

Assured Guaranty Inc.

September 30, 2026
Financial Supplement

ASSURED GUARANTY®

Assured Guaranty Inc.
September 30, 2026
Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the United States (U.S.) Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2025 and its Quarterly Report on Form 10-Q for the quarterly periods ended March 31, 2026, June 30, 2026 and September 30, 2026. For the purposes of this financial supplement, all references to the "Company" shall mean Assured Guaranty Inc. (AG) and its consolidated entities. Certain prior year balances have been reclassified to conform to the current year's presentation.

Cautionary Statement Regarding Forward Looking Statements

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include: (i) significant changes in inflation, interest rates, the world's credit markets or segments thereof, credit spreads, foreign exchange rates, tariff regimes or general economic conditions, including the possibility of a recession or stagflation; (ii) geopolitical risk, terrorism and political violence risk, including regional and global military conflicts, and strategic competition and trade confrontation; (iii) cybersecurity risk and the impacts of artificial intelligence, machine learning and other technological advances, including the possibility of malicious cyber attacks, dissemination of misinformation, and disruption of markets in which Assured Guaranty participates; (iv) the impact of a United States (U.S.) government shutdown and/or the possibility of 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 banking institutions, 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 or market rates of return of available insurance or reinsurance opportunities and/or the demand for Assured Guaranty's insurance and reinsurance; (vii) the failure or ineffectiveness of Assured Guaranty's risk mitigation strategies or activities, including distressed credit workouts, restructuring arrangements, management of exposure limits, hedging activities, and the procurement of third-party reinsurance for insured exposures; (viii) any rating agency action in relation to Assured Guaranty, and/or of any securities Assured Guaranty has issued, and/or of transactions that Assured Guaranty has insured, including requirements to maintain rating agency capital redundancy and to hold additional capital against certain insured exposures; (ix) the possibility that investments made by Assured Guaranty for its investment portfolio do not result in the benefits anticipated or subject Assured Guaranty to negative consequences; (x) the possibility that Assured Guaranty's strategies or strategic transactions do not result in the benefits anticipated and/or subject Assured Guaranty to negative consequences; (xi) the impact of the announcement of Assured Guaranty's strategies on Assured Guaranty and the perception of Assured Guaranty by its investors, regulators, rating agencies, and employees; (xii) loss of key personnel; (xiii) risks related to the expansion into annuity reinsurance and the launching of Assured Life Reinsurance Ltd.; (xiv) the failure of Assured Guaranty to successfully integrate acquired businesses, including Assured Guaranty's acquisition of Warwick Company (UK) Limited; (xv) the possibility that longevity, mortality, lapse, withdrawal or surrender experience in Assured Guaranty's annuity reinsurance business is less favorable than the rates Assured Guaranty used in pricing its reinsurance agreements; (xvi) the inability to control the business, management or policies of entities in which Assured Guaranty holds a noncontrolling interest; (xvii) 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, and its consolidated variable interest entities; (xviii) the possibility that budget or pension shortfalls, difficulties in obtaining additional financing, changes in applicable laws or regulations or other factors will result in credit losses or liquidity claims on obligations that Assured Guaranty insures or reinsures; (xix) 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; (xx) the possibility that underwriting insurance in new jurisdictions and/or covering new sectors, lines or classes of business does not result in the benefits anticipated or subjects Assured Guaranty to negative consequences; (xxi) increased competition, including from new market entrants and alternative forms of credit protection; (xxii) the inability of Assured Guaranty to access capital on acceptable terms or have sufficient liquidity to cover unexpected stress; (xxiii) noncompliance with, and/or changes in, applicable laws or regulations, including insurance, bankruptcy and tax laws, tariffs, or other governmental actions; (xxiv) the possibility that legal or regulatory decisions or determinations subject Assured Guaranty or obligations that it insures or reinsures to negative consequences; (xxv) difficulties or delays with the execution of Assured Guaranty's business strategy; (xxvi) changes in applicable accounting policies or practices; (xxvii) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (xxviii) natural or man-made catastrophes; (xxix) the impact of climate change on Assured Guaranty's business and regulatory actions taken related to such risk; (xxx) other risk factors identified in AGL's filings with the U.S. Securities and Exchange Commission; (xxxi) other risks and uncertainties that have not been identified at this time; and (xxxii) management's response to these factors. Assured Guaranty undertakes no obligation to update 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 of 2)

(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
GAAP [1] Highlights				
Net income (loss) attributable to AG	**$ 83**	**$ 102**	**$ 155**	**$ 334**
Gross written premiums (GWP)	**124**	**56**	**264**	**166**
Effective tax rate on net income	**15.3 %**	**15.0 %**	**15.6 %**	**17.7 %**
GAAP return on equity (ROE) [2]	**6.3 %**	**7.4 %**	**3.9 %**	**8.3 %**
Non-GAAP Highlights [3]				
Adjusted operating income (loss) [3]	$ 90	$ 117	$ 199	$ 294
Present value of new business production (PVP) [3]	126	85	267	177
Gross par written	6,524	8,777	20,598	22,871
Effective tax rate on adjusted operating income [4]	16.6 %	15.3 %	17.0 %	17.9 %
Adjusted operating ROE [2][3]	6.6 %	8.4 %	4.9 %	7.1 %
Effect of refundings, terminations and modifications on GAAP measures:				
Net earned premiums, pre-tax	**$ 14**	**$ 4**	**$ 16**	**$ 10**
Fair value gains (losses) of credit derivatives, pre-tax	**—**	**1**	**—**	**35**
Net income (loss) effect	**11**	**4**	**13**	**36**
Effect of refundings, terminations and modifications on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [5], pre-tax	$ 14	$ 5	$ 16	$ 45
Adjusted operating income (loss) [5] effect	11	4	13	36

1) Accounting principles generally accepted in the United States of America (GAAP).
2) Quarterly ROE calculations represent annualized returns. See page 6 for additional information on calculation.
3) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
4) Represents the ratio of adjusted operating provision for income taxes to adjusted operating income before income taxes.
5) 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 (2 of 2)

	As of	
	September 30, 2026	December 31, 2025
	(in millions)	
Shareholder's equity attributable to AG	**$ 5,210**	**$ 5,457**
Adjusted operating shareholder's equity [1]	5,464	5,474
Adjusted book value (ABV) [1]	7,538	7,600
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:		
Adjusted operating shareholder's equity	(7)	(9)
ABV	(11)	(14)
Claims-paying resources [2]	**$ 8,408**	**$ 8,418**

	As of	
	September 30, 2026	December 31, 2025
Exposure	(in billions)	
Financial guaranty net debt service outstanding	$ 345.6	$ 340.6
Financial guaranty net par outstanding:		
Investment grade	$ 208.4	$ 205.5
Below-investment-grade (BIG)	6.2	6.8
Total	$ 214.6	$ 212.3

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

Assured Guaranty Inc.

Condensed Consolidated Statements of Operations (unaudited)

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues				
Net earned premiums	$ 81	$ 69	$ 214	$ 203
Net investment income	79	79	225	226
Net realized investment gains (losses)	(7)	(10)	(29)	(28)
Fair value gains (losses) on credit derivatives	—	4	2	92
Fair value gains (losses) on committed capital securities (CCS)	(2)	8	(3)	9
Gains (losses) on FG VIEs	3	3	—	6
Foreign exchange gains (losses) on remeasurement	(1)	(18)	(23)	78
Fair value gains (losses) on trading securities	(2)	8	11	11
Other income (loss)	3	3	(1)	16
Total revenues	**154**	**146**	**396**	**613**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	1	(29)	15	43
Employee compensation and benefit expenses	40	40	131	127
Other expenses	23	31	79	83
Total expenses	**64**	**42**	**225**	**253**
Income (loss) before income taxes and equity in earnings (losses) of investees	**90**	**104**	**171**	**360**
Equity in earnings (losses) of investees	9	16	8	46
Income (loss) before income taxes	**99**	**120**	**179**	**406**
Less: Provision (benefit) for income taxes	14	18	27	72
Net income (loss)	**85**	**102**	**152**	**334**
Less: Noncontrolling interest	2	—	(3)	—
Net income (loss) attributable to AG	**$ 83**	**$ 102**	**$ 155**	**$ 334**

Assured Guaranty Inc.

Condensed Consolidated Balance Sheets (unaudited)

(in millions)

	As of	
	September 30, 2026	December 31, 2025
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 4,850	$ 5,230
Fixed-maturity securities, trading, at fair value	85	124
Short-term investments, at fair value	677	662
Equity method investments	464	526
Other invested assets	189	12
Total investments	6,265	6,554
Cash	134	133
Loan receivable from affiliate	200	200
Premiums receivable, net of commissions payable	1,492	1,524
Ceded unearned premium reserve	810	795
Reinsurance recoverable on unpaid losses	70	80
Salvage and subrogation recoverable	453	449
FG VIEs' assets	192	212
Other assets	259	246
Total assets	**$ 9,875**	**$ 10,193**
Liabilities		
Unearned premium reserve	$ 3,576	$ 3,572
Loss and LAE reserve	238	264
Reinsurance balances payable, net	394	361
FG VIEs' liabilities	179	198
Other liabilities	253	313
Total liabilities	**4,640**	**4,708**
Shareholder's equity		
Preferred stock	—	—
Common stock	15	15
Additional paid-in capital	618	618
Retained earnings	4,928	4,946
Accumulated other comprehensive income (loss)	(351)	(122)
Total shareholder's equity attributable to AG	**5,210**	**5,457**
Noncontrolling interest	25	28
Total shareholder's equity	**5,235**	**5,485**
Total liabilities and shareholder's equity	**$ 9,875**	**$ 10,193**

Assured Guaranty Inc.

Adjusted Operating Income Adjustments and Effect of FG VIE Consolidation

(in millions)

	Three Months Ended September 30, 2026		Three Months Ended September 30, 2025	
	Adjusted Operating Income Adjustments [1]	Effect of FG VIE Consolidation [2]	Adjusted Operating Income Adjustments [1]	Effect of FG VIE Consolidation [2]
Adjustments to revenues:				
Net earned premiums	$ —	$ (1)	$ —	$ (1)
Net investment income	—	—	—	(1)
Net realized investment gains (losses)	(7)	—	(10)	—
Fair value gains (losses) on credit derivatives	(1)	—	—	—
Fair value gains (losses) on CCS	(2)	—	8	—
Gains (losses) on FG VIEs	—	3	—	3
Foreign exchange gains (losses) on remeasurement	(1)	—	(16)	—
Other income (loss)	—	—	—	(2)
Total revenue adjustments	(11)	2	(18)	(1)
Adjustments to expenses:				
Loss expense	—	1	—	1
Total expense adjustments	—	1	—	1
Pre-tax adjustments	(11)	1	(18)	(2)
Less: Tax effect of adjustments	(4)	—	(3)	(1)
Less: Noncontrolling interest	—	2	—	—
After-tax adjustments	$ (7)	$ (1)	$ (15)	$ (1)

	Nine Months Ended September 30, 2026		Nine Months Ended September 30, 2025	
	Adjusted Operating Income Adjustments [1]	Effect of FG VIE Consolidation [2]	Adjusted Operating Income Adjustments [1]	Effect of FG VIE Consolidation [2]
Adjustments to revenues:				
Net earned premiums	$ —	$ (3)	$ —	$ (2)
Net investment income	—	(2)	—	(2)
Net realized investment gains (losses)	(29)	—	(28)	—
Fair value gains (losses) on credit derivatives	(3)	—	51	—
Fair value gains (losses) on CCS	(3)	—	9	—
Gains (losses) on FG VIEs	—	—	—	6
Foreign exchange gains (losses) on remeasurement	(21)	—	69	—
Other income (loss)	—	—	1	(2)
Total revenue adjustments	(56)	(5)	102	—
Adjustments to expenses:				
Loss expense	—	—	54	2
Total expense adjustments	—	—	54	2
Pre-tax adjustments	(56)	(5)	48	(2)
Less: Tax effect of adjustments	(12)	(1)	8	(1)
Less: Noncontrolling interest	—	(3)	—	—
After-tax adjustments	$ (44)	$ (1)	$ 40	$ (1)

1) Represents the amounts recorded in the condensed consolidated 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.

2) Represents the 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.

Assured Guaranty Inc.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (1 of 2)

(dollars in millions)

Adjusted Operating Income Reconciliation	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2026	**2025**	**2026**	**2025**
Net income (loss) attributable to AG	**$ 83**	**$ 102**	**$ 155**	**$ 334**
Less pre-tax adjustments:				
Realized gains (losses) on investments [1]	(7)	(10)	(29)	(27)
Non-credit impairment-related fair value gains (losses) on credit derivatives	(1)	—	(3)	(3)
Fair value gains (losses) on CCS	(2)	8	(3)	9
Foreign exchange gains (losses) on remeasurement of certain assets and liabilities	(1)	(16)	(21)	69
Total pre-tax adjustments	(11)	(18)	(56)	48
Less tax effect on pre-tax adjustments	4	3	12	(8)
Adjusted operating income (loss)	$ 90	$ 117	$ 199	$ 294

ROE Reconciliation and Calculation	**As of**					
	September 30, 2026	**June 30, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**	**December 31, 2024**
Shareholder's equity attributable to AG	**$ 5,210**	**$ 5,371**	**$ 5,457**	**$ 5,417**	**$ 5,605**	**$ 5,376**
Adjusted operating shareholder's equity	5,464	5,449	5,474	5,457	5,682	5,585
Gain (loss) related to FG VIE and consolidated investment vehicle (CIV) consolidation included in adjusted operating shareholder's equity	**(7)**	**(7)**	**(9)**	**(8)**	**(8)**	**(7)**

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2026	**2025**	**2026**	**2025**
Net income (loss) attributable to AG	**$ 83**	**$ 102**	**$ 155**	**$ 334**
Adjusted operating income (loss)	90	117	199	294
Average shareholder's equity attributable to AG	**$ 5,291**	**$ 5,511**	**$ 5,334**	**$ 5,397**
Average adjusted operating shareholder's equity	5,457	5,570	5,469	5,521
Gain (loss) related to FG VIE and CIV consolidation included in average adjusted operating shareholder's equity	**(7)**	**(8)**	**(8)**	**(8)**
GAAP ROE [2]	**6.3 %**	**7.4 %**	**3.9 %**	**8.3 %**
Adjusted operating ROE [2]	6.6 %	8.4 %	4.9 %	7.1 %

1) This is net of reinsurer's share of realized gains (losses).
2) Quarterly ROE calculations represent annualized returns.

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

Assured Guaranty Inc.

Selected Financial Highlights

GAAP to Non-GAAP Reconciliations (2 of 2)

(in millions)

	As of					
	September 30, 2026	June 30, 2026	December 31, 2025	September 30, 2025	June 30, 2025	December 31, 2024
Reconciliation of shareholder's equity attributable to AG to ABV:						
Shareholder's equity attributable to AG	**$ 5,210**	**$ 5,371**	**$ 5,457**	**$ 5,417**	**$ 5,605**	**$ 5,376**
Less pre-tax adjustments:						
Non-credit impairment-related fair value gains (losses) on credit derivatives	55	57	59	51	51	54
Fair value gains (losses) on CCS	18	20	22	12	3	2
Unrealized gains (losses) on investment portfolio	(404)	(190)	(121)	(129)	(171)	(320)
Less taxes	77	35	23	26	40	55
Adjusted operating shareholder's equity	5,464	5,449	5,474	5,457	5,682	5,585
Pre-tax adjustments:						
Less: Deferred acquisition costs	(25)	(28)	(37)	(41)	(46)	(53)
Plus: Net present value of estimated net future revenue [1]	79	80	83	85	88	91
Plus: Net deferred revenues on insurance contracts [1]	2,532	2,494	2,582	2,602	2,622	2,690
Plus taxes	(562)	(554)	(576)	(581)	(587)	(605)
ABV	$ 7,538	$ 7,497	$ 7,600	$ 7,604	$ 7,851	$ 7,814
Gain (loss) related to FG VIE and CIV consolidation included in:						
Adjusted operating shareholder's equity (net of tax provision (benefit) of $(2), $(2), $(2), $(2), $(2) and $(2))	$ (7)	$ (7)	$ (9)	$ (8)	$ (8)	$ (7)
ABV (net of tax provision (benefit) of $(3), $(3), $(3), $(3), $(4) and $(3))	$ (11)	$ (12)	$ (14)	$ (14)	$ (13)	$ (15)

1) The timing and cumulative amount of actual collections and net earned premiums may differ from expected collections and expected net earned premiums due to factors such as foreign exchange rate fluctuations, counterparty collectability issues, accelerations, commutations, restructurings, changes in the consumer price indices, changes in expected lives, new business and changes in ratings of the insured obligations.

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

	As of September 30, 2026 (in millions)
Claims-paying resources	
Policyholders' surplus	$ 3,102
Contingency reserve	1,599
Qualified statutory capital	**4,701**
Unearned premium reserve and net deferred ceding commission income [1]	2,415
Loss and LAE reserves [1][2]	—
Total policyholders' surplus and reserves	**7,116**
Present value of installment premium [1][6][7]	892
CCS	400
Total claims-paying resources	**$ 8,408**
	(dollars in billions)
Statutory net par outstanding [1][3]	$ 213.6
Net debt service outstanding [1][3]	344.5
Ratios:	
Statutory net par outstanding to qualified statutory capital	45:1
Capital ratio [4]	73:1
Financial resources ratio [5]	41:1
Statutory net par outstanding to claims-paying resources	25:1
Separate company statutory basis:	**(in millions)**
Admitted assets	$ 6,898
Total liabilities	3,796
Loss and LAE reserves (recoverable)	(124)
Paid in capital stock	197

1) The numbers shown for AG include those of its insurance subsidiaries, Assured Guaranty UK Limited (AGUK) and Assured Guaranty (Europe) SA (AGE).
2) Loss and LAE reserves exclude adjustments to claims-paying resources for AG because the balance was in a net recoverable position of $106 million.
3) Net par outstanding and net debt service outstanding are presented on a statutory basis.
4) The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
5) The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.
6) The timing and cumulative amount of actual collections and net earned premiums may differ from expected collections and expected net earned premiums due to factors such as foreign exchange rate fluctuations, counterparty collectability issues, accelerations, commutations, restructurings, changes in the consumer price indices, changes in expected lives, new business and changes in ratings of the insured obligations.
7) Present value of installment premium is discounted at a rate of 4.5%, which is based on prior year purchases of fixed-maturity securities by external investment managers, usually applying a materiality threshold of 50 basis points.

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

Assured Guaranty Inc.

New Business Production

(in millions)

Reconciliation of GWP to PVP

	Three Months Ended September 30, 2026					Three Months Ended September 30, 2025				
	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	**$ 87**	**$ 21**	**$ 11**	**$ 5**	**$ 124**	**$ 78**	**$ (14)**	**$ (1)**	**$ (7)**	**$ 56**
Less: Installment GWP and other GAAP adjustments [1]	37	21	5	5	68	32	(14)	(1)	(7)	10
Upfront GWP	50	—	6	—	56	46	—	—	—	46
Plus: Installment premiums and other	43	20	2	5	70	32	4	—	3	39
Total PVP	$ 93	$ 20	$ 8	$ 5	$ 126	$ 78	$ 4	$ —	$ 3	$ 85
Gross par written	**$ 5,566**	**$ 284**	**$ 118**	**$ 556**	**$ 6,524**	**$ 7,850**	**$ 176**	**$ 42**	**$ 709**	**$ 8,777**

	Nine Months Ended September 30, 2026					Nine Months Ended September 30, 2025				
	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	**$ 187**	**$ 37**	**$ 23**	**$ 17**	**$ 264**	**$ 175**	**$ (7)**	**$ 4**	**$ (6)**	**$ 166**
Less: Installment GWP and other GAAP adjustments [1]	55	37	17	17	126	64	(7)	3	(6)	54
Upfront GWP	132	—	6	—	138	111	—	1	—	112
Plus: Installment premiums and other	65	30	17	17	129	40	18	2	5	65
Total PVP	$ 197	$ 30	$ 23	$ 17	$ 267	$ 151	$ 18	$ 3	$ 5	$ 177
Gross par written	**$ 15,592**	**$ 738**	**$ 1,521**	**$ 2,747**	**$ 20,598**	**$ 20,981**	**$ 648**	**$ 168**	**$ 1,074**	**$ 22,871**

1) Includes the present value of new business on installment policies discounted at the prescribed GAAP discount rates, and 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

(in millions)

Gross Par Written by Asset Type

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Sector:				
U.S. public finance:				
General obligation	$ 1,802	$ 2,529	$ 6,951	$ 7,595
Infrastructure finance	1,500	—	2,405	140
Tax backed	429	1,543	1,777	4,527
Municipal utilities	930	775	1,760	2,242
Healthcare	241	1,478	1,452	2,947
Transportation	624	1,103	1,062	2,132
Higher education	33	422	139	1,367
Other public finance	7	—	46	31
Total U.S. public finance	5,566	7,850	15,592	20,981
Non-U.S. public finance:				
Regulated utilities	—	176	362	316
Infrastructure finance	284	—	343	228
Sovereign and sub-sovereign	—	—	33	104
Total non-U.S. public finance	284	176	738	648
Total public finance	**5,850**	**8,026**	**16,330**	**21,629**
U.S. structured finance:				
Fund finance facilities	—	6	688	101
Insurance securitizations	—	—	320	—
Pooled corporate obligations	—	35	—	53
CMBS	100	—	100	—
Other structured finance	18	1	413	14
Total U.S. structured finance	118	42	1,521	168
Non-U.S. structured finance:				
Fund finance facilities	455	615	2,646	980
Pooled corporate obligations	—	94	—	94
Other structured finance	101	—	101	—
Total non-U.S. structured finance	556	709	2,747	1,074
Total structured finance	**674**	**751**	**4,268**	**1,242**
Total gross par written	**$ 6,524**	**$ 8,777**	**$ 20,598**	**$ 22,871**

Please refer to the Glossary for a description of sectors.

Assured Guaranty Inc.

Investment Portfolio and Cash

(in millions)

	As of	
	September 30, 2026	December 31, 2025
Fixed-maturity securities, available-for-sale	$ 4,850	$ 5,230
Fixed-maturity securities, trading [1]	85	124
Short-term investments	677	662
Equity method investments:		
Collateralized loan obligations (CLOs)	49	85
Private healthcare investing	182	149
Asset-based/specialty finance	87	184
Commercial real estate finance	102	81
Other	44	27
Total equity method investments	464	526
Other invested assets	189	12
Cash	134	133
Total investment portfolio and cash	**$ 6,399**	**$ 6,687**

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

Assured Guaranty Inc.

Fixed-Maturity Securities, Short-Term Investments and Cash

As of September 30, 2026

(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]	$ 1,256	$ (14)	4.23 %	3.56 %	$ 1,148	$ 53
U.S. government and agencies	30	—	3.22	2.79	24	1
Corporate securities [2]	2,435	(8)	4.63	3.88	2,260	113
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) [2][3]	587	(28)	5.43	4.29	508	32
Commercial mortgage-backed securities	190	—	4.56	3.61	183	9
Asset-backed securities (ABS):						
CLOs	466	(28)	10.64	8.41	374	50
Other ABS [2]	212	—	6.25	4.94	210	13
Non-U.S. government securities	156	—	3.62	3.59	143	5
Total fixed-maturity securities, available-for-sale	5,332	(78)	5.17	4.26	4,850	276
Short-term investments	677	—	3.70	2.95	677	25
Cash [4]	134	—	—	—	134	—
Total	**$ 6,143**	**$ (78)**	**5.01 %**	**4.11 %**	**$ 5,661**	**$ 301**

Fixed-maturity securities, trading [5]	**$ 85**

Ratings [6]:	Fair Value	% of Portfolio
U.S. government and agencies	$ 24	0.5 %
AAA/Aaa	755	15.6
AA/Aa	1,528	31.5
A/A	1,239	25.5
BBB	899	18.5
BIG	211	4.4
Not rated [7]	194	4.0
Total fixed-maturity securities, available-for-sale	$ 4,850	100.0 %

Duration of available-for-sale fixed-maturity securities and short-term investments (in years):	**4.5**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes securities insured by the Company with expected losses that it subsequently purchased in order to mitigate the economic effect of such insured expected losses (Loss Mitigation Securities) or securities obtained as part of other risk management strategies. Corporate securities include taxable securities issued by universities and hospitals.
3) Includes fair value of $134 million in subprime RMBS, of which 94% were rated BIG.
4) Cash is not included in the yield calculation.
5) Primarily includes CVIs received in connection with the 2022 resolution of the Company's exposure to insured Puerto Rico credits experiencing payment default other than PREPA. These securities are not rated.
6) Ratings generally reflect the lower of Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC classifications except for Loss Mitigation Securities and certain other securities, which use internal ratings classifications. Loss Mitigation Securities and other securities total $429 million in par with carrying value of $266 million and are primarily included in the BIG category.
7) Primarily includes CLO subordinated notes.

Assured Guaranty Inc.

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

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance [2]			
			Earnings of Deferred Premium Revenue	Accretion of Discount	Effect of FG VIE Consolidation on Earnings of Deferred Premium Revenue and Accretion of Discount	Future Credit Derivative Revenues [3]
	(in billions)		(in millions)			
2026 (as of September 30)		$ 345.6				
2026 Q4	$ 5.0	340.6	$ 60	$ 8	$ 1	$ 2
2027	18.5	322.1	226	29	4	7
2028	18.0	304.1	210	28	3	7
2029	17.7	286.4	194	26	2	6
2030	18.3	268.1	182	25	2	5
2026-2030	77.5	268.1	872	116	12	27
2031-2035	80.2	187.9	727	110	8	23
2036-2040	63.0	124.9	480	82	3	17
2041-2045	46.1	78.8	317	55	—	11
2046-2050	36.7	42.1	205	32	—	4
2051-2055	24.8	17.3	101	15	—	—
After 2055	17.3	—	83	14	—	—
Total	**$ 345.6**		**$ 2,785**	**$ 424**	**$ 23**	**$ 82**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of September 30, 2026. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations, terminations and because of management's assumptions on structured finance amortization.
2) See also page 16, ''Net Expected Loss to be Expensed.''
3) Represents expected future premiums on insured credit derivatives.

Assured Guaranty Inc.

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

(in millions)

Roll Forward of Net Expected Loss and LAE to be Paid (Recovered) [1] for the Three Months Ended September 30, 2026

	Net Expected Loss to be Paid (Recovered) as of June 30, 2026	Net Economic Loss Development (Benefit) During 3Q-26	Net (Paid) Recovered Losses During 3Q-26	Net Expected Loss to be Paid (Recovered) as of September 30, 2026
Public Finance:				
U.S. public finance	$ 23	$ (16)	$ (41)	$ (34)
Non-U.S. public finance	108	(4)	2	106
Public Finance	131	(20)	(39)	72
Structured Finance:				
U.S. RMBS	(37)	(4)	8	(33)
Other structured finance	12	—	—	12
Structured Finance	(25)	(4)	8	(21)
Total	**$ 106**	**$ (24)**	**$ (31)**	**$ 51**

Roll Forward of Net Expected Loss and LAE to be Paid (Recovered) [1] for the Nine Months Ended September 30, 2026

	Net Expected Loss to be Paid (Recovered) as of December 31, 2025	Net Economic Loss Development (Benefit) During 2026	Net (Paid) Recovered Losses During 2026	Net Expected Loss to be Paid (Recovered) as of September 30, 2026
Public Finance:				
U.S. public finance	$ (39)	$ 57	$ (52)	$ (34)
Non-U.S. public finance	103	1	2	106
Public Finance	64	58	(50)	72
Structured Finance:				
U.S. RMBS	(48)	(7)	22	(33)
Other structured finance	12	—	—	12
Structured Finance	(36)	(7)	22	(21)
Total	**$ 28**	**$ 51**	**$ (28)**	**$ 51**

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

Please refer to the Glossary for a description of sectors.

Assured Guaranty Inc.

Loss Measures

	As of September 30, 2026	Three Months Ended September 30, 2026		
	Total Net Par Outstanding for BIG Transactions	Net Economic Loss Development (Benefit)	GAAP Loss and LAE [1]	Loss and LAE included in Adjusted Operating Income [2]
Public finance:	(in billions)		(in millions)	
U.S. public finance	$ 2.50	**$ (16)**	**$ —**	$ —
Non-U.S. public finance	3.04	**(4)**	**—**	—
Public finance	5.54	**(20)**	**—**	—
Structured finance:				
U.S. RMBS	0.68	**(4)**	**1**	1
Other structured finance	0.02	**—**	**—**	—
Structured finance	0.70	**(4)**	**1**	1
Total	**$ 6.24**	**$ (24)**	**$ 1**	$ 1

	As of September 30, 2026	Nine Months Ended September 30, 2026		
	Total Net Par Outstanding for BIG Transactions	Net Economic Loss Development (Benefit)	GAAP Loss and LAE [1]	Loss and LAE included in Adjusted Operating Income [2]
Public finance:	(in billions)		(in millions)	
U.S. public finance	$ 2.50	**$ 57**	**$ 4**	$ 4
Non-U.S. public finance	3.04	**1**	**9**	9
Public finance	5.54	**58**	**13**	13
Structured finance:				
U.S. RMBS	0.68	**(7)**	**2**	2
Other structured finance	0.02	**—**	**—**	—
Structured finance	0.70	**(7)**	**2**	2
Total	**$ 6.24**	**$ 51**	**$ 15**	$ 15

1) Includes loss expense related to contracts that are accounted for as insurance contracts.
2) Includes loss expense related to contracts that are accounted for as insurance contracts and credit derivatives.

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, 2026

(dollars in millions)

	GAAP
2026 Q4	**$ 3**
2027	**14**
2028	**17**
2029	**16**
2030	**15**
2026-2030	**65**
2031-2035	**75**
2036-2040	**43**
2041-2045	**30**
2046-2050	**26**
2051-2055	**12**
After 2055	**2**
Total expected present value of net expected loss to be expensed [2]	**253**
Future expected accretion	**(39)**
Total expected future loss and LAE	**$ 214**

1) The present value of net expected loss to be paid is discounted using risk-free rates for U.S. and non-U.S. currencies rates ranging from 2.44% to 6.07%.
2) Excludes $17 million related to FG VIEs, which are eliminated in consolidation.

Assured Guaranty Inc.

Financial Guaranty Profile (1 of 3)

(in billions)

Net Par Outstanding by Asset Type

	As of September 30, 2026	As of December 31, 2025
U.S. public finance:		
General obligation	$ 64.6	$ 63.3
Tax backed	27.9	27.9
Municipal utilities	24.9	25.0
Transportation	22.7	18.9
Healthcare	14.5	13.8
Infrastructure finance	9.4	11.7
Higher education	6.0	6.3
Renewable energy	0.2	0.1
Other public finance	0.7	0.8
Total U.S. public finance	170.9	167.8
Non-U.S. public finance:		
Regulated utilities	15.7	15.7
Infrastructure finance	12.9	13.3
Sovereign and sub-sovereign	6.4	7.2
Renewable energy	0.8	1.3
Pooled infrastructure	0.6	0.6
Total non-U.S. public finance	36.4	38.1
Total public finance	**207.3**	**205.9**
U.S. structured finance:		
Insurance reserve financings and securitizations	1.7	1.6
RMBS	1.2	1.3
Financial products	0.4	0.4
Fund finance facilities	0.3	0.1
Pooled corporate obligations	0.3	0.5
Other structured finance	1.0	0.7
Total U.S. structured finance	4.9	4.6
Non-U.S. structured finance:		
Fund finance facilities	1.6	0.8
Pooled corporate obligations	0.2	0.4
RMBS	0.2	0.2
Other structured finance	0.4	0.4
Total non-U.S. structured finance	2.4	1.8
Total structured finance	**7.3**	**6.4**
Total net par outstanding	**$ 214.6**	**$ 212.3**

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, 2026

(dollars in billions)

Distribution by Rating 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	$ —	— %	$ 0.7	1.9 %	$ 0.4	7.4 %	$ 0.3	12.0 %	$ 1.4	0.6 %
AA	15.5	9.1	1.2	3.3	2.7	55.5	0.8	29.8	20.2	9.5
A	98.8	57.8	8.6	23.5	0.8	17.3	1.3	56.4	109.5	51.0
BBB	54.1	31.6	22.9	63.0	0.3	5.4	—	1.8	77.3	36.0
BIG	2.5	1.5	3.0	8.3	0.7	14.4	—	—	6.2	2.9
Net Par Outstanding [1]	**$ 170.9**	**100.0 %**	**$ 36.4**	**100.0 %**	**$ 4.9**	**100.0 %**	**$ 2.4**	**100.0 %**	**$ 214.6**	**100.0 %**

1) As of September 30, 2026, the Company excluded $0.8 billion of net par outstanding attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding [1][2]	% of Total
Affiliated reinsurers	$ 62.9	99.9 %
Non-affiliated reinsurers	0.1	0.1
Total	**$ 63.0**	**100.0 %**

1) Of the total par ceded to non-affiliated reinsurers, $0.01 billion is rated BIG.
2) The total collateral posted by all affiliated and non-affiliated reinsurers required to post, or that had agreed to post, collateral was approximately $529 million as of September 30, 2026.

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

Assured Guaranty Inc.

Financial Guaranty Profile (3 of 3)

As of September 30, 2026

(dollars in billions)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 28.7	13.4 %
Texas	23.1	10.8
New York	17.1	8.0
Pennsylvania	14.5	6.8
Florida	10.2	4.8
Illinois	9.9	4.6
New Jersey	5.6	2.6
Colorado	4.1	1.9
Michigan	4.1	1.9
Louisiana	4.0	1.9
Other	49.6	23.1
Total U.S. public finance	170.9	79.8
U.S. structured finance (multiple states)	4.9	2.3
Total U.S.	**175.8**	**82.1**
Non-U.S.:		
United Kingdom	30.1	14.0
France	1.7	0.8
Spain	1.4	0.6
Canada	0.9	0.4
Australia	0.7	0.3
Other	4.0	1.8
Total non-U.S.	**38.8**	**17.9**
Total net par outstanding	**$ 214.6**	**100.0 %**

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

Assured Guaranty Inc.

Expected Amortization of Net Par Outstanding

(in billions)

	Public Finance				Structured Finance	
	U.S. Public Finance	Non-U.S. Public Finance	Total	Estimated Ending Net Par Outstanding	Total	Estimated Ending Net Par Outstanding
2026 (as of September 30)				$ 207.3		$ 7.3
2026 Q4	$ 1.9	$ 0.6	$ 2.5	204.8	$ 0.4	6.9
2027	6.6	1.0	7.6	197.2	1.5	5.4
2028	6.9	1.0	7.9	189.3	1.3	4.1
2029	7.1	1.5	8.6	180.7	0.7	3.4
2030	7.5	2.4	9.9	170.8	0.4	3.0
2026-2030	30.0	6.5	36.5	170.8	4.3	3.0
2031-2035	37.0	8.3	45.3	125.5	1.3	1.7
2036-2040	32.5	5.5	38.0	87.5	0.9	0.8
2041-2045	26.9	2.2	29.1	58.4	0.2	0.6
2046-2050	23.5	2.4	25.9	32.5	0.3	0.3
2051-2055	14.4	4.7	19.1	13.4	0.3	—
After 2055	6.6	6.8	13.4	—	—	—
Total	**$ 170.9**	**$ 36.4**	**$ 207.3**		**$ 7.3**	

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

Assured Guaranty Inc.

Puerto Rico Profile
As of September 30, 2026
(in millions)

	Net Par Outstanding	Gross Par Outstanding
Defaulted Puerto Rico Exposure		
PREPA	$ 246	$ 336
Non-Defaulting Puerto Rico Exposures		
Puerto Rico Municipal Finance Agency	$ 35	$ 44
University of Puerto Rico	1	1
Total non-defaulting	$ 36	$ 45

PREPA Amortization Schedule

	Scheduled Net Par Amortization	Scheduled Net Debt Service Amortization
2026 (October 1 - December 31)	$ —	$ 1
2027 (January 1 - March 31)	—	5
2027 (April 1 - June 30)	—	1
2027 (July 1 - September 30)	76	81
2027 (October 1 - December 31)	—	1
Subtotal 2027	76	88
2028	46	53
2029	31	37
2030	26	31
2031-2037	67	70
Total	**$ 246**	**$ 280**

Assured Guaranty Inc.

Direct Pooled Corporate Obligations Profile

As of September 30, 2026

(dollars in billions)

Distribution of Direct Pooled Corporate Obligations by Rating

	Net Par Outstanding	% of Total	Average Initial Credit Enhancement	Average Current Credit Enhancement
Ratings:				
AAA	$ 0.29	48.5 %	41.3%	52.8%
AA	0.19	32.0	57.1%	42.6%
A	0.11	18.3	36.9%	42.3%
BBB	0.01	1.2	22.9%	24.1%
Total exposures	**$ 0.60**	**100.0 %**	**45.4%**	**47.3%**

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:					
CLOs	$ 0.45	75.4 %	46.0 %	40.1 %	9
Trust preferred	0.15	24.6	43.3 %	69.2 %	9
Total exposures	**$ 0.60**	**100.0 %**	**45.4 %**	**47.3 %**	**18**

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, 2026

(dollars in billions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	Net Par Outstanding	% of Total
AAA	$ 0.6	32.0 %
AA	0.9	48.2
A	0.2	9.0
BBB	0.2	9.5
BIG	—	1.3
Total credit derivative net par outstanding	**$ 1.9**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector

	Net Par Outstanding
Public finance:	
U.S. public finance	$ 0.9
Non-U.S. public finance	0.7
Total public finance	**1.6**
U.S. structured finance:	
Pooled corporate obligations	0.1
RMBS	0.1
Total U.S. structured finance	0.2
Non-U.S. structured finance:	
RMBS	0.1
Total non-U.S. structured finance	0.1
Total structured finance	**0.3**
Total credit derivative net par outstanding	**$ 1.9**

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

Assured Guaranty Inc.

Below Investment Grade Exposures (1 of 3)

(in billions)

BIG Exposures by Asset Exposure Type

	As of	
	September 30, 2026	**December 31, 2025**
U.S. public finance:		
Transportation	$ 1.05	$ 0.09
Healthcare	0.75	0.75
Municipal utilities	0.39	0.50
General obligation	0.14	0.16
Tax backed	0.04	0.07
Infrastructure finance	0.03	1.00
Other public finance	0.10	0.11
Total U.S. public finance	2.50	2.68
Non-U.S. public finance:		
Regulated utilities	1.63	1.64
Infrastructure finance	0.93	1.03
Renewable energy	0.48	0.74
Total non-U.S. public finance	3.04	3.41
Total public finance	**5.54**	**6.09**
U.S. structured finance:		
RMBS	0.68	0.73
Insurance reserve financings and securitizations	0.01	—
Other structured finance	0.01	0.01
Total U.S. structured finance	0.70	0.74
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**0.70**	**0.74**
Total BIG net par outstanding	**$ 6.24**	**$ 6.83**

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

Assured Guaranty Inc.

Below Investment Grade Exposures (2 of 3)

(dollars in billions)

Net Par Outstanding by BIG Surveillance Category [1]

	As of	
	September 30, 2026	**December 31, 2025**
BIG Category 1		
U.S. public finance	$ 1.83	$ 1.96
Non-U.S. public finance	0.58	0.93
U.S. structured finance	0.16	0.16
Non-U.S. structured finance	—	—
Total BIG Category 1	2.57	3.05
BIG Category 2		
U.S. public finance	0.36	0.33
Non-U.S. public finance	2.46	2.48
U.S. structured finance	0.02	0.03
Non-U.S. structured finance	—	—
Total BIG Category 2	2.84	2.84
BIG Category 3		
U.S. public finance	0.31	0.39
Non-U.S. public finance	—	—
U.S. structured finance	0.52	0.55
Non-U.S. structured finance	—	—
Total BIG Category 3	0.83	0.94
BIG Total	**$ 6.24**	**$ 6.83**

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

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

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

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

Assured Guaranty Inc.

Below Investment Grade Exposures (3 of 3)

As of September 30, 2026

(dollars in millions)

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

Name or description	Net Par Outstanding	Internal Rating [1]	60+ Day Delinquencies
U.S. public finance:			
Brightline Trains Florida LLC	$ 963	CCC	
Westchester Medical Center	454	BB+	
Palomar Health	290	CCC	
PREPA	246	CCC	
Jackson Water & Sewer System, Mississippi	80	BB	
Harrisburg Parking System, Pennsylvania	61	B	
Total U.S. public finance	**2,094**		
Non-U.S. public finance:			
Thames Water Utilities Finance Plc	1,632	B	
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	540	B+	
University of Essex, United Kingdom	281	BB	
Hypersol Solar Inversiones, S.A.U.	199	BB	
Q Energy - Phase III - FSL Issuer, S.A.U.	190	B+	
Dartford & Gravesham NHS Trust The Hospital Company (Dartford) Plc	100	BB+	
Q Energy - Phase IV - Anselma Issuer, S.A.	83	BB+	
Total non-U.S. public finance	3,025		
Total public finance	**5,119**		
U.S. structured finance:			
RMBS:			
Option One Mortgage Loan Trust 2007-HL1	93	CCC	19.6%
Argent Securities Inc. 2005-W4	92	CCC	8.1%
Option One 2007-FXD2	84	BB	14.0%
Total RMBS - U.S. structured finance	**269**		
Total non-U.S. structured finance	—		
Total structured finance	**269**		
Total	**$ 5,388**		

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, 2026

(in millions)

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

Credit Name:	Net Par Outstanding	Internal Rating
JFK New Terminal One, New York	$ 1,756	BBB-
Pennsylvania (Commonwealth of)	1,409	BBB
New Jersey (State of)	1,405	BBB
Metro Washington Airports Authority (Dulles Toll Road)	1,365	BBB+
Alameda Corridor Transportation Authority, California	1,228	BBB
New York Power Authority	1,110	AA-
Private Transaction	1,102	A+
Foothill/Eastern Transportation Corridor Agency, California	1,093	A-
Lower Colorado River Authority (LCRA Transmission Services Corporation Project)	1,093	A
South Carolina Public Service Authority - Santee Cooper	1,075	A-
CommonSpirit Health, Illinois	1,016	A-
Brightline Trains Florida LLC	963	CCC
New York Metropolitan Transportation Authority	956	A-
Philadelphia Water & Wastewater, Pennsylvania	948	A
Montefiore Medical Center, New York	945	BBB-
North Texas Tollway Authority	943	A+
San Diego Family Housing, LLC	845	AA
Central Florida Expressway Authority, Florida	838	A+
San Joaquin Hills Transportation, California	814	BBB+
Pittsburgh International Airport, Pennsylvania	804	A-
JFK Terminal 6, New York	789	BBB-
North Carolina Turnpike Authority	786	BBB
Thomas Jefferson University	769	A-
ProMedica Healthcare Obligated Group, Ohio	756	BBB
Municipal Electric Authority of Georgia	706	BBB+
Harris County - Houston Sports Authority, Texas	697	A-
Maine (State of)	692	A
Yankee Stadium LLC New York City Industrial Development Authority	683	BBB+
Sacramento City Unified School District, California	670	BBB-
Pittsburgh Water & Sewer, Pennsylvania	667	A-
Miami-Dade County Seaport, Florida	645	A-
Houston Airport System, Texas	644	A
Houston Hotel Occupancy Tax, Texas	622	A-
Beth Israel Lahey Health, Massachusetts	599	A-
Chicago Water, Illinois	597	BBB+
Alabama Highway Authority	593	AA-
Philadelphia School District, Pennsylvania	590	A-
California (State of)	589	AA-
Metropolitan Pier and Exposition Authority, Illinois	580	BBB-
Chicago-O'Hare International Airport, Illinois	545	A-
Downtown Revitalization Public Infrastructure District, Utah	544	A
Clark County School District, Nevada	533	A-
Tucson (City of), Arizona	513	A+
Illinois (State of)	505	BBB
Chicago (City of) Wastewater Transmission, Illinois	499	BBB+
New York Transportation Development Corporation (LaGuardia Airport Terminal Redevelopment Project)	483	BBB
Palomar Health	482	B-
Anaheim (City of), California	480	A-
Mets Queens Ballpark	471	BBB+
Los Angeles International Airport (Customer Facility Charge), California	464	A
Total top 50 U.S. public finance exposures	**$ 39,901**	

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, 2026

(in millions)

25 Largest U.S. Structured Finance Exposures

Credit Name:	Net Par Outstanding	Internal Rating [1]
Private US Insurance Reserve Financing	$ 690	AA-
Private Collateralized Transaction	277	AA+
Private US Insurance Reserve Financing	187	AA-
Private US Insurance Reserve Financing	186	AA-
Private US Insurance Reserve Financing	174	AA-
Private US Insurance Reserve Financing	165	AA
Private US Insurance Securitization	159	A
Private Middle Market CLO	109	AA
Private US Insurance Securitization	94	AA
Option One Mortgage Loan Trust 2007-HL1	93	CCC
Argent Securities Inc. 2005-W4	92	CCC
Private Balloon Note Guarantee	85	A
CWABS 2007-4	85	BBB+
Option One 2007-FXD2	84	BB
Private Middle Market CLO	81	A
Private Balloon Note Guarantee	70	A
Private Fund Finance Transaction	67	A+
Private Balloon Note Guarantee	59	BBB
SLM Student Loan Trust 2007-A	59	A
Private Fund Finance Transaction	52	A-
Private Fund Finance Transaction	49	AA-
Private Fund Finance Transaction	46	A
Private Balloon Note Guarantee	42	A
Nomura Asset Accept. Corp. 2007-1	41	CCC
Soundview 2007-WMC1	39	CCC
Total top 25 U.S. structured finance exposures	**$ 3,085**	

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, 2026

(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	$ 2,426	BBB-
Dwr Cymru Financing Limited	United Kingdom	1,749	A-
Anglian Water Services Financing PLC	United Kingdom	1,728	BBB+
Thames Water Utilities Finance Plc	United Kingdom	1,632	B
Channel Link Enterprises Finance PLC	France, United Kingdom	1,226	BBB
Capital Hospitals (Issuer) PLC	United Kingdom	784	BBB-
British Broadcasting Corporation (BBC)	United Kingdom	763	A+
National Grid Gas PLC	United Kingdom	748	A-
Yorkshire Water Services Finance Plc	United Kingdom	730	BBB
Quebec Province	Canada	678	A+
Verdun Participations 2 S.A.S.	France	617	BBB-
Aspire Defence Finance plc	United Kingdom	615	BBB+
Heathrow Funding Limited	United Kingdom	585	BBB
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	United Kingdom	540	B+
South East Water	United Kingdom	531	BBB-
Severn Trent Water Utilities Finance Plc	United Kingdom	490	BBB+
Southern Gas Networks PLC	United Kingdom	470	BBB+
United Utilities Water PLC	United Kingdom	460	BBB+
Sydney Airport Finance Company	Australia	458	BBB+
Central Nottinghamshire Hospitals PLC	United Kingdom	454	BBB-
National Grid Company plc	United Kingdom	427	BBB+
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	421	BBB+
Campania Region - Healthcare receivable	Italy	420	BBB-
Wessex Water Services Finance Plc	United Kingdom	413	BBB+
University of Sussex	United Kingdom	408	BBB
Private International Sub-Sovereign Transaction	United Kingdom	399	A+
South West Water UK	United Kingdom	392	BBB+
The Hospital Company (QAH Portsmouth) Limited	United Kingdom	378	BBB
North Staffordshire, United Kingdom	United Kingdom	367	BBB-
Derby Healthcare PLC	United Kingdom	346	BBB
University of Essex, United Kingdom	United Kingdom	345	BB+
Western Power Distribution (South West) plc	United Kingdom	337	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	288	A
Northumbrian Water PLC	United Kingdom	284	BBB
Spanish Electricity System Receivables Caixa	Spain	283	A-
South Lanarkshire Schools	United Kingdom	270	BBB
Portsmouth Water, United Kingdom	United Kingdom	254	BBB
Sutton and East Surrey Water plc	United Kingdom	250	BBB
Private International Sub-Sovereign Transaction	United Kingdom	249	A
Western Power Distribution (South Wales) plc	United Kingdom	244	BBB+
Feria Muestrario Internacional de Valencia	Spain	237	BBB-
Japan Expressway Holding and Debt Repayment Agency	Japan	226	A+
Keele Residential Funding PLC	United Kingdom	215	BBB+
University of York (Civitas Living LLP), UK	United Kingdom	212	BBB
A28 Motorway	France	203	BBB-
Hypersol Solar Inversiones, S.A.U.	Spain	199	BB
Scotland Gas Networks plc	United Kingdom	199	BBB+
Bakethin Finance Plc	United Kingdom	197	A-
Catalyst Higher Education (Sheffield) plc	United Kingdom	196	BBB
XpFibre Group	France	194	BBB-
Total top 50 non-U.S. exposures		**$ 26,537**	

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

	As of and for the Nine Months Ended September 30, 2026	As of and for Year Ended December 31, 2025	2024
		(dollars in millions)	
Claims-Paying Resources [1]			
Policyholders' surplus	$ 3,102	$ 3,249	$ 3,524
Contingency reserve	1,599	1,511	1,392
Qualified statutory capital	**4,701**	**4,760**	**4,916**
Unearned premium reserve and net deferred ceding commission income	2,415	2,411	2,424
Loss and LAE reserves	—	—	—
Total policyholders' surplus and reserves	**7,116**	**7,171**	**7,340**
Present value of installment premium	892	847	819
CCS	400	400	400
Total claims-paying resources	**$ 8,408**	**$ 8,418**	**$ 8,559**
Ratios:			
Net par outstanding to qualified statutory capital	45:1	44:1	41:1
Capital ratio	73:1	71:1	66:1
Financial resources ratio	41:1	40:1	38:1
Statutory net par outstanding to claims-paying resources	25:1	25:1	23:1
Gross debt service written:			
Public finance - U.S.	$ 30,089	$ 48,974	$ 44,018
Public finance - non-U.S.	1,108	1,588	2,158
Structured finance - U.S.	989	330	1,273
Structured finance - non-U.S.	1,904	1,862	2,001
Total gross debt service written	$ 34,090	$ 52,754	$ 49,450

Other Financial Information (Statutory Basis) [2]	As of September 30, 2026	As of December 31, 2025	2024
		(in billions)	
Net debt service outstanding (end of period)	$ 344.5	$ 339.5	$ 323.9
Gross debt service outstanding (end of period)	443.7	434.5	410.9
Net par outstanding (end of period)	213.6	211.4	201.1
Gross par outstanding (end of period)	276.5	272.3	275.6
Ceded par to Assured Guaranty affiliates	62.8	60.8	56.5
Ceded par to other companies	0.1	0.1	0.1

1) See page 8 for additional detail on claims-paying resources.
2) The numbers have been adjusted to include AG's insurance subsidiaries, AGUK and AGE. The National Association of Insurance Commissioners Annual Statements for AG are prepared on a stand-alone basis. As of September 30, 2026 and December 31, 2025 par outstanding and debt service outstanding exclude par associated with Loss Mitigation Securities.

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, 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, 2025.

U.S. Public Finance:

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

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

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

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

Healthcare Bonds are obligations of healthcare facilities, including community-based hospitals and systems, and hospital districts.

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

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

Sectors (continued)

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

Other Public Finance Bonds include other debt issued, guaranteed or otherwise supported by U.S. national or local governmental authorities, as well as student loans, revenue bonds, housing 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 accommodation, stadiums, and other physical assets delivering essential services supported either by long-term concession arrangements or a regulatory regime. The majority of the Company's non-U.S. infrastructure business is conducted in the U.K.

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

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

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

Structured Finance:

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

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

Fund Finance Facilities are primarily subscription finance which are credit 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 (LPs) to the fund. The Company may guarantee new or existing facilities and on a single facility or portfolio basis. Assured Guaranty's exposures are generally to facilities with characteristics that include a high-quality fund sponsor with strong historical performance, a diverse LP base composed primarily of institutional LPs and experienced bank lenders.

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

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

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

Non-GAAP Financial Measures

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

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

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

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 certain CIVs in which subsidiaries invest.

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

The Company's management and AGL's Board of Directors use non-GAAP financial measures further adjusted to remove the effect of FG VIE and CIV consolidation when the consolidation effects are not consistent with the Company's economic interest or exposure to those entities (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 and as a basis for establishing target levels and awards under the Company's executive incentive compensation programs. The financial measures that the Assured Guaranty uses to help determine compensation are: (i) adjusted operating income per share, further adjusted to remove the effect of FG VIE and CIV consolidation (core operating income per share); (ii) adjusted operating shareholders' equity per share, further adjusted to remove the effect of FG VIE and CIV consolidation (core operating shareholders' equity per share); (iii) ABV per share, further adjusted to remove the effect of FG VIE and CIV consolidation (core ABV per share); (iv) core operating return on equity, which is calculated as core operating income divided by the average of core operating shareholders' equity at the beginning and end of the period; and (v) PVP.

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

Adjusted Operating Income: The Company's management believes that adjusted operating income is a useful measure because it clarifies the understanding of the operating results of the Company and excludes certain items including (i) items that, under GAAP, may vary significantly from period to period due to near-term market conditions or are otherwise not directly comparable or reflective of the underlying performance of the Company's business, (ii) items that, under GAAP, result in asymmetrical accounting adjustments, and/or (iii) non-economic gains and losses. Adjusted operating income is defined as net income (loss) attributable to AG, as reported under GAAP, adjusted for the following:

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

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

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

4) Elimination of foreign exchange gains (losses) on remeasurement of assets and liabilities such as net premium receivables and insurance liabilities that are long-term in nature that are recognized in net income (loss) attributable to AG. Long-dated receivables and insurance 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) Income tax allocated to the adjustments above.

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

Adjusted Operating Shareholder's Equity and ABV: The Company's management believes that adjusted operating shareholder's equity is a useful measure because it excludes the fair value adjustments that are not expected to result in an economic gain or loss. The Company's management uses ABV, further adjusted to remove the effect of FG VIE and CIV consolidation, to measure the intrinsic value of the Company, excluding franchise value. The Company's management believes that ABV is a useful measure because it enables an evaluation of the Company's in-force premiums and revenues net of expected losses.

Assured Guaranty's adjusted operating shareholders' equity per share and ABV per share, each further adjusted for FG VIE and CIV consolidation (core operating shareholders' equity per share and core ABV per share, respectively), are two of the key financial measures used in determining the amount of certain long-term compensation elements to management and employees and used by rating agencies and investors.

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

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

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

4) Income tax allocated to the adjustments above.

ABV is adjusted operating shareholder's equity, as defined above, further adjusted for the following:

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

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

3) Addition of deferred income on insurance contracts (including deferred profit liability and, in the case of financial guaranty insurance contracts, the amount of deferred premium revenue in excess of expected loss to be expensed, net of reinsurance).

4) Income tax allocated to the adjustments above.

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

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

Non-GAAP Financial Measures (continued)

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

Net Present Value of Estimated Net Future Revenue: The Company's management believes that this amount is a useful measure because it enables an evaluation of the present value of estimated net future revenue for non-financial guaranty insurance contracts. This amount represents the net present value of estimated future revenue from these contracts (other than credit derivatives with net expected losses), net of reinsurance, ceding commissions and premium taxes.

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

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

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

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



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