Assured Guaranty Inc.

June 30, 2025
Financial Supplement

ASSURED GUARANTY®

Assured Guaranty Inc.[1]
June 30, 2025
Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the United States (U.S.) Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2024 and its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 and June 30, 2025. For the purposes of this financial supplement, all references to the "Company" shall mean Assured Guaranty Inc. (AG, formerly known as Assured Guaranty Corp.) and its consolidated entities. Certain prior year balances have been reclassified to conform to the current year's presentation.

[1] Effective August 1, 2024, Assured Guaranty Municipal Corp. (AGM), an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.

Cautionary Statement Regarding Forward Looking Statements

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include (i) significant changes in inflation, interest rates, the world's credit markets or segments thereof, credit spreads, foreign exchange rates, tariff regimes or general economic conditions, including the possibility of a recession or stagflation; (ii) geopolitical risk, terrorism and political violence risk, including those arising out of Russia's invasion of Ukraine and intentional or accidental escalation between The North Atlantic Treaty Organization and Russia, conflict in the Middle East, confrontation over Iran's nuclear program, the polarized political environment in the United States (U.S.), and strategic competition and tensions between the U.S. and China; (iii) cybersecurity risk and the impacts of artificial intelligence, machine learning and other technological advances, including potentially increasing the risks of malicious cyber attacks, dissemination of misinformation, and disruption of markets, including the markets in which the Company participates; (iv) the possibility of a U.S. government shutdown, payment defaults on the debt of the U.S. government or instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, and downgrades to their credit ratings; (v) developments in the world's financial and capital markets, including stresses in the financial condition of banking institutions in the U.S. and the possibility that increasing participation of unregulated financial institutions in these markets results in losses or lower valuations of assets, reduced liquidity and credit and/or contraction of these markets, that adversely affect repayment rates of insured obligors, Assured Guaranty's insurance loss or recovery experience, or investments of Assured Guaranty; (vi) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (vii) the possibility that budget or pension shortfalls, difficulties in obtaining additional financing, changes in applicable laws or regulations or other factors will result in credit losses or liquidity claims on obligations of state, territorial and local governments, their related authorities, public corporations and other obligors that Assured Guaranty insures or reinsures; (viii) insured losses, including losses with respect to related legal proceedings, in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including below-investment-grade (BIG) healthcare, United Kingdom (U.K.) regulated utility, European renewable energy, and Puerto Rico Electric Power Authority (PREPA) exposures; (ix) the impact of Assured Guaranty satisfying its obligations under insurance policies with respect to legacy insured Puerto Rico bonds; (x) the possibility that underwriting insurance in new jurisdictions and/or covering new sectors or classes of business does not result in the benefits anticipated or subjects Assured Guaranty to negative consequences; (xi) increased competition, including from new entrants into the financial guaranty industry, nonpayment insurance and other forms of capital saving or risk syndication available to banks and insurers; (xii) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity, or to other negative or unanticipated consequences; (xiii) the possibility that Assured Guaranty's mergers, acquisitions, divestitures and other strategic transactions, including the transactions with Sound Point Capital Management, LP (Sound Point, LP) and certain of its investment management affiliates (together with Sound Point, LP, Sound Point) and/or Assured Healthcare Partners LLC (AHP), do not result in the benefits anticipated and/or subject Assured Guaranty to negative consequences; (xiv) the inability to control the business, management or policies of entities in which Assured Guaranty holds a minority interest; (xv) the impact of market volatility on the fair value of Assured Guaranty's assets and liabilities subject to mark-to-market, including certain of its investments, contracts accounted for as derivatives, its committed capital securities (CCS), and its consolidated variable interest entities (VIEs); (xvi) 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; (xvii) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (xviii) noncompliance with, and/or changes in, applicable laws or regulations, including insurance, bankruptcy and tax laws, tariffs, or other governmental actions; (xix) the possibility that legal or regulatory decisions or determinations subject Assured Guaranty or obligations that it insures or reinsures to negative consequences; (xx) difficulties or delays with the execution of Assured Guaranty's business strategy; (xxi) loss of key personnel; (xxii) changes in applicable accounting policies or practices; (xxiii) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (xxiv) natural or man-made catastrophes; (xxv) the impact of climate change on Assured Guaranty's business and regulatory actions taken related to such risk; (xxvi) other risk factors identified in AGL's filings with the U.S. Securities and Exchange Commission (SEC); (xxvii) other risks and uncertainties that have not been identified at this time; and (xxviii) management's response to these factors. Assured Guaranty undertakes no obligation to update publicly or review any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Assured Guaranty Inc.

Selected Financial Highlights [1] (1 of 2)

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP [2] Highlights				
Net income (loss) attributable to AG	**$ 98**	**$ 93**	**$ 232**	**$ 206**
Gross written premiums (GWP)	**80**	**121**	**110**	**181**
Effective tax rate on net income	**19.6 %**	**13.5 %**	**18.9 %**	**17.6 %**
GAAP return on equity (ROE) [3]	**7.1 %**	**6.4 %**	**8.5 %**	**7.1 %**
Non-GAAP Highlights [4]				
Adjusted operating income (loss) [4]	$ 54	$ 96	$ 177	$ 211
Present value of new business production (PVP) [4]	57	144	92	207
Gross par written	9,362	8,509	14,094	12,252
Effective tax rate on adjusted operating income [5]	22.3 %	12.8 %	19.5 %	17.1 %
Adjusted operating ROE [3][4]	3.9 %	6.4 %	6.3 %	7.0 %
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 2**	**$ 3**	**$ 6**	**$ 36**
Fair value gains (losses) of credit derivatives, pre-tax	**—**	**—**	**34**	**—**
Net income effect	**2**	**3**	**32**	**29**
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [6], pre-tax	$ 2	$ 3	$ 40	$ 36
Adjusted operating income [6] effect	2	3	32	29

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.
2) Accounting principles generally accepted in the United States of America (GAAP).
3) Quarterly ROE calculations represent annualized returns. See page 6 for additional information on calculation.
4) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
5) Represents the ratio of adjusted operating provision for income taxes to adjusted operating income before income taxes.
6) Condensed combined statement of operations items mentioned in this Financial Supplement that are described as operating (i.e., operating net earned premiums and credit derivative revenues) are non-GAAP measures and represent components of adjusted operating income. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Inc.

Selected Financial Highlights (2 of 2)

(dollars in millions)

	As of			
	June 30, 2025		December 31, 2024	
Shareholder's equity	**$**	**5,605**	**$**	**5,376**
Adjusted operating shareholder's equity [1]		5,682		5,585
Adjusted book value (ABV) [1]		7,851		7,814
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:				
Adjusted operating shareholder's equity		(8)		(7)
ABV		(13)		(15)
Exposure				
Financial guaranty net debt service outstanding	$	335,717	$	324,247
Financial guaranty net par outstanding:				
Investment grade	$	200,430	$	193,484
BIG		8,343		8,123
Total	$	208,773	$	201,607
Claims-paying resources [2]	**$**	**8,670**	**$**	**8,559**

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

Assured Guaranty Inc.

Condensed Combined Statements of Operations [1] (unaudited)

(dollars in millions)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues				
Net earned premiums	$ 66	$ 63	$ 134	$ 157
Net investment income	75	67	147	136
Net realized investment gains (losses)	(3)	(5)	(18)	3
Fair value gains (losses) on credit derivatives	—	4	88	13
Fair value gains (losses) on CCS	(1)	1	1	(9)
Fair value gains (losses) on FG VIEs	2	(1)	3	(4)
Fair value gains (losses) on consolidated investment vehicles (CIVs)	—	6	—	21
Foreign exchange gains (losses) on remeasurement	64	1	96	(9)
Fair value gains (losses) on trading securities	2	17	3	43
Other income (loss)	5	—	13	(4)
Total revenues	**210**	**153**	**467**	**347**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	24	(6)	72	(1)
Employee compensation and benefit expenses	40	37	87	81
Other expenses	25	24	52	49
Total expenses (benefit)	**89**	**55**	**211**	**129**
Income (loss) before income taxes and equity in earnings (losses) of investees	**121**	**98**	**256**	**218**
Equity in earnings (losses) of investees	1	9	30	32
Income (loss) before income taxes	**122**	**107**	**286**	**250**
Less: Provision (benefit) for income taxes	24	14	54	44
Net income (loss)	**98**	**93**	**232**	**206**
Less: Noncontrolling interests	—	—	—	—
Net income (loss) attributable to AG	**$ 98**	**$ 93**	**$ 232**	**$ 206**

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.

Assured Guaranty Inc.

Condensed Combined Balance Sheets (unaudited)

(dollars in millions)

	As of	
	June 30, 2025	December 31, 2024
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 5,332	$ 5,199
Fixed-maturity securities, trading, at fair value	137	147
Short-term investments, at fair value	651	717
Equity method investments	469	402
Other invested assets	16	8
Total investments	6,605	6,473
Cash	187	69
Loan receivable from affiliate	250	250
Premiums receivable, net of commissions payable	1,595	1,520
Ceded unearned premium reserve	803	796
Reinsurance recoverable on unpaid losses	79	92
Salvage and subrogation recoverable	382	395
FG VIEs' assets	211	147
Other assets	276	386
Total assets	**$ 10,388**	**$ 10,128**
Liabilities		
Unearned premium reserve	$ 3,631	$ 3,679
Loss and LAE reserve	272	225
Reinsurance balances payable, net	366	349
FG VIEs' liabilities	202	164
Other liabilities	286	335
Total liabilities	**4,757**	**4,752**
Shareholder's equity		
Preferred stock	—	—
Common stock	15	15
Additional paid-in capital	868	863
Retained earnings	4,884	4,796
Accumulated other comprehensive income (loss)	(162)	(298)
Total shareholder's equity attributable to AG	5,605	5,376
Nonredeemable noncontrolling interests	26	—
Total shareholders' equity	**5,631**	**5,376**
Total liabilities and shareholders' equity	**$ 10,388**	**$ 10,128**

Assured Guaranty Inc.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation [1]

(dollars in millions)

	Three Months Ended June 30, 2025		Three Months Ended June 30, 2024	
	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]
Adjustments to revenues:				
Net earned premiums	$ —	$ (1)	$ —	$ (1)
Net investment income	—	—	—	(1)
Net realized investment gains (losses)	(3)	—	(5)	—
Fair value gains (losses) on credit derivatives	(1)	—	2	—
Fair value gains (losses) on CCS	(1)	—	1	—
Fair value gains (losses) on FG VIEs	—	2	—	(1)
Fair value gain (losses) on CIVs	—	—	—	6
Foreign exchange gains (losses) on remeasurement	57	—	—	—
Other income (loss)	—	—	(1)	—
Total revenue adjustments	52	1	(3)	3
Adjustments to expenses:				
Loss expense	—	1	—	(1)
Total expense adjustments	—	1	—	(1)
Pre-tax adjustments	52	—	(3)	4
Add: Equity in earnings (losses) of investees	—	—	—	(6)
Less: Tax effect of adjustments	8	—	—	(1)
Less: Non-controlling interest	—	—	—	—
After-tax adjustments	$ 44	$ —	$ (3)	$ (1)

	Six Months Ended June 30, 2025		Six Months Ended June 30, 2024	
	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]
Adjustments to revenues:				
Net earned premiums	$ —	$ (1)	$ —	$ (2)
Net investment income	—	(1)	—	(2)
Net realized investment gains (losses)	(18)	—	3	—
Fair value gains (losses) on credit derivatives	51	—	9	—
Fair value gains (losses) on CCS	1	—	(9)	—
Fair value gains (losses) on FG VIEs	—	3	—	(4)
Fair value gain (losses) on CIVs	—	—	—	21
Foreign exchange gains (losses) on remeasurement	85	—	(9)	—
Other income (loss)	1	—	(1)	—
Total revenue adjustments	120	1	(7)	13
Adjustments to expenses:				
Loss expense	54	1	(2)	(4)
Total expense adjustments	54	1	(2)	(4)
Pre-tax adjustments	66	—	(5)	17
Add: Equity in earnings (losses) of investees	—	—	—	(20)
Less: Tax effect of adjustments	11	—	—	(1)
Less: Non-controlling interest	—	—	—	—
After-tax adjustments	$ 55	$ —	$ (5)	$ (2)

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis.
2) Represents the amounts recorded in the condensed combined statements of operations that the Company removes to arrive at adjusted operating income. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
3) Represents the amounts included in the condensed combined statements of operations and adjusted operating income that the Company removes to arrive at the core financial measures that management uses in certain of its compensation calculations and its decision making process. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Inc.
Selected Financial Highlights
GAAP to Non-GAAP Reconciliations (1) (1 of 2)
(dollars in millions)

Adjusted Operating Income Reconciliation	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net income (loss) attributable to AG	**$ 98**	**$ 93**	**$ 232**	**$ 206**
Less pre-tax adjustments:				
Realized gains (losses) on investments [2]	(3)	(6)	(17)	2
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	(1)	2	(3)	11
Fair value gains (losses) on CCS	(1)	1	1	(9)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	57	—	85	(9)
Total pre-tax adjustments	52	(3)	66	(5)
Less tax effect on pre-tax adjustments	(8)	—	(11)	—
Adjusted operating income (loss)	$ 54	$ 96	$ 177	$ 211

ROE Reconciliation and Calculation	As of June 30, 2025	March 31, 2025	December 31, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Shareholder's equity attributable to AG	**$ 5,605**	**$ 5,496**	**$ 5,376**	**$ 5,769**	**$ 5,802**	**$ 5,792**
Adjusted operating shareholder's equity	5,682	5,648	5,585	5,979	6,013	5,983
Gain (loss) related to FG VIE and CIV consolidation included in adjusted operating shareholder's equity	**(8)**	**(8)**	**(7)**	**(2)**	**(3)**	**(1)**

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net income (loss) attributable to AG	**$ 98**	**$ 93**	**$ 232**	**$ 206**
Adjusted operating income (loss)	54	96	177	211
Average shareholder's equity attributable to AG	**$ 5,551**	**$ 5,786**	**$ 5,491**	**$ 5,781**
Average adjusted operating shareholder's equity	5,665	5,996	5,634	5,981
Gain (loss) related to FG VIE and CIV consolidation included in average adjusted operating shareholder's equity	**(8)**	**(3)**	**(8)**	**(2)**
GAAP ROE [3]	**7.1 %**	**6.4 %**	**8.5 %**	**7.1 %**
Adjusted operating ROE [3]	3.9 %	6.4 %	6.3 %	7.0 %

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.
2) This is net of reinsurer's share of realized gains (losses).
3) Quarterly ROE calculations represent annualized returns.

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

Assured Guaranty Inc.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations [1] (2 of 2)

(dollars in millions)

	As of					
	June 30, 2025	March 31, 2025	December 31, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Reconciliation of shareholder's equity attributable to AG to ABV:						
Shareholder's equity attributable to AG	**$ 5,605**	**$ 5,496**	**$ 5,376**	**$ 5,769**	**$ 5,802**	**$ 5,792**
Less pre-tax reconciling items:						
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	51	52	54	54	51	43
Fair value gains (losses) on CCS	3	4	2	4	3	13
Unrealized gain (loss) on investment portfolio	(171)	(255)	(320)	(321)	(318)	(295)
Less taxes	40	47	55	53	53	48
Adjusted operating shareholder's equity	5,682	5,648	5,585	5,979	6,013	5,983
Pre-tax reconciling items:						
Less: Deferred acquisition costs	(46)	(46)	(53)	(59)	(64)	(67)
Plus: Net present value of estimated net future revenue	88	90	91	94	96	99
Plus: Net deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed	2,622	2,642	2,690	2,632	2,607	2,648
Plus taxes	(587)	(593)	(605)	(595)	(591)	(601)
ABV	$ 7,851	$ 7,833	$ 7,814	$ 8,169	$ 8,189	$ 8,196
Gain (loss) related to FG VIE and CIV consolidation included in:						
Adjusted operating shareholder's equity (net of tax provision (benefit) of \$(2), \$(2), \$(2), \$(1), \$(1) and \$0)	$ (8)	$ (8)	$ (7)	$ (2)	$ (3)	$ (1)
ABV (net of tax provision (benefit) of \$(4), \$(3), \$(3), \$(2), \$(3) and \$(2))	$ (13)	$ (14)	$ (15)	$ (8)	$ (9)	$ (5)

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.

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

Assured Guaranty Inc.

Claims-Paying Resources

(dollars in millions)

		As of June 30, 2025
Claims-paying resources		
Policyholders' surplus	$	3,514
Contingency reserve		1,453
Qualified statutory capital		**4,967**
Unearned premium reserve and net deferred ceding commission income [(1)]		2,437
Loss and LAE reserves [(1)(5)]		—
Total policyholders' surplus and reserves		**7,404**
Present value of installment premium		866
CCS		400
Total claims-paying resources	**$**	**8,670**
Statutory net par outstanding [(1)(2)]	$	208,527
Net debt service outstanding [(1)(2)]		335,519
Ratios:		
Statutory net par outstanding to qualified statutory capital		42:1
Capital ratio [(3)]		68:1
Financial resources ratio [(4)]		39:1
Statutory net par outstanding to claims-paying resources		24:1
Separate company statutory basis:		
Admitted assets	$	7,200
Total liabilities		3,686
Loss and LAE reserves (recoverable)		(78)
Paid in capital stock		447

1) The numbers shown for AG have been adjusted to include its U.K. and French insurance subsidiaries.
2) Net par outstanding and net debt service outstanding are presented on a statutory basis.
3) The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
4) The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.
5) Loss and LAE reserves exclude adjustments to claims-paying resources for AG because they were in a net recoverable position of $66 million as of June 30, 2025.

Assured Guaranty Inc.

New Business Production [1]

(dollars in millions)

Reconciliation of GWP to PVP

	Three Months Ended June 30, 2025					Three Months Ended June 30, 2024				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 72**	**$ 7**	**$ —**	**$ 1**	**$ 80**	**$ 103**	**$ 15**	**$ 1**	**$ 2**	**$ 121**
Less: Installment GWP and other GAAP adjustments [2]	30	7	—	1	38	85	3	1	2	91
Upfront GWP	42	—	—	—	42	18	12	—	—	30
Plus: Installment premiums and other	6	7	1	1	15	97	12	4	1	114
Total PVP	$ 48	$ 7	$ 1	$ 1	$ 57	$ 115	$ 24	$ 4	$ 1	$ 144
Gross par written	**$ 8,862**	**$ 275**	**$ 5**	**$ 220**	**$ 9,362**	**$ 7,043**	**$ 1,066**	**$ 204**	**$ 196**	**$ 8,509**

	Six Months Ended June 30, 2025					Six Months Ended June 30, 2024				
	Public Finance		Structured Finance			Public Finance		Structured Finance		
	U.S.	Non-U.S.	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	U.S.	Non-U.S.	Total
Total GWP	**$ 97**	**$ 7**	**$ 5**	**$ 1**	**$ 110**	**$ 147**	**$ 17**	**$ 13**	**$ 4**	**$ 181**
Less: Installment GWP and other GAAP adjustments [2]	32	7	4	1	44	97	5	12	4	118
Upfront GWP	65	—	1	—	66	50	12	1	—	63
Plus: Installment premiums and other	8	14	2	2	26	108	13	18	5	144
Total PVP	$ 73	$ 14	$ 3	$ 2	$ 92	$ 158	$ 25	$ 19	$ 5	$ 207
Gross par written	**$ 13,131**	**$ 472**	**$ 126**	**$ 365**	**$ 14,094**	**$ 9,952**	**$ 1,066**	**$ 684**	**$ 550**	**$ 12,252**

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

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

Assured Guaranty Inc.

Gross Par Written (1)

(dollars in millions)

Gross Par Written by Asset Type

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Sector:				
U.S. public finance:				
General obligation	$ 3,498	$ 2,657	$ 5,066	$ 3,819
Tax backed	2,299	885	2,984	1,456
Healthcare	1,163	222	1,469	338
Municipal utilities	534	411	1,467	829
Transportation	801	2,603	1,029	3,245
Higher education	483	245	945	245
Housing Revenue	53	—	140	—
Other public finance	31	20	31	20
Total U.S. public finance	8,862	7,043	13,131	9,952
Non-U.S. public finance:				
Infrastructure finance	228	54	228	54
Regulated utilities	—	1,012	140	1,012
Sovereign and sub-sovereign	47	—	104	—
Total non-U.S. public finance	275	1,066	472	1,066
Total public finance	**9,137**	**8,109**	**13,603**	**11,018**
U.S. structured finance:				
Subscription finance facilities	3	30	95	181
Pooled corporate obligations	1	163	18	206
Insurance reserve financings and securitizations	—	—	—	250
Structured credit	—	11	—	11
Other structured finance	1	—	13	36
Total U.S. structured finance	5	204	126	684
Non-U.S. structured finance:				
Subscription finance facilities	220	196	365	550
Total non-U.S. structured finance	220	196	365	550
Total structured finance	**225**	**400**	**491**	**1,234**
Total gross par written	**$ 9,362**	**$ 8,509**	**$ 14,094**	**$ 12,252**

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.

Please refer to the Glossary for a description of sectors.

Assured Guaranty Inc.

Investment Portfolio and Cash

(dollars in millions)

	As of	
	June 30, 2025	**December 31, 2024**
Fixed-maturity securities, available-for-sale	$ 5,332	$ 5,199
Fixed-maturity securities, trading [(1)]	137	147
Short-term investments	651	717
Equity method investments:		
Collateralized loan obligations (CLOs)	96	100
Private healthcare investing	166	153
Asset-based/specialty finance	151	142
Middle market direct lending	6	5
Other	50	2
Total equity method investments	469	402
Other invested assets	16	8
Cash	187	69
Total investment portfolio and cash	**$ 6,792**	**$ 6,542**

1) Primarily includes contingent value instruments (CVIs) received in connection with the resolution of the Company's exposure to insured Puerto Rico credits experiencing payment default other than PREPA. These securities are not rated.

Assured Guaranty Inc.

Fixed-Maturity Securities, Short-Term Investments and Cash

As of June 30, 2025

(dollars in millions)

	Amortized Cost	Allowance for Credit Losses	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income [1]
Fixed-maturity securities, available-for-sale:						
Obligations of states and political subdivisions [3]	$ 1,566	$ (12)	3.80 %	3.30 %	$ 1,507	$ 59
U.S. government and agencies	26	—	3.21	2.55	22	1
Corporate securities	2,170	(5)	4.08	3.40	2,117	88
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) [2][3]	475	(24)	5.48	4.33	401	26
Commercial mortgage-backed securities	121	—	4.31	3.41	122	5
Asset-backed securities (ABS):						
CLOs	528	(5)	10.89	8.60	500	58
Other ABS [3]	575	—	4.30	3.45	578	25
Non-U.S. government securities	89	—	2.93	2.91	85	3
Total fixed-maturity securities, available-for-sale	5,550	(46)	4.77	3.94	5,332	265
Short-term investments	651	—	4.24	3.38	651	27
Cash [4]	187	—	—	—	187	—
Total	**$ 6,388**	**$ (46)**	**4.71 %**	**3.88 %**	**$ 6,170**	**$ 292**
Fixed-maturity securities, trading [6]					**$ 137**	

Ratings [5]**:**	Fair Value	% of Portfolio
U.S. government and agencies	$ 22	0.4 %
AAA/Aaa	755	14.2
AA/Aa	1,606	30.1
A/A	1,197	22.4
BBB	942	17.7
BIG	537	10.1
Not rated [7]	273	5.1
Total fixed-maturity securities, available-for-sale	$ 5,332	100.0 %
Duration of available-for-sale fixed-maturity securities and short-term investments (in years):		**4.1**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes fair value of $127 million in subprime RMBS, of which 92% were rated BIG.
3) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
4) Cash is not included in the yield calculation.
5) Ratings generally reflect the lower of Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC classifications except for purchased securities that the Company has insured, and for which it had expected losses to be paid (Loss Mitigation Securities) and certain other securities, which use internal ratings classifications. Loss Mitigation Securities and other securities total $812 million in par with carrying value of $592 million and are primarily included in the BIG category.
6) Primarily includes CVIs received in connection with the 2022 resolution of the Company's exposure to insured Puerto Rico credits experiencing payment default other than PREPA. These securities are not rated.
7) Primarily includes CLO equity tranches.

Assured Guaranty Inc.

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

(dollars in millions)

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance [2]: Earnings of Deferred Premium Revenue	Financial Guaranty Insurance [2]: Accretion of Discount	Financial Guaranty Insurance [2]: Effect of FG VIE Consolidation on Earnings of Deferred Premium Revenue and Accretion of Discount	Future Credit Derivative Revenues [3]
2025 (as of June 30)		$ 335,717				
2025 Q3	$ 5,461	330,256	$ 58	$ 7	$ 1	$ 2
2025 Q4	4,907	325,349	57	7	1	2
2026	18,063	307,286	216	27	4	8
2027	16,393	290,893	204	25	3	7
2028	16,275	274,618	193	24	2	7
2029	17,131	257,487	180	23	2	6
2025-2029	78,230	257,487	908	113	13	32
2030-2034	77,244	180,243	726	99	9	24
2035-2039	60,144	120,099	489	72	6	18
2040-2044	43,680	76,419	319	47	—	12
2045-2049	34,242	42,177	209	27	—	6
2050-2054	23,948	18,229	108	12	—	—
After 2054	18,229	—	89	12	—	—
Total	**$ 335,717**		**$ 2,848**	**$ 382**	**$ 28**	**$ 92**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of June 30, 2025. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations, terminations and because of management's assumptions on structured finance amortization.
2) See also page 16, ''Net Expected Loss to be Expensed.''
3) Represents expected future premiums on insured credit derivatives.

Assured Guaranty Inc.

Roll Forward of Net Expected Loss and LAE to be Paid (Recovered)

(dollars in millions)

Roll Forward of Net Expected Loss and LAE to be Paid (Recovered) [1] for the Three Months Ended June 30, 2025

	Net Expected Loss to be Paid (Recovered) as of March 31, 2025	Net Economic Loss Development (Benefit) During 2Q-25	Net (Paid) Recovered Losses During 2Q-25	Net Expected Loss to be Paid (Recovered) as of June 30, 2025
Public Finance:				
U.S. public finance	$ 20	$ 18	$ (6)	$ 32
Non-U.S. public finance	100	16	(1)	115
Public Finance	120	34	(7)	147
Structured Finance:				
U.S. RMBS	(33)	(6)	7	(32)
Other structured finance	(16)	2	4	(10)
Structured Finance	(49)	(4)	11	(42)
Total	**$ 71**	**$ 30**	**$ 4**	**$ 105**

Roll Forward of Net Expected Loss and LAE to be Paid (Recovered) [1] for the Six Months Ended June 30, 2025

	Net Expected Loss to be Paid (Recovered) as of December 31, 2024	Net Economic Loss Development (Benefit) During 2025	Net (Paid) Recovered Losses During 2025	Net Expected Loss to be Paid (Recovered) as of June 30, 2025
Public Finance:				
U.S. public finance	$ 7	$ 38	$ (13)	$ 32
Non-U.S. public finance	83	33	(1)	115
Public Finance	90	71	(14)	147
Structured Finance:				
U.S. RMBS	(38)	(8)	14	(32)
Other structured finance	(35)	(35)	60	(10)
Structured Finance	(73)	(43)	74	(42)
Total	**$ 17**	**$ 28**	**$ 60**	**$ 105**

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

Please refer to the Glossary for a description of sectors.

Assured Guaranty Inc.

Loss Measures

(dollars in millions)

	As of June 30, 2025	Three Months Ended June 30, 2025			
	Total Net Par Outstanding for BIG Transactions	Net Economic Loss Development (Benefit)	GAAP Loss and LAE (1)	Loss and LAE included in Adjusted Operating Income (2)	Insurance Segment Loss and LAE (3)
Public finance:					
U.S. public finance	$ 1,857	**$ 18**	**$ 9**	$ 9	$ 9
Non-U.S. public finance	5,720	**16**	**13**	13	13
Public finance	7,577	**34**	**22**	22	22
Structured finance:					
U.S. RMBS	748	**(6)**	**—**	—	(1)
Other structured finance	18	**2**	**2**	2	2
Structured finance	766	**(4)**	**2**	2	1
Total	**$ 8,343**	**$ 30**	**$ 24**	$ 24	$ 23

	As of June 30, 2025	Six Months Ended June 30, 2025			
	Total Net Par Outstanding for BIG Transactions	Net Economic Loss Development (Benefit)	GAAP Loss and LAE (1)	Loss and LAE included in Adjusted Operating Income (2)	Insurance Segment Loss and LAE (3)
Public finance:					
U.S. public finance	$ 1,857	**$ 38**	**$ 36**	$ 36	$ 36
Non-U.S. public finance	5,720	**33**	**18**	18	18
Public finance	7,577	**71**	**54**	54	54
Structured finance:					
U.S. RMBS	748	**(8)**	**—**	—	(1)
Other structured finance	18	**(35)**	**18**	(36)	(36)
Structured finance	766	**(43)**	**18**	(36)	(37)
Total	**$ 8,343**	**$ 28**	**$ 72**	$ 18	$ 17

1) Includes loss expense related to contracts that are accounted for as insurance contracts.
2) Includes loss expense related to contracts that are accounted for as insurance contracts and credit derivatives.
3) Includes loss expense related to contracts that are accounted for as insurance contracts, credit derivatives, and consolidated FG VIEs.

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

Assured Guaranty Inc.

Net Expected Loss to be Expensed [1]

As of June 30, 2025

(dollars in millions)

	GAAP
2025 Q3	**$ 3**
2025 Q4	**3**
2026	**13**
2027	**16**
2028	**18**
2029	**17**
2025-2029	**70**
2030-2034	**74**
2035-2039	**34**
2040-2044	**15**
2045-2049	**19**
2050-2054	**12**
After 2054	**2**
Total expected present value of net expected loss to be expensed [2]	**226**
Future expected accretion	**9**
Total expected future loss and LAE	**$ 235**

1) The present value of net expected loss to be paid is discounted using risk-free rates for U.S. and non-U.S. currencies rates ranging from 1.84% to 5.48%.
2) Excludes $21 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Inc.

Financial Guaranty Profile (1 of 3)

(dollars in millions)

Net Par Outstanding by Asset Type

	As of June 30, 2025	As of December 31, 2024
U.S. public finance:		
General obligation	$ 61,796	$ 60,227
Tax backed	26,758	25,888
Municipal utilities	24,580	23,989
Transportation	22,204	21,911
Healthcare	12,520	11,714
Infrastructure finance	6,417	6,489
Higher education	6,171	5,625
Housing revenue	1,092	1,036
Renewable energy	117	117
Other public finance	790	793
Total U.S. public finance	162,445	157,789
Non-U.S. public finance:		
Regulated utilities	16,316	14,738
Infrastructure finance	13,277	12,380
Sovereign and sub-sovereign	8,347	8,049
Renewable energy	1,326	1,249
Pooled infrastructure	565	550
Total non-U.S. public finance	39,831	36,966
Total public finance	**202,276**	**194,755**
U.S. structured finance:		
Insurance reserve financings and securitizations	1,629	1,676
RMBS	1,348	1,414
Pooled corporate obligations	464	490
Financial products	424	492
Subscription finance facilities	116	140
Other structured finance	916	952
Total U.S. structured finance	4,897	5,164
Non-U.S. structured finance:		
Subscription finance facilities	536	696
Pooled corporate obligations	453	403
RMBS	226	216
Other structured finance	385	373
Total non-U.S. structured finance	1,600	1,688
Total structured finance	**6,497**	**6,852**
Total net par outstanding	**$ 208,773**	**$ 201,607**

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

Assured Guaranty Inc.

Financial Guaranty Profile (2 of 3)

As of June 30, 2025

(dollars in millions)

Distribution by Ratings of Financial Guaranty Portfolio

	Public Finance - U.S.		Public Finance - Non-U.S.		Structured Finance - U.S.		Structured Finance - Non-U.S.		Total	
Ratings:	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%
AAA	$ 15	— %	$ 1,331	3.3 %	$ 461	9.4 %	$ 466	29.2 %	$ 2,273	1.1 %
AA	13,957	8.6	2,478	6.2	2,466	50.4	58	3.6	18,959	9.1
A	91,231	56.2	10,079	25.3	605	12.4	1,002	62.6	102,917	49.3
BBB	55,385	34.1	20,223	50.8	599	12.2	74	4.6	76,281	36.5
BIG	1,857	1.1	5,720	14.4	766	15.6	—	—	8,343	4.0
Net Par Outstanding (1)	**$ 162,445**	**100.0 %**	**$ 39,831**	**100.0 %**	**$ 4,897**	**100.0 %**	**$ 1,600**	**100.0 %**	**$ 208,773**	**100.0 %**

1) As of June 30, 2025, the Company excluded $922 million of net par primarily attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding (1)(2)	% of Total
Affiliated reinsurers	$ 60,992	99.9 %
Non-affiliated reinsurers	82	0.1
Total	**$ 61,074**	**100.0 %**

1) Of the total par ceded to a non-affiliated reinsurer, $14 million is rated BIG.
2) The total collateral posted by all affiliated and non-affiliated reinsurers required to post, or that had agreed to post, collateral was approximately $1,092 million as of June 30, 2025.

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

Assured Guaranty Inc.

Financial Guaranty Profile (3 of 3)

As of June 30, 2025

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 28,445	13.6 %
Texas	20,887	10.0
New York	16,235	7.8
Pennsylvania	15,117	7.2
Florida	9,734	4.7
Illinois	9,501	4.6
New Jersey	6,697	3.2
Michigan	3,920	1.9
Louisiana	3,735	1.8
Colorado	3,377	1.6
Other	44,797	21.5
Total U.S. public finance	162,445	77.9
U.S. structured finance (multiple states)	4,897	2.3
Total U.S.	**167,342**	**80.2**
Non-U.S.:		
United Kingdom	32,505	15.6
France	1,540	0.7
Spain	1,427	0.7
Australia	1,329	0.6
Canada	993	0.5
Other	3,637	1.7
Total non-U.S.	**41,431**	**19.8**
Total net par outstanding	**$ 208,773**	**100.0 %**

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

Assured Guaranty Inc.

Expected Amortization of Net Par Outstanding

(dollars in millions)

	Public Finance				Structured Finance				
	U.S. Public Finance	Non-U.S. Public Finance	Total	Estimated Ending Net Par Outstanding	U.S. RMBS	U.S. and Non-U.S. Pooled Corporate	Other Structured Finance	Total	Estimated Ending Net Par Outstanding
2025 (as of June 30)				$ 202,276					$ 6,497
2025 Q3	$ 2,515	$ 424	$ 2,939	199,337	$ 51	$ 58	$ 156	$ 265	6,232
2025 Q4	1,745	520	2,265	197,072	45	14	162	221	6,011
2026	6,628	1,830	8,458	188,614	171	154	583	908	5,103
2027	6,355	957	7,312	181,302	181	327	279	787	4,316
2028	6,706	937	7,643	173,659	113	198	387	698	3,618
2029	6,890	2,009	8,899	164,760	140	84	438	662	2,956
2025-2029	30,839	6,677	37,516	164,760	701	835	2,005	3,541	2,956
2030-2034	34,656	9,357	44,013	120,747	354	62	1,025	1,441	1,515
2035-2039	30,463	6,180	36,643	84,104	287	20	399	706	809
2040-2044	25,253	2,112	27,365	56,739	—	—	479	479	330
2045-2049	20,956	2,821	23,777	32,962	6	—	324	330	—
2050-2054	15,100	3,535	18,635	14,327	—	—	—	—	—
After 2054	5,178	9,149	14,327	—	—	—	—	—	—
Total	**$ 162,445**	**$ 39,831**	**$ 202,276**		**$ 1,348**	**$ 917**	**$ 4,232**	**$ 6,497**	

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

Assured Guaranty Inc.

Puerto Rico Profile
As of June 30, 2025
(dollars in millions)

	Net Par Outstanding	Gross Par Outstanding
Defaulted Puerto Rico Exposures		
PREPA	$ 378	$ 512
Non-Defaulting Puerto Rico Exposures		
Puerto Rico Municipal Finance Agency (MFA)	$ 76	$ 97
University of Puerto Rico	1	1
Total non-defaulting	$ 77	$ 98

PREPA Amortization Schedule

	Scheduled Net Par Amortization	Scheduled Net Debt Service Amortization
2025 (July 1 - September 30)	$ 55	$ 61
2025 (October 1 - December 31)	—	2
Subtotal 2025	55	63
2026	77	91
2027	76	87
2028	46	54
2029	31	37
2030-2037	93	101
Total	**$ 378**	**$ 433**

Assured Guaranty Inc.

Direct Pooled Corporate Obligations Profile
As of June 30, 2025
(dollars in millions)

Distribution of Direct Pooled Corporate Obligations by Ratings

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement
Ratings:				
AAA	$ 534	58.8 %	40.5 %	48.2 %
AA	208	22.9	54.9	38.9
A	63	6.9	40.1	44.5
BBB	103	11.4	36.1	37.0
Total exposures	**$ 908**	**100.0 %**	**43.3 %**	**44.5 %**

Distribution of Direct Pooled Corporate Obligations by Asset Class

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement	Number of Transactions
Asset class:					
Trust preferred:					
Banks and insurance	$ 182	20.0 %	42.8 %	67.6 %	7
U.S. mortgage and real estate investment trusts	29	3.2	48.5	66.3	3
CLOs	697	76.8	43.2	37.6	10
Total exposures	**$ 908**	**100.0 %**	**43.3 %**	**44.5 %**	**20**

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

Assured Guaranty Inc.

Credit Derivative Net Par Outstanding Profile

As of June 30, 2025

(dollars in millions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	Net Par Outstanding	% of Total
AAA	$ 632	31.9 %
AA	924	46.6
A	185	9.4
BBB	214	10.8
BIG	26	1.3
Total credit derivative net par outstanding	**$ 1,981**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector

	Net Par Outstanding
Public finance:	
U.S. public finance	$ 987
Non-U.S. public finance	725
Total public finance	**1,712**
U.S. structured finance:	
Pooled corporate obligations	75
RMBS	57
Total U.S. structured finance	132
Non-U.S. structured finance:	
RMBS	137
Total non-U.S. structured finance	137
Total structured finance	**269**
Total credit derivative net par outstanding	**$ 1,981**

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

Assured Guaranty Inc.

Below Investment Grade Exposures (1 of 3)

(dollars in millions)

BIG Exposures by Asset Exposure Type

	As of	
	June 30, 2025	December 31, 2024
U.S. public finance:		
Healthcare	$ 707	$ 984
Municipal utilities	575	563
General obligation	179	182
Transportation	86	94
Tax backed	84	90
Higher education	64	64
Housing revenue	51	—
Other public finance	111	164
Total U.S. public finance	1,857	2,141
Non-U.S. public finance:		
Regulated utilities	4,089	3,696
Infrastructure finance	867	762
Renewable energy	764	696
Sovereign and sub-sovereign	—	37
Total non-U.S. public finance	5,720	5,191
Total public finance	**7,577**	**7,332**
U.S. structured finance:		
RMBS	748	772
Insurance reserve financings and securitizations	11	—
Other structured finance	7	19
Total U.S. structured finance	766	791
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**766**	**791**
Total BIG net par outstanding	**$ 8,343**	**$ 8,123**

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

Assured Guaranty Inc.

Below Investment Grade Exposures (2 of 3)

(dollars in millions)

Net Par Outstanding by BIG Surveillance Category [1]

	As of	
	June 30, 2025	December 31, 2024
BIG Category 1		
U.S. public finance	$ 1,025	$ 1,599
Non-U.S. public finance	3,476	4,674
U.S. structured finance	78	96
Non-U.S. structured finance	—	—
Total BIG Category 1	4,579	6,369
BIG Category 2		
U.S. public finance	370	118
Non-U.S. public finance	2,244	517
U.S. structured finance	26	26
Non-U.S. structured finance	—	—
Total BIG Category 2	2,640	661
BIG Category 3		
U.S. public finance	462	424
Non-U.S. public finance	—	—
U.S. structured finance	662	669
Non-U.S. structured finance	—	—
Total BIG Category 3	1,124	1,093
BIG Total	**$ 8,343**	**$ 8,123**

1) The Company assigns each BIG exposure to one of the three BIG surveillance categories below, which generally represent the following: BIG 1: Below-investment-grade exposures for which there are possible future losses, on a present value basis, and the aggregate probability weighting of scenarios with future losses is less than 50%, regardless of whether the Company has or has not paid a claim for which it expects to be reimbursed within one year (liquidity claim). BIG 2: Below-investment-grade exposures for which there are possible future losses, on a present value basis, and the aggregate probability weighting of scenarios with future losses is 50% or more, but for which no claims (other than liquidity claims) have yet been paid. BIG 3: Below-investment-grade exposures for which future losses are expected, on a present value basis, and the aggregate probability weighting of scenarios with future losses is 50% or more, and for which claims, other than liquidity claims have been paid.

For purposes of classifying BIG exposures into one of the three BIG categories, the Company calculates the present value of projected claim payments and recoveries using the pre-tax book yield of the investment portfolio as the applicable discount rate.

For financial statement measurement purposes, the Company uses risk-free rates (as determined each quarter) for discounting, rather than pre-tax book yield of the investment portfolio, to calculate the expected losses to be paid. Expected losses to be paid (recovered) are based on probability weighted scenarios and serve as the basis for the loss reserves reported in accordance with U.S. GAAP.

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

Assured Guaranty Inc.

Below Investment Grade Exposures (3 of 3)

As of June 30, 2025

(dollars in millions)

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

Name or description	Net Par Outstanding	Internal Rating [1]	60+ Day Delinquencies
U.S. public finance:			
Westchester Medical Center	$ 413	BB+	
PREPA	378	CCC	
Palomar Health	290	CCC	
Jackson Water & Sewer System, Mississippi	89	BB	
MFA	76	B	
New Jersey City University	63	BB	
Harrisburg Parking System, Pennsylvania	62	B	
Total U.S. public finance	**1,371**		
Non-U.S. public finance:			
Southern Water Services Limited	2,463	BB	
Thames Water Utilities Finance PLC	1,626	B	
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	562	B+	
Q Energy - Phase II - Pride Investments, S.A.	227	BB+	
Hypersol Solar Inversiones, S.A.U.	227	BB+	
Q Energy - Phase III - FSL Issuer, S.A.U.	213	B+	
Dartford & Gravesham NHS Trust The Hospital Company (Dartford) Plc	115	BB+	
Q Energy - Phase IV - Anselma Issuer, S.A.	97	BB+	
Road Management Services PLC (A13 Highway)	94	B+	
University of Essex, United Kingdom	57	BB+	
Total non-U.S. public finance	5,681		
Total public finance	**7,052**		
U.S. structured finance:			
RMBS:			
Option One Mortgage Loan Trust 2007-Hl1	95	CCC	19.1%
Argent Securities Inc. 2005-W4	93	CCC	8.9%
Option One 2007-FXD2	92	B	14.4%
Total RMBS - U.S. structured finance	**280**		
Total non-U.S. structured finance	—		
Total structured finance	**280**		
Total	**$ 7,332**		

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

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

Assured Guaranty Inc.

Largest Exposures by Sector (1 of 3)

As of June 30, 2025

(dollars in millions)

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

Credit Name:	Net Par Outstanding	Internal Rating
New Jersey (State of)	$ 1,715	BBB
Pennsylvania (Commonwealth of)	1,638	BBB
Metro Washington Airports Authority (Dulles Toll Road)	1,362	BBB+
JFK New Terminal One, New York	1,360	BBB-
Alameda Corridor Transportation Authority, California	1,169	BBB
Lower Colorado River Authority	1,129	A
New York Power Authority	1,128	AA-
Foothill/Eastern Transportation Corridor Agency, California	1,082	BBB+
South Carolina Public Service Authority - Santee Cooper	1,004	BBB+
New York Metropolitan Transportation Authority	997	A-
CommonSpirit Health, Illinois	988	A-
Philadelphia Water & Wastewater, Pennsylvania	978	A
Brightline Trains Florida LLC	963	BBB-
Montefiore Medical Center, New York	946	BBB-
Central Florida Expressway Authority, Florida	892	A+
North Texas Tollway Authority	881	A+
San Diego Family Housing, LLC	871	AA
San Joaquin Hills Transportation, California	828	BBB+
Pittsburgh International Airport, Pennsylvania	807	A-
JFK Terminal 6, New York	785	BBB-
North Carolina Turnpike Authority	784	BBB
ProMedica Healthcare Obligated Group, Ohio	753	BBB-
Pittsburgh Water & Sewer, Pennsylvania	716	A-
Chicago Water, Illinois	708	BBB+
Municipal Electric Authority of Georgia	707	BBB+
Harris County - Houston Sports Authority, Texas	704	A-
Thomas Jefferson University	689	A-
Yankee Stadium LLC New York City Industrial Development Authority	683	BBB
Maine (State of)	667	A
Dade County Seaport, Florida	663	A-
Houston Airport System, Texas	653	A
Philadelphia School District, Pennsylvania	624	A-
California (State of)	589	AA-
Metropolitan Pier and Exposition Authority, Illinois	578	BBB-
Tucson (City of), Arizona	571	A+
New York (City of), New York	538	AA-
Anaheim (City of), California	537	A-
Massachusetts (Commonwealth of) Water Resources	525	AA
Chicago-O'Hare International Airport, Illinois	522	A-
Illinois (State of)	513	BBB
Duval County School Board, Florida	499	A
Nassau County, New York	497	AA-
Chicago (City of) Wastewater Transmission, Illinois	496	BBB+
New York Transportation Development Corporation (LaGuardia Airport Terminal Redevelopment Project)	487	BBB
Mets Queens Ballpark	487	BBB
Clark County School District, Nevada	471	A-
Los Angeles International Airport (Customer Facility Charge), California	464	A
Pennsylvania Turnpike Commission	458	A-
Wisconsin (State of)	450	A
Chicago Public Schools, Illinois	446	BBB-
Total top 50 U.S. public finance exposures	**$ 39,002**	

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

Assured Guaranty Inc.

Largest Exposures by Sector (2 of 3)

As of June 30, 2025

(dollars in millions)

25 Largest U.S. Structured Finance Exposures

Credit Name:	Net Par Outstanding	Internal Rating [1]
Private US Insurance Reserve Financing and Securitization	$ 656	AA-
Private US Insurance Reserve Financing and Securitization	187	AA-
Private US Insurance Reserve Financing and Securitization	179	AA-
Private US Insurance Reserve Financing and Securitization	179	AA-
Private US Insurance Reserve Financing and Securitization	165	AA
DB Master Finance LLC	137	BBB
Private US Insurance Reserve Financing and Securitization	130	A
Private Middle Market CLO	108	AA
Private US Insurance Reserve Financing and Securitization	100	AA
CWABS 2007-4	99	BBB
Option One Mortgage Loan Trust 2007-Hl1	95	CCC
Argent Securities Inc. 2005-W4	93	CCC
Option One 2007-FXD2	92	B
SLM Student Loan Trust 2007-A	90	AA
Private Balloon Note Guarantee	85	A
Private Middle Market CLO	81	BBB+
Private Balloon Note Guarantee	59	BBB
Private Subscription Finance Transaction	59	A-
CAPCO - Excess SIPC Excess of Loss Reinsurance	54	BBB
Nomura Asset Accept. Corp. 2007-1	49	CCC
ALESCO Preferred Funding XIII, Ltd.	46	AAA
New Century 2005-A	43	CCC
Private Other Structured Finance Transaction	43	A-
Private Balloon Note Guarantee	43	A
Countrywide 2007-13	40	AA
Total top 25 U.S. structured finance exposures	**$ 2,912**	

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

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

Assured Guaranty Inc.

Largest Exposures by Sector (3 of 3)
As of June 30, 2025
(dollars in millions)

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

Credit Name:	Country	Net Par Outstanding	Internal Rating
Southern Water Services Limited	United Kingdom	$ 2,463	BB
Dwr Cymru Financing Limited	United Kingdom	1,790	A-
Anglian Water Services Financing PLC	United Kingdom	1,757	A-
Thames Water Utilities Finance PLC	United Kingdom	1,626	B
Channel Link Enterprises Finance PLC	France, United Kingdom	1,278	BBB
Southern Gas Networks PLC	United Kingdom	1,120	BBB+
British Broadcasting Corporation (BBC)	United Kingdom	881	A+
Capital Hospitals (Issuer) PLC	United Kingdom	828	BBB-
Quebec Province	Canada	802	AA-
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	757	AAA
National Grid Gas PLC	United Kingdom	742	A-
Yorkshire Water Services Finance Plc	United Kingdom	725	BBB
Verdun Participations 2 S.A.S.	France	663	BBB-
Aspire Defence Finance plc	United Kingdom	660	BBB+
Heathrow Funding Limited	United Kingdom	581	BBB
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	United Kingdom	562	B+
South East Water	United Kingdom	527	BBB
Severn Trent Water Utilities Finance Plc	United Kingdom	489	BBB+
Central Nottinghamshire Hospitals PLC	United Kingdom	487	BBB-
Campania Region - Healthcare receivable	Italy	471	BBB-
Private International Sub-Sovereign Transaction	United Kingdom	465	A+
United Utilities Water PLC	United Kingdom	458	BBB+
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	448	BBB+
Sydney Airport Finance Company	Australia	434	BBB+
National Grid Company PLC	United Kingdom	426	BBB+
Wessex Water Services Finance Plc	United Kingdom	416	BBB+
University of Sussex	United Kingdom	413	BBB
The Hospital Company (QAH Portsmouth) Limited	United Kingdom	405	BBB
South West Water UK	United Kingdom	394	BBB+
North Staffordshire, United Kingdom	United Kingdom	392	BBB-
Derby Healthcare PLC	United Kingdom	370	BBB
Western Power Distribution (South West) plc	United Kingdom	337	BBB+
Envestra Limited	Australia	318	A-
Northumbrian Water PLC	United Kingdom	301	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	298	A
University of Essex, United Kingdom	United Kingdom	293	BBB-
South Lanarkshire Schools	United Kingdom	291	BBB
Private Other Structured Finance Transaction	Australia	288	A-
Feria Muestrario Internacional de Valencia	Spain	260	BBB-
Private International Sub-Sovereign Transaction	United Kingdom	258	A
Portsmouth Water, United Kingdom	United Kingdom	255	BBB
Western Power Distribution (South Wales) PLC	United Kingdom	253	BBB+
Sutton and East Surrey Water plc	United Kingdom	251	BBB
Private International Sub-Sovereign Transaction	United Kingdom	247	AA-
Japan Expressway Holding and Debt Repayment Agency	Japan	247	A+
Q Energy - Phase II - Pride Investments, S.A.	Spain	227	BB+
Hypersol Solar Inversiones, S.A.U.	Spain	227	BB+
Keele Residential Funding PLC	United Kingdom	225	BBB+
University of York (Civitas Living LLP), UK	United Kingdom	218	BBB
Q Energy - Phase III - FSL Issuer, S.A.U.	Spain	213	B+
Total top 50 non-U.S. exposures		**$ 28,837**	

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

Assured Guaranty Inc.

Summary of Statutory Financial and Statistical Data

(dollars in millions)

	As of and for the Six Months Ended June 30,	As of and for Year Ended December 31,	
	2025	2024	2023
Claims-Paying Resources [1]			
Policyholders' surplus	$ 3,514	$ 3,524	$ 4,008
Contingency reserve	1,453	1,392	1,296
Qualified statutory capital	**4,967**	**4,916**	**5,304**
Unearned premium reserve and net deferred ceding commission income	2,437	2,424	2,427
Loss and LAE reserves	—	—	7
Total policyholders' surplus and reserves	**7,404**	**7,340**	**7,738**
Present value of installment premium	866	819	802
CCS	400	400	400
Total claims-paying resources	**$ 8,670**	**$ 8,559**	**$ 8,940**
Ratios:			
Net par outstanding to qualified statutory capital	42:1	41:1	36:1
Capital ratio	68:1	66:1	58:1
Financial resources ratio	39:1	38:1	34:1
Statutory net par outstanding to claims-paying resources	24:1	23:1	21:1
Other Financial Information (Statutory Basis) [2]			
Net debt service outstanding (end of period)	$ 335,519	$ 323,905	$ 307,408
Gross debt service outstanding (end of period)	430,190	410,924	393,162
Net par outstanding (end of period)	208,527	201,090	190,359
Gross par outstanding (end of period)	269,583	257,628	245,917
Ceded par to Assured Guaranty affiliates	60,974	56,458	55,477
Ceded par to other companies	82	80	82
Gross debt service written:			
Public finance - U.S.	$ 23,165	$ 44,018	$ 41,903
Public finance - non-U.S.	610	2,158	3,286
Structured finance - U.S.	153	1,273	1,830
Structured finance - non-U.S.	366	2,001	1,177
Total gross debt service written	$ 24,294	$ 49,450	$ 48,196

1) See page 8 for additional detail on claims-paying resources and exposure.
2) The numbers have been adjusted to include AG's U.K. and French insurance subsidiaries. The National Association of Insurance Commissioners Annual Statements for AG are prepared on a stand-alone basis.

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

Glossary

Net Par Outstanding and Internal Ratings

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

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

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

Performance Indicators

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

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

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

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2024.

U.S. Public Finance:

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

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

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

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

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

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

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

Glossary (continued)

Sectors (continued)

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

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

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

Non-U.S. Public Finance:

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

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

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

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

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

Structured Finance:

Insurance Reserve Financings and Securitizations are transactions, including life insurance transactions, where obligations are secured by the future earnings from pools of various types of insurance/reinsurance policies and income produced by invested assets.

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

Subscription Finance Facilities are lending facilities provided to closed-end private market funds, most frequently private-equity funds. The facilities are secured by the uncalled capital commitments of the limited partners (LP) to the fund. The Company may guarantee new or existing facilities and on a single facility or portfolio basis. Assured Guaranty's exposures are generally to facilities with characteristics that include a high-quality fund sponsor with strong historical performance, a diverse LP base composed primarily of institutional LPs and experienced bank lenders.

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

Financial Products Business is the guarantee of certain business written by financial products companies owned by Dexia SA, which comprised guaranteed investment contracts, medium term notes and equity payment undertaking agreements associated with leveraged lease business. This business is being run off with the final maturity due in 2031. Assured Guaranty is indemnified by Dexia SA and certain of its affiliates against loss from the former financial products business.

Other Structured Finance Obligations are obligations backed by assets not generally described in any of the other U.S. and Non-U.S. Structured Finance Obligations categories above.

Non-GAAP Financial Measures

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

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

GAAP requires the Company to consolidate entities where it is deemed to be the primary beneficiary which include FG VIEs, which the Company does not own and where its exposure is limited to its obligation under the financial guaranty insurance contract, and CIVs in which certain subsidiaries invest.

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

The Company's management and AGL's Board of Directors use non-GAAP financial measures further adjusted to remove the effect of FG VIE and CIV consolidation (which the Company refers to as its core financial measures), as well as GAAP financial measures and other factors, to evaluate the Company's results of operations, financial condition and progress towards long-term goals. The Company uses core financial measures in its decision-making process for and in its calculation of certain components of management compensation. The financial measures that Assured Guaranty uses to help determine compensation are: (i) adjusted operating income per share, further adjusted to remove the effect of FG VIE and CIV consolidation (core operating income per share); (ii) adjusted operating shareholders' equity per share, further adjusted to remove the effect of FG VIE and CIV consolidation (core operating shareholders' equity per share); (iii) ABV per share, further adjusted to remove the effect of FG VIE and CIV consolidation (core ABV per share); (iv) core operating return on equity, which is calculated as core operating income divided by the average of core operating shareholders' equity at the beginning and end of the period; and (v) PVP.

The Company's management believes that many investors, analysts and financial news reporters use Assured Guaranty's adjusted operating shareholders' equity and/or ABV, each further adjusted to remove the effect of FG VIE and CIV consolidation, as the principal financial measures for valuing AGL's current share price or projected share price and also as the basis of their decision to recommend, buy or sell AGL's common shares.

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

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

Adjusted Operating Income: The Company's 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 AG, as reported under GAAP, adjusted for the following:

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

2) Elimination of non-credit impairment-related unrealized fair value gains (losses) on credit derivatives that are recognized in net income (loss) attributable to AG, which is the amount of fair value gains (losses) in excess of the present value of the expected estimated economic credit losses. 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 (loss) attributable to AG. 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 (loss) attributable to AG. 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) 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.

Assured Guaranty's adjusted operating income per share is calculated by dividing adjusted operating income by the weighted average diluted shares. The method for calculating weighted average diluted shares is in accordance with GAAP.

Adjusted Operating Shareholder's Equity and ABV: The Company's management believes that adjusted operating shareholder's 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. The Company's management uses ABV, further adjusted to remove the effect of FG VIE and CIV consolidation, to measure the intrinsic value of the Company, excluding franchise value. The Company's management believes that ABV is a useful measure because it enables an evaluation of the Company's in-force premiums and revenues net of expected losses.

Assured Guaranty's adjusted operating shareholders' equity per share and ABV per share, each further adjusted for FG VIE and CIV consolidation (core operating shareholders' equity per share and core ABV per share, respectively), are two 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.

Adjusted operating shareholder's equity is defined as shareholder's equity attributable to AG, as reported under GAAP, adjusted for the following:

1) Elimination of non-credit impairment-related unrealized fair value gains (losses) on credit derivatives that are reported on the consolidated balance sheet, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses. 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 that are reported on the consolidated balance sheet. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.

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

4) 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.

ABV is adjusted operating shareholder's 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.

4) 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.

Assured Guaranty's shares outstanding as of the end of the reporting period are used to calculate adjusted operating shareholders' equity per share and ABV per share.

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

Non-GAAP Financial Measures (continued)

Adjusted Operating ROE: Adjusted Operating ROE represents adjusted operating income for a specified period divided by the average of adjusted operating shareholder's 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: The Company's management believes that this amount is a useful measure because it enables an evaluation of the present value of estimated net future revenue for non-financial guaranty insurance contracts. This amount represents the net present value of estimated future revenue from these contracts (other than credit derivatives with net expected losses), net of reinsurance, ceding commissions and premium taxes.

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

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

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

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

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