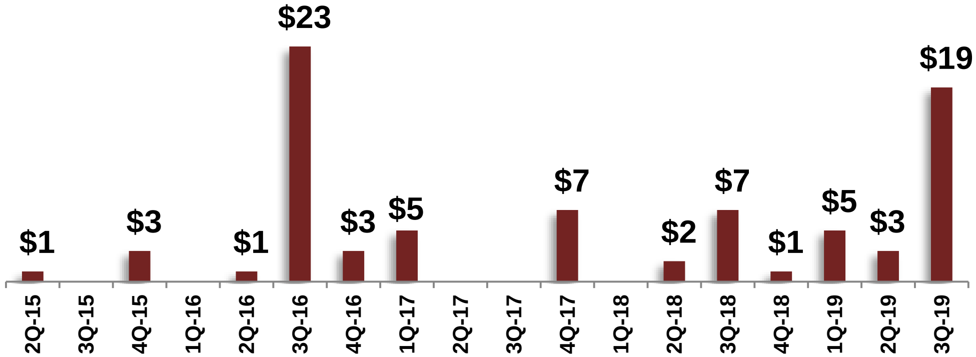
$700,000,000	**$362,220,000**	**$280,000,000**	**$204,240,000**	**$204,230,000**	**$200,000,000**
Taxable Bonds, Series 2019	General Revenue Junior Indebtedness Obligations, Series 2019B	Special Sales Tax Revenue Bonds, Series 2019B	Transportation Revenue Green Bonds, Series 2019C, Group Two	Water and Sewer System First Lien & Subordinate Revenue Bonds	General Obligation (Limited Tax) Building Bonds
CommonSpirit Health	**New York State Thruway Authority**	**Jefferson Parish Sales Tax District, LA**	**Metropolitan Transit Auth., NY**	**Pittsburgh Water & Sewer, PA**	**Clark County School District, NV**
August 2019	October 2019	September 2019	August 2019	June 2019	June 2019
$200,000,000	**$140,000,000**	**$131,115,000**	**$124,255,000**	**$102,060,000**	**$100,000,000**
IDA of Kansas City, MO Airport Special Obligation Bonds	General Obligation Bonds 2016 Election, Series B	Turnpike Subordinate Revenue Bonds	Special Obligation Refunding Bonds, Subordinate Taxable Series 2019-B	Public Finance Authority, WI Student Housing Rev. Bonds	Water and Sewer Revenue Bonds, Junior Lien Series 2019B
Kansas City International Airport	**East Side Union High School District, CA**	**Pennsylvania Turnpike Commission**	**Alabama Incentives Financing Authority**	**Beyond Boone, LLC - Appalachian State University, NC**	**City of Shreveport, LA**
June 2019	April 2019	June 2019	September 2019	February 2019	May 2019
$96,910,000	**$85,950,000**	**$85,165,000**	**$75,630,000**	**$71,545,000**	**$66,905,000**
2019 General Obligation Refunding Bonds (Federally Taxable)	General Obligation (Limited Tax) Bonds	Capital Improvement Revenue Refunding Bonds	2019 School Building and Site Bonds (Unlimited Tax General Obligation)	Housing and Auxiliary Facilities Revenue Bonds, Series 2019A	Revenue Bonds (Federally Taxable), Series A of 2019
Pasadena Unified School District, CA	**The School District of Erie, PA**	**City of Reno, NV**	**Grand Rapids Public Schools, MI**	**North Dakota University**	**Commonwealth Financing Authority, Pennsylvania**
August 2019	April 2019	February 2019	April 2019	September 2019	May 2019

Source: Refinitiv SDC Database. Includes $700 million of taxable AGM-insured CommonSpirit Health bonds that Assured Guaranty considers public finance business. Amounts are on a sale-date basis and reflect only those series insured by AGM or MAC.

Strategic Priorities
Insurance
U.S. Structured Finance Business Activity

- **During 3Q-19, we entered into a commitment to insure an insurance reserve financing transaction**
- **During 1Q-19, we insured a collateralized loan obligation**
- **Focus has been on bilateral transactions to improve policy beneficiaries' capital management efficiency**
- **New structured finance business production tends to have longer lead times, causing production levels to vary significantly from period to period.**

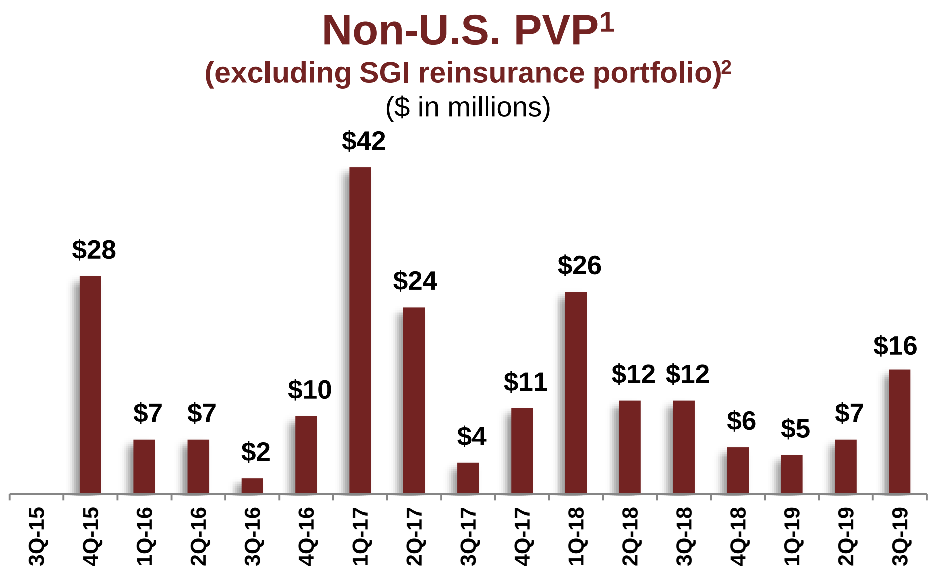
U.S. Structured PVP[1]
(excluding SGI reinsurance portfolio)[2]
($ in millions)



1. For an explanation of new business production, or PVP, which is a non-GAAP financial measure, please refer to the Appendix.
2. In 2Q 2018, the SGI transaction created $156 million of U.S. structured finance PVP on $349 million of gross written par

Strategic Priorities
Insurance
Non-U.S. Business Activity

- **During 3Q-19, we closed a guarantee on a debt financing for the construction of university student accommodations in the United Kingdom**
- **During 2Q-19, we closed a guarantee on a debt refinancing of Spanish solar plants and a Scottish housing association transaction**
- **During 1Q-19, we closed a debt service reserve guarantee on a water and sewerage company in the United Kingdom and provided reinsurance on an aircraft residual value insurance policy**
- **We are optimistic about the pipeline of infrastructure transactions. International business typically comprises a small number of high-value transactions that have longer development periods and multiple counterparties, so the timing of closing transactions is often uncertain**



1. For an explanation of new business production, or PVP, which is a non-GAAP financial measure, please refer to the Appendix.
2. In 2Q 2018, the SGI transaction created $50 million of non-U.S. PVP on $3.3 billion of gross written par

Strategic Priorities
Insurance
Puerto Rico Settlement Agreements

- **In February 2019, consummated a resolution under a restructuring support agreement of the Company's Puerto Rico Sales Tax Financing Corporation (COFINA) exposure**
  - Paid off the entire exposure of $273 million, plus accrued and unpaid interest
  - Received $152 million of uninsured COFINA Exchange Senior Bonds[1], along with cash
  - The total par recovery represents 60% of the Company's Title III claim

- **In May 2019, executed a restructuring support agreement on the Company's Puerto Rico Electric Power Authority (PREPA) exposure**
  - Closing of the restructuring transaction is subject to a number of conditions, including approval by the Title III Court and a minimum of 67% support for the Plan of Adjustment by voting bondholders
  - Upon consummation of the restructuring transaction, PREPA's revenue bonds will be exchanged into new securitization bonds issued by a special purpose corporation and secured by a segregated charge assessed on electricity bills
  - The basic terms of the restructuring support agreement calls for Assured Guaranty to receive:
    - Tranche A bonds with a par equal to 67.5% of the Company's outstanding par subject to the exchange. These bonds will be paid senior in the waterfall.
    - Tranche B bonds with a par equal to 10.0% of the Company's outstanding par subject to the exchange. These bonds will be paid after the Tranche A bonds are paid off.
    - A waiver and support fee in the form of Tranche A bonds equal to 1.885% of the par amount of PREPA bonds held or insured by Assured Guaranty.
    - Insurance premiums if Assured Guaranty chooses to insure any portion of the Tranche A and/or Tranche B bonds.

1. During the third quarter 2019, the Company sold all of its COFINA Exchange Senior Bonds.

- **Reassumption of previously ceded business has increased the unearned premium reserve and non-GAAP adjusted book value[1]**

Commutations Since 2009

As of September 30, 2019

Year	Reassumed Par ($ in billions)	Reassumed UPR ($ in millions)	Commutation Gain / (Loss) ($ in millions)
2009	$2.9	$65	$(11)
2010	15.5	104	50
2011	0.3	2	24
2012	19.2	109	82
2013	0.2	11	2
2014	1.2	20	23
2015	0.9	23	28
2016	0.0	-	8
2017	5.1	82	328
2018	1.5	64	(16)
YTD-19	1.1	15	1
Total	**$47.9**	**$495**	**$519**

Ceded Par Outstanding by Reinsurer

As of September 30, 2019

($ in millions)	Net Par Outstanding
American Overseas Re	$347
Others	$996
Total	$1,343

1. For an explanation of non-GAAP adjusted book value, which is a non-GAAP financial measure, please refer to the Appendix.

Strategic Priorities
Insurance
Acquisitions and Reinsurance of Legacy Monolines

ASSURED GUARANTY

- **Radian Asset Assurance acquisition closed on April 1, 2015**
  - Resulted in an increase of $654 million to claims-paying resources, an increase of $193 million to non-GAAP operating shareholders' equity[1] and $570 million to non-GAAP adjusted book value[1]
- **CIFG acquisition closed on July 1, 2016**
  - Resulted in a benefit of $293 million in non-GAAP operating income[1] and $512 million to non-GAAP adjusted book value[1]
- **MBIA UK Limited (MBIA UK) acquisition closed on January 10, 2017**
  - Resulted in a benefit to non-GAAP operating income[1] of $57 million, or $0.45 per share, at the acquisition date
  - MBIA UK was subsequently renamed AGLN
  - AGLN transferred its insurance portfolio to and merged with and into AGE on November 7, 2018
- **Syncora Guarantee Inc. (SGI) reinsurance transaction closed on June 1, 2018**
  - Resulted in $11.3 billion of gross written par and $391 million of PVP[1], which helped lead the Company to a 10-year record high for PVP[1]
  - Increased non-GAAP adjusted book value[1] by $2.25 per share

1. For explanations of non-GAAP financial measures, please refer to the Appendix.

Strategic Priorities
Asset Management and Alternative Investments

- **On October 1, 2019, Assured Guaranty completed the acquisition of all of the outstanding equity interests in BlueMountain and its associated entities for approximately $160 million**
  - Assured Guaranty contributed $60 million of cash to BlueMountain at closing and intends to contribute an additional $30 million in cash within a year from closing.
  - In addition to the cash and common stock included in the acquisition, Assured Guaranty intends to invest $500 million into BlueMountain funds, CLOs and/or separately managed accounts
  - As of the date of acquisition, BlueMountain managed $18.3 billion in assets across CLOs and long-duration opportunity funds that build on its corporate credit, asset-backed finance and healthcare experience, as well as certain funds now subject to orderly wind-down.
- **In February 2018, the Company acquired a minority interest in Rubicon Infrastructure Advisors**
  - Rubicon is a firm based in Dublin, Ireland that provides investment banking services in the global infrastructure sector
- **In September 2017, the Company acquired a minority interest in Wasmer, Schroeder & Company LLC**
  - Independent investment advisory firm specializing in separately managed accounts (SMAs)
  - Approximately $9 billion of assets under management
- **In February 2017, the Company agreed to its first major asset management investment**
  - The Company agreed to purchase up to $100 million of limited partnership interests in a fund that invests in the equity of private equity managers; as of September 30, 2019, $86 million had been invested.
- **The Company intends to use the investment knowledge and experience acquired with BlueMountain to expand the categories and types of investments included in its investment portfolio**
- **The Company plans to continue its current capital management strategy, including share repurchases, while continuing to investigate additional opportunities in the asset management business**

Financial Strength Ratings

- **In November 2019, S&P affirmed the AA (stable outlook) financial strength ratings of AGM & MAC**
  - S&P found the Assured Guaranty group's capital adequacy ratio to be "well above 1.0x" their AAA requirement
  - The affirmation was based on new methodologies S&P published in July 2019 for rating insurers in general and analyzing bond insurance capital adequacy.
  - Importantly, S&P's capital-adequacy analysis included an analysis of Assured Guaranty's potential near-term and prospective stress-case losses related to PREPA under the electric utility's negotiated restructuring support agreement.
  - Additionally, with regard to remaining Puerto Rico exposure other than PREPA, S&P believes Assured Guaranty's capital position could absorb future losses of roughly $3.4 billion, which is $1.9 billion more than the total capital cushion S&P reported for year-end 2013, the last time S&P publicly specified bond insurer capital cushions. In this scenario, which includes loss payments up to 55% of remaining debt service due each year beginning in 2020, there would be no change in its assessment of Assured Guaranty's capital and earnings, without accounting for any other factors.

Financial Strength Ratings

As of September 30, 2019

	S&P	Moody's	KBRA
Assured Guaranty Municipal[1]	AA stable outlook	A2 stable outlook	AA+ stable outlook
MAC	AA stable outlook	Not Rated	AA+ stable outlook
AGC	AA stable outlook	(*)	AA stable outlook

(*) Assured Guaranty requested in January 2017 that Moody's drop its rating of AGC; Moody's declined, and continues to rate AGC

- **KBRA has affirmed all of its Assured Guaranty ratings in the past year: AGC at AA (stable outlook) in November 2018; MAC at AA+ (stable outlook) in July 2019; and Assured Guaranty Municipal[1] at AA+ (stable outlook) in December 2018**
  - KBRA noted each Company's ability to withstand their conservative stress case loss assumptions, a mature and high-functioning operating platform and a strong management team
- **In August 2019, Moody's affirmed the A2 (stable outlook) insurance financial strength rating of AGM[1]**

1. Please see page 3 for a definition of this convention.

Net Par Outstanding Amortization

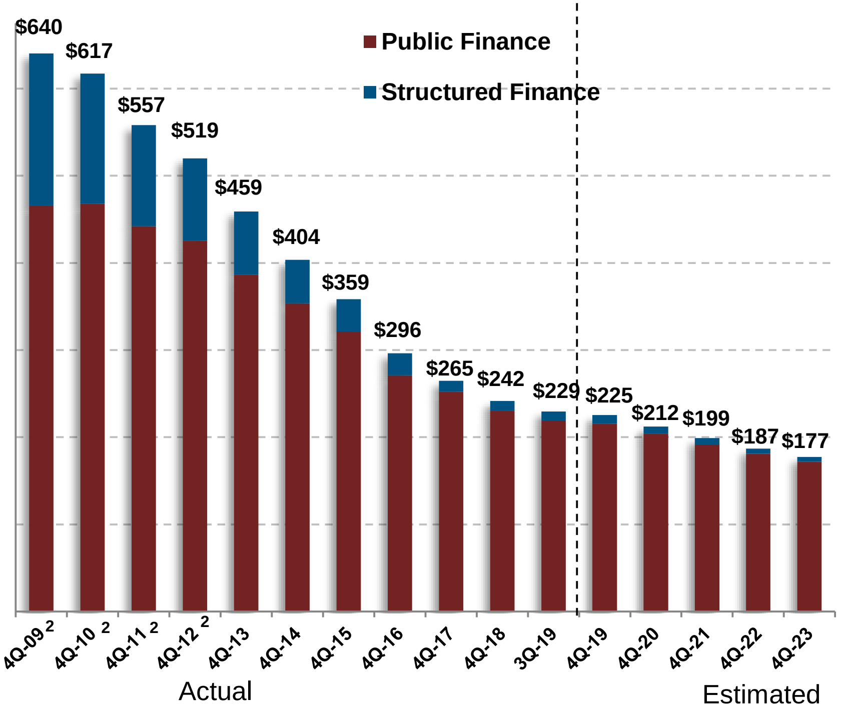
- **Amortization of the existing portfolio reduces rating agency capital charges, but also embedded future earned premiums**
  - Currently, the existing portfolio consists of $219 billion of public finance and $10 billion of structured finance
  - The existing portfolio (excluding future new business) will amortize by 7% by the end of 2020; 23% by the end of 2023

- **New direct or assumed business originations, reassumptions and acquisitions will increase future premiums**

Consolidated Net Par Outstanding Amortization[1]

As of September 30, 2019

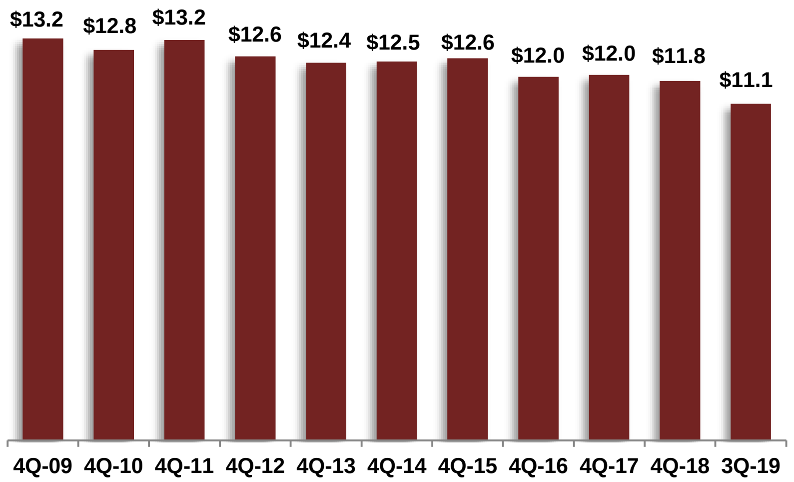
($ in billions)



1. Represents the future expected amortization of existing net par outstanding as of September 30, 2019. Actual amortization of the existing portfolio will differ from the expected shown here because, for example, (1) some obligors may call, prepay or defease guaranteed obligations (e.g., in the context of U.S. public finance refundings), and (2) the expected amortization of structured finance transactions is based in part on management's assumptions regarding the performance of the underlying assets while the actual performance of those assets may differ from management's assumptions. Actual amortization of the U.S. public and global infrastructure finance portfolio and the structured finance portfolio may be faster or slower than expected by management, both portfolios may differ in the same direction, and one portfolio may amortize more quickly while the other may amortize more slowly.
2. Gross of wrapped bond purchases made primarily for loss mitigation.

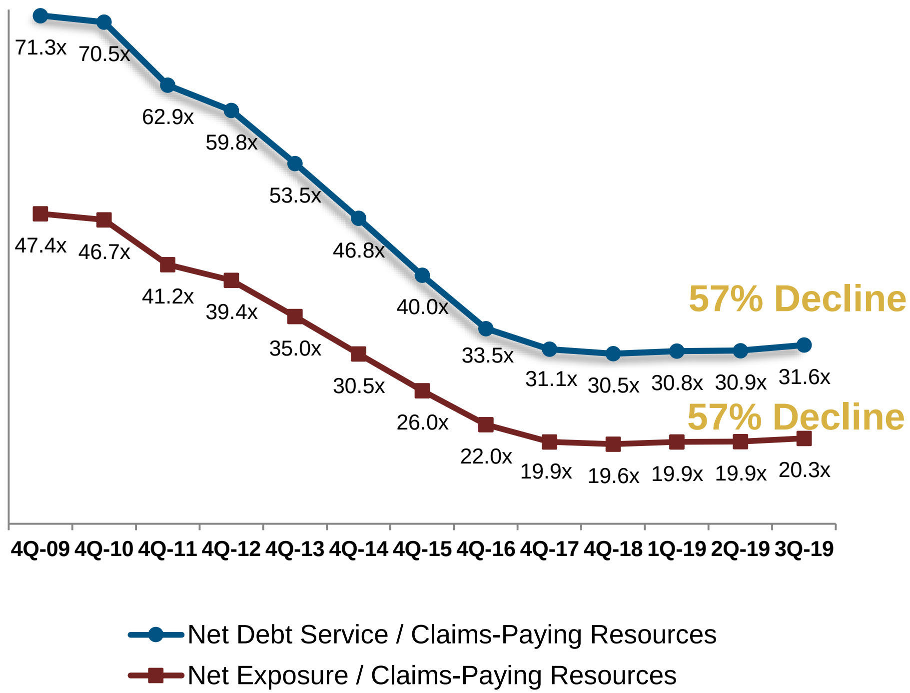
Assured Guaranty Today
Insured Portfolio and Capital Changes Since the Global Financial Crisis

Claims-Paying Resources
$ in billions



- **Assured Guaranty's robust business model and successful surveillance, loss mitigation and acquisition strategies, along with our access to capital in debt and equity markets, enabled us to maintain a strong financial position during and since the Great Recession**
- **Since our acquisition of AGM in July 2009, group claims-paying resources declined modestly relative to the approximately $10 billion paid out in gross policyholder claims**
- **Of those claims, approximately 80% were RMBS, 15% public finance and the rest other asset classes**

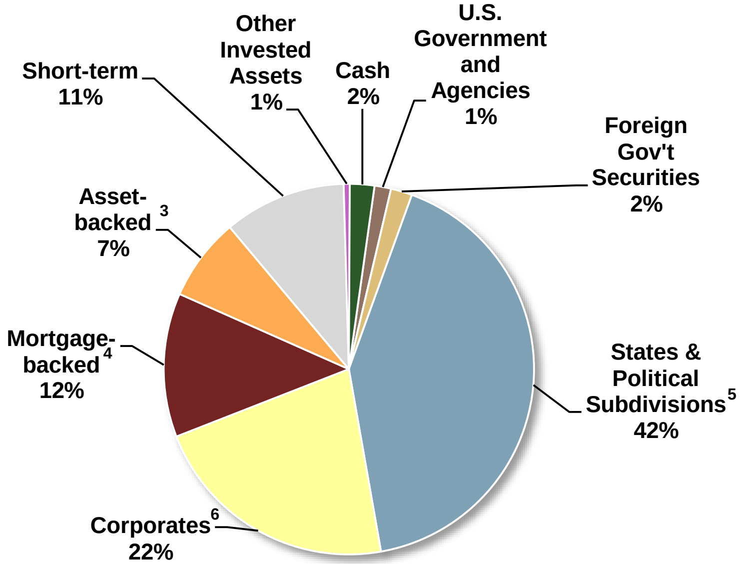
Insured Leverage



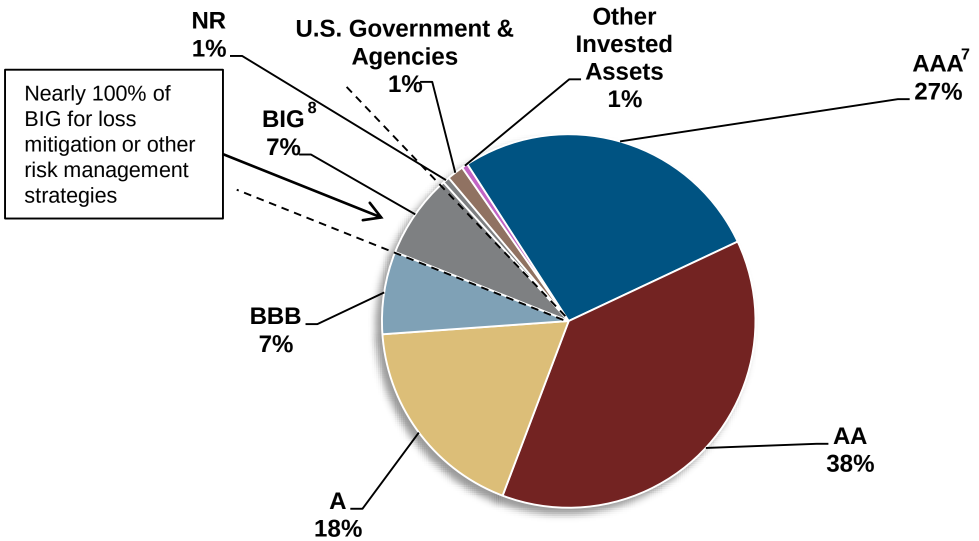
- **Since our acquisition of AGM in July 2009, group insured leverage as a multiple of claims-paying resources has declined by more than 50%**

AGL Consolidated
Investment Portfolio
Fair Value as of September 30, 2019

Total Invested Assets and Cash[1] By Category



Total Invested Assets and Cash[1] By Rating[2]

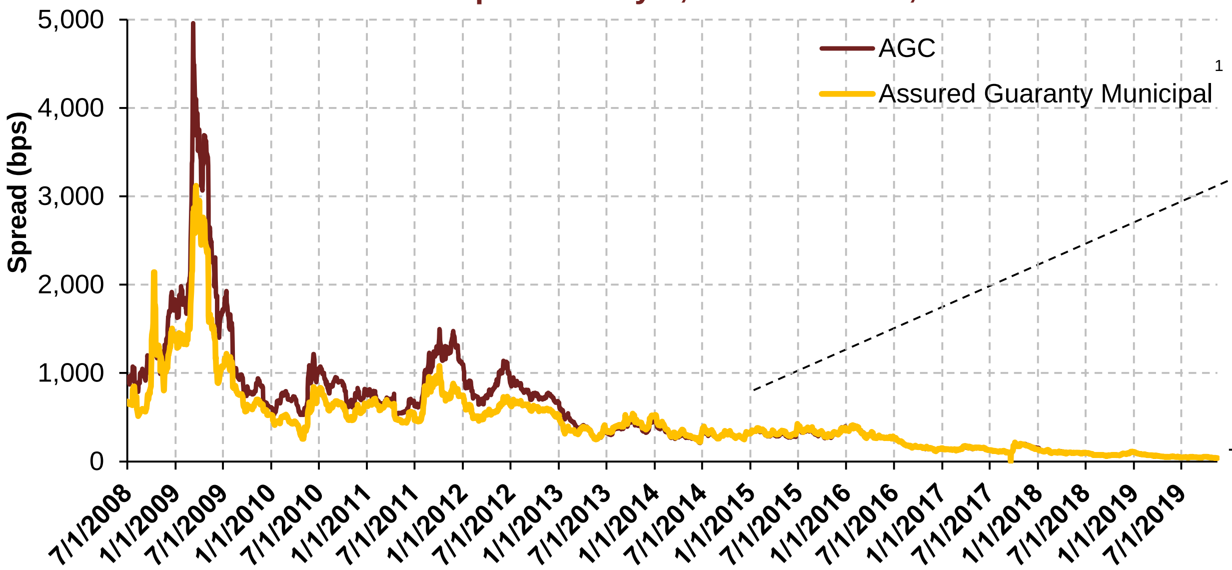


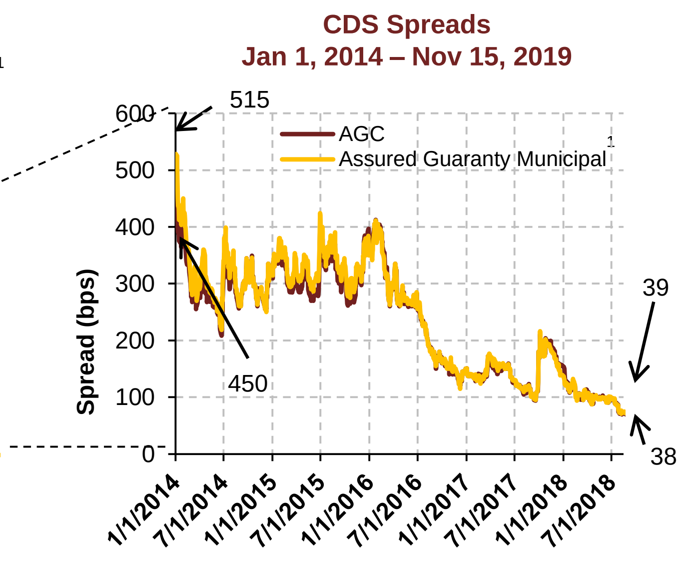
Total = $10.7 billion

1. Includes fixed maturity securities, short-term investments, cash and Other Invested Assets.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for securities purchased or obtained as part of loss mitigation or other risk management strategies, which use internal ratings classifications.
3. Included in the asset-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $390 million. Asset-backed securities not purchased or obtained as part of loss mitigation or other risk management strategies have a fair value of $385 million and an average rating of AA+.
4. Included in the mortgage-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $319 million and agency-backed securities with a fair value of $586 million. The remaining securities have a fair value of $441 million and an average rating of AAA.
5. Included in the states & political subdivisions category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $108 million.
6. Included in the corporates category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $46 million.
7. Included in the AAA category are short-term securities and cash.
8. Included in the BIG category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $781 million.

Credit Default Swap Spreads

- Movements in credit default swap (CDS) levels for Assured Guaranty Municipal[1] and AGC continue to be significantly affected by technical factors such as supply/demand imbalance and light trading volume
- The deterioration in the asset-backed securities market's pricing through first quarter 2009 expanded demand for CDS protection on Assured Guaranty Municipal[1] and AGC by fixed income holders of Assured Guaranty Municipal[1] and AGC insured paper as they sought to hedge exposure, thereby exacerbating the supply/demand imbalance
- AGM Consolidated[1] and AGC's 5-year CDS bid prices peaked in mid-March 2009 at 3,120 bps and 4,961 bps, respectively
- 5-year CDS levels for Assured Guaranty Municipal[1] and AGC have rallied considerably since March 2009 as a result of the improvement in general market fundamentals, the market's positive reaction to the July 2009 AGMH acquisition, our successes in loss mitigation, the deleveraging of our insured portfolio, and our record of positive operating results
- On November 15, 2019, the 5-year CDS levels for Assured Guaranty Municipal[1] and AGC both came in by 99 percent of their mid-March 2009 levels
- Between January 1, 2014 and November 15, 2019, CDS levels for Assured Guaranty Municipal[1] and AGC came in by 92 and 91 percent, respectively, from their highs during this period. As of November 15, 2019, Assured Guaranty Municipal[1] and AGC's CDS were at approximately 39 bps and 38 bps, respectively.





Source: CMA – Represents end-of-day bid price for 5-year protection, modified restructuring credit event spreads at New York close.

1. Please see page 3 for a definition of this convention.

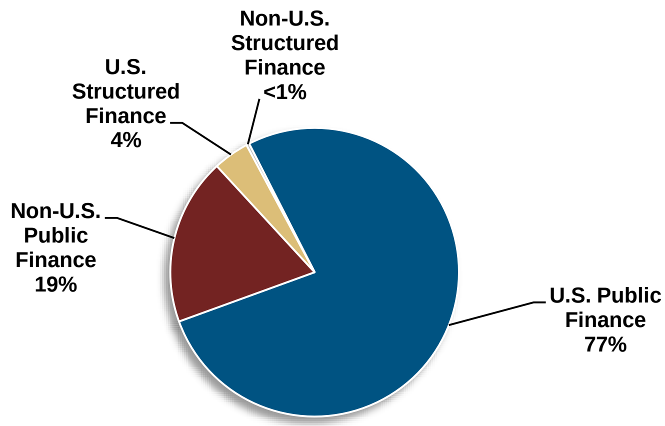
Assured Guaranty Ltd. Consolidated Insured Portfolio Overview

AGL Consolidated

Insured Portfolio

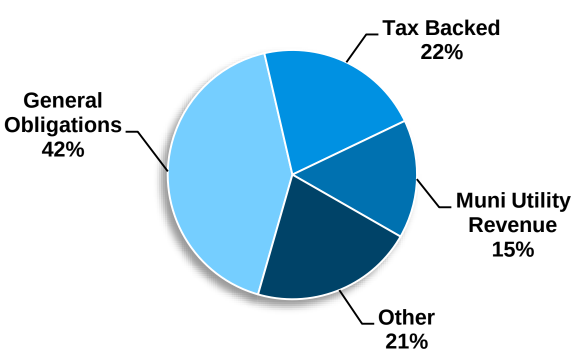
Net Par Outstanding as of September 30, 2019

Portfolio Diversification by Sector



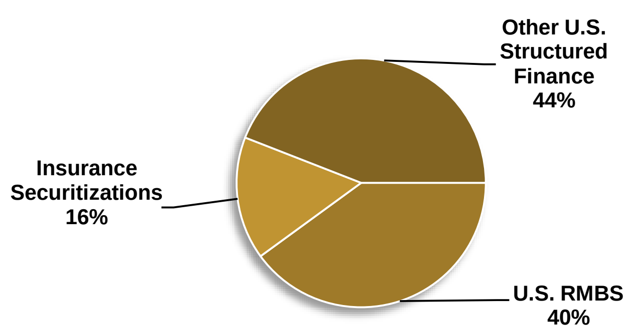
$229.4 billion[1,2]

U.S. Public Finance Portfolio



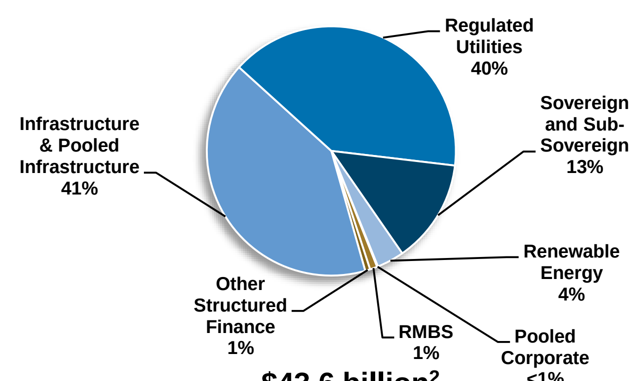
$176.5 billion[2]

U.S. Structured Finance Portfolio



$9.2 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance



$43.6 billion[2]

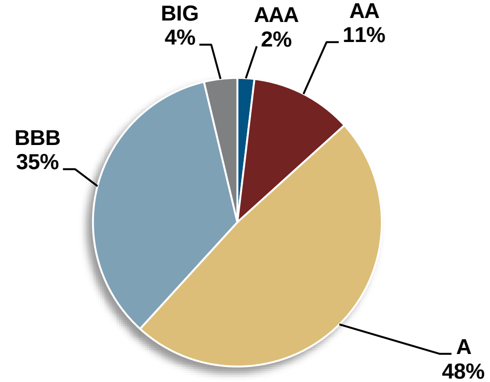
1. Includes GICs. Please see the footnote on page 38.
2. Consolidated amounts include those of AG Re except AG Re's non-financial guaranty net exposure of $1.1 billion.

AGL Consolidated

Insured Portfolio Ratings

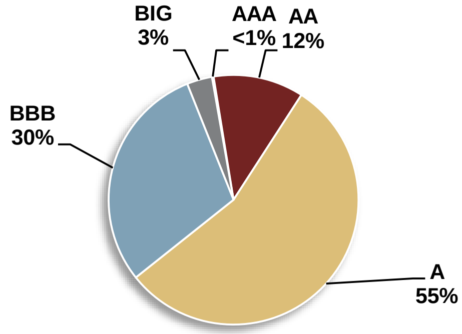
Net Par Outstanding as of September 30, 2019

Portfolio Diversification by Rating



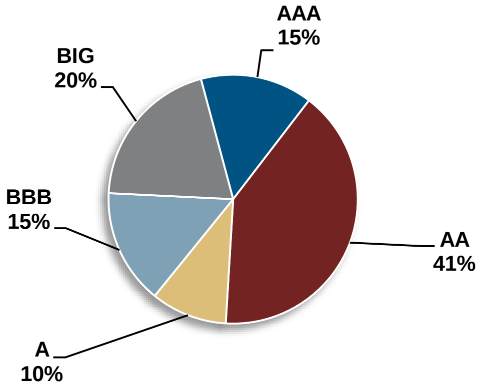
$229.4 billion[1,2]

U.S. Public Finance Portfolio



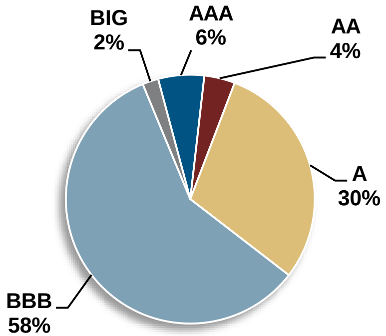
$176.5 billion[2]

U.S. Structured Finance Portfolio



$9.2 billion[1,2]

Non-U.S. Portfolios
Public & Structured Finance



$43.6 billion[2]

1. Includes GICs. Please see the footnote on page 38.
2. Consolidated amounts include those of AG Re except AG Re's non-financial guaranty net exposure of $1.1 billion.

Public Finance

Puerto Rico Exposure

ASSURED GUARANTY

Par Exposure to the Commonwealth and its Agencies[1,2]

As of September 30, 2019

	($ in millions)	AGM	AGC	AG Re	Elimi-nations	Net Par O/S	Gross Par O/S
Commonwealth Constitutionally Guaranteed	Commonwealth of Puerto Rico - General Obligation Bonds [3]	$611	$268	$375	$(1)	$1,253	$1,294
	Puerto Rico Public Buildings Authority (PBA) [3]	7	139	1	(7)	140	145
	Subtotal	**$618**	**$407**	**$376**	**$(8)**	**$1,393**	**$1,439**
Public Corporations – Certain Revenues Potentially Subject to Clawback	Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation Revenue Bonds) [3]	$223	$481	$186	$(79)	$811	$842
	Puerto Rico Highways and Transportation Authority (PRHTA) (Highways Revenue Bonds) [3]	345	74	35	-	454	515
	Puerto Rico Convention Center District Authority (PRCCDA)	-	152	-	-	152	152
	Puerto Rico Infrastructure Financing Agency (PRIFA)	-	15	1	-	16	16
	Subtotal	**$568**	**$722**	**$222**	**$(79)**	**$1,433**	**$1,525**
Other Public Corporations	Puerto Rico Electric Power Authority (PREPA) [3,4]	$525	$71	$226	$-	822	838
	Puerto Rico Aqueduct and Sewer Authority (PRASA) [5]	-	284	89	-	373	373
	Puerto Rico Municipal Finance Agency (MFA) [5]	153	33	62	-	248	282
	University of Puerto Rico (U of PR) [5]	-	1	-	-	1	1
	Subtotal	**$678**	**$389**	**$377**	**$-**	**$1,444**	**$1,494**
	Total	**$1,864**	**$1,518**	**$975**	**$(87)**	**$4,270**	**$4,458**

1. The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are all rated BIG, with the exception of certain second-to-pay policies between the Company's insurance subsidiaries.
2. During the third quarter 2019, the Company sold all of its COFINA Exchange Senior Bonds.
3. As of the date of the Company's 2019 3rd quarter 10-Q 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. On May 3, 2019, the Company entered into a restructuring support agreement with PREPA and other stakeholders. See Assured Guaranty's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019.
5. As of the date of the Company's 2019 3rd quarter 10-Q filing, the Company has **not** paid claims on these credits.

Public Finance

Puerto Rico Exposure

Scheduled Net Par Amortization of Exposure to the Commonwealth and its Agencies

As of September 30, 2019

($ in millions)	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2047	Total
Commonwealth – GO	$-	$-	$-	$141	$-	$15	$37	$14	$73	$68	$34	$90	$33	$341	$407	$-	$-	**$1,253**
PBA	-	-	-	5	-	13	-	7	-	6	11	40	1	37	20	-	-	**140**
Subtotal	**$-**	**$-**	**$-**	**$146**	**$-**	**$28**	**$37**	**$21**	**$73**	**$74**	**$45**	**$130**	**$34**	**$378**	**$427**	**$-**	**$-**	**$1,393**
PRHTA (Transportation Revenue)	$-	$-	$-	$25	$-	$18	$28	$33	$4	$29	$24	$29	$34	$126	$296	$165	$-	**811**
PRHTA (Highways Revenue)	-	-	-	22	-	35	6	32	33	34	1	-	9	145	137	-	-	**454**
PRCCDA	-	-	-	-	-	-	-	-	-	-	-	19	-	50	83	-	-	**152**
PRIFA	-	-	-	-	-	-	-	2	-	-	-	-	-	-	3	11	-	**16**
Subtotal	**$-**	**$-**	**$-**	**$47**	**$-**	**$53**	**$34**	**$67**	**$37**	**$63**	**$25**	**$48**	**$43**	**$321**	**$519**	**$176**	**$-**	**$1,433**
PREPA	$-	$-	$-	$48	$-	$28	$28	$95	$93	$68	$106	$105	$68	$174	$9	$-	$-	**$822**
PRASA	-	-	-	-	-	-	-	-	1	25	27	28	29	-	2	-	261	**373**
MFA	-	-	-	45	-	40	40	22	18	17	34	12	10	10	-	-	-	**248**
U of PR	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	**1**
Subtotal	**$-**	**$-**	**$-**	**$93**	**$-**	**$68**	**$68**	**$117**	**$112**	**$110**	**$167**	**$145**	**$107**	**$185**	**$11**	**$-**	**$261**	**$1,444**
Total	**$-**	**$-**	**$-**	**$286**	**$-**	**$149**	**$139**	**$205**	**$222**	**$247**	**$237**	**$323**	**$184**	**$884**	**$957**	**$176**	**$261**	**$4,270**

Public Finance
Puerto Rico Exposure

Scheduled Net Debt Service Amortization of Exposure to the Commonwealth and its Agencies

As of September 30, 2019

($ in millions)	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2047	Total
[redacted]																		
Commonwealth – GO	$-	$33	$-	$173	$-	$74	$94	$70	$128	$119	$82	$136	$74	$512	$457	$-	$-	**$1,952**
PBA	-	4	-	9	-	20	6	13	6	13	17	45	3	50	23	-	-	**209**
Subtotal	**$-**	**$37**	**$-**	**$182**	**$-**	**$94**	**$100**	**$83**	**$134**	**$132**	**$99**	**$181**	**$77**	**$562**	**$480**	**$-**	**$-**	**$2,161**
[redacted]																		
PRHTA (Transportation Revenue)	$-	$21	$-	$46	$-	$59	$68	$72	$41	$65	$59	$63	$66	$262	$375	$180	$-	**$1,377**
PRHTA (Highways Revenue)	-	12	-	34	-	58	27	52	51	51	17	15	25	208	152	-	-	**702**
PRCCDA	-	3	-	3	-	7	7	7	7	7	7	26	6	79	91	-	-	**250**
PRIFA	-	-	-	-	-	1	1	3	1	1	1	1	-	3	7	12	-	**31**
Subtotal	**$-**	**$36**	**$-**	**$83**	**$-**	**$125**	**$103**	**$134**	**$100**	**$124**	**$84**	**$105**	**$97**	**$552**	**$625**	**$192**	**$-**	**$2,360**
[redacted]																		
PREPA	$3	$17	$3	$65	$3	$63	$62	$128	$121	$91	$126	$122	$81	$198	$9	$-	$-	**$1,092**
PRASA	-	10	-	10	-	19	19	19	20	45	44	44	44	68	70	67	300	**779**
MFA	-	6	-	52	-	50	48	28	23	21	37	14	11	11	-	-	-	**301**
U of PR	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	**1**
Subtotal	**$3**	**$33**	**$3**	**$127**	**$3**	**$132**	**$129**	**$175**	**$164**	**$157**	**$207**	**$180**	**$136**	**$278**	**$79**	**$67**	**$300**	**$2,173**
Total	**$3**	**$106**	**$3**	**$392**	**$3**	**$351**	**$332**	**$392**	**$398**	**$413**	**$390**	**$466**	**$310**	**$1,392**	**$1,184**	**$259**	**$300**	**$6,694**

AGL Consolidated
Detroit & Stockton Exposure

Details of Assured Guaranty's Exposure to Detroit

- **Municipal utilities exposure is $429 million of water revenue bonds and $970 million of sewer revenue bonds. Both the water and sewer systems provide services to areas that extend significantly beyond the City of Detroit boundaries.**

- **General obligation unlimited tax exposure has been resolved**
  - In 3Q-14, the settlement between the Company and City of Detroit regarding unlimited tax general obligation bonds was finalized. In December 2014, the City's plan of adjustment, which includes the terms of such settlement, became effective. At that time, investors exchanged 84.5% of the original general obligation bonds for newly issued bonds that are basically identical to the original bonds except that they have the benefit of additional pledged security and are issued by the Michigan Finance Authority. The remaining 15.5% of the general obligation bonds will be repaid solely by Assured Guaranty. After giving effect to post-petition payments made by Assured Guaranty on the general obligation bonds, the settlement results in an ultimate recovery to Assured Guaranty of approximately 74%.

Details of Assured Guaranty's Exposure to Stockton

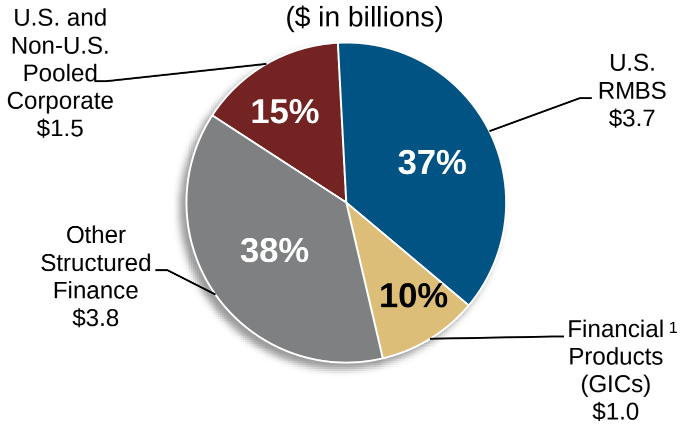
- **Net par exposure to Stockton is $107 million of pension obligation bonds**

- **The City of Stockton's plan of adjustment, which became effective on February 25, 2015, includes the terms of the Company's settlement with Stockton, under which the Company receives net revenues from an office building and has the irrevocable option to take title to that building, and is entitled to certain fixed payments and certain variable payments contingent on Stockton's revenue growth.**

Structured Finance Exposures
Net Par Outstanding

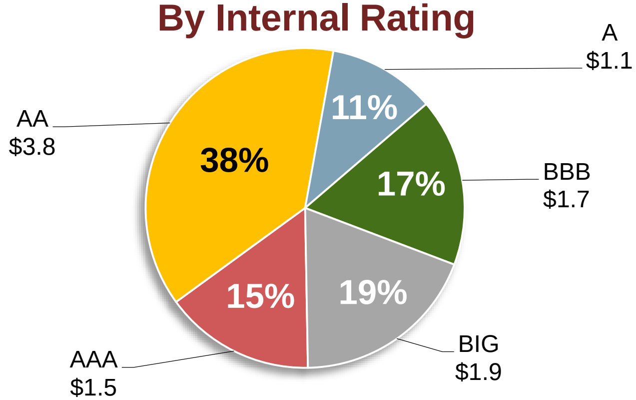
By Type

As of September 30, 2019
($ in billions)



$10.0 billion, A- average rating

By Internal Rating



- **Assured Guaranty's total structured finance exposure of $240.9 billion at December 31, 2007 has declined by $230.9 billion to $10.0 billion through September 30, 2019, a 96% reduction**
  - The existing portfolio will amortize by 14% by the end of 2020; 46% by the end of 2023

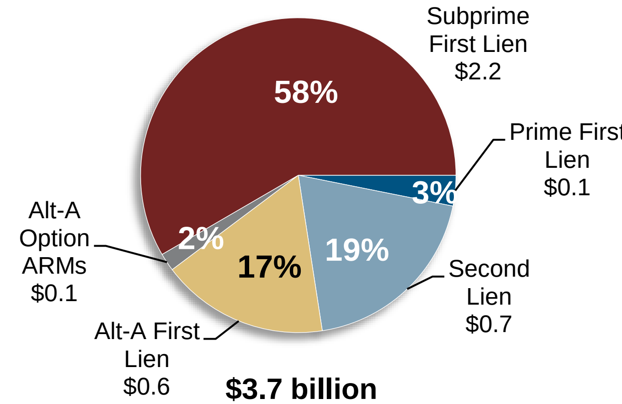
1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia.

Consolidated U.S. RMBS

- **Our $3.7 billion U.S. RMBS portfolio is amortizing both on a dollar basis and as a percentage of the portfolio**
  - Total U.S. RMBS has declined from $29.2 billion at December 31, 2009 to $3.7 billion at September 30, 2019, a $25.5 billion, or 87% reduction
  - U.S. RMBS expected to be reduced by 20% by year-end 2020 and by 52% by year-end 2023
  - As of September 30, 2019, U.S. RMBS exposure excludes $1.0 billion of net par related to loss mitigation strategies, including loss mitigation securities held in the investment portfolio
- **Our loss reserving methodology is driven by our assumptions on several factors:**
  - Liquidation rates
  - Conditional default rates
  - Conditional prepayment rates
  - Loss severity
  - Interest Rates
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Termination of insurance on BIG credits

U.S. RMBS by Exposure Type[1]

As of September 30, 2019
($ in billions)

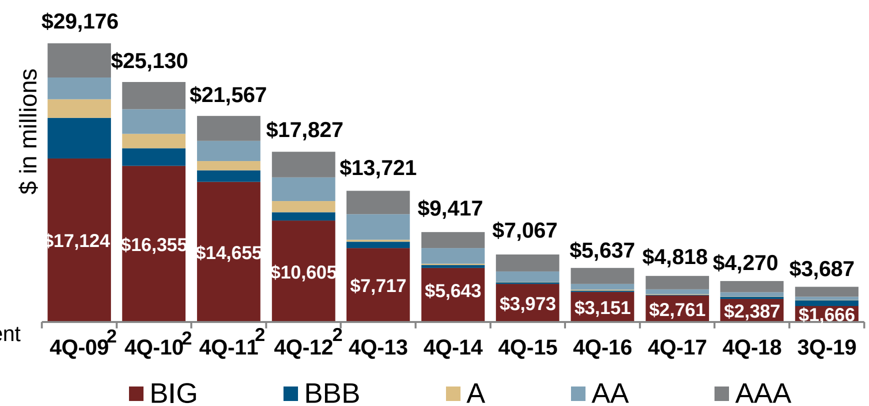


$3.7 billion

(1.6% of total net par outstanding)

U.S. RMBS by Rating

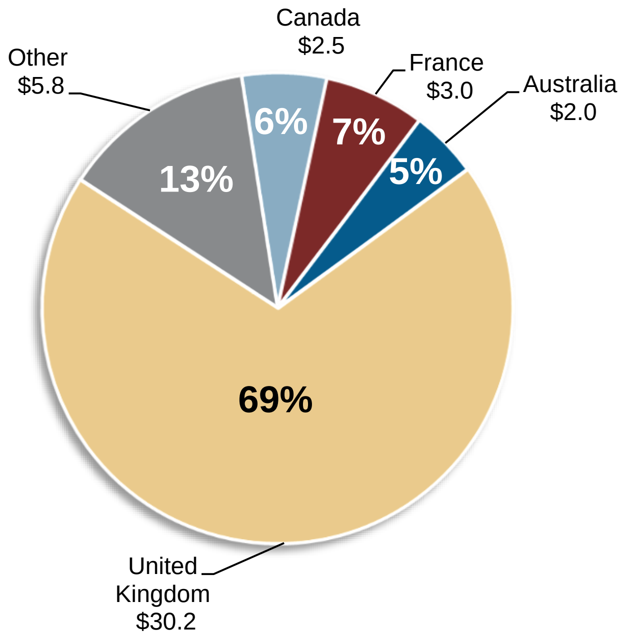
Net Par Outstanding from December 31, 2009 to September 30, 2019



1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to collateralized reinsurance arrangements.
2. Gross of wrapped bond purchases made primarily for loss mitigation

Consolidated Non-U.S. Exposure
Non-U.S. Public and Structured Finance

Non-U.S. Exposure
As of September 30, 2019
($ in billions)



$43.6 billion, BBB+ average rating

- **98% of non-U.S. exposure is Public Finance**
  – Direct sovereign debt is limited to Poland ($288 million outstanding) and Mexico ($50 million)
- **2% of non-U.S. exposure is Structured Finance**

AGM Portfolio Review

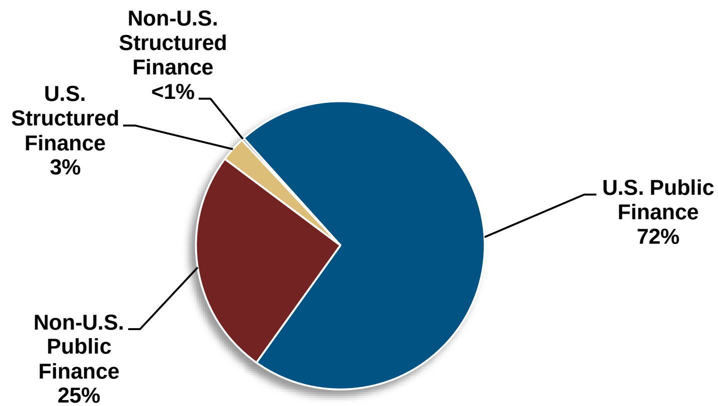
Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

AGM[1]

Insured Portfolio

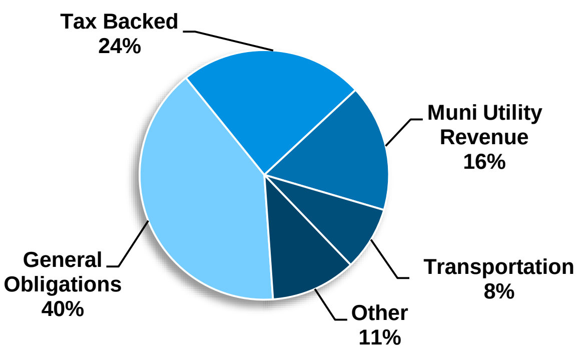
Net Par Outstanding as of September 30, 2019

Portfolio Diversification by Sector



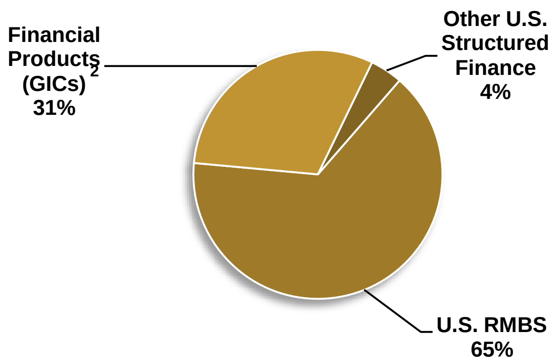
$118.4 billion[2]

U.S. Public Finance Portfolio



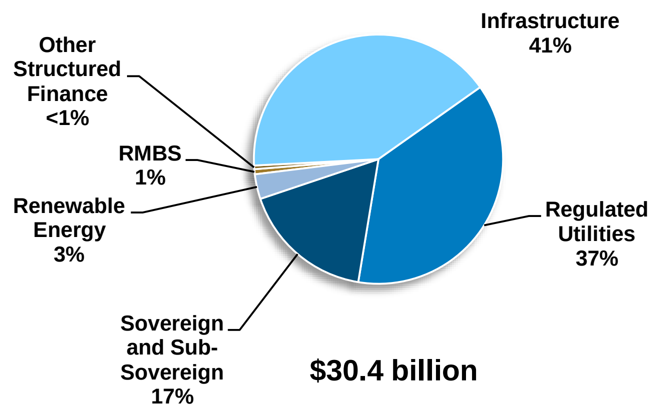
$84.7 billion

U.S. Structured Finance Portfolio



$3.3 billion

Non-U.S. Portfolios Public & Structured Finance



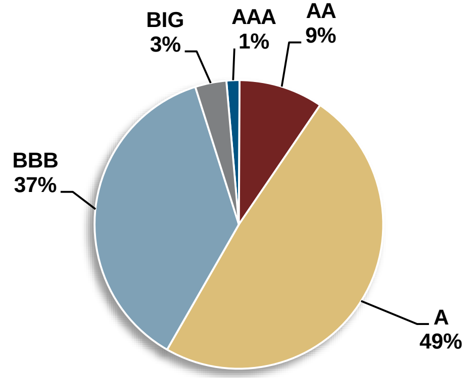
$30.4 billion

1. Please see page 3 for a definition of this convention.
2. Please see the footnote on page 38.

AGM[1]

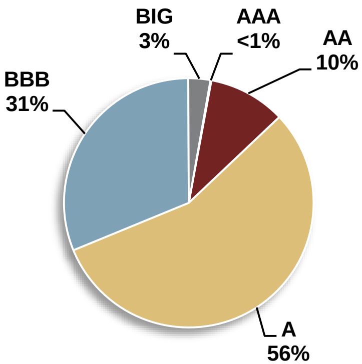
Insured Portfolio Ratings
Net Par Outstanding as of September 30, 2019

Portfolio Diversification by Rating



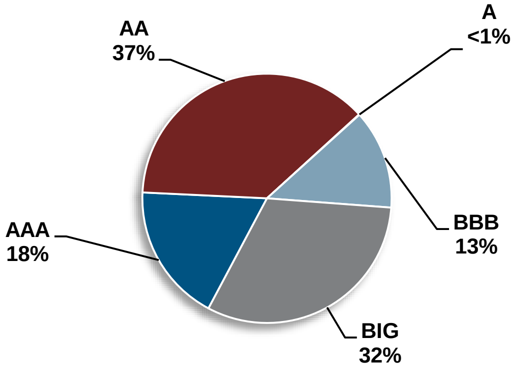
$118.4 billion[2]

U.S. Public Finance Portfolio



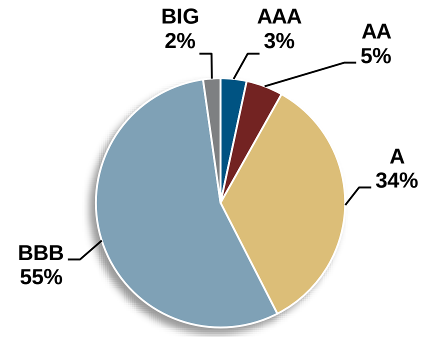
$84.7 billion

U.S. Structured Finance Portfolio



$3.3 billion[2]

Non-U.S. Portfolios
Public & Structured Finance



$30.4 billion

1. Please see page 3 for a definition of this convention.
2. Includes GICs. Please see the footnote on page 38.

AGM[1]
Insured Portfolio
Net Par Outstanding as of September 30, 2019

Net Par Outstanding By Asset Type
($ in millions)

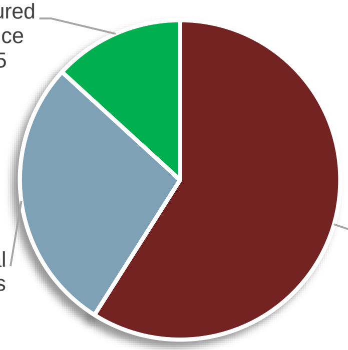
	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 34,124	A-
Tax backed	20,237	A-
Municipal utilities	13,944	A-
Transportation	7,013	A-
Healthcare	4,058	A-
Higher education	2,919	A-
Infrastructure finance	1,242	BBB
Housing revenue	773	BBB+
Renewable energy	17	A
Other public finance	366	A-
Total U.S. public finance	84,693	A-
Non-U.S. public finance:		
Infrastructure finance	12,458	BBB
Regulated utilities	11,355	BBB+
Sovereign and sub-sovereign	5,235	A
Renewable energy	977	A+
Total non-U.S. public finance	30,025	BBB+
Total public finance	**$ 114,718**	**A-**

	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
RMBS	$ 2,161	BBB-
Financial products[2]	1,020	AA-
Other structured finance	140	A-
Total U.S. structured finance	3,321	BBB+
Non-U.S. structured finance:		
RMBS	200	BBB+
Other structured finance	143	AA
Total non-U.S. structured finance	343	A
Total structured finance	**$ 3,664**	**BBB+**
Total net par outstanding	**$ 118,382**	**A-**

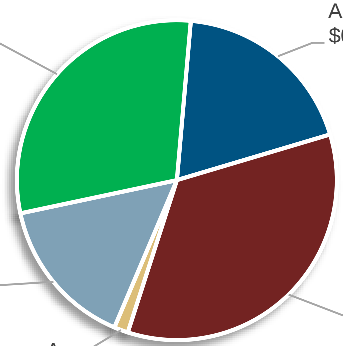
1. Please see page 3 for a definition of this convention.
2. Financial Products (GICs). Please see the footnote on page 38.

AGM[1] Projected Amortization of Global Insured Structured Finance Portfolio

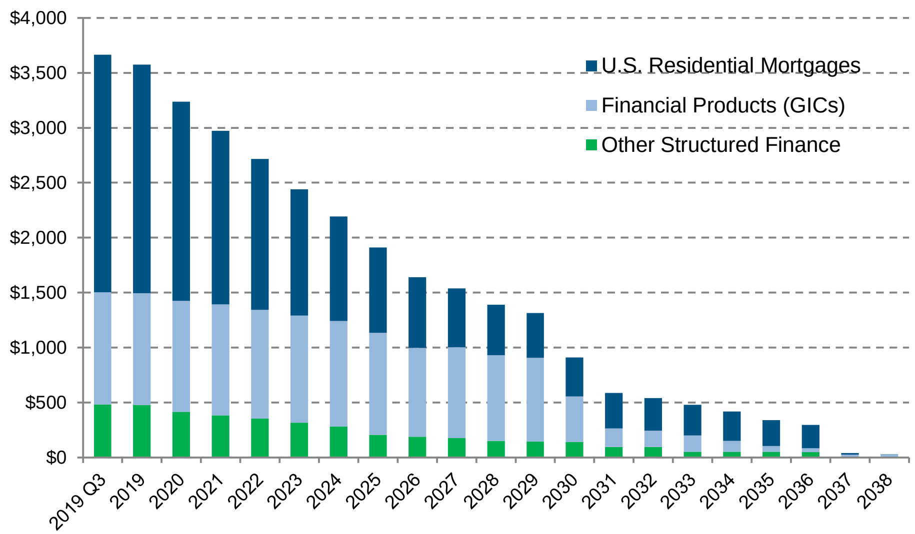
Portfolio Diversification by Sector



Portfolio Diversification by Rating



$3.7 Billion Net Par Outstanding[2]
As of September 30, 2019
($ in billions)



- We expect AGM's[1] legacy global structured finance insured portfolio ($3.7 billion as of September 30, 2019 versus $127.3 billion as of September 30, 2008) to continue to amortize – 2% by year-end 2019 and 19% by year-end 2021.
  - $2.2 billion in U.S. RMBS expected to be reduced by 4% by year-end 2019 and by 27% by year-end 2021
  - $0.5 billion in other structured finance (excluding FP) expected to be reduced by 2% by year-end 2019 and by 21% by year-end 2021
- Former FP business ($1.0 billion of this $3.7 billion) was not part of Assured Guaranty's purchase; Assured Guaranty is indemnified against exposure to the FP business by Dexia.

1. Please see page 3 for a definition of this convention.
2. Please see footnote 1 on page 27.
3. Please see the footnote on page 38.

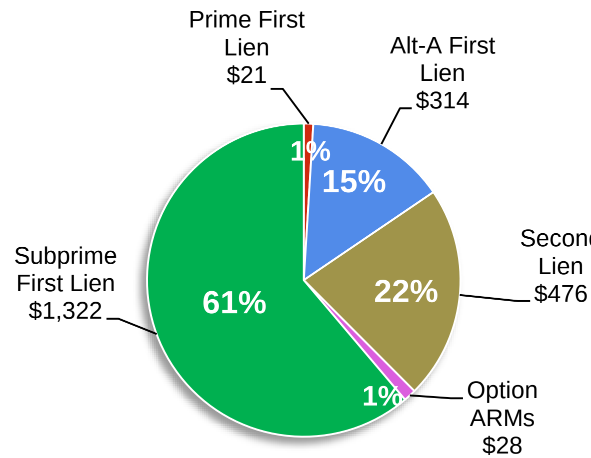
AGM[1] U.S. RMBS Exposure

- **AGM's[1] U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - $2.2 billion net par outstanding versus $17.1 billion at year-end 2008, a decrease of 87%
  - 1.8% of total net par outstanding versus 4.0% at year-end 2008
  - No U.S. RMBS underwritten since January 2008
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations of below investment grade credits

By Type

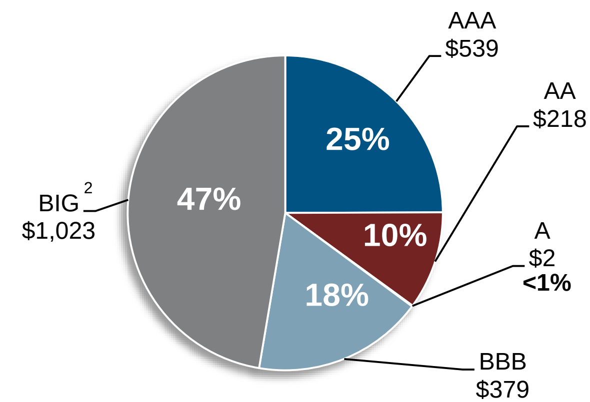
As of September 30, 2019

($ in millions)



$2.2 billion, 1.8% of net par outstanding

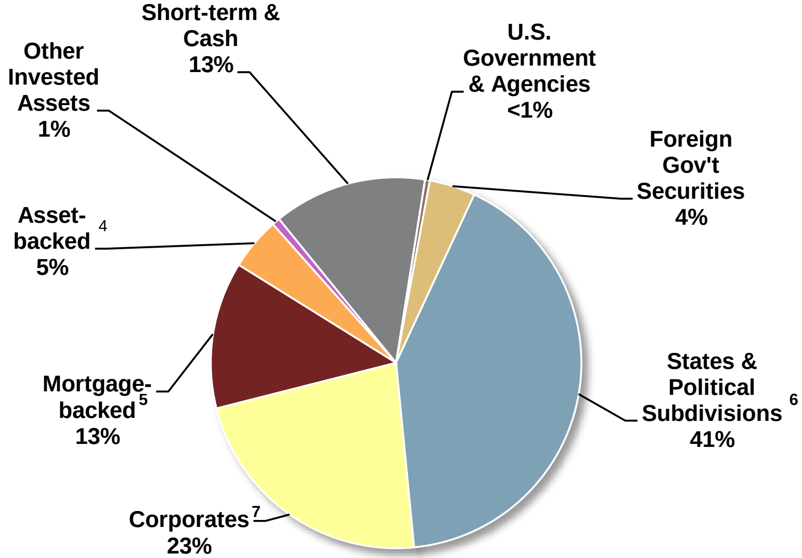
By Rating



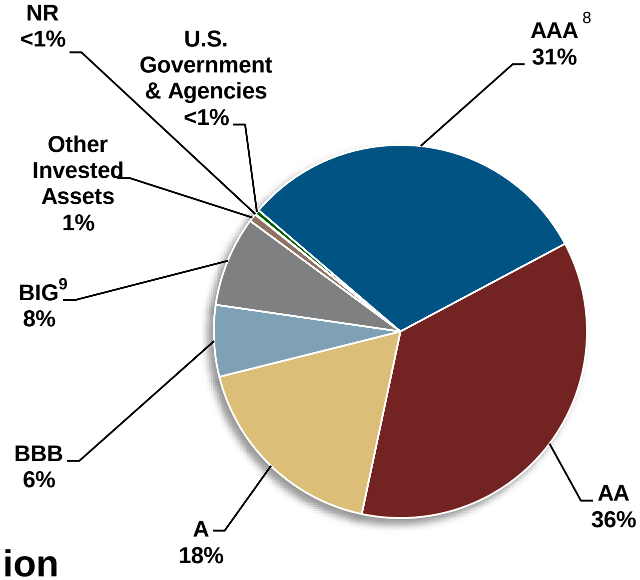
1. Please see page 3 for a definition of this convention.
2. Please see footnote 1 on page 39.

AGM[1]
Investment Portfolio
Fair Value as of September 30, 2019

Total Invested Assets and Cash[2] By Category



Total Invested Assets and Cash[2] By Rating[3]



Total = $4.9 billion

1. Please see page 3 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Includes fixed maturity securities, short-term investments, cash and Other Invested Assets (excluding surplus note).
3. Ratings are represented by the lower of the Moody's and S&P classifications except for securities purchased or obtained as part of loss mitigation or other risk management strategies, which use internal ratings classifications.
4. Included in the asset-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $30 million. Asset-backed securities not purchased or obtained as part of loss mitigation or other risk management strategies have a fair value of $196 million and an average rating of AAA.
5. Included in the mortgage-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $298 million and agency-backed securities with a fair value of $131 million. The remaining securities have a fair value of approximately $205 million and an average rating of AAA.
6. Included in the states & political subdivisions category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $35 million.
7. Included in the corporates category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $46 million.
8. Included in the AAA category are short-term securities and cash.
9. Included in the BIG category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $386 million.

AGM Consolidated Expected Loss and LAE to Be Paid
Three Months Ended September 30, 2019

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Three Months Ended September 30, 2019

	Net Expected Loss to be Paid (Recovered) as of Jun 30, 2019	Economic Loss Development (Benefit) During 3Q-19	(Paid) Recovered Losses During 3Q-19	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2019
Public Finance:				
U.S. public finance	$231	$20	$(115)	$136
Non-U.S. public finance	18	5	-	23
Public Finance:	249	25	(115)	159
Structured Finance				
U.S. RMBS[2]	64	(34)	11	41
Other structure finance	8	-	-	8
Structured Finance:	72	(34)	11	49
Total	**$321**	**$(9)**	**$(104)**	**$208**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2018 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

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 R&W recoverable (payable) of $(75) million as of September 30, 2019 and $(53) million as of June 30, 2019.

AGM Consolidated Expected Loss and LAE to Be Paid
Nine Months Ended September 30, 2019

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Nine Months Ended September 30, 2019

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2018	Economic Loss Development (Benefit) During 2019	(Paid) Recovered Losses During 2019	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2019
Public Finance:				
U.S. public finance	$347	$75	$(286)	$136
Non-U.S. public finance	26	(3)	-	23
Public Finance:	373	72	(286)	159
Structured Finance				
U.S. RMBS[2]	155	(153)	39	41
Other structure finance	9	-	(1)	8
Structured Finance:	164	(153)	38	49
Total	**$537**	**$(81)**	**$(248)**	**$208**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2018 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

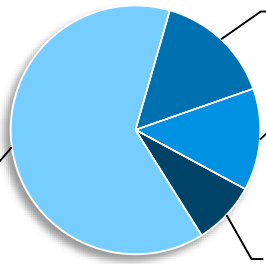
1. Includes expected loss to be paid, economic loss development and paid (recovered) losses for all contracts (i.e. those accounted for as insurance, credit derivatives and FG VIEs).
2. Includes future net R&W recoverable (payable) of $(75) million as of September 30, 2019 and $(22) million as of December 31, 2018.

Municipal Assurance Corp.
Portfolio Review

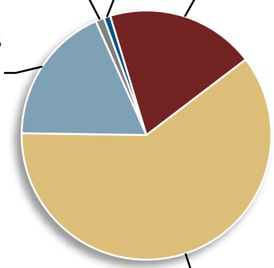
MAC
Insured Portfolio (100% U.S. Public Finance)
Net Par Outstanding as of September 30, 2019

ASSURED GUARANTY

Portfolio Diversification by Sector



Portfolio Diversification by Rating



$21.8 billion

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 13,829	A
Municipal utilities	3,319	A
Tax backed	2,897	A+
Transportation	1,067	A-
Higher Education	631	A-
Housing revenue	82	A+
Other public finance	12	A
Total U.S. public finance	**$ 21,837**	**A**

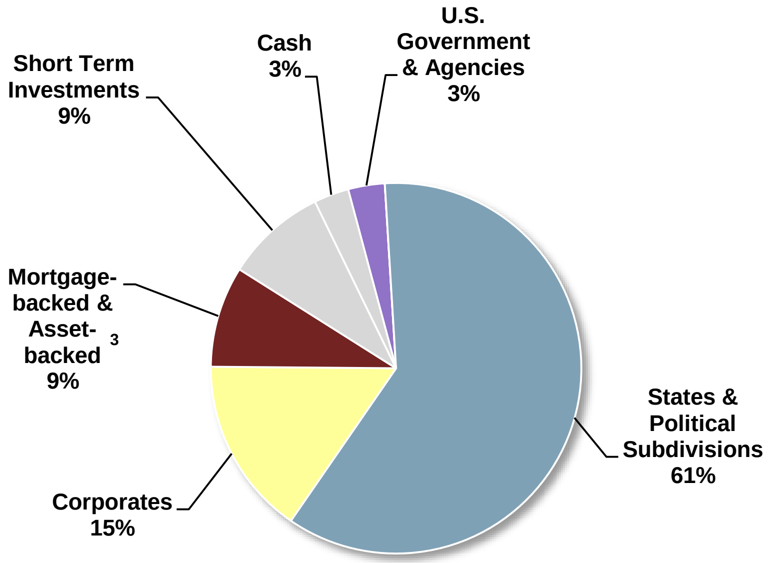
1. A total of $240 million net par outstanding; includes 21 revenue sources rated in the BB and B categories.

Net Par Outstanding By State
($ in millions)

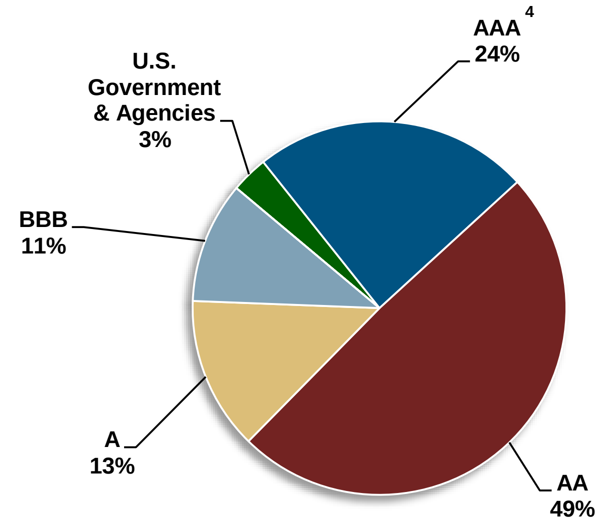
	Net Par Outstanding	% of Total
California	$ 4,928	22.6%
Pennsylvania	2,253	10.3
Texas	2,039	9.3
Illinois	1,912	8.8
New York	1,725	7.9
New Jersey	1,081	5.0
Florida	788	3.6
Ohio	566	2.6
Michigan	507	2.3
Alabama	504	2.3
Other	5,534	25.3
Total U.S. public finance	**$ 21,837**	**100.0%**

MAC
Investment Portfolio
Fair Value as of September 30, 2019

Total Invested Assets and Cash[1] By Category



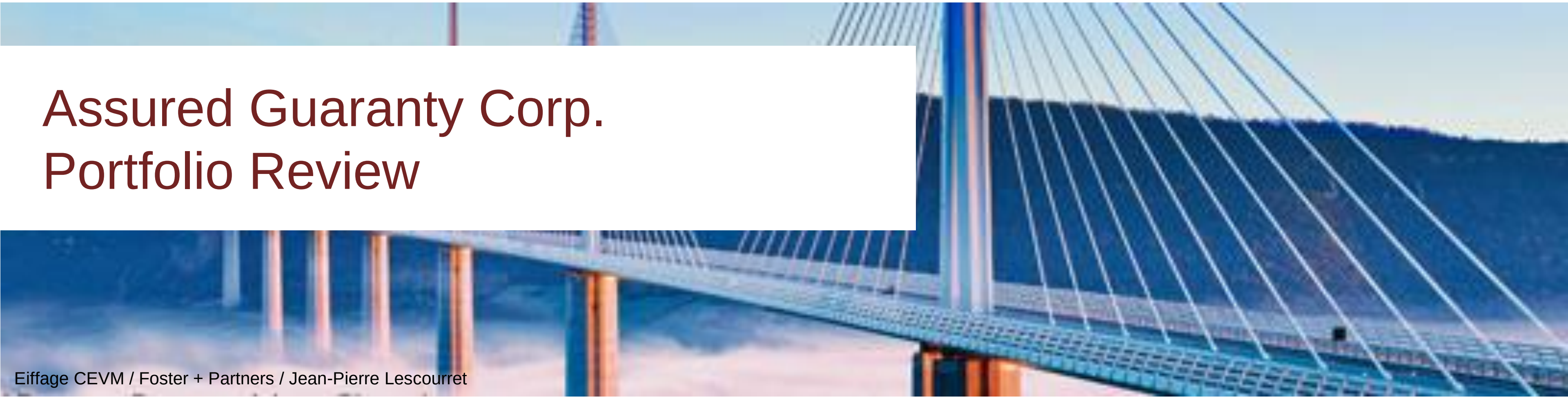
Total Invested Assets and Cash[1] By Rating[2]



Total = $0.7 billion

1. Includes fixed maturity securities, short-term investments and cash.
2. Ratings are represented by the lower of the Moody's and S&P classifications.
3. Included in the mortgage-backed and asset-backed category are agency-backed securities with a fair value of $14 million. The remaining securities have a fair value of $44 million and an average rating of AAA.
4. Included in the AAA category are short-term securities and cash.

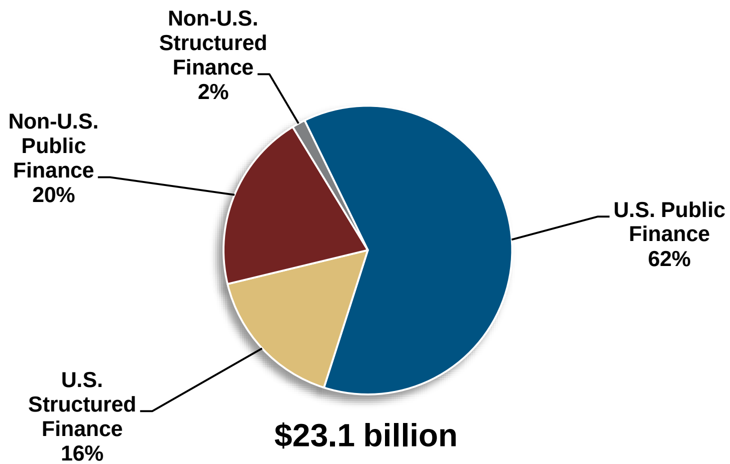
Assured Guaranty Corp.
Portfolio Review



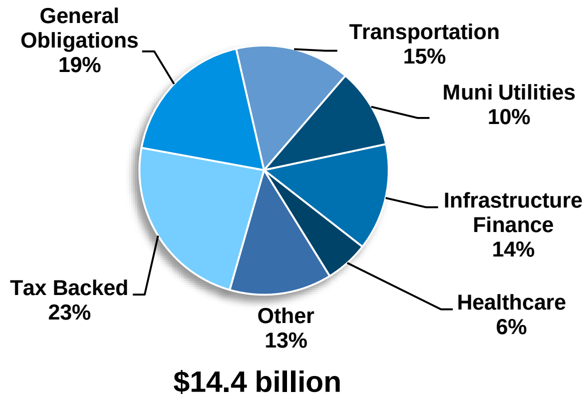
Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

AGC
Insured Portfolio
Net Par Outstanding as of September 30, 2019

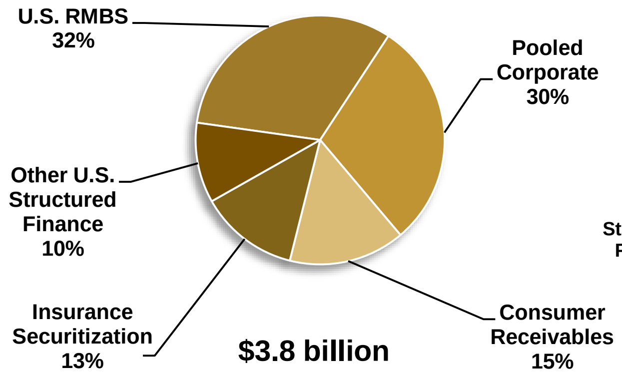
Portfolio Diversification by Sector



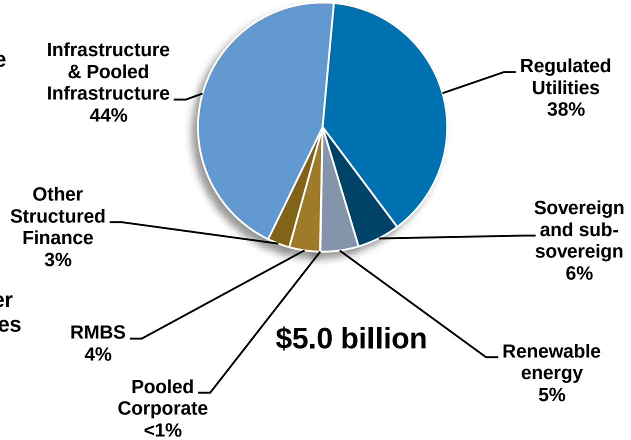
U.S. Public Finance Portfolio



U.S. Structured Finance Portfolio



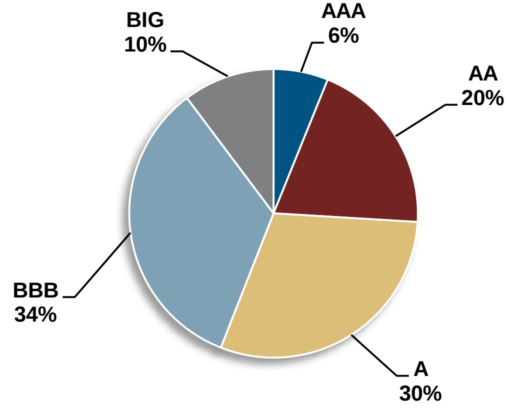
Non-U.S. Portfolios Public & Structured Finance



AGC

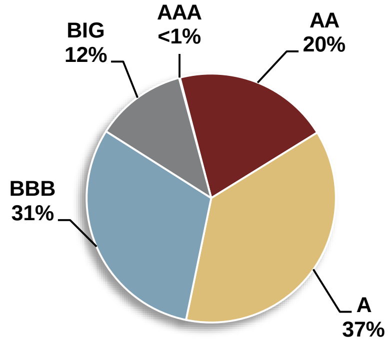
Insured Portfolio Ratings
Net Par Outstanding as of September 30, 2019

Portfolio Diversification by Rating



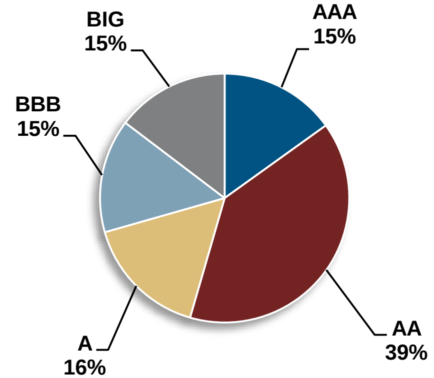
$23.1 billion

U.S. Public Finance Portfolio



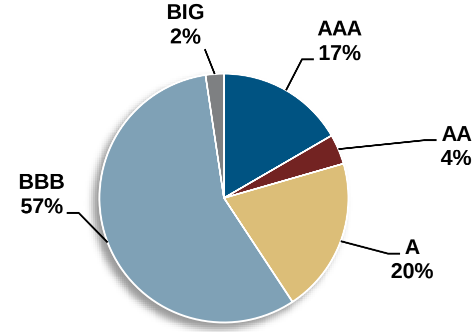
$14.4 billion

U.S. Structured Finance Portfolio



$3.8 billion

Non-U.S. Portfolios
Public & Structured Finance



$5.0 billion

AGC
Insured Portfolio
Net Par Outstanding as of September 30, 2019

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
Tax backed	$ 3,367	BBB-
General obligation	2,664	BBB+
Transportation	2,144	A-
Infrastructure finance	1,994	A+
Municipal utilities	1,487	BBB
Healthcare	811	A-
Higher education	379	A-
Investor-owned utilities	346	A-
Renewable energy	132	BBB+
Housing revenue	124	BBB-
Other public finance	926	A-
Total U.S. public finance	14,374	BBB+
Non-U.S. public finance:		
Regulated utilities	1,911	BBB+
Infrastructure finance	1,547	BBB
Pooled infrastructure	659	AAA
Sovereign and sub-sovereign	277	A-
Renewable energy	246	BBB
Total non-U.S. public finance	4,640	A-
Total public finance	**$ 19,014**	**BBB+**

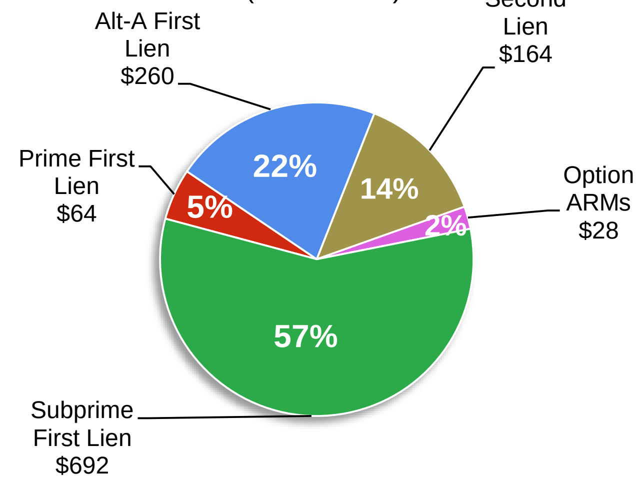
	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
RMBS	$ 1,208	BBB
Pooled corporate obligations	1,116	AA-
Consumer receivables	569	A+
Life insurance transactions	486	AA
Other structured finance	393	BBB+
Total U.S. structured finance	3,772	A
Non-U.S. structured finance:		
RMBS	198	AA-
Pooled corporate obligations	3	BBB+
Other structured finance	144	BBB
Total non-U.S. structured finance	345	A
Total structured finance	**$ 4,117**	**A**
Total net par outstanding	**$ 23,131**	**A-**

AGC U.S. RMBS Exposure

- **AGC's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - $1.2 billion versus $13.4 billion at year-end 2007, a decrease of 91%
  - 5.2% of total net par outstanding versus 14.3% at year-end 2007
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations

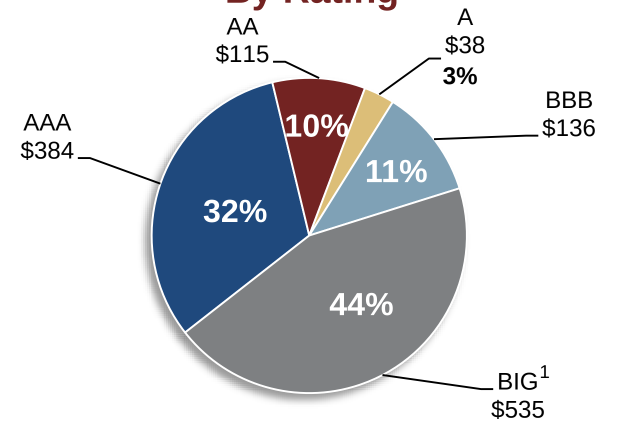
By Type

As of September 30, 2019
($ in millions)



$1.2 billion, 5.2% of net par outstanding

By Rating



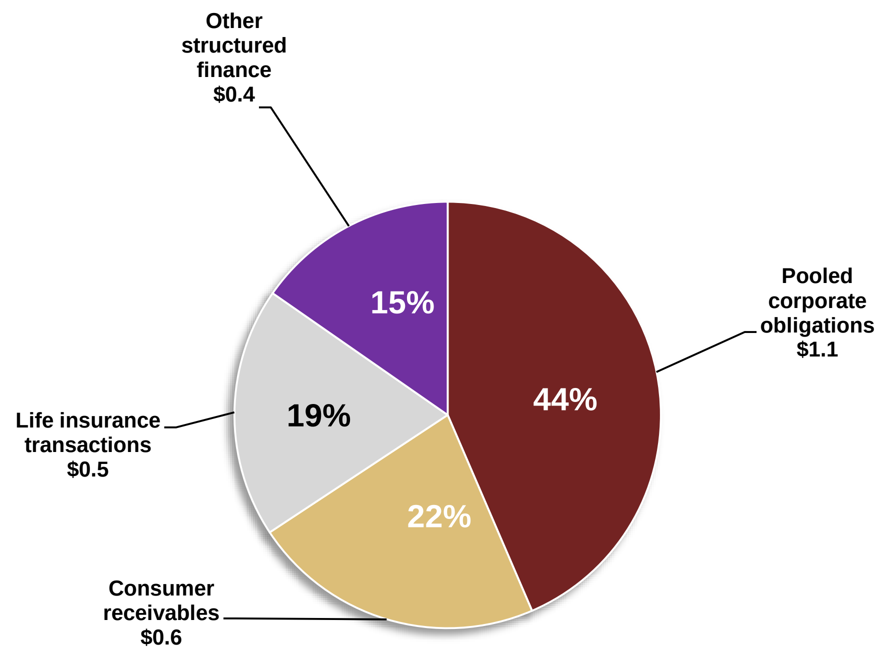
1. Please see footnote 1 on page 39.

AGC Non-RMBS Exposure
U.S. Structured Finance

- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
  - Pooled corporate obligations
  - Consumer receivables
  - Life insurance transactions
- **Non-RMBS U.S. structured finance credit experience has been generally strong despite the economic stress caused by the financial crisis**
  - 7% rated AAA
  - 1% rated BIG

U.S. Non-RMBS Structured Finance

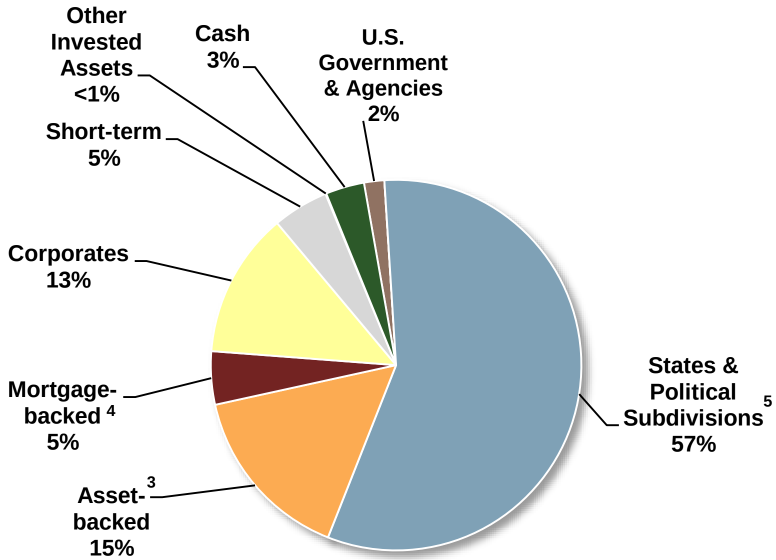
As of September 30, 2019
($ in billions)



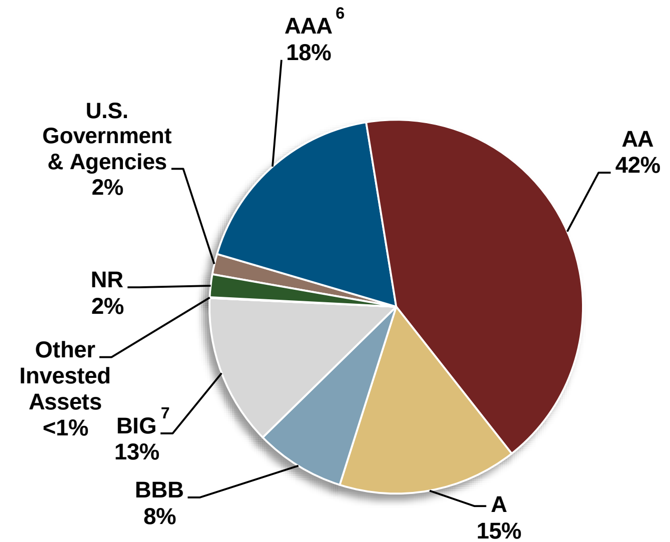
$2.6 billion net par outstanding

AGC
Investment Portfolio
Fair Value as of September 30, 2019

Total Invested Assets and Cash[1] By Category



Total Invested Assets and Cash[1] By Rating[2]



Total = $3.0 billion

1. Includes fixed maturity securities, short-term investments, cash and Other Invested Assets.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for securities purchased or obtained as part of loss mitigation or other risk management strategies, which use internal ratings classifications.
3. Included in the asset-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $360 million. Asset-backed securities not purchased or obtained as part of loss mitigation or other risk management strategies have a fair value of $106 million and an average rating of AA.
4. Included in the mortgage-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $17 million and agency-backed securities with a fair value of $74 million. The remaining securities have a fair value of $48 million and an average rating of AAA.
5. Included in the states & political subdivisions category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $73 million.
6. Included in the AAA category are short-term securities and cash.
7. Included in the BIG category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $391 million.

AGC Expected Loss and LAE to Be Paid
Three Months Ended September 30, 2019

ASSURED GUARANTY

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Three Months Ended September 30, 2019

	Net Expected Loss to be Paid (Recovered) as of Jun 30, 2019	Economic Loss Development (Benefit) During 3Q-19	(Paid) Recovered Losses During 3Q-19	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2019
Public Finance:				
U.S. public finance	$337	$15	$(104)	$248
Non-U.S. public finance	3	-	-	3
Public Finance:	340	15	(104)	251
Structured Finance				
U.S. RMBS[2]	92	(6)	4	90
Other structure finance	(31)	3	1	(27)
Structured Finance:	61	(3)	5	63
Total	**$401**	**$12**	**$(99)**	**$314**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2018 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

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 R&W receivable (payable) of $14 million as of September 30, 2019 and $18 million as of June 30, 2019.

AGC Expected Loss and LAE to Be Paid
Nine Months Ended September 30, 2019

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Nine Months Ended September 30, 2019

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2018	Economic Loss Development (Benefit) During 2019	(Paid) Recovered Losses During 2019	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2019
Public Finance:				
U.S. public finance	$314	$74	$(140)	$248
Non-U.S. public finance	4	(1)	-	3
Public Finance:	318	73	(140)	251
Structured Finance				
U.S. RMBS[2]	123	(58)	25	90
Other structure finance	(87)	-	60	(27)
Structured Finance:	36	(58)	85	63
Total	**$354**	**$15**	**$(55)**	**$314**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2018 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

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 R&W receivable (payable) of $14 million as of September 30, 2019 and $25 million as of December 31, 2018 .

Appendix

Appendix
Explanation of 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 FG 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 VIEs that have issued debt obligations insured by the Company. However, the Company does not own such VIEs and its exposure is limited to its obligation under its financial guaranty insurance contract. Management and the Board of Directors use non-GAAP financial measures adjusted to remove FG 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 FG VIE consolidation.

Many investors, analysts and financial news reporters use non-GAAP operating shareholders' equity, adjusted to remove the effect of FG 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. Many of the Company's fixed income investors also use this measure to evaluate the Company's capital adequacy.

Many investors, analysts and financial news reporters also use non-GAAP adjusted book value, adjusted to remove the effect of FG VIE consolidation, to evaluate AGL's share price and as the basis of their decision to recommend, buy or sell the AGL common shares. Non-GAAP operating income adjusted for the effect of FG 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) non-GAAP operating income, adjusted to remove the effect of FG VIE consolidation, (2) non-GAAP operating shareholders' equity, adjusted to remove the effect of FG VIE consolidation, (3) growth in non-GAAP adjusted book value per share, adjusted to remove the effect of FG 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.

Appendix
Explanation of Non-GAAP Financial Measures

Non-GAAP Operating Income: Management believes that non-GAAP 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 adjusts non-GAAP operating income further by removing FG VIE consolidation to arrive at its core operating income measure. Non-GAAP 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.

Non-GAAP Operating Shareholders' Equity and Non-GAAP Adjusted Book Value: Management believes that non-GAAP 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 adjusts non-GAAP operating shareholders' equity further by removing FG VIE consolidation to arrive at its core operating shareholders' equity and core adjusted book value.

Non-GAAP operating shareholders' equity is the basis of the calculation of non-GAAP adjusted book value (see below). Non-GAAP 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.

Appendix
Explanation of Non-GAAP Financial Measures (Cont'd)

Management uses non-GAAP adjusted book value, adjusted for FG VIE consolidation, to measure the intrinsic value of the Company, excluding franchise value. Growth in non-GAAP adjusted book value per share, adjusted for FG 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 non-GAAP 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. Non-GAAP adjusted book value is non-GAAP 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 non-GAAP adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current non-GAAP adjusted book value due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults and other factors.

Non-GAAP Operating Return on Equity (Non-GAAP Operating ROE): Non-GAAP Operating ROE represents non-GAAP operating income for a specified period divided by the average of non-GAAP operating shareholders' equity at the beginning and the end of that period. Management believes that non-GAAP 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 non-GAAP operating ROE, adjusted for FG 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 non-GAAP operating ROE are calculated on an annualized basis. Non-GAAP operating ROE, adjusted for FG 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 non-financial guaranty insurance 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.

Appendix
Reconciliation of Gross Written Premiums (GWP) to PVP

Reconciliation of GWP to PVP	Three Months Ended September 30,		Year Ended December 31,				
(dollars in millions)	2019	2018	2018	2017	2016	2015	2014
Total GWP	$69	$50	$612	$307	$154	$181	$104
Less: Installment GWP and other GAAP adjustments[1]	21	12	119	99	(10)	55	(22)
Upfront GWP	48	38	493	208	164	126	126
Plus: Installment premium PVP	33	14	170	81	50	53	42
Total PVP	$81	$52	$663	$289	$214	$179	$168

PVP:	2019	2018	2018	2017	2016	2015	2014
Public Finance - U.S.	$46	$33	$391	$196	$161	$124	$128
Public Finance - non-U.S.	13	12	94	66	25	27	7
Structured Finance - U.S.	19	7	166	12	27	22	24
Structured Finance - non-U.S.	3	-	12	15	1	6	9
Total PVP	$81	$52	$663	$289	$214	$179	$168

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

Appendix
Reconciliation of Net Income (Loss) to Non-GAAP Operating Income[1]

Non-GAAP Operating Income[1] Reconciliation (dollars in millions, except per share amounts)	Three Months Ended September 30, 2019 Total	2019 Per Diluted Share	2018 Total	2018 Per Diluted Share	Nine Months Ended September 30, 2019 Total	2019 Per Diluted Share	2018 Total	2018 Per Diluted Share
Net income (loss)	**$69**	**$0.70**	**$161**	**$1.47**	**$265**	**$2.61**	**$433**	**$3.83**
Less pre-tax adjustments:								
Realized gains (losses) on investments	16	0.16	(7)	(0.07)	12	0.11	(14)	(0.13)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	11	0.11	17	0.16	(29)	(0.28)	91	0.81
Fair value gains (losses) on CCS	(14)	(0.14)	(1)	(0.01)	(4)	(0.04)	(3)	(0.02)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	(20)	(0.20)	(8)	(0.07)	(23)	(0.22)	(20)	(0.18)
Total pre-tax adjustments	(7)	(0.07)	1	0.01	(44)	(0.43)	54	0.48
Less tax effect on pre-tax adjustments	(1)	(0.02)	(1)	(0.01)	5	0.04	(11)	(0.10)
Non-GAAP operating income[1]	$77	$0.79	$161	$1.47	$304	$3.00	$390	$3.45
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income[1]	$(2)	$(0.01)	$(2)	($0.02)	$4	$0.04	$(1)	$(0.01)

1. For an explanation of non-GAAP financial measures, please refer to the preceding pages of the Appendix.

Appendix
Reconciliation of Shareholders' Equity to Non-GAAP Adjusted Book Value[1]

Non-GAAP Adjusted Book Value[1] Reconciliation	As of											
(dollars in millions, except per share amounts)	September 30, 2019		June 30, 2019		December 31, 2018		September 30, 2018		June 30, 2018		December 31, 2017	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Reconciliation of shareholders' equity to non-GAAP adjusted book value[1]:												
Shareholders' equity	**$6,652**	**$68.94**	**$6,722**	**$67.35**	**$6,555**	**$63.23**	**$6,583**	**$61.73**	**$6,634**	**$60.52**	**$6,839**	**$58.95**
Less pre-tax adjustments:												
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(74)	(0.77)	(85)	(0.85)	(45)	(0.44)	(55)	(0.51)	(72)	(0.65)	(146)	(1.26)
Fair value gains (losses) on CCS	70	0.72	84	0.84	74	0.72	57	0.53	58	0.53	60	0.52
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	529	5.48	478	4.79	247	2.39	215	2.02	290	2.64	487	4.20
Less Taxes	(95)	(0.97)	(90)	(0.91)	(63)	(0.61)	(54)	(0.51)	(65)	(0.60)	(83)	(0.71)
Non-GAAP operating shareholders' equity[1]	6,222	64.48	6,335	63.48	6,342	61.17	6,420	60.20	6,423	58.60	6,521	56.20
Pre-tax adjustments:												
Less: Deferred acquisition costs	107	1.11	106	1.06	105	1.01	103	0.97	102	0.93	101	0.87
Plus: Net present value of estimated net future revenue	195	2.02	196	1.97	204	1.96	211	1.99	217	1.98	146	1.26
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,892	29.98	2,932	29.37	3,005	28.98	3,012	28.24	3,083	28.13	2,966	25.56
Plus Taxes	(500)	(5.19)	(508)	(5.09)	(524)	(5.04)	(528)	(4.95)	(542)	(4.95)	(512)	(4.41)
Non-GAAP adjusted book value[1]	$8,702	$90.18	$8,849	$88.67	$8,922	$86.06	$9,012	$84.51	$9,079	$82.83	$9,020	$77.74
Gain (loss) related to FG VIE consolidation included in non-GAAP operating shareholders' equity[1]	$12	$0.12	$12	$0.12	$3	$0.03	$3	$0.03	$7	$0.07	$5	$0.03
Gain (loss) related to FG VIE consolidation included in non-GAAP adjusted book value[1]	$-	$-	$(2)	($0.02)	$(15)	$(0.15)	($14)	($0.14)	$(12)	$(0.11)	$(14)	$(0.12)

1. For an explanation of non-GAAP financial measures, please refer to the preceding pages of the Appendix.

Appendix

Reconciliation of GAAP ROE[1] to Non-GAAP Operating ROE[1,2]

ROE Reconciliation
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Net income (loss)	**$69**	**$161**	**$265**	**$433**
Non-GAAP operating income[2]	77	161	304	390
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income[2]	(2)	(2)	4	(1)
Average shareholders' equity	**$6,687**	**$6,609**	**$6,604**	**$6,711**
Average non-GAAP operating shareholders' equity[2]	6,279	6,422	6,282	6,471
Gain (loss) related to FG VIE consolidation included in average non-GAAP operating shareholders' equity[2]	12	5	8	4
GAAP ROE[1]	**4.2%**	**9.7%**	**5.4%**	**8.6%**
Non-GAAP operating ROE[1,2]	5.0%	10.0%	6.5%	8.0%
Effect of consolidating FG VIEs included in non-GAAP operating ROE[1,2]	(0.1)%	(0.2)%	0.1%	(0.1)%

1. Quarterly ROE calculations represent annualized returns.
2. For an explanation of non-GAAP financial measures, please refer to the preceding pages of the Appendix.

Assured Guaranty Contacts:

Robert Tucker
Senior Managing Director
Investor Relations and Corporate Communications
Direct: 212.339.0861
rtucker@agltd.com

Michael Walker
Managing Director
Fixed Income Investor Relations
Direct: 212.261.5575
mwalker@agltd.com

Andre Thomas
Managing Director
Investor Relations
Direct: 212.339.3551
athomas@agltd.com

Fixed Income Investor Presentation

September 30, 2019

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