Assured Guaranty Inc.

September 30, 2024
Financial Supplement

ASSURED GUARANTY®

Assured Guaranty Inc.[1]
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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, 2023 and its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2024, June 30, 2024 and September 30, 2024. 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 Assured Guaranty Inc. (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 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 and confrontation over Iran's nuclear program, the polarized political environment in the United States (U.S.), and U.S – China strategic competition; (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; (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 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 as a result of the final resolution of Assured Guaranty's Puerto Rico Electric Power Authority (PREPA) exposure or the amounts recovered on securities received in connection with the resolution of Puerto Rico exposures already resolved; (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 impacts of Assured Guaranty's 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) on Assured Guaranty and its relationships with its shareholders, regulators, rating agencies, employees and the obligors it insures and on the asset management business contributed to Sound Point, LP and on the business of AHP and their relationships with their respective clients and employees; (xiv) the possibility that strategic transactions made by Assured Guaranty, including the transactions with Sound Point and/or AHP and/or merger of AGM with and into AG, do not result in the benefits anticipated or subject Assured Guaranty to negative consequences; (xv) the inability to control the business, management or policies of entities in which Assured Guaranty holds a minority interest; (xvi) 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, its consolidated investment vehicles and certain consolidated variable interest entities (VIEs); (xvii) 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; (xviii) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (xix) changes in applicable accounting policies or practices; (xx) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (xxi) the possibility that legal or regulatory decisions or determinations subject obligations that Assured Guaranty insures or reinsures to negative consequences; (xxii) difficulties with the execution of Assured Guaranty's business strategy; (xxiii) loss of key personnel; (xxiv) the effects of mergers, acquisitions and divestitures; (xxv) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (xxvi) natural or man-made catastrophes; (xxvii) the impact of climate change on Assured Guaranty's business and regulatory actions taken related to such risk; (xxviii) other risk factors identified in AGL's filings with the U.S. Securities and Exchange Commission; (xxix) other risks and uncertainties that have not been identified at this time; and (xxx) 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GAAP [2] Highlights				
Net income (loss) attributable to AG	**$ 156**	**$ 25**	**$ 362**	**$ 268**
Gross written premiums (GWP)	**58**	**39**	**239**	**219**
Effective tax rate on net income	**20.6 %**	**(6.5)%**	**19.0 %**	**15.6 %**
GAAP return on equity (ROE) [3]	**11.0 %**	**1.7 %**	**8.5 %**	**6.2 %**
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 10**	**$ 12**	**$ 46**	**$ 21**
Net income effect	**8**	**10**	**37**	**18**
Non-GAAP Highlights [4]				
Adjusted operating income (loss) [4]	$ 123	$ 71	$ 334	$ 235
Present value of new business production (PVP) [4]	59	45	266	215
Gross par written	6,487	5,461	18,739	18,379
Effective tax rate on adjusted operating income [5]	21.5 %	10.5 %	18.8 %	14.3 %
Adjusted operating ROE [3][4]	8.5 %	4.6 %	7.6 %	5.1 %
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [6], pre-tax	$ 10	$ 12	$ 46	$ 21
Adjusted operating income [6] effect	8	10	37	18

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 consolidated 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 [1] (2 of 2)

(dollars in millions)

	As of	
	September 30, 2024	December 31, 2023
Shareholder's equity attributable to AG	**$ 5,598**	**$ 5,792**
Adjusted operating shareholder's equity [2]	5,685	5,983
Adjusted book value [2]	7,841	8,196
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:		
Adjusted operating shareholder's equity	(11)	(1)
Adjusted book value	(16)	(5)
Exposure		
Financial guaranty net debt service outstanding	$ 319,550	$ 308,109
Financial guaranty net par outstanding:		
Investment grade	189,702	186,837
Below-investment-grade (BIG)	8,504	4,432
Total	$ 198,206	$ 191,269
Claims-paying resources [3]	**$ 8,620**	**$ 8,940**

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2) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
3) 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues				
Net earned premiums	$ 73	$ 73	$ 230	$ 201
Net investment income	68	86	204	230
Net realized investment gains (losses)	—	(9)	3	(18)
Fair value gains (losses) on credit derivatives	1	6	14	94
Fair value gains (losses) on committed capital securities (CCS)	(3)	(20)	(12)	(35)
Fair value gains (losses) on FG VIEs	(7)	6	(11)	(2)
Fair value gains (losses) on consolidated investments vehicles (CIVs)	11	6	32	6
Foreign exchange gains (losses) on remeasurement	46	(32)	37	9
Fair value gains (losses) on trading securities	9	4	52	42
Change in ceded funds held with affiliates	(1)	(1)	(10)	(14)
Other income (loss)	7	2	12	25
Total revenues	**204**	**121**	**551**	**538**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	(46)	64	(47)	105
Employee compensation and benefit expenses	36	32	117	98
Other expenses	34	21	83	72
Total expenses	**24**	**117**	**153**	**275**
Income (loss) before income taxes and equity in earnings (losses) of investees	**180**	**4**	**398**	**263**
Equity in earnings (losses) of investees	18	19	50	54
Income (loss) before income taxes	**198**	**23**	**448**	**317**
Less: Provision (benefit) for income taxes	41	(2)	85	49
Net income (loss)	**157**	**25**	**363**	**268**
Less: Noncontrolling interests	1	—	1	—
Net income (loss) attributable to AG	**$ 156**	**$ 25**	**$ 362**	**$ 268**

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 [(1)] (unaudited)

(dollars in millions)

	As of	
	September 30, 2024	December 31, 2023
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 5,086	$ 5,091
Fixed-maturity securities, trading, at fair value	163	318
Short-term investments, at fair value	1,049	1,249
Equity method investments	388	411
Other invested assets	5	3
Total investments	6,691	7,072
Cash	39	43
Loan receivable from affiliate	250	250
Premiums receivable, net of commissions payable	1,483	1,449
Ceded unearned premium reserve	795	801
Reinsurance recoverable on unpaid losses	159	186
Salvage and subrogation recoverable	411	296
FG VIEs' assets	156	328
Assets of CIVs	265	284
Other assets	296	310
Total assets	**$ 10,545**	**$ 11,019**
Liabilities		
Unearned premium reserve	$ 3,588	$ 3,621
Loss and LAE reserve	210	317
Reinsurance balances payable, net	366	324
Credit derivative liabilities	34	50
FG VIEs' liabilities, at fair value	392	554
Other liabilities	357	358
Total liabilities	**4,947**	**5,224**
Shareholder's equity		
Preferred stock	—	—
Common stock	15	30
Additional paid-in capital	863	1,248
Retained earnings	4,894	4,794
Accumulated other comprehensive income (loss)	(174)	(280)
Total shareholder's equity attributable to AG	5,598	5,792
Noncontrolling interests	—	3
Total shareholder's equity	**5,598**	**5,795**
Total liabilities and shareholder's equity	**$ 10,545**	**$ 11,019**

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.

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

(dollars in millions)

	Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	Adjusted Operating Income Adjustments [(2)]	Effect of FG VIE and CIV Consolidation [(3)]	Adjusted Operating Income Adjustments [(2)]	Effect of FG VIE Consolidation [(3)]
Adjustments to revenues:				
Net earned premiums	$ —	$ —	$ —	$ (1)
Net investment income	—	—	—	(1)
Net realized investment gains (losses)	—	—	(9)	—
Fair value gains (losses) on credit derivatives	(1)	—	4	—
Fair value gains (losses) on CCS	(3)	—	(20)	—
Fair value gains (losses) on FG VIEs	—	(7)	—	6
Fair value gains (losses) on CIVs	—	11	—	6
Foreign exchange gains (losses) on remeasurement	45	—	(32)	—
Change in ceded funds held with affiliates	—	—	—	—
Other income (loss)	—	(2)	—	(2)
Total revenue adjustments	41	2	(57)	8
Adjustments to expenses:				
Loss expense	1	—	(1)	(1)
Total expense adjustments	1	—	(1)	(1)
Pre-tax adjustments	40	2	(56)	9
Add: Equity in earnings (losses) of investees	—	(11)	—	(6)
Less: Tax effect of adjustments	7	(2)	(10)	1
Less: Noncontrolling interests	—	1	—	—
After-tax adjustments	$ 33	$ (8)	$ (46)	$ 2

	Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	Adjusted Operating Income Adjustments [(2)]	Effect of FG VIE and CIV Consolidation [(3)]	Adjusted Operating Income Adjustments [(2)]	Effect of FG VIE Consolidation [(3)]
Adjustments to revenues:				
Net earned premiums	$ —	$ (2)	$ —	$ (3)
Net investment income	—	(2)	—	(2)
Net realized investment gains (losses)	3	—	(18)	—
Fair value gains (losses) on credit derivatives	8	—	88	—
Fair value gains (losses) on CCS	(12)	—	(35)	—
Fair value gains (losses) on FG VIEs	—	(11)	—	(2)
Fair value gains (losses) on CIVs	—	32	—	6
Foreign exchange gains (losses) on remeasurement	36	—	8	—
Change in ceded funds held with affiliates	(1)	—	(1)	—
Other income (loss)	—	(2)	—	(3)
Total revenue adjustments	34	15	42	(4)
Adjustments to expenses:				
Loss expense	(1)	(4)	(2)	6
Total expense adjustments	(1)	(4)	(2)	6
Pre-tax adjustments	35	19	44	(10)
Add: Equity in earnings (losses) of investees	—	(31)	—	(6)
Less: Tax effect of adjustments	7	(3)	11	(3)
Less: Noncontrolling interests	—	1	—	—
After-tax adjustments	$ 28	$ (10)	$ 33	$ (13)

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) 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 September 30, 2024**	**Three Months Ended September 30, 2023**	**Nine Months Ended September 30, 2024**	**Nine Months Ended September 30, 2023**
Net income (loss) attributable to AG	**$ 156**	**$ 25**	**$ 362**	**$ 268**
Less pre-tax adjustments:				
Realized gains (losses) on investments [2]	—	(9)	2	(19)
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	(2)	5	9	90
Fair value gains (losses) on CCS	(3)	(20)	(12)	(35)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	45	(32)	36	8
Total pre-tax adjustments	40	(56)	35	44
Less tax effect on pre-tax adjustments	(7)	10	(7)	(11)
Adjusted operating income (loss)	$ 123	$ 71	$ 334	$ 235

ROE Reconciliation and Calculation	**As of September 30, 2024**	**June 30, 2024**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**December 31, 2022**
Shareholder's equity attributable to AG	**$ 5,598**	**$ 5,769**	**$ 5,792**	**$ 5,802**	**$ 6,000**	**$ 5,793**
Adjusted operating shareholder's equity	5,685	5,979	5,983	6,155	6,250	6,142
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholder's equity	**(11)**	**(2)**	**(1)**	**(1)**	**(13)**	**1**

	Three Months Ended September 30, 2024	**Three Months Ended September 30, 2023**	**Nine Months Ended September 30, 2024**	**Nine Months Ended September 30, 2023**
Net income (loss) attributable to AG	**$ 156**	**$ 25**	**$ 362**	**$ 268**
Adjusted operating income (loss)	123	71	334	235
Average shareholder's equity attributable to AG	**$ 5,684**	**$ 5,901**	**$ 5,695**	**$ 5,798**
Average adjusted operating shareholder's equity	5,832	6,203	5,834	6,149
Gain (loss) related to FG VIE consolidation included in average adjusted operating shareholder's equity	**(7)**	**(7)**	**(6)**	**—**
GAAP ROE [3]	**11.0 %**	**1.7 %**	**8.5 %**	**6.2 %**
Adjusted operating ROE [3]	8.5 %	4.6 %	7.6 %	5.1 %

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 [1]

GAAP to Non-GAAP Reconciliations (2 of 2)

(dollars in millions)

	As of					
	September 30, 2024	June 30, 2024	December 31, 2023	September 30, 2023	June 30, 2023	December 31, 2022
Reconciliation of shareholder’s equity attributable to AG to adjusted book value:						
Shareholder’s equity attributable to AG	**$ 5,598**	**$ 5,769**	**$ 5,792**	**$ 5,802**	**$ 6,000**	**$ 5,793**
Less pre-tax reconciling items:						
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	52	54	43	46	41	(44)
Fair value gains (losses) on CCS	1	4	13	12	32	47
Unrealized gain (loss) on investment portfolio	(173)	(321)	(295)	(490)	(377)	(425)
Less taxes	33	53	48	79	54	73
Adjusted operating shareholder's equity	5,685	5,979	5,983	6,155	6,250	6,142
Pre-tax reconciling items:						
Less: Deferred acquisition costs	(56)	(59)	(67)	(71)	(73)	(72)
Plus: Net present value of estimated net future revenue	93	94	99	100	102	107
Plus: Net deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed	2,593	2,632	2,648	2,600	2,649	2,657
Plus taxes	(586)	(595)	(601)	(592)	(604)	(591)
Adjusted book value	$ 7,841	$ 8,169	$ 8,196	$ 8,334	$ 8,470	$ 8,387
Gain (loss) related to FG VIE consolidation included in:						
Adjusted operating shareholder's equity (net of tax provision (benefit) of $(3), $(1), $0, $0, $(3) and $0)	**$ (11)**	**$ (2)**	**$ (1)**	**$ (1)**	**$ (13)**	**$ 1**
Adjusted book value (net of tax provision (benefit) of $(4), $(2), $(2), $(2), $(4) and $(2))	**$ (16)**	**$ (8)**	**$ (5)**	**$ (7)**	**$ (18)**	**$ (4)**

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 September 30, 2024
Claims-paying resources	
Policyholders' surplus	$ 3,644
Contingency reserve	1,374
Qualified statutory capital	**5,018**
Unearned premium reserve and net deferred ceding commission income (1)	2,438
Loss and LAE reserves (1)(5)	—
Total policyholders' surplus and reserves	**7,456**
Present value of installment premium	764
CCS	400
Total claims-paying resources	**$ 8,620**
Statutory net par outstanding (1)(2)	$ 197,590
Net debt service outstanding (1)(2)	319,135
Ratios:	
Statutory net par outstanding to qualified statutory capital	39:1
Capital ratio (3)	64:1
Financial resources ratio (4)	37:1
Statutory net par outstanding to claims-paying resources	23:1
Separate company statutory basis:	
Admitted assets	$ 7,304
Total liabilities	3,660
Loss and LAE reserves (recoverable)	(49)
Paid in capital stock	441

1) The numbers shown for AG have been adjusted to include its share of 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 the balance was in a net recoverable position of $47 million as of September 30, 2024.

Assured Guaranty Inc.

New Business Production (1)

(dollars in millions)

Reconciliation of GWP to PVP

	Three Months Ended September 30, 2024					Three Months Ended September 30, 2023				
	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	**$ 34**	**$ 7**	**$ 3**	**$ 14**	**$ 58**	**$ 30**	**$ (5)**	**$ 14**	**$ —**	**$ 39**
Less: Installment GWP and other GAAP adjustments (2)	2	(2)	1	14	15	6	(4)	14	—	16
Upfront GWP	32	9	2	—	43	24	(1)	—	—	23
Plus: Installment premiums and other	3	(2)	2	13	16	7	2	13	—	22
Total PVP	$ 35	$ 7	$ 4	$ 13	$ 59	$ 31	$ 1	$ 13	$ —	$ 45
Gross par written	**$ 5,386**	**$ 66**	**$ 341**	**$ 694**	**$ 6,487**	**$ 5,098**	**$ 61**	**$ 267**	**$ 35**	**$ 5,461**

	Nine Months Ended September 30, 2024					Nine Months Ended September 30, 2023				
	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	**$ 181**	**$ 24**	**$ 16**	**$ 18**	**$ 239**	**$ 130**	**$ 40**	**$ 46**	**$ 3**	**$ 219**
Less: Installment GWP and other GAAP adjustments (2)	99	3	13	18	133	55	38	46	3	142
Upfront GWP	82	21	3	—	106	75	2	—	—	77
Plus: Installment premiums and other	111	11	20	18	160	55	35	42	6	138
Total PVP	$ 193	$ 32	$ 23	$ 18	$ 266	$ 130	$ 37	$ 42	$ 6	$ 215
Gross par written	**$ 15,339**	**$ 1,131**	**$ 1,024**	**$ 1,245**	**$ 18,739**	**$ 15,752**	**$ 670**	**$ 1,101**	**$ 856**	**$ 18,379**

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) 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] (1 of 2)

(dollars in millions)

Gross Par Written by Asset Type

	Three Months Ended September 30,	
	2024	2023
Sector:		
U.S. public finance:		
General obligation	$ 1,915	$ 1,444
Municipal utilities	1,182	1,180
Tax backed	1,104	1,105
Transportation	460	815
Healthcare	437	243
Housing Revenue	158	217
Higher education	126	94
Other public finance	4	—
Total U.S. public finance	5,386	5,098
Non-U.S. public finance:		
Regulated utilities	66	61
Total non-U.S. public finance	66	61
Total public finance	**5,452**	**5,159**
U.S. structured finance:		
Structured credit	275	—
CMBS	25	—
Pooled corporate obligations	13	—
Subscription finance facilities	10	17
Insurance securitizations	—	250
Other structure finance	18	—
Total U.S. structured finance	341	267
Non-U.S. structured finance:		
Pooled corporate obligations	50	—
Subscription finance facilities	22	35
Other structured finance	622	—
Total non-U.S. structured finance	694	35
Total structured finance	**1,035**	**302**
Total gross par written	**$ 6,487**	**$ 5,461**

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.

Gross Par Written [1] (2 of 2)

(dollars in millions)

Gross Par Written by Asset Type

	Nine Months Ended September 30,	
	2024	2023
Sector:		
U.S. public finance:		
General obligation	$ 5,735	$ 6,114
Transportation	3,704	1,039
Tax backed	2,560	1,670
Municipal utilities	2,012	3,895
Healthcare	774	706
Higher education	372	299
Housing revenue	158	217
Infrastructure finance	—	1,785
Other public finance	24	27
Total U.S. public finance	15,339	15,752
Non-U.S. public finance:		
Regulated utilities	1,077	417
Infrastructure finance	54	—
Sovereign and sub-sovereign	—	253
Total non-U.S. public finance	1,131	670
Total public finance	**16,470**	**16,422**
U.S. structured finance:		
Structured credit	285	275
Insurance securitizations	250	750
Pooled corporate obligations	218	—
Subscription finance facilities	192	76
CMBS	25	—
Other structured finance	54	—
Total U.S. structured finance	1,024	1,101
Non-U.S. structured finance:		
Subscription finance facilities	573	856
Pooled corporate obligations	50	—
Other structured finance	622	—
Total non-U.S. structured finance	1,245	856
Total structured finance	**2,269**	**1,957**
Total gross par written	**$ 18,739**	**$ 18,379**

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, Cash and CIVs [(1)]

(dollars in millions)

	Carrying Value as of September 30, 2024		
	AG	Consolidations/ Eliminations [(2)]	AG Consolidated
Fixed-maturity securities, available-for-sale	$ 5,086	$ —	$ 5,086
Fixed-maturity securities, trading [(3)]	163	—	163
Short-term investments	1,049	—	1,049
Equity method investments:			
Collateralized loan obligations (CLOs)	349	(247)	102
Private healthcare investing	149	—	149
Asset-based/specialty finance	131	—	131
Middle market direct lending	5	—	5
Other	1	—	1
Total equity method investments	635	(247)	388
Other invested assets	5	—	5
Cash	39	—	39
Total investment portfolio and cash	**$ 6,977**	**$ (247)**	**$ 6,730**
CIVs [(4)]			
Assets of CIVs	$ —	$ 265	$ 265
Liabilities of CIVs [(5)]	—	(18)	(18)
Noncontrolling interests	—	—	—
Total CIVs	**$ —**	**$ 247**	**$ 247**

	Carrying Value as of December 31, 2023		
	AG	Consolidations/ Eliminations [(2)]	AG Consolidated
Fixed-maturity securities, available-for-sale	$ 5,091	$ —	$ 5,091
Fixed-maturity securities, trading [(3)]	318	—	318
Short-term investments	1,249	—	1,249
Equity method investments:			
CLOs	302	(223)	79
Private healthcare investing	102	—	102
Asset-based/specialty finance	166	(54)	112
Middle market direct lending	2	—	2
Other	116	—	116
Total equity method investments	688	(277)	411
Other invested assets	3	—	3
Cash	43	—	43
Total investment portfolio and cash	**$ 7,392**	**$ (277)**	**$ 7,115**
CIVs [(4)]			
Assets of CIVs	$ —	$ 284	$ 284
Liabilities of CIVs [(5)]	—	(4)	(4)
Noncontrolling interests	—	(3)	(3)
Total CIVs	**$ —**	**$ 277**	**$ 277**

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) Represents the effect of consolidating certain alternative investments.
3) Primarily includes contingent value instruments (CVIs) received in connection with the 2022 Puerto Rico Resolutions (see page 22). These securities are not rated.
4) In connection with the Sound Point and AHP transactions in July 2023, the Company re-evaluated the consolidation conclusions for all Sound Point and AHP entities in which it had a variable interest and determined that the Company was the primary beneficiary (in accordance with GAAP) for two funds (Sound Point CLO Warehouse Fund (US) L.P. and Sound Point Asset Backed Income Fund (US) L.P.). Therefore, these two funds were consolidated in July 2023.
5) Included in “other liabilities” in the condensed combined balance sheets.

Assured Guaranty Inc.

Fixed-Maturity Securities, Short-Term Investments and Cash

As of September 30, 2024

(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 [2]	$ 1,897	$ (14)	3.52 %	3.16 %	$ 1,859	$ 67
U.S. government and agencies	58	—	2.74	2.17	54	1
Corporate securities	1,827	(5)	3.33	2.77	1,753	61
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) [2]	421	(20)	5.57	4.40	352	23
Commercial mortgage-backed securities	142	—	3.98	3.14	143	6
Asset-backed securities (ABS):						
Collateralized loan obligations	352	—	6.91	5.46	351	24
Other ABS [2]	547	(26)	4.19	3.36	499	23
Non-U.S. government securities	82	—	1.97	1.95	75	2
Fixed-maturity securities, available-for-sale	5,326	(65)	3.89	3.27	5,086	207
Short-term investments	1,049	—	4.87	3.85	1,049	51
Cash [3]	39	—	—	—	39	—
Total	**$ 6,414**	**$ (65)**	**4.05 %**	**3.36 %**	**$ 6,174**	**$ 258**
Fixed-maturity securities, trading [5]					**$ 163**	

Ratings [4]**:**	**Fair Value**	**% of Portfolio**
U.S. government and agencies	$ 54	1.1 %
AAA/Aaa	704	13.8
AA/Aa	1,770	34.8
A/A	1,166	22.9
BBB	838	16.5
BIG	504	9.9
Not rated	50	1.0
Total fixed-maturity securities, available-for-sale	$ 5,086	100.0 %
Duration of available-for-sale fixed-maturity securities and short-term investments (in years):		**3.4**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
3) Cash is not included in the yield calculation.
4) Ratings generally reflect the lower of Moody's Ratings or S&P Global Ratings Services 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 and other securities total $827 million in par with carrying value of $565 million and are primarily included in the BIG category.
5) Primarily includes contingent value instruments (CVIs) received in connection with the 2022 Puerto Rico Resolutions (see page 22). These securities are not rated.

Assured Guaranty Inc.

Estimated Net Exposure Amortization (1) and Estimated Future Financial Guaranty Net Premium and Credit Derivative Revenues

(dollars in millions)

			Financial Guaranty Insurance (2)			
	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Expected PV Net Earned Premiums (i.e., Net Deferred Premium Revenue)	Accretion of Discount	Effect of FG VIE Consolidation on Expected PV Net Earned Premiums and Accretion of Discount	Future Credit Derivative Revenues (3)
2024 (as of September 30)		$ 319,550				
2024 4Q	$ 3,703	315,847	$ 57	$ 6	$ 1	$ 2
2025	17,286	298,561	215	21	3	7
2026	17,062	281,499	201	20	3	7
2027	15,415	266,084	189	19	2	6
2028	15,293	250,791	179	18	2	6
2024-2028	68,759	250,791	841	84	11	28
2029-2033	74,584	176,207	730	79	11	27
2034-2038	58,242	117,965	500	59	9	21
2039-2043	43,062	74,903	315	40	—	14
After 2043	74,903	—	429	49	—	8
Total	**$ 319,550**		**$ 2,815**	**$ 311**	**$ 31**	**$ 98**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of September 30, 2024. 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 17, ''Net Expected Loss to be Expensed.''
3) Represents expected future premiums on insured credit derivatives.

Assured Guaranty Inc.

Rollforward of Net Expected Loss and LAE to be Paid (1)

(dollars in millions)

Roll Forward of Net Expected Loss and LAE to be Paid (2) for the Three Months Ended September 30, 2024

	Net Expected Loss to be Paid (Recovered) as of June 30, 2024	Net Economic Loss Development (Benefit) During 3Q-24	Net (Paid) Recovered Losses During 3Q-24	Net Expected Loss to be Paid (Recovered) as of September 30, 2024
Public Finance:				
U.S. public finance	$ 266	$ (20)	$ (82)	$ 164
Non-U.S public finance	35	34	(1)	68
Public Finance	301	14	(83)	232
Structured Finance:				
U.S. RMBS	2	(53)	10	(41)
Other structured finance	(47)	3	3	(41)
Structured Finance	(45)	(50)	13	(82)
Total	**$ 256**	**$ (36)**	**$ (70)**	**$ 150**

Roll Forward of Net Expected Loss and LAE to be Paid (2) for the Nine Months Ended September 30, 2024

	Net Expected Loss to be Paid (Recovered) as of December 31, 2023	Net Economic Loss Development (Benefit) During 2024	Net (Paid) Recovered Losses During 2024	Net Expected Loss to be Paid (Recovered) as of September 30, 2024
Public Finance:				
U.S. public finance	$ 281	$ (12)	$ (105)	$ 164
Non-U.S public finance	19	50	(1)	68
Public Finance	300	38	(106)	232
Structured Finance:				
U.S. RMBS	46	(64)	(23)	(41)
Other structured finance	(53)	3	9	(41)
Structured Finance	(7)	(61)	(14)	(82)
Total	**$ 293**	**$ (23)**	**$ (120)**	**$ 150**

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) 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).

Assured Guaranty Inc.

Loss Measures (1)

As of September 30, 2024

(dollars in millions)

		Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Total Net Par Outstanding for BIG Transactions	GAAP Loss and LAE (2)	Loss and LAE Included in Adjusted Operating Income (3)	Effect of FG VIE Consolidation (4)	GAAP Loss and LAE (2)	Loss and LAE Included in Adjusted Operating Income (3)	Effect of FG VIE Consolidation (4)
Public finance:							
U.S. public finance	$ 2,316	**$ (11)**	$ (11)	$ (3)	**$ (11)**	$ (11)	$ (7)
Non-U.S public finance	5,385	**—**	—	—	**—**	—	—
Public finance	7,701	**(11)**	(11)	(3)	**(11)**	(11)	(7)
Structured finance:							
U.S. RMBS	784	**(37)**	(38)	3	**(39)**	(41)	3
Other structured finance	19	**2**	2	—	**3**	6	—
Structured finance	803	**(35)**	(36)	3	**(36)**	(35)	3
Total	**$ 8,504**	**$ (46)**	$ (47)	$ —	**$ (47)**	$ (46)	$ (4)

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) Includes loss expense related to contracts that are accounted for as insurance contracts.
3) Includes loss expense related to contracts that are accounted for as insurance contracts and credit derivatives.
4) The "Effect of FG VIE Consolidation" column represents amounts included in the condensed consolidated statements of operations and adjusted operating income that the Company removes to arrive at the core financial measures that management uses in certain of its compensation calculations and its decision making process. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

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

Assured Guaranty Inc.

Net Expected Loss to be Expensed [1]

As of September 30, 2024

(dollars in millions)

	GAAP
2024 4Q	**$ 2**
2025	**10**
2026	**11**
2027	**16**
2028	**16**
2024-2028	**55**
2029-2033	**83**
2034-2038	**44**
2039-2043	**10**
After 2043	**30**
Total expected present value of net expected loss to be expensed [2]	**222**
Future accretion	**(77)**
Total expected future loss and LAE	**$ 145**

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 3.52% to 4.96% for U.S. dollar denominated obligations.
2) Excludes $24 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Inc.

Financial Guaranty Profile [(1)] (1 of 3)

(dollars in millions)

Net Par Outstanding by Asset Type

	As of September 30, 2024	As of December 31, 2023
U.S. public finance:		
General obligation	$ 58,544	$ 56,572
Tax backed	25,777	25,187
Municipal utilities	23,028	23,195
Transportation	20,486	17,719
Healthcare	10,915	10,503
Infrastructure finance	6,507	6,587
Higher education	5,631	5,473
Housing revenue	1,041	934
Investor-owned utilities	137	140
Renewable energy	119	120
Other public finance	671	685
Total U.S. public finance	152,856	147,115
Non-U.S. public finance:		
Regulated utilities	15,459	14,088
Infrastructure finance	13,073	13,056
Sovereign and sub-sovereign	8,674	8,666
Renewable energy	1,367	1,625
Pooled infrastructure	590	567
Total non-U.S. public finance	39,163	38,002
Total public finance	**192,019**	**185,117**
U.S. structured finance:		
RMBS	1,450	1,659
Insurance securitizations	1,351	1,275
Pooled corporate obligations	572	561
Financial products	478	464
Subscription finance facilities	181	149
Consumer receivables	155	201
Other structured finance	733	757
Total U.S. structured finance	4,920	5,066
Non-U.S. structured finance:		
Subscription finance facilities	543	371
Pooled corporate obligations	390	367
RMBS	237	245
Other structured finance	97	103
Total non-U.S. structured finance	1,267	1,086
Total structured finance	**6,187**	**6,152**
Total net par outstanding	**$ 198,206**	**$ 191,269**

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 an explanation of the presentation of net par outstanding and various sectors.

Assured Guaranty Inc.

Financial Guaranty Profile (2 of 3)

As of September 30, 2024

(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	$ 16	— %	$ 1,472	3.8 %	$ 609	12.4 %	$ 415	32.8 %	$ 2,512	1.3 %
AA	14,126	9.2	2,604	6.6	2,268	46.1	94	7.4	19,092	9.6
A	82,975	54.3	10,591	27.0	731	14.9	676	53.3	94,973	47.9
BBB	53,423	35.0	19,111	48.8	509	10.3	82	6.5	73,125	36.9
BIG	2,316	1.5	5,385	13.8	803	16.3	—	—	8,504	4.3
Net Par Outstanding [1]	**$ 152,856**	**100.0 %**	**$ 39,163**	**100.0 %**	**$ 4,920**	**100.0 %**	**$ 1,267**	**100.0 %**	**$ 198,206**	**100.0 %**

1) As of September 30, 2024, the Company excluded $942 million of net par outstanding attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding [1][2]	% of Total
Affiliated reinsurers	$ 56,983	99.9 %
Non-affiliated reinsurers	81	0.1
Total	**$ 57,064**	**100.0 %**

1) Of the total par ceded to BIG rated non-affiliated reinsurers, $14 million is rated BIG.
2) The total collateral posted by all affiliated and non-affiliated reinsurers required to post or which had agreed to post collateral is approximately $634 million as of September 30, 2024.

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 September 30, 2024
(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 28,023	14.1 %
Texas	19,388	9.8
New York	14,834	7.5
Pennsylvania	13,461	6.8
Illinois	9,815	5.0
Florida	8,821	4.4
New Jersey	7,144	3.6
Michigan	3,756	1.9
Louisiana	3,552	1.8
Wisconsin	2,771	1.4
Other	41,291	20.8
Total U.S public finance	152,856	77.1
U.S. structured finance (multiple states)	4,920	2.5
Total U.S.	**157,776**	**79.6**
Non-U.S.:		
United Kingdom	31,598	15.9
France	1,448	0.7
Spain	1,378	0.7
Canada	1,177	0.6
Australia	1,110	0.6
Other	3,719	1.9
Total non-U.S.	**40,430**	**20.4**
Total net par outstanding	**$ 198,206**	**100.0 %**

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

Assured Guaranty Inc.

Expected Amortization of Net Par Outstanding

(dollars in millions)

	Public Finance		Structured Finance				
	Estimated Net Par Amortization	**Estimated Ending Net Par Outstanding**	**U.S. RMBS**	**Financial Products**	**Other Structured Finance**	**Total**	**Estimated Ending Net Par Outstanding**
2024 (as of September 30)		$ 192,019					$ 6,187
2024 4Q	$ 1,461	190,558	$ 53	$ (7)	$ 13	$ 59	6,128
2025	8,000	182,558	181	32	574	787	5,341
2026	8,295	174,263	167	39	548	754	4,587
2027	7,084	167,179	136	(9)	569	696	3,891
2028	7,309	159,870	144	54	501	699	3,192
2024-2028	32,149	159,870	681	109	2,205	2,995	3,192
2029-2033	41,963	117,907	409	284	1,075	1,768	1,424
2034-2038	35,510	82,397	354	69	279	702	722
2039-2043	27,538	54,859	—	16	375	391	331
After 2043	54,859	—	6	—	325	331	—
Total	**$ 192,019**		**$ 1,450**	**$ 478**	**$ 4,259**	**$ 6,187**	

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 (1 of 2)
As of September 30, 2024
(dollars in millions)

Exposure to Puerto Rico

	Par Outstanding		Debt Service Outstanding	
	Gross	Net	Gross	Net
Total	$ 825	$ 607	$ 1,073	$ 782

Exposure to Puerto Rico by Company

	Net Par Outstanding	Gross Par Outstanding
Defaulted Puerto Rico Exposures		
PREPA	$ 377	$ 512
Total Defaulted	**377**	**512**
Resolved Puerto Rico Exposures [(1)]		
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation revenue)	130	190
PRHTA (Highway revenue)	23	25
Total Resolved	**153**	**215**
Non-Defaulting Puerto Rico Exposures [(2)]		
Puerto Rico Municipal Finance Agency (MFA)	76	97
University of Puerto Rico (U of PR)	1	1
Total Non-Defaulting	**77**	**98**
Total exposure to Puerto Rico	**$ 607**	**$ 825**

1) In 2022, the Company resolved its exposure to insured Puerto Rico credits experiencing payment default other than PREPA (2022 Puerto Rico Resolutions). The remaining amounts owed for the insured PRHTA bonds are payable in full by the Company's insurance subsidiaries under their financial guaranty policies and are no longer dependent on the credit of the PRHTA.
2) All debt service on these insured exposures have been paid to date without any insurance claim being made on the Company.

Assured Guaranty Inc.

Puerto Rico Profile (2 of 2)
As of September 30, 2024
(dollars in millions)

Amortization Schedule of Net Par Outstanding of Puerto Rico

	2024 (4Q)	2025 (1Q)	2025 (2Q)	2025 (3Q)	2025 (4Q)	2026	2027	2028	2029	2030	2031	2032	2033	2034-2038	2039-2041	Total
Defaulted Puerto Rico Exposures																
PREPA	$ —	$ —	$ —	$ 55	$ —	$ 77	$ 76	$ 45	$ 31	$ 26	$ 61	$ 6	$ —	$ —	$ —	$ 377
Total Defaulted	—	—	—	55	—	77	76	45	31	26	61	6	—	—	—	377
Resolved Puerto Rico Exposures																
PRHTA (Transportation revenue)	—	—	—	—	—	—	—	—	—	—	—	—	—	83	47	130
PRHTA (Highway revenue)	—	—	—	—	—	—	—	—	—	—	—	5	3	15	—	23
Total Resolved	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**5**	**3**	**98**	**47**	**153**
Non-Defaulting Puerto Rico Exposures																
MFA	—	—	—	13	—	28	13	11	6	5	—	—	—	—	—	76
U of PR	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	1
Total Non-Defaulting	**—**	**—**	**—**	**13**	**—**	**28**	**13**	**11**	**7**	**5**	**—**	**—**	**—**	**—**	**—**	**77**
Total	**$ —**	**$ —**	**$ —**	**$ 68**	**$ —**	**$ 105**	**$ 89**	**$ 56**	**$ 38**	**$ 31**	**$ 61**	**$ 11**	**$ 3**	**$ 98**	**$ 47**	**$ 607**

Amortization Schedule of Net Debt Service Outstanding of Puerto Rico

	2024 (4Q)	2025 (1Q)	2025 (2Q)	2025 (3Q)	2025 (4Q)	2026	2027	2028	2029	2030	2031	2032	2033	2034-2038	2039-2041	Total
Defaulted Puerto Rico Exposures																
PREPA	$ 2	$ 6	$ 2	$ 61	$ 1	$ 91	$ 87	$ 54	$ 37	$ 31	$ 64	$ 6	$ 1	$ 1	$ —	$ 444
Total Defaulted	2	6	2	61	1	91	87	54	37	31	64	6	1	1	—	444
Resolved Puerto Rico Exposures																
PRHTA (Transportation revenue)	—	3	—	3	—	7	7	7	7	7	7	7	6	102	52	215
PRHTA (Highway revenue)	—	1	—	1	—	1	1	1	1	1	1	6	4	17	—	35
Total Resolved	**—**	**4**	**—**	**4**	**—**	**8**	**8**	**8**	**8**	**8**	**8**	**13**	**10**	**119**	**52**	**250**
Non-Defaulting Puerto Rico Exposures																
MFA	—	2	—	15	—	31	15	12	7	5	—	—	—	—	—	87
U of PR	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	1
Total Non-Defaulting	**—**	**2**	**—**	**15**	**—**	**32**	**15**	**12**	**7**	**5**	**—**	**—**	**—**	**—**	**—**	**88**
Total	**$ 2**	**$ 12**	**$ 2**	**$ 80**	**$ 1**	**$ 131**	**$ 110**	**$ 74**	**$ 52**	**$ 44**	**$ 72**	**$ 19**	**$ 11**	**$ 120**	**$ 52**	**$ 782**

Assured Guaranty Inc.

Direct Pooled Corporate Obligations Profile

As of September 30, 2024

(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	$ 594	62.3 %	41.1 %	48.8 %
AA	107	11.2	36.9	36.9
A	124	13.0	57.8	44.7
BBB	128	13.5	35.3	36.3
Total exposures	**$ 953**	**100.0 %**	**42.1 %**	**45.2 %**

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	$ 192	20.1 %	42.8 %	67.7 %	7
U.S. mortgage and real estate investment trusts	31	3.3	48.5	64.2	3
CLOs	730	76.6	41.6	38.5	10
Total exposures	**$ 953**	**100.0 %**	**42.1 %**	**45.2 %**	**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 September 30, 2024

(dollars in millions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	Net Par Outstanding	% of Total
AAA	$ 658	31.2 %
AA	957	45.4
A	210	10.0
BBB	254	12.1
BIG	28	1.3
Total credit derivative net par outstanding	**$ 2,107**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector

	Net Par Outstanding
Public finance:	
U.S. public finance	$ 1,075
Non-U.S. public finance	760
Total public finance	**1,835**
U.S. structured finance:	
Pooled corporate obligations	76
RMBS	62
Total U.S. structured finance	138
Non-U.S. structured finance:	
RMBS	134
Total non-U.S. structured finance	134
Total structured finance	**272**
Total credit derivative net par outstanding	**$ 2,107**

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

Assured Guaranty Inc.

Below Investment Grade Exposures [1] (1 of 3)

(dollars in millions)

BIG Exposures by Asset Exposure Type

	As of	
	September 30, 2024	**December 31, 2023**
U.S. public finance:		
Healthcare	$ 983	$ 905
Municipal utilities	564	638
Tax backed	244	383
General obligation	198	180
Transportation	93	95
Higher education	69	72
Housing revenue	52	54
Investor-owned utilities	40	40
Other public finance	73	77
Total U.S. public finance	2,316	2,444
Non-U.S. public finance:		
Regulated utilities	3,747	—
Infrastructure finance	817	812
Renewable energy	782	222
Sovereign and sub-sovereign	39	44
Total non-U.S. public finance	5,385	1,078
Total public finance	**7,701**	**3,522**
U.S. structured finance:		
RMBS	784	888
Insurance Securitizations	10	10
Consumer Receivables	9	10
Other structured finance	—	2
Total U.S. structured finance	803	910
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**803**	**910**
Total BIG net par outstanding	**$ 8,504**	**$ 4,432**

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 an explanation of the Company's presentation of net par outstanding and a description of various sectors.

Assured Guaranty Inc.

Below Investment Grade Exposures [1] (2 of 3)

(dollars in millions)

Net Par Outstanding by BIG Surveillance Category [2]

	As of	
	September 30, 2024	**December 31, 2023**
BIG Category 1		
U.S. public finance	$ 945	$ 896
Non-U.S. public finance	4,832	1,078
U.S. structured finance	84	19
Non-U.S. structured finance	—	—
Total BIG Category 1	5,861	1,993
BIG Category 2		
U.S. public finance	794	776
Non-U.S. public finance	553	—
U.S. structured finance	26	32
Non-U.S. structured finance	—	—
Total BIG Category 2	1,373	808
BIG Category 3		
U.S. public finance	577	772
Non-U.S. public finance	—	—
U.S. structured finance	693	859
Non-U.S. structured finance	—	—
Total BIG Category 3	1,270	1,631
BIG Total	**$ 8,504**	**$ 4,432**

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) 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 losses, on a present value basis, and the aggregate probability weighting of scenarios with losses is less than 50%. BIG 2: Below-investment-grade exposures for which there are possible losses, on a present value basis, and the aggregate probability weighting of scenarios with losses is at least 50%, but for which no claims (other than claims that the Company expects to be reimbursed within one year) have yet been paid. BIG 3: Below-investment-grade exposures for which losses are expected, on a present value basis, and the aggregate probability weighting of scenarios with losses is at least 50%, and for which claims have been paid that the Company does not expect to be reimbursed within one year.

   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 relevant insurance subsidiary's 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 September 30, 2024

(dollars in millions)

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

	Net Par Outstanding	Internal Rating (1)	60+ Day Delinquencies
Name or description			
U.S. public finance:			
ProMedica Healthcare Obligated Group, Ohio	$ 689	BB	
PREPA	377	CCC	
Palomar Health	291	BB+	
Puerto Rico Highways & Transportation Authority	153	CCC	
Jackson Water & Sewer System, Mississippi	90	BB	
MFA	76	CCC	
Harrisburg Parking System, Pennsylvania	68	B	
New Jersey City University	63	BB	
Total U.S. public finance	**1,807**		
Non-U.S. public finance:			
Southern Water Services Limited	2,209	BB	
Thames Water Utilities Finance Plc	1,538	B	
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	553	B+	
Hypersol Solar Inversiones, S.A.U.	233	BB+	
Q Energy - Phase II - Pride Investments, S.A.	232	BB+	
Q Energy - Phase III - FSL Issuer, S.A.U.	216	B+	
Dartford & Gravesham NHS Trust The Hospital Company (Dartford) Plc	122	BB+	
Road Management Services PLC (A13 Highway)	104	B+	
Q Energy - Phase IV - Anselma Issuer, S.A.	101	BB+	
Total non-U.S. public finance	5,308		
Total public finance	**7,115**		
U.S. structured finance:			
RMBS:			
Option One 2007-FXD2	99	B	15.9%
Option One Mortgage Loan Trust 2007-HL1	96	CCC	21.4%
Argent Securities Inc. 2005-W4	93	CCC	9.0%
Nomura Asset Accept. Corp. 2007-1	53	CCC	16.0%
Total RMBS - U.S. structured finance	**341**		
Total non-U.S. structured finance	—		
Total structured finance	**341**		
Total	**$ 7,456**		

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 September 30, 2024

(dollars in millions)

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

Credit Name:	Net Par Outstanding	Internal Rating (1)
New Jersey (State of)	$ 1,981	BBB
Pennsylvania (Commonwealth of)	1,702	BBB
Lower Colorado River Authority	1,377	A
Metro Washington Airports Authority (Dulles Toll Road)	1,369	BBB+
JFK New Terminal One, New York	1,360	BBB-
New York Power Authority	1,146	AA-
Alameda Corridor Transportation Authority, California	1,136	BBB
Foothill/Eastern Transportation Corridor Agency, California	1,073	BBB+
New York Metropolitan Transportation Authority	1,022	A-
North Texas Tollway Authority	990	A+
South Carolina Public Service Authority - Santee Cooper	964	BBB
Brightline Trains Florida LLC	963	BBB-
Central Florida Expressway Authority, Florida	891	A+
CommonSpirit Health, Illinois	886	A-
San Diego Family Housing, LLC	880	AA
San Joaquin Hills Transportation, California	845	BBB
North Carolina Turnpike Authority	777	BBB
Municipal Electric Authority of Georgia	729	BBB+
Chicago Water, Illinois	716	BBB+
Montefiore Medical Center, New York	696	BBB-
ProMedica Healthcare Obligated Group, Ohio	689	BB
Yankee Stadium LLC New York City Industrial Development Authority	687	BBB
Dade County Seaport, Florida	676	A-
Houston Airport System, Texas	653	A
Illinois (State of)	650	BBB
Philadelphia School District, Pennsylvania	648	A-
California (State of)	632	AA-
Pittsburgh Water & Sewer, Pennsylvania	627	A-
Maine (State of)	601	A
Tucson (City of), Arizona	571	A+
Metropolitan Pier and Exposition Authority, Illinois	562	BBB-
New York (City of), New York	538	AA-
Chicago-O'Hare International Airport, Illinois	538	A-
Anaheim (City of), California	528	A-
Massachusetts (Commonwealth of) Water Resources	525	AA
Pittsburgh International Airport, Pennsylvania	525	A-
Pennsylvania Turnpike Commission	516	A-
Wisconsin (State of)	514	A
Nassau County, New York	509	AA-
Mets Queens Ballpark	502	BBB
Chicago (City of) Wastewater Transmission, Illinois	498	BBB+
New York Transportation Development Corporation (LaGuardia Airport Terminal Redevelopment Project)	489	BBB-
Harris County - Houston Sports Authority, Texas	477	BBB
Chicago Public Schools, Illinois	471	BBB-
Philadelphia Water & Wastewater, Pennsylvania	471	A
Los Angeles International Airport (Customer Facility Charge), California	464	A
Philadelphia (City of), Pennsylvania	444	A-
Kansas City, Missouri	442	A
Clark County School District, Nevada	438	A-
Oglethorpe Power Corporation, Georgia	437	BBB
Total top 50 U.S. public finance exposures	**$ 37,825**	

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 (2 of 3)
As of September 30, 2024
(dollars in millions)

25 Largest U.S. Structured Finance Exposures

Credit Name:	**Net Par Outstanding**	**Internal Rating [1]**
Private US Insurance Securitization	$ 310	AA-
Private US Insurance Securitization	188	AA-
Private US Insurance Securitization	178	AA-
Private US Insurance Securitization	176	AA-
Private US Insurance Securitization	165	AA
Private US Insurance Securitization	137	AA-
SLM Student Loan Trust 2007-A	112	AA
Private Middle Market CLO	109	AAA
Private Middle Market CLO	106	BBB
Private US Insurance Securitization	103	AA
CWABS 2007-4	100	BBB
Option One 2007-FXD2	99	B
Option One Mortgage Loan Trust 2007-HL1	96	CCC
Argent Securities Inc. 2005-W4	93	CCC
Private Balloon Note Guarantee	85	A
Private Middle Market CLO	72	A
Private US Insurance Securitization	71	A
Private Balloon Note Guarantee	60	BBB
Private Subscription Finance Transaction	55	A-
DB Master Finance LLC	54	BBB
CAPCO - Excess SIPC Excess of Loss Reinsurance	54	BBB
Nomura Asset Accept. Corp. 2007-1	53	CCC
New Century 2005-A	47	CCC
Private Other Structured Finance Transaction	46	A-
ALESCO Preferred Funding XIII, Ltd.	46	AAA
Total top 25 U.S. structured finance exposures	**$ 2,615**	

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 September 30, 2024
(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	$ 2,209	BB
Dwr Cymru Financing Limited	United Kingdom	1,673	A-
Anglian Water Services Financing PLC	United Kingdom	1,670	A-
Thames Water Utilities Finance Plc	United Kingdom	1,538	B
Channel Link Enterprises Finance PLC	France, United Kingdom	1,246	BBB
Southern Gas Networks PLC	United Kingdom	1,065	BBB+
Quebec Province	Canada	958	AA-
British Broadcasting Corporation (BBC)	United Kingdom	907	A+
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	869	AAA
Capital Hospitals (Issuer) PLC	United Kingdom	795	BBB-
Yorkshire Water Services Finance Plc	United Kingdom	731	BBB
National Grid Gas PLC	United Kingdom	699	A-
Aspire Defence Finance plc	United Kingdom	655	BBB+
Verdun Participations 2 S.A.S.	France	639	BBB-
Heathrow Funding Limited	United Kingdom	558	BBB
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	United Kingdom	553	B+
North Staffordshire PFI, 32-year EIB Index-Linked Facility	United Kingdom	510	BBB-
Derby Healthcare PLC	United Kingdom	482	BBB
Campania Region - Healthcare receivable	Italy	476	BBB-
Central Nottinghamshire Hospitals PLC	United Kingdom	470	BBB-
Severn Trent Water Utilities Finance Plc	United Kingdom	462	BBB+
South East Water	United Kingdom	461	BBB
Sydney Airport Finance Company	Australia	456	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	454	A+
United Utilities Water PLC	United Kingdom	437	A-
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	429	BBB+
The Hospital Company (QAH Portsmouth) Limited	United Kingdom	409	BBB
National Grid Company PLC	United Kingdom	401	BBB+
Wessex Water Services Finance Plc	United Kingdom	396	BBB+
University of Sussex	United Kingdom	394	BBB
Envestra Limited	Australia	331	A-
Western Power Distribution (South West) PLC	United Kingdom	318	BBB+
South West Water UK	United Kingdom	311	BBB+
Northumbrian Water PLC	United Kingdom	290	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	290	A
University of Essex, United Kingdom	United Kingdom	285	BBB+
South Lanarkshire Schools	United Kingdom	283	BBB
Private International Sub-Sovereign Transaction	United Kingdom	251	A
Feria Muestrario Internacional de Valencia	Spain	249	BBB-
Japan Expressway Holding and Debt Repayment Agency	Japan	248	A+
Western Power Distribution (South Wales) PLC	United Kingdom	246	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	241	AA-
Portsmouth Water, United Kingdom	United Kingdom	240	BBB
Sutton and East Surrey Water plc	United Kingdom	238	BBB
Hypersol Solar Inversiones, S.A.U.	Spain	233	BB+
Q Energy - Phase II - Pride Investments, S.A.	Spain	232	BB+
Q Energy - Phase III - FSL Issuer, S.A.U.	Spain	216	B+
Keele Residential Funding PLC	United Kingdom	216	BBB+
University of York (Civitas Living LLP), UK	United Kingdom	214	BBB
Octagon Healthcare Funding PLC	United Kingdom	210	BBB
Total top 50 non-U.S. exposures		**$ 28,144**	

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 Nine Months Ended September 30, 2024	As of and for Year Ended December 31, 2023
Claims-Paying Resources [1]		
Policyholders’ surplus	$ 3,644	$ 4,008
Contingency reserve	1,374	1,296
Qualified statutory capital	**5,018**	**5,304**
Unearned premium reserve and net deferred ceding commission income	2,438	2,427
Loss and LAE reserves	—	7
Total policyholders' surplus and reserves	**7,456**	**7,738**
Present value of installment premium	764	802
CCS	400	400
Total claims-paying resources	**$ 8,620**	**$ 8,940**
Ratios:		
Net par outstanding to qualified statutory capital	39:1	36:1
Capital ratio	64:1	58:1
Financial resources ratio	37:1	34:1
Statutory net par outstanding to claims-paying resources	23:1	21:1
Other Financial Information (Statutory Basis) [2]		
Net debt service outstanding (end of period)	$ 319,135	$ 307,408
Gross debt service outstanding (end of period)	406,766	393,162
Net par outstanding (end of period)	197,590	190,359
Gross par outstanding (end of period)	254,469	245,917
Ceded to Assured Guaranty affiliates	56,798	55,477
Ceded par to other companies	81	82
Gross debt service written:		
Public finance - U.S.	$ 28,460	$ 28,761
Public finance - non-U.S.	1,297	1,053
Structured finance - U.S.	1,040	1,102
Structured finance - non-U.S.	1,395	870
Total gross debt service written	$ 32,192	$ 31,786

1) See page 8 for additional detail on claims-paying resources and exposure.
2) The National Association of Insurance Commissioners Annual Statements for U.S. Domiciled Insurance Companies are prepared on a stand-alone basis.

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

Glossary

Net Par Outstanding and Internal Ratings

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

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

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

Performance Indicators

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

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

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

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2023.

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.

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.

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.

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..

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

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

Investor-Owned Utility Bonds are obligations primarily issued by investor-owned utilities, and include first mortgage bond obligations of for-profit electric or water utilities providing retail, industrial and commercial service, as well as sale-leaseback obligation bonds supported by such entities.

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 United Kingdom.

Pooled Infrastructure Obligations are synthetic asset-backed obligations that take the form of CDS 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.

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.

Structured Finance:

Insurance 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.

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.

Residential Mortgage-Backed Securities (RMBS) 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.

Consumer Receivables Securities are obligations backed by non-mortgage consumer receivables, such as student loans, automobile loans and leases, manufactured home loans and other consumer receivables.

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

Glossary (continued)

***Sectors* (continued)**

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, diverse LP base composed primarily of institutional LPs and experienced bank lenders.

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 the results of the Insurance segment.

Management of the Company 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 the Company uses to help determine compensation are: (1) adjusted operating income, further adjusted to remove the effect of FG VIE and CIV consolidation; (2) adjusted operating shareholder's equity, further adjusted to remove the effect of FG VIE and CIV consolidation; (3) adjusted book value per share, further adjusted to remove the effect of FG VIE and CIV consolidation; and (4) PVP.

Management believes that many investors, analysts and financial news reporters use adjusted operating shareholder's equity and/or adjusted book value, 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. Management also believes that many of the Company's fixed income investors also use adjusted operating shareholder's equity, further adjusted to remove the effect of FG VIE and CIV consolidation, to evaluate the Company's capital adequacy.

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

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

Adjusted Operating Income: Management believes that adjusted operating income is a useful measure because it clarifies the understanding of the operating results of the Company. Adjusted operating income is defined as net income (loss) attributable to the Company, 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-related 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.

Non-GAAP Financial Measures (continued)

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

Adjusted Operating Shareholder's Equity and Adjusted Book Value: 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.

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

1) Elimination of non-credit impairment-related 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). 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 recognize 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.

Management uses adjusted book value, further adjusted to remove the effect of FG VIE and CIV consolidation, to measure the intrinsic value of the Company, excluding franchise value. Adjusted book value per share, further adjusted for FG VIE and CIV 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 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, which are not reflected in GAAP equity.

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.

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

Non-GAAP Financial Measures (continued)

Adjusted Operating Return on Equity (Adjusted Operating ROE): Adjusted Operating ROE represents adjusted operating income for a specified period divided by the average of adjusted operating 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: 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: 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 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 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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