Assured Guaranty Inc.

December 31, 2024
Financial Supplement

ASSURED GUARANTY®

Assured Guaranty Inc.[1]
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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (AGL and, together with its subsidiaries, Assured Guaranty) with the United States (U.S.) Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2024. 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 (NATO) 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, including the markets in which the Company participates; (iv) the possibility of a U.S. government shutdown, payment defaults on the debt of the U.S. government or instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, and downgrades to their credit ratings; (v) developments in the world's financial and capital markets, including stresses in the financial condition of banking institutions in the U.S. and the possibility that increasing participation of unregulated financial institutions in these markets results in losses or lower valuations of assets, reduced liquidity, and credit and/or contraction of these markets that adversely affect repayment rates of insured obligors, Assured Guaranty's insurance loss or recovery experience, or investments of Assured Guaranty; (vi) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (vii) the possibility that budget or pension shortfalls, difficulties in obtaining additional financing or other factors will result in credit losses or liquidity claims on obligations of state, territorial and local governments, their related authorities, public corporations and other obligors that Assured Guaranty insures or reinsures; (viii) insured losses, including losses with respect to related legal proceedings, in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including below-investment-grade (BIG) healthcare, United Kingdom (U.K.) regulated utilities, European renewable energy, and Puerto Rico Electric Power Authority (PREPA) exposures; (ix) the impact of Assured Guaranty satisfying its obligations under insurance policies with respect to legacy insured Puerto Rico bonds; (x) the possibility that underwriting insurance in new jurisdictions and/or covering new sectors or classes of business does not result in the benefits anticipated or subjects Assured Guaranty to negative consequences; (xi) increased competition, including from new entrants into the financial guaranty industry, nonpayment insurance and other forms of capital saving or risk syndication available to banks and insurers; (xii) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity, or to other negative or unanticipated consequences; (xiii) the impacts of Assured Guaranty's transaction with Sound Point Capital Management, LP (Sound Point, LP) and certain of its investment management affiliates (together with Sound Point, LP, Sound Point) on Assured Guaranty and its relationships with its shareholders, regulators, rating agencies and the obligors it insures and on Assured Guaranty's Asset Management segment results; (xiv) the possibility that mergers, acquisitions, divestitures and other strategic transactions made by Assured Guaranty, including the transactions with Sound Point and/or Assured Healthcare Partners LLC (AHP) and/or merger of Assured Guaranty Municipal Corp. (AGM) with and into Assured Guaranty Inc. (AG, formerly Assured Guaranty Corp.), 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 (CIVs) and 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 Assured Guaranty or obligations that it insures or reinsures to negative consequences; (xxii) difficulties with the execution of Assured Guaranty's business strategy; (xxiii) loss of key personnel; (xxiv) public health crises, including pandemics and endemics, and the governmental and private actions taken in response to such events; (xxv) natural or man-made catastrophes; (xxvi) the impact of climate change on Assured Guaranty's business and regulatory actions taken related to such risk; (xxvii) other risk factors identified in AGL's filings with the U.S. Securities and Exchange Commission (SEC); (xxviii) other risks and uncertainties that have not been identified at this time; and (xxix) 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 December 31,		Year Ended December 31,	
	2024	2023	2024	2023
GAAP [2] Highlights				
Net income (loss) attributable to AG	**$ 40**	**$ 156**	**$ 402**	**$ 424**
Gross written premiums (GWP)	**182**	**135**	**421**	**354**
Effective tax rate on net income	**6.0 %**	**17.1 %**	**17.9 %**	**16.1 %**
GAAP return on equity (ROE) [3]	**2.9 %**	**10.8 %**	**7.2 %**	**7.3 %**
Effect of refundings and terminations on GAAP measures:				
Net earned premiums, pre-tax	**$ 12**	**$ 2**	**$ 58**	**$ 23**
Net income effect	**10**	**1**	**47**	**19**
Non-GAAP Highlights [4]				
Adjusted operating income (loss) [4]	$ 79	$ 123	$ 413	$ 358
Present value of new business production (PVP) [4]	104	140	370	355
Gross par written	9,686	8,375	28,425	26,754
Effective tax rate on adjusted operating income [5]	11.2 %	17.3 %	17.5 %	15.3 %
Adjusted operating ROE [3][4]	5.6 %	8.1 %	7.1 %	5.9 %
Effect of refundings and terminations on non-GAAP measures:				
Operating net earned premiums and credit derivative revenues [6], pre-tax	$ 12	$ 2	$ 58	$ 23
Adjusted operating income [6] effect	10	1	47	19

1) Effective August 1, 2024, AGM, an affiliate of AG, merged with and into AG, with AG as the surviving company. Under U.S. GAAP, the merger is a common control transaction; therefore, periods prior to the effective date of the merger have been restated to present all information on a combined basis. Effective as of August 1, 2024, all rights and obligations of AGM became rights and obligations of AG.
2) Accounting principles generally accepted in the United States of America (GAAP).
3) Quarterly ROE calculations represent annualized returns. See page 6 for additional information on calculation.
4) Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.
5) Represents the ratio of adjusted operating provision for income taxes to adjusted operating income before income taxes.
6) Condensed combined statement of operations items mentioned in this Financial Supplement that are described as operating (i.e. operating net earned premiums) 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	
	December 31, 2024	December 31, 2023
Shareholder's equity attributable to AG	**$ 5,376**	**$ 5,792**
Adjusted operating shareholder's equity [2]	5,585	5,983
Adjusted book value [2]	7,814	8,196
Gain (loss) related to financial guaranty variable interest entities (FG VIEs) consolidation included in:		
Adjusted operating shareholder's equity	(7)	(1)
Adjusted book value	(15)	(5)
Exposure		
Financial guaranty net debt service outstanding	$ 324,247	$ 308,109
Financial guaranty net par outstanding:		
Investment grade	193,484	186,837
BIG	8,123	4,432
Total	$ 201,607	$ 191,269
Claims-paying resources [3]	**$ 8,559**	**$ 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 December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Revenues				
Net earned premiums	$ 76	$ 63	$ 306	$ 264
Net investment income	78	82	282	312
Net realized investment gains (losses)	6	7	9	(11)
Fair value gains (losses) on credit derivatives	3	(1)	17	93
Fair value gains (losses) on committed capital securities (CCS)	2	—	(10)	(35)
Fair value gains (losses) on FG VIEs	—	10	(11)	8
Fair value gains (losses) on CIVs	8	22	40	28
Foreign exchange gains (losses) on remeasurement	(58)	36	(21)	45
Fair value gains (losses) on trading securities	—	32	52	74
Other income (loss)	2	10	4	21
Total revenues	**117**	**261**	**668**	**799**
Expenses				
Loss and loss adjustment expense (LAE) (benefit)	24	8	(23)	113
Employee compensation and benefit expenses	39	37	156	135
Other expenses	24	27	107	99
Total expenses (benefit)	**87**	**72**	**240**	**347**
Income (loss) before income taxes and equity in earnings (losses) of investees	**30**	**189**	**428**	**452**
Equity in earnings (losses) of investees	12	—	62	54
Income (loss) before income taxes	42	189	490	506
Less: Provision (benefit) for income taxes	2	33	87	82
Net income (loss)	**40**	**156**	**403**	**424**
Less: Noncontrolling interests	—	—	1	—
Net income (loss) attributable to AG	**$ 40**	**$ 156**	**$ 402**	**$ 424**

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	
	December 31, 2024	December 31, 2023
Assets		
Investments:		
Fixed-maturity securities, available-for-sale, at fair value	$ 5,199	$ 5,091
Fixed-maturity securities, trading, at fair value	147	318
Short-term investments, at fair value	717	1,249
Equity method investments	402	411
Other invested assets	8	3
Total investments	6,473	7,072
Cash	69	42
Loan receivable from affiliate	250	250
Premiums receivable, net of commissions payable	1,520	1,449
Ceded unearned premium reserve	796	801
Reinsurance recoverable on unpaid losses	92	186
Salvage and subrogation recoverable	395	296
FG VIEs' assets	147	328
Assets of CIVs	—	284
Other assets	386	311
Total assets	**$ 10,128**	**$ 11,019**
Liabilities		
Unearned premium reserve	$ 3,679	$ 3,621
Loss and LAE reserve	225	317
Reinsurance balances payable, net	349	324
FG VIEs' liabilities at fair value	164	554
Other liabilities	335	408
Total liabilities	**4,752**	**5,224**
Shareholder's equity		
Preferred stock	—	—
Common stock	15	30
Additional paid-in capital	863	1,248
Retained earnings	4,796	4,794
Accumulated other comprehensive income (loss)	(298)	(280)
Total shareholder's equity attributable to AG	**5,376**	**5,792**
Noncontrolling interests	—	3
Total shareholder's equity	**5,376**	**5,795**
Total liabilities and shareholder's equity	**$ 10,128**	**$ 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 Consolidation [1]

(dollars in millions)

	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]
Adjustments to revenues:				
Net earned premiums	$ —	$ (1)	$ —	$ —
Net investment income	—	(1)	—	(1)
Net realized investment gains (losses)	6	—	7	—
Fair value gains (losses) on credit derivatives	2	—	(3)	—
Fair value gains (losses) on CCS	2	—	—	—
Fair value gains (losses) on FG VIEs	—	—	—	10
Fair value gain (losses) on CIVs	—	8	—	22
Foreign exchange gains (losses) on remeasurement	(56)	—	36	—
Total revenue adjustments	(46)	6	40	31
Adjustments to expenses:				
Loss expense	—	(3)	—	(3)
Total expense adjustments	—	(3)	—	(3)
Pre-tax adjustments	(46)	9	40	34
Add: Equity in earnings (losses) of investees	—	(8)	—	(23)
Less: Tax effect of adjustments	(7)	—	7	2
Less: Non-controlling interest	—	—	—	—
After-tax adjustments	$ (39)	$ 1	$ 33	$ 9

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]	Adjusted Operating Income Adjustments [2]	Effect of FG VIE Consolidation [3]
Adjustments to revenues:				
Net earned premiums	$ —	$ (3)	$ —	$ (3)
Net investment income	—	(3)	—	(3)
Net realized investment gains (losses)	9	—	(11)	—
Fair value gains (losses) on credit derivatives	10	—	85	—
Fair value gains (losses) on CCS	(10)	—	(35)	—
Fair value gains (losses) on FG VIEs	—	(11)	—	8
Fair value gain (losses) on CIVs	—	40	—	28
Foreign exchange gains (losses) on remeasurement	(20)	—	44	—
Other income (loss)	(1)	(2)	(1)	(3)
Total revenue adjustments	(12)	21	82	27
Adjustments to expenses:				
Loss expense	(1)	(7)	(2)	3
Total expense adjustments	(1)	(7)	(2)	3
Pre-tax adjustments	(11)	28	84	24
Add: Equity in earnings (losses) of investees	—	(39)	—	(29)
Less: Tax effect of adjustments	—	(3)	18	(1)
Less: Non-controlling interest	—	1	—	—
After-tax adjustments	$ (11)	$ (9)	$ 66	$ (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.
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 December 31, 2024**	**Three Months Ended December 31, 2023**	**Year Ended December 31, 2024**	**Year Ended December 31, 2023**
Net income (loss) attributable to AG	**$ 40**	**$ 156**	**$ 402**	**$ 424**
Less pre-tax adjustments:				
Realized gains (losses) on investments [2]	6	7	8	(12)
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	2	(3)	11	87
Fair value gains (losses) on CCS	2	—	(10)	(35)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	(56)	36	(20)	44
Total pre-tax adjustments	(46)	40	(11)	84
Less tax effect on pre-tax adjustments	7	(7)	—	(18)
Adjusted operating income (loss)	$ 79	$ 123	$ 413	$ 358

ROE Reconciliation and Calculation	**As of December 31, 2024**	**As of September 30, 2024**	**As of December 31, 2023**	**As of September 30, 2023**	**As of December 31, 2022**
Shareholder's equity attributable to AG	**$ 5,376**	**$ 5,598**	**$ 5,792**	**$ 5,802**	**$ 5,793**
Adjusted operating shareholder's equity	5,585	5,685	5,983	6,155	6,142
Gain (loss) related to FG VIE and CIV consolidation included in adjusted operating shareholder's equity	**(7)**	**(11)**	**(1)**	**(1)**	**1**

	Three Months Ended December 31, 2024	**Three Months Ended December 31, 2023**	**Year Ended December 31, 2024**	**Year Ended December 31, 2023**
Net income (loss) attributable to AG	**$ 40**	**$ 156**	**$ 402**	**$ 424**
Adjusted operating income (loss)	79	123	413	358
Average shareholder's equity attributable to AG	**$ 5,487**	**$ 5,797**	**$ 5,584**	**$ 5,793**
Average adjusted operating shareholder's equity	5,635	6,069	5,784	6,063
Gain (loss) related to FG VIE and CIV consolidation included in average adjusted operating shareholder's equity	**(9)**	**(1)**	**(4)**	**—**
GAAP ROE [3]	**2.9 %**	**10.8 %**	**7.2 %**	**7.3 %**
Adjusted operating ROE [3]	5.6 %	8.1 %	7.1 %	5.9 %

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

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

Assured Guaranty Inc.

Selected Financial Highlights

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

(dollars in millions)

	As of				
	December 31, 2024	September 30, 2024	December 31, 2023	September 30, 2023	December 31, 2022
Reconciliation of shareholder's equity attributable to AG to adjusted book value:					
Shareholder's equity attributable to AG	**$ 5,376**	**$ 5,598**	**$ 5,792**	**$ 5,802**	**$ 5,793**
Less pre-tax reconciling items:					
Non-credit impairment-related unrealized fair value gains (losses) on credit derivatives	54	52	43	46	(44)
Fair value gains (losses) on CCS	2	1	13	12	47
Unrealized gain (loss) on investment portfolio	(320)	(173)	(295)	(490)	(425)
Less taxes	55	33	48	79	73
Adjusted operating shareholder's equity	5,585	5,685	5,983	6,155	6,142
Pre-tax reconciling items:					
Less: Deferred acquisition costs	(53)	(56)	(67)	(71)	(72)
Plus: Net present value of estimated net future revenue	91	93	99	100	107
Plus: Net deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed	2,690	2,593	2,648	2,600	2,657
Plus taxes	(605)	(586)	(601)	(592)	(591)
Adjusted book value	$ 7,814	$ 7,841	$ 8,196	$ 8,334	$ 8,387
Gain (loss) related to FG VIE and CIV consolidation included in:					
Adjusted operating shareholder's equity (net of tax provision (benefit) of $(2), $(3), $0, $0 and $0)	**$ (7)**	**$ (11)**	**$ (1)**	**$ (1)**	**$ 1**
Adjusted book value (net of tax provision (benefit) of $(3), $(4), $(2), $(2) and $(2))	**$ (15)**	**$ (16)**	**$ (5)**	**$ (7)**	**$ (4)**

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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 December 31, 2024
Claims-paying resources	
Policyholders' surplus	$ 3,524
Contingency reserve	1,392
Qualified statutory capital	**4,916**
Unearned premium reserve and net deferred ceding commission income (1)	2,424
Loss and LAE reserves (1)(5)	—
Total policyholders' surplus and reserves	**7,340**
Present value of installment premium	819
CCS	400
Total claims-paying resources	**$ 8,559**
Statutory net par outstanding (1)(2)	$ 201,090
Net debt service outstanding (1)(2)	323,905
Ratios:	
Statutory net par outstanding to qualified statutory capital	41:1
Capital ratio (3)	66:1
Financial resources ratio (4)	38:1
Statutory net par outstanding to claims-paying resources	23:1
Separate company statutory basis:	
Admitted assets	$ 7,057
Total liabilities	3,533
Loss and LAE reserves (recoverable)	(174)
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 they were in a net recoverable position of $170 million as of December 31, 2024.

Assured Guaranty Inc.

New Business Production [1]

(dollars in millions)

Reconciliation of GWP to PVP

	Three Months Ended December 31, 2024					Three Months Ended December 31, 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	**$ 78**	**$ 102**	**$ (1)**	**$ 3**	**$ 182**	**$ 81**	**$ 43**	**$ 9**	**$ 2**	**$ 135**
Less: Installment GWP and other GAAP adjustments [2]	44	102	(1)	3	148	55	36	9	2	102
Upfront GWP	34	—	—	—	34	26	7	—	—	33
Plus: Installment premiums and other	43	23	1	3	70	56	39	11	1	107
Total PVP	$ 77	$ 23	$ 1	$ 3	$ 104	$ 82	$ 46	$ 11	$ 1	$ 140
Gross par written	**$ 8,419**	**$ 436**	**$ 231**	**$ 600**	**$ 9,686**	**$ 6,713**	**$ 874**	**$ 485**	**$ 303**	**$ 8,375**

	Year Ended December 31, 2024					Year Ended December 31, 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	**$ 259**	**$ 126**	**$ 15**	**$ 21**	**$ 421**	**$ 211**	**$ 83**	**$ 55**	**$ 5**	**$ 354**
Less: Installment GWP and other GAAP adjustments [2]	143	105	12	$ 21	281	110	74	55	$ 5	244
Upfront GWP	116	21	3	—	140	101	9	—	—	110
Plus: Installment premiums and other	154	34	21	21	230	111	74	53	7	245
Total PVP	$ 270	$ 55	$ 24	$ 21	$ 370	$ 212	$ 83	$ 53	$ 7	$ 355
Gross par written	**$ 23,758**	**$ 1,567**	**$ 1,255**	**$ 1,845**	**$ 28,425**	**$ 22,465**	**$ 1,544**	**$ 1,586**	**$ 1,159**	**$ 26,754**

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

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

Assured Guaranty Inc.

Gross Par Written [1] (1 of 2)

(dollars in millions)

Gross Par Written by Asset Type

	Three Months Ended December 31,	
	2024	2023
Sector:		
U.S. public finance:		
General obligation	$ 2,815	$ 2,336
Municipal utilities	1,870	1,153
Transportation	1,823	1,597
Healthcare	1,000	844
Tax backed	800	654
Higher education	111	105
Housing revenue	—	16
Infrastructure finance	—	8
Total U.S. public finance	8,419	6,713
Non-U.S. public finance:		
Regulated utilities	258	157
Infrastructure finance	178	614
Sovereign and sub-sovereign	—	103
Total non-U.S. public finance	436	874
Total public finance	**8,855**	**7,587**
U.S. structured finance:		
Insurance securitizations	104	275
Pooled corporate obligations	60	41
Subscription finance facilities	57	79
Structured credit	10	90
Total U.S. structured finance	231	485
Non-U.S. structured finance:		
Subscription finance facilities	542	227
Pooled corporate obligations	58	76
Total non-U.S. structured finance	600	303
Total structured finance	**831**	**788**
Total gross par written	**$ 9,686**	**$ 8,375**

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

	Year Ended December 31, 2024	Year Ended December 31, 2023
Sector:		
U.S. public finance:		
General obligation	$ 8,550	$ 8,450
Transportation	5,527	2,636
Municipal utilities	3,882	5,048
Tax backed	3,360	2,324
Healthcare	1,774	1,550
Higher education	483	404
Housing revenue	158	233
Infrastructure finance	—	1,793
Other public finance	24	27
Total U.S. public finance	23,758	22,465
Non-U.S. public finance:		
Regulated utilities	1,335	574
Infrastructure finance	232	614
Sovereign and sub-sovereign	—	356
Total non-U.S. public finance	1,567	1,544
Total public finance	**25,325**	**24,009**
U.S. structured finance:		
Insurance securitizations	354	1,025
Structured credit	295	365
Pooled corporate obligations	278	41
Subscription finance facilities	249	155
Commercial mortgage-backed securities	25	—
Other structured finance	54	—
Total U.S. structured finance	1,255	1,586
Non-U.S. structured finance:		
Subscription finance facilities	1,115	1,083
Pooled corporate obligations	108	76
Other structured finance	622	—
Total non-U.S. structured finance	1,845	1,159
Total structured finance	**3,100**	**2,745**
Total gross par written	**$ 28,425**	**$ 26,754**

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 December 31, 2024		
	AG	Consolidations/ Eliminations (2)	AG Combined
Fixed-maturity securities, available-for-sale	$ 5,199	$ —	$ 5,199
Fixed-maturity securities, trading (3)	147	—	147
Short-term investments	717	—	717
Equity method investments:			
Collateralized loan obligations (CLOs)	100	—	100
Private healthcare investing	153	—	153
Asset-based/specialty finance	142	—	142
Middle market direct lending	5	—	5
Other	2	—	2
Total equity method investments	402	—	402
Other invested assets	8	—	8
Cash	69	—	69
Total investment portfolio and cash	**$ 6,542**	**$ —**	**$ 6,542**
CIVs (4)			
Assets of CIVs	$ —	$ —	$ —
Liabilities of CIVs (5)	—	—	—
Noncontrolling interests	—	—	—
Total CIVs	**$ —**	**$ —**	**$ —**

	Carrying Value as of December 31, 2023		
	AG	Consolidations/ Eliminations (2)	AG Combined
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	(1)	42
Total investment portfolio and cash	**$ 7,392**	**$ (278)**	**$ 7,114**
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 trusts established as a result of the resolution of the Company's exposure to insured Puerto Rico credits experiencing payment default other than PREPA. 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. In 2024, two CIVs distributed substantially all of their invested assets. After the distributions, as of December 31, 2024, there were no active CIVs remaining.
5) Included in "other liabilities" in the condensed combined balance sheets.

Assured Guaranty Inc.

Fixed-Maturity Securities, Short-Term Investments and Cash

As of December 31, 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 (3)	$ 1,736	$ (14)	3.61 %	3.20 %	$ 1,668	$ 63
U.S. government and agencies	56	—	2.85	2.26	51	1
Corporate securities	1,920	(5)	3.43	2.85	1,760	66
Mortgage-backed securities:						
Residential mortgage-backed securities (RMBS) (2)(3)	467	(21)	5.55	4.39	385	26
Commercial mortgage-backed securities	153	—	4.03	3.18	151	6
Asset-backed securities (ABS):						
Collateralized loan obligations	585	(1)	12.05	9.52	580	70
Other ABS (3)	580	(17)	4.27	3.43	535	25
Non-U.S. government securities	83	—	1.97	1.96	69	2
Total fixed-maturity securities, available-for-sale	5,580	(58)	4.65	3.84	5,199	259
Short-term investments	717	—	4.34	3.44	717	31
Cash (4)	69	—	—	—	69	—
Total	**$ 6,366**	**$ (58)**	**4.61 %**	**3.79 %**	**$ 5,985**	**$ 290**
Fixed-maturity securities, trading (6)					**$ 147**	

Ratings (5):	Fair Value	% of Portfolio
U.S. government and agencies	$ 51	1.0 %
AAA/Aaa	700	13.5
AA/Aa	1,702	32.7
A/A	1,078	20.7
BBB	889	17.1
BIG	510	9.8
Not rated (7)	269	5.2
Total fixed-maturity securities, available-for-sale	**$ 5,199**	**100.0 %**

Duration of available-for-sale fixed-maturity securities and short-term investments (in years):	**3.6**

1) Represents annualized investment income based on amortized cost and pre-tax book yields.
2) Includes fair value of $126 million in subprime RMBS, of which 92% were rated BIG.
3) Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
4) Cash is not included in the yield calculation.
5) Ratings are generally reflect the lower of the Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC classifications except for purchased securities that it 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 $821 million in par with carrying value of $566 million and primarily included in the BIG category.
6) Primarily includes CVIs received in connection with the trusts established as a result of the resolution of the Company's exposure to insured Puerto Rico credits experiencing payment default other than PREPA. These securities are not rated.
7) Primarily includes CLO equity tranches.

Assured Guaranty Inc.

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

(dollars in millions)

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance (2)			Future Credit Derivative Revenues (3)
			Earnings of Deferred Premium Revenue	Accretion of Discount	Effect of FG VIE Consolidation on Earnings of Deferred Premium Revenue and Accretion of Discount	
2024 (as of December 31)		$ 324,247				
2025 Q1	$ 4,004	320,243	$ 58	$ 6	$ 1	$ 2
2025 Q2	3,748	316,495	57	6	1	2
2025 Q3	5,285	311,210	57	6	1	2
2025 Q4	4,781	306,429	56	6	1	2
2026	17,301	289,128	212	24	3	7
2027	15,653	273,475	200	23	2	6
2028	15,542	257,933	189	22	2	6
2029	16,589	241,344	175	21	2	6
2025-2029	82,903	241,344	1,004	114	13	33
2030-2034	72,970	168,374	714	89	11	25
2035-2039	56,793	111,581	478	66	6	20
2040-2044	40,965	70,616	308	43	—	13
2045-2049	31,906	38,710	203	25	—	5
2050-2054	21,884	16,826	106	12	—	—
After 2054	16,826	—	91	11	—	—
Total	**$ 324,247**		**$ 2,904**	**$ 360**	**$ 30**	**$ 96**

1) Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of December 31, 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 December 31, 2024

	Net Expected Loss to be Paid (Recovered) as of September 30, 2024	Net Economic Loss Development (Benefit) During 4Q-24	Net (Paid) Recovered Losses During 4Q-24	Net Expected Loss to be Paid (Recovered) as of December 31, 2024
Public Finance:				
U.S. public finance	$ 164	$ 3	$ (160)	$ 7
Non-U.S public finance	68	16	(1)	83
Public Finance	232	19	(161)	90
Structured Finance:				
U.S. RMBS	(41)	(5)	8	(38)
Other structured finance	(41)	3	3	(35)
Structured Finance	(82)	(2)	11	(73)
Total	**$ 150**	**$ 17**	**$ (150)**	**$ 17**

Roll Forward of Net Expected Loss and LAE to be Paid [2] for the Year Ended December 31, 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 December 31, 2024
Public Finance:				
U.S. public finance	$ 281	$ (9)	$ (265)	$ 7
Non-U.S public finance	19	66	(2)	83
Public Finance	300	57	(267)	90
Structured Finance:				
U.S. RMBS	46	(69)	(15)	(38)
Other structured finance	(53)	6	12	(35)
Structured Finance	(7)	(63)	(3)	(73)
Total	**$ 293**	**$ (6)**	**$ (270)**	**$ 17**

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 December 31, 2024

(dollars in millions)

	As of December 31, 2024	Three Months Ended December 31, 2024			
	Total Net Par Outstanding for BIG Transactions	Net Economic Loss Development (Benefit)	GAAP Loss and LAE[2]	Loss and LAE included in Adjusted Operating Income [3]	Insurance Segment Loss and LAE[4]
Public finance:					
U.S. public finance	$ 2,141	**$ 3**	**$ 18**	$ 19	$ 23
Non-U.S public finance	5,191	**16**	**4**	4	4
Public finance	7,332	**19**	**22**	23	27
Structured finance:					
U.S. RMBS	772	**(5)**	—	(1)	(2)
Other structured finance	19	**3**	**2**	2	2
Structured finance	791	**(2)**	**2**	1	—
Total	**$ 8,123**	**$ 17**	**$ 24**	$ 24	$ 27

	As of December 31, 2024	Year Ended December 31, 2024			
	Total Net Par Outstanding for BIG Transactions	Net Economic Loss Development (Benefit)	GAAP Loss and LAE[2]	Loss and LAE included in Adjusted Operating Income [3]	Insurance Segment Loss and LAE[4]
Public finance:					
U.S. public finance	$ 2,141	**$ (9)**	**$ 7**	$ 7	$ 19
Non-U.S public finance	5,191	**66**	**4**	4	4
Public finance	7,332	**57**	**11**	11	23
Structured finance:					
U.S. RMBS	772	**(69)**	**(39)**	(41)	(46)
Other structured finance	19	**6**	**5**	8	8
Structured finance	791	**(63)**	**(34)**	(33)	(38)
Total	**$ 8,123**	**$ (6)**	**$ (23)**	$ (22)	$ (15)

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

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

Assured Guaranty Inc.

Net Expected Loss to be Expensed [(1)]

As of December 31, 2024

(dollars in millions)

	GAAP
2025 Q1	$ 3
2025 Q2	3
2025 Q3	3
2025 Q4	3
2026	12
2027	16
2028	17
2029	16
2025-2029	73
2030-2034	72
2035-2039	34
2040-2044	9
2045-2049	15
2050-2054	10
After 2054	1
Total expected present value of net expected loss to be expensed [(2)]	**214**
Future expected accretion	(49)
Total expected future loss and LAE	**$ 165**

1) The present value of net expected loss to be paid is discounted using risk-free rates ranging from 1.98% to 5.22%.
2) Excludes $21 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 December 31, 2024	As of December 31, 2023
U.S. public finance:		
General obligation	$ 60,227	$ 56,572
Tax backed	25,888	25,187
Municipal utilities	23,989	23,195
Transportation	21,911	17,719
Healthcare	11,714	10,503
Infrastructure finance	6,489	6,587
Higher education	5,625	5,473
Housing revenue	1,036	934
Investor-owned utilities	136	140
Renewable energy	117	120
Other public finance	657	685
Total U.S. public finance	157,789	147,115
Non-U.S. public finance:		
Regulated utilities	14,738	14,088
Infrastructure finance	12,380	13,056
Sovereign and sub-sovereign	8,049	8,666
Renewable energy	1,249	1,625
Pooled infrastructure	550	567
Total non-U.S. public finance	36,966	38,002
Total public finance	**194,755**	**185,117**
U.S. structured finance:		
Insurance securitization	1,676	1,275
RMBS	1,414	1,659
Financial products	492	464
Pooled corporate obligations	490	561
Consumer receivables	141	201
Subscription finance facilities	140	149
Other structured finance	811	757
Total U.S. structured finance	5,164	5,066
Non-U.S. structured finance:		
Subscription finance facilities	696	371
Pooled corporate obligations	403	367
RMBS	216	245
Other structured finance	373	103
Total non-U.S. structured finance	1,688	1,086
Total structured finance	**6,852**	**6,152**
Total net par outstanding	**$ 201,607**	**$ 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 December 31, 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	— %	$ 1,442	3.9 %	$ 484	9.4 %	$ 423	25.0 %	$ 2,365	1.2 %
AA	14,029	8.9	2,465	6.7	2,556	49.5	50	3.0	19,100	9.5
A	86,860	55.0	9,875	26.7	734	14.2	1,143	67.7	98,612	48.9
BBB	54,743	34.7	17,993	48.7	599	11.6	72	4.3	73,407	36.4
BIG	2,141	1.4	5,191	14.0	791	15.3	—	—	8,123	4.0
Net Par Outstanding (1)	**$ 157,789**	**100.0 %**	**$ 36,966**	**100.0 %**	**$ 5,164**	**100.0 %**	**$ 1,688**	**100.0 %**	**$ 201,607**	**100.0 %**

1) As of December 31, 2024, the Company excluded $936 million of net par primarily attributable to Loss Mitigation Securities.

Ceded Par Outstanding

	Ceded Par Outstanding (1)(2)	% of Total
Affiliated reinsurers	$ 56,581	99.9 %
Non-affiliated reinsurers	80	0.1
Total	**$ 56,661**	**100.0 %**

1) Of the total par ceded to a non-affiliated reinsurer, $14 million is rated BIG.
2) The total collateral posted by all affiliated and non-affiliated reinsurers required to post, or that had agreed to post collateral was approximately $601 million as of December 31, 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 December 31, 2024

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

	Net Par Outstanding	% of Total
U.S.:		
U.S. public finance:		
California	$ 28,097	13.9 %
Texas	20,596	10.2
New York	15,768	7.8
Pennsylvania	14,596	7.2
Illinois	9,495	4.7
Florida	9,149	4.5
New Jersey	7,058	3.5
Michigan	3,787	1.9
Louisiana	3,735	1.9
Colorado	3,026	1.5
Other	42,482	21.1
Total U.S public finance	157,789	78.2
U.S. structured finance (multiple states)	5,164	2.6
Total U.S.	**162,953**	**80.8**
Non-U.S.:		
United Kingdom	30,008	14.9
France	1,354	0.7
Australia	1,267	0.6
Spain	1,248	0.6
Canada	1,062	0.6
Other	3,715	1.8
Total non-U.S.	**38,654**	**19.2**
Total net par outstanding	**$ 201,607**	**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				
	U.S. Public Finance	Non-U.S. Public Finance	Total	Estimated Ending Net Par Outstanding	U.S. RMBS	U.S. and Non-U.S. Pooled Corporate	Other Structured Finance	Total	Estimated Ending Net Par Outstanding
2024 (as of December 31)				$ 194,755					$ 6,852
2025 Q1	$ 1,221	$ 170	$ 1,391	193,364	$ 49	$ 6	$ 315	$ 370	6,482
2025 Q2	1,204	170	1,374	191,990	47	12	201	260	6,222
2025 Q3	2,373	401	2,774	189,216	49	58	212	319	5,903
2025 Q4	1,759	754	2,513	186,703	46	18	176	240	5,663
2026	6,544	1,773	8,317	178,386	172	209	409	790	4,873
2027	6,239	889	7,128	171,258	140	301	265	706	4,167
2028	6,551	851	7,402	163,856	143	157	368	668	3,499
2029	6,721	2,181	8,902	154,954	134	44	392	570	2,929
2025-2029	32,612	7,189	39,801	154,954	780	805	2,338	3,923	2,929
2030-2034	33,639	8,086	41,725	113,229	308	58	1,078	1,444	1,485
2035-2039	29,220	5,606	34,826	78,403	320	30	380	730	755
2040-2044	23,927	1,934	25,861	52,542	—	—	460	460	295
2045-2049	19,792	2,512	22,304	30,238	6	—	289	295	—
2050-2054	13,875	3,188	17,063	13,175	—	—	—	—	—
After 2054	4,724	8,451	13,175	—	—	—	—	—	—
Total	**$157,789**	**$ 36,966**	**$194,755**		**$ 1,414**	**$ 893**	**$ 4,545**	**$ 6,852**	

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 December 31, 2024

(dollars in millions)

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

PREPA Amortization Schedule

	Scheduled Net Par Amortization	Scheduled Net Debt Service Amortization
2025 (January 1 - March 31)	$ —	$ 7
2025 (April 1 - June 30)	—	2
2025 (July 1 - September 30)	55	61
2025 (October 1 - December 31)	—	2
Subtotal 2025	55	72
2026	77	91
2027	76	87
2028	46	54
2029	31	37
2030-2037	93	101
Total	**$ 378**	**$ 442**

Assured Guaranty Inc.

Direct Pooled Corporate Obligations Profile

As of December 31, 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	$ 493	55.7 %	40.7%	50.2%
AA	55	6.2	36.1%	36.1%
A	209	23.6	54.8%	41.1%
BBB	128	14.5	35.3%	36.4%
Total exposures	**$ 885**	**100.0 %**	**43.0%**	**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	$ 190	21.5 %	42.8%	67.6%	7
U.S. mortgage and real estate investment trusts	30	3.4	48.5%	65.1%	3
CLOs	665	75.1	42.8%	37.9%	10
Total exposures	**$ 885**	**100.0 %**	**43.0%**	**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 December 31, 2024

(dollars in millions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Rating:	Net Par Outstanding	% of Total
AAA	$ 618	31.2 %
AA	938	47.4
A	174	8.7
BBB	223	11.3
BIG	27	1.4
Total credit derivative net par outstanding	**$ 1,980**	**100.0 %**

Distribution of Credit Derivative Net Par Outstanding by Sector

	Net Par Outstanding
Public finance:	
U.S. public finance	$ 1,008
Non-U.S. public finance	711
Total public finance	**1,719**
U.S. structured finance:	
Pooled corporate obligations	76
RMBS	60
Total U.S. structured finance	136
Non-U.S. structured finance:	
RMBS	125
Total non-U.S. structured finance	125
Total structured finance	**261**
Total credit derivative net par outstanding	**$ 1,980**

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	
	December 31, 2024	**December 31, 2023**
U.S. public finance:		
Healthcare	$ 984	$ 905
Municipal utilities	563	638
General obligation	182	180
Transportation	94	95
Tax backed	90	383
Higher education	64	72
Housing revenue	—	54
Investor-owned utilities	—	40
Other public finance	164	77
Total U.S. public finance	2,141	2,444
Non-U.S. public finance:		
Regulated utilities	3,696	—
Infrastructure finance	762	812
Renewable energy	696	222
Sovereign and sub-sovereign	37	44
Total non-U.S. public finance	5,191	1,078
Total public finance	**7,332**	**3,522**
U.S. structured finance:		
RMBS	772	888
Insurance securitizations	—	10
Consumer receivables	—	10
Other structured finance	19	2
Total U.S. structured finance	791	910
Non-U.S. structured finance:		
Total non-U.S. structured finance	—	—
Total structured finance	**791**	**910**
Total BIG net par outstanding	**$ 8,123**	**$ 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	
	December 31, 2024	**December 31, 2023**
BIG Category 1		
U.S. public finance	$ 1,599	$ 896
Non-U.S. public finance	4,674	1,078
U.S. structured finance	96	19
Non-U.S. structured finance	—	—
Total BIG Category 1	6,369	1,993
BIG Category 2		
U.S. public finance	118	776
Non-U.S. public finance	517	—
U.S. structured finance	26	32
Non-U.S. structured finance	—	—
Total BIG Category 2	661	808
BIG Category 3		
U.S. public finance	424	772
Non-U.S. public finance	—	—
U.S. structured finance	669	859
Non-U.S. structured finance	—	—
Total BIG Category 3	1,093	1,631
BIG Total	**$ 8,123**	**$ 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 future losses, on a present value basis, and the aggregate probability weighting of scenarios with future losses is less than 50%, regardless of whether the Company has or has not paid a liquidity claim. BIG 2: Below-investment-grade exposures for which there are possible future losses, on a present value basis, and the aggregate probability weighting of scenarios with future losses is 50% or more, but for which no claims (other than liquidity claims) have yet been paid. BIG 3: Below-investment-grade exposures for which future losses are expected, on a present value basis, and the aggregate probability weighting of scenarios with future losses is 50% or more, and for which claims, other than liquidity claims have been paid.

   For purposes of classifying BIG exposures into one of the three BIG categories, the Company calculates the present value of projected claim payments and recoveries using the pre-tax book yield of the 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 December 31, 2024
(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:			
ProMedica Healthcare Obligated Group, Ohio	$ 689	BB	
Puerto Rico Electric Power Authority	378	CCC	
Palomar Health	290	B	
Jackson Water & Sewer System, Mississippi	89	BB	
Puerto Rico Municipal Finance Agency	76	CCC	
Harrisburg Parking System, Pennsylvania	69	B	
New Jersey City University	63	BB	
Total U.S. public finance	**1,654**		
Non-U.S. public finance:			
Southern Water Services Limited	2,236	BB	
Thames Water Utilities Finance Plc	1,460	B	
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	517	B+	
Q Energy - Phase II - Pride Investments, S.A.	208	BB+	
Hypersol Solar Inversiones, S.A.U.	207	BB+	
Q Energy - Phase III - FSL Issuer, S.A.U.	194	B+	
Dartford & Gravesham NHS Trust The Hospital Company (Dartford) Plc	110	BB+	
Road Management Services PLC (A13 Highway)	99	B+	
Q Energy - Phase IV - Anselma Issuer, S.A.	87	BB+	
Total non-U.S. public finance	**5,118**		
Total public fiance	**6,772**		
U.S. structured finance:			
RMBS:			
Option One 2007-FXD2	97	B	15.2%
Option One Mortgage Loan Trust 2007-HL1	96	CCC	22.5%
Argent Securities Inc. 2005-W4	92	CCC	9.8%
Nomura Asset Accept. Corp. 2007-1	52	CCC	16.3%
Total RMBS - U.S. structured finance	**337**		
Total non-U.S. structured finance	**—**		
Total structured finance	**337**		
Total	**$ 7,109**		

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 December 31, 2024

(dollars in millions)

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

Credit Name:	Net Par Outstanding	Internal Rating
New Jersey (State of)	$ 1,964	BBB
Pennsylvania (Commonwealth of)	1,688	BBB
Lower Colorado River Authority	1,377	A
JFK New Terminal One, New York	1,360	BBB-
Metro Washington Airports Authority (Dulles Toll Road)	1,353	BBB+
Alameda Corridor Transportation Authority, California	1,147	BBB
New York Power Authority	1,132	AA-
Foothill/Eastern Transportation Corridor Agency, California	1,076	BBB+
North Texas Tollway Authority	1,001	A+
New York Metropolitan Transportation Authority	996	A-
Philadelphia Water & Wastewater, Pennsylvania	977	A
Brightline Trains Florida LLC	963	BBB-
South Carolina Public Service Authority - Santee Cooper	961	BBB
Montefiore Medical Center, New York	946	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	846	BBB
JFK Terminal 6, New York	783	BBB-
North Carolina Turnpike Authority	779	BBB
Harris County - Houston Sports Authority, Texas	772	A-
Municipal Electric Authority of Georgia	729	BBB+
Chicago Water, Illinois	708	BBB+
Yankee Stadium LLC New York City Industrial Development Authority	689	BBB
ProMedica Healthcare Obligated Group, Ohio	689	BB
Dade County Seaport, Florida	663	A-
Houston Airport System, Texas	653	A
Thomas Jefferson University	650	A-
Illinois (State of)	650	BBB
Philadelphia School District, Pennsylvania	648	A-
California (State of)	631	AA-
Pittsburgh Water & Sewer, Pennsylvania	627	A-
Maine (State of)	596	A
Tucson (City of), Arizona	571	A+
Metropolitan Pier and Exposition Authority, Illinois	565	BBB-
New York (City of), New York	538	AA-
Anaheim (City of), California	531	A-
Massachusetts (Commonwealth of) Water Resources	525	AA
Pittsburgh International Airport, Pennsylvania	525	A-
Chicago-O'Hare International Airport, Illinois	523	A-
Pennsylvania Turnpike Commission	514	A-
Wisconsin (State of)	509	A
Mets Queens Ballpark	502	BBB
Nassau County, New York	500	AA-
Chicago (City of) Wastewater Transmission, Illinois	498	BBB+
New York Transportation Development Corporation (LaGuardia Airport Terminal Redevelopment Project)	489	BBB-
Los Angeles International Airport (Customer Facility Charge), California	464	A
Chicago Public Schools, Illinois	454	BBB-
Kansas City, Missouri	442	A
Philadelphia (City of), Pennsylvania	442	A-
Total top 50 U.S. public finance exposures	**$ 39,303**	

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 December 31, 2024
(dollars in millions)

25 Largest U.S. Structured Finance Exposures

Credit Name:	Net Par Outstanding	Internal Rating (1)
Private US Insurance Securitization	$ 749	AA-
Private US Insurance Securitization	188	AA-
Private US Insurance Securitization	179	AA-
Private US Insurance Securitization	178	AA-
Private US Insurance Securitization	165	AA
DB Master Finance LLC	137	BBB
Private Middle Market CLO	106	BBB
SLM Student Loan Trust 2007-A	105	AA
Private US Insurance Securitization	102	AA
Private Middle Market CLO	100	A
CWABS 2007-4	100	BBB+
Option One 2007-FXD2	97	B
Option One Mortgage Loan Trust 2007-HL1	96	CCC
Argent Securities Inc. 2005-W4	92	CCC
Private US Insurance Securitization	92	A
Private Balloon Note Guarantee	85	A
Private Balloon Note Guarantee	59	BBB
CAPCO - Excess SIPC Excess of Loss Reinsurance	54	BBB
Nomura Asset Accept. Corp. 2007-1	52	CCC
Private Subscription Finance Transaction	50	A-
ALESCO Preferred Funding XIII, Ltd.	46	AAA
New Century 2005-A	45	CCC
Private Other Structured Finance Transaction	45	A-
Private Balloon Note Guarantee	43	A
Countrywide 2007-13	42	AA
Total top 25 U.S. structured finance exposures	**$ 3,007**	

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 December 31, 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	$ 2,236	BB
Anglian Water Services Financing PLC	United Kingdom	1,584	A-
Dwr Cymru Financing Limited	United Kingdom	1,583	A-
Thames Water Utilities Finance Plc	United Kingdom	1,460	B
Channel Link Enterprises Finance PLC	France, United Kingdom	1,163	BBB
Southern Gas Networks PLC	United Kingdom	1,010	BBB+
Verbund, Lease and Sublease of Hydro-Electric Equipment	Austria	881	AAA
Quebec Province	Canada	866	AA-
British Broadcasting Corporation (BBC)	United Kingdom	834	A+
Capital Hospitals (Issuer) PLC	United Kingdom	758	BBB-
Yorkshire Water Services Finance Plc	United Kingdom	686	BBB
National Grid Gas PLC	United Kingdom	666	A-
Aspire Defence Finance plc	United Kingdom	613	BBB+
Verdun Participations 2 S.A.S.	France	594	BBB-
Heathrow Funding Limited	United Kingdom	523	BBB
Coventry & Rugby Hospital Company (Walsgrave Hospital) Plc	United Kingdom	517	B+
North Staffordshire PFI, 32-year EIB Index-Linked Facility	United Kingdom	486	BBB-
South East Water	United Kingdom	466	BBB
Central Nottinghamshire Hospitals PLC	United Kingdom	448	BBB-
Derby Healthcare PLC	United Kingdom	447	BBB
Severn Trent Water Utilities Finance Plc	United Kingdom	436	BBB+
Campania Region - Healthcare receivable	Italy	428	BBB-
Private International Sub-Sovereign Transaction	United Kingdom	425	A+
United Utilities Water PLC	United Kingdom	412	A-
NewHospitals (St Helens & Knowsley) Finance PLC	United Kingdom	409	BBB+
Sydney Airport Finance Company	Australia	408	BBB+
National Grid Company PLC	United Kingdom	382	BBB+
The Hospital Company (QAH Portsmouth) Limited	United Kingdom	378	BBB
Wessex Water Services Finance Plc	United Kingdom	376	BBB+
University of Sussex	United Kingdom	370	BBB
South West Water UK	United Kingdom	341	BBB+
Western Power Distribution (South West) PLC	United Kingdom	303	BBB+
Envestra Limited	Australia	297	A-
Private Other Structured Finance Transaction	Australia	276	A-
Northumbrian Water PLC	United Kingdom	274	BBB+
Private International Sub-Sovereign Transaction	United Kingdom	271	A
South Lanarkshire Schools	United Kingdom	270	BBB
University of Essex, United Kingdom	United Kingdom	267	BBB
Private International Sub-Sovereign Transaction	United Kingdom	235	A
Feria Muestrario Internacional de Valencia	Spain	232	BBB-
Western Power Distribution (South Wales) PLC	United Kingdom	230	BBB+
Portsmouth Water, United Kingdom	United Kingdom	228	BBB
Japan Expressway Holding and Debt Repayment Agency	Japan	226	A+
Sutton and East Surrey Water plc	United Kingdom	226	BBB
Private International Sub-Sovereign Transaction	United Kingdom	225	AA-
Q Energy - Phase II - Pride Investments, S.A.	Spain	208	BB+
Hypersol Solar Inversiones, S.A.U.	Spain	207	BB+
Keele Residential Funding PLC	United Kingdom	206	BBB+
University of York (Civitas Living LLP), UK	United Kingdom	201	BBB
Bakethin Finance Plc	United Kingdom	195	A-
Total top 50 non-U.S. exposures		**$ 26,763**	

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 Year Ended December 31, 2024	As of and for Year Ended December 31, 2023
Claims-Paying Resources (1)		
Policyholders' surplus	$ 3,524	$ 4,008
Contingency reserve	1,392	1,296
Qualified statutory capital	**4,916**	**5,304**
Unearned premium reserve and net deferred ceding commission income	2,424	2,427
Loss and LAE reserves	—	7
Total policyholders' surplus and reserves	**7,340**	**7,738**
Present value of installment premium	819	802
CCS	400	400
Total claims-paying resources	**$ 8,559**	**$ 8,940**
Ratios:		
Net par outstanding to qualified statutory capital	41:1	36:1
Capital ratio	66:1	58:1
Financial resources ratio	38:1	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)	$ 323,905	$ 307,408
Gross debt service outstanding (end of period)	410,924	393,162
Net par outstanding (end of period)	201,090	190,359
Gross par outstanding (end of period)	257,628	245,917
Ceded to Assured Guaranty affiliates	56,458	55,477
Ceded par to other companies	80	82
Gross debt service written:		
Public finance - U.S.	$ 44,018	$ 41,903
Public finance - non-U.S.	2,158	3,286
Structured finance - U.S.	1,273	1,830
Structured finance - non-U.S.	2,001	1,177
Total gross debt service written	$ 49,450	$ 48,196

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, 2024.

U.S. Public Finance:

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

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

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

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

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

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

Glossary (continued)

Sectors (continued)
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.

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.

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.

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

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

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

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

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

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

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

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.

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.

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

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

Glossary (continued)

Sectors (continued)

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

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.

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.

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 AG, as reported under GAAP, adjusted for the following:

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

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

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

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

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 AG, 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.

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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