EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Fixed Income Investor Presentation

December 31, 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 or all of Assured Guaranty's forward looking statements herein are based on current expectations and the current economic environment and may turn out to be incorrect. Assured Guaranty's actual results may vary materially. Among factors that could cause actual results to differ adversely are: (1) the development and course of the COVID-19 pandemic and its global consequences (2) changes in the world's credit markets, segments thereof, interest rates, credit spreads or general economic conditions; (3) developments in the world's financial and capital markets that adversely affect insured obligors' repayment rates, Assured Guaranty's insurance loss or recovery experience, investments of Assured Guaranty or assets it manages; (4) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (5) the loss of investors in Assured Guaranty's asset management strategies or the failure to attract new investors to Assured Guaranty's asset management business; (6) the possibility that budget or pension shortfalls or other factors will result in credit losses or impairments on obligations of state, territorial and local governments and their related authorities and public corporations that Assured Guaranty insures or reinsures; (7) insured losses in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures; (8) increased competition, including from new entrants into the financial guaranty industry; (9) poor performance of Assured Guaranty's asset management strategies compared to the performance of the asset management strategies of Assured Guaranty's competitors; (10) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments and investments it manages do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity or to unanticipated consequences; (11) the impact of market volatility on the mark-to-market of Assured Guaranty's assets and liabilities subject to mark-to-market, including certain of its investments, most of its contracts written in credit default swap (CDS) form, and variable interest entities (VIEs) as well as on the mark-to-market of assets Assured Guaranty manages; (12) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of AGL or any of its insurance subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL's insurance subsidiaries have insured; (13) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (14) changes in applicable accounting policies or practices; (15) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (16) the failure of Assured Guaranty to successfully integrate the business of BlueMountain Capital Management, LLC (BlueMountain) and its associated entities; (17) the possibility that acquisitions made by Assured Guaranty, including its acquisition of BlueMountain (BlueMountain Acquisition), do not result in the benefits anticipated or subject Assured Guaranty to unanticipated consequences; (18) difficulties with the execution of Assured Guaranty's business strategy; (19) loss of key personnel; (20) the effects of mergers, acquisitions and divestitures; (21) natural or man-made catastrophes, or pandemics; (22) other risk factors identified in AGL's filings with the United States (U.S.) Securities and Exchange Commission (the SEC); (23) other risks and uncertainties that have not been identified at this time; and (24) management's response to these factors.
- 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 Assured Guaranty's most recent 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 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, which consist primarily of Assured Guaranty (Europe) plc (AGE UK); Assured Guaranty (Europe) SA (AGE SA); Municipal Assurance Holdings Inc. (MAC Holdings), a company formed to own 100% of the common stock of Municipal Assurance Corp. (MAC); AG Asset Strategies LLC (AGAS); 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. **All financial and exposure data related to AGM presented in this presentation are on this basis unless otherwise stated.**
    - "Assured Guaranty Municipal" means AGM Consolidated excluding MAC Holdings, MAC, AGE UK, AGE SA and AGAS.
  - 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 internal rating without such arrangements.
  - 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.
- This presentation references AUM, or assets under management. For conventions used by the Company in presenting its AUM, see the Appendix.
- Subsequent to the BlueMountain Acquisition, BlueMountain operates within the Assured Investment Management platform.
- All reconciliations in the Appendix of this presentation are on an AGL consolidated basis.

Corporate Overview

Corporate Overview

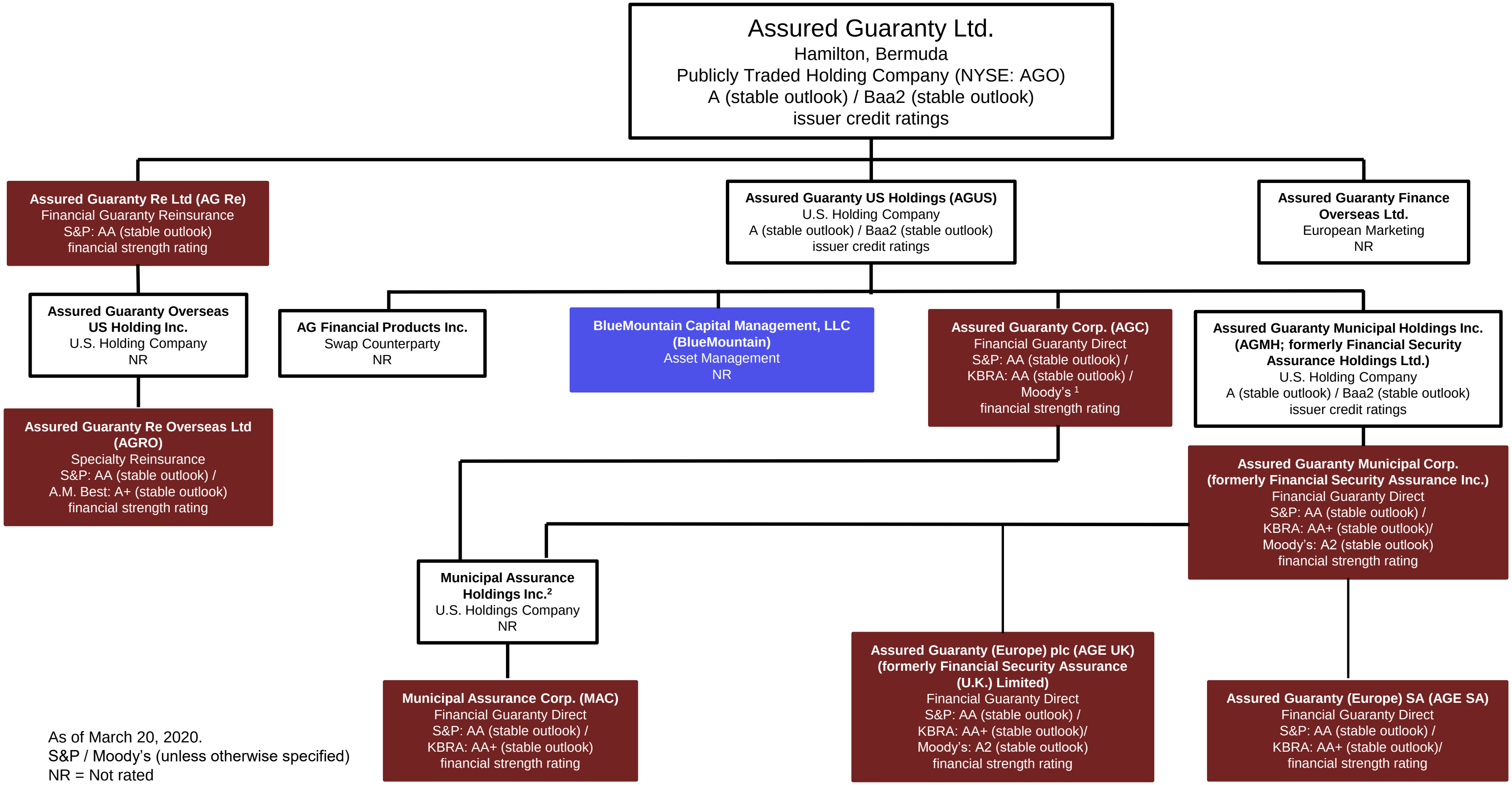
ASSURED GUARANTY®

- **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 2008 financial crisis and recession, and continue to do so today, leading the industry in new business production
- **Assured Guaranty's primary focus, financial guaranty, has a strong capital base**
  - Over three decades of experience in the financial guaranty market
  - We maintain strong financial strength ratings from S&P, KBRA and A.M. Best
  - Consolidated investment portfolio and cash of $10.4 billion as of December 31, 2019[1]
  - Consolidated claims-paying resources of $11.2 billion as of December 31, 2019[2]
- **Assured Guaranty sees asset management as a means to diversify our sources of revenue and investment strategies**
  - Assured Guaranty completed the acquisition of BlueMountain in 2019
  - Assets under management (AUM) were $17.8 billion as of December 31, 2019[3]

($ in billions)	AGL Consolidated (12/31/19)
Net par outstanding	$236.8
Total investment portfolio and cash[1]	$10.4
Claims-paying resources[2]	$11.2

1. See page 31 for a breakdown of the available-for-sale portfolio.
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.
3. For conventions used by the Company in presenting AUM, see the Appendix.

Assured Guaranty Ltd.
Corporate Structure



As of March 20, 2020.
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.

Insurance Operating Principles and Investor and Issuer Benefits

- **Underwriting principles and a strong risk management culture designed to preserve our franchise value**
- **Experienced and disciplined management**
- **Commitment to disclosure and transparency**
  - Extensive quarterly financial disclosures by holding company and subsidiaries
  - AGL is a publicly traded holding company (NYSE:AGO) subject to NYSE and SEC disclosure requirements
  - Subsidiaries subject to various jurisdictions' insurance regulatory disclosure requirements
  - Additional voluntary disclosures
- **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; during typical market conditions, 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

AGL Strategic Priorities

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

Four Discrete Insurance Companies with Separate Capital Bases

Consolidated Statutory-Basis Claims-Paying Resources and Exposures

($ in millions)	AGM	AGC	MAC	AG Re[8]	Eliminations[3]	Consolidated
	As of December 31, 2019					
Claims-paying resources						
Policyholders' surplus	$2,691	$1,775	$276	$799	$(485)	$5,056
Contingency reserve[1]	986	621	192	-	(192)	1,607
Qualified statutory capital	**3,677**	**2,396**	**468**	**799**	**(677)**	**6,663**
UPR and net deferred ceding commission income[1]	2,027	431	143	583	(223)	2,961
Loss and loss adjustment expense reserves[1]	196	151	(1)	182	1	529
Total policyholders' surplus and reserves	**5,900**	**2,978**	**610**	**1,564**	**(899)**	**10,153**
Present value of installment premium[1]	296	151	-	162	-	609
Committed Capital Securities	200	200	-	-	-	400
Total claims-paying resources (including MAC adjustment for AGM and AGC)[2]	**$6,396**	**$3,329**	**$610**	**$1,726**	**$(899)**	**$11,162**
Adjustment for MAC[4]	370	240	-	-	(610)	-
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)[2]	**$6,026**	**$3,089**	**$610**	**$1,726**	**($289)**	**$11,162**
Statutory net exposure[5]	$129,562	$22,937	$18,150	$61,990	($514)	$232,125
Equity method adjustment[4]	11,017	7,133	-	-	(18,150)	-
Adjusted statutory net exposure[1]	$140,579	$30,070	$18,150	$61,990	$(18,664)	$232,125
Net debt service outstanding[5]	$212,011	$35,172	$26,808	$96,001	$(1,221)	$368,771
Equity method adjustment[4]	16,273	10,535	-	-	(26,808)	-
Adjusted net debt service outstanding[1]	$228,284	$45,707	$26,808	$96,001	$(28,029)	$368,771
Ratios:						
Adjusted net exposure to qualified statutory capital	38:1	13:1	39:1	78:1		35:1
Capital ratio[6]	62:1	19:1	57:1	120:1		55:1
Financial resources ratio[7]	36:1	14:1	44:1	56:1		33:1
Adjusted statutory net exposure to claims-paying resources	22:1	9:1	30:1	36:1		21:1
Separate Company Statutory Basis:						
Admitted Assets	$5,403	$2,927	$638			
Total Liabilities	2,711	1,152	362			
Contingency Reserves	869	546	192			
Surplus to Policyholders	2,691	1,775	276			

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 a 100% share of AGE UK. Amounts include financial guaranty insurance and credit derivatives.
2. The excess of loss reinsurance facility represented the $180 million portion placed with an unaffiliated reinsurer of a $400 million aggregate excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which terminated on January 1, 2020.
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, AGE UK and AGE SA operate as five 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
  - AGE UK serves the U.K. market
  - AGE SA serves markets within the European Union (EU)
  - AG Re, as a reinsurer, provides additional capital and flexibility to Assured Guaranty Municipal[1], AGC, AGE UK; its subsidiary AGRO is a specialty reinsurance company that primarily provides financial guaranty reinsurance and certain specialty insurance and reinsurance
- **Each of the insurance companies 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 insurance companies 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 (Cont.)

ASSURED GUARANTY

- **Companies distinct for legal and regulatory purposes**
  - Separate capital bases – claims-paying resources[2] as of December 31, 2019 – AGM[1] $6.0 billion, MAC $0.6 billion, AGC $3.1 billion, AG Re $1.7 billion
  - Separate insurance licenses
  - Separate regulators – Assured Guaranty Municipal[1] and MAC are domiciled in New York; AGC is domiciled in Maryland; AGE UK is domiciled in the United Kingdom; AGE SA is domiciled in France; AG Re is domiciled in Bermuda
  - Dividend restrictions – New York, Maryland, the United Kingdom, France 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.

Asset Management Platform

- **The Assured Investment Management platform provides asset management services**
  - As of December 31, 2019, the Assured Investment Management platform had AUM[1] of $17.8 billion in three fund areas
    - The CLOs had AUM[1] of $12.8 billion
    - The Opportunity Funds had AUM[1] of $1.0 billion
    - The Wind-Down Funds had AUM[1] of $4.0 billion
  - The Company intends to use investment knowledge and experience acquired with BlueMountain to expand the categories and types of investments included in its investment portfolio, as well as maintain and grow its presence in the asset management business

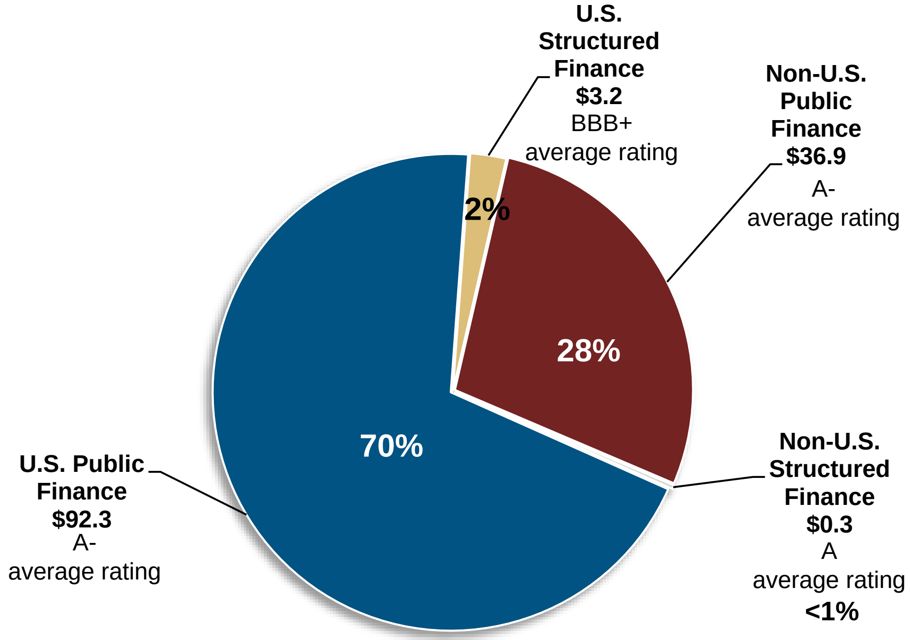
1. Please see page 3 for a definition of this convention. For conventions used by the Company in presenting AUM, see the Appendix.

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

- **AGM[1] is committed to insuring U.S. public finance and global infrastructure transactions. AGM's subsidiaries, AGE UK and AGE SA, may underwrite some structured finance transactions.[2]**
- **AGM[1] legacy global structured finance insured portfolio ($3.6 billion as of December 31, 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 December 31, 2019
($ in billions)



$132.8 billion, A- average rating

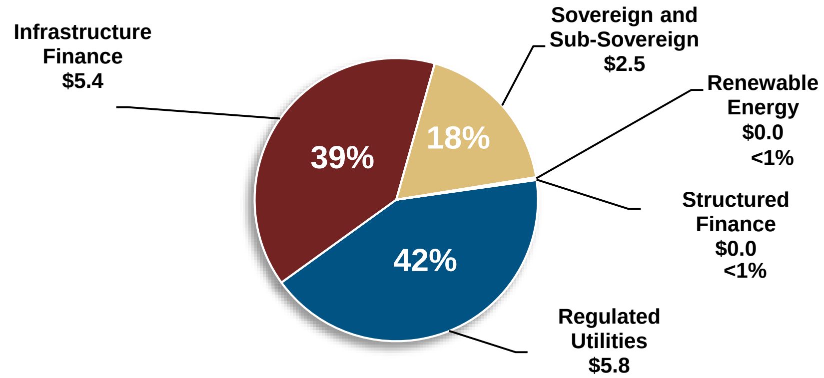
1. Please see page 3 for a definition of this convention.
2. AGM[1] has not written structured finance transactions since August 2008.

AGE UK and AGE SA

- **AGE UK is an insurance company currently engaged in providing financial guarantees in the U.K.**
  - Provides insurance in both public finance and structured finance
  - Through 2019, AGE UK wrote business throughout the EU as well as certain other non-EU countries
  - New business is guaranteed using a co-insurance structure pursuant to which AGE UK would co-insure municipal and infrastructure transactions with AGM, and structured finance transactions with AGC
- **AGE SA is an insurance company currently engaged in providing financial guarantees throughout the EU**
  - Provides insurance in both public finance and structured finance
  - Established in mid-2019 to address the impact of the withdrawal of the U.K. from the EU
  - As of December 31, 2019, AGE SA had no exposure. AGE UK intends to transfer certain existing financial guarantees in its portfolio to AGE SA

AGE UK Net Par Outstanding

As of December 31, 2019 ($ in billions)



$13.8 billion, BBB+ average rating

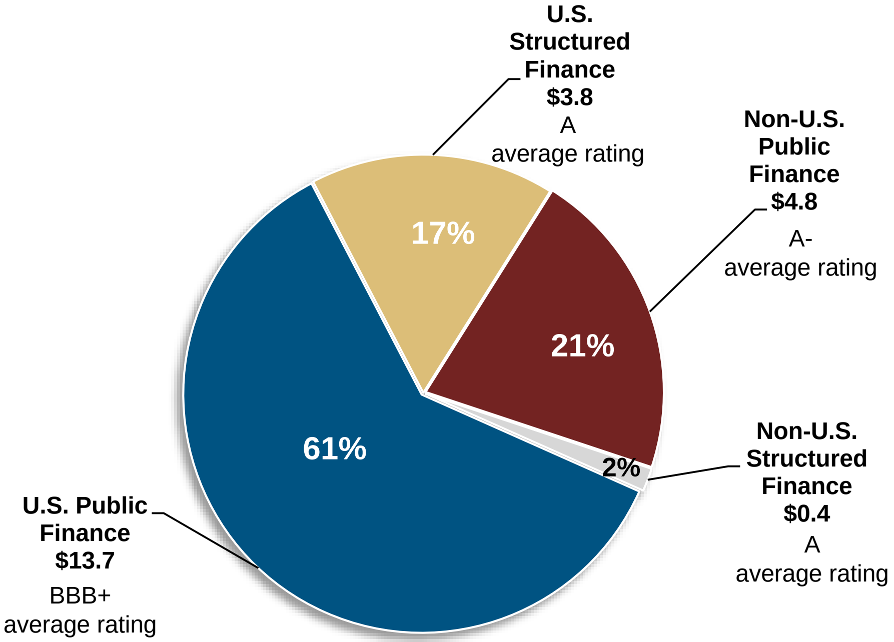
MAC:

- **Is committed to insuring only U.S. public finance transactions;**
- **Has a $20 billion insured U.S. municipal-only portfolio that is geographically diversified;**
- **Has conservative and well-defined underwriting standards; and**
- **Maintains a high level of transparency, including quarterly financial supplements and the publication of Credit Summaries for primary-market insured transactions.**

AGC is a 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

Net Par Outstanding
As of December 31, 2019
($ in billions)



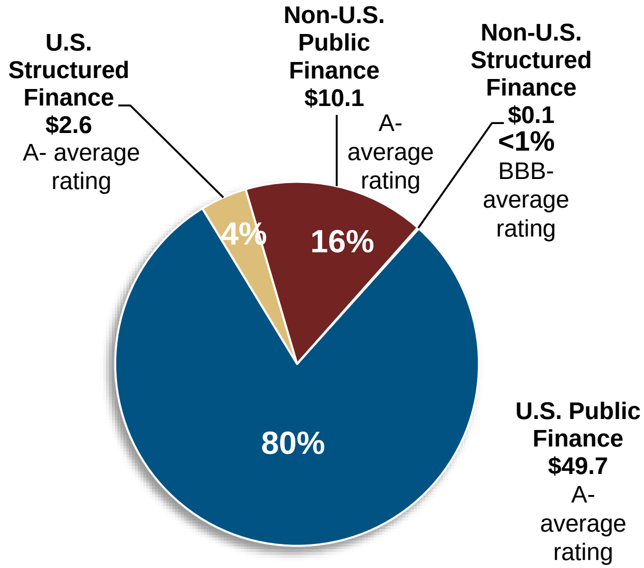
$22.6 billion, A- average rating

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 December 31, 2019 ($ in billions)

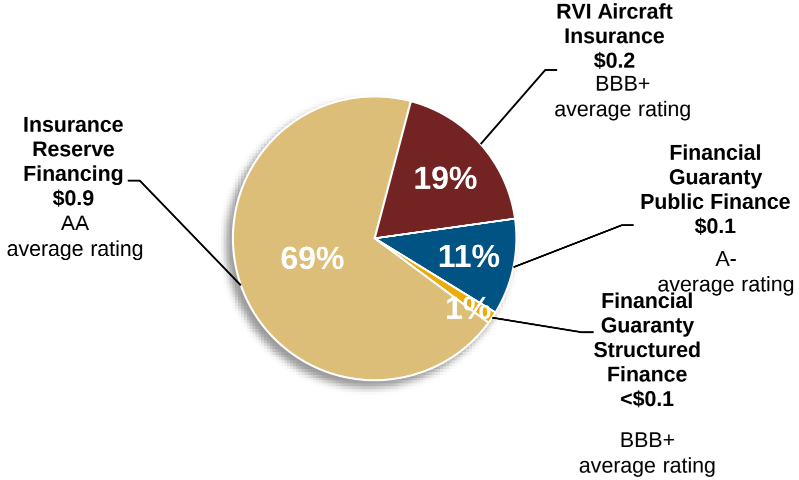


$62.4 billion, A- average rating

- **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 specialty 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 December 31, 2019 ($ in billions)



$1.3 billion, A+ average rating

1. Includes specialty reinsurance not included in the net par of the other operating companies

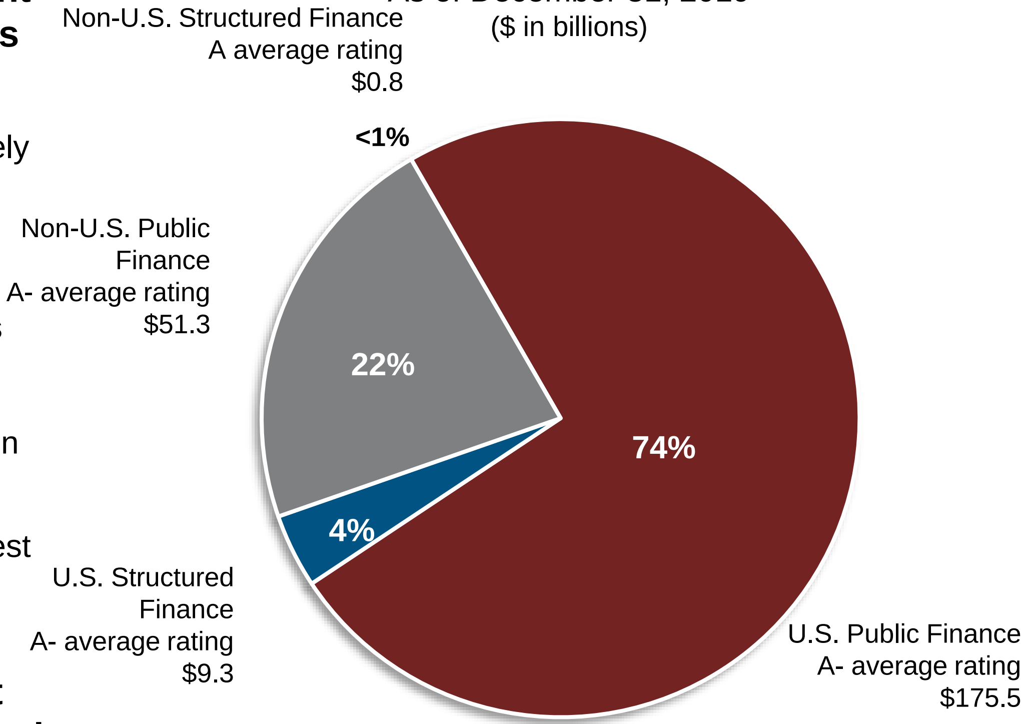
Underwriting Discipline

- **Our U.S. public finance portfolio, our largest exposure category, generally performed well during the 2008 recession and in subsequent years, despite persistent financial pressures on municipal obligors**
  - Our portfolio is well-diversified with approximately 6,600 direct U.S. public finance obligors. We currently expect future losses to be paid, net of recoveries, on less than a dozen 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 in most cases.
  - 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 December 31, 2019

($ in billions)



$236.8 billion, A- average rating

1. Includes exposure to Puerto Rico.
2. See pages 36-38 for a more detailed analysis of the Company's Puerto Rico exposure.
3. Excludes specialty insurance and reinsurance net exposure of $1.1 billion.

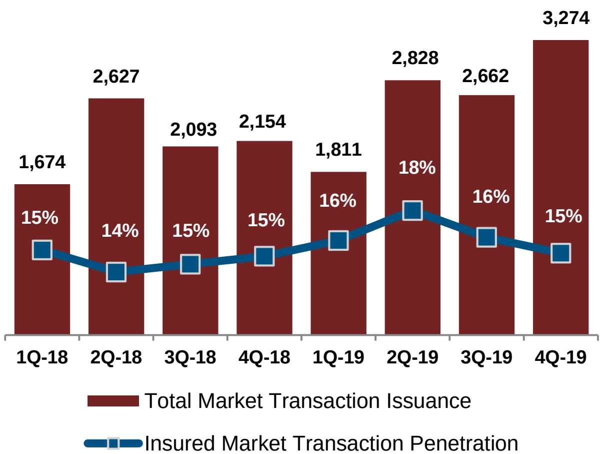
Creating Value

Insurance

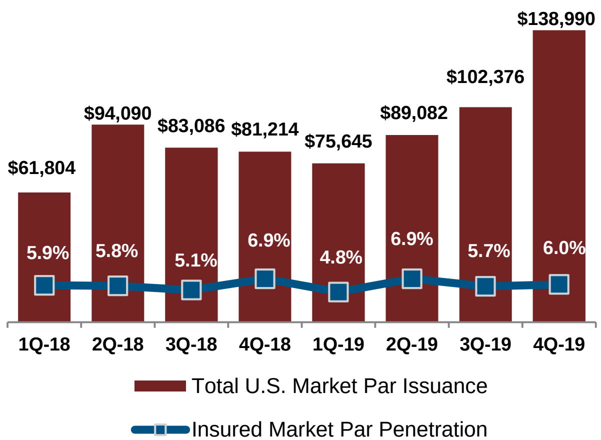
Penetration in the U.S. Public Finance Market (excluding SGI[1] reinsurance portfolio)

- **We are focused on building demand for our guarantees, both in the primary and the secondary markets for U.S. public finance**
  - In 2019, we insured 840 primary market transactions totaling $14.7 billion, and 392 secondary market policies totaling $1.3 billion
  - We increased our U.S. public finance primary market par insured by nearly 34% and primary transaction count by nearly 41%
  - We increased our U.S. public finance secondary market par insured by nearly 52% and secondary transaction count by nearly 35%
- **Industry insured par penetration in 2019 was consistent with 2018, with insurance obtained on 5.9% of U.S. public finance par**
  - Insurance was utilized on 55% of all transactions with an underlying A rating, up from 53% in 2018
  - Insurance was utilized on 21% of the par of all transactions with an underlying A rating, up from 18% in 2018
- **Assured Guaranty wrote 60% of the total insured par of U.S. public finance insured new issues[2] in 2019.**

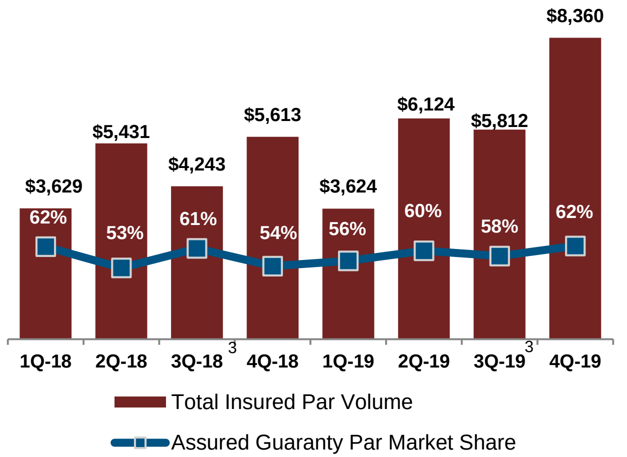
Insured Market Transaction Penetration Rate and Total U.S. Public Finance Transaction Volume[2]



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

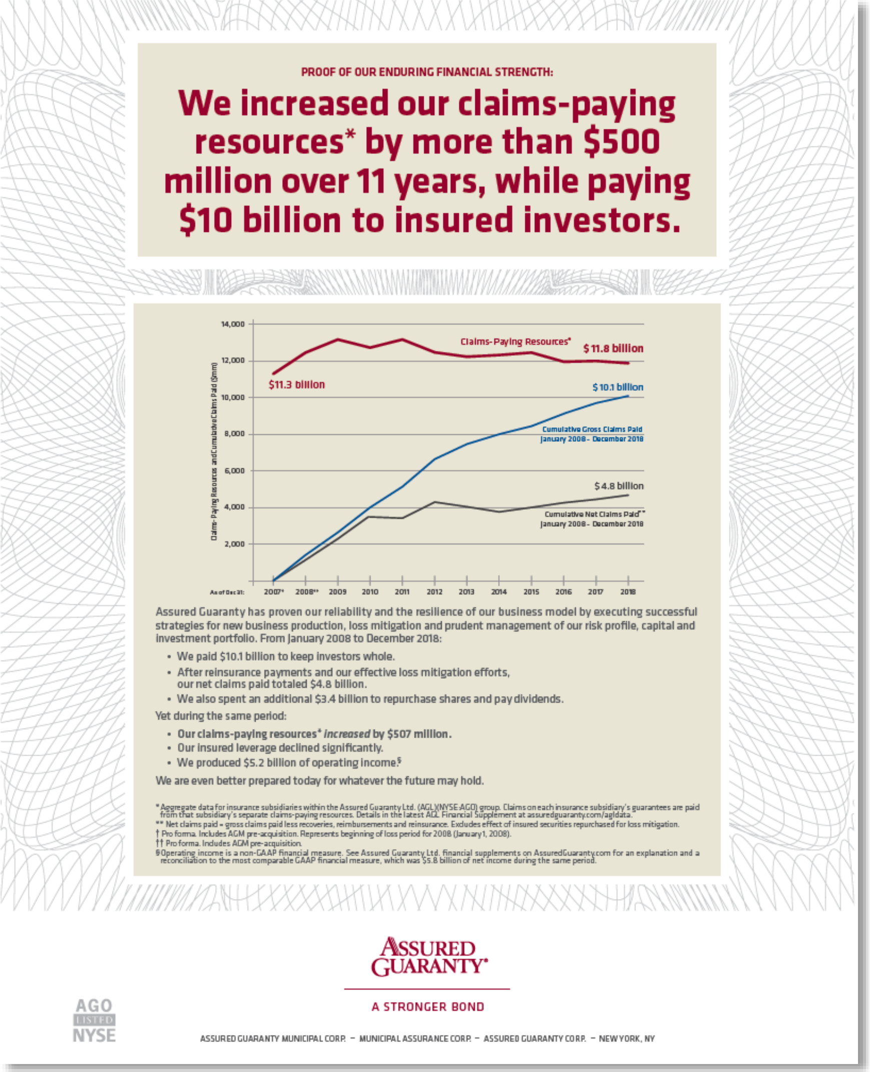


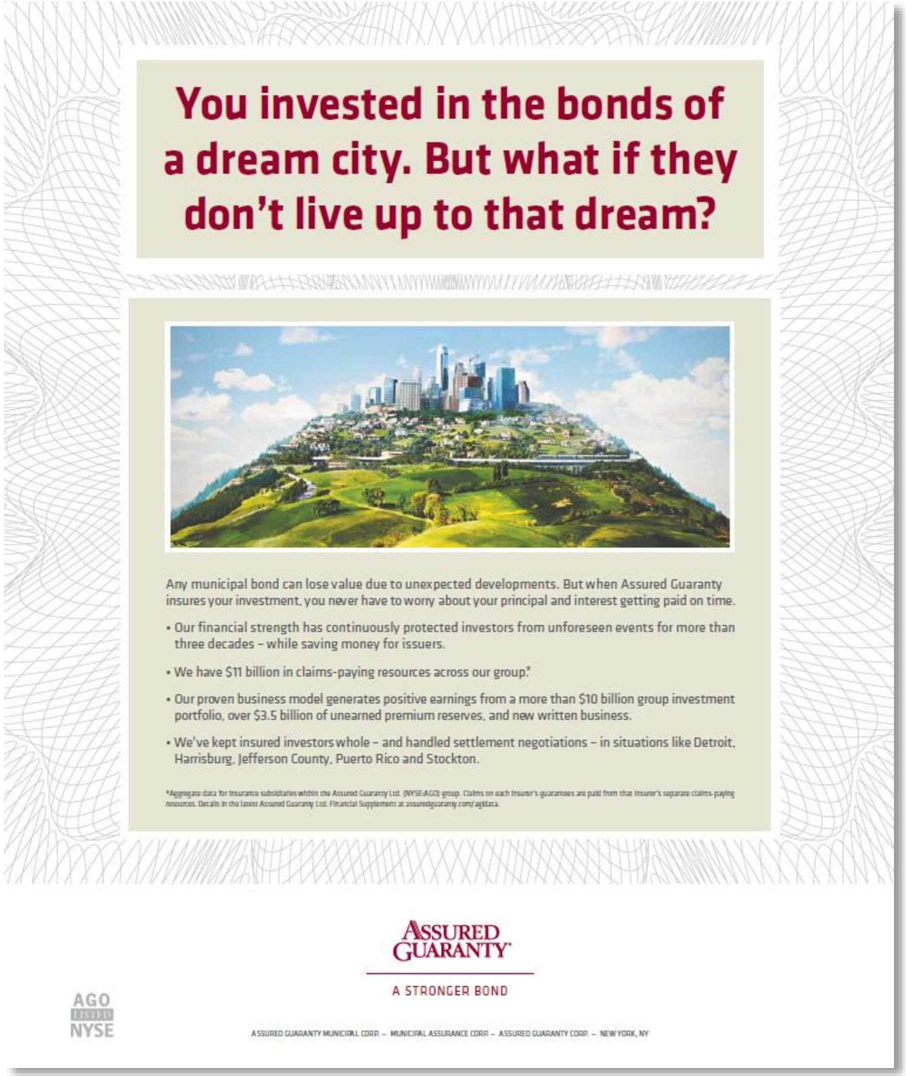
Assured Guaranty's Insured Market Share and Insured Market Primary Par Insured[2]
($ in millions)



1. Syncora Guarantee Inc.
2. Source: Refinitiv as of December 31, 2019.
3. In each of 3Q-18 and 3Q-19, market share calculation includes one Assured Guaranty transaction not included in Refinitiv insured market volume.

Broadening Market Awareness
Advertising Campaigns





Market Update

Select Assured Guaranty Transactions in 2019

Assured Guaranty maintained its market leadership in 2019, insuring more than $14.7 billion of par on 840 primary market transactions, ranging in size from $1 million to $700 million in par. Some of our 2019 transactions are highlighted below:

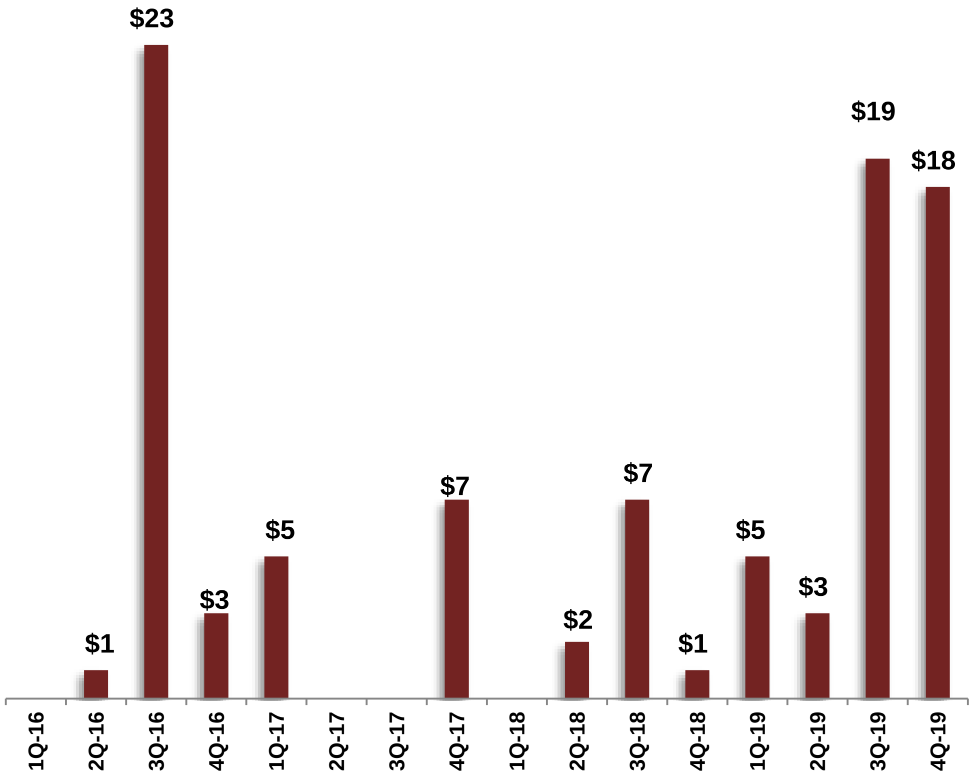
$700,000,000	Taxable Bonds, Series 2019	CommonSpirit Health	August 2019
$534,830,000	Toll Road Refunding Revenue Bonds (Federally Taxable)	Foothill/Eastern Transportation Corridor Agency, CA	December 2019
$362,220,000	General Revenue Junior Indebtedness Obligations, Series 2019B	New York State Thruway Authority	October 2019
$300,000,000	Dulles Toll Road Subordinate Lien Bonds	Dulles Metrorail & Capital Improvement Projects, VA	December 2019
$280,000,000	Special Sales Tax Revenue Bonds, Series 2019B	Jefferson Parish Sales Tax District, LA	September 2019
$265,735,000	Tax-exempt and Taxable Revenue Bonds	Mohawk Valley Health System, NY	October 2019
$221,190,000	Healthcare Facilities Refunding Revenue Bonds (Federally Taxable)	Christ Hospital, OH	December 2019
$204,240,000	Transportation Revenue Green Bonds, Series 2019C, Group Two	Metropolitan Transit Auth., NY	August 2019
$204,230,000	Water and Sewer System First Lien & Subordinate Revenue Bonds	Pittsburgh Water & Sewer, PA	June 2019
$200,000,000	General Obligation (Limited Tax) Building Bonds	Clark County School District, NV	June 2019
$200,000,000	IDA of Kansas City, MO Airport Special Obligation Bonds	Kansas City International Airport	June 2019
$192,944,811	Triangle Expressway Sr. Lien Turnpike Revenue Bonds	North Carolina Turnpike Auth., NC	November 2019
$160,625,000	Taxable Gross Rev. Sr. Lien Lease Certificates	North Hudson Sewage Authority, NJ	November 2019
$140,000,000	General Obligation Bonds 2016 Election, Series B	East Side Union High School District, CA	April 2019
$131,115,000	Turnpike Subordinate Revenue Bonds	Pennsylvania Turnpike Commission	June 2019
$124,255,000	Special Obligation Refunding Bonds, Subordinate Taxable Series 2019-B	Alabama Incentives Financing Authority	September 2019
$102,060,000	Public Finance Authority, WI Student Housing Rev. Bonds	Beyond Boone, LLC - Appalachian State University, NC	February 2019
$100,000,000	Water and Sewer Revenue Bonds, Junior Lien Series 2019B	City of Shreveport, LA	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.

Creating Value
Insurance
U.S. Structured Finance Business Activity

- **During 4Q-19, we insured a refinancing and extension of an existing triple-X life reinsurance transaction, a participation in a new insurance reserve financing transaction, as well as several whole business securitizations and residual value reinsurance policies**
- **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)

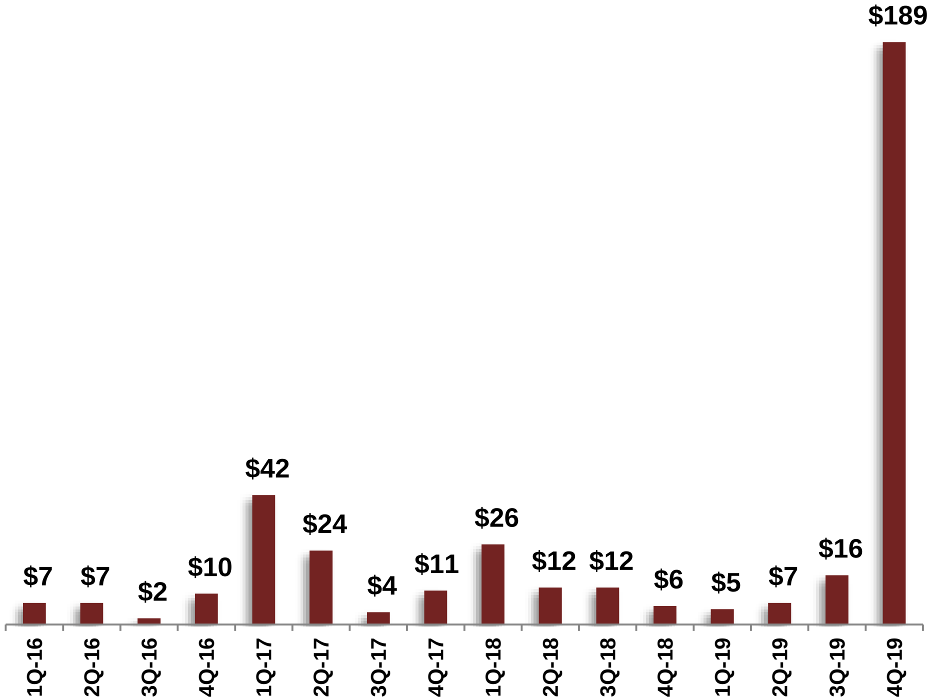


1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.
2. In 2Q 2018, the SGI reinsurance transaction created $156 million of U.S. structured finance PVP on $349 million of gross written par

Creating Value
Insurance
Non-U.S. Business Activity

- **During 4Q-19, we issued privately executed, bilateral guarantees on a large number of European sub-sovereign credits, guaranteed U.K. university housing transactions and restructured a previously insured regulated utility transaction**
- **During 3Q-19, we guaranteed on a debt financing for the construction of university student accommodations in the United Kingdom**
- **During 2Q-19, we guaranteed on a debt refinancing of Spanish solar plants and a Scottish housing association transaction**
- **During 1Q-19, we issued 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**

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



1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.
2. In 2Q 2018, the SGI reinsurance transaction created $50 million of non-U.S. PVP on $3.3 billion of gross written par

Creating Value
Insurance
Puerto Rico Settlement Agreements

- **In February 2019, consummated a resolution under a restructuring support agreement (RSA) relating to 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, along with cash
  - The total par recovery under the RSA represents 60% of the Company's Title III claim
  - The Company sold all of the uninsured COFINA Exchange senior bonds it received under the RSA in the third quarter of 2019
- **In May 2019, executed a restructuring support agreement relating to 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.

Creating Value
Insurance
Acquisitions and Reinsurance of Legacy Monolines

- **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 adjusted operating shareholders' equity[1] and $570 million to adjusted book value[1]
- **CIFG acquisition closed on July 1, 2016**
  - Resulted in a benefit of $293 million in adjusted operating income[1] and $512 million to adjusted book value[1]
- **MBIA UK Limited (MBIA UK) acquisition closed on January 10, 2017**
  - Resulted in a benefit to adjusted 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
- **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 adjusted book value[1] by $2.25 per share

1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.

Creating Value
Assured Investment Management Platform

- **On October 1, 2019, Assured Guaranty completed the acquisition of all of the outstanding equity interests in BlueMountain and its associated entities for a purchase price of $157 million**
  - Assured Guaranty contributed $60 million of cash to BlueMountain at closing and contributed an additional $30 million of cash in February 2020 for certain restructuring costs and future strategic investments
  - In addition to the cash and common stock included in the acquisition, Assured Guaranty intends initially to invest $500 million into funds managed by the Assured Investment Management platform plus additional amounts in other accounts managed by the Assured Investment Management platform
  - 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 ("Wasmer")**
  - Independent investment advisory firm specializing in separately managed accounts (SMAs)
  - The Charles Schwab Corporation announced on February 24, 2020 that it had entered into a definitive agreement to acquire Wasmer
- **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 December 31, 2019, $86 million has yet to be 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**

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

Commutations Since 2009
As of December 31, 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)
2019	1.1	15	1
Total	**$47.9**	**$495**	**$519**

Ceded Par Outstanding by Reinsurer
As of December 31, 2019

($ in millions)	Net Par Outstanding
American Overseas Re	$352
Others	$997
Total	$1,349

1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.

Financial Strength Ratings

- **In November 2019, S&P affirmed the AA (stable outlook) financial strength ratings of AGM, AGC and MAC**
  - S&P found the Assured Guaranty group's capital adequacy ratio to be "considerably above 1.0x" their AAA requirement
  - 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, 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 December 31, 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 2019; MAC at AA+ (stable outlook) in March 2020; and Assured Guaranty Municipal[1] at AA+ (stable outlook) in December 2019**
  - 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.

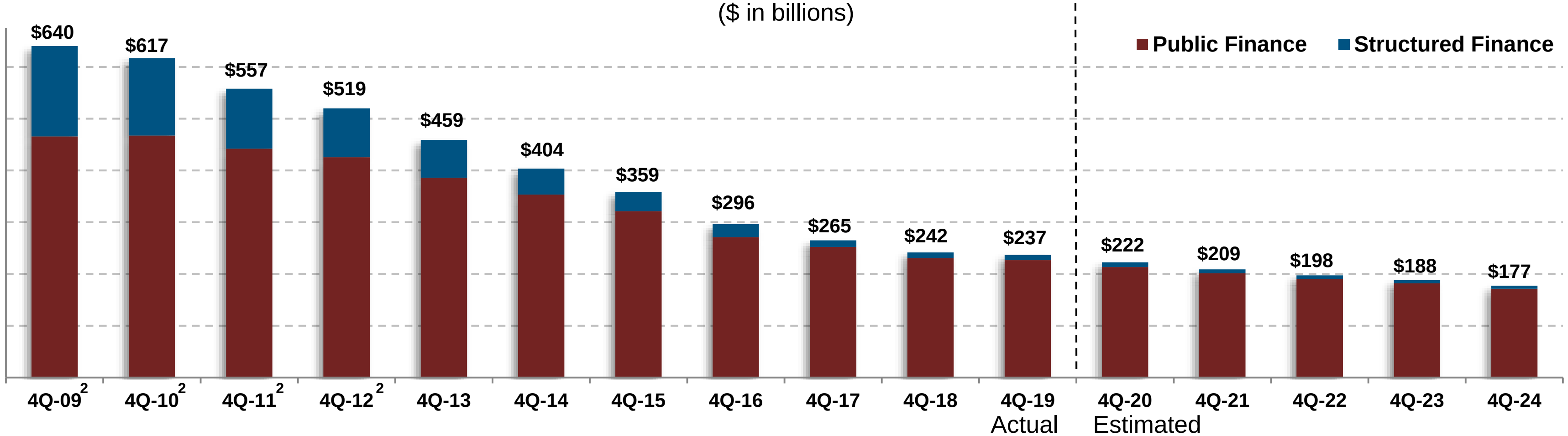
Net Par Outstanding Amortization

- **Amortization of the existing portfolio reduces rating agency capital charges, but also embedded future earned premiums**
  - Currently, the existing $237 billion portfolio consists of $227 billion of public finance and $10 billion of structured finance net par
  - The existing portfolio (excluding future new business) will amortize by 6% by the end of 2020; 25% by the end of 2024
- **New direct or assumed business originations, reassumptions and acquisitions will increase future premiums**
- **We expect that beginning in 2020, assuming a stable capital market environment, our rate of new business written should tend to equal or exceed that of exposures amortized in a given year, stabilizing UPR and future earned revenue**

Consolidated Net Par Outstanding Amortization[1]

As of December 31, 2019

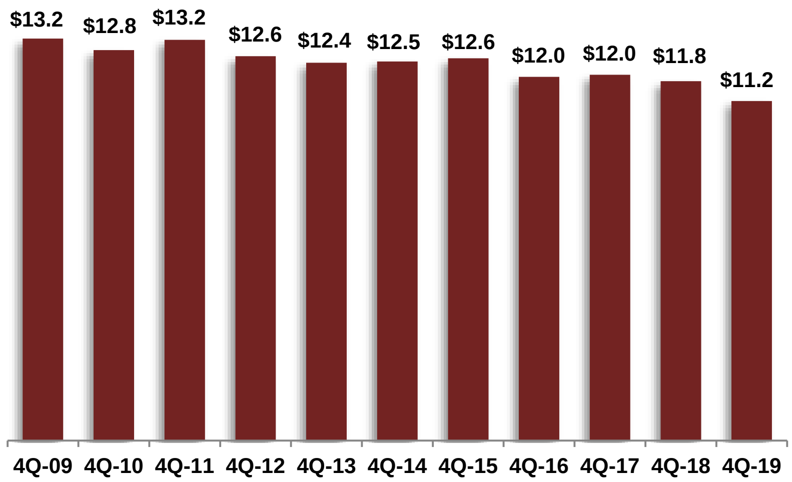
($ in billions)



1. Represents the future expected amortization of existing net par outstanding as of December 31, 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.

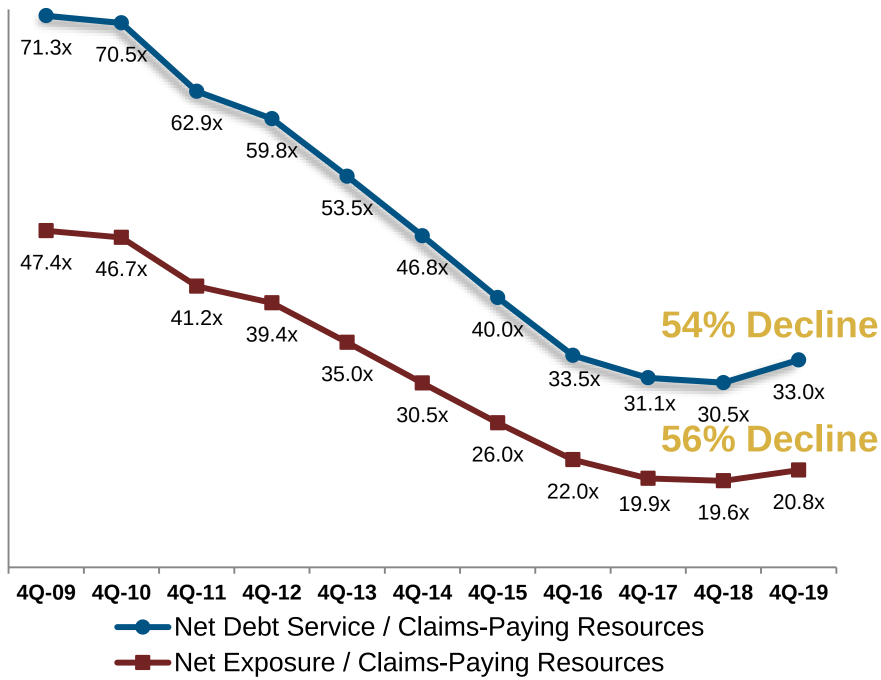
Assured Guaranty Today
Insured Portfolio and Capital Changes Since the Global Financial Crisis

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 66% were RMBS, 29% public finance and the rest other asset classes**

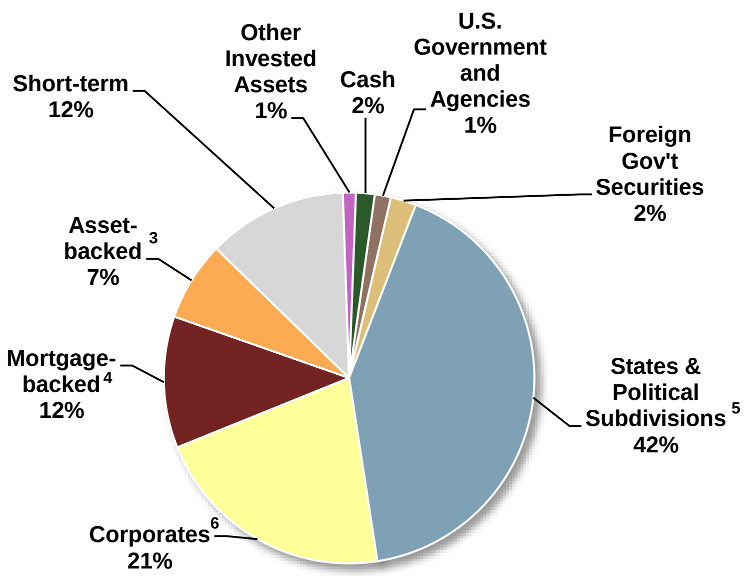
Insured Leverage



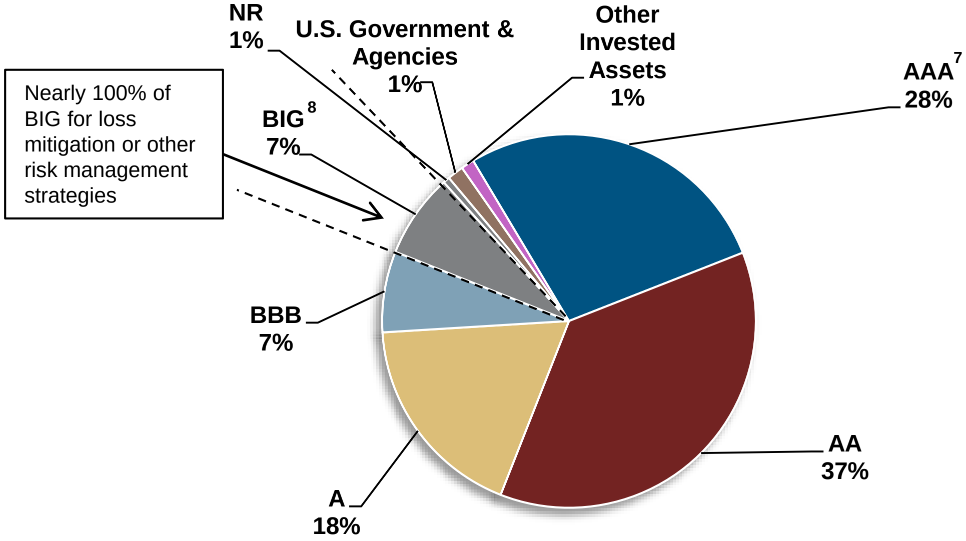
- **Since our acquisition of AGM in July 2009, group insured leverage as a multiple of claims-paying resources has declined by more than 50%**
- **As new business originations have increased and portfolio amortization has decreased, group insured leverage will begin to increase**

AGL Consolidated
Investment Portfolio
Fair Value as of December 31, 2019

Total Invested Assets and Cash[1] By Category



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



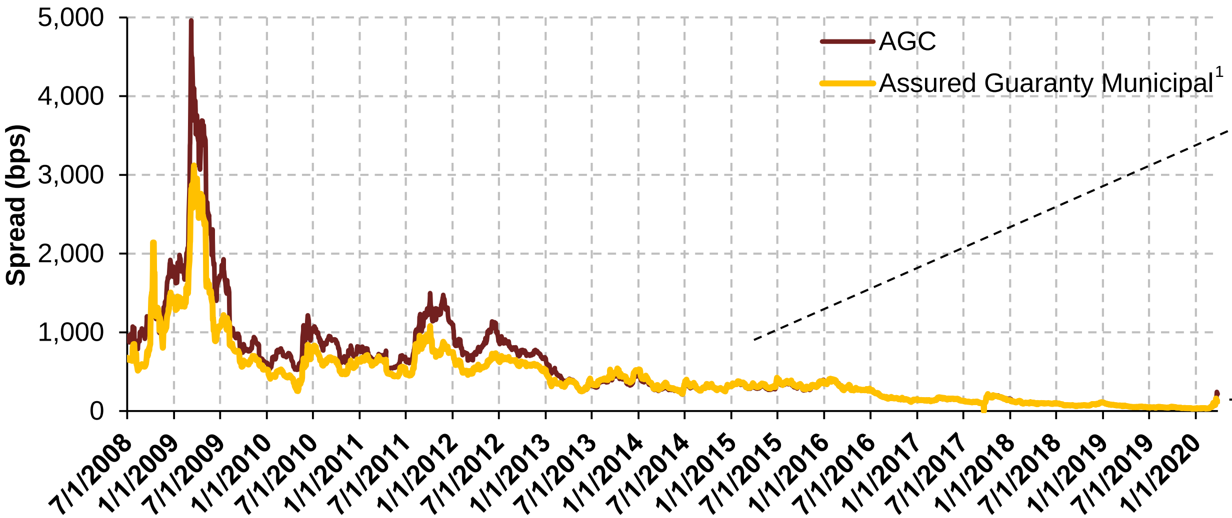
Total = $10.4 billion

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 $401 million. Asset-backed securities not purchased or obtained as part of loss mitigation or other risk management strategies have a fair value of $319 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 $310 million and agency-backed securities with a fair value of $496 million. The remaining securities have a fair value of $388 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 $107 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 $41 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 $758 million.

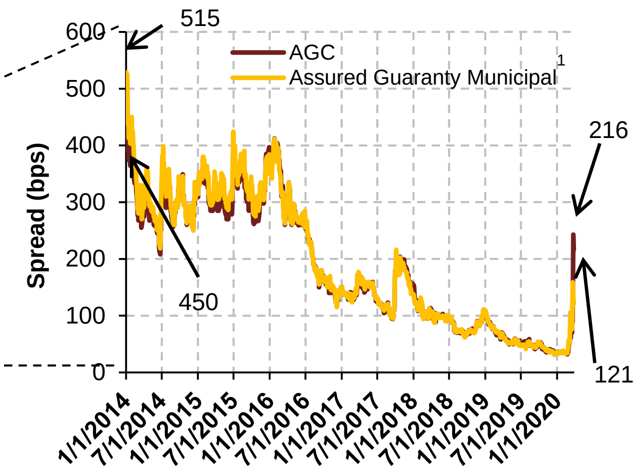
Credit Default Swap Spreads

- 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 March 6, 2020, the 5-year CDS levels for Assured Guaranty Municipal[1] came in by 99 percent and AGC by 98 percent of their mid-March 2009 levels
- Between January 1, 2014 and March 6, 2020, CDS levels for Assured Guaranty Municipal[1] and AGC came in by 86 and 87 percent, respectively, from their highs during this period. As of March 6, 2020, Assured Guaranty Municipal[1] and AGC's CDS were at approximately 72 bps and 59 bps, respectively
- CDS levels for Assured Guaranty Municipal[1] and AGC rose in response the COVID-19 pandemic, and on March 27, 2020 were 121 bps and 216 bps, respectively, still well below their levels during and after the Great Recession

CDS Spreads July 1, 2008 – March 3, 2020



CDS Spreads Jan 1, 2014 – Mar 3, 2020



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.

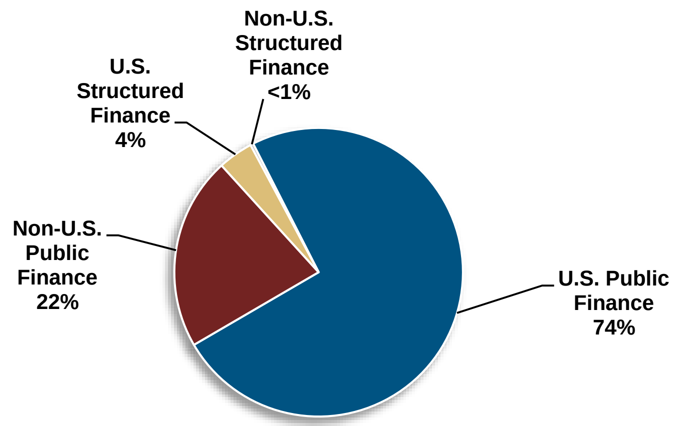
Assured Guaranty Ltd. Consolidated Insured Portfolio Overview

AGL Consolidated

Insured Portfolio

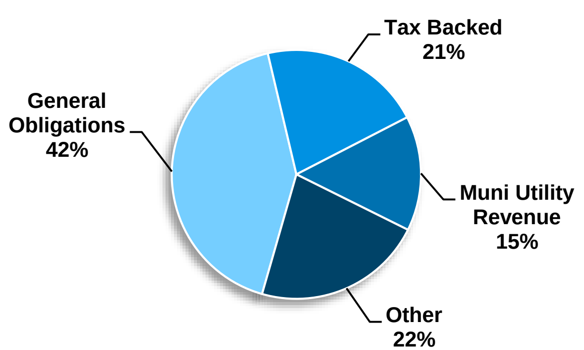
Net Par Outstanding as of December 31, 2019

Portfolio Diversification by Sector



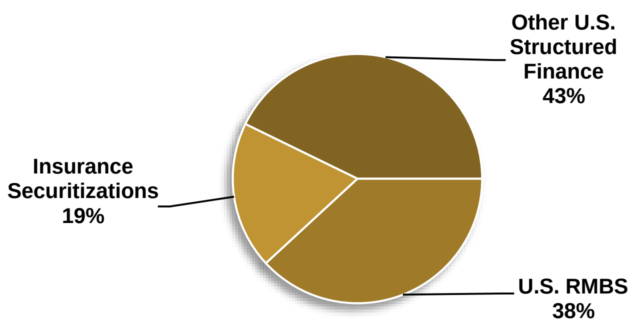
$236.8 billion[1,2]

U.S. Public Finance Portfolio



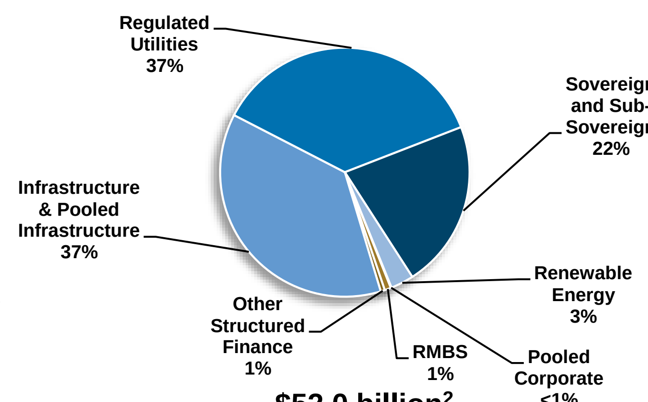
$175.5 billion[2]

U.S. Structured Finance Portfolio



$9.3 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance

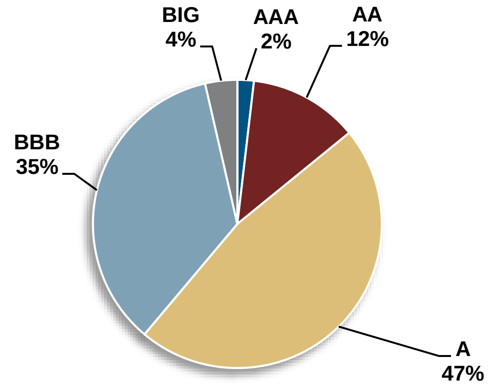


$52.0 billion[2]

1. Includes GICs. Please see the footnote on page 40.
2. Consolidated amounts include those of AG Re except AG Re's specialty insurance and reinsurance net exposure of $1.1 billion.

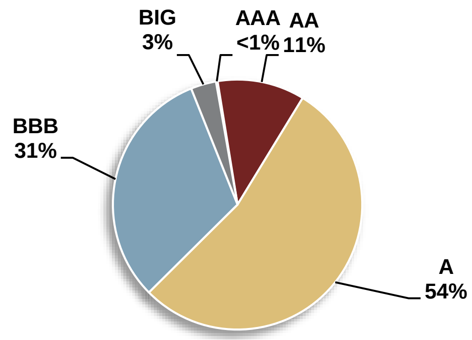
AGL Consolidated
Insured Portfolio Ratings
Net Par Outstanding as of December 31, 2019

Portfolio Diversification by Rating



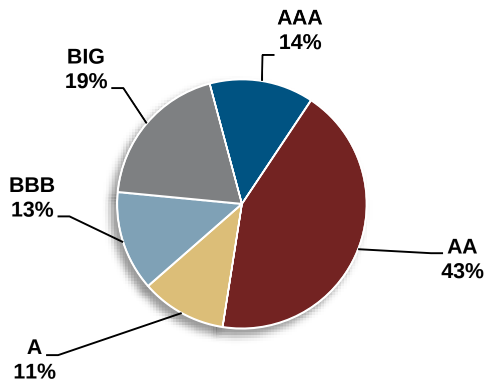
$236.8 billion[1,2]

U.S. Public Finance Portfolio



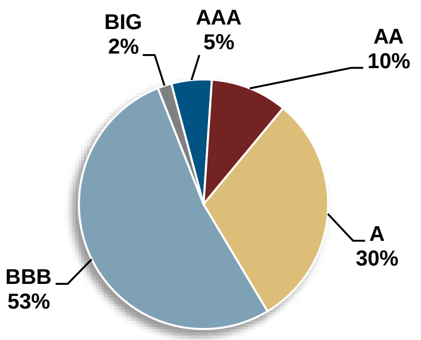
$175.5 billion[2]

U.S. Structured Finance Portfolio



$9.3 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance



$52.0 billion[2]

1. Includes GICs. Please see the footnote on page 40.
2. Consolidated amounts include those of AG Re except AG Re's specialty insurance and reinsurance net exposure of $1.1 billion.

Public Finance
Puerto Rico Exposure

Par Exposure to the Commonwealth and its Agencies[1,2]
As of December 31, 2019

	($ in millions)	Net Par Outstanding	Gross Par Outstanding
Commonwealth Constitutionally Guaranteed	Commonwealth of Puerto Rico - General Obligation Bonds [3]	$1,253	$1,294
	Puerto Rico Public Buildings Authority (PBA) [3]	140	145
	Subtotal	**$1,393**	**$1,439**
Public Corporations – Certain Revenues Potentially Subject to Clawback	Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation Revenue Bonds) [3]	$811	$842
	Puerto Rico Highways and Transportation Authority (PRHTA) (Highways Revenue Bonds) [3]	454	515
	Puerto Rico Convention Center District Authority (PRCCDA)	152	152
	Puerto Rico Infrastructure Financing Agency (PRIFA)	16	16
	Subtotal	**$1,433**	**$1,525**
Other Public Corporations	Puerto Rico Electric Power Authority (PREPA) [3,4]	822	838
	Puerto Rico Aqueduct and Sewer Authority (PRASA) [5]	373	373
	Puerto Rico Municipal Finance Agency (MFA) [5]	248	282
	University of Puerto Rico (U of PR) [5]	1	1
	Subtotal	**$1,444**	**$1,494**
	Total	**$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.
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 10-K 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 2019 Form 10-K.
5. As of the date of the Company’s 2019 10-K filing, the Company has **not** paid claims on these credits.

ASSURED GUARANTY

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

As of December 31, 2019

($ in millions)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045-2047	Total
Commonwealth – GO	$-	$-	$141	$-	$15	$37	$14	$73	$68	$34	$90	$33	$64	$419	$265	$-	$-	**$1,253**
PBA	-	-	5	-	13	-	7	-	6	11	40	1	-	38	19	-	-	**140**
Subtotal	**$-**	**$-**	**$146**	**$-**	**$28**	**$37**	**$21**	**$73**	**$74**	**$45**	**$130**	**$34**	**$64**	**$457**	**$284**	**$-**	**$-**	**$1,393**
PRHTA (Transportation Revenue)	$-	$-	$25	$-	$18	$28	$33	$4	$29	$24	$29	$34	$47	$166	$292	82	$-	**811**
PRHTA (Highways Revenue)	-	-	22	-	35	6	32	33	34	1	-	9	11	177	94	-	-	**454**
PRCCDA	-	-	-	-	-	-	-	-	-	-	19	-	-	76	57	-	-	**152**
PRIFA	-	-	-	-	-	-	2	-	-	-	-	-	-	-	7	7	-	**16**
Subtotal	**$-**	**$-**	**$47**	**$-**	**$53**	**$34**	**$67**	**$37**	**$63**	**$25**	**$48**	**$43**	**$58**	**$419**	**$450**	**$89**	**$-**	**$1,433**
PREPA	$-	$-	$48	$-	$28	$28	$95	$93	$68	$106	$105	$68	$39	$140	$4	$-	$-	**$822**
PRASA	-	-	-	-	-	-	-	1	25	27	28	29	-	-	2	15	246	**373**
MFA	-	-	45	-	40	40	22	18	17	34	12	10	6	4	-	-	-	**248**
U of PR	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	**1**
Subtotal	**$-**	**$-**	**$93**	**$-**	**$68**	**$68**	**$117**	**$112**	**$110**	**$167**	**$145**	**$107**	**$45**	**$145**	**$6**	**$15**	**$246**	**$1,444**
Total	**$-**	**$-**	**$286**	**$-**	**$149**	**$139**	**$205**	**$222**	**$247**	**$237**	**$323**	**$184**	**$167**	**$1,021**	**$740**	**$104**	**$246**	**$4,270**

Public Finance
Puerto Rico Exposure

Scheduled Net Debt Service Amortization of Exposure to the Commonwealth and its Agencies
As of December 31, 2019

($ in millions)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045-2047	Total
[redacted]																		
Commonwealth – GO	$33	$-	$173	$-	$74	$94	$70	$128	$119	$82	$136	$74	$103	$572	$294	$-	$-	**$1,952**
PBA	4	-	9	-	20	6	13	6	13	17	45	3	3	50	20	-	-	**209**
Subtotal	**$37**	**$-**	**$182**	**$-**	**$94**	**$100**	**$83**	**$134**	**$132**	**$99**	**$181**	**$77**	**$106**	**$622**	**$314**	**$-**	**$-**	**$2,161**
[redacted]																		
PRHTA (Transportation Revenue)	$21	$-	$46	$-	$59	$68	$72	$41	$65	$59	$63	$66	$78	$294	$356	$89	$-	**$1,377**
PRHTA (Highways Revenue)	12	-	34	-	58	27	52	51	51	17	15	25	26	233	101	-	-	**702**
PRCCDA	3	-	3	-	7	7	7	7	7	7	26	6	6	103	61	-	-	**250**
PRIFA	-	-	-	-	1	1	3	1	1	1	1	-	1	3	10	8	-	**31**
Subtotal	**$36**	**$-**	**$83**	**$-**	**$125**	**$103**	**$134**	**$100**	**$124**	**$84**	**$105**	**$97**	**$111**	**$633**	**$528**	**$97**	**$-**	**$2,360**
[redacted]																		
PREPA	$17	$3	$65	$3	$63	$62	$128	$121	$91	$126	$122	$81	$47	$155	$5	$-	$-	**$1,089**
PRASA	10	-	10	-	19	19	19	20	44	44	44	44	14	68	70	82	272	**779**
MFA	6	-	52	-	50	48	28	23	21	37	14	11	6	5	-	-	-	**301**
U of PR	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	**1**
Subtotal	**$33**	**$3**	**$127**	**$3**	**$132**	**$129**	**$175**	**$164**	**$156**	**$207**	**$180**	**$136**	**$67**	**$229**	**$75**	**$82**	**$272**	**$2,170**
Total	**$106**	**$3**	**$392**	**$3**	**$351**	**$332**	**$392**	**$398**	**$412**	**$390**	**$466**	**$310**	**$284**	**$1,484**	**$917**	**$179**	**$272**	**$6,691**

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

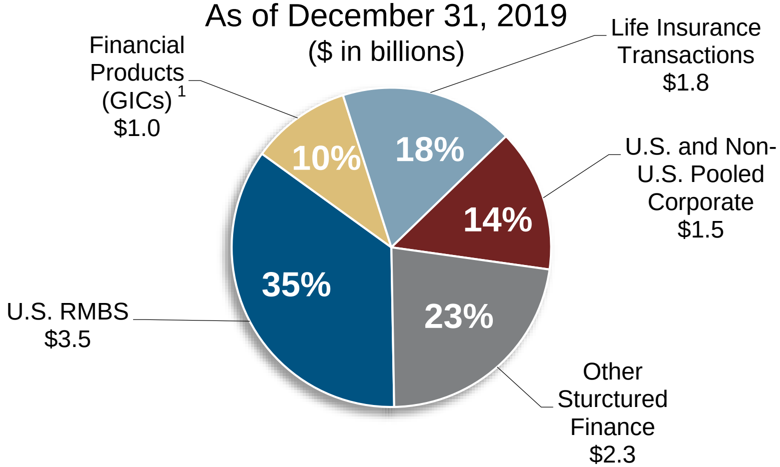
- **Net par exposure to Stockton is $107 million of pension obligation bonds**

- **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

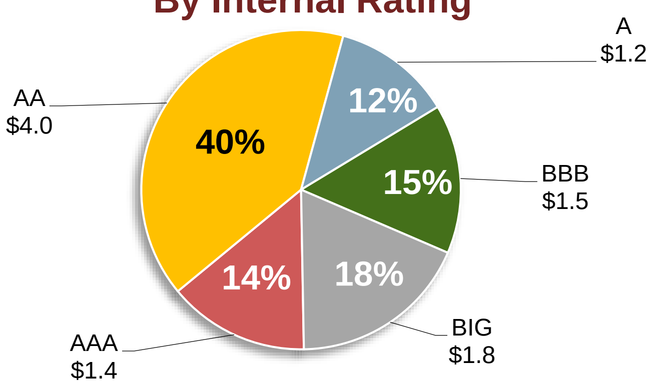
By Type

As of December 31, 2019
($ in billions)



$10.1 billion, A- average rating

By Internal Rating



- **Assured Guaranty's total structured finance exposure of $10.1 billion through December 31, 2019 reflects a $230.8 billion reduction from $240.9 billion at December 31, 2007, a 96% reduction**
  - We project that the existing portfolio will amortize by 11% by the end of 2020; 41% by the end of 2024

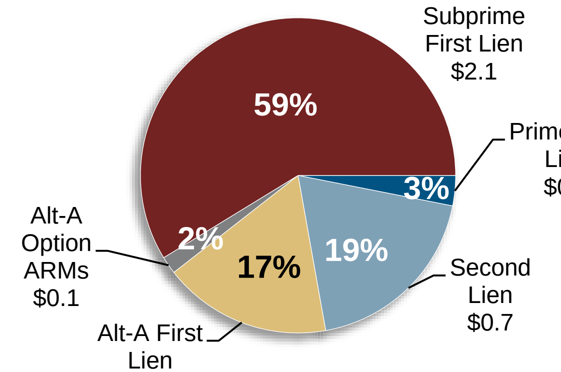
1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia.

Consolidated U.S. RMBS

- **Our $3.5 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 $3.5 billion at December 31, 2019, a $25.7 billion, or 88%, reduction
  - U.S. RMBS expected to be reduced by 17% by year-end 2020 and by 51% by year-end 2023
  - As of December 31, 2019, U.S. RMBS exposure excludes $1 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

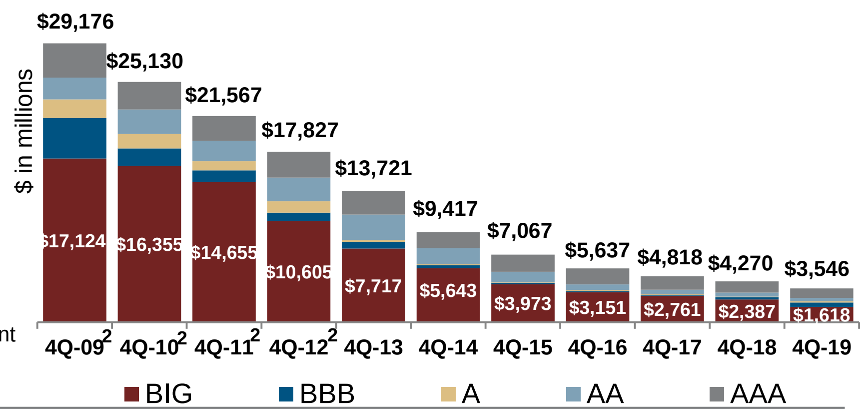
As of December 31, 2019
($ in billions)



$3.5 billion
(1.5% of total net par outstanding)

U.S. RMBS by Rating[1]

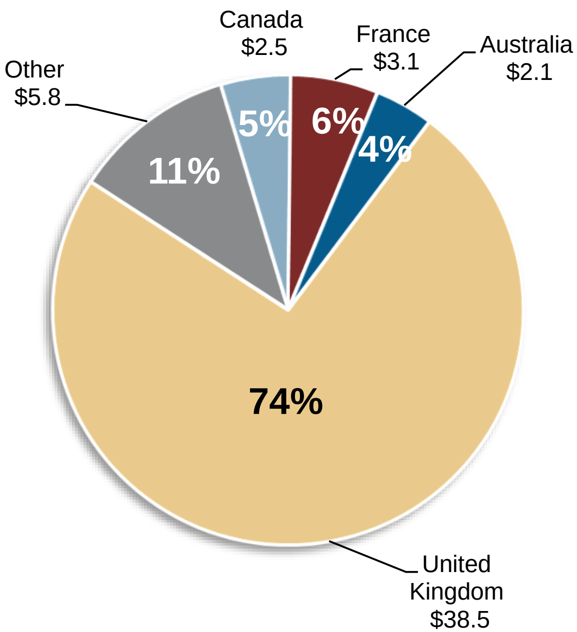
Net Par Outstanding from December 31, 2009 to December 31, 2019



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 December 31, 2019
($ in billions)



$52.0 billion, A- average rating

- **99% of non-U.S. exposure is Public Finance**
  - Direct sovereign debt is limited to Poland ($286 million) and Mexico ($50 million)
- **1% of non-U.S. exposure is Structured Finance**

AGM Portfolio Review

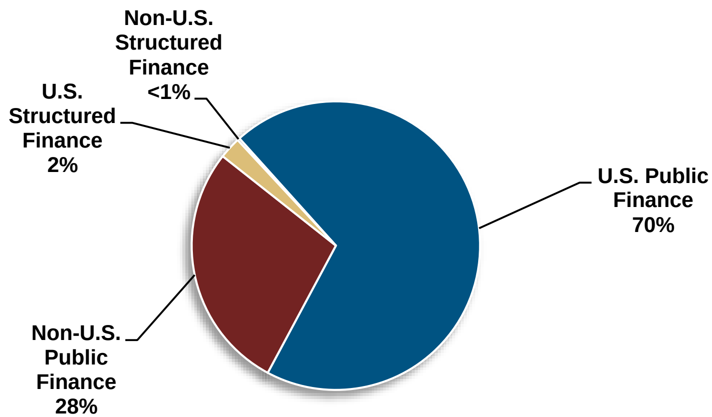
Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

AGM[1]

Insured Portfolio

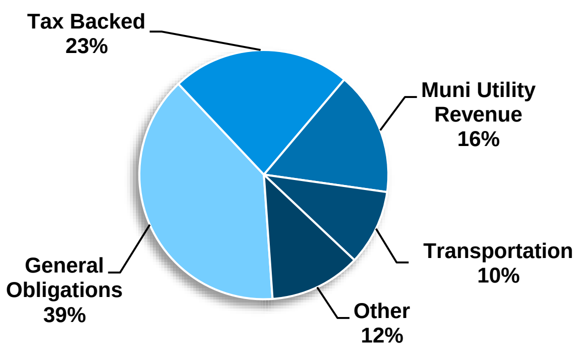
Net Par Outstanding as of December 31, 2019

Portfolio Diversification by Sector



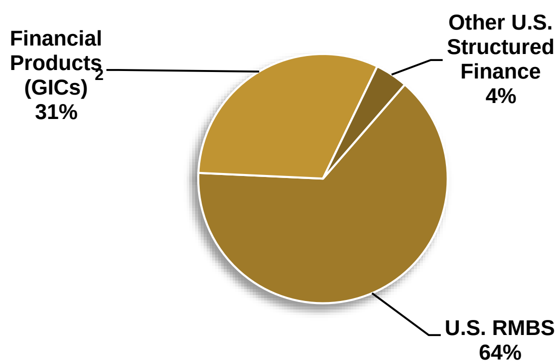
$132.8 billion[2]

U.S. Public Finance Portfolio



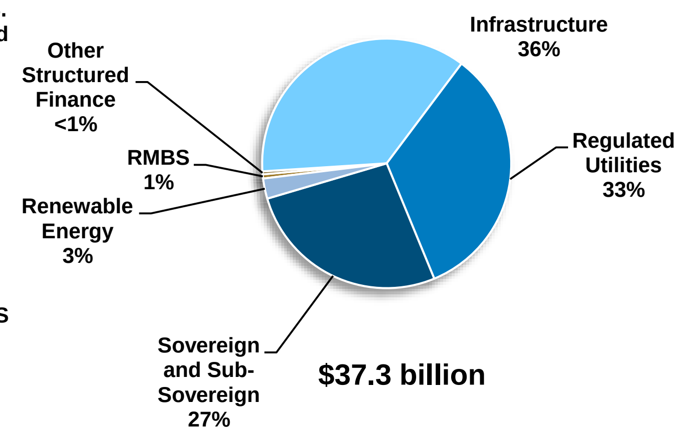
$92.3 billion

U.S. Structured Finance Portfolio



$3.2 billion

Non-U.S. Portfolios Public & Structured Finance



$37.3 billion

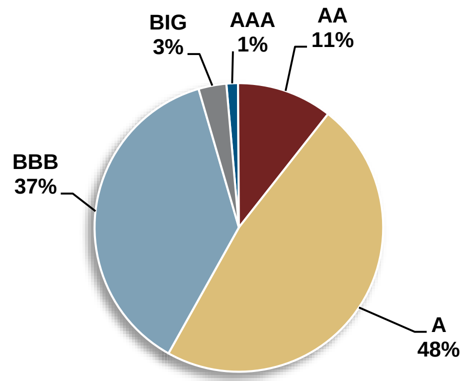
1. Please see page 3 for a definition of this convention.
2. Please see the footnote on page 40.

AGM[1]

Insured Portfolio Ratings

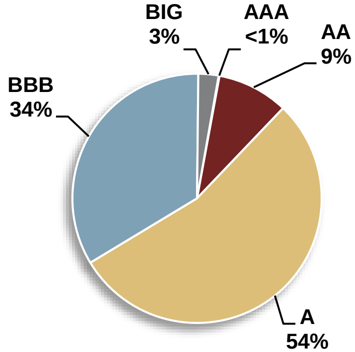
Net Par Outstanding as of December 31, 2019

Portfolio Diversification by Rating



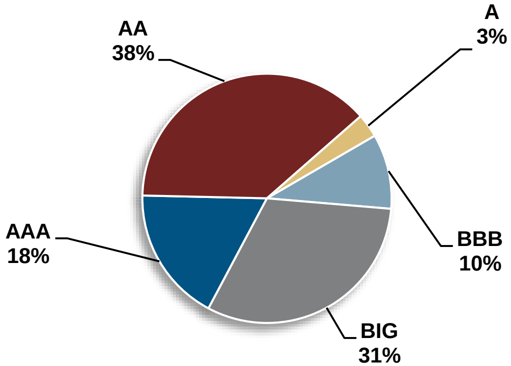
$132.8 billion[2]

U.S. Public Finance Portfolio



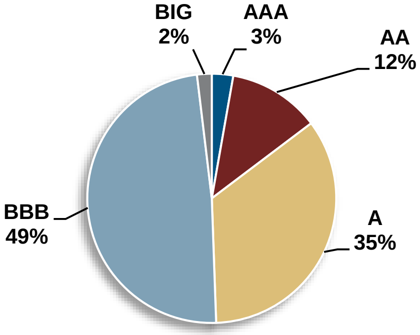
$92.3 billion

U.S. Structured Finance Portfolio



$3.2 billion[2]

Non-U.S. Portfolios Public & Structured Finance



$37.3 billion

1. Please see page 3 for a definition of this convention.
2. Includes GICs. Please see the footnote on page 40.

Net Par Outstanding By Asset Type

($ in millions)

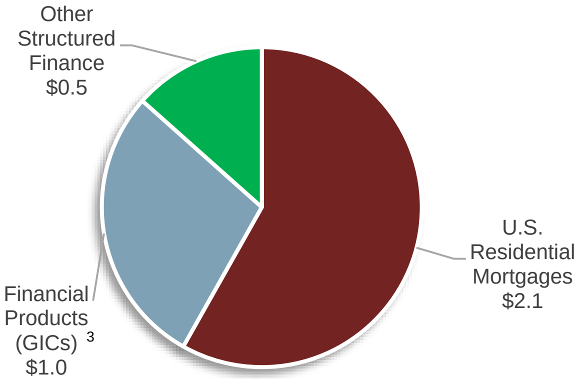
	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 36,071	A-
Tax backed	21,431	A-
Municipal utilities	14,822	A-
Transportation	9,042	BBB+
Healthcare	5,030	A-
Higher education	3,033	A-
Infrastructure finance	1,564	BBB
Housing revenue	893	BBB+
Renewable energy	17	A
Other public finance	408	A-
Total U.S. public finance	92,311	A-
Non-U.S. public finance:		
Infrastructure finance	13,520	BBB
Regulated utilities	12,485	BBB+
Sovereign and sub-sovereign	9,940	A+
Renewable energy	977	A+
Total non-U.S. public finance	36,922	A-
Total public finance	**$ 129,233**	**A-**

	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
RMBS	$ 2,086	BBB-
Financial products[2]	1,019	AA-
Other structured finance	137	A-
Total U.S. structured finance	3,242	BBB+
Non-U.S. structured finance:		
RMBS	201	BBB+
Other structured finance	143	AA
Total non-U.S. structured finance	344	A
Total structured finance	**$ 3,586**	**BBB+**
Total net par outstanding	**$ 132,819**	**A-**

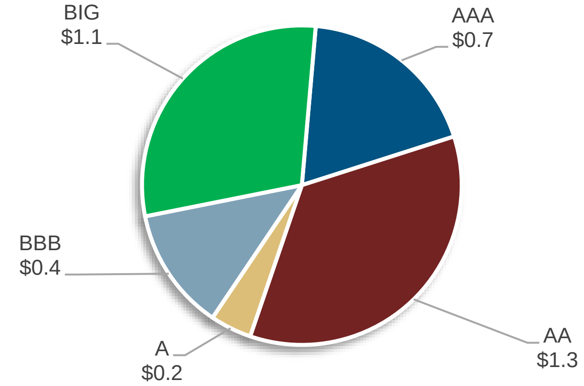
1. Please see page 3 for a definition of this convention.
2. Financial Products (GICs). Please see the footnote on page 40.

AGM[1] Projected Amortization[2] of Global Insured Structured Finance Portfolio

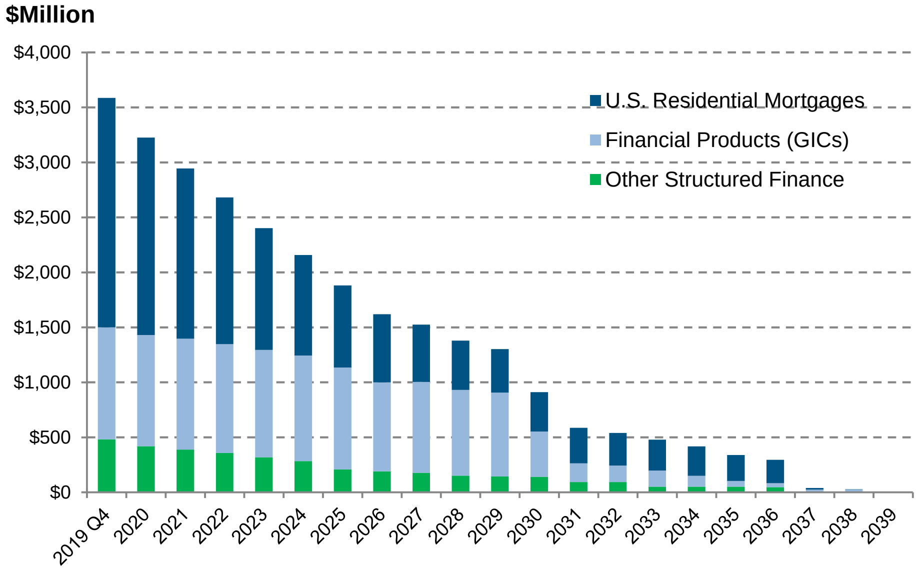
Portfolio Diversification by Sector



Portfolio Diversification by Rating



$3.6 Billion Net Par Outstanding
As of December 31, 2019
($ in billions)



- We expect AGM's[1] legacy global structured finance insured portfolio ($3.6 billion as of December 31, 2019 versus $127.3 billion as of September 30, 2008) to continue to amortize – 10% by year-end 2020 and 25% by year-end 2022.
  - $2.1 billion in U.S. RMBS expected to be reduced by 14% by year-end 2020 and by 36% by year-end 2022
  - $0.5 billion in other structured finance (excluding FP) expected to be reduced by 13% by year-end 2020 and by 26% by year-end 2022
- Former FP business ($1.0 billion of this $3.6 billion) was not part of Assured Guaranty's purchase; Assured Guaranty is indemnified against exposure to the FP business by Dexia.

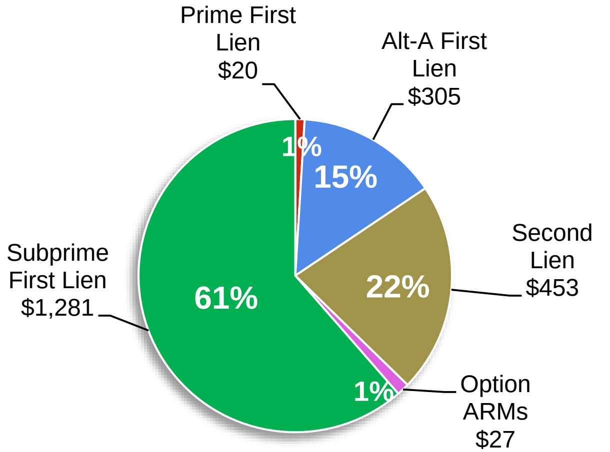
1. Please see page 3 for a definition of this convention.
2. Please see footnote 1 on page 29.
3. Please see the footnote on page 40.

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**
  - $2.1 billion net par outstanding versus $17.1 billion at year-end 2008, a decrease of 88%
  - 1.6% 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

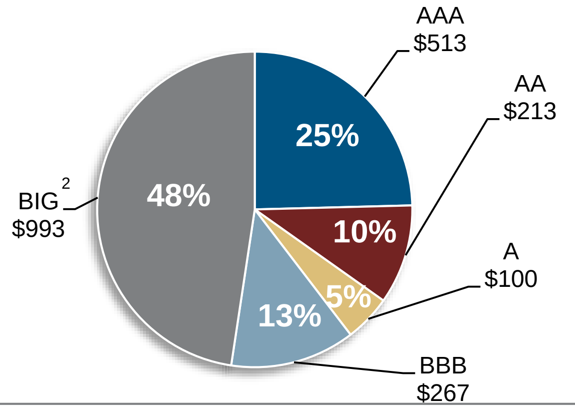
By Type

As of December 31, 2019
($ in millions)



$2.1 billion, 1.6% of net par outstanding

By Rating

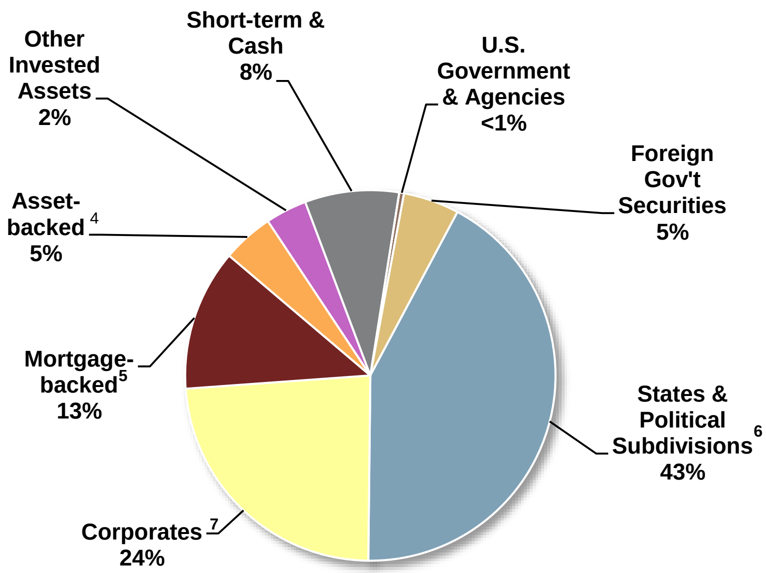


1. Please see page 3 for a definition of this convention.
2. Please see footnote 1 on page 41.

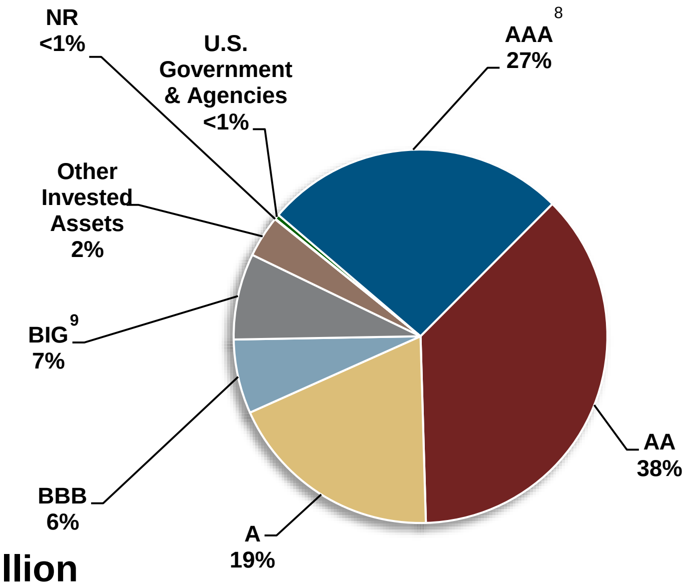
AGM[1]

Investment Portfolio
Fair Value as of December 31, 2019

Total Invested Assets and Cash[2] By Category



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



Total = $4.7 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 $31 million. Asset-backed securities not purchased or obtained as part of loss mitigation or other risk management strategies have a fair value of $181 million and an average rating of AA+.
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 $289 million and agency-backed securities with a fair value of $102 million. The remaining securities have a fair value of approximately $192 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 $41 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 $354 million.

AGM Consolidated Expected Loss and LAE to Be Paid
Three Months Ended December 31, 2019

($ in millions)

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

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

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 2019 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 $(65) million as of December 31, 2019.

AGM Consolidated Expected Loss and LAE to Be Paid
Year Ended December 31, 2019

($ in millions)

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

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

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 2019 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

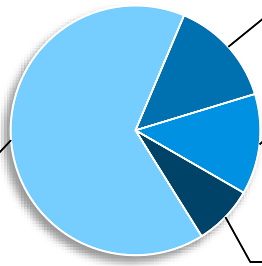
1. Includes expected loss to be paid, economic loss development and paid (recovered) losses for all contracts (i.e., those accounted for as insurance, credit derivatives and FG VIEs).
2. Includes future net R&W recoverable (payable) of $(65) million as of December 31, 2019 and $(22) million as of December 31, 2018.

Municipal Assurance Corp.
Portfolio Review

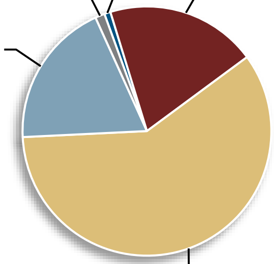
MAC

Insured Portfolio (100% U.S. Public Finance)
Net Par Outstanding as of December 31, 2019

Portfolio Diversification by Sector



Portfolio Diversification by Rating



$19.9 billion

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 12,956	A
Municipal utilities	2,766	A
Tax backed	2,588	A+
Transportation	924	A-
Higher Education	531	A-
Housing revenue	78	A+
Other public finance	11	A
Total U.S. public finance	**$ 19,854**	**A**

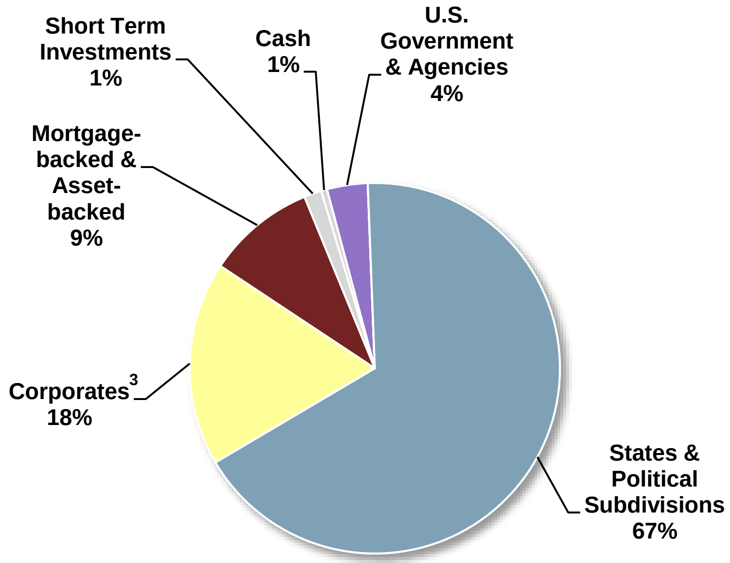
Net Par Outstanding By State
($ in millions)

	Net Par Outstanding	% of Total
California	$ 4,776	24.1%
Pennsylvania	2,137	10.8
Texas	1,881	9.5
Illinois	1,605	8.1
New York	1,593	8.0
New Jersey	992	5.0
Florida	658	3.3
Arizona	478	2.4
Alabama	464	2.3
Michigan	446	2.2
Other	4,824	24.3
Total U.S. public finance	**$ 19,854**	**100.0%**

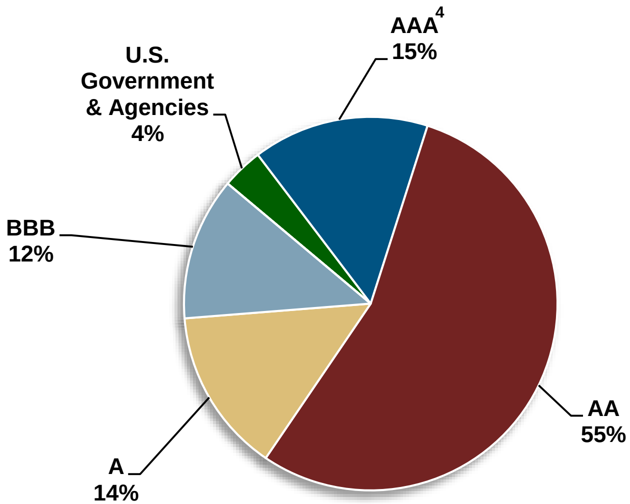
1. A total of $244 million net par outstanding; includes 21 revenue sources rated in the BB and B categories.

MAC
Investment Portfolio
Fair Value as of December 31, 2019

Total Invested Assets and Cash[1] By Category



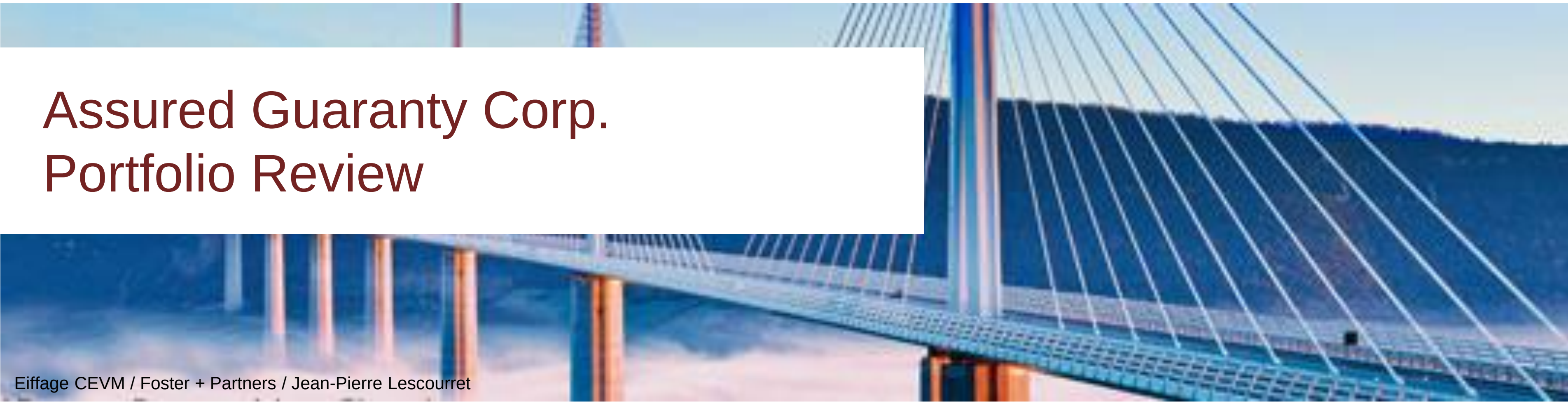
Total Invested Assets and Cash[1] By Rating[2]



Total = $0.6 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 $13 million. The remaining securities have a fair value of $43 million and an average rating of AAA.
4. Included in the AAA category are short-term securities and cash.

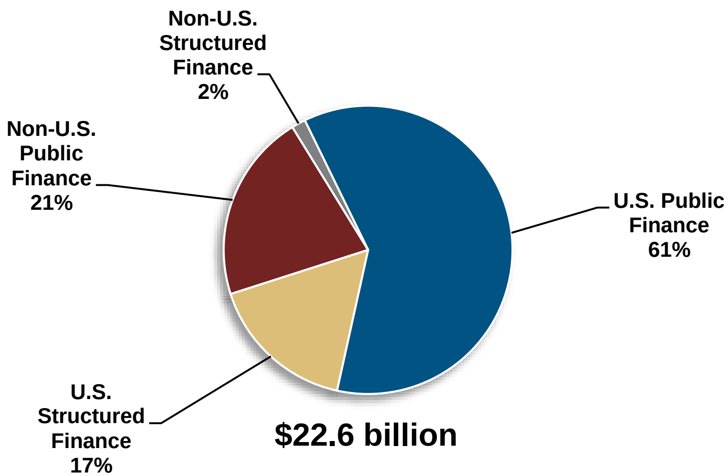
Assured Guaranty Corp. Portfolio Review



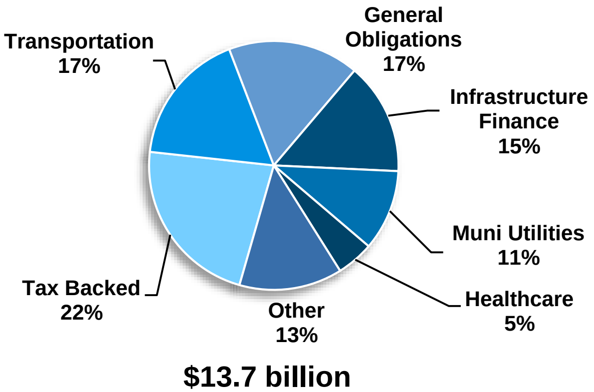
Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

AGC
Insured Portfolio
Net Par Outstanding as of December 31, 2019

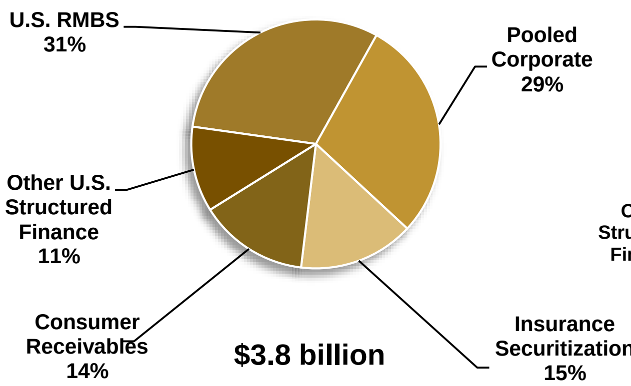
Portfolio Diversification by Sector



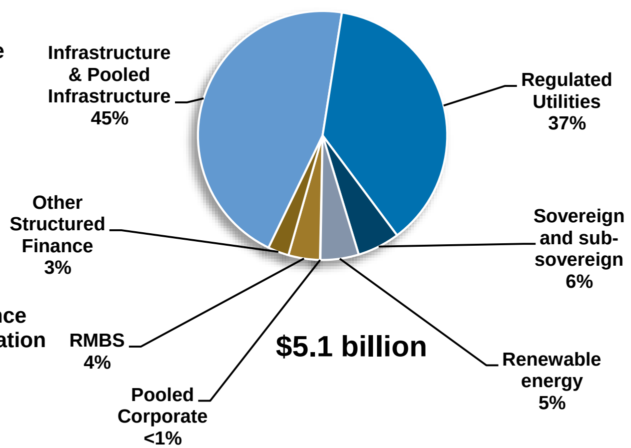
U.S. Public Finance Portfolio



U.S. Structured Finance Portfolio

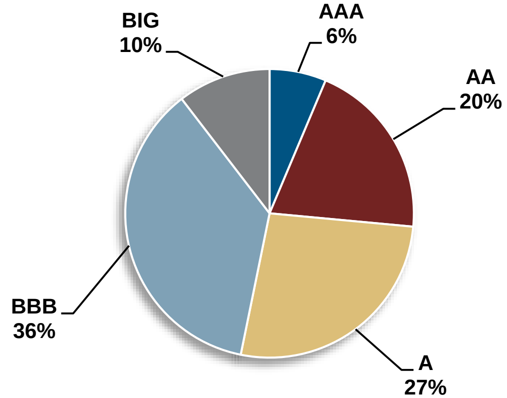


Non-U.S. Portfolios Public & Structured Finance



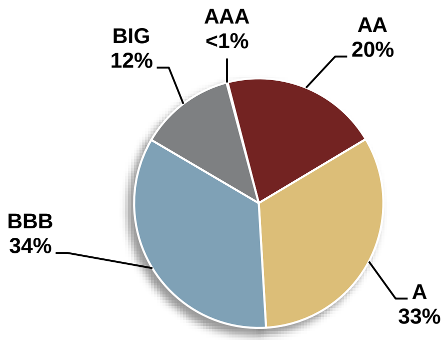
AGC
Insured Portfolio Ratings
Net Par Outstanding as of December 31, 2019

Portfolio Diversification by Rating



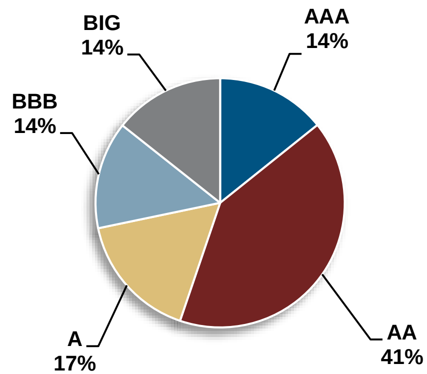
$22.6 billion

U.S. Public Finance Portfolio



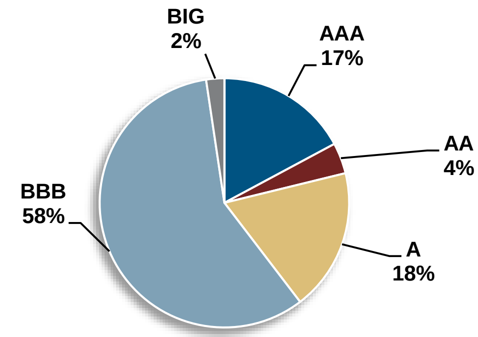
$13.7 billion

U.S. Structured Finance Portfolio



$3.8 billion

Non-U.S. Portfolios
Public & Structured Finance



$5.1 billion

AGC
Insured Portfolio
Net Par Outstanding as of December 31, 2019

Net Par Outstanding By Asset Type
($ in millions)

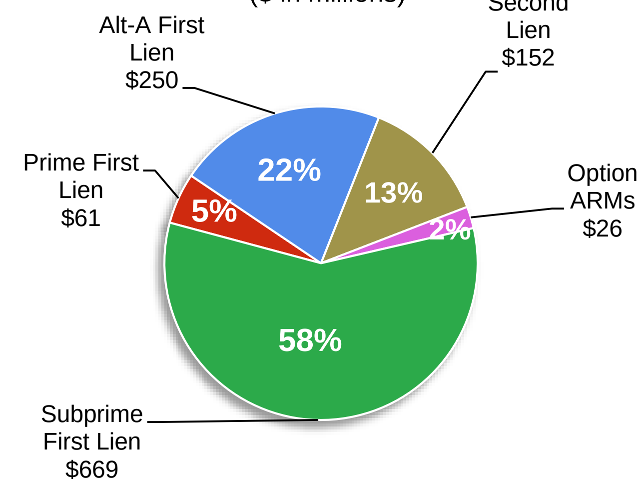
	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
Tax backed	$ 3,059	BBB-
Transportation	2,393	A-
General obligation	2,336	BBB+
Infrastructure finance	1,994	A+
Municipal utilities	1,443	BBB
Healthcare	662	BBB+
Investor-owned utilities	344	A-
Higher education	334	A-
Renewable energy	130	BBB+
Housing revenue	109	BBB-
Other public finance	917	A-
Total U.S. public finance	13,721	BBB+
Non-U.S. public finance:		
Regulated utilities	1,918	BBB+
Infrastructure finance	1,622	BBB
Pooled infrastructure	708	AAA
Sovereign and sub-sovereign	283	A-
Renewable energy	255	BBB+
Total non-U.S. public finance	4,786	A-
Total public finance	**$ 18,507**	**BBB+**

	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
RMBS	$ 1,158	BBB
Pooled corporate obligations	1,081	AA-
Life insurance transactions	563	AA-
Consumer receivables	534	A+
Other structured finance	416	BBB
Total U.S. structured finance	3,752	A
Non-U.S. structured finance:		
RMBS	210	AA-
Pooled corporate obligations	3	BBB+
Other structured finance	140	BBB
Total non-U.S. structured finance	353	A
Total structured finance	**$ 4,105**	**A**
Total net par outstanding	**$ 22,612**	**A-**

AGC U.S. RMBS Exposure

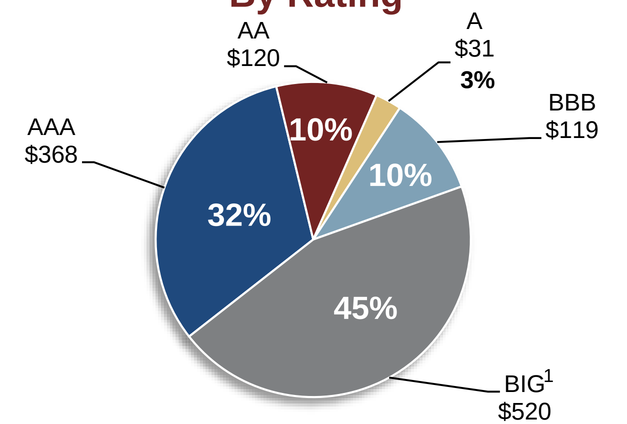
- **AGC's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - $1.2 billion versus $13.4 billion at year-end 2007, a decrease of 91%
  - 5.1% of total net par outstanding versus 14.3% at year-end 2007
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations

By Type
As of December 31, 2019
($ in millions)



$1.2 billion, 5.1% of net par outstanding

By Rating



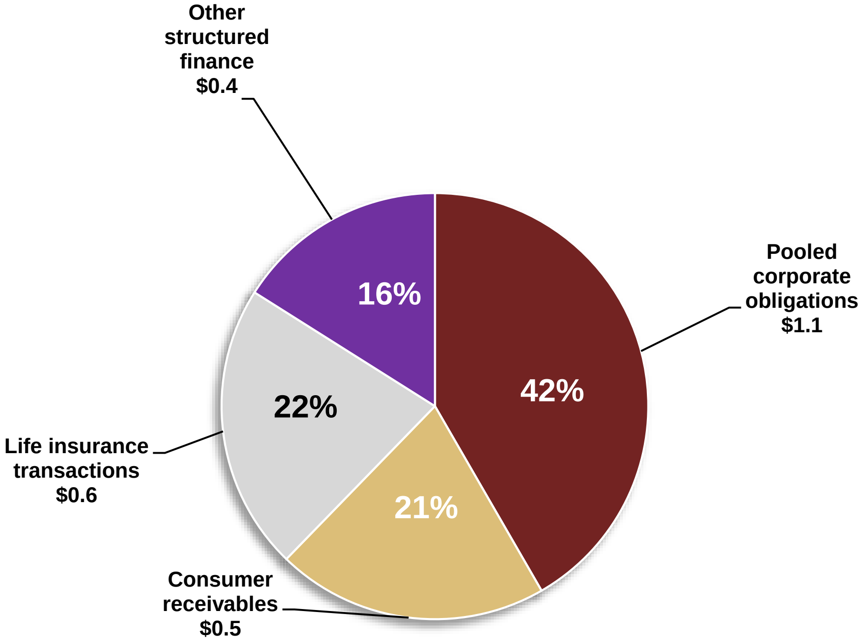
1. Please see footnote 1 on page 41.

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**
  - 6% rated AAA
  - 1% rated BIG

U.S. Non-RMBS Structured Finance

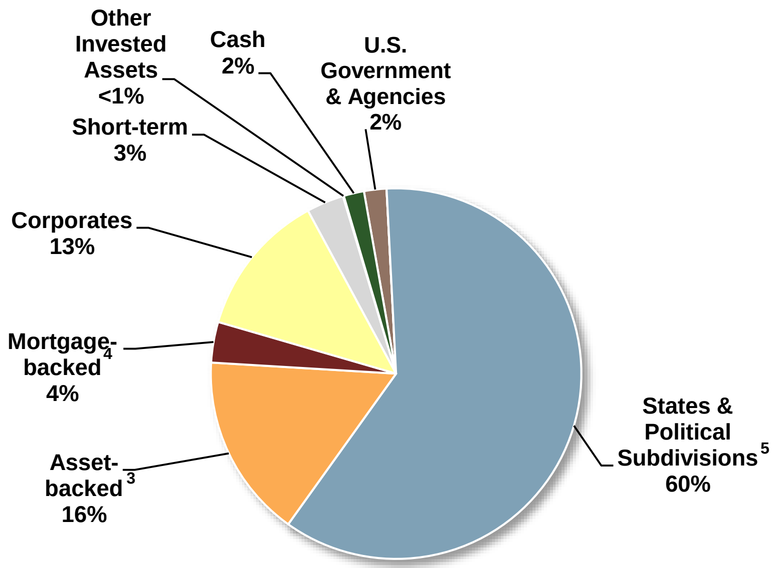
As of December 31, 2019
($ in billions)



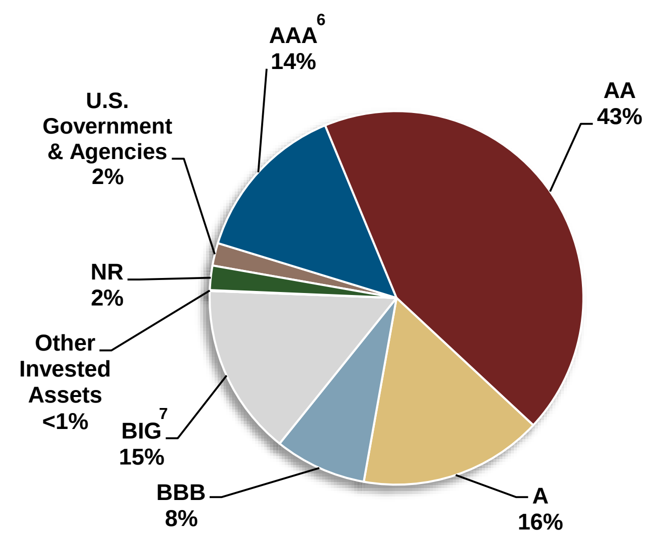
$2.6 billion net par outstanding

AGC
Investment Portfolio
Fair Value as of December 31, 2019

Total Invested Assets and Cash[1] By Category



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



Total = $2.7 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 $370 million. Asset-backed securities not purchased or obtained as part of loss mitigation or other risk management strategies have a fair value of $64 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 $16 million and agency-backed securities with a fair value of $49 million. The remaining securities have a fair value of $32 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 $72 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 $401 million.

AGC Expected Loss and LAE to Be Paid
Three Months Ended December 31, 2019

($ in millions)

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

	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2019	Economic Loss Development (Benefit) During 4Q-19	(Paid) Recovered Losses During 4Q-19	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2019
Public Finance:				
U.S. public finance	$248	$1	$(2)	$247
Non-U.S. public finance	3	(1)	-	2
Public Finance:	251	-	(2)	249
Structured Finance				
U.S. RMBS[2]	90	(2)	3	91
Other structure finance	(27)	-	(1)	(28)
Structured Finance:	63	(2)	2	63
Total	**$314**	**$(2)**	**$-**	**$312**

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 2019 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 $11 million as of December 31, 2019.

AGC Expected Loss and LAE to Be Paid
Year Ended December 31, 2019

($ in millions)

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

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2018	Economic Loss Development (Benefit) During 2019	(Paid) Recovered Losses During 2019	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2019
Public Finance:				
U.S. public finance	$314	$75	$(142)	$247
Non-U.S. public finance	4	(2)	-	2
Public Finance:	318	73	(142)	249
Structured Finance				
U.S. RMBS[2]	123	(60)	28	91
Other structure finance	(87)	-	59	(28)
Structured Finance:	36	(60)	87	63
Total	**$354**	**$13**	**$(55)**	**$312**

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 2019 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 $11 million as of December 31, 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 VIE consolidation, provides information that is necessary for analysts to calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and for investors, analysts and the financial news media to evaluate Assured Guaranty's financial results.

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

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

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

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

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

Appendix

Explanation of Non-GAAP Financial Measures

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

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

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

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

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

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

Adjusted Operating Shareholders' Equity and Adjusted Book Value: Management believes that adjusted operating shareholders' equity is a useful measure because it presents the equity of the Company excluding the fair value adjustments on investments, credit derivatives and CCS that are not expected to result in economic gain or loss, along with other adjustments described below. Management further adjusts adjusted operating shareholders' equity by removing VIE consolidation to arrive at its core operating shareholders' equity and core adjusted book value.

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

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

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

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

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

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

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

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

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

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

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

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

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

Net Present Value of Estimated Net Future Revenue: Management believes that this amount is a useful measure because it enables an evaluation of the value of future estimated revenue for contracts other than financial guaranty insurance contracts (such as specialty insurance and reinsurance contracts and credit derivatives). There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from these contracts, net of reinsurance, ceding commissions and premium taxes, for contracts without expected economic losses, and is discounted at 6%. Estimated net future revenue may change from period to period due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation.

PVP or Present Value of New Business Production: Management believes that PVP is a useful measure because it enables the evaluation of the value of new business production for the Company by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period as well as premium supplements and additional installment premium on existing contracts as to which the issuer has the right to call the insured obligation but has not exercised such right, whether in insurance or credit derivative contract form, which management believes GAAP gross written premiums and the net credit derivative premiums received and receivable portion of net realized gains and other settlements on credit derivatives (Credit Derivative Realized Gains (Losses)) do not adequately measure. PVP in respect of contracts written in a specified period is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, discounted, in each case, at 6%. Under GAAP, financial guaranty installment premiums are discounted at a risk free rate. Additionally, under GAAP, management records future installment premiums on financial guaranty insurance contracts covering non-homogeneous pools of assets based on the contractual term of the transaction, whereas for PVP purposes, management records an estimate of the future installment premiums the Company expects to receive, which may be based upon a shorter period of time than the contractual term of the transaction. Actual future earned or written premiums and Credit Derivative Realized Gains (Losses) may differ from PVP due to factors including, but not limited to, changes in foreign exchange rates, prepayment speeds, terminations, credit defaults, or other factors that affect par outstanding or the ultimate maturity of an obligation.

Appendix

Reconciliation of Gross Written Premiums (GWP) to PVP

Reconciliation of GWP to PVP	Three Months Ended December 31,		Year Ended December 31,					
(dollars in millions)	2019	2018	2019	2018	2017	2016	2015	2014
Total GWP	$518	$96	$677	$612	$307	$154	$181	$104
Less: Installment GWP and other GAAP adjustments[1]	436	27	469	119	99	(10)	55	(22)
Upfront GWP	82	69	208	493	208	164	126	126
Plus: Installment premium PVP	204	27	255	170	81	50	53	42
Total PVP	$286	$96	$463	$663	$289	$214	$179	$168

PVP:	2019	2018	2019	2018	2017	2016	2015	2014
Public Finance - U.S.	$79	$89	$201	$391	$196	$161	$124	$128
Public Finance - non-U.S.	187	3	211	94	66	25	27	7
Structured Finance - U.S.	18	1	45	166	12	27	22	24
Structured Finance - non-U.S.	2	3	6	12	15	1	6	9
Total PVP	$286	$96	$463	$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) Attributable to AGL to Adjusted Operating Income[1]

Adjusted Operating Income[1] Reconciliation (dollars in millions, except per share amounts)	Three Months Ended December 31, 2019		Three Months Ended December 31, 2018		Year Ended December 31, 2019		Year Ended December 31, 2018	
	Total	Per Diluted Share	Total	Per Diluted Share	Total	Per Diluted Share	Total	Per Diluted Share
Net income (loss) attributable to AGL	**$137**	**$1.42**	**$88**	**$0.83**	**$402**	**$4.00**	**$521**	**$4.68**
Less pre-tax adjustments:								
Realized gains (losses) on investments	10	0.11	(18)	(0.17)	22	0.22	(32)	(0.29)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	19	0.19	10	0.09	(10)	(0.11)	101	0.90
Fair value gains (losses) on CCS	(18)	(0.18)	17	0.16	(22)	(0.22)	14	0.13
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	45	0.46	(12)	(0.11)	22	0.21	(32)	(0.29)
Total pre-tax adjustments	56	0.58	(3)	(0.03)	12	0.10	51	0.45
Less tax effect on pre-tax adjustments	(6)	(0.06)	(1)	(0.01)	(1)	(0.01)	(12)	(0.11)
Adjusted operating income[1]	$87	$0.90	$92	$0.87	$391	$3.91	$482	$4.34
Gain (loss) related to VIE consolidation included in adjusted operating income[1]	(4)	$(0.05)	$(3)	$(0.02)	-	-	$(4)	$(0.03)

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

Appendix

Reconciliation of Shareholders’ Equity to Adjusted Book Value[1]

Adjusted Book Value[1] reconciliation (dollars in millions, except per share amounts)	**As of**									
	December 31, 2019		**September 30, 2019**		**December 31, 2018**		**September 30, 2018**		**December 31, 2017**	
	Total	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**
Reconciliation of shareholders' equity to adjusted book value[1]:										
Shareholders' equity	**$6,639**	**$71.18**	**$6,652**	**$68.94**	**$6,555**	**$63.23**	**$6,583**	**$61.73**	**$6,839**	**$58.95**
Less pre-tax adjustments:										
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(56)	(0.60)	(74)	(0.77)	(45)	(0.44)	(55)	(0.51)	(146)	(1.26)
Fair value gains (losses) on CCS	52	0.56	70	0.72	74	0.72	57	0.53	60	0.52
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	486	5.21	529	5.48	247	2.39	215	2.02	487	4.20
Less Taxes	(89)	(0.95)	(95)	(0.97)	(63)	(0.61)	(54)	(0.51)	(83)	(0.71)
Adjusted operating shareholders' equity[1]	6,246	66.96	6,222	64.48	6,342	61.17	6,420	60.20	6,521	56.20
Pre-tax adjustments:										
Less: Deferred acquisition costs	111	1.19	107	1.11	105	1.01	103	0.97	101	0.87
Plus: Net present value of estimated net future revenue	192	2.05	195	2.02	204	1.96	211	1.99	146	1.26
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	3,296	35.34	2,892	29.98	3,005	28.98	3,012	28.24	2,966	25.56
Plus Taxes	(588)	(6.30)	(500)	(5.19)	(524)	(5.04)	(528)	(4.95)	(512)	(4.41)
Adjusted book value[1]	$9,035	$96.86	$8,702	$90.18	$8,922	$86.06	$9,012	$84.51	$9,020	$77.74
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholders' equity[1]	$7	$0.07	$12	$0.12	$3	$0.03	$3	$0.03	$5	$0.03
Gain (loss) related to FG VIE consolidation included in adjusted book value[1]	($4)	($0.05)	$-	$-	($15)	($0.15)	($14)	($0.14)	($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 Adjusted Operating ROE[1,2]

ROE Reconciliation
(dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	**2018**	**2019**	**2018**
Net income (loss) attributable to AGL	**$137**	**$88**	**$402**	**$521**
Adjusted operating income[2]	87	92	391	482
Gain (loss) related to VIE consolidation included in adjusted operating income[2]	(4)	(3)	-	(4)
Average shareholders' equity attributable to AGL	**$6,646**	**$6,569**	**$6,597**	**$6,697**
Average adjusted operating shareholders' equity[2]	6,234	6,381	6,294	6,432
Gain (loss) related to VIE consolidation included in average adjusted operating shareholders' equity[2]	10	3	5	4
GAAP ROE[1]	**8.2%**	**5.4%**	**6.1%**	**7.8%**
Adjusted operating ROE[1,2]	5.6%	5.8%	6.2%	7.5%
Effect of consolidating VIEs included in adjusted operating ROE[1,2]	(0.3)%	(0.2)%	-%	(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.

Appendix
Assets Under Management

Assets Under Management: The Company uses AUM as a metric to measure progress in its Asset Management segment. The Company uses measures of its AUM in its decision making process and intends to use a measure of change in AUM in its calculation of certain components of management compensation. Investors also use AUM to evaluate companies that participate in the asset management business. AUM refers to the assets managed, advised or serviced by the Asset Management segment and equals the sum of the following:

1) the net asset value of the opportunity and wind-down funds plus any unfunded commitments;

2) the amount of aggregate collateral balance and principal cash of Assured Investment Management's CLOs, including CLO equity that may be held by Assured Investment Management funds. This also includes CLO assets managed by BlueMountain Fuji Management, LLC (BM Fuji). BlueMountain is not the investment manager of BM Fuji CLOs, but rather has entered into a services agreement and a second agreement with BM Fuji pursuant to which BlueMountain provides certain services associated with the management of BM Fuji-advised CLOs and acts in the capacity of service provider.

CLOs AUM includes $536 million of CLO equity that is held by various Assured Investment Management funds. This CLO equity corresponds to the majority of the non-fee earning CLO AUM, as Assured Investment Management typically rebates the CLO fees back to Assured Investment Management funds.

The Company's calculation of AUM may differ from the calculation employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. The calculation also differs from the manner in which Assured Investment Management affiliates registered with the SEC report “Regulatory Assets Under Management” on Form ADV and Form PF in various ways.

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Fixed Income Investor Presentation

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