



EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Fixed Income Investor Presentation

March 31, 2021

**ASSURED
GUARANTY[®]**
MUNICIPAL

**ASSURED
GUARANTY[®]**
CORP.

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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, course and duration of the COVID-19 pandemic and the governmental and private actions taken in response, the effectiveness, acceptance and distribution of COVID-19 vaccines, and the global consequences of the pandemic and such actions, including their impact on the factors listed below; (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, including as a result of the failure to resolve Assured Guaranty's Puerto Rico exposure in a manner substantially consistent with the support agreements signed to date; (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 form, and variable interest entities 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 now known as Assured Investment Management LLC) and its associated entities; (17) the possibility that acquisitions made by Assured Guaranty, including its acquisition of BlueMountain (BlueMountain Acquisition), do not result in the benefits anticipated or subject Assured Guaranty to unanticipated consequences; (18) difficulties with the execution of Assured Guaranty's business strategy; (19) loss of key personnel; (20) the effects of mergers, acquisitions and divestitures; (21) natural or man-made catastrophes or pandemics; (22) other risk factors identified in AGL's filings with the U.S. SEC; (23) other risks and uncertainties that have not been identified at this time; and; (24) management's response to these factors.
- The foregoing review of important factors should not be construed as exhaustive, and should be read in conjunction with the other risk factors and cautionary statements that are included in Assured Guaranty's most recent Forms 10-K and subsequent Forms 10-Q. The Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, any future developments or otherwise, except as required by law. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company's reports filed with the SEC.
- If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may vary materially from what the Company projected. Any forward-looking statements in this presentation reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity. For these statements, the Company claims the protection of the safe harbor for forward looking statements contained in Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Conventions, Non-GAAP Financial Measures and Certain Statutory Data



- Unless otherwise noted, the following conventions are used in this presentation:
 - “AGM Consolidated” means Assured Guaranty Municipal Corp. and its consolidated entities, which consist primarily of Assured Guaranty UK Limited (“AGUK”); Assured Guaranty (Europe) SA (“AGE”); 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 that Assured Guaranty Municipal Corp. is required to consolidate under accounting principles generally accepted in the United States.
 - “AGM” means AGM Consolidated excluding MAC Holding, MAC and AGAS. **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, AGUK, AGE and AGAS.
 - On April 1, 2021, the Company completed the merger of MAC with and into Assured Guaranty Municipal, with Assured Guaranty Municipal as the surviving entity.
 - 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.
- All reconciliations in the Appendix of this presentation are on an AGL consolidated basis.

Corporate Overview



- **Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty” or the “Company”) is the leading financial guaranty franchise**
 - We are the only long-standing financial guaranty company to have written new business throughout the 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 \$9.7 billion as of March 31, 2021^{1,2}
 - Consolidated claims-paying resources of \$11.0 billion as of March 31, 2021³
- **Assured Guaranty sees asset management as a way to diversify our sources of revenue and investment strategies**
 - AssuredIM has assets under management (AUM) of \$17.5 billion as of March 31, 2021⁴

(\$ in billions)	AGL Consolidated (03/31/21)
Net par outstanding	\$234.3
Total investment portfolio and cash ^{1,2}	\$9.7
Claims-paying resources ²	\$11.0

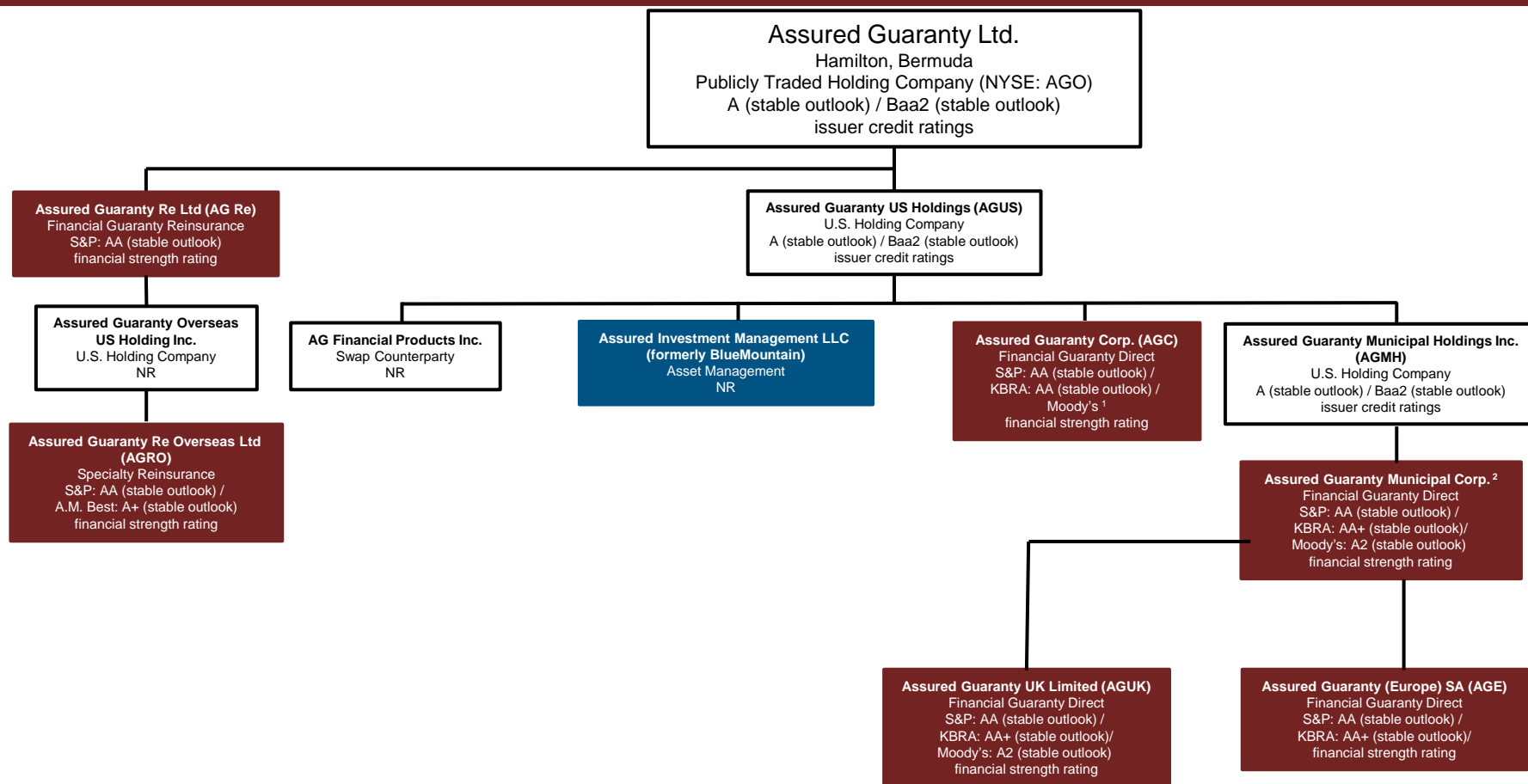
1. See page 30 for a breakdown of the available-for-sale portfolio.

2. Excludes amounts invested by the U.S. subsidiaries in AssuredIM funds that have a fair value of \$297 million as of March 31, 2021.

3. Aggregate data for the Company’s insurance subsidiaries, based primarily on statutory measures. Claims on each insurer’s guarantees are paid from that insurer’s separate claims-paying resources. See page 11 for components of claims-paying resources.

4. For conventions used by the Company in presenting AUM, see the Appendix.

Assured Guaranty Ltd. Corporate Structure



As of June 22, 2021

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. On April 1, 2021, the Company completed the merger of MAC with and into Assured Guaranty Municipal, with Assured Guaranty Municipal as the surviving company

Investor and Issuer Benefits, and Insurance Operating Principles



- **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
- **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

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

COVID-19 Market Disruption

Strength of Financial Guaranty Business Model



- **The Company insures scheduled payments of principal and interest when due**
 - Insurance regulations forbid acceleration of our obligations without consent
- **Issuers that default on a few debt service payments may have the resources later to repay the Company for any liquidity claims the Company is required to pay during a stressful period**
- **The Company's ultimate loss on an insured obligation is not a function of that underlying obligation's market value**
 - Rather, the Company's ultimate loss is the sum of all principal and interest payments it makes under its policy less the sum of all reimbursements and other recoveries
- **The nature of the financial guaranty business model, which requires the Company to pay only any shortfall in interest and principal on scheduled payment dates, along with the Company's liquidity practices, reduce the need for the Company to sell investment assets in periods of market distress**
 - As of March 31, 2021, the Company had \$701 million of short-term investments and \$95 million of cash
 - The Company's financial strength is supported by significant excess capital and claims-paying resources exceeding \$11 billion

COVID-19 Market Disruption

Augmented Periodic Surveillance Process



- **The Company's Surveillance Department (with a staff of over three dozen) is closely monitoring those sectors and credits it believes are most at risk as a result of the direct and indirect consequences of the COVID-19 pandemic**
- **The Company's Surveillance Departments have developed models to assess potential claim payments in a stress case, and regularly update those models to account for current economic and financial information**
 - The most recent update, which covers a stress case through January 2022, takes into account the American Rescue Plan Act of 2021, which provides \$1.9 trillion of economic stimulus
 - The model focuses on the sectors we consider high and medium risk, and assumes significant reductions in future revenues as well as no additional federal assistance
- **The Company does not expect to pay first-time claims arising from the pandemic that would lead to material ultimate credit losses**
 - On some transactions that were already classified as below investment grade prior to the pandemic, we did increase reserves
- **As of June 21, 2021, the Company has paid only relatively small first-time insurance claims it believes are due at least in part to credit stress arising specifically from COVID-19**
 - The Company currently projects nearly full reimbursement of these relatively small claims

Discrete Insurance Companies with Separate Capital Bases



Consolidated Statutory-Basis Claims-Paying Resources and Exposures

As of March 31, 2021

(\$ in millions)	AGM	AGC	MAC	AG Re ⁷	Eliminations ²	Consolidated
Claims-paying resources						
Policyholders' surplus	\$2,805	\$1,672	\$305	\$699	\$(515)	\$4,966
Contingency reserve ¹	959	619	187	-	(187)	1,578
Qualified statutory capital	3,764	2,291	492	699	(702)	6,544
UPR and net deferred ceding commission income ¹	2,121	365	106	585	(186)	2,991
Loss and loss adjustment expense reserves	33	60	(1)	133	1	226
Total policyholders' surplus and reserves	5,918	2,716	597	1,417	(887)	9,761
Present value of installment premium ⁸	449	184	-	220	-	853
Committed Capital Securities	200	200	-	-	-	400
Total claims-paying resources						
(including MAC adjustment for AGM and AGC)	\$6,567	\$3,100	\$597	\$1,637	\$(887)	\$11,014
Adjustment for MAC ³	362	235	-	-	(597)	-
Total claims-paying resources						
(excluding MAC adjustment for AGM and AGC)	\$6,205	\$2,865	\$597	\$1,637	\$(290)	\$11,014
Statutory net exposure ⁴	\$137,837	\$19,599	\$13,312	\$60,196	\$(623)	\$230,321
Equity method adjustment ³	8,081	5,232	-	-	(13,313)	-
Adjusted statutory net exposure ¹	\$145,918	\$24,831	\$13,312	\$60,196	\$(13,936)	\$230,321
Net debt service outstanding ⁴	\$221,321	\$29,480	\$19,709	\$91,644	\$(1,328)	\$360,826
Equity method adjustment ³	11,964	7,746	-	-	(19,710)	-
Adjusted net debt service outstanding ¹	\$233,285	\$37,226	\$19,709	\$91,644	\$(21,038)	\$360,826
Ratios:						
Adjusted net exposure to qualified statutory capital	39:1	11:1	27:1	86:1		35:1
Capital ratio ⁵	62:1	16:1	40:1	131:1		55:1
Financial resources ratio ⁶	36:1	12:1	33:1	56:1		33:1
Adjusted statutory net exposure to claims-paying resources	22:1	8:1	22:1	37:1		21:1
Separate Company Statutory Basis:						
Admitted Assets	\$5,489	\$2,653	\$609			
Total Liabilities	2,684	981	303			
Contingency Reserves	845	546	187			
Surplus to Policyholders	2,805	1,672	305			

- The numbers shown for AGM and Assured Guaranty Corp. (AGC) have been adjusted to include their indirect share of Municipal Assurance Corp. (MAC). AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. AGM has been adjusted to include 100% share of its United Kingdom (U.K.) and French insurance subsidiaries. Amounts include financial guaranty insurance and credit derivatives. On April 1, 2021, MAC was merged with and into Assured Guaranty Municipal, with Assured Guaranty Municipal as the surviving company. The steps leading up to the merger included (i) reassumption by AGM and AGC of their respective remaining cessions to MAC, (ii) distribution of MAC's earned surplus to AGM and AGC in accordance with their respective 60.7% and 39.3% direct ownership interests in MAC Holdings, and (iii) AGM's purchase of AGC's 39.3% interest in MAC Holdings.
- 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.
- Represents adjustments for AGM's and AGC's interest and indirect ownership of MAC.
- Net exposure and net debt service outstanding are presented on a statutory basis. Includes \$981 million of specialty insurance and reinsurance exposure.
- The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
- 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).
- Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimate of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities, except for contingency reserves.

- **Assured Guaranty Municipal¹, AGC, AGUK and AGE operate as four separate direct financial guaranty platforms, with AG Re operating as a reinsurer**
 - Assured Guaranty Municipal¹ focuses exclusively on public finance and global infrastructure finance
 - AGC, as the most diversified platform, insures the same categories as Assured Guaranty Municipal¹, as well as selected sectors within the U.S. and international structured finance market
 - AGUK serves the U.K. market and certain other countries
 - AGE serves markets within the European Union (EU)
 - AG Re, as a reinsurer, provides additional capital and flexibility to Assured Guaranty Municipal¹, AGC, AGUK and AGE; AG Re's subsidiary AGRO is a specialty reinsurance company that primarily provides financial guaranty reinsurance and certain specialty insurance and reinsurance
- **Each of the insurance companies shares 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.)



- **Companies distinct for legal and regulatory purposes**

- Separate capital bases – claims-paying resources¹ as of March 31, 2021 – AGM² \$6.2 billion, MAC \$0.6 billion, AGC \$2.9 billion, AG Re \$1.6 billion
- Separate insurance licenses
- Separate regulators – Assured Guaranty Municipal¹ is domiciled in New York; AGC is domiciled in Maryland; AGUK is domiciled in the United Kingdom; AGE is domiciled in France; AG Re and AGRO are domiciled in Bermuda
- Dividend restrictions – New York, Maryland, the United Kingdom, France and Bermuda insurance law restrictions apply

1. Please see page 11 for additional details about the components of claims-paying resources as well as other statutory financial information.

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

- **AssuredIM provides asset management services**

- As of March 31, 2021, AssuredIM had AUM¹ of \$17.5 billion in four fund areas

Fund Area	AUM (\$ billions)
CLOs	\$14.3
Opportunity Funds	\$1.5
Liquid Strategies	\$0.4
Wind-Down Funds	\$1.3
Total	\$17.5

- The Company is using the investment knowledge and experience in AssuredIM to expand the categories and types of investments in which the Company invests, as well as to 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.

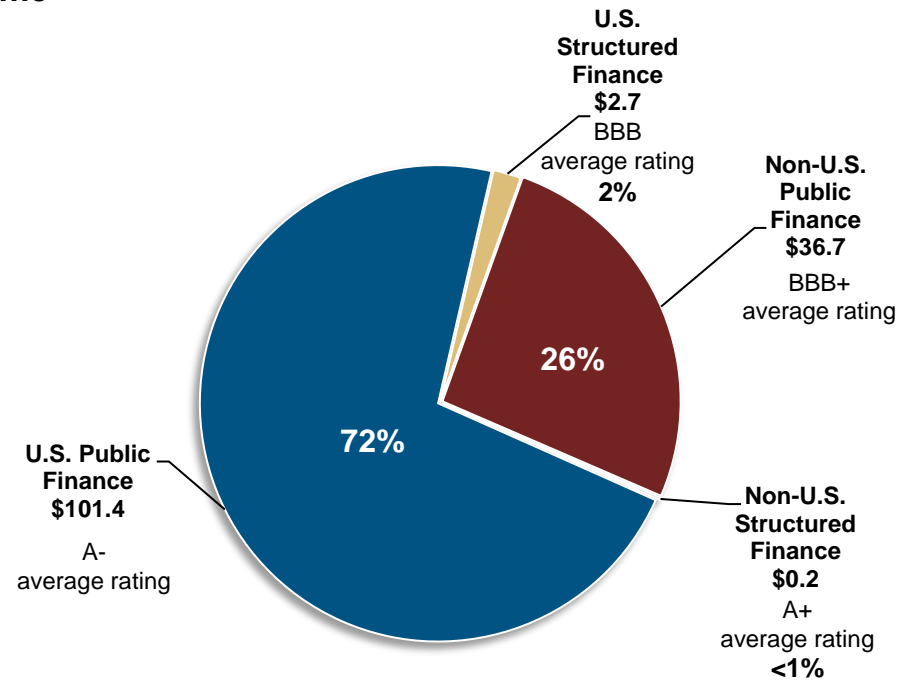
AGM's¹ Commitment to the Public Finance Market



- **AGM¹ is committed to insuring U.S. public finance and global infrastructure transactions. AGM's subsidiaries, AGUK and AGE, may underwrite some structured finance transactions.²**
- **AGM¹ legacy global structured finance insured portfolio (\$2.9 billion as of March 31, 2021) represents only 2% of its net par outstanding.**
 - The share of AGM¹ net insured portfolio represented by its legacy structured finance portfolio is expected to continue to shrink

Net Par Outstanding

As of March 31, 2021
(\$ in billions)



\$140.9 billion, A- average rating

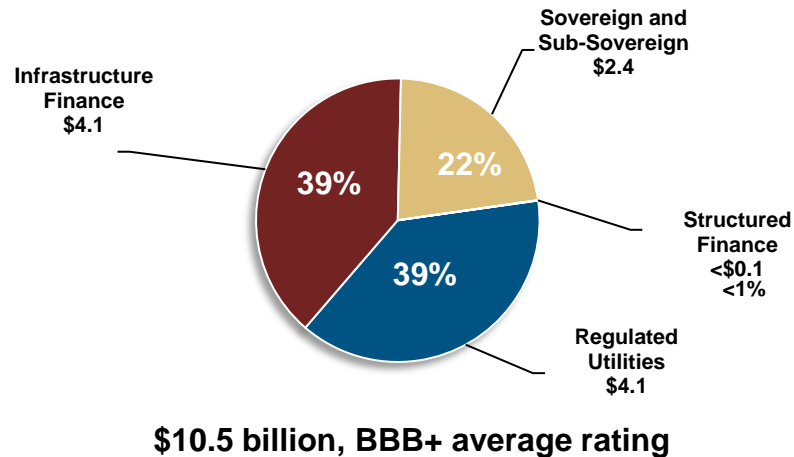
1. Please see page 3 for a definition of this convention.

2. Assured Guaranty Municipal¹ has not written structured finance transactions since August 2008.

- **AGUK is an insurance company currently engaged in providing financial guarantees in the U.K. and certain other countries**
 - Provides insurance in both public finance and structured finance
 - Through 2019, AGUK wrote business throughout the EU as well as certain other non-EU countries
 - New UK business is guaranteed using a co-insurance structure pursuant to which AGUK co-insures municipal and infrastructure transactions with AGM, and structured finance transactions with AGC

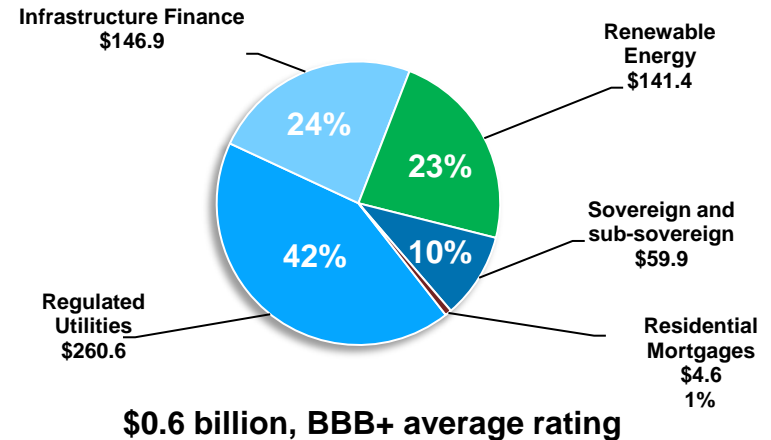
AGUK Net Par Outstanding

As of March 31, 2021 (\$ in billions)



AGE Net Par Outstanding

As of March 31, 2021 (\$ in millions)



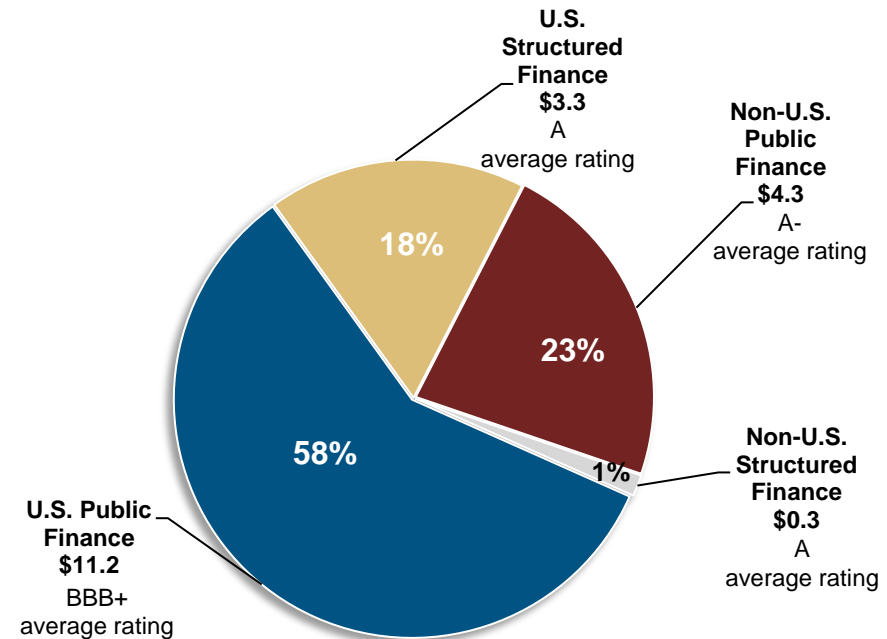
- **AGE is an insurance company currently engaged in providing financial guarantees throughout the EU**
 - Provides insurance in both public finance and structured finance
 - Established in mid-2019 to address the impact of the U.K.'s withdrawal from the EU

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

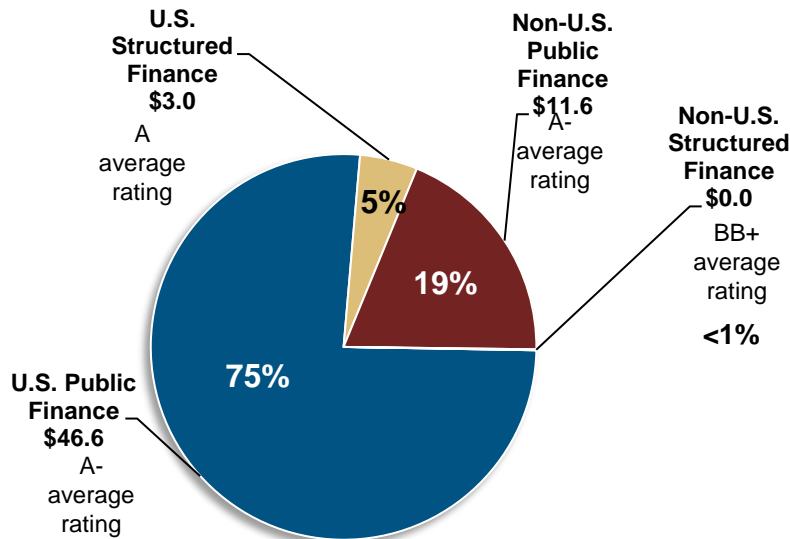
As of March 31, 2021
(\$ in billions)



\$19.1 billion, A- average rating

Consolidated AG Re Outstanding Net Exposure¹

As of March 31, 2021 (\$ in billions)



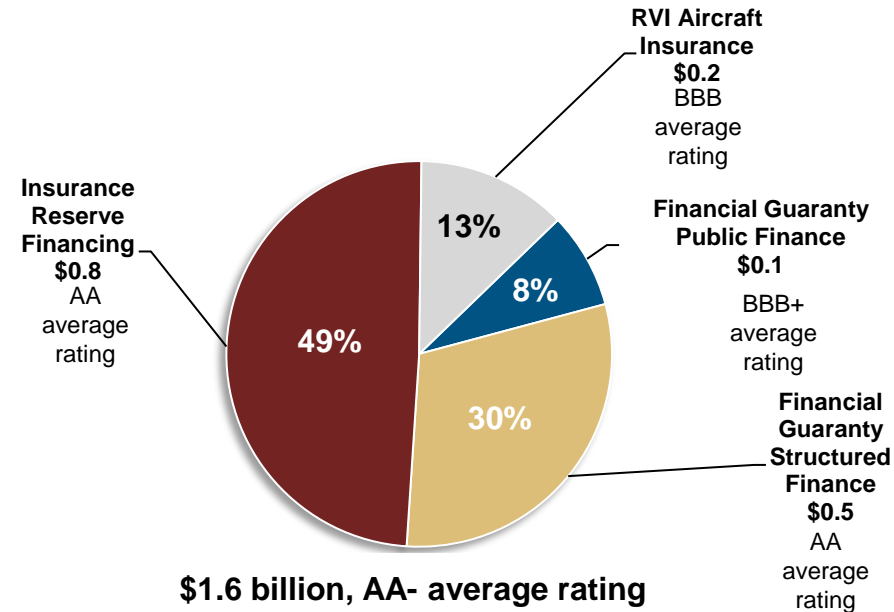
\$61.2 billion, A- average rating

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

AGRO Outstanding Net Exposure¹

As of March 31, 2021 (\$ in billions)



\$1.6 billion, AA- average rating

AG Re's subsidiary, AGRO, is a specialty insurance 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

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

MAC:

- **As of March 31, 2021, MAC had a \$14 billion U.S. municipal-only insurance portfolio that was geographically diversified**
- **On April 1, 2021, MAC completed its merger with and into Assured Guaranty Municipal, with Assured Guaranty Municipal as the surviving company**
 - All direct insurance policies issued by MAC became direct insurance obligations of AGM

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

- **Our U.S. public finance portfolio, our largest exposure category, generally performed well during the 2008 recession and in subsequent years, including into the COVID-19 pandemic, despite persistent financial pressures on municipal obligors**

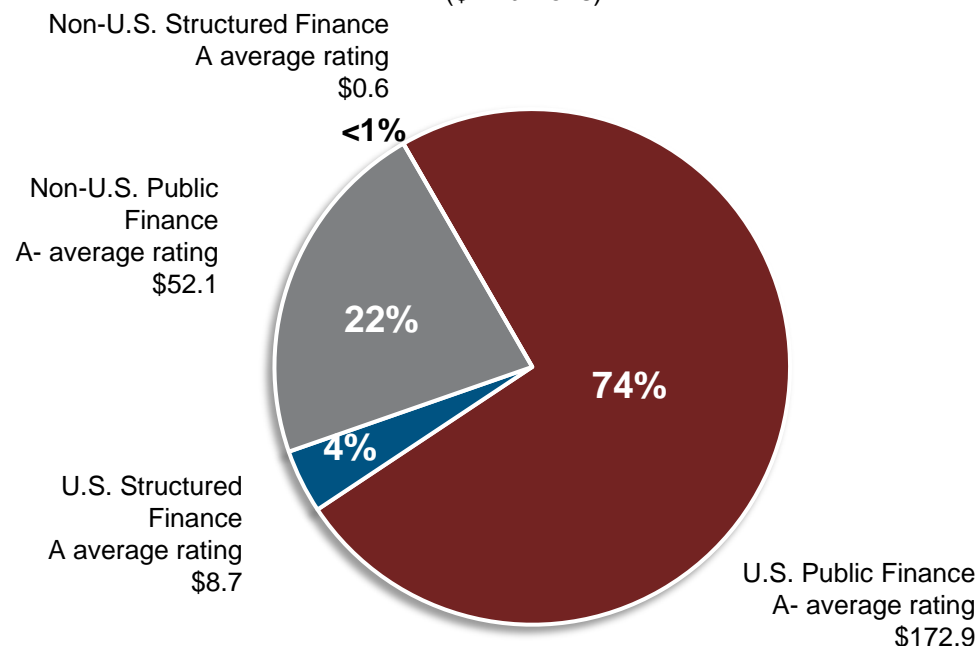
- Our portfolio is well-diversified with approximately 6,100 direct U.S. public finance obligors. We currently expect future losses to be paid, net of recoveries, on less than ten exposures¹.
- Our Puerto Rico exposure² represents our largest below investment grade U.S. public finance exposure.

- **Our surveillance department regularly monitors sectors and credits that we believe could be negatively impacted by the COVID-19 pandemic**

- The Company has paid only relatively small first-time insurance claims it believes are due at least in part to credit stress arising specifically from COVID-19 and currently projects nearly full reimbursement of these relatively small claims

Consolidated Net Par Outstanding³

As of March 31, 2021
(\$ in billions)



\$234.3 billion, A- average rating

1. Includes exposure to Puerto Rico.

2. See pages 34-36 for a more detailed analysis of the Company's Puerto Rico exposure.

3. Excludes specialty insurance and reinsurance net exposure of \$1 billion.

Creating Value

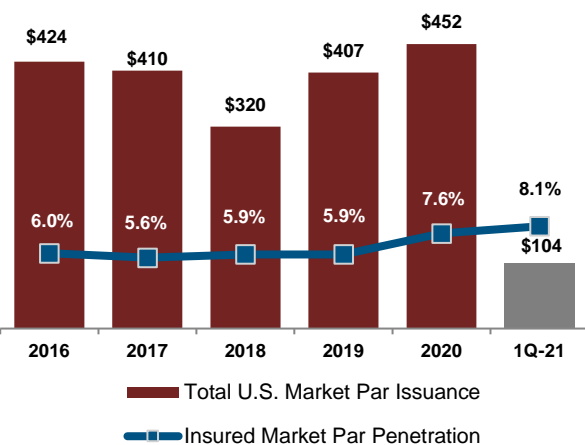
Insurance

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

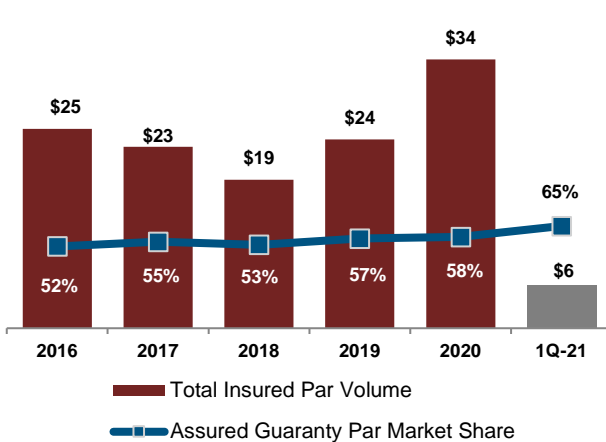


- **Assured Guaranty saw strong new business production for U.S. public finance**
 - In the first quarter 2021, we insured 252 primary market transactions totaling over \$5.5 billion, up approximately 138% from new issue par insured in the first quarter of 2020, and we wrote 18 secondary market policies totaling \$50 million
 - First quarter 2021 PVP was over \$81 million, an increase of approximately 181% over first quarter 2020 PVP and the highest first-quarter new business production in U.S. public finance since we acquired AGM in 2009
- **Industry insured par penetration and transaction penetration in the first quarter of 2021 was higher than in recent history**
 - Insurance was utilized on over 8.1% of all par issued, compared with 5.7% in first quarter of 2020
 - Insurance was utilized on over 19.1% of all transactions issued, compared with 17.0% in first quarter of 2020
 - Assured Guaranty maintained its lead in the primary insurance market, insuring approximately 65% of all insured deals in the first quarter, the largest quarterly market share in over 6 years

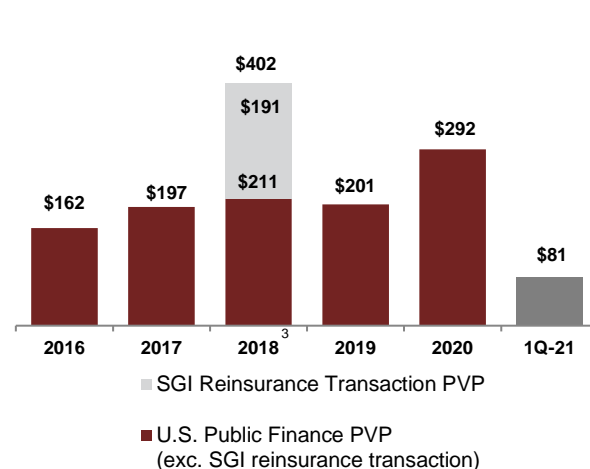
Insured Market Par Penetration Rate and Total U.S. Public Finance Market Volume¹
(\$ in billions)



Assured Guaranty's Insured Market Share and Insured Market Primary Par Insured¹
(\$ in billions)



U.S. Public Finance Total PVP²
(\$ in millions)



1. Source: Refinitiv as of March 31, 2021.

2. Includes PVP from both primary and secondary transactions.

3. In 2Q 2018, the Syncora Guarantee, Inc. (SGI) reinsurance transaction created \$191 million of U.S. public finance PVP on \$7.6 billion of gross written par

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

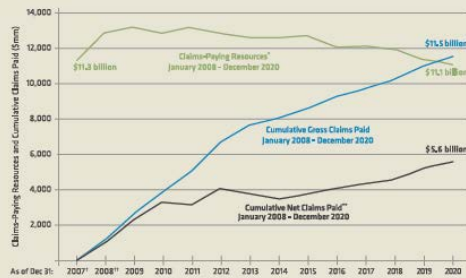
Broadening Market Awareness

Current Advertising Campaigns

ASSURED
GUARANTY™

PROOF OF OUR ENDURING FINANCIAL STRENGTH:

After 13 years and \$11.5 billion paid to insured investors, our claims-paying resources* are still \$11 billion.



Assured Guaranty has proven our reliability and the resilience of our business model by executing successful strategies for new business production, loss mitigation and prudent management of our risk profile, capital and investment portfolio. From January 2008 to December 2020:

- We paid \$11.5 billion to keep investors whole.
- After reinsurance payments and our effective loss mitigation efforts, our net claims paid totaled \$5.6 billion.
- We also spent an additional \$4.5 billion to repurchase shares and pay dividends.

Yet at the end of the same period:

- We had virtually the same amount of claims-paying resources.*
- Our insured portfolio leverage had been cut by more than half, greatly improving our risk profile.
- We had produced \$5.9 billion of adjusted operating income†

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

* Aggregate data for insurance subsidiaries within the Assured Guaranty Ltd. (NYSE:AGO) group. Claims on each insurance subsidiary's guarantees are paid from that subsidiary's separate claims-paying resources. Details in the latest AGO Financial Supplement at assuredguaranty.com/cspdata.
**Net claims paid = gross claims paid less recoveries, reimbursements and reinsurance. Excludes effect of insured securities repurchased for loss mitigation.
†The figure includes AGO pre-acquisition. Represents beginning of loss period for 2008 (January 1, 2008).
‡The figure includes AGO pre-acquisition.
§ Adjusted operating income is a non-GAAP financial measure. See the December 31, 2020 Assured Guaranty Ltd. financial supplement at assuredguaranty.com/cspdata for an explanation and a reconciliation to the most comparable GAAP financial measure, which was \$4.6 billion of net income attributable to Assured Guaranty Ltd. during the same period.

ASSURED
GUARANTY™

A STRONGER BOND

AGO
NYSE

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

You invested in the bonds of a dream city. But what if they don't live up to that dream?



Any municipal bond can lose value due to unexpected developments. But when Assured Guaranty insures your investment, you never have to worry about your principal and interest being paid on time.

- Our financial strength has continuously protected investors from unforeseen events for more than three decades – while saving money for issuers.
- We have \$11 billion in claims-paying resources across our group.*
- Our \$10 billion of investable assets provide ample liquidity to support our obligations, in addition to earning hundreds of millions of dollars every year.
- We've kept insured investors whole – and handled settlement negotiations – in situations like Detroit, Harrisburg, Jefferson County, Puerto Rico and Stockton.

* Aggregate data for insurance subsidiaries within the Assured Guaranty Ltd. (NYSE:AGO) group. Claims on each insurer's guarantees are paid from that insurer's separate claims-paying resources. Details in the latest Assured Guaranty Ltd. Financial Supplement at assuredguaranty.com/cspdata.

ASSURED
GUARANTY™

A STRONGER BOND

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NYSE

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

Market Update

Select Assured Guaranty Transactions in 2021



\$658,055,000 Certificates of Participation, Series 2021A (Taxable) City of Tucson, AZ Feb 2021	\$551,535,000 Pilot Revenue Refunding Bonds, Series 2021A & Taxable Series 2021B NYCIDA (Queens Baseball Stadium), NY Feb 2021	\$548,175,000 Senior Lien Refunding Revenue Bonds, Series 2021 Central Florida Expressway Authority, FL Apr 2021	\$372,495,000 Water Rev Refunding Bonds, Series 2021 Sewerage Rev Refunding Bonds, Series 2021 (Taxable) City of New Orleans, LA Feb 2021
\$311,960,000 Taxable Bonds, Series 2021 (Corporate CUSIP) Summa Health Apr 2021	\$242,935,000 Revenue Bonds, Series 2021A & 2021B (Taxable) Maine Health & Higher Educational Facilities Authority May 2021	\$205,665,000 School Facilities Construction & Improvement Bonds, Series 2021 Gahanna-Jefferson School District, OH Feb 2021	\$187,585,000 Senior & Junior Lien Toll Road Refunding Bonds, Series 2021B & 2021D (Taxable) Foothill/Eastern Transportation Corridor Agency, CA Jan 2021
\$176,130,000 Bonds, Series 2021A Indianapolis Local Public Improvement Bond Bank, IN Feb 2021	\$152,010,000 General Revenue Bonds, Series 2021A & Refunding Bonds, Series 2021B (Taxable) & Series 2021C Board of Trustees of Western Michigan University, MI Jan 2021	\$147,330,000 Rental Car Special Facility Revenue Refunding Bonds, Series 2021 (Taxable) City of Austin, TX Feb 2021	\$136,095,000 2021 General Obligation Refunding Bonds, Series B (Taxable) West Contra Costa Unified School District, CA Jun 2021
\$103,340,000 Airport Revenue Bonds, Series 2021A (Non-AMT), 2021B (AMT) & 2021C (Taxable) Ontario International Airport Authority, CA Mar 2021	\$74,025,000 General Obligation Municipal Purpose Loan of 2021 Bonds City of Worcester, MA Feb 2021	\$73,890,000 Revenue Bonds, Series 2021C (Taxable) Henry Mayo Newhall Hospital, CA Feb 2021	\$61,920,000 General Obligation Bonds, 2021A (School Bonds), 2021B and 2021C (Taxable) City of Yonkers, NY Jan 2021

Source: Refinitiv SDC Database. Amounts are on a sale-date basis and reflect only those series insured by AGM.

Creating Value

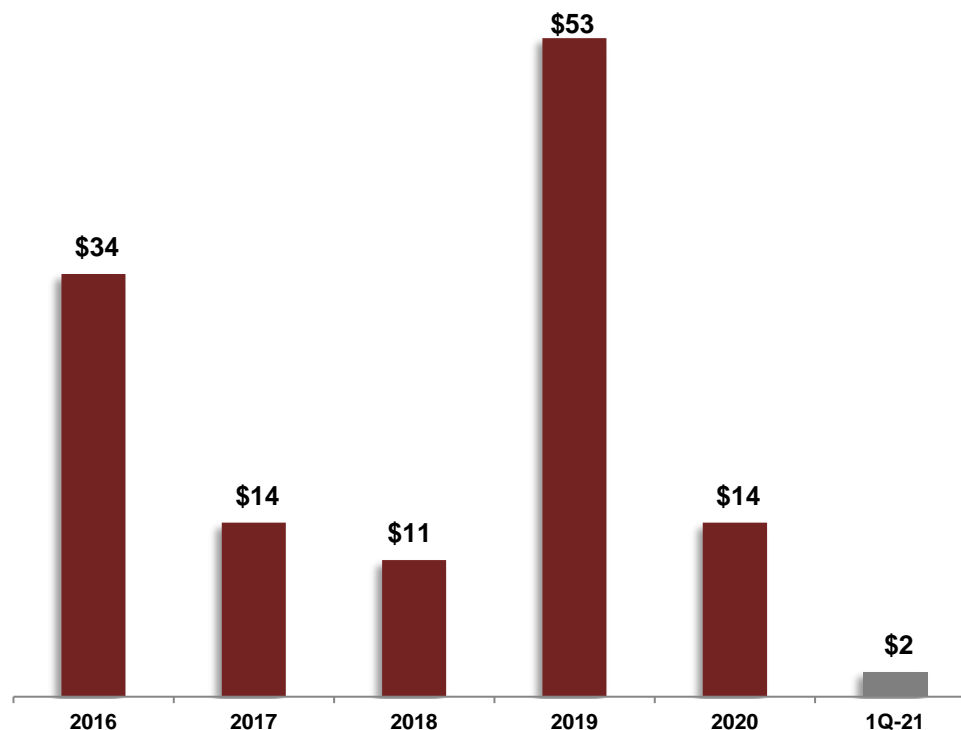
Insurance

U.S. Structured Finance Business Activity



- In first quarter 2021, we insured a balloon note guaranty and a tax credit securitization
- 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 PVP¹ (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 Syncora Guarantee, Inc. (SGI) reinsurance transaction created \$156 million of U.S. structured finance PVP on \$349 million of gross written par

Creating Value

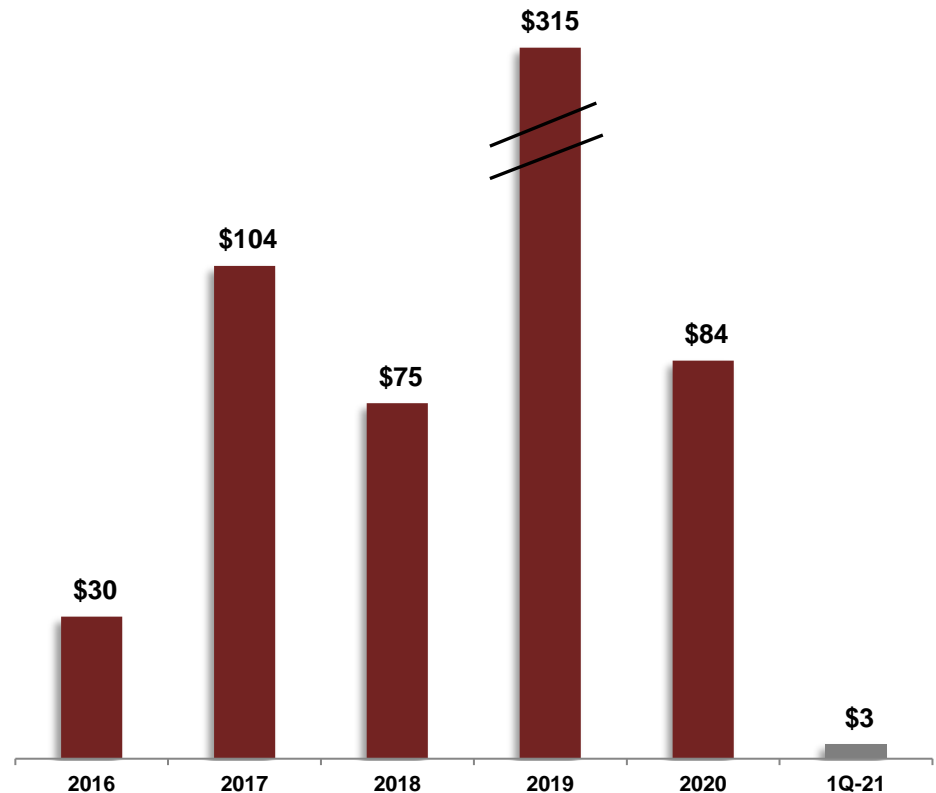
Insurance

Non-U.S. Business Activity



- In first quarter 2021, we guaranteed a debt service reserve guarantee to replace liquidity facilities for a public utility and restructured a transaction that was previously insured
- The Company has insured new non-U.S. public finance business every quarter since the end of 2015

Non-U.S. PVP¹ (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 \$53 million of non-U.S. PVP on \$3.3 billion of gross written par

- **AssuredIM executed on its key strategic goals during the first quarter**
 - Issued two new CLOs, selling a significant percentage of the equity to third parties
 - Increased fee earning AUM to \$14.4 billion as of March 31, 2021, from \$8.0 billion on December 31, 2019
 - Attracted significant third-party capital related to its healthcare strategies
- **The Company is using the investment knowledge and experience acquired with AssuredIM to expand the categories and types of investments included in its investment portfolio, and to manage a portion of its investment portfolio**
 - In addition to the cash and common stock included in the acquisition, Assured Guaranty allocated \$750 million of capital to invest in funds managed by AssuredIM
 - As of March 31, 2021, AGAS had committed \$587 million to AssuredIM Funds, including \$252 million that has yet to be funded
 - Capital is being invested in four new investment vehicles, with each vehicle dedicated to a single strategy consisting of CLOs, asset-based finance, healthcare structured capital and liquid municipal investments
 - Also, Assured Guaranty's U.S. insurance companies have entered into an investment management agreement with AssuredIM to manage a portfolio of municipal obligations and a portfolio of CLOs
 - As of March 31, 2021, they have together allocated \$250 million to municipal obligation strategies and \$300 million to CLO strategies
- **The Company plans to continue capital management strategies, which includes share repurchases and continuing to investigate additional opportunities in the asset management business**

Financial Strength Ratings

U.S. Insurance Companies



- **In July 2020, S&P affirmed the AA (stable outlook) financial strength ratings of the insurance companies**
 - S&P found Assured Guaranty group's capital adequacy ratio to be “considerably above 1.0x” their AAA requirement
 - Importantly, S&P stated that Assured Guaranty's strong capital adequacy position should allow it to withstand both stress from the COVID-19 pandemic as well as any losses from our exposure to Puerto Rico. S&P believes that we could absorb future losses of between \$2.5 billion and \$2.7 billion with no effect to our current ratings
 - In sectors that have the greatest potential for rating migration, S&P's COVID-19 sensitivity test includes a three-notch downgrade for U.S. public finance exposures and a 50% capital charge increase for structured finance exposures
 - With regard to Puerto Rico exposure, S&P's analysis includes the effect of loss payments up to 45% of the remaining debt service due each year beginning in 2020
 - Additionally, as they had in their April 2020 report, S&P again emphasized investors' current focus on credit has led to increased opportunities for Assured Guaranty, which they expect to continue

- **KBRA affirmed all of its Assured Guaranty ratings on October 29, 2020: Assured Guaranty Municipal¹ at AA+ (stable outlook); AGC at AA (stable outlook); and MAC at AA+ (stable outlook)**

- 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
- Importantly, KBRA's view is that the COVID-19 pandemic is primarily a potential liquidity event for Assured Guaranty, which the Company has more than sufficient liquidity to withstand

- **In August 2019, Moody's affirmed the A2 (stable outlook) insurance financial strength rating of AGM¹**

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

Financial Strength Ratings

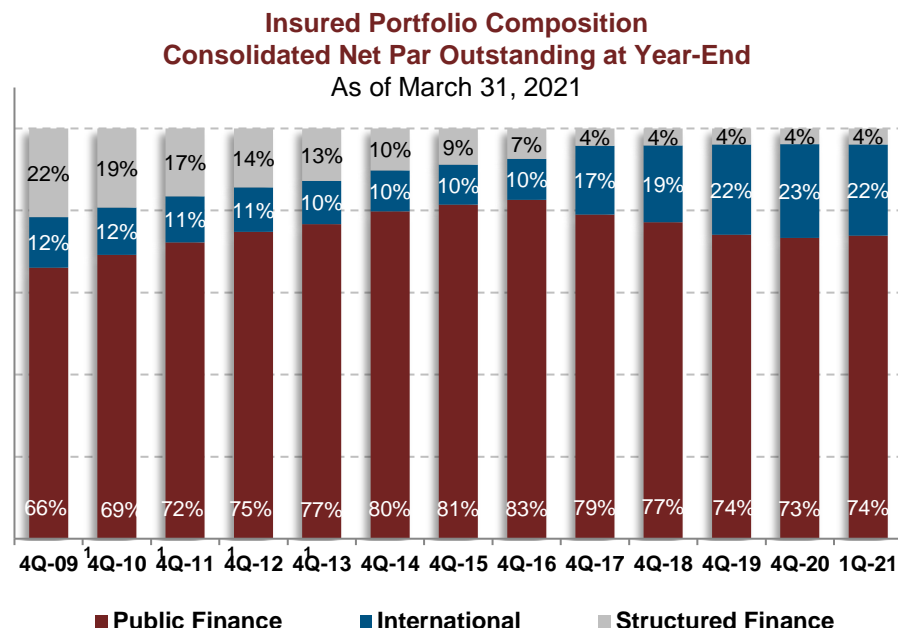
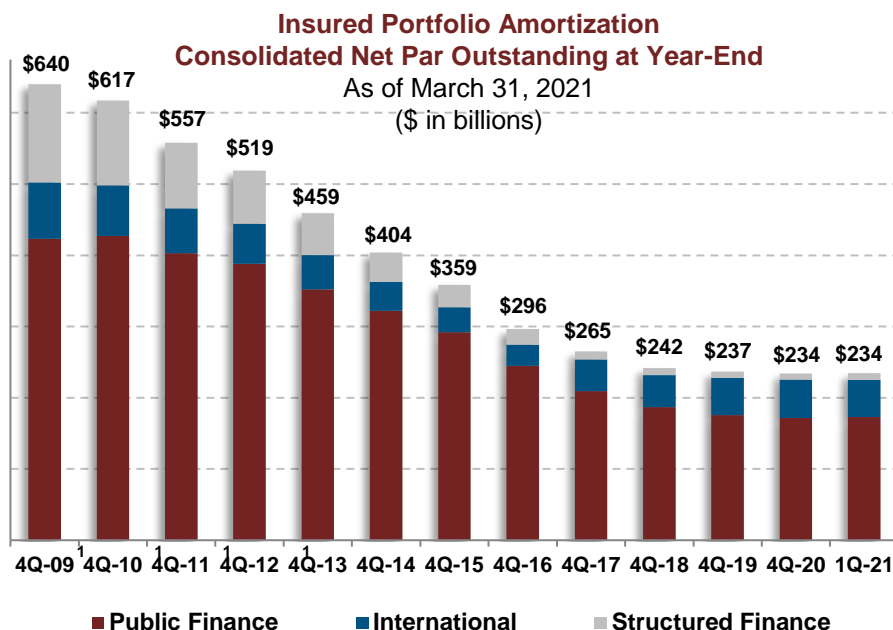
As of March 31, 2021

	S&P	Moody's	KBRA
Assured Guaranty Municipal¹	AA stable outlook	A2 stable outlook	AA+ stable outlook
AGC	AA stable outlook	(*)	AA stable outlook

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

Net Par Outstanding Amortization

- In the last five years, the net par outstanding of the insured portfolio has stabilized significantly, driven mainly by increased insured net par for the international sector
 - Since 2015, the international portfolio has **increased** by over 50%, and currently accounts for approximately 22% of total net par outstanding compared to 10% of total net par outstanding in 2015
- We expect that our rate of new business written should soon tend to equal or exceed that of exposures amortized in a given year, stabilizing UPR and future earned revenue
 - Net par outstanding at the end of the first quarter 2021 was slightly higher than net par outstanding at year-end 2020, driven by a nearly \$1 billion increase in U.S. public finance net par outstanding



1. Gross of wrapped bond purchases made primarily for loss mitigation.

Assured Guaranty Today

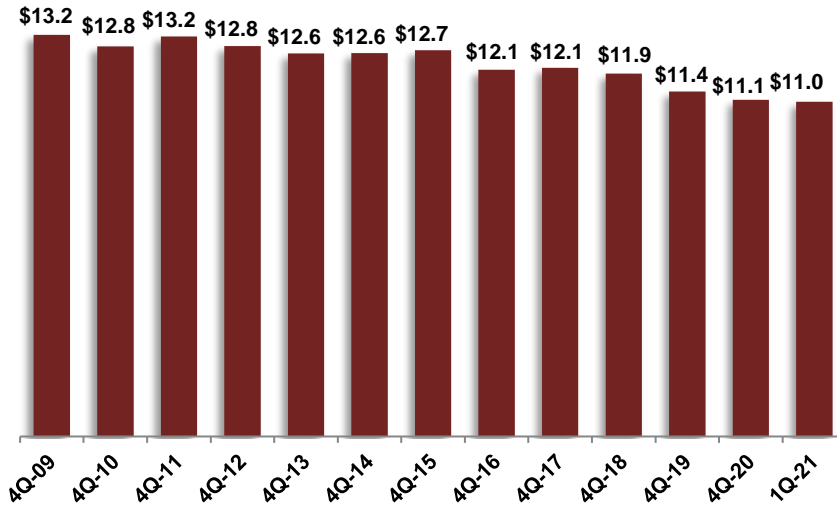
Insured Portfolio and Capital Changes

Since the Global Financial Crisis



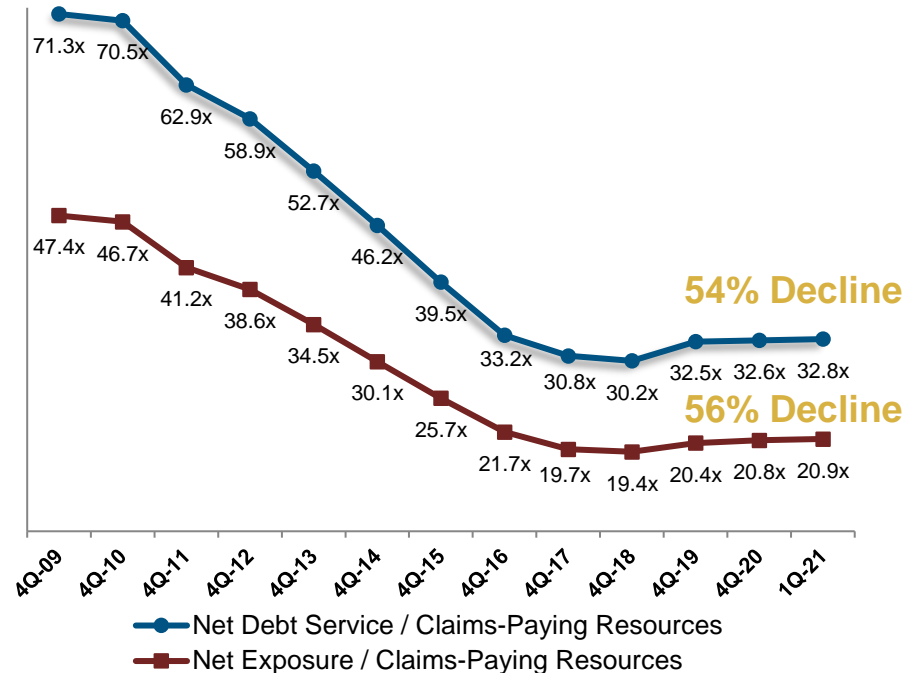
Claims-Paying Resources

\$ 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 the Great Recession and right into the COVID-19 pandemic
- Since our acquisition of AGM in July 2009, group claims-paying resources declined modestly despite nearly \$12 billion paid out in gross policyholder claims
- Of those claims, approximately 67% were RMBS, 29% public finance (including Puerto Rico) and the remainder 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 increase and portfolio amortization decreases, group insured leverage will begin to increase

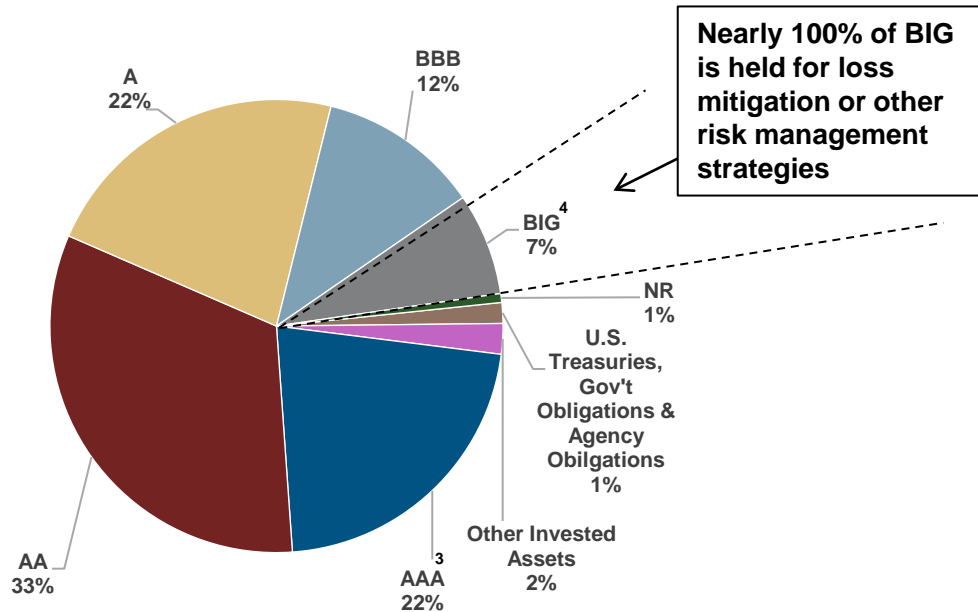
Underlying Value

High-Quality Investment Portfolio



Total Invested Assets and Cash^{1,2}

As of March 31, 2021



\$9.7 billion, A+ average rating²

- Predominately consists of highly rated, fixed maturity and short-term investments, and cash; 56% rated AA or higher
- Approximately \$0.8 billion invested in liquid, short-term investments and cash
- Overall duration of the fixed maturity securities and short-term investments is 4.5 years
- The Company's U.S. subsidiaries' investments in AssuredIM funds have a fair value of \$368 million as of March 31, 2021
 - Approximately \$297 million invested in these funds are not included in the \$9.7 billion of total invested assets and cash because the Company consolidates them in accordance with GAAP

1. Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or other risk management strategies, which use internal ratings classifications. Other invested assets are not rated.
3. Included in the AAA category are short-term securities and cash.
4. Includes securities held long-term that were purchased or obtained as part of loss mitigation or other risk management strategies of \$1,040 million in par with carrying value of \$708 million.

Assured Guaranty Ltd. Consolidated Insured Portfolio Overview



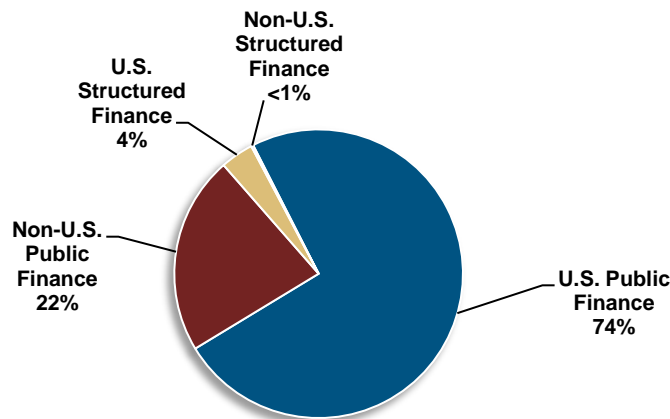
AGL Consolidated

Insured Portfolio

Net Par Outstanding as of March 31, 2021

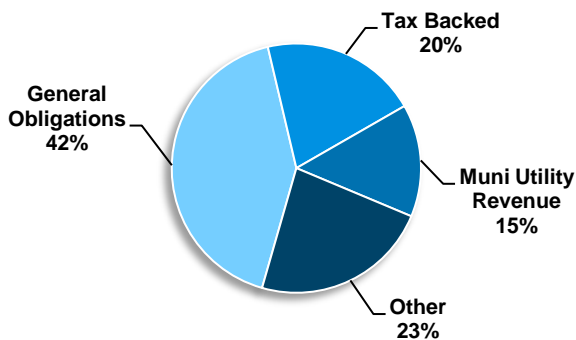
ASSURED
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Portfolio Diversification by Sector



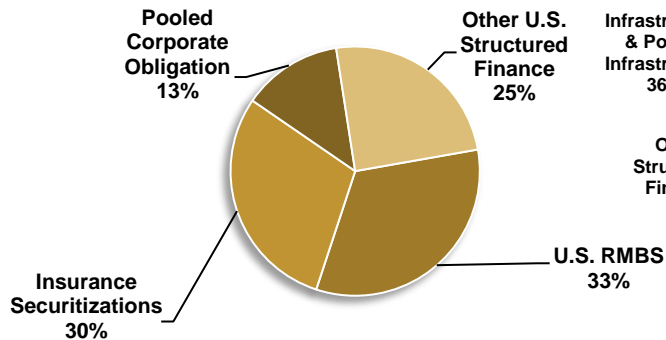
\$234.3 billion^{1,2}

U.S. Public Finance Portfolio



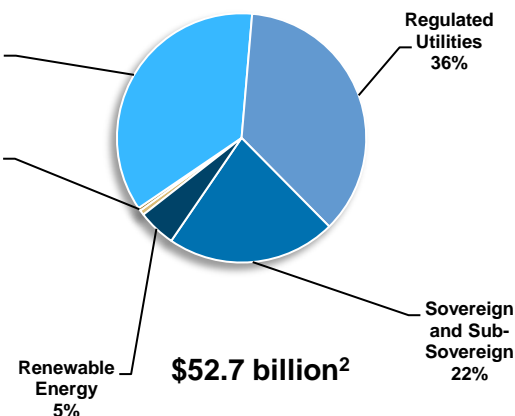
\$172.9 billion²

U.S. Structured Finance Portfolio



\$8.7 billion^{1,2}

Non-U.S. Portfolios Public & Structured Finance



\$52.7 billion²

1. Includes GICs. Please see the footnote on page 39.

2. Consolidated amounts include those of AG Re except AG Re's specialty insurance and reinsurance net exposure of \$1 billion.

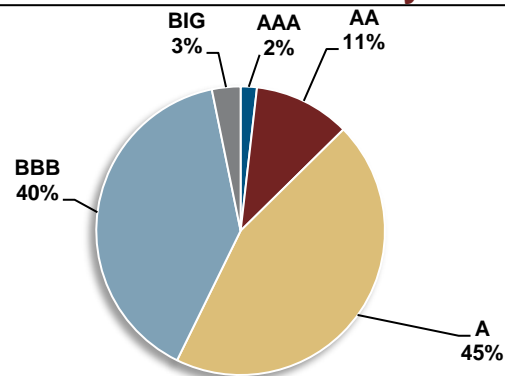
AGL Consolidated Insured Portfolio Ratings

Net Par Outstanding as of March 31, 2021

Updated

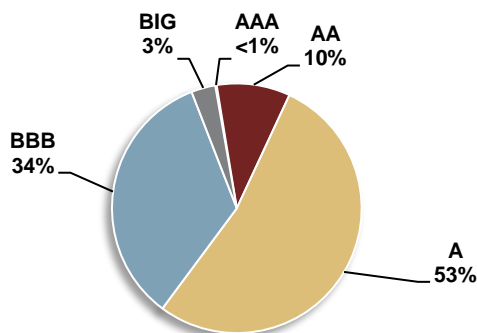
ASSURED
GUARANTY

Portfolio Diversification by Rating



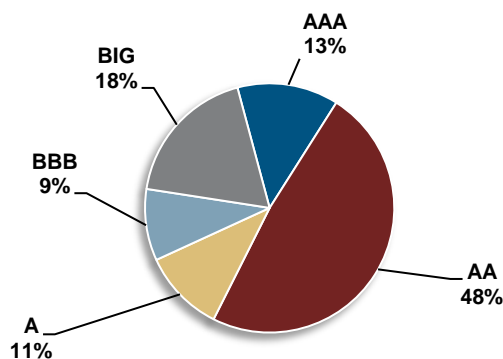
\$234.3 billion^{1,2}

U.S. Public Finance Portfolio



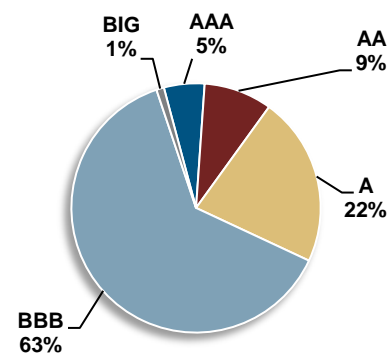
\$172.9 billion²

U.S. Structured Finance Portfolio



\$8.7 billion^{1,2}

Non-U.S. Portfolios Public & Structured Finance



\$52.7 billion²

1. Includes GICs. Please see the footnote on page 39.

2. Consolidated amounts include those of AG Re except AG Re's specialty insurance and reinsurance net exposure of \$1 billion.

Par Exposure to the Commonwealth and its Agencies^{1,2} As of March 31, 2021

(\$ in millions)	Net Par Outstanding
Puerto Rico Exposures Subject to a Support Agreement ²:	
Commonwealth of Puerto Rico - General Obligation (GO) Bonds ³	\$1,112
Puerto Rico Public Buildings Authority (PBA) ³	134
Subtotal – GO/PBA PSA	\$1,246
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation Revenue Bonds) ³	\$817
Puerto Rico Highways and Transportation Authority (PRHTA) (Highways Revenue Bonds) ³	493
Puerto Rico Convention Center District Authority (PRCCDA)	152
Subtotal – HTA/CCDA PSA	\$1,462
Puerto Rico Electric Power Authority (PREPA) ³	776
Subtotal Subject to a Support Agreement	\$3,484
Other Puerto Rico Exposures:	
Puerto Rico Municipal Finance Agency (MFA) ⁴	223
Puerto Rico Infrastructure Financing Agency (PRIFA)	16
Puerto Rico Aqueduct and Sewer Authority (PRASA) and University of Puerto Rico (U of PR) ⁴	2
Subtotal of Other Puerto Rico Exposures	\$241
Total exposure to Puerto Rico	\$3,725

1. The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are all rated BIG.
2. The Support Agreements, including the GO/PBA PSA and the HTA/CCDA PSA, are described in Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021, Part 1, Financial Information, Item 1, Financial Statements, Note 3, Outstanding Exposure.
3. As of the date of this filing, the seven-member financial oversight board established by the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) has certified a filing under Title III of PROMESA for these exposures.
4. As of the date of this filing, the Company has not paid claims on these credits.

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

As of March 31, 2021

(\$ in millions)	2Q 2021	3Q 2021	4Q 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031- 2035	2036- 2040	2041- 2042	Total
Puerto Rico Exposures Subject to a Support Agreement																
Commonwealth – GO	\$-	\$16	\$-	\$37	\$14	\$73	\$68	\$34	\$90	\$33	\$63	\$48	\$491	\$145	\$-	\$1,112
PBA	-	12	-	-	7	-	6	11	40	1	1	1	38	17	-	134
Subtotal – GO/PBA PSA	\$-	\$28	\$-	\$37	\$21	\$73	\$74	\$45	\$130	\$34	\$64	\$49	\$529	\$162	\$-	\$1,246
PRHTA																
(Transportation Revenue)	\$-	\$18	\$-	\$28	\$33	\$4	\$29	\$24	\$29	\$34	\$49	\$31	\$242	\$251	\$45	\$817
PRHTA																
(Highways Revenue)	-	35	-	40	32	32	34	1	-	10	13	16	227	53	-	493
PRCCDA	-	-	-	-	-	-	-	-	19	-	-	-	104	29	-	152
Subtotal – HTC/CCDA PSA	\$-	\$53	\$-	\$68	\$65	\$36	\$63	\$25	\$48	\$44	\$62	\$47	\$573	\$333	\$45	\$1,462
PREPA	\$-	\$28	\$-	\$28	\$95	\$93	\$68	\$106	\$105	\$68	\$39	\$44	\$102	\$-	\$-	\$776
Subtotal Subject to a Support Agreement	\$-	\$109	\$-	\$133	\$181	\$202	\$205	\$176	\$283	\$146	\$165	\$140	\$1,204	\$495	\$45	\$3,484
Other Puerto Rico Exposures																
MFA	\$-	\$43	\$-	\$43	\$23	\$19	\$18	\$37	\$15	\$12	\$7	\$6	\$-	\$-	\$-	\$223
PRIFA	-	-	-	-	2	-	-	-	-	-	-	-	-	10	4	16
PRASA and U of PR	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	2
Subtotal Other Puerto Rico Exposures	\$-	\$43	\$-	\$43	\$25	\$20	\$18	\$37	\$15	\$12	\$7	\$6	\$1	\$10	\$4	\$241
Total	\$-	\$152	\$-	\$176	\$206	\$222	\$223	\$213	\$298	\$158	\$172	\$146	\$1,205	\$505	\$49	\$3,725

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

As of March 31, 2021

(\$ in millions)	2Q 2021	3Q 2021	4Q 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031- 2035	2036- 2040	2041- 2042	Total
Puerto Rico Exposures Subject to a Support Agreement																
Commonwealth – GO	\$-	\$45	\$-	\$94	\$70	\$128	\$119	\$82	\$136	\$75	\$103	\$84	\$623	\$159	\$-	\$1,718
PBA	-	16	-	7	13	6	13	17	44	3	4	3	49	18	-	193
Subtotal – GO/PBA PSA	\$-	\$61	\$-	\$101	\$83	\$134	\$132	\$99	\$180	\$78	\$107	\$87	\$672	\$177	\$-	\$1,911
PRHTA																
(Transportation Revenue)	\$-	\$40	\$-	\$69	\$73	\$42	\$67	\$61	\$64	\$67	\$81	\$61	\$367	\$300	\$47	\$1,339
PRHTA																
(Highways Revenue)	-	48	-	64	54	53	53	18	17	27	29	31	277	55	-	726
PRCCDA	-	3	-	7	7	7	7	7	26	6	6	6	127	31	-	240
Subtotal – HTC/CCDA PSA	\$-	\$91	\$-	\$140	\$134	\$102	\$127	\$86	\$107	\$100	\$116	\$98	\$771	\$386	\$47	\$2,305
PREPA	\$3	\$43	\$3	\$62	\$128	\$122	\$91	\$126	\$122	\$80	\$47	\$52	\$110	\$-	\$-	\$989
Subtotal Subject to a Support Agreement	\$3	\$195	\$3	\$303	\$345	\$358	\$350	\$311	\$409	\$258	\$270	\$237	\$1,553	\$563	\$47	\$5,205
Other Puerto Rico Exposures																
MFA	\$-	\$49	\$-	\$52	\$29	\$24	\$22	\$41	\$17	\$14	\$8	\$6	\$-	\$-	\$-	\$262
PRIFA	-	-	-	1	3	1	1	1	1	-	1	1	3	13	4	30
PRASA and U of PR	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	2
Subtotal Other Puerto Rico Exposures	\$-	\$49	\$-	\$53	\$32	\$26	\$23	\$42	\$18	\$14	\$9	\$7	\$4	\$13	\$4	\$294
Total	\$3	\$244	\$3	\$356	\$377	\$384	\$373	\$353	\$427	\$272	\$279	\$244	\$1,557	\$576	\$51	\$5,499

Details of Assured Guaranty's Exposure to Detroit

- **Municipal utilities exposure is \$392 million of water revenue bonds and \$897 million of sewer revenue bonds. Both the water and sewer systems provide services to areas that extend significantly beyond the City of Detroit.**
- **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 nearly 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 \$104 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.**

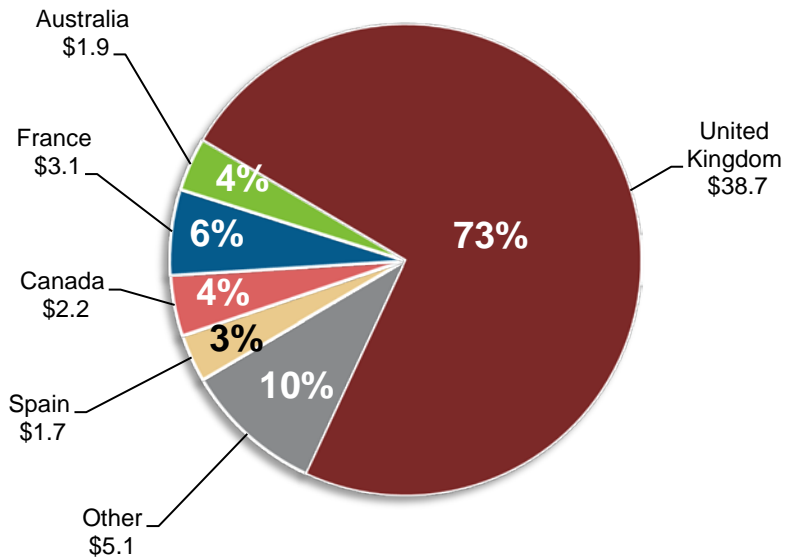
Consolidated Non-U.S. Exposure

Non-U.S. Public and Structured Finance



Non-U.S. Exposure

As of March 31, 2021
(\$ in billions)



\$52.7 billion, A- average rating

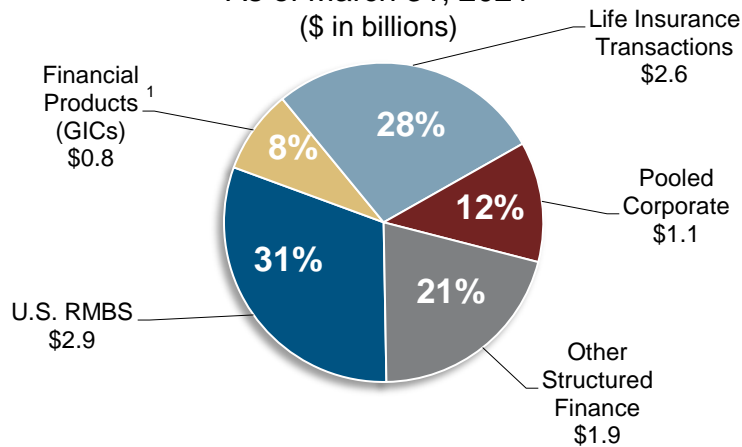
- **99% of non-U.S. exposure is Public Finance**
 - Direct sovereign debt is limited to Poland (\$281 million) and Mexico (\$50 million)
- **1% of non-U.S. exposure is Structured Finance**

Structured Finance Exposures

Net Par Outstanding

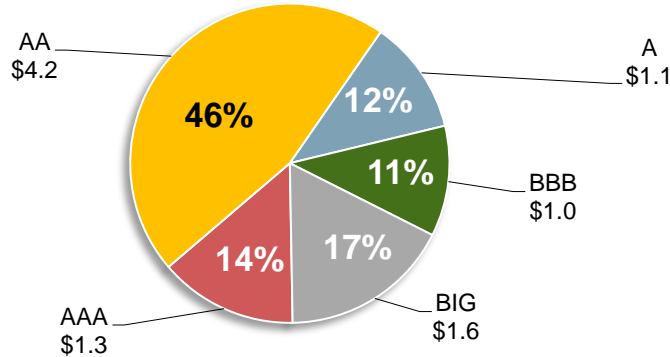
By Type

As of March 31, 2021
(\$ in billions)



\$9.2 billion, A average rating

By Internal Rating



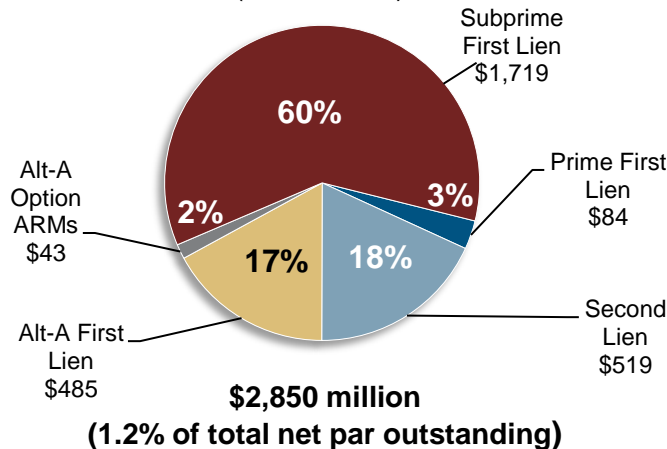
- Assured Guaranty's total structured finance exposure of \$9.2 billion as of March 31, 2021, reflects a \$165.4 billion reduction from \$174.6 billion on December 31, 2009, a 95% reduction

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.

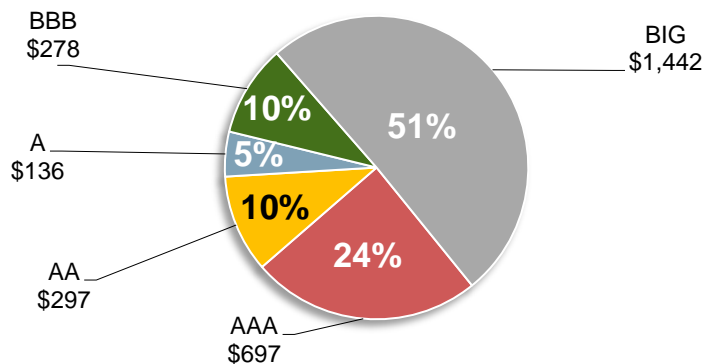
Consolidated U.S. RMBS

By Type

As of March 31, 2021
(\$ in millions)



By Internal Rating¹



- **Our \$2.9 billion U.S. RMBS portfolio is amortizing both on a dollar basis and as a percentage of the portfolio**

- Assured Guaranty's U.S. RMBS exposure of \$2.9 billion on March 31, 2021, reflects a \$26.4 billion reduction from \$29.2 billion on December 31, 2009, a 90% reduction
- As of March 31, 2021, U.S. RMBS exposure excludes \$894 million 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
- COVID-19 forbearances

- **We have significantly mitigated ultimate losses**

- R&W putbacks, litigation and agreements
- Wrapped bond purchases
- Termination of insurance on BIG credits

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 Insurance Expected Loss and LAE to Be Paid Three Months Ended March 31, 2021



(\$ in millions)

Rollforward of Net Expected Loss and LAE to be Paid¹ for the Three Months Ended March 31, 2021

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2020	Economic Loss Development (Benefit) During 1Q-21	(Paid) Recovered Losses During 1Q-21	Net Expected Loss to be Paid (Recovered) as of Mar 31, 2021
Public Finance:				
U.S. public finance ²	\$305	\$15	\$(92)	\$228
Non-U.S. public finance	36	(12)	-	24
Public Finance:	<u>341</u>	<u>3</u>	<u>\$(92)</u>	<u>252</u>
Structured Finance				
U.S. RMBS ³	148	11	22	181
Other structured finance	40	(1)	-	39
Structured Finance:	<u>188</u>	<u>10</u>	<u>22</u>	<u>220</u>
Total	<u>\$529</u>	<u>\$13</u>	<u>\$(70)</u>	<u>\$472</u>

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 2020 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. The total net expected loss for troubled U.S. public finance exposures is net of a credit for estimated future recoveries of \$994 million as of March 31, 2021, and \$1,154 million as of December 31, 2020, for claims already paid.
3. Includes future net R&W recoverable (payable) of \$(59) as of March 31, 2021, and \$(74) million as of December 31, 2020.

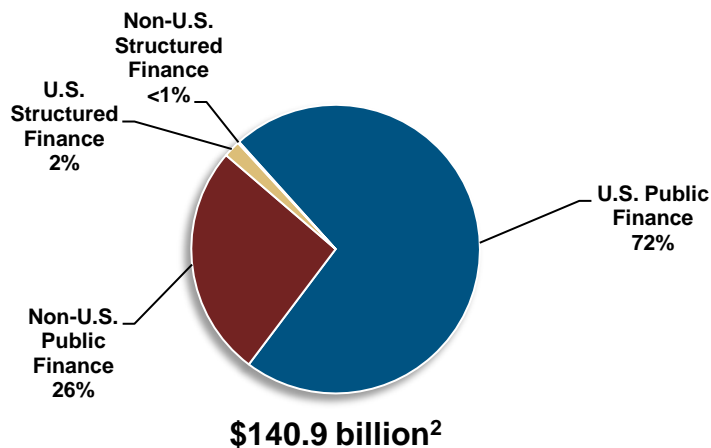
The background of the slide is a photograph of a modern cable-stayed bridge. The bridge has a white deck and numerous white cables fanning out from a central pylon. The bridge is set against a clear blue sky and a body of water. The image is slightly blurred, giving it a sense of motion or depth.

AGM Portfolio Review¹

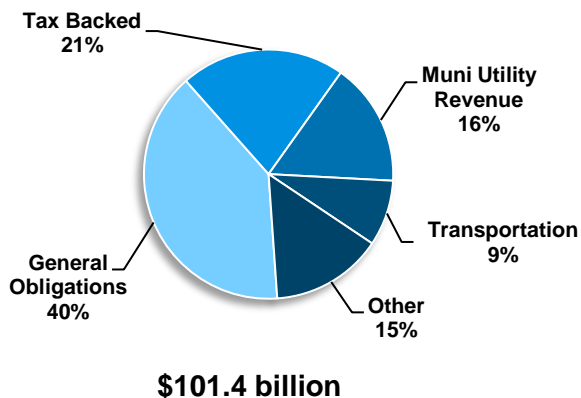
Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

1. On April 1, 2021, the Company completed the merger of MAC with and into Assured Guaranty Municipal, with Assured Guaranty Municipal as the surviving entity.

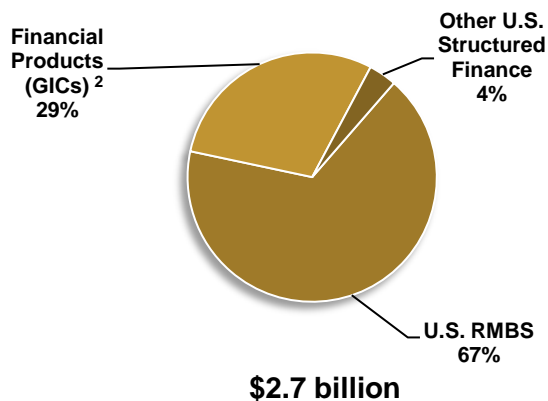
Portfolio Diversification by Sector



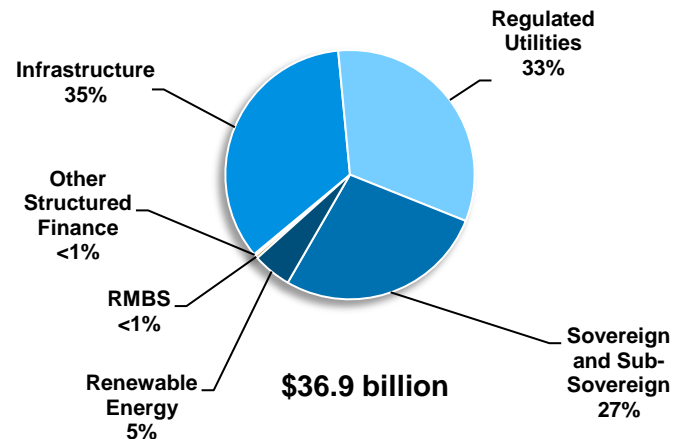
U.S. Public Finance Portfolio



U.S. Structured Finance Portfolio



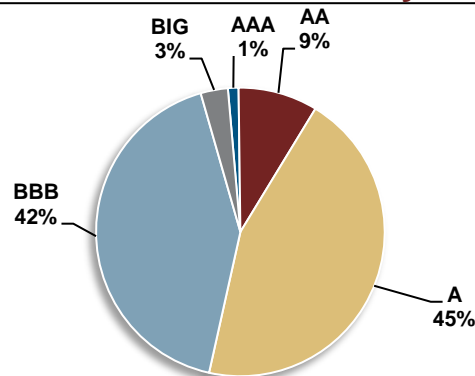
Non-U.S. Portfolios Public & Structured Finance



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

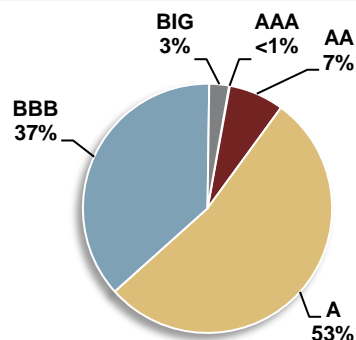
2. Includes GICs. Please see the footnote on page 39.

Portfolio Diversification by Rating



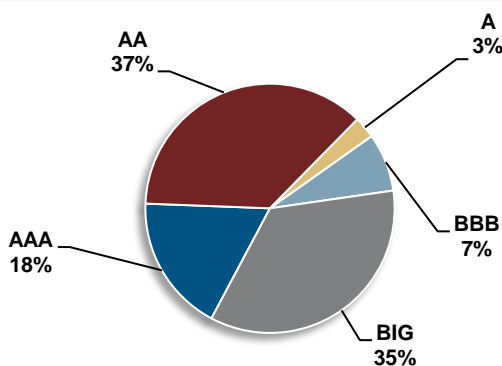
\$140.9 billion²

U.S. Public Finance Portfolio



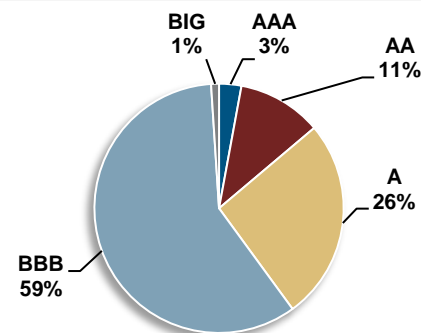
\$101.4 billion

U.S. Structured Finance Portfolio



\$2.7 billion²

Non-U.S. Portfolios Public & Structured Finance



\$36.9 billion

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

2. Includes GICs. Please see the footnote on page 39.

Net Par Outstanding By Asset Type

(\$ in millions)

	<u>Net Par Outstanding</u>	<u>Avg. Internal Rating</u>		<u>Net Par Outstanding</u>	<u>Avg. Internal Rating</u>
U.S. public finance:			U.S. structured finance:		
General obligation	\$ 40,123	A-	RMBS	\$ 1,776	BBB-
Tax backed	21,695	A-	Financial products ²	781	AA-
Municipal utilities	16,214	A-	Other structured finance	96	A
Transportation	8,659	BBB+	Total U.S. structured finance	2,653	BBB
Healthcare	6,900	BBB+	Non-U.S. structured finance:		
Higher education	3,958	A-	RMBS	144	BBB+
Infrastructure finance	2,625	BBB	Other structured finance	96	AAA
Housing revenue	788	BBB	Total non-U.S. structured finance	240	A+
Renewable energy	12	A	Total structured finance	\$ 2,893	BBB+
Other public finance	424	A-			
Total U.S. public finance	101,398	A-	Total net par outstanding	\$ 140,949	A-
Non-U.S. public finance:					
Infrastructure finance	12,731	BBB			
Regulated utilities	12,018	BBB+			
Sovereign and sub-sovereign	10,060	A+			
Renewable energy	1,849	A			
Total non-U.S. public finance	36,658	BBB+			
Total public finance	\$ 138,056	A-			

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

2. Financial Products (GICs). Please see the footnote on page 39.

- **AGM's¹ U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**

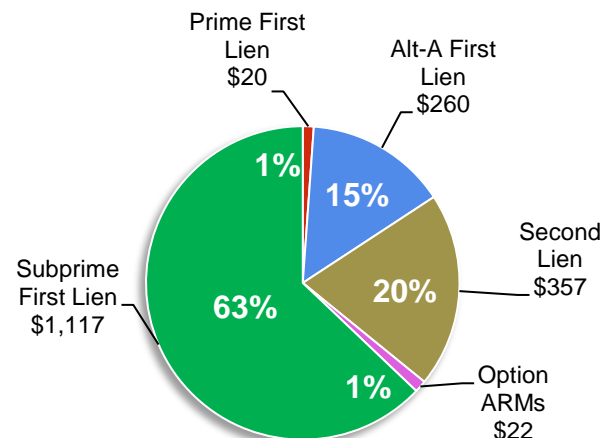
- \$1.8 billion net par outstanding versus \$17.1 billion at year-end 2008, a decrease of 89%
- 1.3% of total net par outstanding versus 4.0% at year-end 2008
- No U.S. RMBS underwritten since January 2008

- **We have significantly mitigated ultimate losses**

- R&W putbacks, litigation and agreements
- Wrapped bond purchases
- Terminations of below investment grade credits

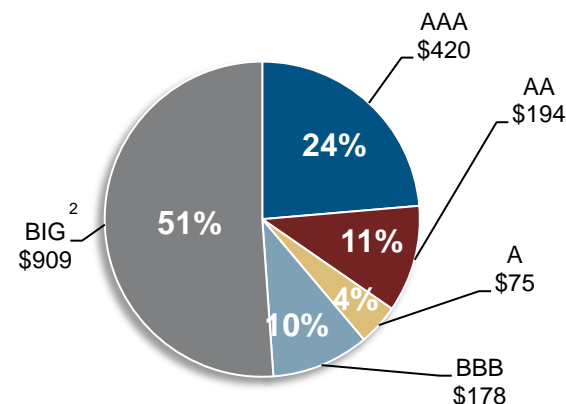
By Type

As of March 31, 2021
(\$ in millions)



\$1.8 billion, 1.3% of net par outstanding

By Rating

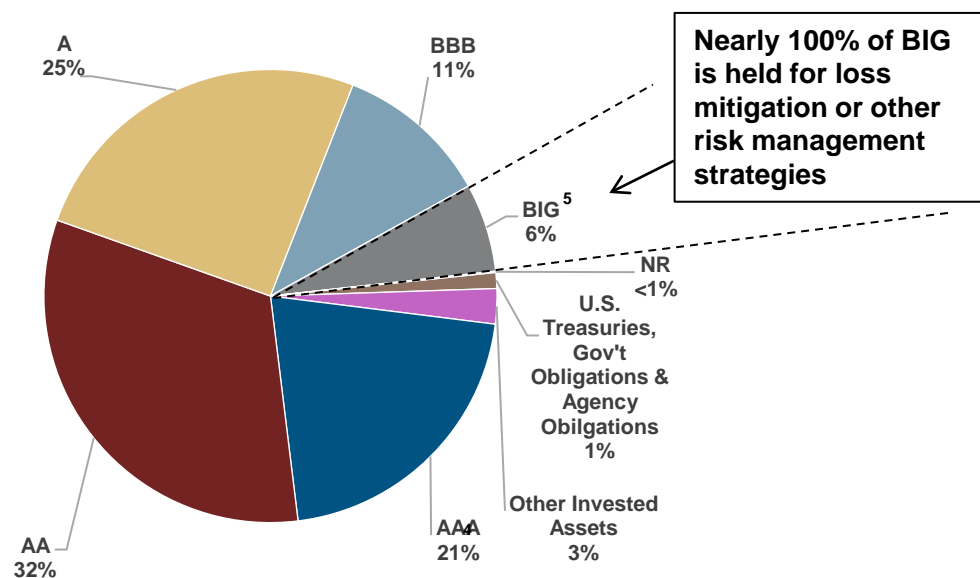


1. Please see page 3 for a definition of this convention.

2. Please see footnote 1 on page 39.

Invested Assets and Cash^{2,3}

As of March 31, 2021



- Predominately consists of highly rated, fixed maturity and short-term investments, and cash; 55% rated AA or higher
- Approximately \$158 million invested in liquid, short-term investments and cash
- Overall duration of the fixed maturity securities and short-term investments is 4.2 years
- AGM has an interest in funds in AGAS with a carrying value of \$302 million as of March 31, 2021
 - These funds are not included in the \$4.7 billion of total invested assets and cash

\$4.7 billion, A+ average rating³

1. Please see page 3 for a definition of this convention.
2. Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
3. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or other risk management strategies, which use internal ratings classifications. Other invested assets are not rated.
4. Included in the AAA category are short-term securities and cash.
5. Includes securities held long-term that were purchased or obtained as part of loss mitigation or other risk management strategies of \$519 million in par with carrying value of \$295 million.

AGM Consolidated Expected Loss and LAE to Be Paid Three Months Ended March 31, 2021



(\$ in millions)

Rollforward of Net Expected Loss and LAE to be Paid¹ for the Three Months Ended March 31, 2021

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2020	Economic Loss Development (Benefit) During 1Q-21	(Paid) Recovered Losses During 1Q-21	Net Expected Loss to be Paid (Recovered) as of Mar 31, 2021
Public Finance:				
U.S. public finance ²	\$(8)	\$(8)	\$(43)	\$(59)
Non-U.S. public finance	29	(10)	-	19
Public Finance:	<u>21</u>	<u>(18)</u>	<u>(43)</u>	<u>(40)</u>
Structured Finance				
U.S. RMBS ³	66	16	16	98
Other structure finance	7	-	-	7
Structured Finance:	<u>73</u>	<u>16</u>	<u>16</u>	<u>105</u>
Total	<u>\$94</u>	<u>\$(2)</u>	<u>\$(27)</u>	<u>\$65</u>

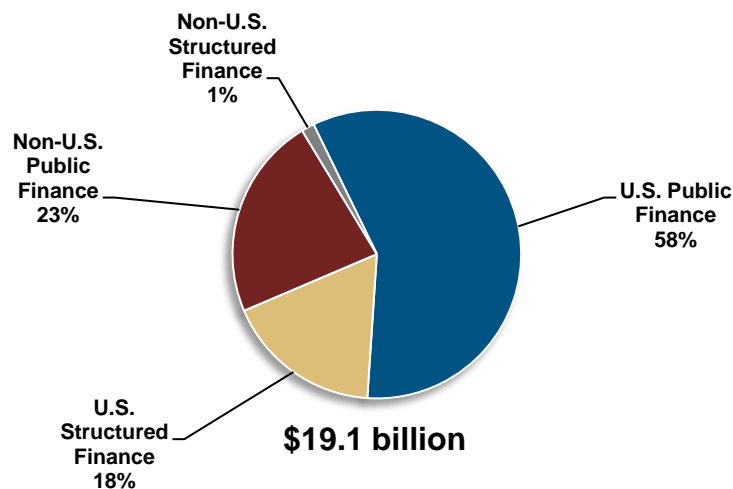
Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2020 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. The total net expected loss for troubled U.S. public finance exposures is net of a credit for estimated future recoveries of claims already paid of \$409 million as of March 31, 2021 and \$492 million as of December 31, 2020.
3. Includes future net R&W recoverable (payable) of \$(64) million as of March 31, 2021, and \$(83) million as of December 31, 2020.

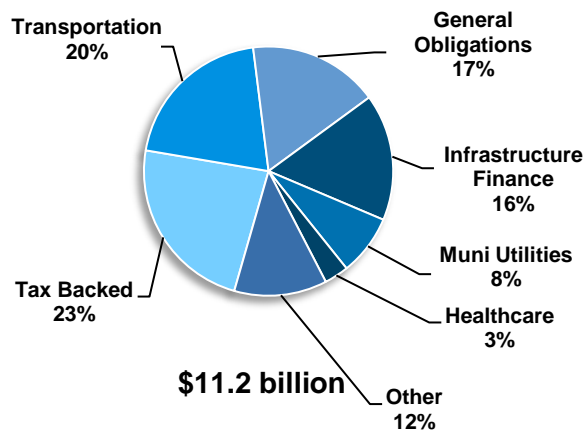
Assured Guaranty Corp. Portfolio Review

Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

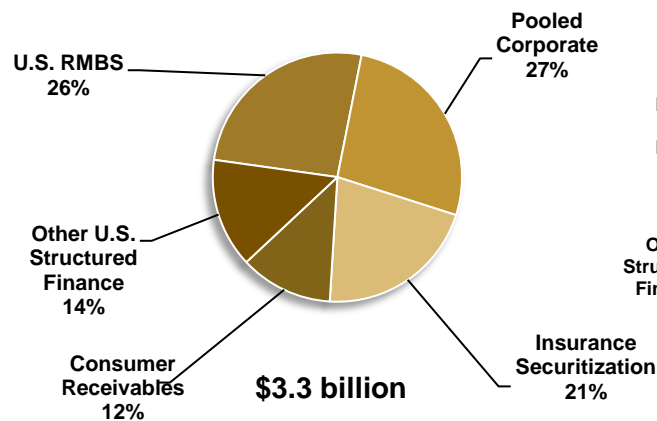
Portfolio Diversification by Sector



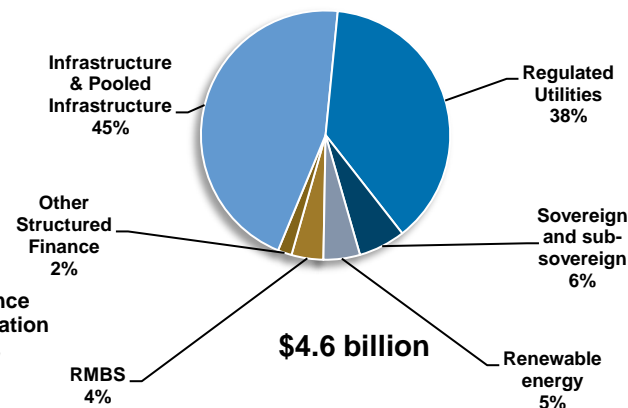
U.S. Public Finance Portfolio



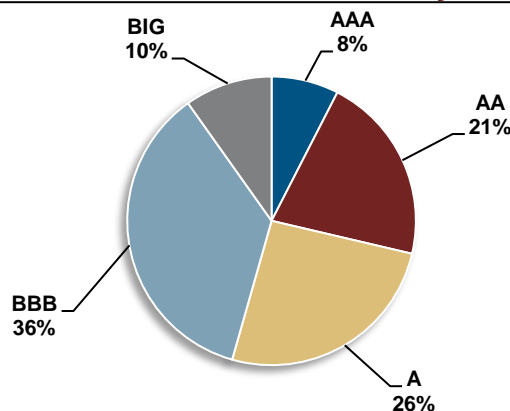
U.S. Structured Finance Portfolio



Non-U.S. Portfolios Public & Structured Finance

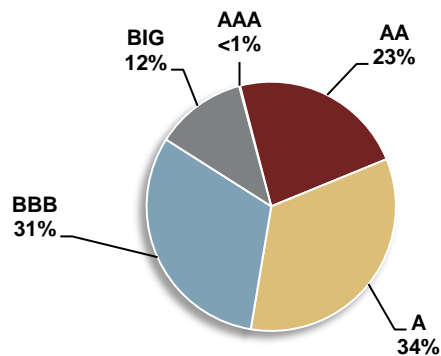


Portfolio Diversification by Rating



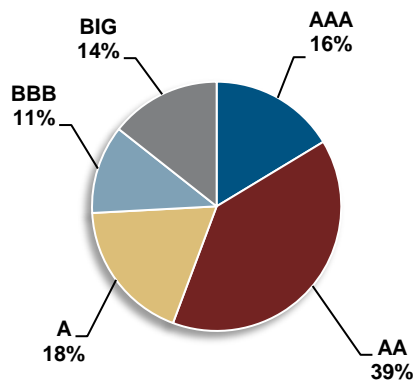
\$19.1 billion

U.S. Public Finance Portfolio



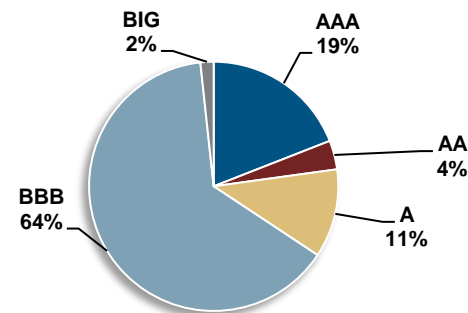
\$11.2 billion

U.S. Structured Finance Portfolio



\$3.3 billion

Non-U.S. Portfolios Public & Structured Finance



\$4.6 billion

Net Par Outstanding By Asset Type

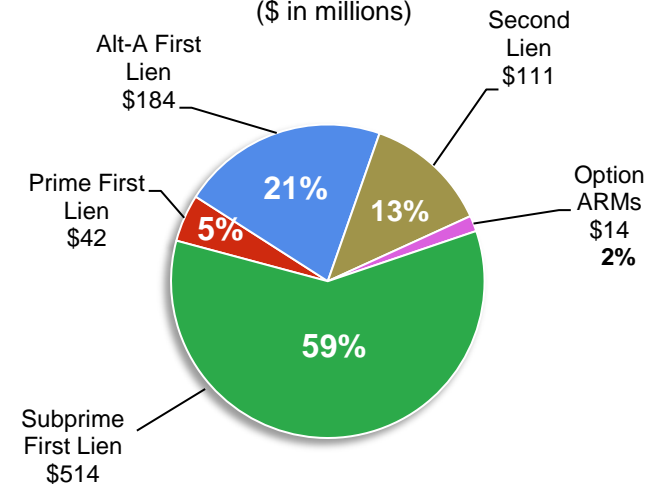
(\$ in millions)

	<u>Net Par Outstanding</u>	<u>Avg. Internal Rating</u>		<u>Net Par Outstanding</u>	<u>Avg. Internal Rating</u>
U.S. public finance:			U.S. structured finance:		
Tax backed	\$ 2,594	BB+	Pooled corporate obligations	\$ 897	AA
Transportation	2,272	A-	RMBS	866	BBB-
General obligation	1,890	BBB+	Life insurance transactions	704	AA-
Infrastructure finance	1,836	A+	Consumer receivables	404	A+
Municipal utilities	878	A-	Other structured finance	474	BBB+
Healthcare	353	BBB	Total U.S. structured finance	3,345	A
Investor-owned utilities	335	A-	Non-U.S. structured finance:		
Higher education	205	A-	RMBS	191	A+
Renewable energy	126	A-	Other structured finance	83	BBB+
Housing revenue	103	BB	Total non-U.S. structured finance	274	A
Other public finance	575	A-	Total structured finance	\$ 3,619	A
Total U.S. public finance	11,167	BBB+			
Non-U.S. public finance:			Total net par outstanding	\$ 19,126	A-
Regulated utilities	1,748	BBB+			
Infrastructure finance	1,362	BBB			
Pooled infrastructure	730	AAA			
Sovereign and sub-sovereign	281	A			
Renewable energy	219	BBB			
Total non-U.S. public finance	4,340	A-			
Total public finance	\$ 15,507	A-			

- **AGC's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
 - \$0.9 billion versus \$13.4 billion at year-end 2007, a decrease of 93%
 - 4.5% 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

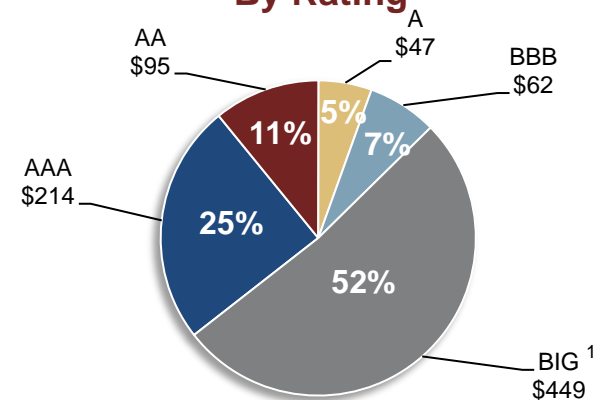
By Type

As of March 31, 2021
(\$ in millions)



\$866 million, 4.5% of net par outstanding

By Rating



1. Please see footnote 1 on page 40.

AGC Non-RMBS Exposure

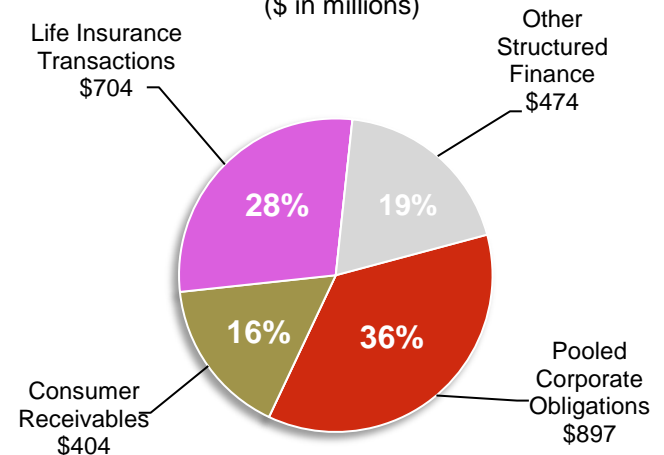
U.S. Structured Finance



- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
 - Pooled corporate obligations
 - Life insurance transactions
 - Consumer receivables
- **Non-RMBS U.S. structured finance credit experience has been generally strong despite the economic stress caused by the financial crisis and the COVID-19 pandemic**
 - 13% rated AAA
 - 1% rated BIG

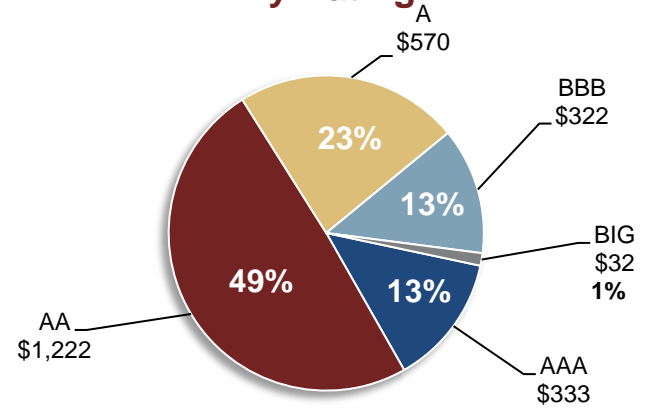
By Type

As of March 31, 2021
(\$ in millions)



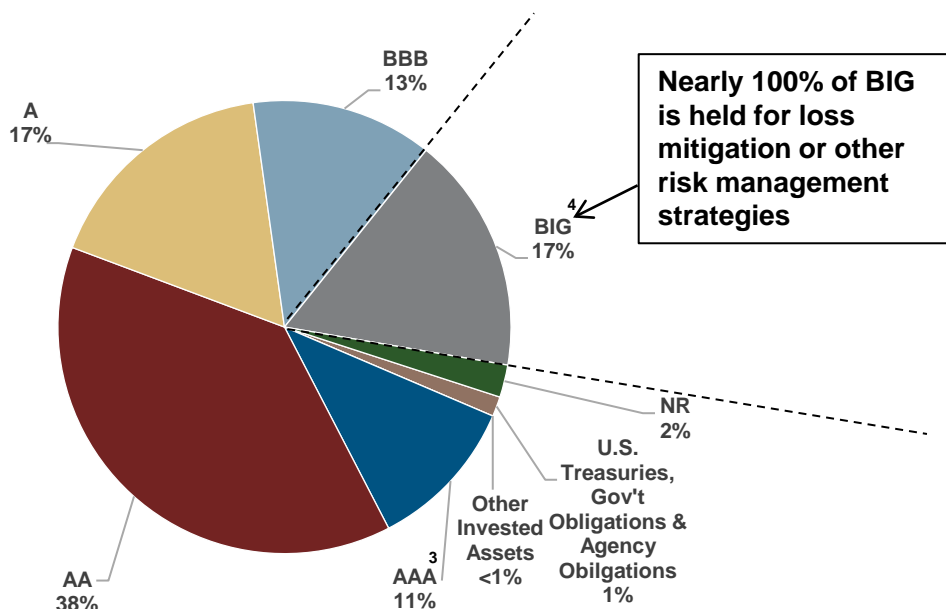
\$2,478 million, 13.0% of net par outstanding

By Rating



Invested Assets and Cash^{1,2}

As of March 31, 2021

**\$2.4 billion, A- average rating²**

- Predominately consists of highly rated, fixed maturity and short-term investments, and cash; 51% rated AA or higher
- Approximately \$67 million invested in liquid, short-term investments and cash
- Overall duration of the fixed maturity securities and short-term investments is 5.3 years
- AGC has an ownership interest in AGAS with a carrying value of \$192 million as of March 31, 2021
 - These funds are not included in the \$2.4 billion of total invested assets and cash

1. Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or other risk management strategies, which use internal ratings classifications. Other invested assets are not rated.
3. Included in the AAA category are short-term securities and cash.
4. Includes securities held long-term that were purchased or obtained as part of loss mitigation or other risk management strategies of \$518 million in par with carrying value of \$410 million.

AGC Expected Loss and LAE to Be Paid

Three Months Ended March 31, 2021



(\$ in millions)

Rollforward of Net Expected Loss and LAE to be Paid¹ for the Three Months Ended March 31, 2021

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2020	Economic Loss Development (Benefit) During 1Q-21	(Paid) Recovered Losses During 1Q-21	Net Expected Loss to be Paid (Recovered) as of Mar 31, 2021
Public Finance:				
U.S. public finance ²	\$199	\$23	\$(28)	\$193
Non-U.S. public finance	3	(1)	-	2
Public Finance:	<u>202</u>	<u>22</u>	<u>\$(28)</u>	<u>195</u>
Structured Finance				
U.S. RMBS ³	74	(4)	5	75
Other structure finance	<u>(38)</u>	<u>(2)</u>	<u>-</u>	<u>(40)</u>
Structured Finance:	<u>36</u>	<u>(6)</u>	<u>5</u>	<u>35</u>
Total	<u>\$238</u>	<u>\$16</u>	<u>\$(23)</u>	<u>\$230</u>

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 2020 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. The total net expected loss for troubled U.S. public finance exposures is net of a credit for estimated future recoveries of claims already paid of \$380 million as of March 31, 2021, and \$432 million as of December 31, 2020.
3. Includes future net R&W recoverable (payable) of \$5 million as of March 31, 2021, and \$8 million as of December 31, 2020.



Municipal Assurance Corp. Portfolio Review*

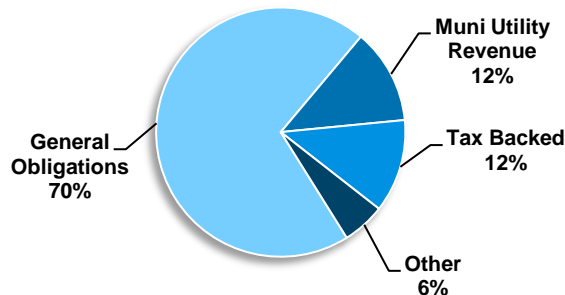
* Assured Guaranty merged MAC with and into Assured Guaranty Municipal on April 1, 2021, with Assured Guaranty Municipal as the surviving company. See page 3 for a definition of this convention.

MAC

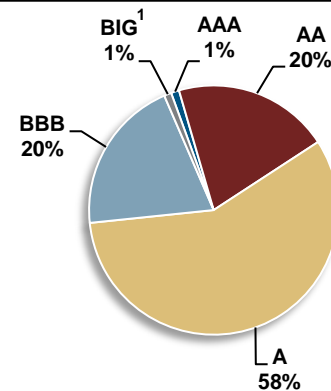
Insured Portfolio (100% U.S. Public Finance)
Net Par Outstanding as of March 31, 2021

ASSURED
GUARANTY

Portfolio Diversification by Sector



Portfolio Diversification by Rating



\$13.9 billion

Net Par Outstanding By Asset Type (\$ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	\$ 9,703	A
Municipal utilities	1,709	A
Tax backed	1,677	A+
Transportation	571	A-
Higher Education	170	BBB+
Housing revenue	22	A+
Other public finance	7	A-
Total U.S. public finance	\$ 13,859	A

Net Par Outstanding By State (\$ in millions)

	Net Par Outstanding	% of Total
California	\$ 4,119	29.7%
Pennsylvania	1,413	10.2
Texas	1,267	9.1
New York	1,184	8.5
Illinois	1,047	7.6
New Jersey	704	5.1
Florida	404	2.9
Michigan	333	2.4
Massachusetts	302	2.2
Georgia	275	2.0
Other	2,811	20.3
Total U.S. public finance	\$ 13,859	100.0%

1. A total of \$130 million net par outstanding; includes 20 revenue sources rated in the BB and B categories.

MAC

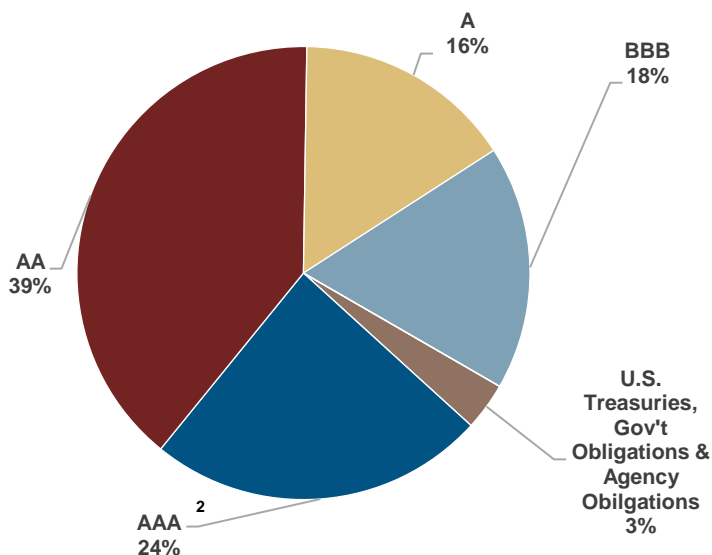
Investment Portfolio

Fair Value as of March 31, 2021

ASSURED
GUARANTY[®]

Invested Assets and Cash^{1,2}

As of March 31, 2021



\$556 million, AA- average rating¹

- Predominately consists of highly rated, fixed maturity and short-term investments, and cash; 67% rated AA or higher
- Approximately \$76 million invested in liquid, short-term investments and cash
- Overall duration of the fixed maturity securities and short-term investments is 5.0 years
- MAC has an ownership interest in AGAS with a carrying value of \$55 million as of March 31, 2021
 - These funds are not included in the \$0.6 billion of total invested assets and cash

1. Ratings are represented by the lower of the Moody's and S&P classifications

2. Included in the AAA category are short-term securities and cash.

Appendix



Appendix

Explanation of Non-GAAP Financial Measures



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

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

GAAP requires the Company to consolidate:

- certain FG VIEs, which the Company does not own and where its exposure is limited to its obligation under the financial guaranty insurance contract, and
- certain investment vehicles for which the Company is deemed the primary beneficiary.

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

Management and the Board of Directors use non-GAAP financial measures further adjusted to remove the effect of 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 core financial measures in its decision-making process for and in its calculation of certain components of management compensation. 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.

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

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.

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 operating results of the Company. 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.

Appendix

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



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

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

- 1) Elimination of non-credit-impairment unrealized fair value gains (losses) on credit derivatives, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.
- 2) Elimination of fair value gains (losses) on the Company's CCS. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.
- 3) Elimination of unrealized gains (losses) on the Company's investments that are recorded as a component of accumulated other comprehensive income (AOCI) (excluding foreign exchange remeasurement). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore should not recognize an economic gain or loss.
- 4) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

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

- 1) Elimination of deferred acquisition costs, net. These amounts represent net deferred expenses that have already been paid or accrued and will be expensed in future accounting periods.
- 2) Addition of the net present value of estimated net future revenue. See below.
- 3) Addition of the deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed, net of reinsurance. This amount represents the present value of the expected future net earned premiums, net of the present value of expected losses to be expensed, which are not reflected in GAAP equity.
- 4) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

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

Appendix

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



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 the present value of estimated net future revenue for contracts other than financial guaranty insurance contracts (such as specialty insurance and reinsurance contracts and credit derivatives). This amount represents the net present value of estimated future revenue from these contracts (other than credit derivatives with net expected losses), net of reinsurance, ceding commissions and premium taxes.

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

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

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

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

Appendix

Reconciliation of Gross Written Premiums (GWP) to PVP

Reconciliation of GWP to PVP (dollars in millions)	Three Months Ended March 31,		Year Ended December 31,						
	2021	2020	2020	2019	2018	2017	2016	2015	2014
Total GWP	\$87	\$64	\$454	\$677	\$612	\$307	\$154	\$181	\$104
Less: Installment GWP and other GAAP adjustments ¹	38	35	191	469	119	99	(10)	55	(22)
Upfront GWP	49	29	263	208	493	208	164	126	126
Plus: Installment premium PVP	37	22	127	361	204	107	61	65	46
Total PVP	<u>\$86</u>	<u>\$51</u>	<u>\$390</u>	<u>\$569</u>	<u>\$697</u>	<u>\$315</u>	<u>\$225</u>	<u>\$191</u>	<u>\$172</u>

PVP:	Three Months Ended March 31,		Year Ended December 31,						
	2021	2020	2020	2019	2018	2017	2016	2015	2014
Public Finance - U.S.	\$81	\$29	\$292	\$201	\$402	\$197	\$161	\$124	\$128
Public Finance - non-U.S.	3	21	82	308	116	89	29	33	8
Structured Finance - U.S.	2	1	14	53	167	14	34	28	27
Structured Finance - non-U.S.	-	-	2	7	12	15	1	6	9
Total PVP	<u>\$86</u>	<u>\$51</u>	<u>\$390</u>	<u>\$569</u>	<u>\$697</u>	<u>\$315</u>	<u>\$225</u>	<u>\$191</u>	<u>\$172</u>

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 Income¹

Adjusted Operating Income Reconciliation

(dollars in millions, except per share amounts)

	Three Months Ended March 31,			
	2021		2020	
	Total	Per Diluted Share	Total	Per Diluted Share
Net income (loss) attributable to AGL	\$11	\$0.14	\$(55)	\$(0.59)
Less pre-tax adjustments:				
Realized gains (losses) on investments	(3)	(0.04)	(5)	(0.06)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(19)	(0.25)	(88)	(0.95)
Fair value gains (losses) on CCS	(19)	(0.24)	48	0.52
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	1	0.01	(57)	(0.62)
Total pre-tax adjustments	(40)	(0.52)	(102)	(1.11)
Less tax effect on pre-tax adjustments	8	0.11	14	0.16
Adjusted Operating income	<u>\$43</u>	<u>\$0.55</u>	<u>\$33</u>	<u>\$0.36</u>

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 Value¹



Adjusted book value¹ reconciliation

(dollars in millions, except per share amounts)

	March 31, 2021		December 31, 2020		As of March 31, 2020		December 31, 2019	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Reconciliation of shareholders' equity to adjusted book value¹:								
Shareholders' equity	\$6,430	\$84.67	\$6,643	\$85.66	\$6,240	\$69.35	\$6,639	\$71.18
Less pre-tax adjustments:								
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(10)	(0.14)	9	0.12	(144)	(1.60)	(56)	(0.60)
Fair value gains (losses) on CCS	33	0.43	52	0.66	101	1.12	52	0.56
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	463	6.10	611	7.89	275	3.06	486	5.21
Less Taxes	(88)	(1.16)	(116)	(1.50)	(43)	(0.48)	(89)	(0.95)
Adjusted operating shareholders' equity ¹	6,032	79.44	6,087	78.49	6,051	67.25	6,246	66.96
Pre-tax adjustments:								
Less: Deferred acquisition costs	124	1.63	119	1.54	113	1.26	111	1.19
Plus: Net present value of estimated net future revenue	181	2.38	182	2.35	193	2.14	206	2.20
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	3,359	44.24	3,355	43.27	3,273	36.37	3,296	35.34
Plus Taxes	(597)	(7.87)	(597)	(7.70)	(584)	(6.48)	(590)	(6.32)
Adjusted book value ¹	<u>\$8,851</u>	<u>\$116.56</u>	<u>\$8,908</u>	<u>\$114.87</u>	<u>\$8,820</u>	<u>\$98.02</u>	<u>\$9,047</u>	<u>\$96.99</u>
Gain (loss) related to VIE consolidation included in adjusted operating shareholders' equity ¹	<u>\$1</u>	<u>\$0.02</u>	<u>\$2</u>	<u>\$0.03</u>	<u>\$12</u>	<u>\$0.14</u>	<u>\$7</u>	<u>\$0.07</u>
Gain (loss) related to VIE consolidation included in adjusted book value ¹	<u>\$(9)</u>	<u>\$(0.12)</u>	<u>\$(8)</u>	<u>\$(0.10)</u>	<u>\$2</u>	<u>\$0.03</u>	<u>\$(4)</u>	<u>\$(0.05)</u>

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

Appendix

Reconciliation of GAAP ROE¹ to Adjusted Operating ROE^{1,2}



ROE Reconciliation (dollars in millions)

	Three Months Ended March 31,	
	2021	2020
Net income (loss) attributable to AGL	\$11	\$(55)
Adjusted operating income ²	43	33
Average shareholders' equity attributable to AGL	\$6,537	\$6,440
Average adjusted operating shareholders' equity ²	6,060	6,149
Gain (loss) related to VIE consolidation included in average adjusted operating shareholders' equity ²	2	10
GAAP ROE¹	0.7%	(3.4)%
Adjusted operating ROE ^{1,2}	2.8%	2.2%

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. Management fee revenue is based on a variety of factors and is not perfectly correlated with AUM. However, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business. 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 amount of aggregate collateral balance and principal cash of AssuredIM'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 secondary 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, and
2. the net asset value of all funds and accounts other than CLOs, plus any unfunded commitments. Changes in NAV attributable to movements in fund value of certain private equity funds are reported on a quarter lag.

CLO AUM includes CLO equity that is held by various AssuredIM funds of \$250 million as of March 31, 2021, and \$265 million as of December 31, 2020. This CLO equity corresponds to the majority of the non-fee earning CLO AUM, as BlueMountain typically rebates the CLO fees back to AssuredIM 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 AssuredIM 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

March 31, 2021

