



EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Equity Investor Presentation

September 30, 2022

**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) changes in inflation, interest rates, the world's credit markets or segments thereof, credit spreads, foreign exchange rates or general economic conditions, including the possibility of a recession; (2) consequences of the conflict in Ukraine, including economic sanctions, fragmentation of the global supply chain, volatility in energy prices, and the potential for increased cyberattacks; (3) the development, course and duration of the COVID-19 pandemic and the governmental and private actions taken in response, and the global consequences of the pandemic and such actions, including the impact on the factors listed in this section; (4) 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; (5) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (6) 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; (7) 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; (8) 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 exposures to Puerto Rico (Puerto Rico or the Commonwealth) in a manner substantially consistent with the support agreements signed to date; (9) increased competition, including from new entrants into the financial guaranty industry; (10) poor performance of Assured Guaranty's asset management strategies compared to the performance of the asset management strategies of Assured Guaranty's competitors; (11) 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; (12) 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 financial guaranty contracts written in credit default swap (CDS) form, and certain consolidated variable interest entities (VIEs); (13) 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; (14) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (15) changes in applicable accounting policies or practices; (16) changes in applicable laws or regulations, including insurance, bankruptcy and tax laws, or other governmental actions; (17) the possibility that acquisitions made by Assured Guaranty, including its acquisition of BlueMountain Capital Management LLC (BlueMountain, now known as Assured Investment Management LLC) and its associated entities, 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 Form 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), which was sold to a third party in the second quarter of 2021. The Company is not the investment manager of BM Fuji-advised CLOs, but following the sale, the Company sub-advises and continues to provide personnel and other services to BM Fuji associated with the management of BM Fuji-advised CLOs pursuant to a sub-advisory agreement and a personnel and services agreement, consistent with past practices.
- 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 FG VIE and CIVs 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.

- **Third Quarter and Year-to-Date Accomplishments**
- **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
 - Puerto Rico Update
 - Assured Investment Management
- **Financial results**
- **Insurance portfolio overview**
 - Puerto Rico exposure
- **Asset management overview**

Third Quarter 2022 Overview



- **Assured Guaranty delivered solid financial results and continued to execute on its three principal strategies in the third quarter of 2022:**

Financial Results

- Earned \$133 million of adjusted operating income¹ (or \$2.11 per share), compared with \$34 million (or \$0.45 per share) in the third quarter of 2021
- Increased adjusted operating shareholders' equity¹ per share and adjusted book value¹ per share to record highs of \$91.82 and \$137.87, respectively

Insurance

- Generated \$95 million of new business production (PVP)¹, only the third time PVP has exceeded \$90 million in over a decade

Asset Management and Alternative Investments

- Continued to reduce AUM in the wind-down funds to approximately \$200 million

Capital Management

- Repurchased 1.8 million of AGO common shares at a total cost of \$97 million²

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, approximately 0.8 million common shares were repurchased for approximately \$42 million between October 1, 2022, and November 7, 2022

Year-to-Date 2022 Overview



- **This success of the third quarter built on the success delivered in the first half of 2022:**

Financial Results

- Earned \$253 million of adjusted operating income¹, (or \$3.88 per share), compared with \$197 million (or \$2.60 per share) in the same period of 2021

Insurance

- Generated \$240 million of new business production (PVP)¹, the third consecutive year that PVP in the first three quarters has exceeded \$200 million
- Insured approximately \$15 billion of new business par, the third consecutive year that par in the first three quarters exceeded \$15 billion

Asset Management and Alternative Investments

- Priced two U.S. CLOs and closed the Assured Healthcare Partners' Fund II

Capital Management

- Repurchased over 7 million of AGO common shares at a total cost of approximately \$403 million²

Other Accomplishments

- Received recovery bonds and CVIs in settlement of our Puerto Rico GO, PBA, PRIFA and CCDA exposure, and pursuant to the terms of the HTA PSA, of which a majority has been subsequently sold
- AGM and AGUK received a ratings upgrade to A1 (from A2) with stable outlook from Moody's

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, approximately 0.8 million common shares were repurchased for approximately \$42 million between October 1, 2022, and November 7, 2022

- **The Company insures scheduled payments of principal and interest when due**
 - Insurance law requires that each policy must provide that there shall be no acceleration of our obligations unless such acceleration is at our sole option
- **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**
- **Our surveillance department regularly monitors sectors and credits that we believe could be negatively impacted by the COVID-19 pandemic**
- **The Company had paid only relatively small insurance claims it believes are due at least in part to credit stress arising specifically from COVID-19**
 - The Company has already received reimbursement for most of these claims

Assured Guaranty Overview



Assured Guaranty Ltd.

(\$ in billions)	Sept 30, 2022	Sept 30, 2009
Insured net par outstanding	\$227.1	\$646.6
U.S. public finance	\$177.8	\$424.9
International public finance	\$41.1	\$43.2
Global structured finance	\$8.2	\$178.5
Total investment portfolio + cash ¹	\$8.6	\$10.2
Net unearned premium reserve ²	\$3.6	\$7.5
Claims-paying resources ³	\$10.8	\$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 four 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 A1 (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&P⁴
- **We provide asset management services through Assured Investment Management (AssuredIM)**

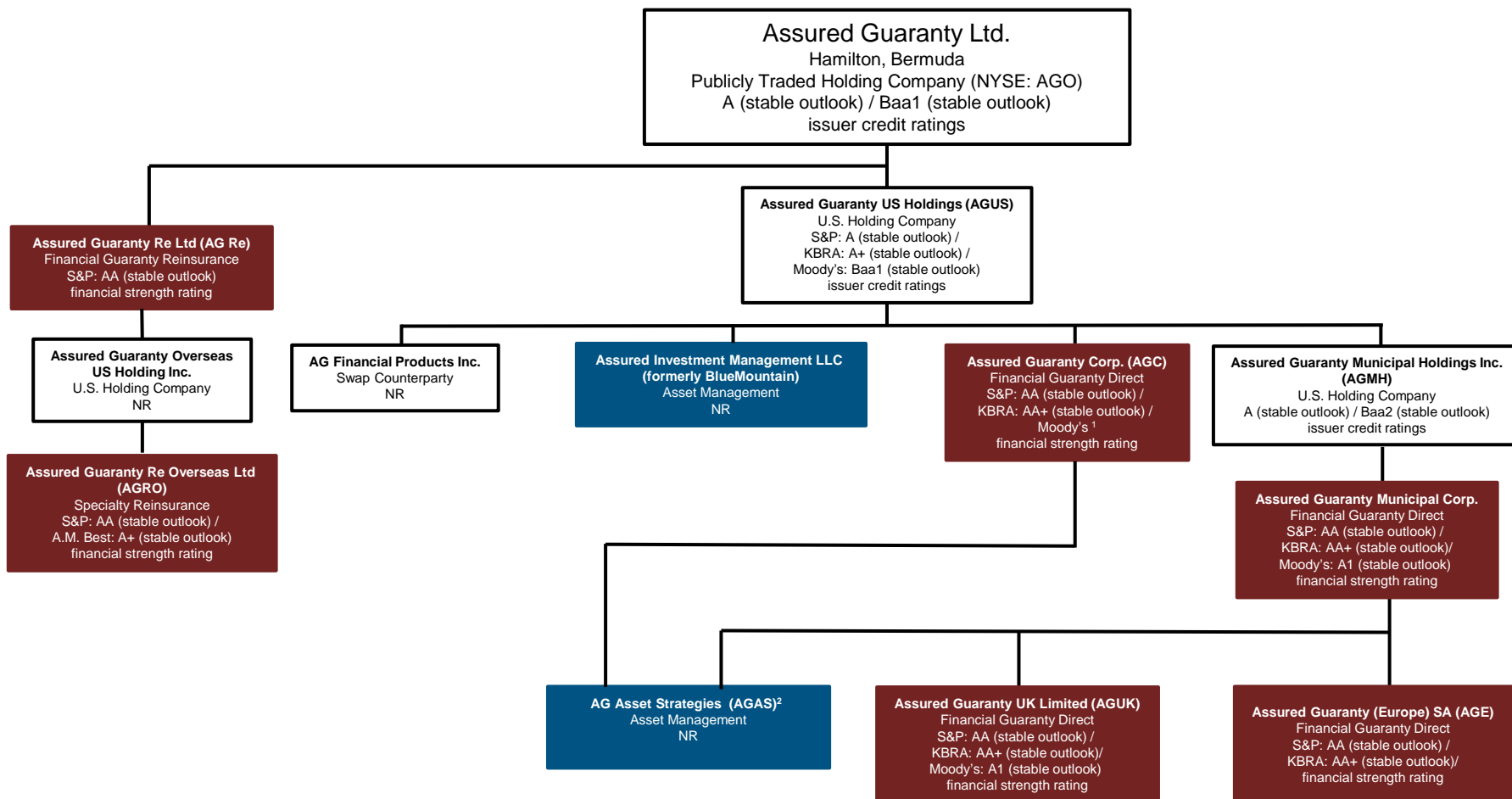
1. The \$8.6 billion of total invested assets and cash excludes \$574 million of investments in certain AssuredIM funds that the Company consolidates for GAAP accounting purposes

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 36.

4. 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



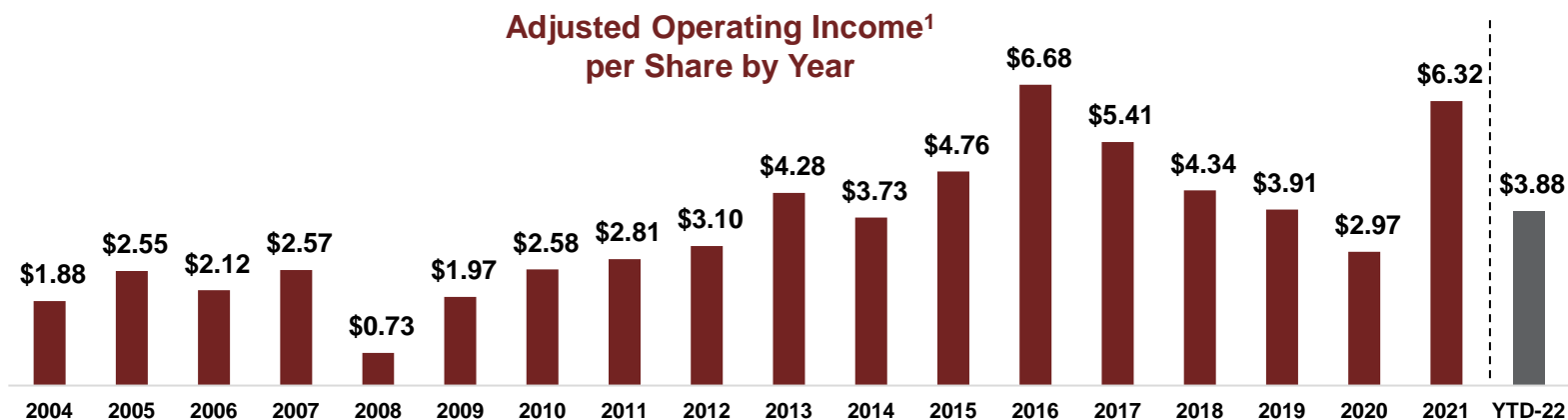
As of November 7, 2022
S&P / Moody's (unless otherwise specified)
NR = Not rated

1. Assured Guaranty requested in January 2017 that Moody's drop its rating of AGC; Moody's declined and continues to rate AGC.
2. AGAS is co-owned by AGM (65%) and AGC (35%)

Assured Guaranty Overview



- **Our annual adjusted operating income¹ per share was \$6.32 in 2021, compared with \$2.97 in 2020 and \$1.88 in 2004, the year of our initial public offering**
 - The large increase in adjusted operating income per share in 2021 was primarily the result of a large positive loss development related to the Company's Puerto Rico exposures and RMBS exposures, as well as an improved economic environment in Puerto Rico
- **Repurchases of our shares at current prices 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**



Gain (loss) related to FG VIE and CIV 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)	\$0.41	\$0.11
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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

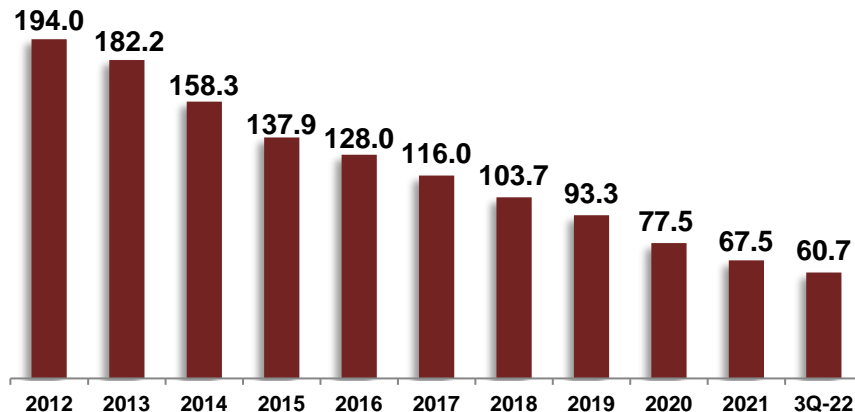
Track Record of Creating Shareholder Value



- **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 November 3, 2022, we have repurchased over 140 million shares, or approximately 72% of our shares outstanding at the beginning of the repurchase program in 2013, for approximately \$4.6 billion.
 - In the first three quarters of 2022, the Company repurchased over 7 million shares for approximately \$403 million.
 - Between October 1, 2022, and November 7, 2022, the Company repurchased an additional 0.8 million common shares for approximately \$42 million.
 - As of November 7, 2022, the Company was authorized to purchase \$261 million of its common shares.
 - In February 2022, our Board of Directors authorized an increase in the quarterly dividend to \$0.25 per share. We have raised our quarterly dividends for eleven consecutive years. Since our 2004 IPO, we have increased our dividend more than eight-fold.

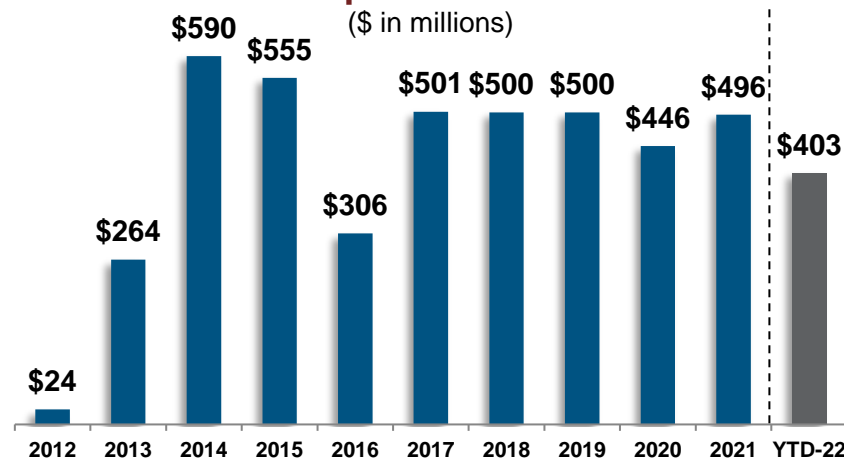
End of Period Share Count

(in millions)



Share Repurchase Amounts

(\$ in millions)



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)
<ul style="list-style-type: none"> Based on most recently filed quarterly or annual statement Only out of "earned surplus"¹ Cannot exceed the lesser of: <ul style="list-style-type: none"> (i) 10% of policyholders' surplus, and (ii) 100% of adjusted net investment income <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Based on most recently filed annual statement Cannot exceed the lesser of: <ul style="list-style-type: none"> (i) 10% of policyholders' surplus, and (ii) 100% of adjusted net investment income <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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)

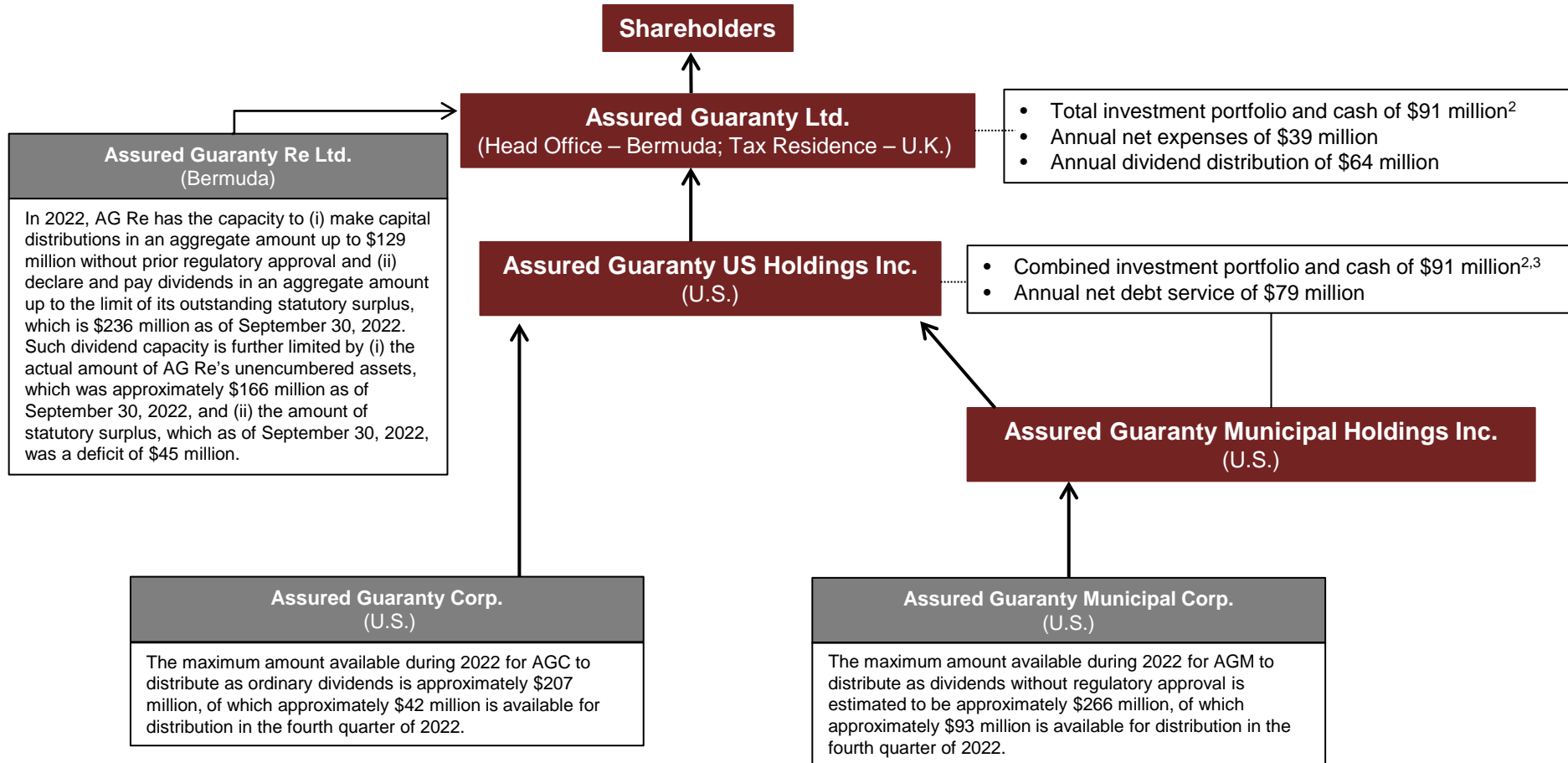
(\$ in millions)

Policyholders' surplus	\$2,660	Policyholders' surplus	\$2,070	Total stat capital and surplus	\$944
10% of policyholders' surplus	\$266	10% of policyholders' surplus	\$207	25% of stat capital and surplus	\$236
4Q-21 through 3Q-22 investment income	\$149	2021 investment income	\$211	Outstanding statutory surplus (deficit)	(\$45)
Net investment income		Net investment income		Unencumbered assets	\$166
4Q-19 through 3Q-20	283	2018	123		
4Q-20 through 3Q-21	333	2019	166		
Total	\$616	2020	94		
		Total	\$383		
Dividends paid		Dividends paid		2022 Dividend Limitation	\$0
4Q-19 through 3Q-20	(192)	2019	(123)	2022 Remaining Capacity	\$0
4Q-20 through 3Q-21	(294)	2020	(166)		
Total	(\$486)	2021	(94)		
		Total	(\$383)		
Excess of investment income over dividends	\$130	Excess of investment income over dividends	\$0		
Adjusted net investment income		Adjusted net investment income			
(\$149 + \$130 = \$279)	\$279	(\$211 + 0 = \$211)	\$211		
2022 Dividend Limitation	\$266	2022 Dividend Limitation	\$207		
2022 Remaining Capacity	\$93	2022 Remaining Capacity	\$42		

1. Earned surplus is currently approximately \$2.3 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 September 30, 2022. AssuredIM is not expected to pay dividends in 2022. Please see our Form 10-Q dated September 30, 2022, 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 September 30, 2022. 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.

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 and wooden forms, suggesting a large concrete foundation or floor slab is being prepared.

Underlying Value

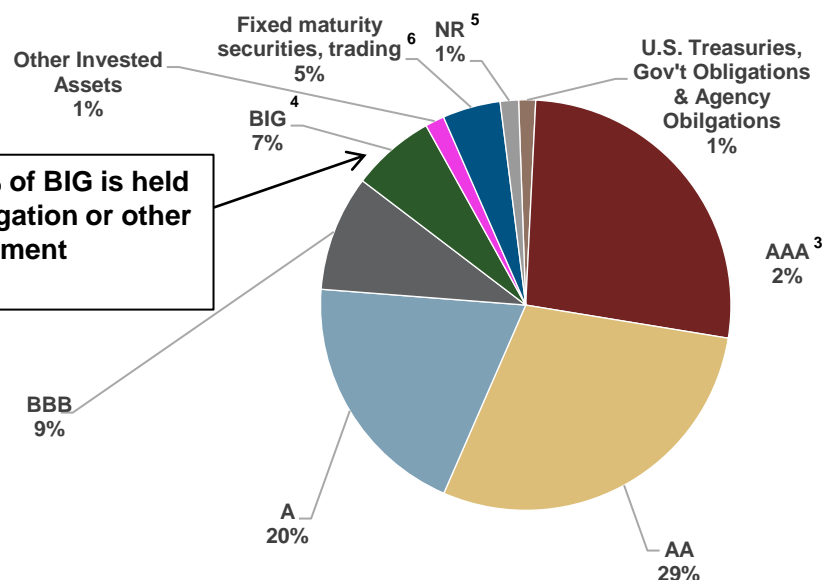
Underlying Value

High-Quality Investment Portfolio



Total Invested Assets and Cash^{1,2}

As of September 30, 2022



Nearly 100% of BIG is held for loss mitigation or other risk management strategies

\$8.6 billion, A+ average rating²

- Predominately consists of highly rated, fixed maturity and short-term investments, and cash; 62% rated AA or higher
- Approximately \$1.3 billion invested in liquid, short-term investments and cash
- Overall duration of the fixed maturity securities and short-term investments is 3.5 years
- The U.S. Insurance Subsidiaries' investments in AssuredIM funds have a fair value of \$574 million as of September 30, 2022
 - This amount is not included in the \$8.6 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 below investment grade securities that were purchased or obtained as part of loss mitigation or other risk management strategies of \$856 million in par with carrying value of \$566 million.
5. Includes \$64 million of new recovery bonds received in connection with the consummation of the March Puerto Rico Resolutions.
6. Represents contingent value instruments (CVIs) we received as part of the Puerto Rico settlements, all of which are not rated.

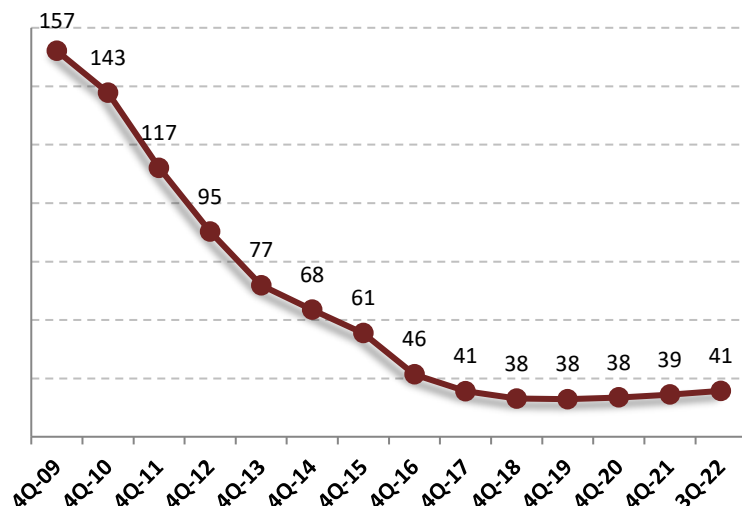
Underlying Value Deleveraging



- Our insured net par outstanding to adjusted operating shareholders' equity¹ has declined considerably from 157:1 as of 4Q-09 to 41:1 as of 3Q-22
- Meanwhile, total invested assets and cash has declined only modestly compared to prior periods
 - Total invested assets and cash does not include assets with a fair value of approximately \$574 million as of September 30, 2022
 - The decline in the first three quarters of 2022 is primarily the result of \$1.1 million of unrealized losses primarily due to rising interest rates on available for sale fixed maturity securities

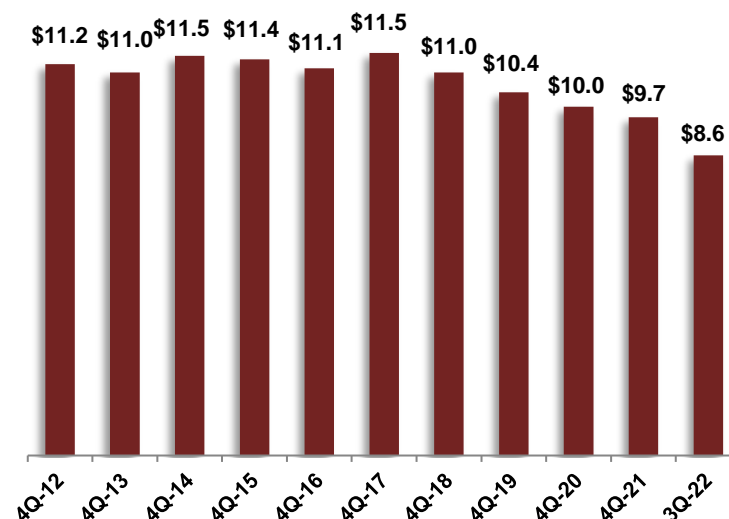
Adjusted Operating Portfolio Leverage

Insured Net Par Outstanding / Adjusted Operating Shareholders' Equity¹



Total Invested Assets and Cash²

(\$ 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. Total invested assets and cash excludes \$574 million on September 30, 2022, \$543 million on December 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.

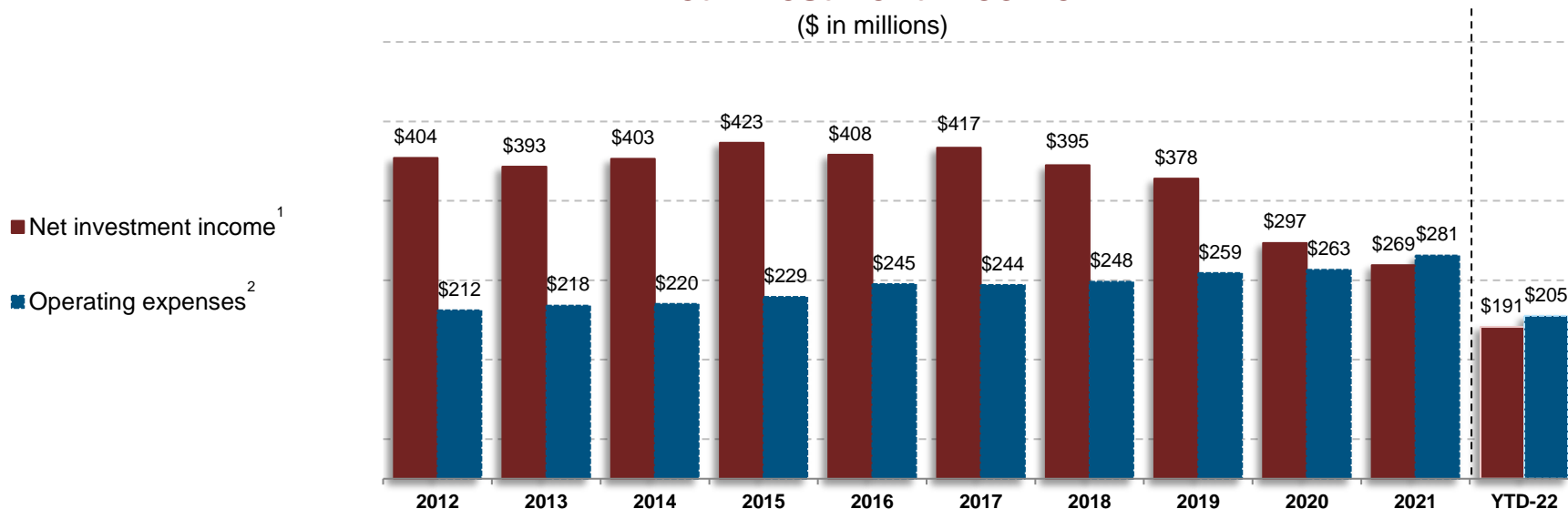
Underlying Value

Net Investment Income¹ and Operating Expenses

- Net investment income¹ excludes the returns generated from alternative investments with a fair value of approximately \$692 million as of September 30, 2022, composed primarily of AssuredIM funds

Net Investment Income¹

(\$ in millions)



Insurance Segment:

Segment Net Investment Income	\$404	\$393	\$403	\$423	\$408	\$423	\$396	\$383	\$310	\$280	\$198
Fair value gains (losses) on trading securities											(30)
Insurance segment equity in earnings of:											
AssuredIM Funds	-	-	-	-	-	-	-	(2)	42	80	(13)
Other	-	-	-	-	-	-	1	4	19	64	(33)
Total	\$404	\$393	\$403	\$423	\$408	\$423	\$397	\$385	\$371	\$424	\$122

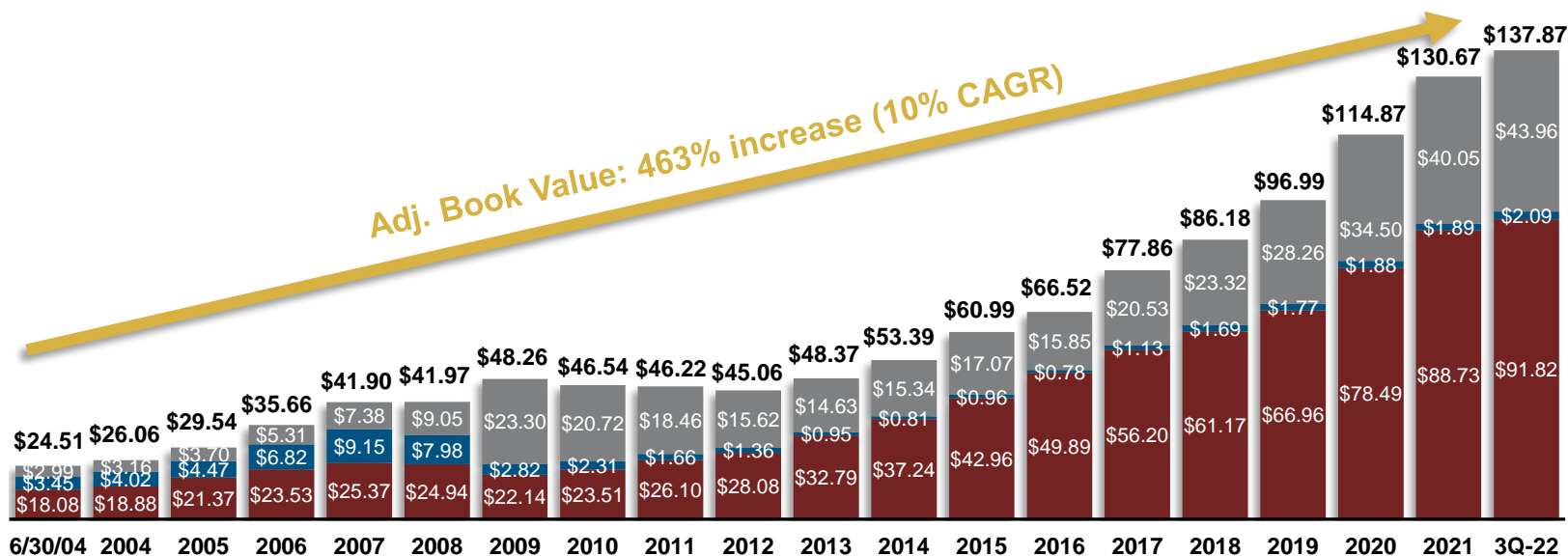
1. Net investment income is presented on a consolidated basis

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

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	\$93.19	\$81.17
Gain (loss) related to FG VIE and CIV 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	\$0.47	\$0.44	
Gain (loss) related to FG VIE and CIV 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)	\$0.34	\$0.27	

- 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

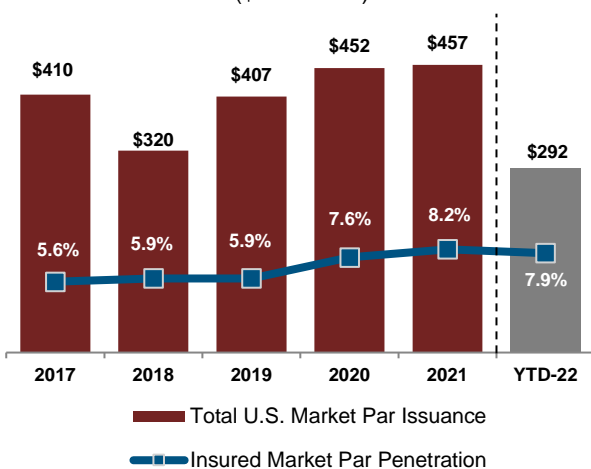
Insurance

Penetration in the U.S. Public Finance Market

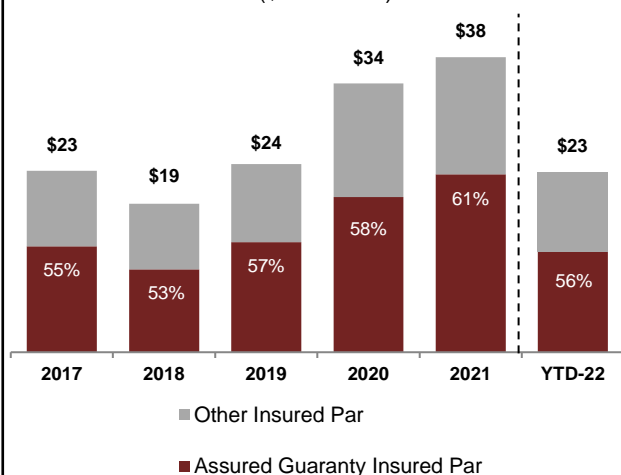


- Assured Guaranty's U.S. public finance new business production was solid in the first three quarters of 2022**
 - The \$14 billion we insured of U.S. public finance total new-issue par closed in the first nine months of 2022 was our third largest amount of par in the first three quarters in a decade, and only the third time insured par exceeded \$14 billion
 - The \$2.2 billion we insured of U.S. public finance secondary new-issue par closed in the first nine months of 2022 was our largest amount of secondary par insured in the first three quarters in a decade
 - U.S. public finance direct PVP⁴ in the first nine months of the year was approximately \$163 million, the third largest amount of new business production in U.S. public finance in that period in a decade
- Since 2020, industry insured par penetration and transaction penetration have been higher than in the prior decade, a trend that continued this quarter**
 - Assured Guaranty maintained its lead in the primary insurance market, insuring more than 56% of par of all insured deals

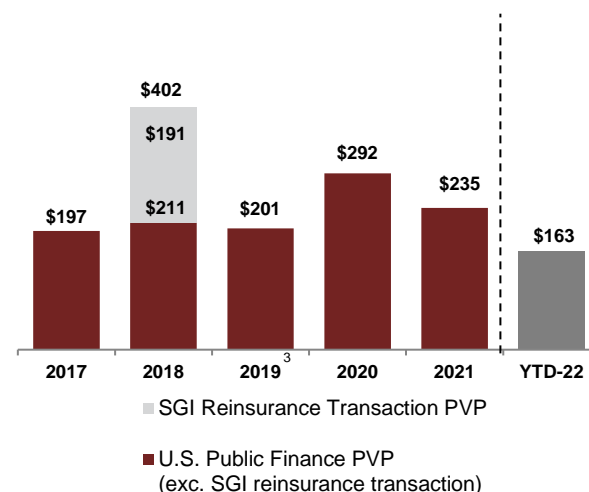
Total U.S. Public Finance Market Volume and Insured Market Par Penetration Rate¹
(\$ in billions)



Insured Market Primary Par Insured and Assured Guaranty's Insured Market Share¹
(\$ in billions)



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



1. Source: Refinitiv as of September 30, 2022, based on sale date. Excludes corporate-CUSIP transactions.

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

International Public Finance Business Activity

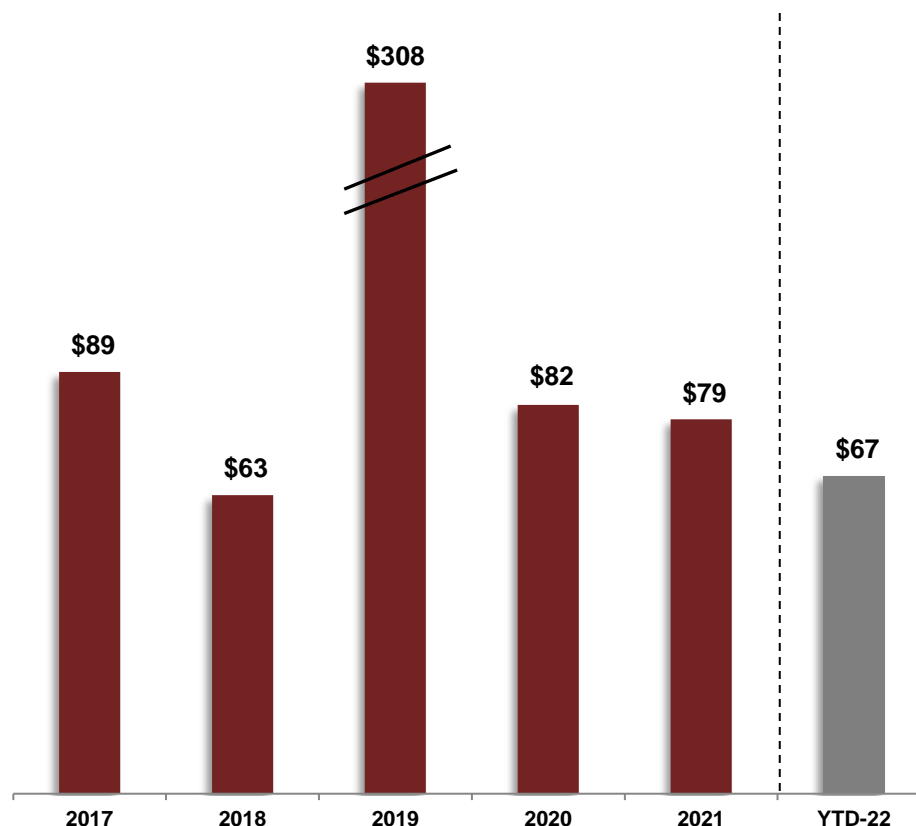


- In third quarter 2022, business activity was primarily attributable to a secondary market guarantee of regulated utilities
- In second quarter 2022, business activity was primarily attributable to a secondary market guarantee for an institutional investor
- In first quarter 2022, we guaranteed a U.K. water liquidity guarantee and a restructuring of an existing U.K. water transaction
- The Company has insured new non-U.S. public finance business every quarter since the end of 2015

International Public Finance 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

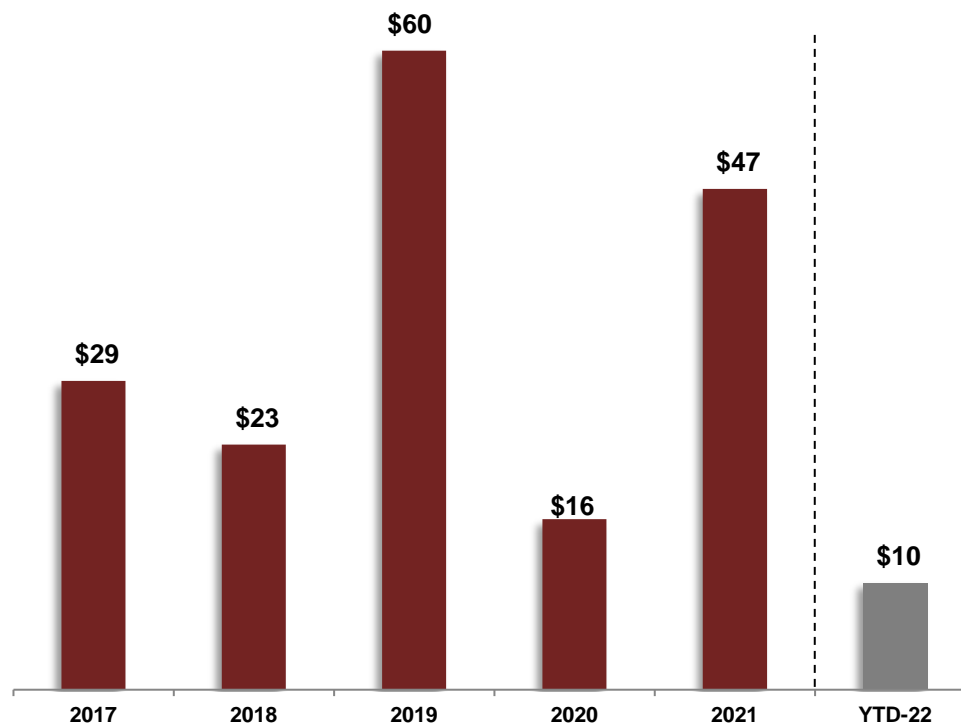
Insurance

Global Structured Finance Business Activity



- In the third quarter of 2022, we provided a guaranty on a whole business securitization
- In the first half of 2022, among other transactions, we insured rental income cash flows for an insurance company
- 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.

Global 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

Creating Value

Insurance

Underwriting Principles and Pricing Discipline



- **New business production gross par written and PVP were strong in the first nine months of 2022, driven by particularly strong U.S. public finance production and international public finance production**
 - U.S. Public Finance
 - Gross par written was the third largest amount in a decade for the first nine months of the year
 - PVP was the third largest amount in a decade
 - Secondary gross par written and PVP were the highest amounts in a decade, driving a significant increase in the PVP-to-gross par written ratio
 - International public finance
 - International public finance PVP was the second largest amount in the first nine months of the year in a decade

Gross Par Written

Sector:	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Gross Par Written	Avg. Rating ¹	Gross Par Written	Avg. Rating ¹	Gross Par Written	Avg. Rating ¹	Gross Par Written	Avg. Rating ¹
U.S. public finance	\$3,622	A-	\$7,703	A-	\$13,982	A-	\$17,846	A-
Non-U.S. public finance	194	BBB	156	BBB+	624	BBB	1,117	BBB+
Total public finance	\$3,816	A-	\$7,859	A-	\$14,606	A-	\$18,963	A-
U.S. structured finance	\$30	BBB+	\$436	AA-	\$106	A-	\$941	A+
Non-U.S. structured finance	-	-	266	AA-	300	AA	266	AA-
Total structured finance	\$30	BBB+	\$702	AA-	\$406	AA-	\$1,207	A+
Total gross par written	\$3,846	A-	\$8,561	A-	\$15,012	A-	\$20,170	A-
Total PVP	\$95		\$96		\$240		\$263	
PVP to gross par written	2.47%		1.12%		1.60%		1.30%	

1. Average internal rating.

- **On March 15, 2022, the General Obligation (GO) and Public Buildings Authority (PBA) Plan of Adjustment (GO/PBA Plan)¹, and the Puerto Rico Convention Center District Authority (PRCCDA) and the Puerto Rico Infrastructure Financing Authority (PRIFA) debt modification settlements, became effective²**
 - As a result of the March Puerto Rico Resolutions, the Company extinguished \$1.3 billion of BIG exposure, or nearly 94% of our exposure to the GO/PBA/PRCCDA/PRIFA exposures
 - Under the March Puerto Rico Resolutions, Assured Guaranty received \$577 million in cash and new recovery bonds with a par value of \$605 million, as well as contingent value instruments (CVIs)
 - The Company has sold most of these new recovery bonds and CVIs it received and may sell in the future any new recovery bonds or CVIs it continues to hold.
- **In October, a plan of adjustment related to our Puerto Rico Highways and Transportation Authority (HTA) exposure was approved by the federal court**
 - In the third quarter, we received our share of certain HTA recoveries under the Commonwealth plan, which consisted of cash totaling \$147 million and \$672 million original notional of CVIs, a portion of which have already been sold
 - On the date that the plan of adjustment become effective (which is expected in the fourth quarter), the Company expects to receive additional recoveries in the form of cash and new bonds backed by toll revenues
- **The Company is continuing its efforts to resolve its one remaining Puerto Rico exposure that is in payment default, the Puerto Rico Electric Power Authority (PREPA)**
 - After mediation was terminated in September, the Federal District Court of Puerto Rico judge overseeing PROMESA issued an order that
 - i. Directs the FOMB to file a plan of adjustment December 1, 2022
 - ii. Sets a litigation schedule and
 - iii. Directs a new round of mediation that would terminate on December 31, 2022 (with a potential extension to January 31)

1. The Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority.

2. The March 15, 2022 consummation of the GO/PBA Plan, and the PRCCDA and PRIFA debt modification settlements, is referred to as the “March Puerto Rico Resolutions”.

- **AssuredIM continued to execute on its key initiatives first three quarters of 2022**
 - Completed the final closing for Assured Healthcare Partners' Fund II, bringing final aggregate commitments to \$760 million
 - Priced two U.S. CLOs, selling nearly 50% of the equity to third parties
 - Reduced AUM from the wind-down funds to approximately \$200 million
- **Navigated a challenging investment environment characterized by surging inflation, the reversal of monetary policy, market illiquidity and volatility, reduced issuance and geopolitical stress**
 - CLO primary issuance market that boomed in 2021 slowed precipitously and was volatile despite strong credit fundamentals and demand for floating-rate paper
 - ABS portfolio continued to deliver great returns as auto loan securitizations benefited from lack of new car supply and elevated used car prices
 - The municipal bond market's performance in the first three quarters of 2022 was its worst since the 1980s
- **Despite these headwinds, AssuredIM has delivered strong results in funds invested for the insurance subsidiaries to date, generating an annualized return of 10.3% since inception**

1. The returns represent internal rate of return (IRR) based on mark-to-market gains (losses). The inception-to-date IRRs are annualized; the quarterly and year-to-date returns are non-annualized.
2. Includes funds and investments reported on a lag.

- **AssuredIM brings knowledge and experience to expand the categories and types of investments in Assured Guaranty's investment portfolio, and it manages a portion of the investment portfolio**
 - The U.S. Insurance Subsidiaries, through AGAS, are authorized to invest up to \$750 million of capital in funds managed by AssuredIM
 - Adding inception-to-date distributed gains to the original \$750 million, the U.S. Insurance Subsidiaries may invest a total of up to approximately \$810 million in funds managed by AssuredIM through their jointly owned investment subsidiary AGAS
 - As of September 30, 2022, AGAS had committed \$755 million to AssuredIM Funds, including \$536 million of net invested capital and \$219 million that has yet to be funded. Capital was committed to several funds, each dedicated to a single strategy including CLOs, asset-based finance, healthcare structured capital and liquid municipal investments
 - As of September 30, 2022, the fair value of AGAS' interest in AssuredIM Funds was \$574 million
 - Additionally, the U.S. Insurance Subsidiaries have entered into an investment management agreement with AssuredIM to manage a portfolio of municipal obligations and a portfolio of CLOs
 - As of September 30, 2022, 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



Third Quarter 2022 Results

Select Financial Items



Select GAAP Results	Three Months Ended September 30,		% Change vs. 3Q-21
(\$ in millions, except per share data and percentages)			
	2022	2021	
Net income (loss) attributable to AGL	\$11	\$17	(35)%
Net income (loss) attributable to AGL per diluted share	\$0.18	\$0.22	(18)%
Net earned premiums	\$89	\$102	(13)%
Net investment income	\$67	\$66	2%
Asset management fees	\$16	\$20	(20)%
Loss and LAE (benefit)	\$(75)	\$(68)	10%
GAAP ROE ²	0.9%	1.0%	(0.1)pp

Select Non-GAAP Results ²	Three Months Ended September 30,				% Change vs. 3Q-21
(\$ in millions, except per share data and percentages)					
	2022		2021		
	Amount	Effect of FG VIE and CIV Consolidation ⁴	Amount	Effect of FG VIE and CIV Consolidation ⁴	
Adjusted operating income	\$133	\$10	\$34	\$4	291%
Adjusted operating income per diluted share	\$2.11	\$0.15	\$0.45	\$0.05	369%
Adjusted operating loss and LAE (benefit) ³	\$(74)	\$1	\$(70)	\$8	6%
Adjusted operating ROE ¹	9.5%		2.2%		7.3pp

NM = Not meaningful pp = percentage points

1. ROE calculations represent annualized returns.

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

3. Please see page 34 for a description of adjusted operating loss and LAE

4. The "Effect of FG VIE and CIV 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.

Year-to-Date 2022 Results

Select Financial Items



Select GAAP Results		% Change vs. 9m-21	
(\$ in millions, except per share data and percentages)		Nine Months Ended September 30,	
	2022	2021	
Net income (loss) attributable to AGL	\$30	\$126	(76)%
Net income (loss) attributable to AGL per diluted share	\$0.46	\$1.66	(72)%
Net earned premiums	\$385	\$307	25%
Net investment income	\$191	\$204	(6)%
Asset management fees	\$71	\$65	9%
Loss and LAE (benefit)	\$(29)	\$(54)	(46)%
GAAP ROE ²	0.7%	2.6%	(1.9)pp

Select Non-GAAP Results ²					% Change vs. 9m-21
(\$ in millions, except per share data and percentages)					
	Nine Months Ended September 30,				
	2022		2021		
	Amount	Effect of FG VIE and CIV Consolidation ⁴	Amount	Effect of FG VIE and CIV Consolidation ⁴	
Adjusted operating income	\$253	\$-	\$197	\$4	28%
Adjusted operating income per diluted share	\$3.88	\$-	\$2.60	\$0.05	49%
Adjusted operating loss and LAE (benefit) ³	\$(24)	\$8	\$(47)	\$13	(49)%
Adjusted operating ROE ¹	5.8%		4.4%		1.4pp

NM = Not meaningful pp = percentage points

1. ROE calculations represent annualized returns.

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

3. Please see page 34 for a description of adjusted operating loss and LAE

4. The "Effect of FG VIE and CIV 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.

Third Quarter 2022 Results

Supplemental Information



Select Income Components ¹ (\$ in millions)						
Three Months Ended September 30, 2022						
	Net Earned Premiums	Net Investment Income	Asset Management Fees	Loss Expense (Benefit)	Employee Compensation, Benefit Expenses and Other Operating Expenses	Net Income (Loss) Attributable to Assured Guaranty, Ltd
Segments:						
Insurance	\$90	\$69	\$-	\$(75)	\$55	\$159
Asset Management	-	-	20	-	24	(3)
Total Segments	90	69	20	(75)	79	156
Corporate division	-	1	-	-	12	(30)
Other	(1)	(3)	(4)	1	3	7
Subtotal	89	67	16	(74)	94	133
Reconciling items	-	-	-	(1)	-	(122)
Total consolidated	89	67	16	(75)	94	11
Select Income Components ¹ (\$ in millions)						
Three Months Ended September 30, 2021						
	Net Earned Premiums	Net Investment Income	Asset Management Fees	Loss Expense (Benefit)	Employee Compensation, Benefit Expenses and Other Operating Expenses	Net Income (Loss) Attributable to Assured Guaranty, Ltd
Segments:						
Insurance	\$103	\$69	\$-	\$(78)	\$53	\$214
Asset Management	-	-	17	-	29	(7)
Total Segments	103	69	17	(78)	82	207
Corporate division ²	-	1	-	-	11	(169)
Other	(1)	(4)	3	8	4	(4)
Subtotal	102	66	20	(70)	97	34
Reconciling items	-	-	-	2	-	(17)
Total consolidated	102	66	20	(68)	97	17

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

2. The corporate division in 2021 had a \$175 million pre-tax loss on extinguishment of debt related to the issuance of new corporate debt in 2021

Year-to-Date 2022 Results

Supplemental Information



Select Income Components ¹ (\$ in millions)						
Nine Months Ended September 30, 2022						
	Net Earned Premiums	Net Investment Income	Asset Management Fees	Loss Expense (Benefit)	Employee Compensation, Benefit Expenses and Other Operating Expenses	Net Income (Loss) Attributable to Assured Guaranty, Ltd
Segments:						
Insurance	\$388	\$198	\$-	\$(32)	\$167	\$347
Asset Management	-	-	86	-	91	(3)
Total Segments	388	198	86	(32)	258	344
Corporate division	-	3	-	-	38	(98)
Other	(3)	(10)	(15)	8	13	7
Subtotal	385	191	71	(24)	309	253
Reconciling items	-	-	-	(5)	-	(223)
Total consolidated	385	191	71	(29)	309	30
Select Income Components ¹ (\$ in millions)						
Nine Months Ended September 30, 2021						
	Net Earned Premiums	Net Investment Income	Asset Management Fees	Loss Expense (Benefit)	Employee Compensation, Benefit Expenses and Other Operating Expenses	Net Income (Loss) Attributable to Assured Guaranty, Ltd
Segments:						
Insurance	\$310	\$213	\$-	\$(60)	\$181	\$445
Asset Management	-	-	56	-	82	(16)
Total Segments	310	213	56	(60)	263	429
Corporate division ²	-	1	-	-	30	(232)
Other	(3)	(10)	9	13	15	-
Subtotal	307	204	65	(47)	308	197
Reconciling items	-	-	-	(7)	-	(71)
Total consolidated	307	204	65	(54)	308	126

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

2. The corporate division in 2021 had a \$175 million pre-tax loss on extinguishment of debt related to the issuance of new corporate debt in 2021

Consolidated Insurance Expected Loss and LAE to Be Paid Three Months Ended September 30, 2022



(\$ in millions)

Rollforward of Net Expected Loss and LAE to be Paid¹ for the Three Months Ended September 30, 2022

	Net Expected Loss to be Paid (Recovered) as of Jun 30, 2022	Economic Loss Development (Benefit) During 3Q-22	Net (Paid) Recovered Losses During 3Q-22 ²	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2022
Public Finance:				
U.S. public finance	\$210	\$24	\$392	\$626
Non-U.S. public finance	7	(2)	1	6
Public Finance:	<u>217</u>	<u>22</u>	<u>393</u>	<u>632</u>
Structured Finance				
U.S. RMBS	179	(95)	(32)	52
Other structured finance	46	1	(4)	43
Structured Finance:	<u>225</u>	<u>(94)</u>	<u>(36)</u>	<u>95</u>
Total	<u>\$442</u>	<u>\$(72)</u>	<u>\$357</u>	<u>\$727</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 2021 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 VIE and CIVs)
2. Includes recoveries received in the form of contingent value instruments in the third quarter 2022 as part of the Puerto Rico resolutions.

Consolidated Insurance Expected Loss and LAE to Be Paid Nine Months Ended September 30, 2022



(\$ in millions)

Rollforward of Net Expected Loss and LAE to be Paid¹ for the Nine Months Ended September 30, 2022

	Net Expected Loss to be Paid (Recovered) as of Dec 31, 2021	Economic Loss Development (Benefit) During 2022	Net (Paid) Recovered Losses During 2022 ²	Net Expected Loss to be Paid (Recovered) as of Sep 30, 2022
Public Finance:				
U.S. public finance	\$197	\$(16)	\$445	\$626
Non-U.S. public finance	12	(6)	-	6
Public Finance:	209	(22)	445	632
Structured Finance				
U.S. RMBS	150	(127)	29	52
Other structured finance	52	1	(10)	43
Structured Finance:	202	(126)	19	95
Total	\$411	\$(148)	\$464	\$727

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 2021 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 VIE and CIVs)
2. Includes recoveries received in the form of contingent value instruments in the third quarter 2022 as part of the Puerto Rico resolutions.

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 VIE
 - 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 VIE and CIVs

Economic loss development (all contracts):

- Represents the change in net expected loss to be paid (recovered) attributable to the effects of changes in the economic performance of insured transactions, changes in assumptions based on observed market trends, changes in discount rates, accretion of discount and the economic effects of loss mitigation efforts. 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)	3Q-22	3Q-21	YTD-22	YTD-21
Loss and LAE	\$(75)	\$(68)	\$(29)	\$(54)
Adjusted Operating Loss and LAE	\$(74)	\$(70)	\$(24)	\$(47)
Insurance Segment Loss and LAE	\$(75)	\$(78)	\$(32)	\$(60)
Economic Loss Development (Benefit)	\$(72)	\$(94)	\$(148)	\$(101)

- The difference in loss expense compared with economic development through the first three quarters of 2022 primarily relates to the recognition of expected losses that had previously been included in unearned premium reserve for certain settled Puerto Rico exposures.

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

Insurance Portfolio Overview



Three Discrete Insurance Companies with Separate Capital Bases



Consolidated Statutory-Basis Claims-Paying Resources and Exposures

(\$ in millions)	As of September 30, 2022				
	AGM	AGC	AG Re ⁶	Eliminations ²	Consolidated
Claims-paying resources					
Policyholders' surplus	\$2,660	\$1,964	\$721	\$(215)	\$5,130
Contingency reserve	915	348	-	-	1,263
Qualified statutory capital	3,575	2,312	721	(215)	6,393
UPR and net deferred ceding commission income ¹	2,102	323	541	(72)	2,894
Loss and loss adjustment expense reserves ¹	-	75	148	-	223
Total policyholders' surplus and reserves	5,677	2,710	1,410	(287)	9,510
Present value of installment premium	439	174	229	-	842
Committed Capital Securities	200	200	-	-	400
Total claims-paying resources	\$6,316	\$3,084	\$1,639	\$(287)	\$10,752
Statutory net exposure ^{1,3,7}	\$150,163	\$20,010	\$55,471	\$(570)	\$225,074
Net debt service outstanding ^{1,3,7}	\$239,376	\$31,220	\$85,051	\$(1,187)	\$354,460
Ratios:					
Net exposure to qualified statutory capital	42:1	9:1	77:1		35:1
Capital ratio ⁴	67:1	14:1	118:1		55:1
Financial resources ratio ⁵	38:1	10:1	52:1		33:1
Statutory net exposure to claims-paying resources	24:1	6:1	34:1		21:1
Separate Company Statutory Basis:					
Admitted Assets	\$5,379	\$2,765			
Total Liabilities	2,719	801			
Contingency Reserves	915	348			
Policyholders' Surplus	2,660	1,964			

1. The numbers shown for AGM have been adjusted to include its share of its United Kingdom (U.K.) and French insurance subsidiaries.

2. Eliminations are primarily for (i) intercompany surplus notes between AGM and AGC, and (ii) 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.

3. Net exposure and net debt service outstanding are presented on a statutory basis. Includes \$1,169 million of specialty insurance and reinsurance exposure.

4. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.

5. The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.

6. Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimate of AG Re on U.S. statutory-basis, except for contingency reserves.

7. Includes a guarantee of rental income cash flows, written by AGRO with maximum potential exposure of \$232 million.

Net Par Outstanding By Sector

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

- 78% U.S. public finance
- 18% Non-U.S. public finance
- 3% U.S. structured finance
- <1% Non-U.S. structured finance

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

- BIG par exposure has fallen to 2.5% from a high of 5.1% at year-end 2011
- The percentage of BIG credits has fallen below 3% this year; the first time since the Great Recession

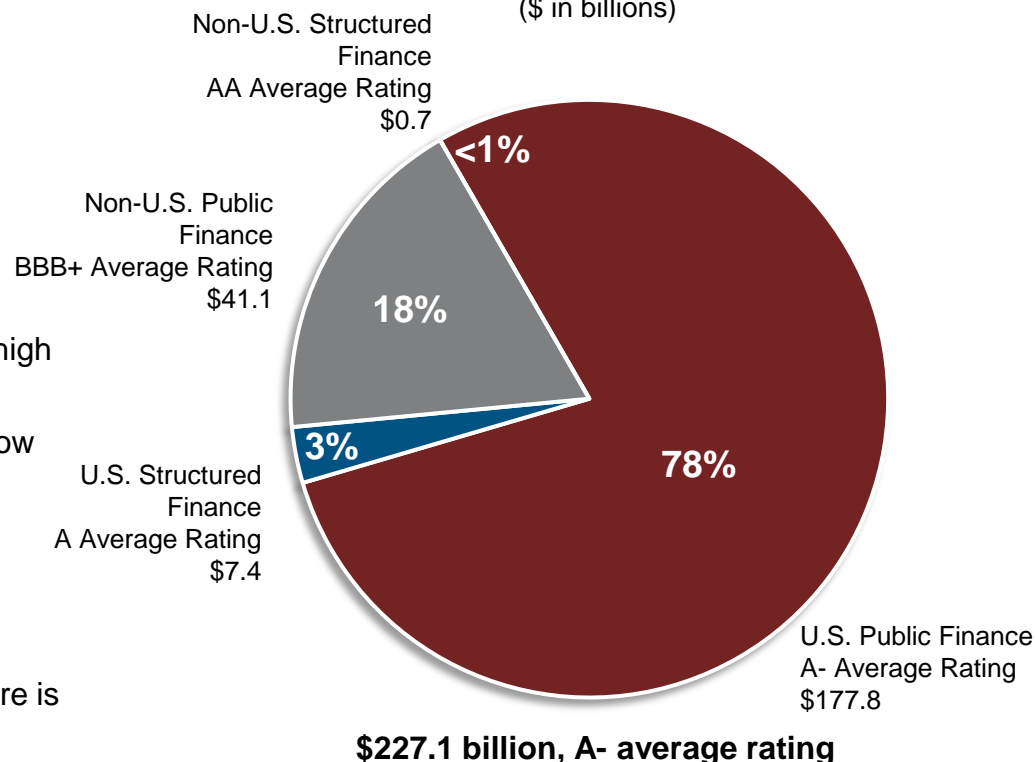
- **U.S. public finance is the sector with the largest BIG exposure**

- \$4.2 billion of U.S. public finance par exposure is BIG (72% of our total BIG)
- Out of this \$4.2 billion, \$2.1 billion of net par exposure relates to Puerto Rico
- Approximately 65% of that Puerto Rico exposure is covered by negotiated support agreements or is currently paying

Consolidated Net Par Outstanding

As of September 30, 2022

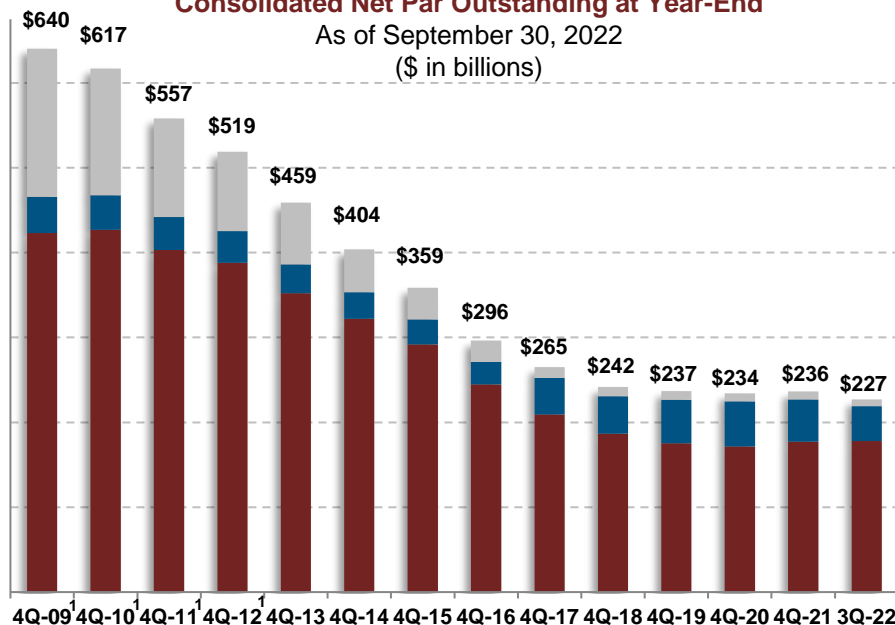
(\$ in billions)



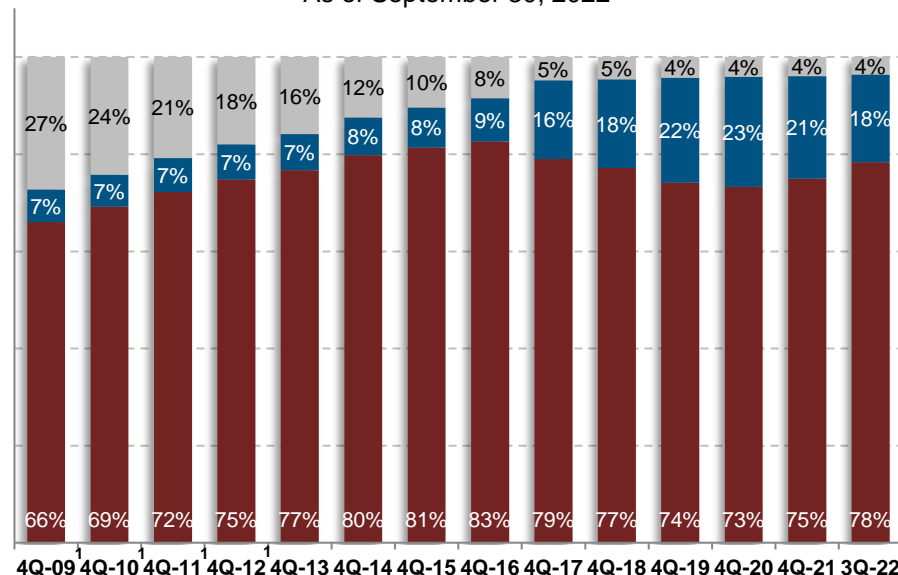
Net Par Outstanding Amortization

- 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 public finance sector
 - Our current net par of \$227 billion includes a negative adjustment of over \$3.2 billion resulting from the strengthening of the U.S. dollar against foreign currencies
 - This stabilization of net par outstanding of our portfolio will help stabilize our future earned revenue

Insured Portfolio Amortization
Consolidated Net Par Outstanding at Year-End
As of September 30, 2022
(\$ in billions)



Insured Portfolio Composition
Consolidated Net Par Outstanding at Year-End
As of September 30, 2022



■ U.S. Public Finance ■ International Public Finance ■ Global Structured Finance ■ U.S. Public Finance ■ International Public Finance ■ Global Structured Finance

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

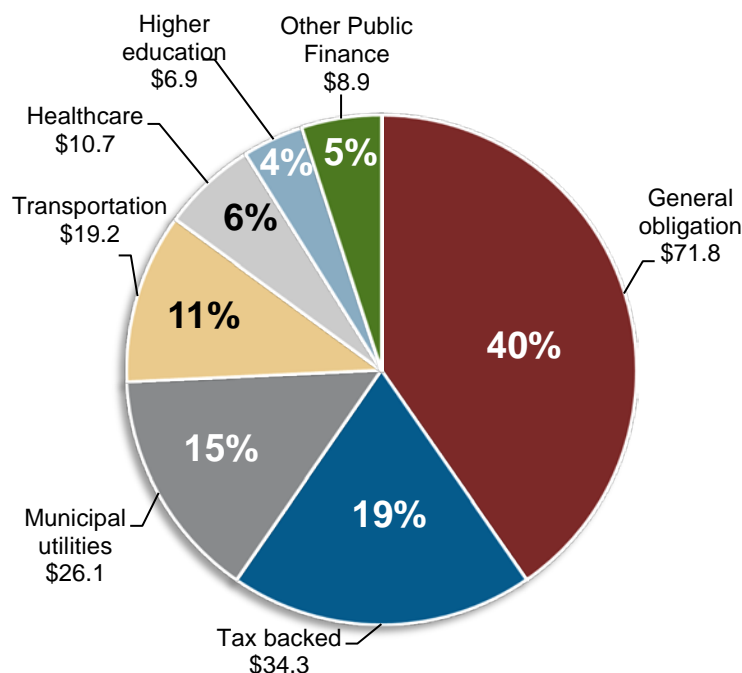
U.S. Public Finance

Net Par Outstanding



U.S. Public Finance

As of September 30, 2022
(\$ in billions)



\$177.8 billion, A- average rating

- **U.S. public finance net par outstanding is \$178 billion and makes up 78% of our total insured portfolio as of September 30, 2022**
- **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 5,900 direct U.S. public finance obligors. We currently expect future losses to be paid, net of recoveries, on fewer than a dozen 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 have paid only relatively small insurance claims we believe are due at least in part to credit stress arising specifically from COVID-19, and the Company has already received reimbursement for most of these claims**
- **General obligation, tax-backed and municipal utilities represent 74% of U.S. public finance net par outstanding**
 - 58% of total net par outstanding

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

Par Exposure to the Commonwealth and its Agencies¹

As of September 30, 2022

(\$ in millions)	Net Par Outstanding				Total Net Par Outstanding	Gross Par Outstanding
	AGM	AGC	AG Re	Eliminations ²		
Puerto Rico Exposures Subject to a Plan or Support Agreement:						
Commonwealth of Puerto Rico - General Obligation (GO) Bonds ³	\$-	\$19	\$6	\$-	\$25	\$25
Puerto Rico Public Buildings Authority (PBA) ³	1	4	-	(1)	4	4
Subtotal – GO/PBA Plan	\$1	\$23	\$6	\$(1)	\$29	\$29
Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation Revenue Bonds) ⁴	\$222	\$453	\$175	\$(79)	\$771	\$771
PRHTA (Highways Revenue Bonds) ⁴	344	51	23	-	418	418
Subtotal – HTA PSA	\$566	\$504	\$198	\$(79)	\$1,189	\$1,189
Subtotal Subject to a Plan or Support Agreement	\$567	\$527	\$204	\$(80)	\$1,218	\$1,218
Other Puerto Rico Exposures:						
Puerto Rico Electric Power Authority (PREPA)	\$446	\$69	\$205	\$-	\$720	\$730
Puerto Rico Municipal Finance Agency (MFA) ⁵	101	6	24	-	131	138
Puerto Rico Aqueduct and Sewer Authority (PRASA) and University of Puerto Rico (U of PR) ⁵	-	2	-	-	2	2
Subtotal of Other Puerto Rico Exposures	\$547	\$77	\$229	\$-	\$853	\$870
Total exposure to Puerto Rico	\$1,114	\$604	\$433	\$(80)	\$2,071	\$2,088

1. The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are all rated BIG.
2. Net par 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.
3. On March 15, 2022, the Modified Eighth Amended Title III Joint Plan of Adjustment, confirmed on January 18, 2022, was consummated, pursuant to which the Company, among other things, fully paid claims on all of its directly insured Puerto Rico GO bonds, other than certain GO bonds whose holders made certain elections. On the same date and pursuant to the same Plan of Adjustment, the Company fully paid claims on all of its directly insured PBA bonds, other than certain PBA bonds whose holders made certain elections.
4. On October 12, 2022, the United States District Court of the District of Puerto Rico (Federal District Court of Puerto Rico), acting under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), entered an order and judgment confirming the amended plan of adjustment for the Puerto Rico Highways and Transportation Authority (PRHTA) filed by the financial oversight and management board (FOMB) with the Federal District Court of Puerto Rico on September 6, 2022 (HTA Plan). The HTA Plan restructures approximately \$6.4 billion of debt (including the PRHTA bonds insured by the Company), and the Company believes its terms are consistent with the terms of the settlement embodied in the PRHTA plan support agreement entered into on May 5, 2021, by AGM and AGC and certain other stakeholders, the Commonwealth, and the FOMB (the HTA PSA). The HTA Plan, similar to the GO/PBA Plan, provides an option for certain bondholders to elect to receive custody receipts that represent an interest in the legacy insurance policy plus Toll Bonds.
5. All debt service on this insured exposure has been paid to date without any insurance claim being made on the Company.

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

As of September 30, 2022

(\$ millions)	2022 (4Q)	2023 (1Q)	2023 (2Q)	2023 (3Q)	2023 (4Q)	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2042	Total
Commonwealth of Puerto Rico - GO PBA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 4	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25
	-	-	-	2	-	-	2	-	-	-	-	-	-	-	-	-	4
Subtotal - GO/PBA Plan	-	-	-	2	-	-	2	2	4	-	19	-	-	-	-	-	29
PRHTA (Transportation revenue)	-	-	-	34	-	4	29	24	29	34	49	31	21	310	201	5	771
PRHTA (Highway revenue)	-	-	-	32	-	33	34	1	-	10	13	16	39	240	-	-	418
Subtotal - HTA PSA	-	-	-	66	-	37	63	25	29	44	62	47	60	550	201	5	1,189
Subtotal Subject to a Plan or Support Agreement	-	-	-	68	-	37	65	27	33	44	81	47	60	550	201	5	1,218
PREPA	-	-	-	95	-	93	68	106	105	69	39	44	75	26	-	-	720
MFA	-	-	-	18	-	18	18	37	15	12	7	6	-	-	-	-	131
PRASA and U of PR	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	2
Subtotal Other Puerto Rico Exposures	-	-	-	113	-	112	86	143	120	81	46	50	75	27	-	-	853
Total	\$ -	\$ -	\$ -	\$ 181	\$ -	\$ 149	\$ 151	\$ 170	\$ 153	\$ 125	\$ 127	\$ 97	\$ 135	\$ 577	\$ 201	\$ 5	\$ 2,071

Scheduled Net Debt Service Amortization of Exposure to the Commonwealth and its Agencies

As of September 30, 2022

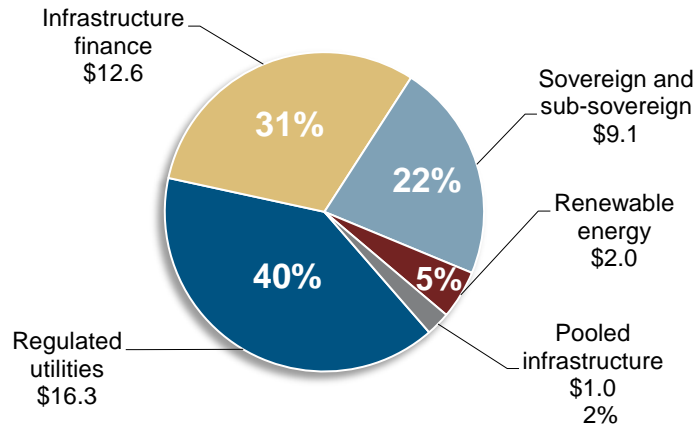
(\$ millions)	2022 (4Q)	2023 (1Q)	2023 (2Q)	2023 (3Q)	2023 (4Q)	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2042	Total
Commonwealth of Puerto Rico - GO	\$ -	\$ 1	\$ -	\$ 1	\$ -	\$ 1	\$ 1	\$ 3	\$ 6	\$ 1	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
PBA	-	-	-	3	-	-	2	-	-	-	-	-	-	-	-	-	5
Subtotal - GO/PBA Plan	-	1	-	4	-	1	3	3	6	1	20	-	-	-	-	-	39
PRHTA (Transportation revenue)	-	20	-	53	-	42	67	61	64	67	81	61	49	423	237	5	1,230
PRHTA (Highway revenue)	-	11	-	43	-	53	52	18	17	27	29	32	54	279	-	-	615
Subtotal - HTA PSA	-	31	-	96	-	95	119	79	81	94	110	93	103	702	237	5	1,845
Subtotal Subject to a Plan or Support Agreement	-	32	-	100	-	96	122	82	87	95	130	93	103	702	237	5	1,884
PREPA	3	14	2	109	3	122	92	126	122	80	47	51	81	29	-	-	881
MFA	-	3	-	21	-	24	23	41	17	14	8	6	-	-	-	-	157
PRASA and U of PR	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	2
Subtotal Other Puerto Rico Exposures	3	17	2	130	3	147	115	167	139	94	55	57	81	30	-	-	1,040
Total	\$ 3	\$ 49	\$ 2	\$ 230	\$ 3	\$ 243	\$ 237	\$ 249	\$ 226	\$ 189	\$ 185	\$ 150	\$ 184	\$ 732	\$ 237	\$ 5	\$ 2,924

International Public Finance Exposure

Net Par Outstanding

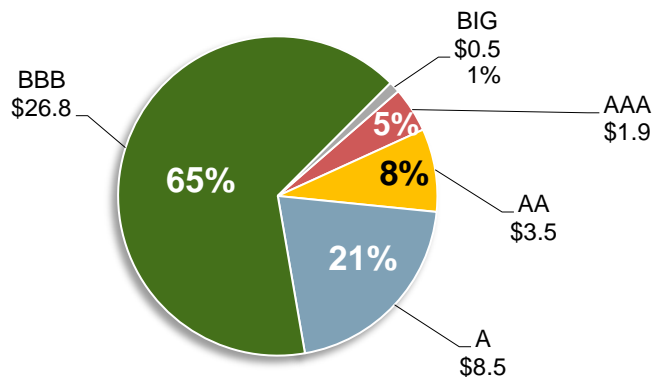
By Type

As of September 30, 2022
(\$ in billions)



\$41.1 billion, BBB+ average rating

By Internal Rating



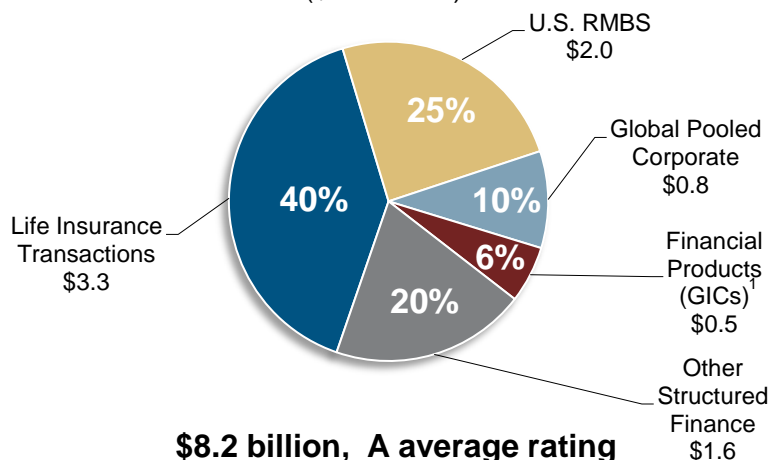
- **International public finance net par outstanding is \$41 billion and makes up 18% of our total insured portfolio as of September 30, 2022**
 - Direct sovereign debt is limited to Poland (\$215 million) and Mexico (\$50 million)

Global Structured Finance Exposures

Net Par Outstanding

By Type

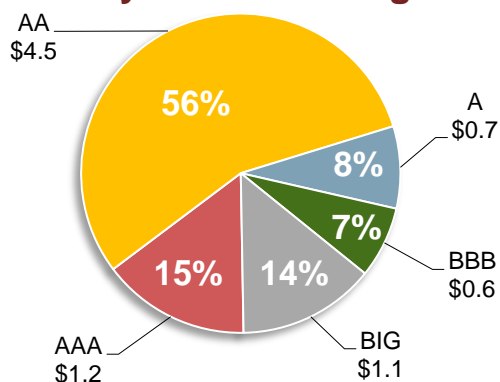
As of September 30, 2022
(\$ in billions)



\$8.2 billion, A average rating

- Assured Guaranty's total structured finance exposure of \$8.2 billion, as of September 30, 2022, reflects a \$166.4 billion reduction from \$174.6 billion on December 31, 2009, a 95% reduction

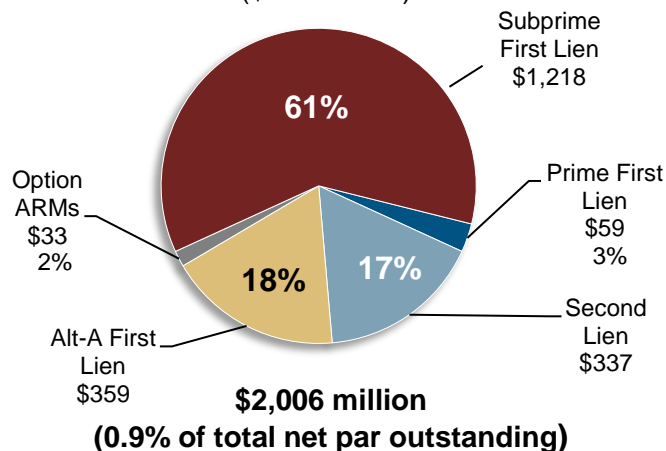
By Internal Rating



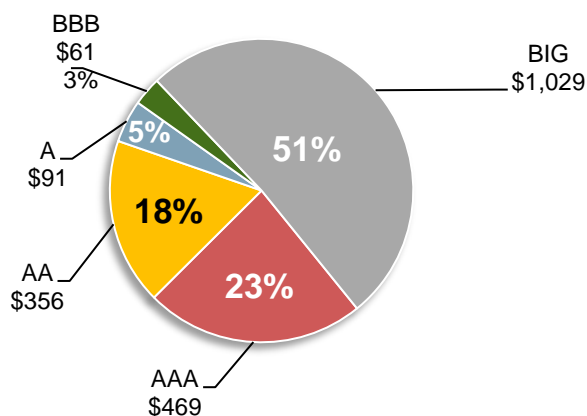
1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia.

By Type

As of September 30, 2022
(\$ in millions)



By Internal Rating¹



- **Our \$2.0 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 \$2.0 billion on September 30, 2022, reflects a \$27.2 billion reduction from \$29.2 billion on December 31, 2009, a 93% reduction
 - Since December 31, 2009, the percentage of the portfolio that U.S. RMBS represents has fallen from 4.7% to 0.9% on September 30, 2022
 - As of September 30, 2022, U.S. RMBS exposure excludes \$885 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
- **We have significantly mitigated ultimate losses**
 - R&W putbacks, litigation and agreements
 - Wrapped bond purchases

1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to collateralized reinsurance arrangements.

Below Investment Grade Exposures

Net Par Outstanding by BIG Category¹



Financial Guaranty Insurance and Credit Derivatives Surveillance Categories

- As of September 30, 2022, approximately \$2.5 billion (43%) 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
- The March Puerto Rico Resolutions (in March 2022) accounted for a decline of approximately \$1.3 billion in BIG exposure

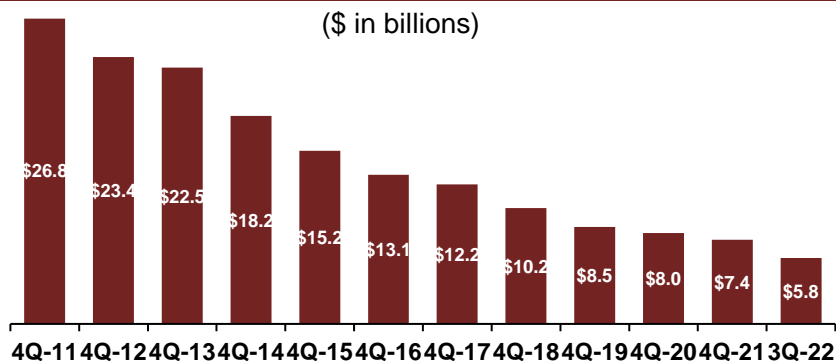
(\$ millions)	September 30, 2022	December 31, 2021
BIG Category 1		
U.S. public finance	\$2,029	\$1,765
Non-U.S. public finance	425	556
U.S. structured finance	17	122
Non-U.S. structured finance	-	-
Total Category 1	\$2,471	\$2,443
BIG Category 2		
U.S. public finance	\$124	\$116
Non-U.S. public finance	-	-
U.S. structured finance	74	65
Non-U.S. structured finance	-	-
Total Category 2	\$198	\$181
BIG Category 3		
U.S. public finance	\$2,034	\$3,491
Non-U.S. public finance	37	44
U.S. structured finance	1,045	1,197
Non-U.S. structured finance	-	-
Total Category 3	\$3,116	\$4,732
BIG Total	\$5,785	\$7,356

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.

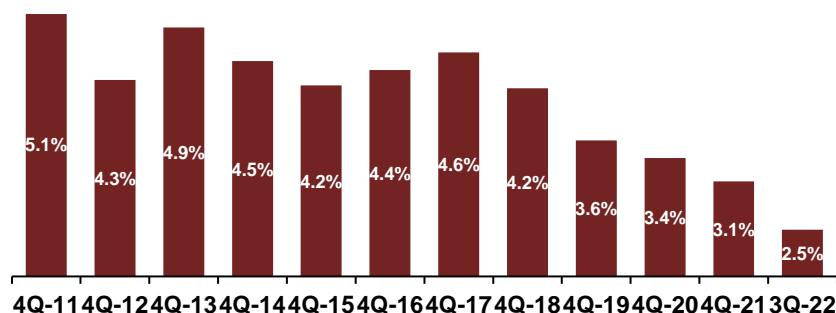
BIG Financial Guaranty Exposure Decline

- Since 4Q-11, BIG net par outstanding has declined by \$21.0 billion
- The largest components of our BIG exposure are Puerto Rico at 36% and U.S. RMBS at 18%
- The finalization of the GO, PBA, CCDA and PRIFA settlements in March 2022 accounted for approximately \$1.3 billion of the approximately \$1.6 billion total year-to-date BIG decline.

BIG Net Par Outstanding



BIG Percentage of Net Par Outstanding



Changes in BIG Net Par Outstanding

	Full Year 2019	Full Year 2020	Full Year 2021	YTD 2022
(\$ in millions)				
Beginning BIG par	\$10,160	\$8,506	\$7,975	\$7,356
Amortization / Claim Payments	(1,008)	(1,261)	(603)	(1,789)
Acquisitions / Reinsurance Agreements	6	144	-	-
FX Change	(0)	53	(15)	(81)
Terminations	(45)	(48)	(44)	-
Removals / Upgrades	(719)	(3)	(436)	(451)
Additions / Downgrades	127	584	479	851
Bond Purchases	(15)	-	-	(101)
Total Decrease / Increase	(1,654)	(531)	(620)	(1,571)
Ending BIG par	\$8,506	\$7,975	\$7,356	\$5,785
BIG Percentage of net par outstanding	3.6%	3.4%	3.1%	2.5%

BIG Exposures > \$250 Million

(dollars in millions)



BIG Exposures Greater Than \$250 Million as of September 30, 2022

<u>Type¹</u>	<u>Name or Description</u>	<u>Net Par Outstanding</u>	<u>Internal Rating²</u>
PF	Puerto Rico Highways and Transportation Authority	\$1,189	CCC
PF	ProMedica Healthcare Obligated Group, Ohio	820	BB+
PF	Puerto Rico Electric Power Authority	720	CCC
PF	Illinois Sports Facilities Authority	259	BB+
Total		\$2,988	

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

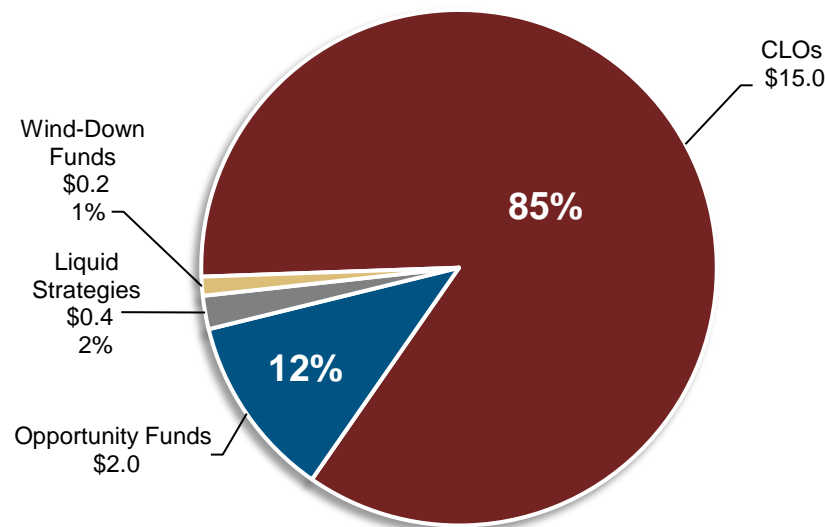
Asset Management Overview



- **AssuredIM currently has \$17.5 billion in assets under management as of September 30, 2022**
 - CLOs had gross inflows of over \$1.2 billion
 - Wind-down funds, which are legacy BlueMountain hedge and opportunity funds, had gross outflows of \$389 million
- **AssuredIM earned total asset management fees of approximately \$88 million¹ in the first three quarters of 2022, nearly 47% more than total asset management fees earned in the same period of 2021**
 - CLOs earned \$36 million in the first nine months of 2022, compared with \$36 million in the same period of 2021
 - Opportunity funds earned \$29 million in the first nine months of 2022, compared with \$13 million in the same period of 2021
 - Wind-down funds earned \$1 million in the first nine months of 2022, compared with \$6 million in the same period of 2021
 - Performance fees were \$20 million in the first nine months of 2022, compared with \$1 million in the same period of 2021
- **AssuredIM funds increased fee earning AUM to \$16.8 billion as of September 30, 2022, from \$8.0 billion on December 31, 2019**
 - Non-fee earning AUM has declined to \$0.7 billion as of September 30, 2022, from \$9.9 billion on December 31, 2019

Assets Under Management

As of September 30, 2022
(\$ in billions)



\$17.5 billion AUM

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)	Year-to-Date (December 31, 2021 to September 30, 2022)				
	CLOs	Opportunity Funds	Liquid Strategies	Wind-Down Funds	Total
AUM, December 31, 2021	\$14,699	\$1,824	\$389	\$582	\$17,494
Inflows:					
Third-party	\$1,049	292	21	-	1,362
Intercompany	\$165	-	105	-	270
Total Inflows	\$1,214	292	126	-	1,632
Outflows:					
Redemptions	-	-	-	-	-
Distributions	(511)	(190)	(125)	(389)	(1,215)
Total Outflows	(511)	(190)	(125)	(389)	(1,215)
Net Flows	703	102	1	(389)	417
Change in fund value	(451)	92	(23)	15	(367)
AUM, September 30, 2022	\$14,951	\$2,018	\$367	\$208	\$17,544
As of September 30, 2022					
Funded AUM ¹	\$14,857	\$1,304	\$367	\$186	\$16,714
Unfunded AUM ¹	94	714	-	22	830
Fee Earning AUM ²	\$14,575	\$1,766	\$367	\$110	\$16,818
Non-Fee Earning AUM ²	376	252	-	98	726
Intercompany AUM					
Funded AUM	\$574	\$192	\$346	\$-	\$1,112
Unfunded AUM	93	125	-	-	218
As of December 31, 2021					
Funded AUM ¹	\$14,575	\$1,297	\$389	\$560	\$16,821
Unfunded AUM ¹	124	527	-	22	673
Fee Earning AUM ²	\$14,252	\$1,527	\$389	\$408	\$16,576
Non-Fee Earning AUM ²	447	297	-	174	918
Intercompany AUM					
Funded AUM	\$541	\$217	\$368	\$-	\$1,126
Unfunded AUM	123	121	-	-	244

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 vests, 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. 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 structures. The overall scene is one of active construction work.

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 entities where it is deemed to be the primary beneficiary which include:

- FG VIEs, which the Company does not own and where its exposure is limited to its obligation under the financial guaranty insurance contract, and
- CIVs in which certain subsidiaries invest and which are managed by AssuredIM.

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

Management of the Company and AGL's Board of Directors use non-GAAP financial measures further adjusted to remove the effect of FG VIE and CIV consolidation (which the Company refers to as its core financial measures), as well as GAAP financial measures and other factors, to evaluate the Company's results of operations, financial condition and progress towards long-term goals. The Company uses core financial measures in its decision-making process for and in its calculation of certain components of management compensation. The financial measures that the Company uses to help determine compensation are: (1) adjusted operating income, further adjusted to remove the effect of FG VIE and CIV consolidation; (2) adjusted operating shareholders' equity, further adjusted to remove the effect of FG VIE and CIV consolidation; (3) adjusted book value per share, further adjusted to remove the effect of FG VIE and CIV consolidation; (4) PVP; and (5) gross third-party assets raised.

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

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

Appendix

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



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

Adjusted Operating Income: Management believes that adjusted operating income is a useful measure because it clarifies the understanding of the operating results of the Company. Adjusted operating income is defined as net income (loss) attributable to 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-related unrealized fair value gains (losses) on credit derivatives that are recognized in net income, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, the Company's credit spreads, and other market factors and are not expected to result in an economic gain or loss.
- 3) Elimination of fair value gains (losses) on the Company's CCS that are recognized in net income. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.
- 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-related unrealized fair value gains (losses) on credit derivatives, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.
- 2) Elimination of fair value gains (losses) on the Company's CCS. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.
- 3) Elimination of unrealized gains (losses) on the Company's investments that are recorded as a component of accumulated other comprehensive income (AOCI). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore would not recognize an economic gain or loss.
- 4) 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 FG VIE and CIV consolidation, to measure the intrinsic value of the Company, excluding franchise value. Adjusted book value per share, further adjusted for FG VIE and CIV consolidation (core adjusted book value), is one of the key financial measures used in determining the amount of certain long-term compensation elements to management and employees and used by rating agencies and investors. Management believes that adjusted book value is a useful measure because it enables an evaluation of the Company's in-force premiums and revenues net of expected losses. Adjusted book value is adjusted operating 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 present value of estimated net future revenue for non-financial guaranty insurance contracts. This amount represents the net present value of estimated future revenue from these contracts (other than credit derivatives with net expected losses), net of reinsurance, ceding commissions and premium taxes.

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

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

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

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

Appendix

Reconciliation of Gross Written Premiums (GWP) to PVP

Reconciliation of GWP to PVP (dollars in millions)	Three Months Ended September 30,		Year Ended December 31,						
	2022	2021	2021	2020	2019	2018	2017	2016	2015
Total GWP	\$94	\$106	\$377	\$454	\$677	\$612	\$307	\$154	\$181
Less: Installment GWP and other GAAP adjustments ¹	39	52	158	191	469	119	99	(10)	55
Upfront GWP	55	54	219	263	208	493	208	164	126
Plus: Installment premium PVP	40	42	142	127	361	204	107	61	65
Total PVP	<u>\$95</u>	<u>\$96</u>	<u>\$361</u>	<u>\$390</u>	<u>\$569</u>	<u>\$697</u>	<u>\$315</u>	<u>\$225</u>	<u>\$191</u>

PVP:	Three Months Ended September 30,		Year Ended December 31,						
	2022	2021	2021	2020	2019	2018	2017	2016	2015
Public Finance - U.S.	\$57	\$55	\$235	\$292	\$201	\$402	\$197	\$161	\$124
Public Finance - non-U.S.	37	17	79	82	308	116	89	29	33
Structured Finance - U.S.	1	21	42	14	53	167	14	34	28
Structured Finance - non-U.S.	-	3	5	2	7	12	15	1	6
Total PVP	<u>\$95</u>	<u>\$96</u>	<u>\$361</u>	<u>\$390</u>	<u>\$569</u>	<u>\$697</u>	<u>\$315</u>	<u>\$225</u>	<u>\$191</u>

Reconciliation of GWP to PVP (dollars in millions)	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total GWP	\$229	\$277		
Less: Installment GWP and other GAAP adjustments ¹	66	125		
Upfront GWP	163	152		
Plus: Installment premium PVP	77	111		
Total PVP	<u>\$240</u>	<u>\$263</u>		

PVP:	Nine Months Ended September 30,	
	2022	2021
Public Finance - U.S.	\$163	\$165
Public Finance - non-U.S.	67	63
Structured Finance - U.S.	3	32
Structured Finance - non-U.S.	7	3
Total PVP	<u>\$240</u>	<u>\$263</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 September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Total	Per Diluted Share	Total	Per Diluted Share	Total	Per Diluted Share	Total	Per Diluted Share
Net income (loss) attributable to AGL	\$11	\$0.18	\$17	\$0.22	\$30	\$0.46	\$126	\$1.66
Less pre-tax adjustments:								
Realized gains (losses) on investments	(14)	(0.22)	3	0.04	(39)	(0.59)	4	0.05
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(49)	(0.78)	9	0.12	(46)	(0.71)	(41)	(0.54)
Fair value gains (losses) on CCS	1	0.02	(3)	(0.05)	12	0.18	(28)	(0.37)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	(78)	(1.25)	(27)	(0.36)	(180)	(2.77)	(21)	(0.28)
Total pre-tax adjustments	(140)	(2.23)	(18)	(0.25)	(253)	(3.89)	(86)	(1.14)
Less tax effect on pre-tax adjustments	18	0.30	1	0.02	30	0.47	15	0.20
Adjusted Operating income	\$133	\$2.11	\$34	\$0.45	\$253	\$3.88	\$197	\$2.60

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 (2010-2021)



Adjusted Operating Income¹ Reconciliation

(dollars in millions, except per share amounts)

	Year Ended December 31,											
	2021		2020		2019		2018		2017		2016	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	\$389	\$5.23	\$362	\$4.19	\$402	\$4.00	\$521	\$4.68	\$730	\$5.96	\$881	\$6.56
Less pre-tax adjustments:												
Realized gains (losses) on investments	15	0.20	18	0.21	22	0.22	(32)	(0.29)	40	0.33	(30)	(0.23)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(64)	(0.85)	65	0.75	(10)	(0.11)	101	0.90	43	0.35	36	0.27
Fair value gains (losses) on committed capital securities (CCS)	(28)	(0.38)	(1)	(0.01)	(22)	(0.22)	14	0.13	(2)	(0.02)	0	0.00
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and loss adjustment expense (LAE) reserves	(21)	(0.29)	42	0.49	22	0.21	(32)	(0.29)	57	0.46	(33)	(0.25)
Total pre-tax adjustments	(98)	(1.32)	124	1.44	12	0.10	51	0.45	138	1.12	(27)	(0.21)
Less tax effect on pre-tax adjustments	17	0.23	(18)	(0.22)	(1)	(0.01)	(12)	(0.11)	(69)	(0.57)	13	0.09
Adjusted operating income ¹	\$470	\$6.32	\$256	\$2.97	\$391	\$3.91	\$482	\$4.34	\$661	\$5.41	\$895	\$6.68
Gain (loss) related to FG VIE and CIV consolidation included in adjusted operating income ¹	\$30	\$0.41	(\$12)	(\$0.14)	-	-	(\$4)	(\$0.03)	\$11	\$0.10	\$12	\$0.10
Year Ended December 31,												
	2015		2014		2013		2012		2011		2010	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	\$1,056	\$7.08	\$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	(27)	(0.18)	(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	505	3.39	687	3.95	(49)	(0.26)	(672)	(3.53)	344	1.85	6	0.03
Fair value gains (losses) on CCS	27	0.18	(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	(15)	(0.10)	(21)	(0.12)	(1)	(0.01)	21	0.11	(5)	(0.03)	(29)	(0.15)
Total pre-tax adjustments	490	3.29	599	3.45	16	0.08	(672)	(3.53)	356	1.91	(15)	(0.08)
Less tax effect on pre-tax adjustments	(144)	(0.97)	(158)	(0.92)	(9)	(0.06)	188	1.00	(104)	(0.56)	11	0.06
Adjusted operating income ¹	\$710	\$4.76	\$647	\$3.73	\$801	\$4.28	\$594	\$3.10	\$521	\$2.81	\$488	\$2.58
Gain (loss) related to FG VIE and CIV consolidation included in adjusted operating income ¹	\$11	\$0.07	\$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)

	September 30, 2022		June 30, 2022		December 31, 2021		As of September 30, 2021		June 30, 2021		December 31, 2020	
	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	\$4,929	\$81.17	\$5,304	\$84.89	\$6,292	\$93.19	\$6,300	\$88.42	\$6,503	\$87.74	\$6,643	\$85.66
Less pre-tax adjustments:												
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(101)	(1.66)	(51)	(0.82)	(54)	(0.80)	(32)	(0.44)	(41)	(0.55)	9	0.12
Fair value gains (losses) on CCS	35	0.58	34	0.55	23	0.34	24	0.33	27	0.36	52	0.66
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	(672)	(11.07)	(359)	(5.75)	404	5.99	492	6.90	552	7.45	611	7.89
Less Taxes	92	1.50	46	0.73	(72)	(1.07)	(90)	(1.26)	(98)	(1.33)	(116)	(1.50)
Adjusted operating shareholders' equity ¹	5,575	91.82	5,634	90.18	5,991	88.73	5,906	82.89	6,063	81.81	6,087	78.49
Pre-tax adjustments:												
Less: Deferred acquisition costs	142	2.33	139	2.22	131	1.95	129	1.81	126	1.70	119	1.54
Plus: Net present value of estimated net future revenue	159	2.62	161	2.57	160	2.37	164	2.30	178	2.40	182	2.35
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	3,373	55.54	3,366	53.89	3,402	50.40	3,383	47.49	3,354	45.26	3,355	43.27
Plus Taxes	(594)	(9.78)	(594)	(9.51)	(599)	(8.88)	(597)	(8.37)	(596)	(8.05)	(597)	(7.70)
Adjusted book value ¹	<u>\$8,371</u>	<u>\$137.87</u>	<u>\$8,428</u>	<u>\$134.91</u>	<u>\$8,823</u>	<u>\$130.67</u>	<u>\$8,727</u>	<u>\$122.50</u>	<u>\$8,873</u>	<u>\$119.72</u>	<u>\$8,908</u>	<u>\$114.87</u>
Gain (loss) related to FG VIE consolidation included in adjusted operating shareholders' equity ¹	<u>\$27</u>	<u>\$0.44</u>	<u>\$26</u>	<u>\$0.42</u>	<u>\$32</u>	<u>\$0.47</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3</u>	<u>\$0.05</u>	<u>\$2</u>	<u>\$0.03</u>
Gain (loss) related to FG VIE consolidation included in adjusted book value ¹	<u>\$16</u>	<u>\$0.27</u>	<u>\$(18)</u>	<u>\$0.29</u>	<u>\$23</u>	<u>\$0.34</u>	<u>\$(9)</u>	<u>\$(0.12)</u>	<u>\$(6)</u>	<u>\$(0.09)</u>	<u>\$(8)</u>	<u>\$(0.10)</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 (2011-2019)

Adjusted Book Value¹ Reconciliation

(dollars in millions, except per share amounts)

	2011		2012		2013		2014		2015		2016		2017		2018		2019	
	Total	Per Share	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	\$6,639	\$71.18
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)	(56)	(0.60)
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	52	0.56
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	486	5.21
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)	(89)	(0.95)
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	6,246	66.96
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	111	1.19
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	206	2.20
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	3,296	35.34
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)	(526)	(5.07)	(590)	(6.32)
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>	<u>\$9,047</u>	<u>\$96.99</u>
Gain (loss) related to FG VIE and CIV 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>	<u>\$7</u>	<u>\$0.07</u>
Gain (loss) related to FG VIE and CIV 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>	<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 FG VIE and CIV consolidation included in adjusted operating shareholders' equity ¹															<u>(\$372)</u>	<u>(\$2.02)</u>
Gain (loss) related to FG VIE and CIV 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

Calculation of Adjusted Operating Portfolio Leverage



Adjusted Operating Leverage

(dollars in millions, except leverage)

	2009	2010	2011	2012	2013	2014	2015
Insured net par outstanding	\$640,194	\$616,686	\$556,830	\$518,772	\$459,107	\$403,729	\$358,571
Adjusted operating shareholders' equity ¹	4,076	4,319	4,757	5,447	5,974	5,896	5,925
Adjusted operating portfolio leverage	157	143	117	95	77	68	61

Adjusted Operating Leverage

(dollars in millions, except leverage)

	2016	2017	2018	2019	2020	2021	3Q-22
Insured net par outstanding	\$296,318	\$264,952	\$241,802	\$236,807	\$234,153	\$236,392	\$227,071
Adjusted operating shareholders' equity ¹	6,386	6,521	6,342	6,246	6,087	5,991	5,575
Adjusted operating portfolio leverage	46	41	38	38	38	39	41

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss) attributable to AGL	\$11	\$17	\$30	126
Adjusted operating income ²	133	34	253	197
Average shareholders' equity attributable to AGL	\$5,117	\$6,402	\$5,611	\$6,472
Average adjusted operating shareholders' equity ²	5,605	5,985	5,783	5,997
Gain (loss) related to VIE consolidation included in average adjusted operating shareholders' equity ²	27	2	30	1
GAAP ROE¹	0.9%	1.0%	0.7%	2.6%
Adjusted operating ROE ^{1,2}	9.5%	2.2%	5.8%	4.4%

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 that 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:

- 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), which was sold to a third party in Second Quarter 2021. AssuredIM is not the investment manager of BM Fuji-advised CLOs, but following the sale, AssuredIM sub-advises and continues to provide personnel and other services to BM Fuji associated with the management of BM Fuji-advised CLOs pursuant to a sub-advisory agreement and a personnel and services agreement, consistent with past practices, and
- 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.

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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