



EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Equity Investor Presentation

March 31, 2021

**ASSURED
GUARANTY®**

Forward-Looking Statements and Safe Harbor Disclosure



- This presentation contains information that includes or is based upon forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements give the expectations or forecasts of future events of Assured Guaranty Ltd. (AGL) and its subsidiaries (collectively with AGL, Assured Guaranty or the Company). These statements can be identified by the fact that they do not relate strictly to historical or current facts and relate to future operating or financial performance.
- Any or all of Assured Guaranty's forward-looking statements herein are based on current expectations and the current economic environment and may turn out to be incorrect. Assured Guaranty's actual results may vary materially. Among factors that could cause actual results to differ adversely are: (1) the development, course and duration of the COVID-19 pandemic and the governmental and private actions taken in response, the effectiveness, acceptance and distribution of COVID-19 vaccines, and the global consequences of the pandemic and such actions, including their impact on the factors listed below; (2) changes in the world's credit markets, segments thereof, interest rates, credit spreads or general economic conditions; (3) developments in the world's financial and capital markets that adversely affect insured obligors' repayment rates, Assured Guaranty's insurance loss or recovery experience, investments of Assured Guaranty or assets it manages; (4) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (5) the loss of investors in Assured Guaranty's asset management strategies or the failure to attract new investors to Assured Guaranty's asset management business; (6) the possibility that budget or pension shortfalls or other factors will result in credit losses or impairments on obligations of state, territorial and local governments and their related authorities and public corporations that Assured Guaranty insures or reinsures; (7) insured losses in excess of those expected by Assured Guaranty or the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates for insurance exposures, including as a result of the failure to resolve Assured Guaranty's Puerto Rico exposure in a manner substantially consistent with the support agreements signed to date; (8) increased competition, including from new entrants into the financial guaranty industry; (9) poor performance of Assured Guaranty's asset management strategies compared to the performance of the asset management strategies of Assured Guaranty's competitors; (10) the possibility that investments made by Assured Guaranty for its investment portfolio, including alternative investments and investments it manages, do not result in the benefits anticipated or subject Assured Guaranty to reduced liquidity at a time it requires liquidity or to unanticipated consequences; (11) the impact of market volatility on the mark-to-market of Assured Guaranty's assets and liabilities subject to mark-to-market, including certain of its investments, most of its contracts written in credit default swap form, and variable interest entities as well as on the mark-to-market of assets Assured Guaranty manages; (12) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of AGL or any of its insurance subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL's insurance subsidiaries have insured; (13) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (14) changes in applicable accounting policies or practices; (15) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (16) the failure of Assured Guaranty to successfully integrate the business of BlueMountain Capital Management, LLC (BlueMountain now known as Assured Investment Management LLC) and its associated entities; (17) the possibility that acquisitions made by Assured Guaranty, including its acquisition of BlueMountain (BlueMountain Acquisition), do not result in the benefits anticipated or subject Assured Guaranty to unanticipated consequences; (18) difficulties with the execution of Assured Guaranty's business strategy; (19) loss of key personnel; (20) the effects of mergers, acquisitions and divestitures; (21) natural or man-made catastrophes or pandemics; (22) other risk factors identified in AGL's filings with the U.S. SEC; (23) other risks and uncertainties that have not been identified at this time; and; (24) management's response to these factors.
- The foregoing review of important factors should not be construed as exhaustive, and should be read in conjunction with the other risk factors and cautionary statements that are included in Assured Guaranty's most recent Forms 10-K and subsequent Forms 10-Q. The Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, any future developments or otherwise, except as required by law. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company's reports filed with the SEC.
- If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may vary materially from what the Company projected. Any forward-looking statements in this this presentation reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity. For these statements, the Company claims the protection of the safe harbor for forward looking statements contained in Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Conventions and Non-GAAP Financial Measures



- Unless otherwise noted, the following conventions are used in this presentation:
 - Ratings on Assured Guaranty's insured portfolio and on bonds purchased pursuant to our loss mitigation or risk management strategies are our internal credit ratings. Internal credit ratings are expressed on a ratings scale similar to that used by the rating agencies and are generally reflective of an approach similar to that employed by the rating agencies, except that the Company's credit ratings focus on future performance, rather than lifetime performance. Exposures rated below investment grade are designated "BIG".
 - The Company reclassifies those portions of risks benefitting from collateralized reimbursement arrangements as the higher of AA or their current internal rating.
 - The Company excludes Company-insured securities that it has purchased for loss mitigation purposes from its disclosure of par and debt service outstanding (unless otherwise indicated) because it manages such securities as investments and not insurance exposure.
 - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service, Inc. (Moody's) or S&P Global Ratings Services (S&P) classifications except for bonds purchased for loss mitigation or other risk management strategies, which use internal ratings classifications. Other invested assets are not rated.
 - Percentages and totals in tables or graphs may not add due to rounding.
 - Also, unless otherwise noted, the Company includes as part of its asset management business the management of collateralized loan obligations (CLOs) managed by BlueMountain Fuji Management, LLC (BM Fuji). The Company is not the investment manager of BM Fuji-advised CLOs, but rather has entered into a services agreement and a secondment agreement with BM Fuji pursuant to which the Company provides certain services associated with the management of BM Fuji-advised CLOs and acts in the capacity of service provider.
- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles (GAAP), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures are determined on the basis of methodologies other than in accordance with GAAP (non-GAAP financial measures), and are defined in the Appendix. Wherever possible, the Company has separately disclosed the effect of consolidating VIEs on the non-GAAP financial measures. See the Appendix for a more comprehensive description of non-GAAP financial measures.
- This presentation references AUM, or assets under management. For conventions used by the Company in presenting its AUM, see the Appendix.
- When a financial measure is described as "adjusted operating," it is a non-GAAP measure. Prior to the fourth quarter of 2019, these financial measures were identified as "non-GAAP operating" measures.

- **First Quarter 2021**
- **Assured Guaranty overview**
 - Track record of creating shareholder value
 - Dividend limitation calculations
 - Simplified corporate structure
- **Underlying value**
 - High-quality investment portfolio
 - Deleveraging while maintaining total invested assets
 - Investment income
 - Historical growth
- **Creating value**
 - Insurance
 - Assured Investment Management
- **Financial results**
- **Insurance portfolio overview**
 - Puerto Rico exposure
- **Asset management overview**

First Quarter 2021 Accomplishments



- **Earned \$43 million of adjusted operating income¹, or \$0.55 per share**
 - This includes a one-time \$13 million after-tax write-off of MAC's insurance licenses in the first quarter of 2021 resulting from the merger of MAC with and into AGM, which was recorded in other operating expenses.
- **Increased adjusted operating shareholders' equity¹ per share and adjusted book value¹ per share, reaching new record highs of \$79.44 and \$116.56, respectively**
- **Generated \$86 million of new insurance business production PVP¹**
- **Repurchased an additional 2.0 million common shares (\$77 million)²**
- **Issued two new CLOs, selling a significant percentage of the equity to third parties**
- **Negotiated agreements in principle on over 70% of the Company's Puerto Rico exposure**
 - Over 93% of the Company's Puerto Rico net par outstanding is now covered by negotiated agreements

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

2. Additionally, 0.6 million common shares were repurchased for approximately \$28 million between April 1, 2021, and May 6, 2021.

COVID-19 Market Disruption

Strength of Financial Guaranty Business Model



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

COVID-19 Market Disruption

Augmented Periodic Surveillance Process



- **The Company's Surveillance Department (with a staff of over three dozen) is closely monitoring those sectors and credits it believes are most at risk as a result of the direct and indirect consequences of the COVID-19 pandemic**
- **The Company's Surveillance Departments have developed models to assess potential claim payments in a stress case, and regularly update those models to account for current economic and financial information**
 - The most recent update, which covers a stress case through January 2022, takes into account the American Rescue Plan Act of 2021, which provides \$1.9 trillion of economic stimulus
 - The model focuses on the sectors we consider high and medium risk, and assumes significant reductions in future revenues as well as no additional federal assistance
- **The Company does not expect to pay first-time claims arising from the pandemic that would lead to material ultimate credit losses**
 - On some transactions that were already classified as below investment grade prior to the pandemic, we did increase reserves
- **As of May 6, 2021, the Company has paid only relatively small first-time insurance claims it believes are due at least in part to credit stress arising specifically from COVID-19**
 - The Company currently projects nearly full reimbursement of these relatively small claims

Assured Guaranty Overview



Assured Guaranty Overview



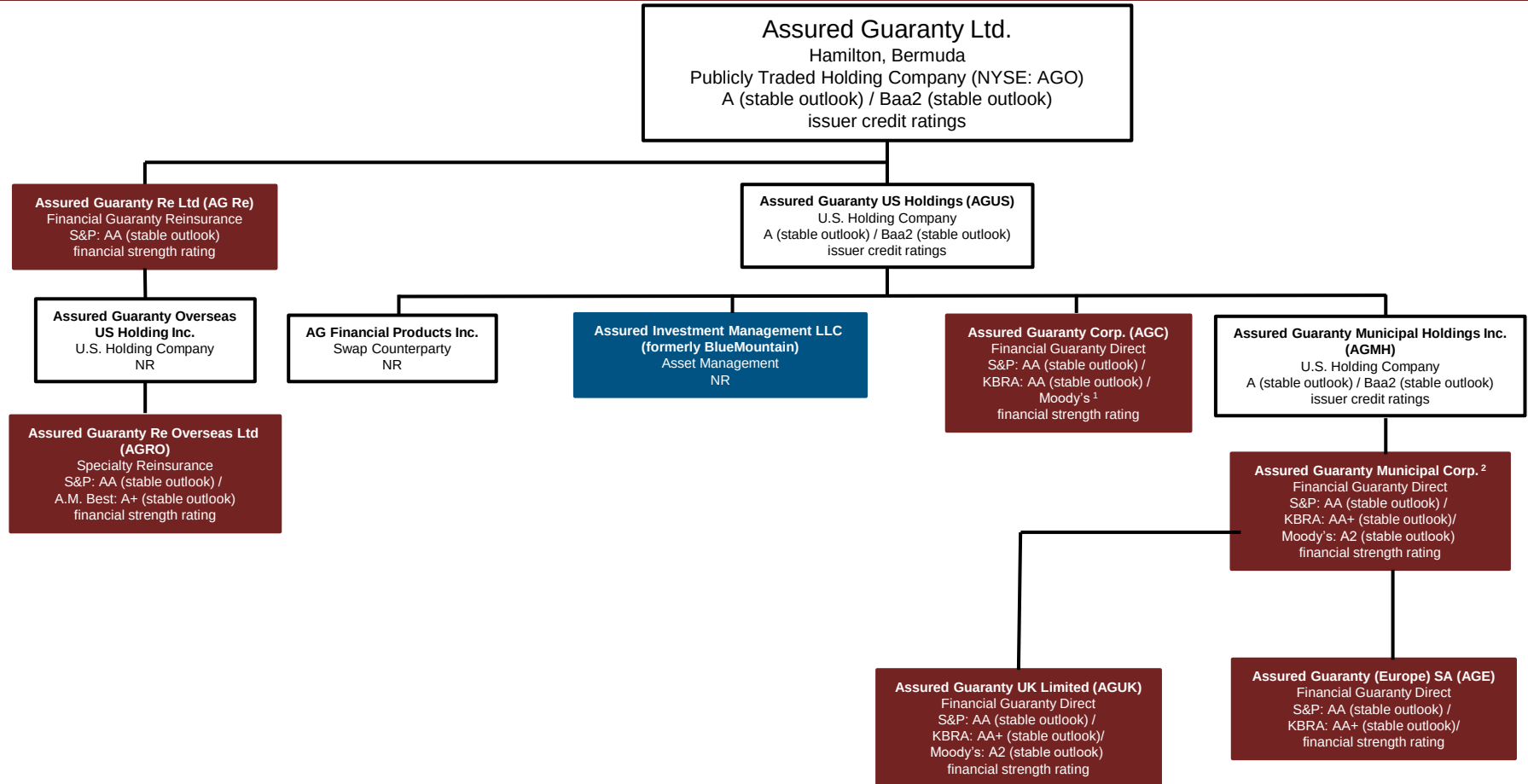
Assured Guaranty Ltd.

(\$ in billions)	Mar 31, 2021	Sept 30, 2009
Insured net par outstanding	\$234.3	\$646.6
U.S. public finance	\$172.9	\$424.9
U.S. structured finance	\$8.7	\$142.2
Non-U.S.	\$52.7	\$79.5
Total investment portfolio + cash ¹	\$9.7	\$10.2
Net unearned premium reserve ²	\$3.7	\$7.5
Claims-paying resources ³	\$11.0	\$12.8
Ratio of net par outstanding / claims-paying resources³	21:1	51:1
AssuredIM assets under management (AUM)	\$17.5	N/A

- **We are the leading financial guaranty franchise, with over three decades of experience in the municipal and structured finance markets**
- **We serve the bond insurance market through four⁴ platforms:**
 - Assured Guaranty Municipal Corp. (AGM), along with its subsidiaries Assured Guaranty UK Limited (AGUK) and Assured Guaranty (Europe) SA (AGE), focuses primarily on global public finance and infrastructure transactions
 - Rated AA+ (stable) by KBRA, AA (stable) by S&P and A2 (stable) by Moody's
 - Assured Guaranty Corp. (AGC) guarantees structured finance transactions, global infrastructure and U.S. public finance
 - Rated AA (stable) by KBRA and AA (stable) by S&P⁵
- **We provide asset management services through AssuredIM**

1. The \$9.7 billion of total invested assets and cash excludes \$297 million of investments in certain AssuredIM funds that the Company consolidates for GAAP accounting purposes
2. Unearned premium reserve net of ceded unearned premium reserve.
3. Based upon statutory accounting. Aggregate data for insurance subsidiaries within the Assured Guaranty group. Claims on each insurance subsidiary's insurance policies/financial guarantees are paid from the insurance subsidiary's separate claims-paying resources. See page 31.
4. On April 1, 2021, the Company completed the merger of MAC with and into AGM, with AGM as the surviving company.
5. In January 2017, AGC requested that Moody's withdraw AGC's financial strength rating, but Moody's denied that request and continues to rate AGC.

Assured Guaranty Ltd. Corporate Structure



As of May 6, 2021

S&P / Moody's (unless otherwise specified)

NR = Not rated

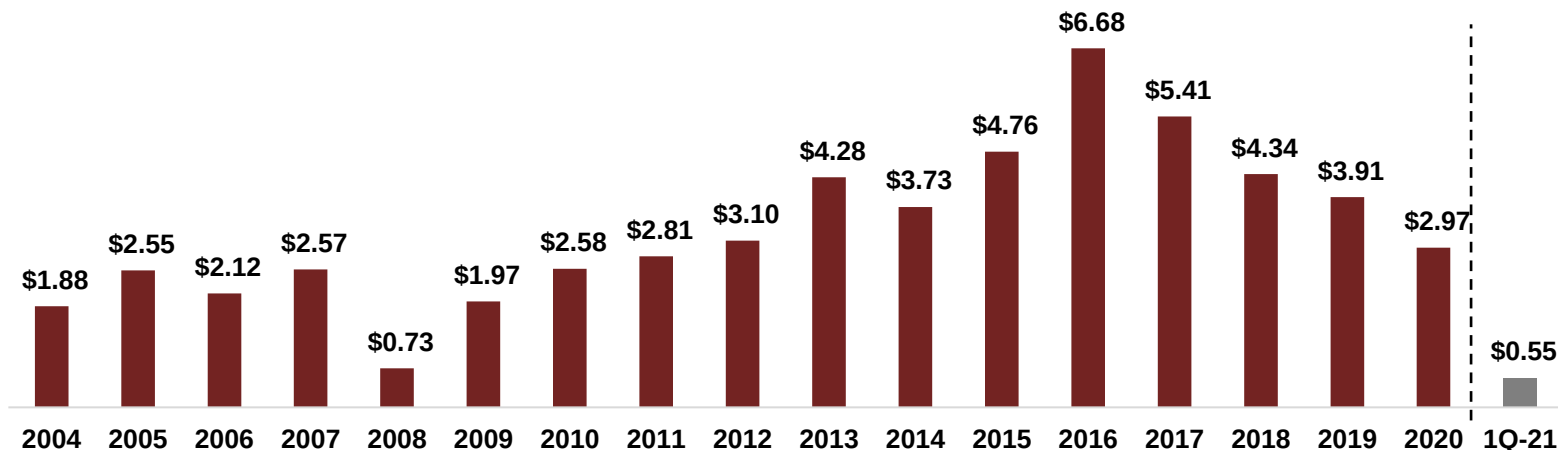
1. Assured Guaranty requested in January 2017 that Moody's drop its rating of AGC; Moody's declined, and continues to rate AGC.
2. On April 1, 2021, the Company completed the merger of MAC with and into AGM, with AGM as the surviving company

Assured Guaranty Overview



- Our annual adjusted operating income¹ per share was \$2.97 in 2020 compared with \$1.88 in 2004, the year of our initial public offering
- Repurchases of our shares improve adjusted operating income¹ per share, adjusted operating shareholders' equity¹ per share and adjusted book value¹ per share
- Adjusted operating income¹ is generated from premium earned from our insured portfolio, investment earnings from our investment portfolio and other strategic activities

**Adjusted Operating Income¹
per Share by Year**



Gain (loss) related to VIE consolidation included in adjusted operating income¹:

N/A	N/A	N/A	N/A	N/A	N/A	\$(0.88)	\$(0.43)	\$0.29	\$1.03	\$0.90	\$0.07	\$0.10	\$0.10	\$(0.03)	\$-	\$(0.14)	\$-
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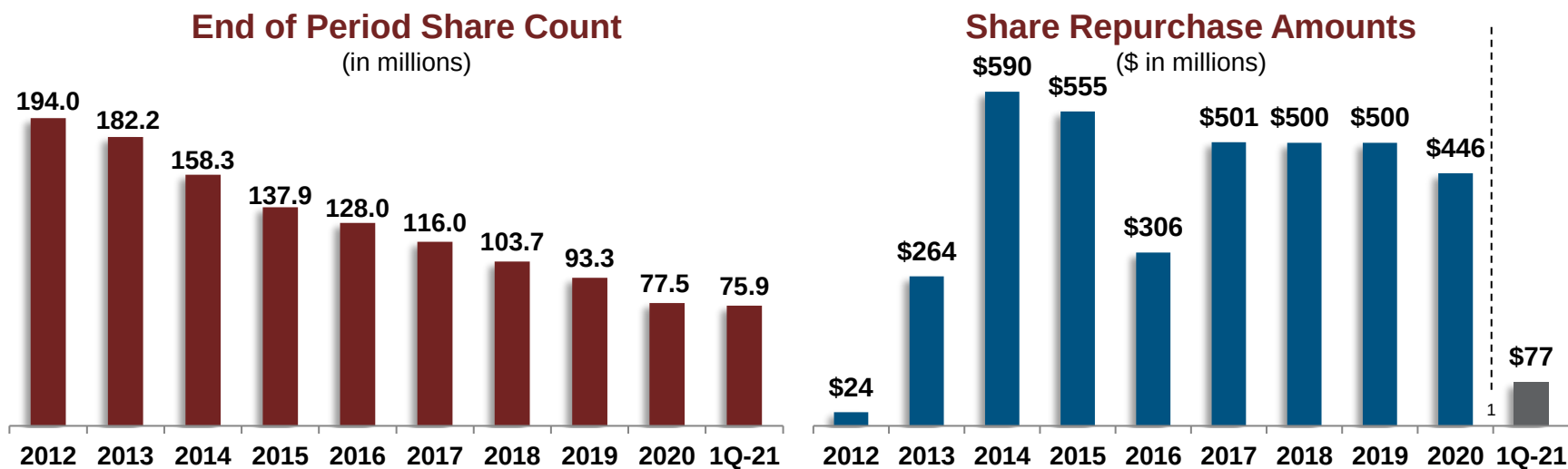
1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.

Assured Guaranty Overview

Track Record of Creating Shareholder Value



- **We have returned excess capital to shareholders by repurchasing our common shares and distributing dividends**
 - Since 2013, when we started our capital management strategy of repurchasing our common shares, through May 6, 2021, we have repurchased nearly 124 million shares, or approximately 64% of our shares outstanding at the beginning of the repurchase program in 2013, for approximately \$3.8 billion.
 - In the first quarter of 2021, the Company repurchased 2.0 million shares¹ for \$77 million.
 - Between April 1, 2021, and May 6, 2021, the Company repurchased an additional 0.6 million common shares for approximately \$28 million.
 - As of May 6, 2021, the Company's remaining share repurchase authorization is \$147 million.
 - Since our 2004 IPO, we have more than tripled our quarterly dividend per share. In February 2021, our Board of Directors authorized an increase in the quarterly dividend to \$0.22 per share. We have raised our quarterly dividends for ten consecutive years.



Dividend Limitation Calculations

Assured Guaranty Municipal Corp. (Domiciled in New York)	Assured Guaranty Corp. (Domiciled in Maryland)	Assured Guaranty Re Ltd. (AG Re) (Domiciled in Bermuda)
- Based on most recently filed quarterly or annual statement - Only out of "earned surplus"¹ - Cannot exceed the lesser of: (i) 10% of policyholders' surplus, and (ii) 100% of adjusted net investment income - Prior 12 months' net investment income (excluding realized gains) increased by the excess, if any, of net investment income over dividends paid for the 24 months preceding the prior 12 months.	- Based on most recently filed annual statement - Cannot exceed the lesser of: (i) 10% of policyholders' surplus, and (ii) 100% of adjusted net investment income - Prior year net investment income (excluding realized gains) increased by the excess, if any, of net investment income for the three years preceding the prior year over dividends paid for the three prior years.	- Cannot exceed 25% of prior year total statutory capital and surplus without certification to the regulator - Cannot exceed current outstanding statutory surplus - Must be paid from current unencumbered assets - Additionally, AG Re can make capital distributions which cannot exceed 15% of its total prior year statutory capital (total stat capital of \$858 million, 15% of which is \$129 million)

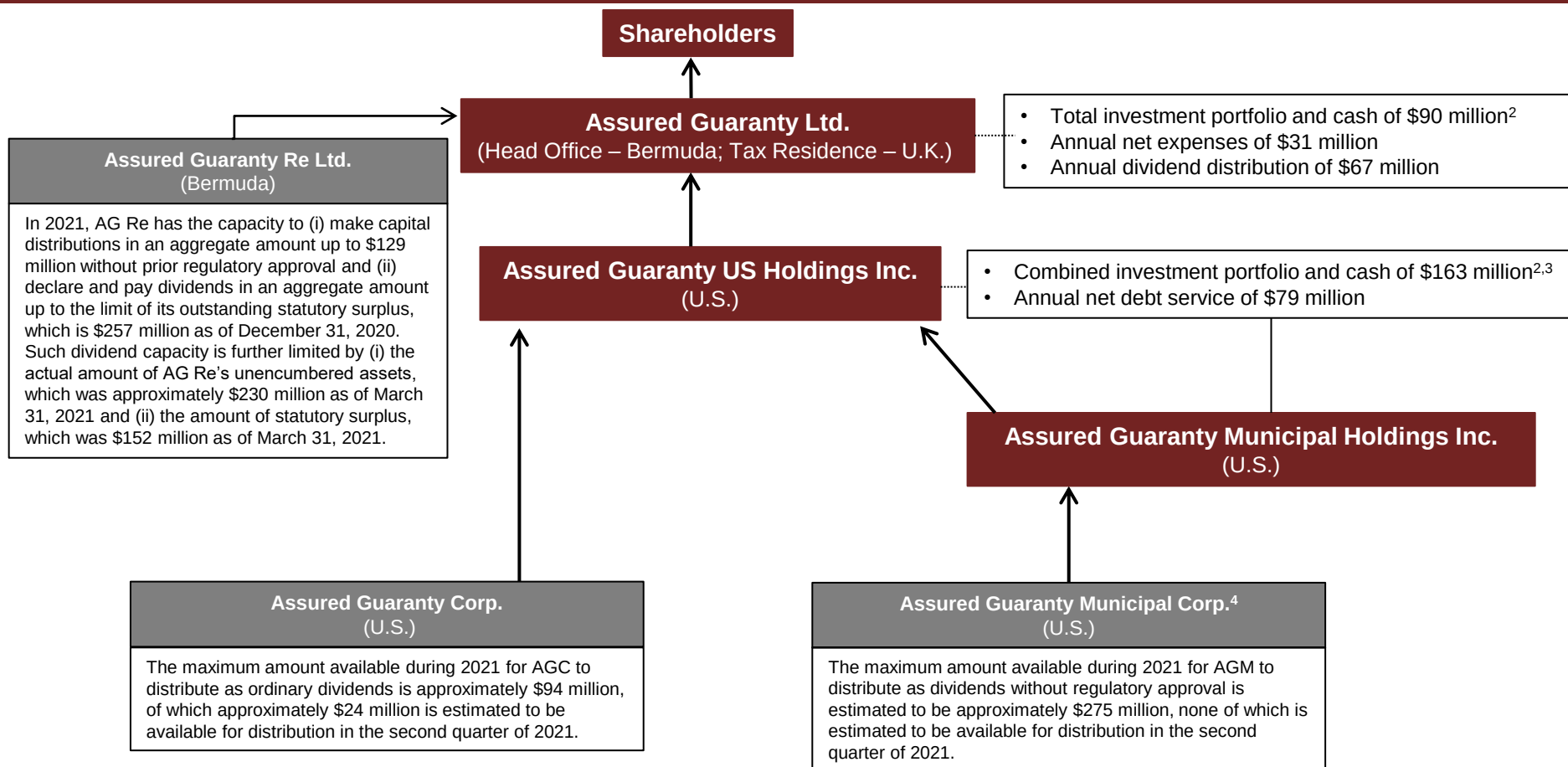
(\$ in millions)

Policyholders' surplus	\$2,805	Policyholders' surplus	\$1,717	Total stat capital and surplus	\$1,026
10% of policyholders' surplus	\$281	10% of policyholders' surplus	\$171	25% of stat capital and surplus	\$257
2Q-20 through 1Q-21 investment income	\$275	2020 investment income	\$94	Outstanding statutory surplus	\$152
Net investment income		Net investment income		Unencumbered assets	\$230
2Q-18 through 1Q-19	176	2017	133		
2Q-19 through 1Q-20	212	2018	122		
Total	\$388	2019	166		
		Total	\$421		
Dividends paid		Dividends paid		2021 Dividend Limitation	\$152
2Q-18 through 1Q-19	(172)	2018	(133)	2021 Remaining Capacity	\$152
2Q-19 through 1Q-20	(218)	2019	(122)		
Total	(\$390)	2020	(166)		
		Total	(\$421)		
Excess of investment income over dividends	\$0	Excess of investment income over dividends	\$0		
Adjusted net investment income		Adjusted net investment income			
(\$275 + \$0 = \$275)	\$275	(\$94 + 0 = \$94)	\$94		
2021 Dividend Limitation	\$275	2021 Dividend Limitation	\$94		
2021 Remaining Capacity	\$193	2021 Remaining Capacity	\$81		

1. Earned surplus is currently approximately \$2.1 billion. Earned surplus is the portion of the company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets.

Assured Guaranty Overview

Simplified Corporate Structure With Dividend Capacity¹



1. Represents dividend capacity of U.S. insurance subsidiaries as of March 31, 2021. AssuredIM is not expected to pay dividends in 2021. Please see our Form 10-Q dated March 31, 2021, for a discussion of the dividend limitations to which we are subject under applicable U.S. and Bermuda law, including the New York Insurance Law and the Maryland Insurance Code.
2. As of March 31, 2021. The investment portfolio includes fixed-maturity securities and short-term investments.
3. Excludes AGUS's investment in AGMH's debt, investments in affiliates and tax escrow balances.
4. On April 1, 2021, the Company completed the merger of MAC with and into AGM, with AGM as the surviving company

A photograph of three construction workers wearing white hard hats and safety gear, working on a large-scale construction project. They are standing on a dense grid of steel reinforcement bars (rebar) that has been laid out on a wooden formwork structure. The workers are focused on their task, with one worker in the foreground pointing towards the rebar. The background shows more of the construction site, including additional rebar grids and wooden forms, suggesting a multi-level building under construction. The overall scene is one of active construction work.

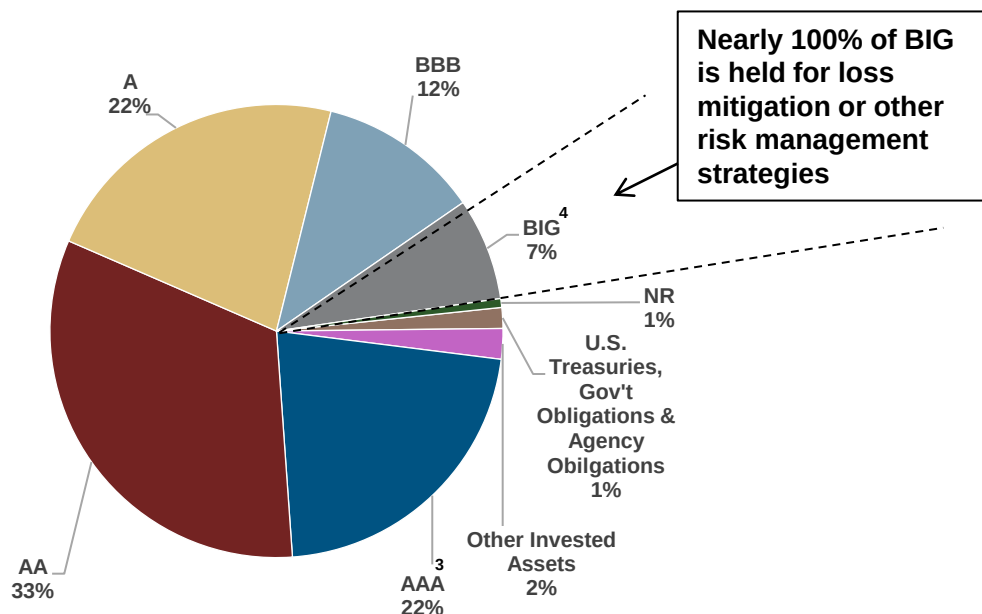
Underlying Value

Underlying Value

High-Quality Investment Portfolio

Total Invested Assets and Cash^{1,2}

As of March 31, 2021



\$9.7 billion, A+ average rating²

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

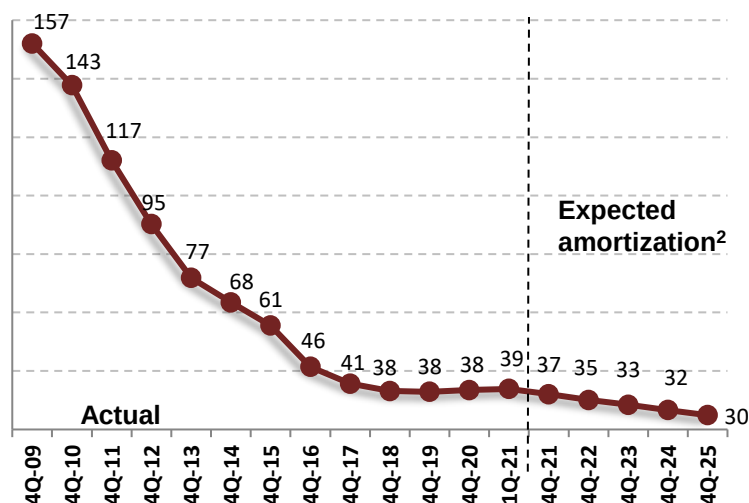
1. Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or other risk management strategies, which use internal ratings classifications.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

Underlying Value Deleveraging

- **Our insured net par outstanding to adjusted operating shareholders' equity¹ has improved from 157:1 as of 4Q-09 to 39:1 as of 1Q-21**
 - We expect that our rate of new business written should tend to equal or exceed that of exposures amortized in a given year, stabilizing UPR and future earned revenue
- **Meanwhile, total invested assets and cash remains comparable to prior period amounts**
 - Total invested assets and cash does not include assets with a fair value of approximately \$297 million as of March 31, 2021

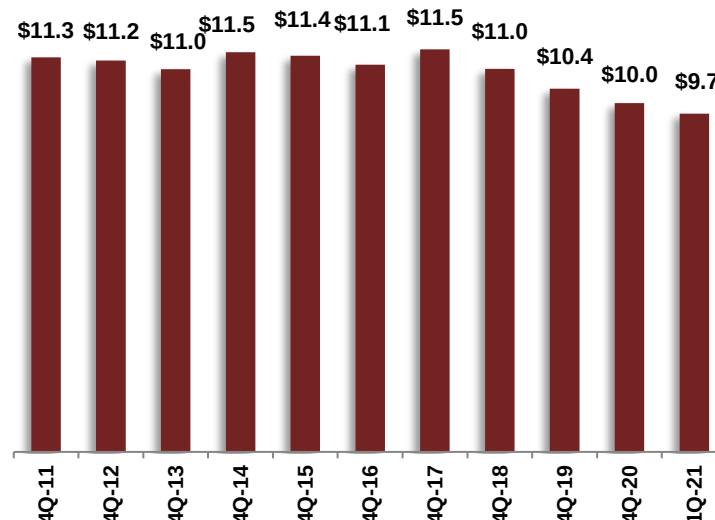
Adjusted Operating Portfolio Leverage

Insured Net Par Outstanding / Adjusted Operating Shareholders' Equity¹



Total Invested Assets and Cash³

(\$ in billions)



1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.
2. Assumes no new business production and calculates estimated amortization divided by current adjusted operating shareholders' equity.
3. Excludes \$297 million on March 31, 2021, \$254 million on December 31, 2020, and \$77 million on December 31, 2019, invested by the U.S. subsidiaries in AssuredIM funds on a fair value basis.

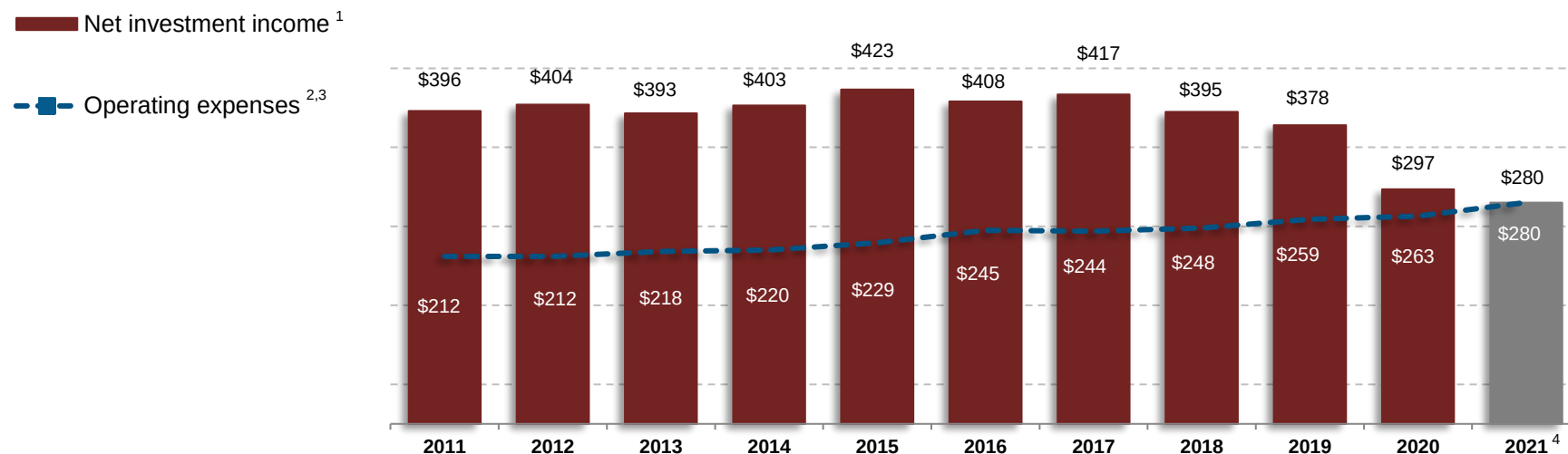
Underlying Value

Net Investment Income¹ and Operating Expenses

- Net investment income¹ excludes the returns generated from alternative investments with a fair value of approximately \$493 million as of March 31, 2021, composed primarily of AssuredIM funds

Net Investment Income¹

(\$ in millions)



Insurance Segment:

Segment Net Investment Income ⁴	\$396	\$404	\$393	\$403	\$423	\$408	\$423	\$396	\$383	\$310
Insurance segment equity in earnings of:										
AssuredIM Funds	-	-	-	-	-	-	-	-	(2)	42
Other	-	-	-	-	-	-	-	1	4	19
Total ⁵	\$396	\$404	\$393	\$403	\$423	\$408	\$423	\$397	\$385	\$371

1. Net investment income is presented on a consolidated basis

2. Operating expenses represent the expenses (compensation, benefits and other operating expenses) of only the insurance segment and the corporate division.

3. As a result of the merger of MAC with and into AGM, the Company wrote-off \$16 million carrying value of MAC's insurance licenses in first quarter 2021, which was recorded in other operating expenses.

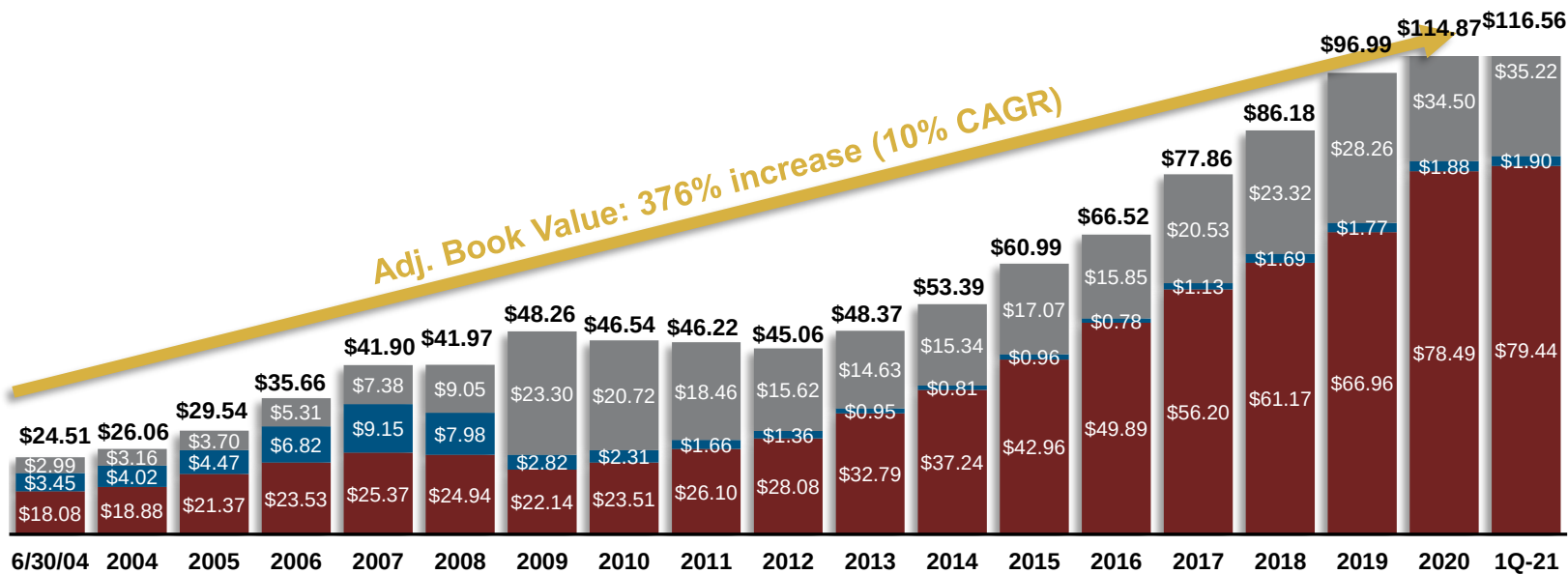
4. Net investment income and operating expenses for 2021 are annualized results, excluding \$16 million write-off MAC's insurance licenses. The Company does not annualize equity in earnings as it fluctuates based on the NAV of the funds.

5. For a reconciliation of income from insurance segment investment portfolio to net investment income, please see page 27.

Underlying Value Historical Growth



Adjusted Book Value¹ per Share



Shareholders' equity attributable to AGL per share (GAAP):	\$18.73	\$20.19	\$22.22	\$24.44	\$20.33	\$20.62	\$18.76	\$19.97	\$25.52	\$25.74	\$28.07	\$36.37	\$43.96	\$50.82	\$58.95	\$63.23	\$71.18	\$85.66	\$84.67
Gain (loss) related to VIE consolidation included in adjusted operating shareholders' equity per share ¹ :							\$(2.02)	\$(2.44)	\$(1.97)	\$(1.04)	\$(0.24)	\$(0.15)	\$(0.06)	\$0.03	\$0.03	\$0.07	\$0.03	\$0.02	
Gain (loss) related to VIE consolidation included in adjusted book value per share ¹ :							\$(2.38)	\$(3.10)	\$(2.33)	\$(1.36)	\$(0.39)	\$(0.31)	\$(0.18)	\$(0.12)	\$(0.15)	\$(0.05)	\$(0.10)	\$(0.12)	

- Net deferred premium reserve on financial guaranty contracts in excess of net expected loss to be expensed less deferred acquisition costs, after tax
- Net present value of estimated net future revenue in force, after tax
- Adjusted operating shareholders' equity

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

Creating Value



Creating Value

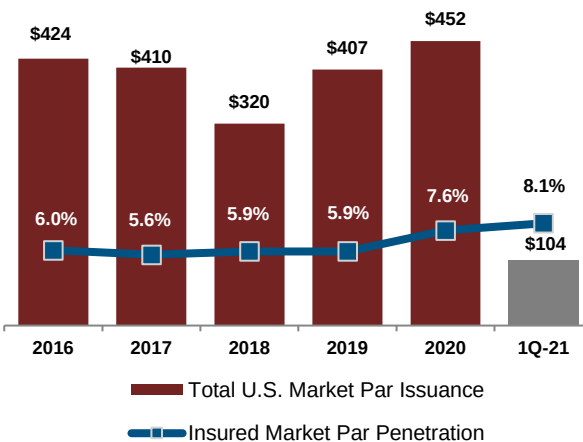
Insurance

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

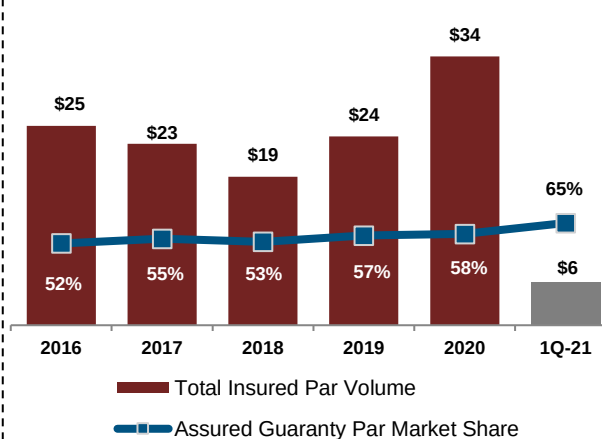


- Assured Guaranty saw strong new business production for U.S. public finance**
 - In the first quarter 2021, we insured 252 primary market transactions totaling over \$5.5 billion, up approximately 138% from new issue par insured in the first quarter of 2020, and we wrote 18 secondary market policies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

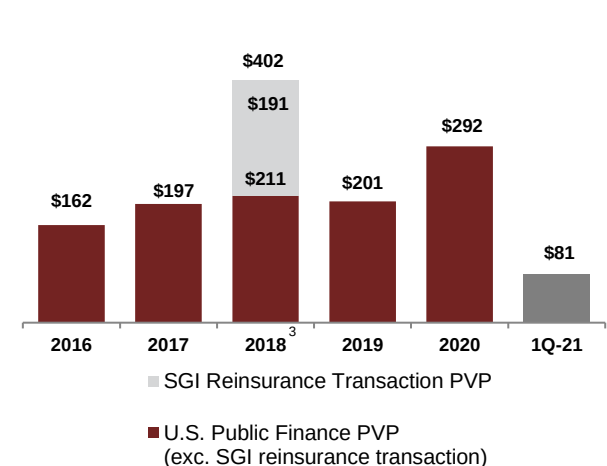
Insured Market Par Penetration Rate and Total U.S. Public Finance Market Volume¹
(\$ in billions)



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



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



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

2. Includes PVP from both primary and secondary transactions.

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

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

Creating Value

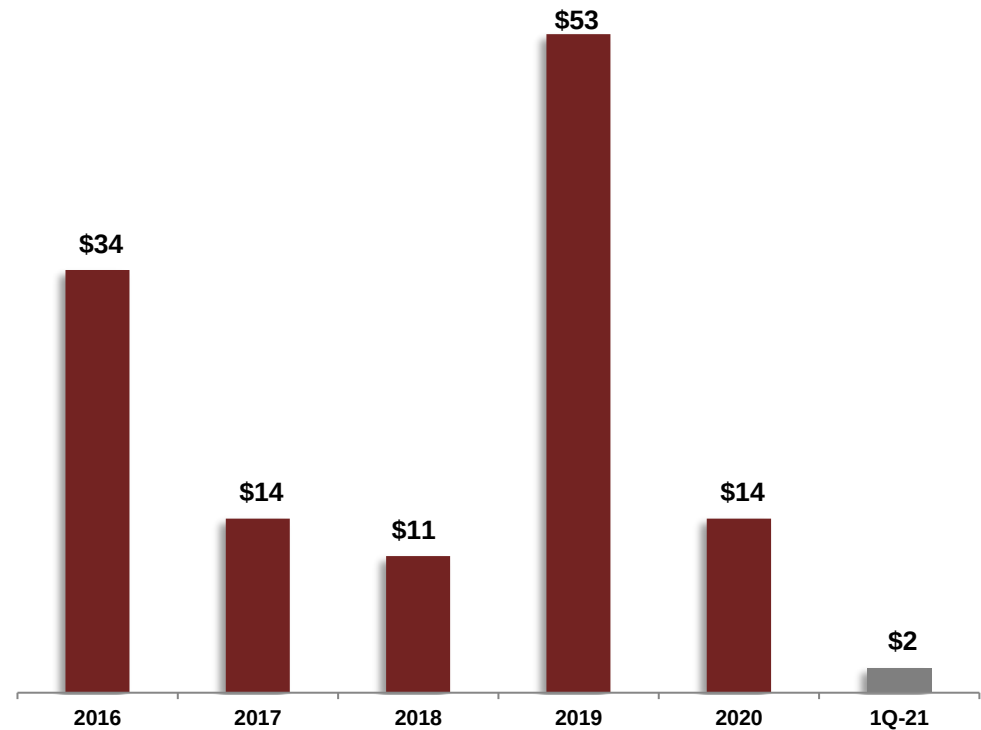
Insurance

U.S. Structured Finance Business Activity



- In first quarter 2021, we insured a balloon note guaranty and a tax credit securitization
- Focus has been on bilateral transactions to improve policy beneficiaries' capital management efficiency
- New structured finance business production tends to have longer lead times, causing production levels to vary significantly from period to period.

U.S. Structured PVP¹ (excluding SGI reinsurance portfolio)² (\$ in millions)

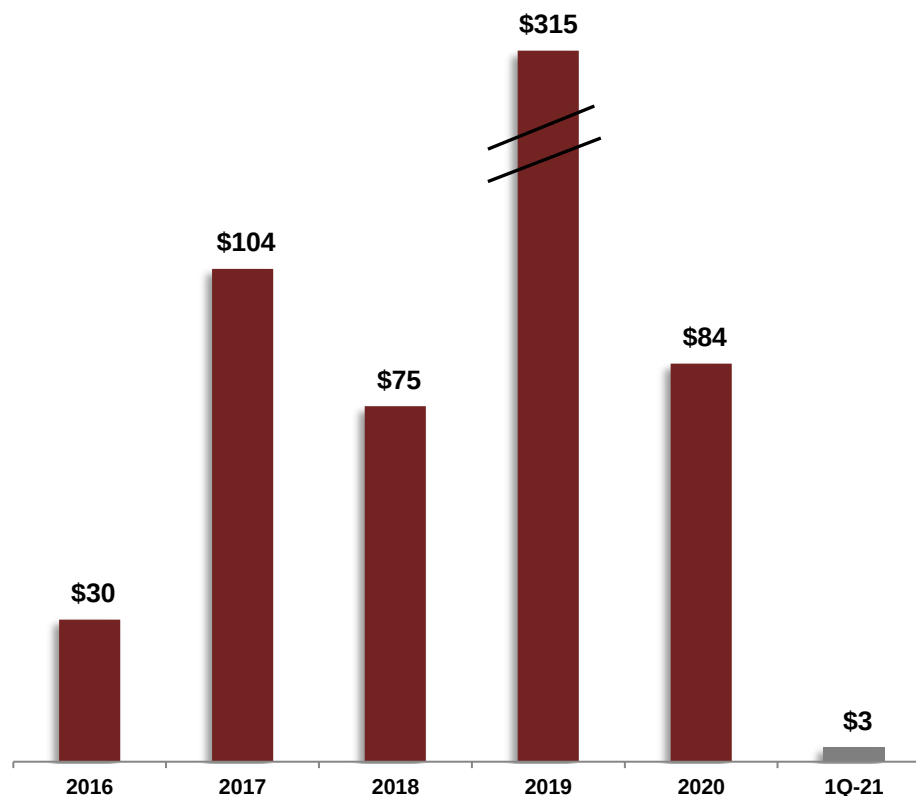


1. This is a non-GAAP financial measure. For an explanation and reconciliation of non-GAAP financial measures, please refer to the Appendix.

2. In 2Q 2018, the Syncora Guarantee, Inc. (SGI) reinsurance transaction created \$156 million of U.S. structured finance PVP on \$349 million of gross written par

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

Non-U.S. PVP¹ (excluding SGI reinsurance portfolio)² (\$ in millions)



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

2. In 2Q 2018, the SGI reinsurance transaction created \$53 million of non-U.S. PVP on \$3.3 billion of gross written par

Creating Value

Insurance

Underwriting Principles and Pricing Discipline



- **First quarter new business production was the second largest amount in over a decade, driven by decade-high U.S. public finance sector performance**
 - U.S. public finance PVP increased by approximately 181% from PVP in the prior year period
 - U.S. public finance insured par written by approximately 105% from par in the prior year period

Gross Par Written

Sector:	Quarter Ended March 31			
	2021		2020	
	Gross Par Written	Avg. Rating ¹	Gross Par Written	Avg. Rating ¹
U.S. public finance	\$5,427	A-	\$2,641	BBB+
Non-U.S. public finance	-	-	377	BBB+
Total public finance	\$5,427	A-	\$3,018	BBB+
U.S. structured finance	\$45	A	\$15	BBB
Non-U.S. structured finance	-	-	-	-
Total structured finance	\$45	A	\$15	BBB
Total gross par written	\$5,472	A-	\$3,033	BBB+
Total PVP	\$86		\$51	
PVP to gross par written	1.57%		1.68%	

1. Average internal rating.

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

Financial Results



First Quarter 2021 Results

Select Financial Items



Select GAAP Results		Quarter Ended March 31,		% Change vs. 1Q-20
(\$ in millions, except per share data and percentages)				
	2021	2020		
Net income (loss) attributable to AGL	\$11	\$(55)		NM
Net income (loss) attributable to AGL per diluted share	\$0.14	\$(0.59)		NM
Net earned premiums	\$103	\$103		-%
Net investment income and asset management fees	\$94	\$103		(9)%
Loss and LAE	\$30	\$20		50%
GAAP ROE ²	0.7%	(3.4)%		4.1pp

Select Non-GAAP Results ³		Quarter Ended March 31,		% Change vs. 1Q-20
(\$ in millions, except per share data and percentages)				
	2021	2020		
	Amount	Effect of VIE Consolidation ⁴	Amount	Effect of VIE Consolidation ⁴
Adjusted operating income	\$43	\$-	\$33	\$(4)
Adjusted operating income per diluted share	\$0.55	\$-	\$0.36	\$(0.04)
Adjusted operating loss and LAE ¹	\$30	\$3	\$18	\$(6)
Adjusted operating ROE ²	2.8%		2.2%	

NM = Not meaningful pp = percentage points

1. Please see page 29 for a description of adjusted operating loss and LAE

2. ROE calculations represent annualized returns.

3. Please refer to the explanation of Non-GAAP Financial Measures set forth in the Appendix.

4. The "Effect of VIE Consolidation" column represents amounts included in the 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.

First Quarter 2021 Results

Select Segment Results



Select Segment Results					
(\$ in millions)					
	Quarter Ended March 31, 2021				
	Insurance	Asset Management	Corporate	Other	Total
Adjusted operating income (loss) ¹	\$79	\$(7)	\$(29)	\$-	\$43
Net earned premiums and credit derivative revenues	\$107	\$-	\$-	\$(1)	\$106
Net investment income	\$73	\$-	\$-	\$(3)	\$70
Asset management fees	\$-	\$20	\$-	\$4	24
Loss expense	\$30	\$-	\$-	\$3	\$33
Employee compensation, benefit expenses and other operating expenses ¹	\$73	\$26	\$9	\$6	\$114

Select Segment Results					
(\$ in millions)					
	Quarter Ended March 31, 2020				
	Insurance	Asset Management	Corporate	Other	Total
Adjusted operating income (loss)	\$85	\$(9)	\$(39)	\$(4)	\$33
Net earned premiums and credit derivative revenues	\$107	\$-	\$-	\$(1)	\$106
Net investment income	\$83	\$-	\$1	\$(4)	\$80
Asset management fees	\$-	\$16	\$-	\$7	\$23
Loss expense	\$18	\$-	\$-	\$(6)	\$12
Employee compensation, benefit expenses and other operating expenses	\$63	\$25	\$10	\$8	\$106

1 - This includes a one-time \$16 million pretax (\$13 million after-tax) write-off of MAC's insurance licenses in the first quarter of 2021 resulting from the merger of MAC with and into AGM, which was recorded in other operating expenses.

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



(\$ in millions)

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

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

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2020 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

1. Includes expected loss to be paid, economic loss development and paid (recovered) losses for all contracts (i.e., those accounted for as insurance, credit derivatives and FG VIEs).
2. The total net expected loss for troubled U.S. public finance exposures is net of a credit for estimated future recoveries of \$994 million as of March 31, 2021, and \$1,154 million as of December 31, 2020, for claims already paid.
3. Includes future net R&W recoverable (payable) of \$(59) as of March 31, 2021, and \$(74) million as of December 31, 2020.

Loss and LAE reported on the GAAP Consolidated Statement of Operations:

- Represents loss and loss adjustment expenses (LAE) for contracts accounted for as insurance and not those accounted for as credit derivatives or those accounted for as FG VIEs
 - GAAP financial guaranty accounting model generally recognizes loss and LAE in the income statement only to the extent and for the amount that such losses exceed deferred premium revenue on a transaction-by-transaction basis.

Adjusted operating loss and LAE¹:

- Consists of:
 - Loss and LAE described above, and
 - Losses attributable to credit derivatives

Insurance segment loss and LAE¹:

- Consists of:
 - Adjusted operating loss and LAE described above, and
 - Losses attributable to consolidated FG VIEs

Economic loss development (all contracts):

- Represents the estimated change in expected losses due to changes in transaction performance, discount rates, loss mitigation and other factors. Economic loss development excludes the effects of deferred premium revenue. The effect of changes in discount rates that is included in total economic loss development is not indicative of credit impairment or improvement.

(\$ in millions) Loss/(Benefit)	1Q-21	1Q-20
Loss and LAE	\$30	\$20
Adjusted Operating Loss and LAE	\$33	\$12
Insurance Segment Loss and LAE	\$30	\$18
Economic Loss Development	\$13	\$(3)

1. Please refer to the explanation of Non-GAAP Financial Measures set forth in the Appendix.

Insurance Portfolio Overview



Four Discrete Insurance Companies with Separate Capital Bases



Consolidated Statutory-Basis Claims-Paying Resources and Exposures

As of March 31, 2021

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

- The numbers shown for AGM and Assured Guaranty Corp. (AGC) have been adjusted to include their indirect share of Municipal Assurance Corp. (MAC). AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. AGM has been adjusted to include 100% share of its United Kingdom (U.K.) and French insurance subsidiaries. Amounts include financial guaranty insurance and credit derivatives. On April 1, 2021, MAC was merged with and into AGM, with AGM as the surviving company. The steps leading up to the merger included (i) reassumption by AGM and AGC of their respective remaining cessions to MAC, (ii) distribution of MAC's earned surplus to AGM and AGC in accordance with their respective 60.7% and 39.3% direct ownership interests in MAC Holdings, and (iii) AGM's purchase of AGC's 39.3% interest in MAC Holdings.
- Eliminations are primarily for (i) intercompany surplus notes between AGM and AGC, and (ii) MAC amounts, whose proportionate share are included in AGM and AGC based on ownership percentages, and (iii) eliminations of intercompany deferred ceding commissions. Net exposure and net debt service outstanding eliminations relate to second-to-pay policies under which an Assured Guaranty insurance subsidiary guarantees an obligation already insured by another Assured Guaranty insurance subsidiary, and net exposure related to intercompany cessions from AGM and AGC to MAC.
- Represents adjustments for AGM's and AGC's interest and indirect ownership of MAC.
- Net exposure and net debt service outstanding are presented on a statutory basis. Includes \$981 million of specialty insurance and reinsurance exposure.
- The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
- The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources (including MAC adjustment for AGM and AGC).
- Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimate of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities, except for contingency reserves.

Net Par Outstanding By Sector

- **Assured Guaranty's insured portfolio is largely concentrated in U.S. public finance**

- 74% U.S. public finance
- 22% Non-U.S. public finance
- 4% U.S. structured finance
- <1% Non-U.S. structured finance

- **Our insured portfolio has an A- average internal credit rating**

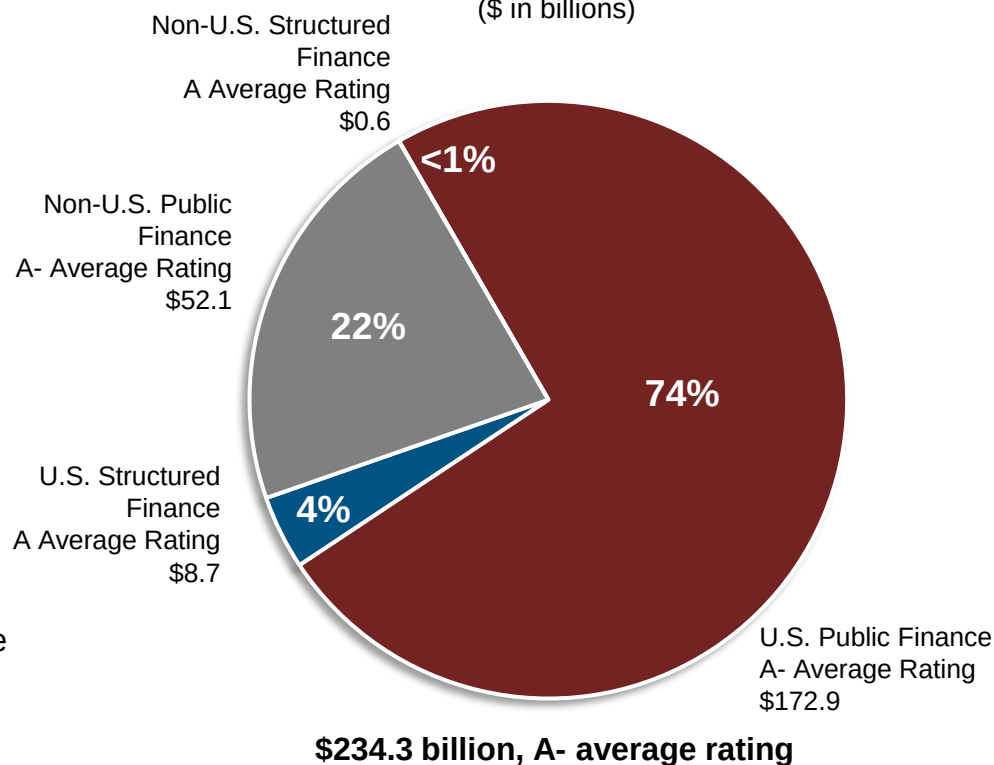
- 3.2% below investment grade

- **U.S. public finance is the sector with the largest BIG exposure**

- \$5.4 billion of U.S. public finance par exposure is BIG (72% of our total BIG)
- Out of this \$5.4 billion, \$3.7 billion of net par exposure relates to Puerto Rico

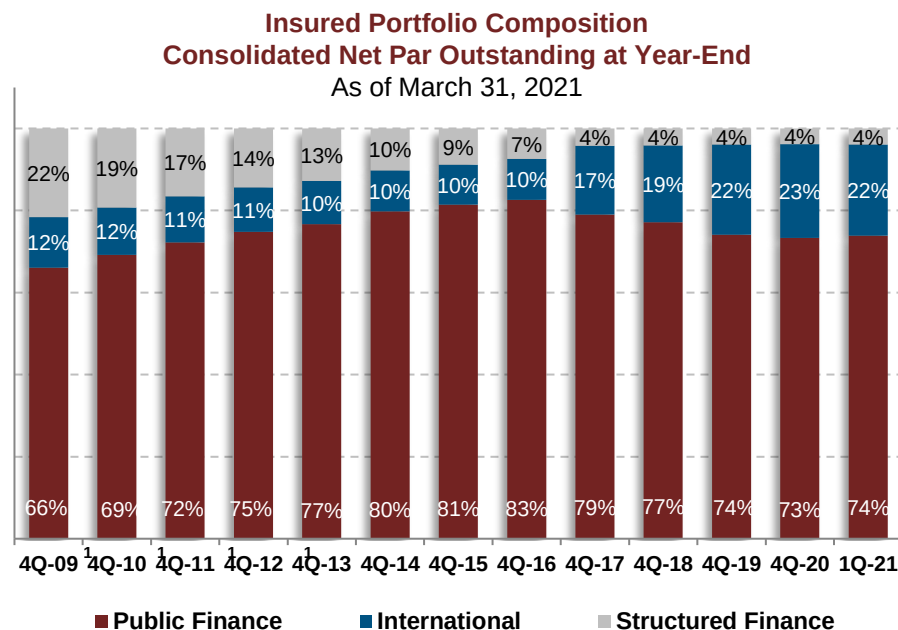
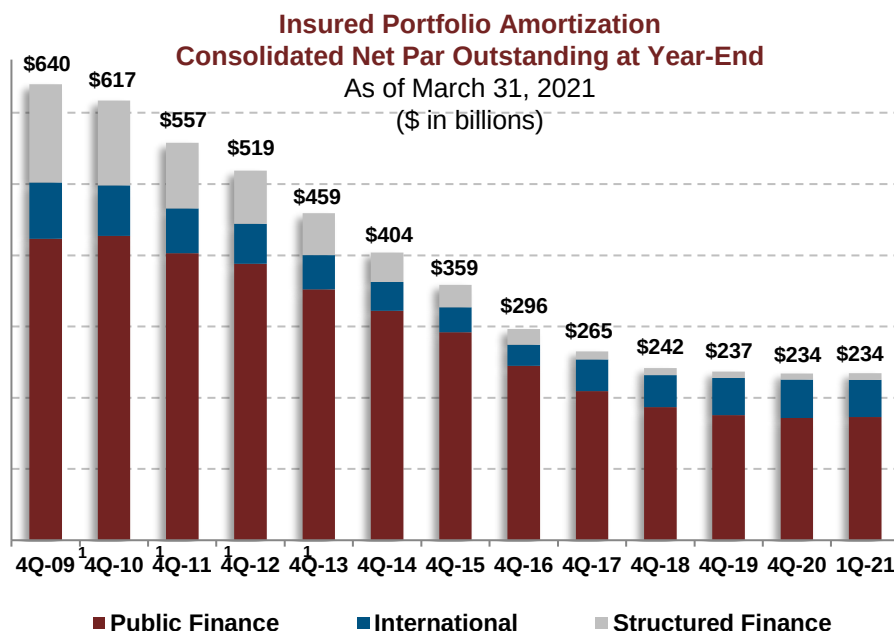
Consolidated Net Par Outstanding

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



Net Par Outstanding Amortization

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



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

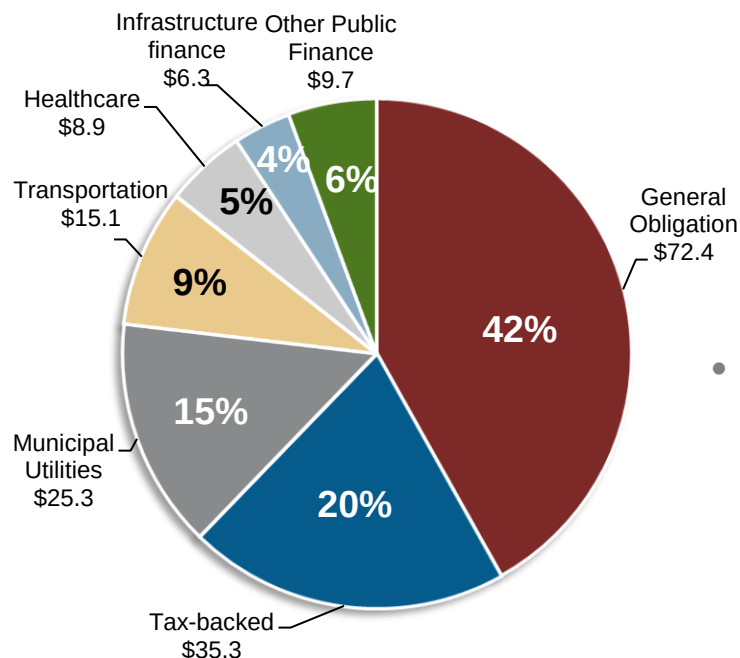
U.S. Public Finance

Net Par Outstanding



U.S. Public Finance

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



\$172.9 billion, A- average rating

- **U.S. public finance net par outstanding is \$172.9 billion and makes up 74% of our total insured portfolio as of March 31, 2021**
- **U.S. public finance portfolio generally performed well during the Great Recession and in subsequent years, despite persistent financial pressures on municipal obligors**
 - Our portfolio is well-diversified with approximately 6,100 direct U.S. public finance obligors. We currently expect future losses to be paid, net of recoveries, on less than ten exposures¹.
 - Our Puerto Rico exposure represents our largest below investment grade U.S. public finance exposure.
- **Our surveillance department regularly monitors sectors and credits that we believe could be negatively impacted by the COVID-19 pandemic. We continue to believe that we will not have ultimate losses from first-time financial guaranty claims we believe are due to credit stress specifically arising from COVID-19**
- **General obligation, tax-backed and municipal utilities represent 77% of U.S. public finance net par outstanding**
 - 57% of total net par outstanding

1. Includes Puerto Rico exposures discussed on the following pages.

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

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

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

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

As of March 31, 2021

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

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

As of March 31, 2021

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

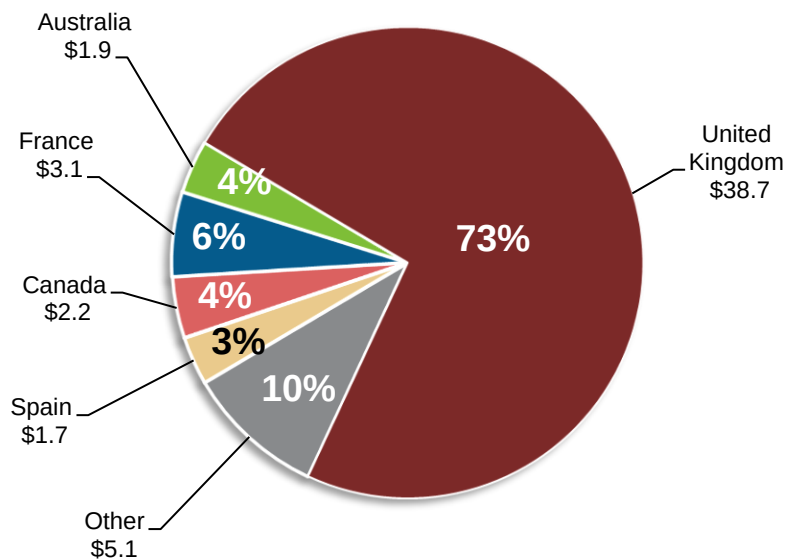
Consolidated Non-U.S. Exposure

Non-U.S. Public and Structured Finance



Non-U.S. Exposure

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



\$52.7 billion, A- average rating

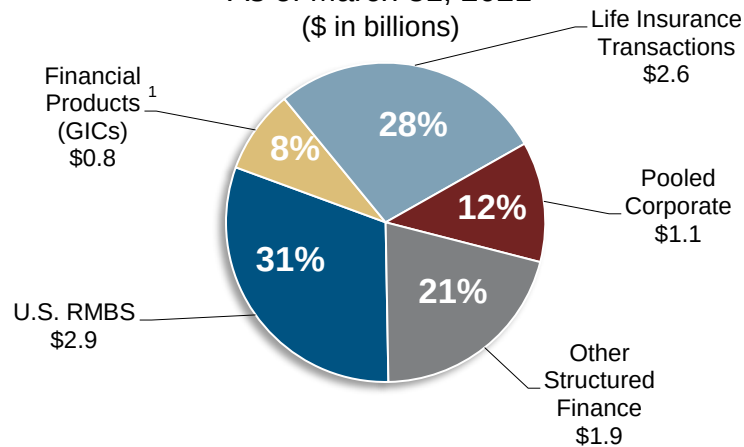
- **99% of non-U.S. exposure is Public Finance**
 - Direct sovereign debt is limited to Poland (\$281 million) and Mexico (\$50 million)
- **1% of non-U.S. exposure is Structured Finance**

Structured Finance Exposures

Net Par Outstanding

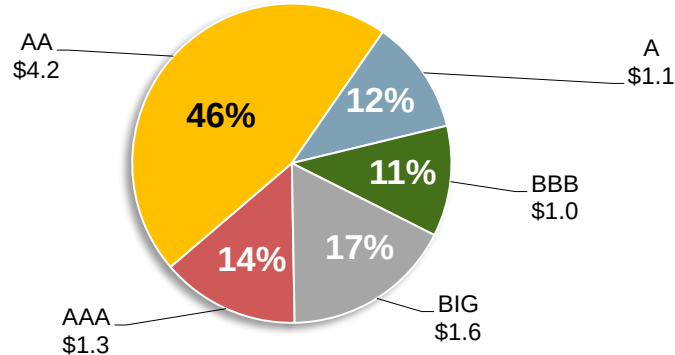
By Type

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



\$9.2 billion, A average rating

By Internal Rating



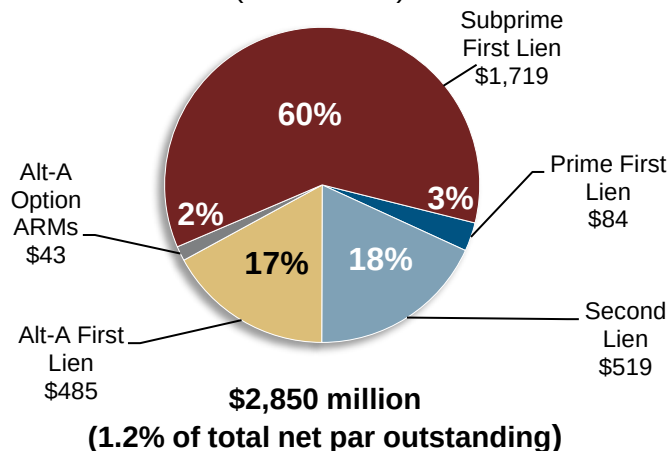
- Assured Guaranty's total structured finance exposure of \$9.2 billion as of March 31, 2021, reflects a \$165.4 billion reduction from \$174.6 billion on December 31, 2009, a 95% reduction

1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia.

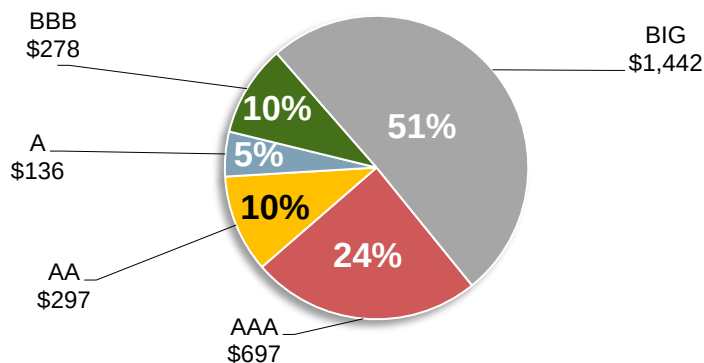
Consolidated U.S. RMBS

By Type

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



By Internal Rating¹



- **Our \$2.9 billion U.S. RMBS portfolio is amortizing both on a dollar basis and as a percentage of the portfolio**
 - Assured Guaranty's U.S. RMBS exposure of \$2.9 billion on March 31, 2021, reflects a \$26.4 billion reduction from \$29.2 billion on December 31, 2009, a 90% reduction
 - As of March 31, 2021, U.S. RMBS exposure excludes \$894 million of net par related to loss mitigation strategies, including loss mitigation securities held in the investment portfolio
- **Our loss reserving methodology is driven by our assumptions on several factors:**
 - Liquidation rates
 - Conditional default rates
 - Conditional prepayment rates
 - Loss severity
 - Interest rates
 - COVID-19 forbearances
- **We have significantly mitigated ultimate losses**
 - R&W putbacks, litigation and agreements
 - Wrapped bond purchases
 - Termination of insurance on BIG credits

1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to collateralized reinsurance arrangements.
2. Gross of wrapped bond purchases made primarily for loss mitigation

Below Investment Grade Exposures

Net Par Outstanding by BIG Category¹

Financial Guaranty Insurance and Credit Derivatives Surveillance Categories

- As of March 31, 2021, approximately \$2.4 billion (31%) of the aggregate BIG exposure was Category 1, which are transactions that show sufficient deterioration to make future losses possible but for which none are currently expected

(\$ millions)	March 31, 2021	December 31, 2020
BIG Category 1		
U.S. public finance	\$1,735	\$1,777
Non-U.S. public finance	468	846
U.S. structured finance	158	228
Non-U.S. structured finance	-	-
Total Category 1	\$2,361	\$2,851
BIG Category 2		
U.S. public finance	\$58	\$57
Non-U.S. public finance	-	-
U.S. structured finance	74	77
Non-U.S. structured finance	-	-
Total Category 2	\$132	\$134
BIG Category 3		
U.S. public finance	\$3,605	\$3,605
Non-U.S. public finance	47	49
U.S. structured finance	1,364	1,336
Non-U.S. structured finance	-	-
Total Category 3	\$5,016	\$4,990
BIG Total	\$7,509	\$7,975

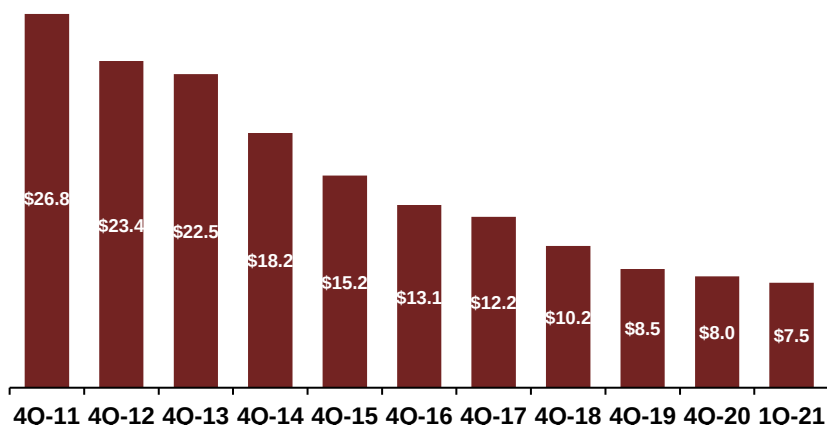
1. Assured Guaranty's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of BIG credits. BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make future losses possible, but for which none are currently expected. BIG Category 2: Below-investment-grade transactions for which future losses are expected but for which no claims (other than liquidity claims, which are claims that the Company expects to be reimbursed within one year) have yet been paid. BIG Category 3: Below-investment-grade transactions for which future losses are expected and on which claims (other than liquidity claims) have been paid.

BIG Exposure Decline

- Since 4Q-11, BIG net par outstanding has declined by \$19.3 billion
- The largest components of our BIG exposure are Puerto Rico at 50% and U.S. RMBS at 19%

BIG Net Par Outstanding

(\$ in billions)



Changes in BIG Net Par Outstanding

(\$ in millions)	Full Year 2018	Full Year 2019	Full Year 2020	Q1 2021
Beginning BIG par	\$12,238	\$10,160	\$8,506	\$7,975
Amortization / Claim Payments	(968)	(1,008)	(1,261)	(127)
Acquisitions / Reinsurance Agreements	368	6	144	-
FX Change	(53)	(0)	53	(18)
Terminations	(88)	(45)	(48)	0
Removals / Upgrades	(1,791)	(719)	(3)	(336)
Additions / Downgrades	524	127	584	15
Bond Purchases	(70)	(15)	-	0
Total Decrease / Increase	(2,078)	(1,654)	(531)	(466)
Ending BIG par	\$10,160	\$8,506	\$7,975	\$7,509
BIG Percentage of net par outstanding	4.2%	3.6%	3.4%	3.2%

BIG Exposures > \$250 Million

(dollars in millions)



BIG Exposures Greater Than \$250 Million as of March 31, 2021

<u>Type¹</u>	<u>Name or Description</u>	<u>Net Par Outstanding</u>	<u>Internal Rating²</u>
PF	Puerto Rico Highways and Transportation Authority	\$1,310	CCC
PF	Puerto Rico General Obligation, Appropriations and Guarantees of the Commonwealth	1,262	CCC
PF	Puerto Rico Electric Power Authority	776	CCC
PF	Illinois Sports Facilities Authority	261	BB+
	Total	\$3,609	

1. "PF" signifies a public finance transaction and "SF" signifies a structured finance transaction, if applicable.
2. Transactions rated below B- are categorized as CCC

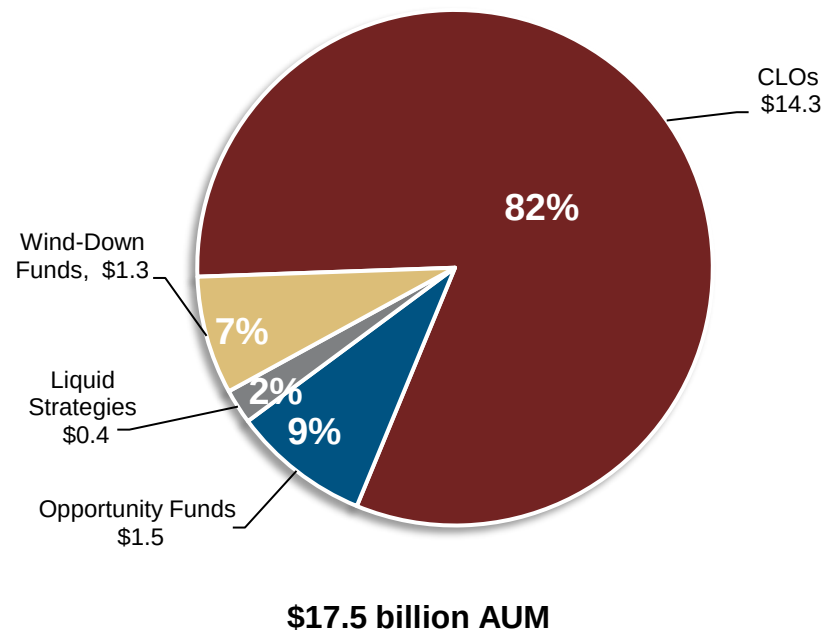
Asset Management Overview



- **AssuredIM currently has \$17.5 billion in assets under management**
 - CLOs had net inflows of \$566 million, including \$813 million of inflows from third parties
 - Wind-down funds, which are legacy BlueMountain hedge and opportunity funds, had net outflows of \$329 million
- **AssuredIM earned total asset management fees of approximately \$20 million¹ in the first quarter of 2021**
 - CLOs earned \$12 million, compared with \$5 million in 1Q 2020
 - Opportunity funds earned \$4 million, compared with \$2 million in 1Q 2020
 - Wind-down funds earned \$3 million, compared with \$9 million in 1Q 2020
 - Performance fees and other income were \$1 million
- **AssuredIM funds increased fee earning AUM to \$14.4 billion as of March 31, 2021, from \$8.0 billion on December 31, 2019**
 - Non-fee earning AUM has declined to \$3.1 billion as of March 31, 2021, from \$9.9 billion on December 31, 2019

Assets Under Management

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



1. The Asset Management segment presents reimbursable fund expenses netted in other operating expenses, whereas on the condensed consolidated statement of operations such reimbursable expenses are shown gross, as a component of asset management fees, and other operating expenses.

Asset Management

Assets Under Management



Select GAAP Results (\$ in millions)	Quarter-to-Date (December 31, 2020 to March 31, 2021)				
	CLOs	Opportunity Funds	Liquid Strategies	Wind-Down Funds	Total
AUM, Beginning of Period	\$13,856	\$1,486	\$383	\$1,623	\$17,348
Inflows:					
Third-party	813	60	-	-	873
Intercompany	109	36	-	-	145
Total Inflows	922	96	-	-	1,018
Outflows:					
Redemptions	-	-	-	-	-
Distributions	(356)	(217)	-	(329)	(902)
Total Outflows	(356)	(217)	-	(329)	(902)
Net Flows	566	(121)	-	(329)	116
Change in fund value	(91)	148	1	3	61
AUM, March 31, 2021¹	\$14,331	\$1,513	\$384	\$1,297	\$17,525
As of March 31, 2021					
Funded AUM²	\$14,222	\$982	\$384	\$1,275	\$16,863
Unfunded AUM²	109	531	-	22	662
Fee Earning AUM³	\$11,960	\$1,210	\$384	\$858	\$14,412
Non-Fee Earning AUM³	2,371	303	-	439	3,113
Intercompany AUM					
Funded AUM	\$451	\$119	\$363	\$-	\$933
Unfunded AUM	99	\$154	-	-	253
As of Beginning of Period					
Funded AUM²	\$13,809	\$992	\$383	\$1,601	\$16,785
Unfunded AUM²	47	494	-	22	563
Fee Earning AUM³	\$10,248	\$1,176	\$383	\$1,133	\$12,940
Non-Fee Earning AUM³	3,608	310	-	490	4,408
Intercompany AUM					
Funded AUM	\$405	\$126	\$362	-	\$893
Unfunded AUM	40	137	-	-	177

1. Funded AUM refers to assets that have been deployed or invested into the funds or CLOs. Unfunded AUM refers to unfunded capital commitments from closed-end funds and to CLO warehouse funds.

2. Fee Earning AUM refers to assets where AssuredIM collects fees and has elected not to waive or rebate fees to investors. Non-Fee Earning AUM refers to assets where AssuredIM does not collect fees or has elected to waive or rebate fees to investors.

A photograph of three construction workers wearing white hard hats and safety glasses, working on a large-scale construction project. They are standing on a dense grid of steel reinforcement bars (rebar) that has been laid out on a wooden formwork structure. The workers are focused on their task, with one worker in the foreground pointing towards the rebar. The background shows more of the construction site, including additional rebar and wooden forms, suggesting a large concrete foundation or floor slab is being prepared.

Appendix

Appendix

Explanation of Non-GAAP Financial Measures



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

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

GAAP requires the Company to consolidate:

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

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

Management and the Board of Directors use non-GAAP financial measures further adjusted to remove the effect of VIE consolidation (which the Company refers to as its core financial measures), as well as GAAP financial measures and other factors, to evaluate the Company's results of operations, financial condition and progress towards long-term goals. The Company uses core financial measures in its decision-making process for and in its calculation of certain components of management compensation. The core financial measures that the Company uses to help determine compensation are: (1) adjusted operating income, further adjusted to remove the effect of VIE consolidation, (2) adjusted operating shareholders' equity, further adjusted to remove the effect of VIE consolidation, (3) growth in adjusted book value per share, further adjusted to remove the effect of VIE consolidation, and (4) PVP.

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

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

Appendix

Explanation of Non-GAAP Financial Measures



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

- 1) Elimination of realized gains (losses) on the Company's investments, except for gains and losses on securities classified as trading. The timing of realized gains and losses, which depends largely on market credit cycles, can vary considerably across periods. The timing of sales is largely subject to the Company's discretion and influenced by market opportunities, as well as the Company's tax and capital profile.
- 2) Elimination of non-credit-impairment unrealized fair value gains (losses) on credit derivatives that are recognized in net income, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, the Company's credit spreads, and other market factors and are not expected to result in an economic gain or loss.
- 3) Elimination of fair value gains (losses) on the Company's CCS that are recognized in net income. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.
- 4) Elimination of foreign exchange gains (losses) on remeasurement of net premium receivables and loss and LAE reserves that are recognized in net income. Long-dated receivables and loss and LAE reserves represent the present value of future contractual or expected cash flows. Therefore, the current period's foreign exchange remeasurement gains (losses) are not necessarily indicative of the total foreign exchange gains (losses) that the Company will ultimately recognize.
- 5) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

Appendix

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



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

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

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

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

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

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

Appendix

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



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

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

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

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

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

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

Appendix

Reconciliation of Gross Written Premiums (GWP) to PVP

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

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

1. Includes present value of new business on installment policies discounted at the prescribed GAAP discount rates, gross written premium adjustments on existing installment policies due to changes in assumptions, any cancellations of assumed reinsurance contracts, and other GAAP adjustments.

Appendix

Reconciliation of Net Income (Loss) Attributable to AGL to Adjusted Operating Income¹



Adjusted Operating Income Reconciliation

(dollars in millions, except per share amounts)

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

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

Appendix

Reconciliation of Net Income (Loss) to Adjusted Operating Income¹ (2010-2019)



Adjusted Operating Income¹ Reconciliation

(dollars in millions, except per share amounts)

Adjusted Operating Income ¹ Reconciliation (dollars in millions, except per share amounts)	Year Ended December 31,											
	2020		2019		2018		2017		2016		2015	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	\$402	\$4.00	\$402	\$4.00	\$521	\$4.68	\$730	\$5.96	\$881	\$6.56	\$1,056	\$7.08
Less pre-tax adjustments:												
Realized gains (losses) on investments	22	0.22	22	0.22	(32)	(0.29)	40	0.33	(30)	(0.23)	(27)	(0.18)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(10)	(0.11)	(10)	(0.11)	101	0.90	43	0.35	36	0.27	505	3.39
Fair value gains (losses) on committed capital securities (CCS)	(22)	(0.22)	(22)	(0.22)	14	0.13	(2)	(0.02)	0	0.00	27	0.18
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and loss adjustment expense (LAE) reserves	22	0.21	22	0.21	(32)	(0.29)	57	0.46	(33)	(0.25)	(15)	(0.10)
Total pre-tax adjustments	12	0.10	12	0.10	51	0.45	138	1.12	(27)	(0.21)	490	3.29
Less tax effect on pre-tax adjustments	(1)	(0.01)	(1)	(0.01)	(12)	(0.11)	(69)	(0.57)	13	0.09	(144)	(0.97)
Adjusted operating income ¹	\$391	\$3.91	\$391	\$3.91	\$482	\$4.34	\$661	\$5.41	\$895	\$6.68	\$710	\$4.76
Gain (loss) related to VIE consolidation included in adjusted operating income ¹	-	-	-	-	(\$4)	(\$0.03)	\$11	\$0.10	\$12	\$0.10	\$11	\$0.07

	Year Ended December 31,									
	2014		2013		2012		2011		2010	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	\$1,088	\$6.26	\$808	\$4.30	\$110	\$0.57	\$773	\$4.16	\$484	\$2.56
Less pre-tax adjustments:										
Realized gains (losses) on investments	(56)	(0.32)	56	0.30	(3)	(0.02)	(18)	(0.10)	(1)	(0.01)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	687	3.95	(49)	(0.26)	(672)	(3.53)	344	1.85	6	0.03
Fair value gains (losses) on CCS	(11)	(0.06)	10	0.05	(18)	(0.09)	35	0.19	9	0.05
Foreign exchange gains (losses) on remeasurement of premiums receivable and LAE reserves	(21)	(0.12)	(1)	(0.01)	21	0.11	(5)	(0.03)	(29)	(0.15)
Total pre-tax adjustments	599	3.45	16	0.08	(672)	(3.53)	356	1.91	(15)	(0.08)
Less tax effect on pre-tax adjustments	(158)	(0.92)	(9)	(0.06)	188	1.00	(104)	(0.56)	11	0.06
Adjusted operating income¹	\$647	\$3.73	\$801	\$4.28	\$594	\$3.10	\$521	\$2.81	\$488	\$2.58
Gain (loss) related to VIE consolidation included in adjusted operating income ¹	\$156	\$0.90	\$192	\$1.03	\$59	\$0.29	(\$80)	(\$0.43)	(\$167)	(\$0.88)

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

Appendix

Reconciliation of Net Income (Loss) to Adjusted Operating Income¹ (2004-2009)

Adjusted Operating Income¹ Reconciliation

(dollars in millions, except per share amounts)

	Year Ended December 31,									
	2009		2008		2007		2006		2005	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	\$82	\$0.63	\$60	\$0.67	(\$303)	(\$4.46)	\$160	\$2.15	\$188	\$2.53
Less pre-tax adjustments:										
Realized gains (losses) on investments	(33)	(0.26)	(70)	(0.79)	(1)	(0.01)	(2)	(0.03)	2	0.03
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(106)	(0.82)	82	0.92	(667)	(9.63)	6	0.08	(4)	(0.05)
Fair value gains (losses) on CCS	(123)	(0.95)	43	0.48	8	0.12	-	-	-	-
Foreign exchange gains (losses) on remeasurement of premiums receivable and LAE reserves	27	0.21	-	-	-	-	-	-	-	-
Total pre-tax adjustments	(235)	(1.82)	55	0.61	(660)	(9.52)	4	0.05	(2)	(0.02)
Less tax effect on pre-tax adjustments	62	0.48	(60)	(0.67)	179	2.58	(1)	(0.02)	-	-
Adjusted operating income¹	\$255	\$1.97	\$65	\$0.73	\$178	\$2.57	\$157	\$2.12	\$190	\$2.55

Adjusted Operating Income¹ Reconciliation

(dollars in millions, except per share amounts)

	Year Ended December 31,	
	2004	
	Total	Per Share
Net income (loss) attributable to AGL	\$183	\$2.44
Less pre-tax adjustments:		
Realized gains (losses) on investments	8	0.11
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	51	0.68
Fair value gains (losses) on CCS	-	-
Foreign exchange gains (losses) on remeasurement of premiums receivable and LAE reserves	-	-
Total pre-tax adjustments	59	0.79
Less tax effect on pre-tax adjustments	(17)	(0.23)
Adjusted operating income¹	\$141	\$1.88

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

Appendix

Reconciliation of Shareholders' Equity to Adjusted Book Value¹



Adjusted book value¹ reconciliation

(dollars in millions, except per share amounts)

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

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

Appendix

Reconciliation of Shareholders' Equity to Adjusted Book Value¹ (2004-2010)

Adjusted Book Value¹ Reconciliation

(dollars in millions, except per share amounts)

	2Q 2004		2004		2005		2006		2007		2008		2009		2010	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Reconciliation of shareholders' equity to adjusted book value¹:																
Shareholders' equity	\$1,422	\$18.73	\$1,528	\$20.19	\$1,662	\$22.22	\$1,651	\$24.44	\$1,625	\$20.33	\$1,876	\$20.62	\$3,455	\$18.76	\$3,670	\$19.97
Less pre-tax adjustments:																
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	13	0.17	44	0.58	40	0.54	46	0.68	(621)	(7.76)	(539)	(5.93)	(1,049)	(5.70)	(1,044)	(5.68)
Fair value gains (losses) on CCS	0	0.00	0	0.00	0	0.00	0	0.00	8	0.10	51	0.56	10	0.05	19	0.10
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	56	0.73	93	1.23	53	0.71	46	0.68	61	0.76	(7)	(0.08)	202	1.10	114	0.62
Less Taxes	(19)	(0.25)	(38)	(0.50)	(29)	(0.40)	(30)	(0.45)	148	1.86	102	1.13	216	1.17	262	1.42
Adjusted operating shareholders' equity ¹	1,372	18.08	1,429	18.88	1,598	21.37	1,589	23.53	2,029	25.37	2,269	24.94	4,076	22.14	4,319	23.51
Pre-tax adjustments:																
Less: Deferred acquisition costs	183	2.41	186	2.46	193	2.58	217	3.21	201	2.51	216	2.37	162	0.88	145	0.79
Plus: Net present value of estimated net future credit derivative revenue	403	5.31	468	6.18	426	5.70	589	8.72	930	11.63	929	10.21	755	4.10	614	3.34
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	501	6.60	496	6.55	516	6.90	626	9.27	875	10.95	1,215	13.36	6,195	33.64	5,439	29.60
Plus Taxes	(232)	(3.07)	(234)	(3.09)	(138)	(1.85)	(179)	(2.65)	(283)	(3.54)	(379)	(4.17)	(1,977)	(10.74)	(1,677)	(9.12)
Adjusted book value ¹	<u>\$1,861</u>	<u>\$24.51</u>	<u>\$1,973</u>	<u>\$26.06</u>	<u>\$2,209</u>	<u>\$29.54</u>	<u>\$2,408</u>	<u>\$35.66</u>	<u>\$3,350</u>	<u>\$41.90</u>	<u>\$3,818</u>	<u>\$41.97</u>	<u>\$8,887</u>	<u>\$48.26</u>	<u>\$8,550</u>	<u>\$46.54</u>
Gain (loss) related to VIE consolidation included in adjusted operating shareholders' equity ¹															<u>(\$372)</u>	<u>(\$2.02)</u>
Gain (loss) related to VIE consolidation included in adjusted book value ¹															<u>(\$439)</u>	<u>(\$2.38)</u>

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

Appendix

Reconciliation of Shareholders' Equity to Adjusted Book Value¹ (2011-2018)

Adjusted Book Value¹ Reconciliation

(dollars in millions, except per share amounts)

	2011		2012		2013		2014		2015		2016		2017		2018	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Reconciliation of shareholders' equity to adjusted book value¹:																
Shareholders' equity	\$4,652	\$25.52	\$4,994	\$25.74	\$5,115	\$28.07	\$5,758	\$36.37	\$6,063	\$43.96	\$6,504	\$50.82	\$6,839	\$58.95	\$6,555	\$63.23
Less pre-tax adjustments:																
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(668)	(3.67)	(1,346)	(6.94)	(1,447)	(7.94)	(741)	(4.68)	(241)	(1.75)	(189)	(1.48)	(146)	(1.26)	(45)	(0.44)
Fair value gains (losses) on CCS	54	0.30	35	0.18	46	0.25	35	0.22	62	0.45	62	0.48	60	0.52	74	0.72
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	488	2.68	708	3.65	236	1.29	523	3.30	373	2.71	316	2.47	487	4.20	247	2.39
Less Taxes	21	0.11	150	0.77	306	1.68	45	0.29	(56)	(0.41)	(71)	(0.54)	(83)	(0.71)	(63)	(0.61)
Adjusted operating shareholders' equity ¹	4,757	26.10	5,447	28.08	5,974	32.79	5,896	37.24	5,925	42.96	6,386	49.89	6,521	56.20	6,342	61.17
Pre-tax adjustments:																
Less: Deferred acquisition costs	132	0.73	116	0.60	124	0.68	121	0.76	114	0.83	106	0.83	101	0.87	105	1.01
Plus: Net present value of estimated net future credit derivative revenue	434	2.38	378	1.95	251	1.38	186	1.17	192	1.39	147	1.15	162	1.40	219	2.11
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	4,790	26.28	4,301	22.17	3,791	20.81	3,461	21.86	3,384	24.53	2,922	22.83	2,966	25.56	3,005	28.98
Plus Taxes	(1,426)	(7.81)	(1,269)	(6.54)	(1,081)	(5.93)	(968)	(6.12)	(974)	(7.06)	(835)	(6.52)	(515)	(4.43)	(536)	(5.07)
Adjusted book value ¹	<u>\$8,423</u>	<u>\$46.22</u>	<u>\$8,741</u>	<u>\$45.06</u>	<u>\$8,811</u>	<u>\$48.37</u>	<u>\$8,454</u>	<u>\$53.39</u>	<u>\$8,413</u>	<u>\$60.99</u>	<u>\$8,514</u>	<u>\$66.52</u>	<u>\$9,033</u>	<u>\$77.86</u>	<u>\$8,935</u>	<u>\$86.18</u>
Gain (loss) related to VIE consolidation included in adjusted operating shareholders' equity ¹	<u>(\$444)</u>	<u>(\$2.44)</u>	<u>(\$383)</u>	<u>(\$1.97)</u>	<u>(\$190)</u>	<u>(\$1.04)</u>	<u>(\$37)</u>	<u>(\$0.24)</u>	<u>(\$21)</u>	<u>(\$0.15)</u>	<u>(\$7)</u>	<u>(\$0.06)</u>	<u>\$5</u>	<u>\$0.03</u>	<u>\$3</u>	<u>\$0.03</u>
Gain (loss) related to VIE consolidation included in adjusted book value ¹	<u>(\$564)</u>	<u>(\$3.10)</u>	<u>(\$452)</u>	<u>(\$2.33)</u>	<u>(\$248)</u>	<u>(\$1.36)</u>	<u>(\$60)</u>	<u>(\$0.39)</u>	<u>(\$43)</u>	<u>(\$0.31)</u>	<u>(\$24)</u>	<u>(\$0.18)</u>	<u>(\$14)</u>	<u>(\$0.12)</u>	<u>(\$15)</u>	<u>(\$0.15)</u>

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

Appendix

Calculation of Adjusted Operating Portfolio Leverage



Adjusted Operating Leverage (dollars in millions, except leverage)

	Actual												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	1Q 2021
Insured net par outstanding	\$640,194	\$616,686	\$556,830	\$518,772	\$459,107	\$403,729	\$358,571	\$296,318	\$264,952	\$241,802	\$236,807	\$234,153	\$234,270
Adjusted operating shareholders' equity ¹	4,076	4,319	4,757	5,447	5,974	5,896	5,925	6,386	6,521	6,342	6,246	6,087	6,032
Adjusted operating portfolio leverage	157	143	117	95	77	68	61	46	41	38	38	38	39

Adjusted Operating Leverage (dollars in millions, except leverage)

	Estimated				
	2021	2022	2023	2024	2025
Insured net par outstanding	\$223,287	\$211,408	\$201,695	\$190,865	\$180,028
Adjusted operating shareholders' equity ¹	6,032	6,032	6,032	6,032	6,032
Adjusted operating portfolio leverage	37	35	33	32	30

1. See prior pages for a reconciliation of GAAP shareholders' equity to non-GAAP operating shareholders' equity.

Appendix

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



ROE Reconciliation (dollars in millions)

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

1. Quarterly ROE calculations represent annualized returns.

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

Appendix

Assets Under Management



Assets Under Management: The Company uses AUM as a metric to measure progress in its Asset Management segment. Management fee revenue is based on a variety of factors and is not perfectly correlated with AUM. However, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business. The Company uses measures of its AUM in its decision-making process and intends to use a measure of change in AUM in its calculation of certain components of management compensation. Investors also use AUM to evaluate companies that participate in the asset management business. AUM refers to the assets managed, advised or serviced by the Asset Management segment and equals the sum of the following:

1. the amount of aggregate collateral balance and principal cash of AssuredIM's CLOs, including CLO equity that may be held by Assured Investment Management funds. This also includes CLO assets managed by BlueMountain Fuji Management, LLC (BM Fuji). BlueMountain is not the investment manager of BM Fuji CLOs, but rather has entered into a services agreement and a secondary agreement with BM Fuji pursuant to which BlueMountain provides certain services associated with the management of BM Fuji-advised CLOs and acts in the capacity of service provider, and
2. the net asset value of all funds and accounts other than CLOs, plus any unfunded commitments. Changes in NAV attributable to movements in fund value of certain private equity funds are reported on a quarter lag.

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

The Company's calculation of AUM may differ from the calculation employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. The calculation also differs from the manner in which AssuredIM affiliates registered with the SEC report "Regulatory Assets Under Management" on Form ADV and Form PF in various ways.

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Equity Investor Presentation

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