

Assured Guaranty Inc.

**(an indirect wholly-owned subsidiary
of Assured Guaranty Ltd.)
(formerly known as Assured Guaranty Corp.)
Statutory Financial Statements
December 31, 2025 and 2024**

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Report of Independent Auditors

To the Board of Directors of Assured Guaranty Inc.

Opinions

We have audited the accompanying statutory financial statements of Assured Guaranty Inc. (the "Company"), which comprise the statutory statements of admitted assets, liabilities and surplus as of December 31, 2025 and 2024, and the related statutory statements of income, of changes in surplus and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities and surplus of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the Maryland Insurance Administration described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2025 and 2024, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Maryland Insurance Administration, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the Maryland Insurance Administration. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental Summary Investment Schedule and Supplemental Investment Risks Interrogatories and Supplemental Schedule of Reinsurance Disclosures (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2025 and for the year then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices

and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

New York, New York
May 21, 2026

Assured Guaranty Inc.
Statutory Statements of Admitted Assets, Liabilities and Surplus
(in thousands of dollars, except share and per share amounts)

	As of December 31,	
	2025	2024
Admitted assets		
Cash and invested assets		
Bonds (fair value of \$4,143,340 and \$4,188,422)	\$ 4,223,499	\$ 4,369,478
Stocks, on the equity basis	808,129	664,081
Real estate	—	21,690
Cash (\$91,668 in 2025; \$49,220 in 2024), cash equivalents (\$198,404 in 2025; \$214,442 in 2024) and short-term investments (\$0 in 2025; \$4,991 in 2024)	290,072	268,653
Loans receivable from affiliate	200,000	250,000
Other invested assets	1,303,993	1,227,524
Receivables for securities sold	3,985	37,425
Total cash and invested assets	6,829,678	6,838,851
Premiums receivable, net of commissions payable	34,433	34,783
Accrued investment income	45,945	46,351
Amounts recoverable from reinsurers	(1,405)	65,344
Net deferred tax asset	35,962	62,782
Other assets	6,904	8,952
Total admitted assets	\$ 6,951,517	\$ 7,057,063
Liabilities and surplus to policyholders		
Liabilities		
Unearned premium reserves	\$ 2,115,896	\$ 2,092,648
Contingency reserves	1,510,778	1,392,238
Reserves (recoverables) for losses and loss adjustment expenses	(142,395)	(174,283)
Current federal income taxes payable	15,253	3,159
Ceded premium balances payable	8,086	14,775
Funds held for reinsurers	190	10,192
Payable to parent, subsidiaries and affiliates	98,641	91,737
Accrued expenses and other liabilities	96,297	102,751
Total liabilities	3,702,746	3,533,217
Surplus to policyholders		
Preferred stock (\$1,000 par value, 205,004 shares authorized; no shares issued or outstanding)	—	—
Common stock (2025: 481,723 shares authorized, 2,557 issued and outstanding, with par value of \$5,866; 2024: 484,976 shares authorized, 5,810 issued and outstanding, with par value of \$2,582)	15,000	15,000
Paid-in surplus	181,512	426,159
Unassigned surplus	3,052,259	3,082,687
Total surplus to policyholders	3,248,771	3,523,846
Total liabilities and surplus to policyholders	\$ 6,951,517	\$ 7,057,063

The accompanying notes are an integral part of these statutory financial statements.

Assured Guaranty Inc.
Statutory Statements of Income
(in thousands)

	Year Ended December 31,	
	2025	2024
Premiums written:		
Direct premiums written	\$ 311,812	\$ 309,559
Assumed premiums written	39,957	34,552
Ceded premiums written	(97,725)	(71,042)
Net premiums written	254,044	273,069
Revenues:		
Net premiums earned	259,784	261,560
Commutation gains (losses)	(3,489)	191
Total underwriting revenues	256,295	261,751
Expenses:		
Loss incurred (benefit)	47,937	(97,416)
Loss adjustment expenses (benefit)	(40,023)	15,686
Other underwriting expenses	229,449	226,437
Total underwriting expenses	237,363	144,707
Net underwriting gain (loss)	18,932	117,044
Investment income:		
Net investment income	244,744	287,042
Net realized capital gains (net of tax provision (benefit) of \$4,939 and \$(502))	20,406	17,462
Net investment gain	265,150	304,504
Other income	18,981	13,816
Income after capital gains tax and before federal income taxes	303,063	435,364
Income tax provision	(64,704)	(80,524)
Net income	\$ 238,359	\$ 354,840

The accompanying notes are an integral part of these statutory financial statements.

Assured Guaranty Inc.
Statutory Statements of Changes in Surplus
Years Ended December 31, 2025 and 2024
(in thousands)

	Common Stock	Paid-in Surplus	Unassigned Surplus	Total Surplus to Policyholders
Balance at December 31, 2023	\$ 15,000	\$ 826,544	\$ 3,155,274	\$ 3,996,818
Share redemption	—	(400,385)	—	(400,385)
Change in contingency reserve	—	—	(96,790)	(96,790)
Change in non-admitted assets	—	—	(18,179)	(18,179)
Change in net unrealized capital gains	—	—	71,087	71,087
Change in net deferred income tax	—	—	6,897	6,897
Change in foreign exchange adjustment	—	—	9,158	9,158
Dividends to stockholder	—	—	(399,600)	(399,600)
Net income	—	—	354,840	354,840
Balance at December 31, 2024	<u>15,000</u>	<u>426,159</u>	<u>3,082,687</u>	<u>3,523,846</u>
Share redemption	—	(250,001)	—	(250,001)
Capital contribution	—	5,354	—	5,354
Change in contingency reserve	—	—	(118,540)	(118,540)
Change in non-admitted assets	—	—	(51,021)	(51,021)
Change in net unrealized capital gains	—	—	196,300	196,300
Change in net deferred income tax	—	—	21,032	21,032
Change in foreign exchange adjustment	—	—	(29,516)	(29,516)
Dividends to stockholder	—	—	(287,042)	(287,042)
Net income	—	—	238,359	238,359
Balance at December 31, 2025	<u>\$ 15,000</u>	<u>\$ 181,512</u>	<u>\$ 3,052,259</u>	<u>\$ 3,248,771</u>

The accompanying notes are an integral part of these statutory financial statements.

Assured Guaranty Inc.
Statutory Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2025	2024
Cash from operations		
Premiums collected, net of reinsurance	\$ 257,988	\$ 265,440
Losses recovered (paid)	47,949	(104,166)
Underwriting and loss adjustment expenses paid	(198,053)	(235,522)
Net investment income received	189,430	248,709
Federal income tax paid	(55,324)	(81,660)
Other income received	(1,535)	2,767
Net cash provided by operations	240,455	95,568
Cash from investments		
Proceeds from investments sold, matured, or repaid		
Bonds	1,386,707	1,071,369
Stocks	—	107,587
Real estate	46,067	—
Loans receivable from affiliate	50,000	—
Other invested assets	3,791	16,042
Total investments proceeds	1,486,565	1,194,998
Cost of investments acquired		
Bonds	(1,146,940)	(1,058,814)
Stocks	(22,419)	—
Real estate	(1,464)	—
Other invested assets	(34,349)	(172,939)
Total investments acquired	(1,205,172)	(1,231,753)
Net cash provided by investments	281,393	(36,755)
Cash from financing and miscellaneous sources		
Dividends paid to stockholder	(287,042)	(399,600)
Share redemption	(213,387)	(266,912)
Net cash used for financing and miscellaneous sources	(500,429)	(666,512)
Net change in cash, cash equivalents and short-term investments	21,419	(607,699)
Cash, cash equivalents and short-term investments:		
Beginning of year	268,653	876,352
End of year	\$ 290,072	\$ 268,653
Supplemental disclosure of cash flow information for non-cash transactions		
Bonds received as salvage	\$ —	\$ 76,236
Accrued interest paid on bonds received as salvage	—	(657)
Bonds used to purchase other invested assets	(2,861)	—
Capital contribution received from parent	5,354	—
Share redemption paid via other invested assets	(36,614)	(133,473)
Bonds received for net commitment fees	7,117	—
Dividend received from subsidiary	—	10,365

The accompanying notes are an integral part of these statutory financial statements.

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Notes to Statutory Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Organization and Ownership

Assured Guaranty Inc. (“AG” or the “Company”) (formerly known as Assured Guaranty Corp.) is located in New York and domiciled in Maryland, was organized in 1985 and commenced operations in 1988. It provides financial guaranty insurance and reinsurance in the United States (“U.S.”), United Kingdom (“U.K.”), Western Europe and certain other countries.

AG is a direct, wholly-owned subsidiary of Assured Guaranty Municipal Holdings Inc. (“AGMH” or the “Parent”). AGMH is an indirect wholly-owned subsidiary of Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty”). AGL is a Bermuda-based holding company that provides, through its operating subsidiaries, credit protection products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets. Assured Guaranty also participates in the asset management business.

AG’s principal subsidiaries and its ownership interest are listed below.

- 100% of Assured Guaranty UK Limited (“AGUK”). AGUK provides financial guaranties in the U.K. and certain other non-European Economic Area (“EEA”) countries. AGUK is a U.K. incorporated private limited company licensed as a U.K. insurance company and located in England. AGUK was organized in 1990 and issued its first financial guaranty in 1994.
- 99.9999% of Assured Guaranty (Europe) SA (“AGE”). AGE (together with AGUK, the “European Insurance Subsidiaries”) is a French incorporated company located in France and established in 2019 that has been authorized by the French insurance and banking supervisory authority, the Autorité de Contrôle Prudentiel et de Résolution (“ACPR”), to conduct financial guaranty business. AGE writes new business in the EEA.
- 100% of AG Asset Strategies LLC (“AGAS”). AGAS is a Delaware limited liability company formed for the purpose of making certain investments on behalf of the Company. AGAS invests in funds managed by its asset management affiliates. See Note 6, Investments — Investment in AGAS.

Effective August 1, 2024, AG’s U.S. affiliate, Assured Guaranty Municipal Corp. (“AGM”), merged with and into AG, with AG as the surviving company (the “Merger”). See Note 10, Related Party Transactions. AGM was a direct, wholly-owned subsidiary of AGMH.

Business

The Company applies its credit underwriting judgment, risk management skills and capital markets experience primarily to offer financial guaranty insurance that protects holders of debt instruments and other monetary obligations from defaults in scheduled payments. If an obligor defaults on a scheduled payment due on an obligation, including a scheduled principal or interest payment (collectively, “debt service”), the Company is required under its unconditional and irrevocable financial guaranty to pay the amount of the shortfall to the holder of the obligation. The Company markets its financial guaranty insurance directly to issuers and underwriters of public finance and structured finance securities as well as to investors in such obligations.

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Public finance obligations insured by the Company primarily consist of general obligation bonds supported by the taxing powers of U.S. state or municipal governmental authorities, as well as tax-supported bonds, revenue bonds and other obligations supported by covenants from state or municipal governmental authorities or other municipal obligors to impose and collect fees and charges for public services or specific infrastructure projects. The Company includes within public finance obligations those obligations backed by the cash flow from leases or other revenues from projects serving substantial public purposes, including utilities, toll roads, healthcare facilities and government office buildings. The Company also includes within public finance obligations similar obligations issued by U.S. and non-U.S. sovereign and sub-sovereign issuers and governmental authorities.

Structured finance obligations insured by the Company are generally issued by special purpose entities and backed by pools of assets having an ascertainable cash flow or market value or other specialized financial obligations.

The Company has assumed business from its two foreign subsidiaries, AGUK and AGE, as well as from several non-affiliated monoline financial guaranty companies that currently are in runoff and no longer actively writing new business. The Company also enters into ceded reinsurance contracts, which are substantially all with affiliated reinsurers, in order to reduce the net potential loss from large risks and also to reduce rating agency capital charges. See Note 9, Reinsurance.

The Company became a member of the Federal Home Loan Bank of New York (“FHLBNY”) on December 29, 2025.

2. Significant Accounting Policies

Basis of Presentation

The accompanying statutory financial statements have been prepared in conformity with insurance accounting practices prescribed or permitted by the Maryland Insurance Administration (“MIA”). These statutory accounting practices (“SAP”) differ in certain material respects from accounting principles generally accepted in the United States of America (“GAAP”).

The MIA recognizes only SAP prescribed or permitted by the state of Maryland for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Maryland Insurance Code. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed practices by the MIA. The MIA has the right to permit other specific practices that deviate from prescribed practices; the Company, however, has no permitted practices.

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the MIA requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the Company’s Statutory Statements of Admitted Assets, Liabilities and Surplus and the reported amounts of revenues and expenses in the Statutory Statements of Income and Statutory Statements of Changes in Surplus. Such estimates and assumptions include, but are not limited to, losses and loss adjustment expenses (“LAE”), the

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determination of other-than-temporary impairment (“OTTI”), taxes, premium revenue recognition and fair value of financial instruments. Actual results may differ from those estimates.

The Company’s significant accounting policies are outlined as follows:

Statutory Merger

On August 1, 2024, Assured Guaranty executed the Merger, with AG as the surviving company (see Note 10, Related Party Transactions). The Merger was accounted for as a statutory merger pursuant to Statement of Statutory Accounting Principles (“SSAP”) No. 68, Business Combinations and Goodwill. In accordance with the NAIC Annual Statement instructions, the December 31, 2023, balances have been restated to reflect the Merger as if the Merger had occurred as of January 1, 2023.

Insurance Contracts

Revenue Recognition

Premiums charged in connection with the issuance of the Company’s guaranties are received either upfront at contract inception and/or in installments over the life of the covered risk and are recorded as premiums written when due. Upfront premiums are earned based on the proportion of principal and interest due during the period. Installment premiums are earned on a monthly pro-rata basis over the installment period. In addition, when an insured issue is retired early, is called by the issuer or is, in substance, paid in advance through a refunding, the remaining unearned premium is earned at that time.

Unearned premium reserves, net of ceded unearned premium reserves, represent the unearned portion of upfront and installment premiums written. Unearned premium reserves denominated in foreign currency are revalued at the spot rate as of the balance sheet date and the unrealized gain or loss is recognized in surplus.

In connection with certain of its insured transactions, the Company may collect consent, termination, waiver and other fees. These fees are earned when services are rendered and the fees are due.

Reserves for Losses and LAE

Reserves for losses and LAE are determined from individual case estimates, based on probability weighted cash flows, and loss reports. Such liabilities are based on assumptions and estimates and the ultimate liability may differ from the amount provided. The assumptions for making such estimates and for establishing the resulting liabilities are periodically reviewed and any adjustments are reflected in the period determined.

Financial guaranty case reserves are established when there is significant credit deterioration on specific insured obligations, and the obligations are either in default or determined to have a 50% or more likelihood of default, not necessarily upon the non-payment of principal or interest by an insured. Financial guaranty case reserves were discounted at a rate approximating the pre-tax book yield on the Company’s investment portfolio of 4.5% at the end of 2025 and 4.0% at the end of 2024. For some policies, claims payments have been made for which all or part of those payments

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are expected to be recovered by the Company and the transaction is in a net recovery position. Such recoverable amounts are reported net in reserves (recoverables) for losses and LAE and losses incurred (benefit).

Expenses Associated with Acquiring New Insurance Business

Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

Ceding Commission Income

Ceding commission income that offsets the acquisition cost of business ceded is recorded as a reduction to other underwriting expenses. For ceding commissions that the Company receives that exceed the acquisition cost of business ceded, the Company establishes a liability that is amortized over the term of the reinsurance agreement in proportion to the amount of coverage provided under the reinsurance contract.

Contingency Reserves

The Company is required to establish contingency reserves, which may be net of reinsurance so long as the applicable reinsurance agreement requires the reinsurer to maintain contingency reserves in an amount equal to the Company's deduction from its own net contingency reserves due to such reinsurance. A reserve amount is calculated for separate groups of policies written during a calendar quarter based on the Company's categorization of the policies into one of ten categories of guaranties set forth in SAP, five of which categories generally cover the Company's policies insuring municipal (and related) obligations ("Municipal Business") and the other five of which cover the Company's policies insuring non-municipal (e.g., corporate or structured finance) obligations ("Non-Municipal Business"). The reserve amount for each group of policies is the greater of (i) 50% of premiums written, or (ii) a designated percent, varying by category, of principal guaranteed.

Once a reserve amount is calculated, as described above, it is incrementally recognized in the financial statements through a charge to surplus over a prescribed time period based on the type of business: 80 quarters for Municipal Business and 60 quarters for Non-Municipal Business. The reserve amount is then released each quarter, in the same increments as it was funded, once the 80- or 60-quarter provision period has been reached.

A reduction in the contingency reserve may also be recognized under certain stipulated conditions, subject to the approval of the MIA, such as when losses incurred exceed a specified percentage of earned premium in a period or when the contingency reserves are proven to be excessive in relation to outstanding obligations. From time to time in the past, the Company (including its predecessor, AGM, prior to the Merger described in Note 10) obtained regulatory approval or non-objection to release contingency reserves on one of these bases.

With respect to the regular, quarterly contributions to contingency reserves for Municipal and Non-Municipal Business described above, the applicable Maryland laws and regulations permit the discontinuation of such quarterly contributions to a company's contingency reserves when such company's aggregate contingency reserves for the particular line of business (i.e., Municipal or Non-Municipal) exceed the sum of the company's outstanding principal for each specified category

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of obligations within the particular line of business multiplied by the specified contingency reserve factor for each such category. In accordance with such laws and regulations, and with the approval of the MIA, AG ceased making quarterly contributions to its contingency reserves for both Municipal and Non-Municipal business beginning in the fourth quarter of 2014, but AG resumed its quarterly contributions to its contingency reserves for Municipal Business in the third quarter of 2024 due to the Merger on August 1, 2024. The ongoing cessation of quarterly contributions to AG's contingency reserves for Non-Municipal Business is expected to continue for as long as AG satisfies the foregoing condition for such line of business.

In 2013, AG sought and obtained approval from the MIA to (i) reassume all of the outstanding contingency reserves that it was then ceding to its affiliate, Assured Guaranty Re Ltd. ("AG Re"), and (ii) cease ceding future contingency reserves to AG Re in respect of both new and existing business. Accordingly, AG currently does not cede any outstanding contingency reserves to AG Re but, instead, maintains as part of its own net contingency reserves such reserves that it otherwise could cede to AG Re based on AG Re's assumed share of its outstanding business.

Investments, Cash and Cash Equivalents

Effective January 1, 2025, the Company adopted the NAIC's principles-based bond definition guidance which impacted SSAP No. 26, Bonds, SSAP No. 43, Asset-Backed Securities, and SSAP No. 21, Other Admitted Assets. The revised guidance was adopted prospectively and requires a principles-based evaluation of whether a security represents a creditor relationship and qualifies as a bond. As a result of adoption, certain investments were reclassified from bonds to other invested assets. The adoption did not have a material impact on the Company's statutory surplus. There were no other changes in the accounting policies for investments.

Cash equivalents and short-term investments, with the exception of money market mutual funds, are stated at amortized cost and have maturities of less than one year at the time of purchase. Money market mutual funds are accounted for at fair value, which approximates amortized cost.

Investments in long-term bonds with an NAIC designation of 1 or 2 are stated at cost, adjusted for amortization of premium, accretion of discount and OTTI ("amortized cost"). Amortization and accretion are calculated using the constant yield method. Bonds and asset-backed securities with NAIC designations of 3 through 6 are stated at the lower of amortized cost or fair value.

For bonds and asset-backed securities purchased at a price below par value, discounts are accreted over the remaining term of the security. For bonds that have call dates and asset-backed securities purchased at a price above par value, premiums are amortized on a yield-to-worst basis. For bonds purchased at a premium that do not have call features, such premiums are amortized over the remaining term of the security.

In circumstances where the Company has purchased its own insured obligations that had expected losses, and in cases where issuers of insured obligations elected (or where an issuer and the Company negotiated) to deliver the underlying collateral, insured obligation or a new fixed income security to the Company, loss reserves are reduced and the asset received is prospectively accounted for under the applicable guidance for that instrument. Insured obligations with expected losses that were purchased by the Company are referred to as loss mitigation securities and, upon acquisition, are recorded in the investment portfolio at fair value excluding the value of the Company's insurance. In subsequent periods, loss mitigation securities are recorded based upon

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their NAIC designation, as described above, excluding the value of the Company's insurance. The Company reduces its par and debt service outstanding related to loss mitigation securities under SAP.

When calculating the accretion of any discount or amortization of any premium in a given period, changes in the estimated cash flows from the original purchase assumptions are accounted for using the prospective method for loss mitigation securities and securities with OTTI. For all other securities, changes in the estimated cash flows from the original purchase assumptions are accounted for using the retrospective method.

Net realized capital gains and losses on the sale of investments are determined on the basis of the specific identification method and are included in the Statutory Statements of Income. Realized gains from economic transfers of investments to certain related parties are deferred and not recognized until an arms-length transaction with an independent third party gives rise to the appropriate recognition of a gain.

Net investment income includes interest received and the change in accrued interest on investments (including loans to affiliates), dividends from equity investments and the amortization of premiums and accretion of discounts using the constant yield method. Accrued investment income that is deemed uncollectible is charged against net investment income in the period such determination is made, while accrued investment income greater than 90 days past due is non-admitted and charged directly to surplus. Net investment income is reduced by investment management expenses.

If management intends to sell a security or if management believes it is more likely than not such security will be required to be sold prior to recovery of its carrying value, the entire amount of the unrealized loss (i.e., the difference between fair value and amortized cost) is recognized as a realized loss.

The Company has a formal review process for securities for which the fair value is less than amortized cost to determine whether such a decline in fair value is other-than-temporary. Factors considered when assessing impairment include:

- a decline in the market value of a security by 20% or more below amortized cost for a continuous period of at least six months;
- a decline in the market value of a security for a continuous period of 12 months;
- recent credit downgrades of the applicable security or the issuer by rating agencies;
- the financial condition of the applicable issuer;
- whether loss of investment principal is anticipated;
- whether scheduled interest payments are past due; and
- whether the Company has the ability and intent to hold the security for a sufficient period of time to allow for anticipated recoveries in amortized cost.

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Based on this assessment, for bonds other than asset-backed securities, if the Company believes that either (a) the investment's fair value will not recover to an amount equal to its amortized cost or (b) the Company does not have the ability and intent to hold the investment to maturity or for a sufficient period to allow its fair value to recover to an amount at least equal to its amortized cost, the Company will determine the decline to be other-than-temporary. In this case, the Company will write down the carrying value of the investment to its fair value and record a realized loss in the Statutory Statements of Income.

For asset-backed securities, the Company assesses the ability to recover the amortized cost by comparing the net present value of projected future cash flows with the amortized cost of the security. The net present value is calculated by discounting the Company's estimate of projected future cash flows at the effective interest rate implicit in the asset-backed security. For asset-backed securities where the Company has no intent to sell or it is more likely than not such securities will not be sold prior to recovery and the net present value is less than the amortized cost, an OTTI is recorded for the difference between the amortized cost and the higher of (1) fair value or (2) net present value of cash flows.

The assessment of a decline in value includes management's current assessment of the factors noted above. If that assessment changes in the future, the Company may ultimately record a loss after having originally concluded that the decline in value was temporary.

The Company's investments in the European Insurance Subsidiaries are recorded as common stocks and reported at their underlying equity based on GAAP, adjusted to a statutory basis of accounting as provided for in paragraph 9 of SSAP No. 97, Investments in Subsidiary, Controlled and Affiliated Entities. The Company's investment in an unaffiliated company is recorded as common stock and is reported at its underlying GAAP equity. Changes in unrealized gains and losses are reflected directly in unassigned surplus.

Real estate held for sale, which the Company received due to its loss mitigation rights under a financial guaranty insurance contract, was disposed in 2025. The cost basis was determined based on an independent third-party appraisal at the date of the contribution, and a 2020 appraisal supported the Company's ability to continue to admit the related asset in 2024.

The Company has an investment in a promissory note issued by Assured Guaranty US Holdings Inc. ("AGUS") (see Note 10, Related Party Transactions), which is carried at face value.

Other invested assets primarily consist of limited liability companies and a limited partnership, which are carried based on the GAAP equity of the entities. The change in unrealized gains and losses is reflected directly in unassigned surplus.

Non-Admitted Assets

The following assets are the primary components of non-admitted assets charged directly to surplus in accordance with SAP: net deferred tax asset, furniture and equipment and prepaid expenses.

Income Taxes

The income tax provision consists of an amount for taxes currently payable/receivable. The Company was taxed at the U.S. marginal corporate income tax rate of 21%. Deferred income tax assets and liabilities are established, subject to the limitations discussed below, for the temporary

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differences between the financial statement carrying amounts and tax basis of assets and liabilities using enacted rates in effect for the year in which the differences are expected to reverse.

The amount of deferred tax assets (“DTA”) that may be admitted is generally limited to the lesser of those assets the Company expects to realize within three years of the balance sheet date or fifteen percent of the Company’s adjusted surplus, provided the following ratio is greater than 115%:

- The numerator is equal to surplus to policyholders less those DTA that the Company expects to realize within three years plus contingency reserves (“ExDTA Surplus”).
- The denominator is equal to the required amount of minimum aggregate capital required to be maintained under the applicable NAIC model law or state variation thereof based on the risk characteristics and the amount of insurance in force (“Aggregate Risk Capital”).

The realization period and surplus percentage are subject to change based on the amount of adjusted surplus. The change in net deferred income tax is recognized as a separate component of changes in the unassigned surplus.

Litigation

The Company establishes accruals for litigation and regulatory matters to the extent it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. Additionally, it discloses such amounts if material to the financial position of the Company. For litigation and regulatory matters where a loss may be reasonably possible, but not probable, or is probable but not reasonably estimable, no accrual is established, but if the matter is material, it would be disclosed. The Company reviews relevant information with respect to its litigation and regulatory matters on a quarterly basis and updates its accruals, disclosures and estimates of reasonably possible loss based on such reviews.

Variances between SAP and GAAP

SAP differ in certain significant respects from GAAP. The principal differences between SAP and GAAP for the Company are as follows:

	SAP	GAAP
Premiums receivable, net of commissions payable, and ceded premium balances payable	Includes only those amounts currently due under the insurance contract.	Includes the present value of the contractual or expected premiums to be collected or paid over the period of the contract. Excludes premiums for insured credit derivatives.
Installment premiums	Earned on a pro-rata basis over the installment period.	Earned in proportion to the insurance protection provided. Excludes premiums for insured credit derivatives.
Upfront premiums	Earned upon expiration of risk.	Earned in proportion to the insurance protection provided. Excludes premiums for insured credit derivatives.

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Refundings	Premium recognition is accelerated when transactions are either economically or legally defeased.	Premium recognition is accelerated when transactions are legally defeased.
Foreign-denominated unearned premium reserves	Remeasured at balance sheet date exchange rates.	Measured at historical exchange rates.
Reserves for losses	Case reserves are established when there is significant credit deterioration on specific insured obligations, and the obligations are either in default or are determined to have a 50% or more likelihood of default, with probability weighted estimates that are discounted at a rate approximating the pre-tax book yield on the Company's investment portfolio and recorded without consideration of the unearned premium reserve.	Expected losses reflect a probability weighted estimate of all possible outcomes, discounted at a risk free rate at the end of each reporting period, and are recorded only to the extent and for the amount that they exceed unearned premium reserve.
Acquisition costs	Charged to expense as incurred.	Expensed over the period that the related premiums are earned.
Ceding commission income	Earned immediately except for amounts in excess of acquisition costs, which are deferred and recognized in proportion to coverage provided under the reinsurance agreement.	Capitalized, similar to acquisition costs, and earned over the life of the reinsurance agreement.
Insured credit derivatives	Accounted for as insurance contracts, as described above.	Accounted for as derivative contracts and measured at fair value.
Policies of Variable Interest Entities ("VIEs")	Accounted for as insurance contracts as described above.	Where the Company is considered the VIE's primary beneficiary, the policy is eliminated and the VIE is consolidated.
Contingency reserves	Established according to applicable insurance laws as described above.	There is no requirement to establish contingency reserves.
Bonds	Reported at values prescribed by the NAIC, which are either amortized cost or the lower of amortized cost or fair value.	Classified as available-for-sale or trading securities and carried at fair value.
Investment impairments	Recognized as OTTI and written down to fair value or the present value of cash flows with a realized loss recognized through income.	The portion of impairment related to credit losses is recorded as an allowance for credit losses with an offset to realized losses, and any portion unrelated to credit losses is recognized through accumulated other comprehensive income. The GAAP allowance for credit losses can be reversed for subsequent increases in expected cash flows.
Investments in subsidiaries	Carried on the balance sheet on the GAAP equity basis, to the extent admissible.	Consolidated with the parent.

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Non-admitted assets	Certain assets are designated as non-admitted assets and charged directly to statutory surplus as described above.	There are no requirements to reflect any assets as non-admitted assets.
Committed capital securities	Not recognized until put options are exercised.	Accounted for as derivative contracts and measured at fair value.
DTA	The amount of DTA that may be admitted is subject to an adjusted surplus threshold and is generally limited to the lesser of those assets the Company expects to realize within three years of the balance sheet date or fifteen percent of the Company's adjusted surplus.	There is no non-admitted asset determination, rather a valuation allowance is recorded to reduce DTA to an amount that is more likely than not to be realized.

The GAAP consolidated shareholder's equity attributable to AG was \$5,457 million and \$5,376 million as of December 31, 2025 and 2024, respectively. The GAAP consolidated net income attributable to AG was \$437 million and \$402 million for the years ended December 31, 2025 and 2024, respectively.

3. Insurance in Force

Significant Risk Management Activities

The Portfolio Risk Management Committee of the Company's indirect parent, AGL, is responsible for enterprise risk management for Assured Guaranty's insurance business and focuses on measuring and managing credit, market and liquidity risk for the Company's insurance business. This committee establishes Assured Guaranty-wide credit policy for the Company's direct and assumed insured business. It implements specific underwriting procedures and limits for Assured Guaranty and allocates underwriting capacity among AGL's insurance subsidiaries, including the Company. All insurance transactions in new asset classes or new jurisdictions, or otherwise outside AGL's Board-approved risk appetite statement or its risk limits, must be approved by this committee.

The Company's risk management committee conducts an in-depth review of the Company's insured portfolio, focusing on varying portions of the portfolio at each meeting. It reviews and may revise internal ratings assigned to the insured transactions and reviews sector reports, monthly product line surveillance reports and compliance reports.

All transactions in the insured portfolio are assigned internal credit ratings by the relevant underwriting committee at inception, and such credit ratings are updated by the relevant risk management committee based on changes in transaction credit quality. As part of the surveillance process, the Company monitors trends and changes in transaction credit quality and recommends such remedial actions as may be necessary or appropriate. The Company also develops strategies to enforce its contractual rights and remedies and to mitigate its losses, engage in negotiation discussions with transaction participants and, when necessary, manage the Company's litigation proceedings.

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Surveillance Categories

The Company segregates its insured portfolio into investment grade and below-investment-grade (“BIG”) surveillance categories to facilitate the appropriate allocation of resources to monitoring and loss mitigation efforts and to aid in establishing the appropriate cycle for periodic review of each exposure. BIG exposures include all exposures with internal credit ratings below BBB-

The Company’s internal credit ratings are based on internal assessments of the likelihood of default and loss severity in the event of default. Internal credit ratings are expressed on a ratings scale similar to that used by the rating agencies and generally reflect an approach similar to that employed by the rating agencies, except that the Company’s internal credit ratings focus on future performance rather than lifetime performance.

The Company monitors its insured portfolio and refreshes its internal credit ratings on individual exposures in quarterly, semi-annual or annual cycles based on the Company’s view of the exposure’s credit quality, loss potential, volatility and sector. More extensive monitoring and intervention are employed for all BIG surveillance categories, with internal credit ratings reviewed quarterly. Exposures identified as BIG are subjected to further review to determine (i) the probability of a future loss, (ii) the calculation of the expected future loss to be paid, and (iii) whether the Company has paid a claim for which it expects to be reimbursed within one year (“liquidity claim”) or a claim for which it does not expect to be reimbursed within one year.

Ratings on exposures in sectors identified as under the most stress or with the most potential volatility are also reviewed every quarter, although the Company may also review a rating in response to developments impacting a credit when a ratings review is not scheduled. For assumed exposures, the Company may use the ceding company’s credit ratings of transactions where it is impractical for it to assign its own rating.

The Company assigns each BIG exposure to one of the three BIG surveillance categories below, which generally represent the following:

BIG Category 1: BIG exposures for which there are possible future losses, on a present value basis, and the aggregate probability weighting of scenarios with future losses is less than 50%, regardless of whether the Company has or has not paid a liquidity claim.

BIG Category 2: BIG exposures for which there are possible future losses, on a present value basis, and the aggregate probability weighting of scenarios with future losses is 50% or more, but for which no claims (other than liquidity claims) have yet been paid.

BIG Category 3: BIG exposures for which future losses are expected, on a present value basis, and the aggregate probability weighting of scenarios with future losses is 50% or more, and for which claims, other than liquidity claims have been paid.

For purposes of classifying BIG exposures into one of the three BIG categories, the Company calculates the present value of projected claim payments and recoveries using a discount rate of 4.50% (which is the rate based on the approximate pre-tax book yield of the Company’s investment

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portfolio that is also used for calculating the loss reserves for statutory financial statement purposes).

Components of Outstanding Exposure

The Company’s policies insure the scheduled payments of principal and interest on public finance and structured finance obligations. The gross amount of debt service was \$424.7 billion and \$401.5 billion at December 31, 2025 and 2024, respectively. The net amount of debt service was \$333.5 billion and \$318.1 billion at December 31, 2025 and 2024, respectively.

The Company seeks to limit its exposure to losses by underwriting obligations that it views to be investment grade at inception, diversifies its insured portfolio across sector and geography and, in the structured finance portfolio, generally requires subordination or collateral to protect it from loss. Reinsurance may be used in order to reduce net exposure to certain insured transactions. The calculation of debt service requires the use of estimates, which the Company updates periodically, including estimates and assumptions for the expected remaining term of insured obligations supported by homogeneous pools of assets, updated interest rates for floating and variable rate insured obligations, behavior of consumer price indices for obligations with consumer price index (“CPI”) inflators, foreign exchange rates and other assumptions based on the characteristics of each insured obligation. Debt service is a measure of the estimated maximum potential exposure to insured obligations before considering the Company’s various legal rights to the underlying collateral and other remedies available to it under its financial guaranty contract.

Actual debt service or the terms to maturity may differ from estimated debt service due to refundings, terminations, negotiated restructurings, prepayments, changes in interest rates on variable rate insured obligations, CPI behavior differing from projections, changes in foreign exchange rates on non-U.S. dollar denominated insured obligations and other factors.

Contractual Terms to Maturity of Par Outstanding of Insured Obligations

Terms to Maturity	At December 31, 2025					
	Gross Par Outstanding		Ceded Par Outstanding		Net Par Outstanding	
	Public Finance	Structured Finance	Public Finance	Structured Finance	Public Finance	Structured Finance
	<i>(in millions)</i>					
0 to 5 years	\$ 19,358	\$ 3,341	\$ 4,136	\$ 653	\$ 15,222	2,688
5 to 10 years	34,426	3,217	7,456	2,291	26,970	926
10 to 15 years	42,550	851	11,229	96	31,321	755
15 to 20 years	41,287	1,174	9,017	465	32,270	709
20 years and above	118,582	1,237	22,755	523	95,827	714
Total	<u>\$ 256,203</u>	<u>\$ 9,820</u>	<u>\$ 54,593</u>	<u>\$ 4,028</u>	<u>\$ 201,610</u>	<u>\$ 5,792</u>

The gross, ceded and net par outstanding of insured obligations in the public finance insured portfolio includes the following amounts by type of issue and the structured finance insured portfolio includes the following amounts by type of collateral in the table below.

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Summary of Insured Portfolio

Types of Issues	At December 31,					
	Gross Par Outstanding		Ceded Par Outstanding		Net Par Outstanding	
	2025	2024	2025	2024	2025	2024
Public Finance						
<i>(in millions)</i>						
U.S.:						
General obligation	\$ 81,483	\$ 76,967	\$ 18,551	\$ 17,303	\$ 62,932	\$ 59,664
Tax backed	35,868	32,963	7,963	7,159	27,905	25,804
Municipal utilities	31,332	29,925	6,349	5,944	24,983	23,981
Transportation	23,357	26,632	4,501	4,890	18,856	21,742
Healthcare	16,741	13,989	2,974	2,275	13,767	11,714
Infrastructure finance	14,256	9,003	2,556	1,524	11,700	7,479
Higher education	8,370	7,337	2,038	1,728	6,332	5,609
Investor owned utilities	172	176	38	39	134	137
Renewable energy	164	163	47	47	117	116
Other public finance	890	941	241	252	649	689
Total public finance-U.S.	212,633	198,096	45,258	41,161	167,375	156,935
Public finance-non-U.S.	43,570	42,227	9,335	8,865	34,235	33,362
Total public finance	256,203	240,323	54,593	50,026	201,610	190,297
Structured Finance						
U.S.:						
Insurance reserve financings and securitizations	\$ 4,883	\$ 5,235	\$ 3,245	\$ 3,483	\$ 1,638	\$ 1,752
Residential mortgages	1,355	2,317	73	85	1,282	2,232
Pooled corporate	609	602	151	116	458	486
Consumer receivables	107	166	15	25	92	141
Fund finance facilities	112	163	42	40	70	123
Other structured finance	838	952	152	165	686	787
Total structured finance-	7,904	9,435	3,678	3,914	4,226	5,521
Structured finance-non-U.S.	1,916	1,983	350	485	1,566	1,498
Total structured finance	9,820	11,418	4,028	4,399	5,792	7,019
Total insured portfolio	\$ 266,023	\$ 251,741	\$ 58,621	\$ 54,425	\$207,402	\$197,316

The following table sets forth the net financial guaranty par outstanding by internal rating:

Ratings ⁽¹⁾	December 31, 2025		December 31, 2024	
	Net Par Outstanding	% of Net Par Outstanding	Net Par Outstanding	% of Net Par Outstanding
	<i>(dollars in millions)</i>			
AAA	\$ 1,907	0.9 %	\$ 2,240	1.1 %
AA	19,569	9.4	20,207	10.2
A	105,708	51.0	96,489	48.9
BBB	74,372	35.9	70,549	35.8
BIG	5,846	2.8	7,831	4.0
Total net par outstanding	\$ 207,402	100.0 %	\$ 197,316	100.0 %

(1) Represents the Company's internal rating. The Company's ratings scale is similar to that used by the rating agencies discussed below.

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In its structured finance business, the Company considered geographic concentration as a factor in underwriting insurance covering securitizations of pools of assets such as residential mortgage-backed securities (“RMBS”) or consumer receivables. However, after the initial issuance of an insurance policy relating to such securitizations, the geographic concentration of the underlying assets may not remain fixed over the life of the policy. In addition, in writing insurance for other types of structured finance obligations, such as securities primarily backed by government or corporate debt, geographic concentration is not deemed by the Company to be significant, given other more relevant measures of diversification, such as issuer or industry diversification.

The Company seeks to maintain a diversified portfolio of insured public finance obligations designed to spread its risk across a number of geographic areas. The following table sets forth those states in which municipalities and other obligors located therein issued an aggregate of 2% or more of the Company’s net par amount outstanding of insured public finance securities:

Public Finance Insured Portfolio by Location of Exposure

	At December 31, 2025		
	Net Par Amount Outstanding	% of Total Net Par Amount Outstanding	Ceded Par Amount Outstanding
	(dollars in millions)		
Domestic obligations			
California	\$ 28,474	14.1 %	\$ 7,785
Texas	22,253	11.0	5,814
New York	16,625	8.3	4,270
Pennsylvania	14,718	7.3	3,933
Florida	10,272	5.1	2,632
Illinois	9,809	4.9	2,970
New Jersey	6,282	3.1	1,500
Louisiana	4,115	2.0	1,310
All other U.S. locations	54,827	27.2	15,044
Subtotal	167,375	83.0	45,258
International obligations	34,235	17.0	9,335
Total	\$ 201,610	100.0 %	\$ 54,593

Ratings Impact on Financial Guaranty Business

The financial strength and financial enhancement ratings assigned by S&P Global Ratings (“S&P”), a division of Standard and Poor’s Financial Services LLC, Moody’s Investors Service, Inc. (“Moody’s”) and Kroll Bond Rating Agency, LLC to the Company represent such rating agencies’ opinions of the insurer’s financial strength and ability to meet ongoing obligations to policyholders and cedants in accordance with the terms of the financial guaranties it has issued or the reinsurance agreements it has executed. Issuers, investors, underwriters, ceding companies and others consider the Company’s financial strength or financial enhancement ratings an important factor when deciding whether or not to utilize a financial guaranty or purchase reinsurance from the Company. A downgrade by a rating agency of the financial strength or financial enhancement ratings of the Company could impair the Company’s financial condition, results of operations, capital, liquidity, business prospects and/or AGL’s share price. The ratings assigned by the rating

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agencies to the Company are subject to review and may be lowered by a rating agency at any time and without notice to the Company.

The rating agencies have changed their methodologies and criteria from time to time. Factors influencing the rating agencies are beyond management's control and not always known to the Company. In the event of an actual or perceived deterioration in creditworthiness of large risks in the Company's insurance portfolio, or other large increases in liabilities (including those related to legal proceedings), or a change in a rating agency's capital model or rating methodology, a rating agency may require the Company to increase the amount of capital it holds to maintain its financial strength and financial enhancement ratings under the rating agencies' capital adequacy models, or a rating agency may identify an issue that additional capital would not address. The amount of any capital required may be substantial, and may not be available to the Company on favorable terms and conditions or at all, especially if it were known that additional capital was necessary to preserve the Company's financial strength or financial enhancement ratings. The failure to raise any additional required capital, or successfully address another issue or issues raised by a rating agency, could result in a downgrade of the ratings of the Company and thus have an adverse impact on its business, results of operations and financial condition.

The Company periodically assesses the value of each rating assigned and may as a result of such assessment request that a rating agency add or drop a rating.

The Company's financial strength and financial enhancement ratings are an important competitive factor in the financial guaranty insurance and reinsurance markets. If the financial strength or financial enhancement ratings of the Company were reduced below current levels, the Company expects the number of transactions that would benefit from the Company's insurance would be reduced; consequently, a downgrade by rating agencies could harm the Company's new insurance business production.

In addition, a downgrade may have a negative impact on the Company in respect of transactions that it has insured or that it has assumed through reinsurance. For example, the Company assumed financial guaranty insurance from legacy financial guarantors. The agreements under which the Company assumed such business are generally subject to termination at the option of the ceding company (i) if the Company fails to meet certain financial and regulatory criteria; (ii) if the Company fails to maintain a specified minimum financial strength rating; or (iii) upon certain changes of control of the Company. Upon termination due to one of the above events, the Company typically would be required to return to the ceding company unearned premiums (net of ceding commissions) and loss reserves, calculated on a U.S. statutory basis, attributable to the assumed business (plus in certain cases, an additional required amount), after which the Company would be released from liability with respect to such business. See Note 9, Reinsurance. In addition, beneficiaries of financial guaranties issued by the Company may have the right to cancel the credit protection provided to them, which would result in the loss of future premium earnings and the reversal of any fair value gains recorded by the Company.

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4. Insurance Premiums

Premium Summary

The components of net premiums written and earned, including premiums assumed from and ceded to other insurers and reinsurers, are set forth in the following table:

<i>(in thousands)</i>	Years Ended December 31,			
	2025		2024	
	Written	Earned	Written	Earned
Direct	\$ 311,812	\$ 279,795	\$ 309,559	\$ 283,608
Assumed	39,957	55,797	34,552	55,535
Ceded	(97,725)	(75,808)	(71,042)	(77,583)
Total	<u>\$ 254,044</u>	<u>\$ 259,784</u>	<u>\$ 273,069</u>	<u>\$ 261,560</u>

The gross unearned premium reserves on an undiscounted basis for the entire book of business that would have been reported had all installment premiums been received at inception would have been \$4.4 billion as of December 31, 2025.

The schedule of gross premiums (undiscounted) expected to be collected under all installment contracts is as follows:

Period	(in thousands)
1st Quarter 2026	\$ 36,791
2nd Quarter 2026	31,520
3rd Quarter 2026	30,974
4th Quarter 2026	23,982
2027	116,848
2028	111,256
2029	101,696
2030	88,614
2031 – 2035	382,234
2036 – 2040	308,810
2041 – 2045	232,651
2046 and thereafter	357,633
TOTAL	<u><u>\$ 1,823,009</u></u>

The roll forward of the expected gross future premiums (undiscounted) is as follows (in thousands):

Expected future premiums – beginning of year – 2025	\$ 1,778,507
Less: premium payments received for existing installment contracts	84,777
Add: expected premium payments for new installment contracts	140,407
Add: adjustments to the expected future premium payments	(11,128)
Expected future premiums – end of year – 2025	<u><u>\$ 1,823,009</u></u>

The net unearned premium reserves on non-installment contracts that was recognized as earned premium on an accelerated basis was \$35.9 million and \$84.3 million for the years ended December 31, 2025 and 2024, respectively. Such accelerations are recognized when an insured issue is retired early, is called by the issuer or is economically defeased when the obligation is paid in advance in substance through a refunding accomplished by placing U.S. Government securities in escrow.

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The schedule of expected gross future earned premium revenue on non-installment contracts as of December 31, 2025 is as follows:

Period	(in thousands)
1st Quarter 2026	\$ 20,990
2nd Quarter 2026	27,367
3rd Quarter 2026	31,495
4th Quarter 2026	30,703
2027	102,159
2028	101,015
2029	105,834
2030	100,348
2031 – 2035	504,666
2036 – 2040	495,549
2041 – 2045	310,340
2046 and thereafter	584,720
TOTAL	\$ 2,415,186

5. Losses and LAE

The following table provides a reconciliation of the beginning and ending reserve balances for reserves for losses and LAE, net of reinsurance recoverable, for 2025 and 2024:

	2025	2024
	(in thousands)	
Balance at January 1 (net of ceded balances of \$3,685 and \$83,948)	\$ (174,283)	\$ (102,356)
Losses and loss adjustment expenses incurred (benefit) related to:		
Current year	14,198	35,966
Prior years	(6,284)	(117,696)
Losses and loss adjustment expenses recovered (paid) related to:		
Current year	(2,854)	(563)
Prior years	26,300	10,344
Foreign exchange rate fluctuations	528	22
Balance at December 31 (net of ceded balances of (\$8,582) and \$3,685)	<u>\$ (142,395)</u>	<u>\$ (174,283)</u>

The amount of discount taken was approximately \$60.9 million and \$8.6 million at December 31, 2025 and 2024, respectively.

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Net Reserve Summary ⁽¹⁾

<i>(in thousands)</i>	December 31, 2025	December 31, 2024
Public finance	\$ (102,171)	\$ (101,877)
Structured finance - RMBS	(48,092)	(35,328)
Structured finance - other	7,868	(37,078)
Total	\$ (142,395)	\$ (174,283)

(1) Amounts in a negative position represent deals in a net recoverable position.

The aggregate amount of U.S. subprime related net losses paid in 2025 and 2024 were \$4.1 million and \$4.4 million, respectively. The aggregate amount of U.S. subprime net losses incurred (benefits) were \$(7.6) million in 2025 and \$(12.0) million in 2024. The aggregate amount of net loss reserves on U.S. subprime business were \$93.5 million and \$105.1 million as of December 31, 2025 and 2024, respectively. Incurred but not reported (“IBNR”) reserves are not required for financial guaranty insurance.

Reserves (recoverables) for losses and LAE at December 31, 2025 and 2024, net of anticipated salvage and subrogation, on an undiscounted basis, were \$(81.5) million and \$(165.7) million, respectively.

Selected U.S. Public Finance Transactions

Puerto Rico

All of the Company's exposure to the Commonwealth of Puerto Rico (“Puerto Rico” or the “Commonwealth”) and its various authorities and public corporations is rated BIG. The Company's Puerto Rico net par and net debt service outstanding as of December 31, 2025 were \$387 million and \$442 million, respectively, compared with net par and net debt service outstanding as of December 31, 2024 of \$455 million and \$530 million, respectively.

Defaulting Puerto Rico Exposure

As of December 31, 2025, the Company’s only unresolved outstanding insured Puerto Rico exposure subject to a payment default was the Puerto Rico Electric Power Authority (“PREPA”). As of December 31, 2025, the Company's PREPA net par and debt service outstanding were \$322 million and \$371 million, respectively. As of December 31, 2024, the Company's PREPA net par and debt service outstanding were \$378 million and \$442 million, respectively. The PREPA bonds are secured by a lien on the net revenues of the electric system. The default of PREPA's obligations has been the subject of restructuring negotiations, mediation and litigation since 2014.

Puerto Rico Litigation

Currently, there are numerous legal actions relating to defaults by PREPA on debt service payments and related matters and the Company is a party to a number of them. See Note 11, Commitments and Contingencies, for further discussion.

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Non-Defaulting Puerto Rico Exposure

As of December 31, 2025 and 2024, the Company had \$65 million and \$77 million, respectively, of remaining non-defaulting Puerto Rico net par outstanding related primarily to the Puerto Rico Municipal Finance Agency (“MFA”). The MFA exposures are secured by a lien on local tax revenues and remain current on debt service payments.

Other U.S. Public Finance Exposures

Certain BIG healthcare exposures are experiencing rising labor costs due to competition for labor and shortages in certain markets. Additionally, inflation has increased the cost of medical supplies, medical equipment and pharmacy products, while U.S hospitals with large Medicaid and Medicare payor mixes have not seen reimbursement levels keep pace with rising costs and may be further impacted by recent cuts to Medicaid funding that will go into effect in 2026 and 2027. The combined revenue and expense challenges have led to cash flow and liquidity stress in certain transactions.

The Company had loss and LAE reserves (recoverables) across its U.S. public finance exposures as of December 31, 2025, including those mentioned above, of \$(153.9) million compared with \$(115.8) million as of December 31, 2024. The Company’s loss and LAE reserves (recoverables) incorporate management’s probability weighted estimates of possible scenarios. Each quarter, the Company may revise its scenarios and update its assumptions, including the probability weightings of its scenarios based on public information as well as nonpublic information obtained through its surveillance and loss mitigation activities. Management assesses the possible implications of such information on each insured obligation, considering the unique characteristics of each transaction.

The increase in recoverables was attributable to loss and LAE payments of \$75.2 million offset by loss and LAE incurred of \$37.1 million (both of which are primarily due to Puerto Rico and U.S. healthcare exposures).

Non-U.S. Public Finance

Thames Water

As of December 31, 2025, the Company had £1.1 billion (or \$1.5 billion) of net par outstanding of Thames Water Utilities Finance PLC (“Thames”), a BIG rated U.K. regulated utility. The Company, as part of the Thames senior Class A creditor group, continues to engage the Water Services Regulation Authority (the governmental body responsible for the economic regulation of the privatized water and sewage industry in England and Wales, or Ofwat), His Majesty’s Treasury, and other departments of the U.K. Government in restructuring negotiations, and is taking other actions to work out this insured credit. The first scheduled principal payment that comes due under the Company’s Thames exposure is in 2037. The Company is actively working to mitigate losses and reduce risk. Although uncertainty remains, the Thames creditors and Ofwat are engaged in discussions regarding a comprehensive settlement to restructure and recapitalize Thames.

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European Renewable Energy and U.K. Student Accommodation Transactions

As of December 31, 2025, the Company had insured net par of €555 million (or \$652 million) related to BIG European renewable energy transactions that are experiencing operational strain and £182 million (or \$245 million) in BIG U.K. student accommodation transactions that are experiencing weak occupancy rates and financial strain.

The Company had loss and LAE reserves on its non-U.S. public finance exposures as of December 31, 2025 of \$51.7 million compared with \$13.9 million as of December 31, 2024. The increase in reserves was primarily attributable to the developments on the exposures noted above.

U.S. RMBS Loss Projections

The Company projects losses (and recoveries) on its insured U.S. RMBS on a transaction-by-transaction basis by projecting the future cash flow of the underlying collateral pool of mortgages over time. The Company then uses individual models for each transaction to project the Company's future claims and claim reimbursements based upon these collateral cashflow projections, the payment priorities among the transaction liabilities, and assumptions about future market conditions. The resulting projected claim payments or reimbursements are then discounted using a rate that approximates the pre-tax book yield on the Company's investment portfolio. The Company runs several sets of assumptions regarding mortgage collateral performance, or scenarios, which are probability weighted.

Each period the Company reviews the assumptions it uses to make RMBS loss and recovery projections based upon the performance of its insured transactions as well as the residential property market, interest rate environment and economy in general. To the extent it observes changes, it makes a judgment as to whether those changes are normal fluctuations or part of a more prolonged trend. In 2025, loss and LAE incurred were a benefit of \$8 million for first lien U.S. RMBS and loss and LAE incurred were a benefit of \$29 million for second lien U.S. RMBS. The assumptions that the Company uses to project RMBS losses are shown in the sections below.

The loss and recovery projections for insured RMBS are affected by a variety of assumptions including: (i) the rate at which borrowers from a particular delinquency category (e.g., number of monthly payments behind) eventually default (which is referred to as the "liquidation rate"), (ii) projections of how many of the currently performing loans will default and when they will default, (iii) loss severity, which is the amount of loss the transaction experiences on a defaulted loan after the application of net proceeds from the disposal of the underlying property, and (iv) recovery assumptions to reflect observed trends in recoveries of principal balances of modified loans that had been previously written off.

In recent years, the two primary drivers of changes in expected loss have been the projected and actual recoveries on previously written off or deferred loan balances and changes in discount rates.

First Lien U.S. RMBS Loss Projections: Alt-A, Prime, Option Adjustable Rate Mortgage and Subprime

The majority of projected insured losses in first lien U.S. RMBS transactions stem from future insurance claim payments related to structures that are currently undercollateralized (outstanding insured bonds that did not have their principal balance reduced by collateral losses, but will experience a shortfall at the transaction's final maturity). Most of any future collateral losses are

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expected to come from non-performing mortgage loans (those that are or have recently been two or more payments behind, have been modified, are in foreclosure, or have been foreclosed upon). Collateral losses are projected to be offset by recoveries on deferred principal balances (where information about the amount of deferred balances is disclosed by the trustee of the transaction).

Total loss and LAE reserves on all first lien U.S. RMBS were \$79.7 million and \$87.9 million as of December 31, 2025 and 2024, respectively. The decrease in reserves was driven primarily by higher expected recoveries in certain transactions.

The Company establishes its scenarios by assuming various levels of recoveries on known deferred balances and increasing and decreasing the periods and levels of stress on the remaining collateral. In the Company's most stressful scenario where 20% of deferred principal balances are assumed to be recovered, loss severities experience stress for nine years and the initial ramp-down of the conditional default rates ("CDR") was assumed to occur over 16 months, expected loss to be paid would increase from current projections by approximately \$31 million for all first lien U.S. RMBS transactions. In the Company's least stressful scenario where 80% of deferred principal balances are assumed to be recovered, the CDR plateau was six months shorter (30 months, effectively assuming that liquidation rates would improve) and the CDR recovery was more pronounced (including an initial ramp-down of the CDR over eight months), expected loss to be paid would decrease from current projections by approximately \$31 million for all first lien U.S. RMBS transactions.

Certain transactions benefit from excess spread (the amount by which the interest paid by the borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations) when they are supported by large portions of fixed rate assets (either originally fixed or modified to be fixed) but have insured floating rate debt linked to the Secured Overnight Finance Rate ("SOFR"). An increase in projected SOFR decreases excess spread, while lower SOFR projections can result in higher excess spread. Due to the current level of SOFR, there are few transactions with substantial excess spread. If projected future interest rates were to fall below the weighted average coupon of the underlying mortgages, excess spread projections may increase.

Second Lien U.S. RMBS Loss Projections

Second lien U.S. RMBS transactions include both home equity lines of credit ("HELOC") and closed end second lien mortgages. The Company believes the most important driver of its projected second lien U.S. RMBS claims and reimbursements is dependent on the amount and timing of future recoveries from previously charged-off loans and changes in discount rates.

Total loss and LAE reserves (recoverables) for all second lien U.S. RMBS were \$(127.8) million and \$(123.2) million as of December 31, 2025 and 2024, respectively. After giving effect to losses recovered of \$24 million in 2025, the benefit in loss and LAE incurred was primarily attributable to updated assumptions about future recoveries on charged-off loans.

In the Company's most stressful scenario, assuming 40% recoveries on charged-off loans would decrease the expected recovery by approximately \$43 million for HELOC transactions. On the other hand, in the Company's least stressful scenario, assuming 80% recoveries on charged-off loans, would increase the expected recovery by approximately \$43 million for HELOC transactions.

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When a second lien loan defaults, there is generally a low recovery. The Company assumes that it will generally recover 2% of future defaulting collateral at the time of charge-off. Additional amounts of post charge-off recoveries are projected to come in evenly over the next five years in instances where the Company is able to obtain information on the lien status. The Company evaluates its assumptions regularly based on actual recoveries of charged-off loans observed from period to period and reasonable expectations of future recoveries. During 2025, due to observed trends and high levels of home equity, the Company updated its assumptions of such recoveries to reflect a base scenario, and a weighted-average recovery of 60%, up from 50%, which resulted in a benefit of \$23 million.

Toxic Waste Cleanup, Asbestos and Environmental Exposure

The Company has not written any policies which have been identified as having the potential for the existence of a liability due to toxic waste cleanup, asbestos or environmental losses.

Claim Liability

The Company used a rate of 4.5% at December 31, 2025 and 4.0% at December 31, 2024 to discount the claim liability.

Significant components of the change in the claim liability for financial guaranty insurance for the period are as follows:

(in thousands)	Year Ended December 31, 2025
Accretion of discount	\$ (3,352)
Changes of timing, performance and assumptions	(2,128)
New reserves for defaults of insured contracts	11,279
Recoveries (payments) on prior year reserves	26,293
TOTAL	\$ 32,092

The Company recognized loss adjustment benefits of \$46.8 million in 2025 on its direct portfolio. The reserve for unpaid loss adjustment expenses on the direct portfolio was \$10.8 million at December 31, 2025.

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Schedule of BIG insured financial obligations as of December 31, 2025 and 2024 is presented below:

2025	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
	(dollars in thousands)			
Number of risks	86	12	88	186
Remaining weighted-average period (in years)	14.8	25.7	5.2	19.2
Gross insured contractual payments outstanding:				
Par	\$ 3,410,316	\$ 2,788,404	\$ 1,155,094	\$ 7,353,814
Interest	2,454,914	3,838,353	289,820	6,583,087
Total	<u>\$ 5,865,230</u>	<u>\$ 6,626,757</u>	<u>\$ 1,444,914</u>	<u>\$ 13,936,901</u>
Gross claim liability	\$ 117,435	\$ 785,843	\$ 1,371,470	\$ 2,274,748
Less: gross potential recoveries - subrogation	574,265	548,424	1,247,346	2,370,035
Less: ceded claim liability (recovery)	(59,434)	56,588	(10,831)	(13,677)
Less: discount, net	(62,803)	81,745	41,944	60,886
Net liability reported in the balance sheet	<u>\$ (334,593)</u>	<u>\$ 99,086</u>	<u>\$ 93,011</u>	<u>\$ (142,496)</u>
Net unearned premium revenue	<u>\$ 65,569</u>	<u>\$ 35,461</u>	<u>\$ 36,858</u>	<u>\$ 137,888</u>
Reinsurance recoverables	<u>\$ (2,393)</u>	<u>\$ 53</u>	<u>\$ 939</u>	<u>\$ (1,401)</u>
	Surveillance Categories			
2024	BIG 1	BIG 2	BIG 3	Total
	(dollars in thousands)			
Number of risks	93	10	90	193
Remaining weighted-average period (in years)	18.5	7.5	6.8	16.0
Gross insured contractual payments outstanding:				
Par	\$ 7,061,655	\$ 169,899	\$ 2,316,109	\$ 9,547,663
Interest	6,531,220	69,705	765,194	7,366,119
Total	<u>\$ 13,592,875</u>	<u>\$ 239,604</u>	<u>\$ 3,081,303</u>	<u>\$ 16,913,782</u>
Gross claim liability	\$ 3,263,483	\$ 125,023	\$ 1,441,634	\$ 4,830,140
Less: gross potential recoveries - subrogation	3,660,904	88,772	1,266,992	5,016,668
Less: ceded claim liability (recovery)	(44,810)	2,861	21,382	(20,567)
Less: discount, net	(42,976)	5,230	46,373	8,627
Net liability reported in the balance sheet	<u>\$ (309,635)</u>	<u>\$ 28,160</u>	<u>\$ 106,887</u>	<u>\$ (174,588)</u>
Net unearned premium revenue	<u>\$ 106,561</u>	<u>\$ 2,734</u>	<u>\$ 38,406</u>	<u>\$ 147,701</u>
Reinsurance recoverables	<u>\$ 59,029</u>	<u>\$ —</u>	<u>\$ 6,314</u>	<u>\$ 65,343</u>

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6. Investments

The largest component of the investment portfolio is fixed-maturity securities, the majority of which are investment grade and managed by outside managers. The Company has established investment guidelines for these investment managers regarding credit quality, exposure to a particular sector and exposure to a particular obligor within a sector. The externally managed fixed maturity portfolio must maintain a minimum average rating of A+ by S&P or A1 by Moody's.

The sources of investment income are shown below.

<i>(in thousands)</i>	2025	2024
Bonds	\$ 227,679	\$ 204,711
Common stock	—	20,243
Short-term investments, cash and cash equivalents	12,171	42,159
Real estate	5,269	5,932
Interest received on promissory note	8,312	8,750
Other	4,944	14,984
Investment expenses	(13,631)	(9,737)
Net investment income	<u>\$ 244,744</u>	<u>\$ 287,042</u>

The following summarizes the Company's bond and short-term investment portfolio at December 31, 2025 and 2024:

<i>(in thousands)</i>			Gross Unrealized Gains			Gross Unrealized Losses			Fair Value
2025 (1)	Amortized Cost								
Governments and Municipalities	\$ 1,535,557	\$ 30,533	\$ (51,994)	\$ 1,514,096					
All Other Issuer Credit Obligations (unaffiliated)	1,659,272	28,444	(68,912)	1,618,804					
All Other Issuer Credit Obligations (affiliated)	—	—	—	—					
Asset-Backed Securities (unaffiliated)	1,028,670	18,585	(36,815)	1,010,440					
Asset-Backed Securities (affiliated)	—	—	—	—					
Total	<u>\$ 4,223,499</u>	<u>\$ 77,562</u>	<u>\$ (157,721)</u>	<u>\$ 4,143,340</u>					

<i>(in thousands)</i>			Gross Unrealized Gains			Gross Unrealized Losses			Fair Value
2024	Amortized Cost								
U.S. Governments	\$ 77,661	\$ 111	\$ (6,176)	\$ 71,596					
U.S. State, Territories and Possessions (Direct and Guaranteed)	181,878	233	(5,988)	176,123					
U.S. Political subdivisions of States, Territories and Possessions (Direct and Guaranteed)	267,334	262	(17,162)	250,434					
U.S. Special Revenue & Special Assessment Obligations and all Governments and Their Political Subdivisions	1,563,593	22,775	(51,169)	1,535,199					
Industrial and miscellaneous	2,279,012	24,004	(147,946)	2,155,070					
Total	<u>\$ 4,369,478</u>	<u>\$ 47,385</u>	<u>\$ (228,441)</u>	<u>\$ 4,188,422</u>					

(1) The 2025 categorizations reflect the prospective adoption of the NAIC's principles-based bond definition guidance; prior year categories have not been reclassified. See Note 2, Significant Accounting Policies - Investments, Cash and Cash Equivalents.

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At December 31, 2025 and 2024, the Company held loss mitigation securities with a carrying value of \$184 million and \$492 million, respectively, in its investment portfolio.

The following table summarizes, for all securities in an unrealized loss position as of December 31, 2025 and 2024, the aggregate fair value and unrealized loss by length of time the amounts have continuously been in an unrealized loss position.

<i>(dollars in thousands)</i>	Less than 12 Months		12 Months or more		Total	
2025 (1)	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Governments and Municipalities	\$ 73,389	\$ (453)	\$ 674,976	\$ (51,541)	\$ 748,365	\$ (51,994)
All Other Issuer Credit Obligations (unaffiliated)	109,800	(695)	422,963	(68,217)	532,763	(68,912)
Asset-Backed Securities (unaffiliated)	168,083	(499)	253,292	(36,316)	421,375	(36,815)
Total	\$ 351,272	\$ (1,647)	\$ 1,351,231	\$ (156,074)	\$ 1,702,503	\$ (157,721)
Number of securities (2)		132		518		644

<i>(dollars in thousands)</i>	Less than 12 Months		12 Months or more		Total	
2024	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Governments	\$ 8,594	\$ (131)	\$ 33,897	\$ (6,045)	\$ 42,491	\$ (6,176)
U.S. State, Territories and Possessions (Direct and Guaranteed)	63,918	(1,290)	86,236	(4,699)	150,154	(5,989)
U.S. Political subdivisions of States, Territories and Possessions (Direct and Guaranteed)	103,427	(928)	122,434	(16,234)	225,861	(17,162)
U.S. Special Revenue & Special Assessment Obligations and all Governments and Their Political Subdivisions	641,764	(6,729)	604,620	(44,440)	1,246,384	(51,169)
Industrial and miscellaneous	625,596	(13,320)	762,510	(134,626)	1,388,106	(147,946)
Total	\$ 1,443,299	\$ (22,398)	\$ 1,609,697	\$ (206,044)	\$ 3,052,996	\$ (228,442)
Number of securities (2)		438		610		1,020

(1) The 2025 categorizations reflect the prospective adoption of the NAIC's principles-based bond definition guidance; prior year categories have not been reclassified. See Note 2, Significant Accounting Policies - Investments, Cash and Cash Equivalents.

(2) The number of securities does not add across because lots consisting of the same securities have been purchased at different times and appear in both categories above (i.e., less than 12 months and 12 months or more). If a security appears in both categories, it is counted only once in the total column.

At December 31, 2025, there were 518 securities that were in an unrealized loss position for a continuous twelve-month period or longer. There were 255 securities with unrealized losses in which the book value exceeded market value by more than 5%.

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Management has determined that the gross unrealized losses on fixed-maturity securities at December 31, 2025 were not credit related. The Company intends to hold these securities for a sufficient period of time to allow for anticipated recoveries of their carrying value. Changes in interest rates affect the fair value of the Company's fixed maturity portfolio. As interest rates fall, the fair value of fixed-maturity securities generally increases and as interest rates rise, the fair value of fixed-maturity securities generally decreases. The Company's portfolio of fixed-maturity securities primarily consists of high quality liquid instruments.

The amortized cost and estimated fair value of bonds at December 31, 2025 and 2024, by contractual maturity, are shown below. Actual maturities could differ from contractual maturities because borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Distribution of Bonds by Contractual Maturity

	At December 31,			
	2025		2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	<i>(in thousands)</i>			
Due in one year or less	\$ 43,880	\$ 44,101	\$ 87,764	\$ 87,524
Due after one year through five years	674,633	681,817	494,663	488,170
Due after five years through ten years	1,504,072	1,516,349	1,470,610	1,431,960
Due after ten years through twenty years	1,393,624	1,312,000	1,756,732	1,652,981
Due after twenty years	607,290	589,073	559,709	527,787
Total	\$ 4,223,499	\$ 4,143,340	\$ 4,369,478	\$ 4,188,422

Proceeds from the sales of long-term bonds were \$423.1 million in 2025. In 2024, there were \$465.8 million of proceeds from the sales of long-term bonds.

Gross gains on long-term bonds of \$2.8 million and \$3.2 million and gross losses on long-term bonds of \$2.2 million and \$4.3 million were realized on those disposals in 2025 and 2024, respectively.

The Company recognized \$2.7 million and \$3.3 million of OTTI for the years ended December 31, 2025 and 2024, respectively. The OTTI recognized in 2025 and 2024 was primarily related to securities that were purchased for loss mitigation.

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Following is a summary of components of net realized gains (losses) for the years ended:

Net Realized Gains and Losses

<i>(in thousands)</i>	2025	2024
Gross realized gains	\$ 2,815	\$ 3,169
Gross realized losses	(2,208)	(4,252)
OTTI:		
Intent to sell	(1,037)	(108)
Credit losses	(1,672)	(3,191)
Net realized gains - other	27,447	21,342
Net realized investment gains before tax	<u>\$ 25,345</u>	<u>\$ 16,960</u>

The following table presents the roll forward of the credit losses of fixed-maturity securities for which the Company has recognized OTTI as a realized loss in the Statement of Income.

Roll Forward of Credit Losses in the Investment Portfolio

<i>(in thousands)</i>	2025		2024	
	Fixed Maturities	Other Invested Assets	Fixed Maturities	Other Invested Assets
Balance, beginning of period	\$ 241,744	\$ 2,823	\$ 239,257	\$ 2,823
Additions for which an OTTI was not previously recognized	—	114	—	—
Additions for which an OTTI was previously recognized	1,557	—	3,191	—
Reductions for securities sold during the period	(118,890)	—	(704)	—
Balance, end of period	<u>\$ 124,411</u>	<u>\$ 2,937</u>	<u>\$ 241,744</u>	<u>\$ 2,823</u>

The Company does not own investments that are unrated but current on principal and interest as of December 31, 2025.

The Company did not sell any securities short in 2025.

There were no securities with an acceleration of fee income for the year ended December 31, 2025.

The Company had one security with a call price below 100, which generated prepayment penalties of \$20 thousand during the year ended December 31, 2024.

Asset-Backed Securities

Prepayment assumptions for asset-backed securities were obtained from publicly available sources and internal models.

The Company had no asset-backed securities with current year OTTI due to either the intent to sell the securities or the inability or lack of intent to retain for the time sufficient to recover the amortized cost basis.

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The following table summarizes OTTI recorded in the current year for asset-backed securities which the Company still owns at the end of the respective quarters recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities (in thousands):

CUSIP	Amortized Cost Before Other-Than-Temporary Impairment	Present Value of Projected Cash Flows	Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
000292-AB-8	\$ 12	\$ 11	\$ 1	\$ 11	\$ 10	03/31/2025
68401N-AE-1	793	722	71	722	411	03/31/2025
68403B-AE-5	1,324	1,321	3	1,321	920	03/31/2025
000759-DG-2	325	323	2	323	307	03/31/2025
88157V-AB-3	5,401	5,339	62	5,339	5,046	03/31/2025
000292-AB-8	12	11	1	11	10	06/30/2025
12666U-AF-0	31,187	30,856	331	30,856	24,189	06/30/2025
126698-AC-3	8,715	8,666	49	8,666	7,818	06/30/2025
25157G-AG-7	984	973	11	973	939	06/30/2025
576456-AA-5	18,376	18,348	28	18,348	12,206	06/30/2025
64352V-MP-3	3,303	3,301	2	3,301	3,033	06/30/2025
68401-NAE-1	720	622	98	622	333	06/30/2025
68403B-AD-7	1,788	1,788	0	1,788	1,285	06/30/2025
83613G-AA-7	2,722	2,703	19	2,703	2,207	06/30/2025
83613G-AC-3	6,693	6,642	51	6,642	5,554	06/30/2025
000292-AB-8	11	10	1	10	10	09/30/2025
68401N-AE-1	616	519	97	519	300	09/30/2025
83613G-AA-7	2,686	2,676	10	2,676	2,143	09/30/2025
83613G-AC-3	6,605	6,577	28	6,577	5,402	09/30/2025
000759-DG-2	305	294	11	294	288	09/30/2025
88157V-AB-3	5,215	5,180	35	5,180	5,143	09/30/2025
68403B-AE-5	1,347	1,338	9	1,338	927	09/30/2025
65538P-AD-0	1,711	1,707	4	1,707	1,498	09/30/2025
12668W-AD-9	5,408	5,248	160	5,248	5,016	09/30/2025
83612N-AX-3	16,145	15,909	236	15,909	15,403	09/30/2025
000292-AB-8	10	9	1	9	9	12/31/2025
68401N-AE-1	510	368	142	368	233	12/31/2025
83613G-AA-7	2,663	2,651	12	2,651	2,141	12/31/2025
83613G-AC-3	6,549	6,516	33	6,516	5,390	12/31/2025
000759-DG-2	289	285	4	285	280	12/31/2025
12668W-AD-9	5,194	5,160	34	5,160	4,952	12/31/2025
12666U-AF-0	31,125	31,114	11	31,114	25,915	12/31/2025
			\$ 1,557			

As indicated in the Investments section of Note 2, Significant Accounting Policies, if the present value of expected cash flows is lower than the fair value of the security, only the difference between the fair value and the amortized cost is recognized as a realized loss and the security is written down to its fair value.

The following table summarizes gross unrealized investment losses on asset-backed securities for which OTTI has not been recognized as a realized loss categorized by the length of time that securities have continuously been in an unrealized loss position.

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The aggregate amount of unrealized losses (in thousands):

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ (20)	\$ (35,229)
Commercial mortgage-backed securities	(254)	(445)
Other asset-backed securities	(226)	(642)
Total	<u>\$ (500)</u>	<u>\$ (36,316)</u>

The aggregate related fair value of securities with unrealized losses (in thousands):

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ 5,681	\$ 180,141
Commercial mortgage-backed securities	41,407	34,034
Other asset-backed securities	120,995	39,117
Total	<u>\$ 168,083</u>	<u>\$ 253,292</u>

All asset-backed securities in an unrealized loss position were reviewed to determine whether an OTTI should be recognized. For those securities in an unrealized loss position at December 31, 2025, the Company has not made a decision to sell any such securities and does not intend to sell such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their amortized cost basis. The Company has determined that the unrealized losses recorded were not related to credit quality.

Real Estate

The commercially leased office building at 400 East Main Street in Stockton, California, that was recorded as real estate held for sale was disposed in October 2025 for a realized gain of \$22.9 million.

Restricted Assets

The following table shows restricted assets (including pledged) summarized by restricted asset category (in thousands).

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted									Percentage	
	Current Year									10	11
	1	2	3	4	5	6	7	8	9		
	Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/A Activity	Total (1 plus 3)	Total From Prior Year	Increase/(Decrease) (5 minus 6)	Total Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
FHLB capital stock	\$ 715	\$ —	\$ —	\$ —	\$ 715	\$ —	\$ 715	\$ —	\$ 715	— %	— %
On deposit with states	9,795	—	—	—	9,795	12,492	(2,697)	—	9,795	0.1 %	0.1 %
Collateral pledged for reinsurance	254,300	—	—	—	254,300	546,178	(291,878)	—	254,300	3.6 %	3.7 %
Total restricted assets	\$ 264,810	\$ —	\$ —	\$ —	\$ 264,810	\$ 558,670	\$ (293,860)	\$ —	\$ 264,810	3.7 %	3.8 %

Under certain agreements, the Company is required to post eligible securities as collateral. The need to post collateral under these agreements is generally based on fair value assessments in excess of

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contractual thresholds. The portfolio also includes securities held in trust to secure AG’s reinsurance obligations to certain of its affiliates. The fair value of the Company’s pledged securities totaled \$248 million as of December 31, 2025, with corresponding book/adjusted carrying value of \$254 million.

Subsidiary, Controlled and Affiliated (“SCA”) Entities Loss Tracking

The Company does not have an investment in an SCA entity for which the share of losses in the SCA entity exceeds the investment in the SCA entity.

Investments in the European Insurance Subsidiaries

A reconciliation of AGUK’s and AGE’s assets, liabilities and equity between the US GAAP basis of accounting and SAP as of December 31, 2025 is:

<i>(in millions)</i>	Assets	Liabilities	Equity
As of December 31, 2025			
U.S. GAAP basis of accounting	\$ 1,741	\$ 927	\$ 814
Non-admitted assets		(7)	(7)
Limited statutory basis of accounting	<u>\$ 1,734</u>	<u>\$ 927</u>	<u>\$ 807</u>

Investment in AGAS

AG initially capitalized AGAS with \$500 million of cash on October 18, 2019. In September 2023, AG contributed to AGAS an additional \$250 million.

Investment in Insurance SCA Entities

The Company does not have an investment in an insurance SCA entity for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures (e.g., permitted or prescribed practices).

Investment in RMBS Securities with Subprime Exposure

Direct exposure through investments in subprime mortgage loans at December 31, 2025 is shown below.

<i>(in thousands)</i>	Actual Cost	Book Value	Fair Value	OTTI Losses Recognized
Asset-backed securities	\$ 164,053	\$ 165,256	\$ 132,574	\$ (34,944)
Total	\$ 164,053	\$ 165,256	\$ 132,574	\$ (34,944)

Investment in Debt Securities that Do Not Qualify as Bonds

The company owns seven debt securities that do not qualify as bonds. The carrying value of these securities was \$2.4 million with a fair value of \$6.7 million at December 31, 2025. During the year, an OTTI of \$0.1 million was recognized as a realized loss for one security with a fair value of \$2.2 million and a carrying value of \$2.3 million. The carrying value after the impairment was \$2.2 million. All of the securities were in an unrealized gain position at December 31, 2025.

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7. Federal Income Taxes

The components of the net Deferred Tax Asset (“DTA”)/Deferred Tax Liability (“DTL”) are as follows:

<i>(in thousands)</i>	12/31/2025			12/31/2024		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross deferred tax assets	\$ 221,272	\$ 8,268	\$ 229,540	\$ 232,808	\$ 10,026	\$ 242,834
(b) Statutory valuation allowance	—	—	—	—	—	—
(c) Adjusted gross deferred tax assets (a - b)	221,272	8,268	229,540	232,808	10,026	242,834
(d) Deferred tax asset nonadmitted	160,850	8,268	169,118	111,239	10,026	121,265
(e) Subtotal net admitted deferred tax asset (c - d)	60,422	—	60,422	121,569	—	121,569
(f) Deferred tax liabilities	24,460	—	24,460	58,787	—	58,787
(g) Net admitted deferred tax asset/net deferred tax liability (e - f)	\$ 35,962	\$ —	\$ 35,962	\$ 62,782	\$ —	\$ 62,782

<i>(in thousands)</i>	Change			
	Description	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross deferred tax assets		\$ (11,536)	\$ (1,758)	\$ (13,294)
(b) Statutory valuation allowance		—	—	—
(c) Adjusted gross deferred tax assets (a - b)		(11,536)	(1,758)	(13,294)
(d) Deferred tax asset nonadmitted		49,611	(1,758)	47,853
(e) Subtotal net admitted deferred tax asset (c - d)		(61,147)	—	(61,147)
(f) Deferred tax liabilities		(34,327)	—	(34,327)
(g) Net admitted deferred tax asset/net deferred tax liability (e - f)		\$ (26,820)	\$ —	\$ (26,820)

Admission Calculation Components SSAP No. 101

<i>(in thousands)</i>	12/31/2025			12/31/2024		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 26,162	\$ —	\$ 26,162	\$ 52,380	\$ —	\$ 52,380
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amt of Deferred Tax Assets from (a) above) After Application of the Threshold Limitation. (Lesser of (b)1 and (b)2 Below)	9,800	—	9,800	10,402	—	10,402
1 Adjusted Gross Deferred Tax Assets Expected to be Realized following the Balance Sheet Date	9,800	—	9,800	10,402	—	10,402
2 Adjusted Gross Deferred Tax Assets Allowed per Limitation	xxx	xxx	456,556	xxx	xxx	500,970
(c) Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from (a) and (b) above) offset by Gross Deferred Tax Liabilities	24,460	—	24,460	58,787	—	58,787
(d) Deferred Tax Assets Admitted as the result of Application of SSAP 101 Total (a + b + c)	\$ 60,422	\$ —	\$ 60,422	\$ 121,569	\$ —	\$ 121,569

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<i>(in thousands)</i>	Description	CHANGE		
		(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ (26,218)	\$ —	\$ (26,218)
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amt of Deferred Tax Assets from (a) above) After Application of the Threshold Limitation. (Lesser of (b)1 and (b)2 Below)	(602)	—	(602)
1	Adjusted Gross Deferred Tax Assets Expected to be Realized following the Balance Sheet Date	(602)	—	(602)
2	Adjusted Gross Deferred Tax Assets Allowed per Limitation	xxx	xxx	(44,414)
(c)	Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from (a) and (b) above) offset by Gross Deferred Tax Liabilities	(34,327)	—	(34,327)
(d)	Deferred Tax Assets Admitted as the result of Application of SSAP #101 Total (a + b + c)	\$ (61,147)	\$ —	\$ (61,147)

<i>(dollars in thousands)</i>	2025	2024
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	349 %	362 %
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in (b)2 above (in thousands)	\$ 3,043,706	\$ 3,339,798

There is no impact of tax planning strategies on the Company. The Company's tax planning strategies do not include the use of reinsurance.

There are no temporary differences for which a DTL has not been established.

Current income tax provisions consist of the following major components:

<i>(in thousands)</i>	(1) 12/31/2025	(2) 12/31/2024	(3) (Col 1 - 2) Change
1. Current Income Taxes			
(a) Federal	\$ 66,864	\$ 79,958	\$ (13,094)
(b) Foreign	—	—	—
(c) Subtotal (1a+1b)	66,864	79,958	(13,094)
(d) Federal Income Tax on Capital Gains	4,938	(502)	5,440
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	(2,159)	566	(2,725)
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	69,643	80,022	(10,379)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Unpaid Losses & LAE	24,259	10,653	13,606
(2) Unearned premium reserve	57,039	60,990	(3,951)
(3) Policyholders reserve	—	—	—
(4a) Investment basis difference	2,825	32,468	(29,643)
(4b) Partnerships	57,050	51,572	5,478
(4) Investments	59,875	84,040	(24,165)
(5) Deferred acquisition costs	3,566	4,918	(1,352)
(6) Policyholder dividends accrual	—	—	—

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(7)	Fixed assets	46,412	44,629	1,783
(8)	Deferred compensation and benefits accrual	—	—	—
(9)	Pension accrual	—	—	—
(10)	Receivables - nonadmitted	8,419	8,065	354
(11)	Net operating loss (“NOL”) carry-forward	19,077	17,340	1,737
	Net operating loss - standalone carry-forward	—	—	—
(12)	Tax credit carry-forward	—	—	—
(13)	Other	2,625	2,173	452
	(99) Subtotal (sum of 2a1 through 2a13)	221,272	232,808	(11,536)
(b)	Statutory valuation allowance adjustment	—	—	—
(c)	Nonadmitted	160,850	111,239	49,611
(d)	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	60,422	121,569	(61,147)
(e)	Capital			
(1)	Investments - OTTI	8,268	9,392	(1,124)
(2)	Net capital loss carry-forward	—	634	(634)
(3)	Real estate	—	—	—
(4)	Other	—	—	—
	(99) Subtotal (2e1+2e2+2e3+2e4)	8,268	10,026	(1,758)
(f)	Statutory valuation allowance adjustment	—	—	—
(g)	Nonadmitted	8,268	10,026	(1,758)
(h)	Admitted capital DTAs (2e99 - 2f - 2g)	—	—	—
(i)	Admitted deferred tax assets (2d + 2h)	60,422	121,569	(61,147)
3.	Deferred Tax Liabilities			
(a)	Ordinary			
(1)	Investments	5,807	33,735	(27,928)
(2)	Premises payable	214	—	214
(3)	Deferred and uncollected premium	—	—	—
(4)	Policyholders reserves	—	—	—
	Unrealized CTA	18,399	24,598	(6,199)
(5)	Other	40	454	(414)
	(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	24,460	58,787	(34,327)
(b)	Capital			
(1)	Investments	—	—	—
(2)	Real estate	—	—	—
(3)	Other	—	—	—
	(99) Subtotal (3b1+3b2+3b3)	—	—	—
(c)	Deferred tax liabilities (3a99 + 3b99)	24,460	58,787	(34,327)
4.	Net deferred tax assets/liabilities (2i - 3c)	\$ 35,962	\$ 62,782	\$ (26,820)

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The change in net deferred income taxes is composed of the following (this analysis is exclusive of nonadmitted DTAs as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the statutory statements of changes in surplus):

<i>(in thousands)</i>	(1) 12/31/2025	(2) 12/31/2024	(3) (Col 1 - 2) Change
Total deferred tax assets	\$ 229,540	\$ 242,834	\$ (13,294)
Total deferred tax liabilities	24,460	58,787	(34,327)
Net deferred tax assets/liabilities	<u>\$ 205,080</u>	<u>\$ 184,047</u>	21,033
Tax effect of unrealized gains/(losses)			(6,199)
Change in net deferred income tax [(expense)/benefit]			<u>\$ 14,834</u>

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows (in thousands):

Description	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 308,002	\$ 64,680	21.00 %
Tax-exempt interest	(31,153)	(6,542)	(2.12)
Taxes on reinsurance	(14,696)	(3,086)	(1.00)
Effect of true-ups from tax return filings	(80)	(17)	(0.01)
Other	(1,076)	(226)	(0.07)
Total	<u>\$ 260,997</u>	<u>\$ 54,809</u>	<u>17.80 %</u>
Federal income taxes incurred expense/(benefit)	\$	69,643	22.61 %
Change in net deferred income tax charge/(benefit)		(14,834)	(4.81)
Total statutory income taxes		<u>\$ 54,809</u>	<u>17.80 %</u>

There is \$85.8 million and \$80.0 million income tax expense for 2025 and 2024, respectively, that is available for recoupment in the event of future net losses.

The Company did not have any protective tax deposits admitted under Internal Revenue Code §6603.

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

The Company does not have any Repatriation Transition Tax owed under the Tax Cut and Jobs Act.

The Company's federal income tax return is consolidated with the following entities:

Assured Guaranty US Holdings Inc.	FSA Portfolio Management Inc.
AG Financial Products Inc.	Transaction Services Corporation
Assured Guaranty Municipal Holdings Inc.	AG US Group Services Inc.

Each company, as a member of the respective consolidated tax return group, pays its proportionate share of the consolidated tax burden for its group as if each company filed on a separate return basis. Current credit for net separate company losses used in consolidation is reimbursed by the parent as the separate company earns income to utilize such losses on a separate company basis.

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At December 31, 2025, the Company had \$1.4 billion in NOL carry-forwards, of which \$1.3 billion is subject to limitation under §382 of the Internal Revenue Code due to the ownership change that occurred in 2016. The NOL will begin to expire in 2029.

Origination Year	Remaining NOL	Expiration Date
<i>(in thousands)</i>		
2009	\$ 948,142	2029
2010	209,497	2030
2013	66,674	2033
2014	132,303	2034
Remaining NOL before Limitation	1,356,616	
IRS §382 Limitation	1,265,771	
Remaining NOL after Limitation	<u>\$ 90,845</u>	

8. Capital, Surplus and Dividend Restrictions

AG is a Maryland domiciled insurance company. Under Maryland's insurance law, AG may, with prior notice to the Commissioner of its domiciliary regulator, the MIA, pay an ordinary dividend in an amount that, together with all dividends and distributions paid in the prior 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the prior December 31) or 100% of its adjusted net investment income during that period. "Adjusted net investment income" means the sum of (x) AG's net investment income during the 12-month period ending December 31 of the preceding year (excluding realized capital gains and pro rata distributions of its own securities), and (y) AG's net investment income (excluding realized capital gains) from the three calendar years prior to the preceding calendar year that has not already been paid out as dividends. The maximum amount available during 2025 for AG to distribute as ordinary dividends was approximately \$287 million. Such payments would have been payable in the second half of 2025 because AG's ordinary dividends were concentrated in the second half of 2024 following the August 1, 2024 merger of AGM with and into AG (see Note 10, Related Party Transactions). However, in order to enable AG to make payments over the course of the year, AG put in place for 2025 a quarterly process with the MIA, pursuant to which AG confirmed that the MIA did not object to AG dividending \$71.8 million (i.e., 25%) of the \$287 million amount in each calendar quarter of 2025. Pursuant to this process, AG obtained the MIA's non-objection to pay and paid a \$71.8 million dividend on each of March 6, 2025, May 19, 2025, August 18, 2025 and November 17, 2025.

AG declared and paid dividends of \$287.0 million and \$399.6 million in 2025 and 2024, respectively. The 2024 dividends were ordinary and did not require regulatory approval. The 2025 dividends, although equal to the maximum amount available for distribution as ordinary dividends in 2025, were non-ordinary due to the quarterly payment process with the MIA described above. The maximum amount available during 2026 for AG to distribute as ordinary dividends, after giving effect to dividends paid in the prior twelve months, is approximately \$244.7 million, of which \$29.4 million was distributed on March 11, 2026.

Under the Maryland insurance law, the Company is required at all times to maintain minimum paid-in capital stock of \$500 thousand and a minimum surplus of \$500 thousand.

Redemption of Common Stock by AGM

On May 9, 2024, AGM received approval from the New York State Department of Financial Services ("NYSDFS") to redeem shares of its common stock held by its parent company for a total amount of approximately \$100 million. Pursuant to such NYSDFS approval, on May 13, 2024,

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AGM redeemed from AGMH 41 shares of its common stock, transferring approximately \$100 million in cash to AGMH.

Redemption of Common Stock by AG in 2024

In connection with the Merger of AGM into AG (as described in Note 10, Related Party Transactions), the MIA approved, and on August 5, 2024, AG implemented, the redemption of 3,951 of AG's shares of common stock from AGMH in exchange for approximately \$300 million in cash and alternative investments. The par value of the remaining 5,810 shares of AG's authorized, issued and outstanding common stock increased to \$2,581.84 per share so as to maintain the value of AG's common capital stock at \$15,000,480, as is required under the laws of various states for the Company to be licensed as a financial guaranty insurer.

Redemption of Common Stock by AG in 2025

In July 2025, the MIA approved, and on August 27, 2025, AG implemented, the redemption of 3,253 of AG's shares of its common stock from AGMH in exchange for \$213 million in cash and \$37 million in alternative investments. The par value of the remaining 2,557 shares of AG's authorized, issued and outstanding common stock increased to \$5,866.44 per share so as to maintain the value of AG's common capital stock at \$15,000,480, as is required under the laws of various states for the Company to be licensed as a financial guaranty insurer.

Release of Contingency Reserves

From time to time, the Company has obtained approval or non-objection from its domiciliary insurance department to release contingency reserves based on losses or because the accumulated contingency reserves are deemed excessive in relation to the insurer's outstanding insured obligations. The Company did not undertake any such releases in 2025 or 2024.

Unrealized Gains and Losses in Surplus

The portion of unassigned funds (surplus) represented by cumulative unrealized gains is \$410.9 million.

9. Reinsurance

Ratings Impact on Assumed and Ceded Business

The Company assumes exposure ("Assumed Business") and may cede portions of exposure it has insured ("Ceded Business") in exchange for premiums, net of ceding commissions. The Company historically entered into ceded reinsurance contracts in order to obtain greater business diversification and reduce the net potential loss from large risks.

The Company assumes business from affiliated (see Note 10, Related Party Transactions, for more information) and non-affiliated companies, including other monoline financial guaranty companies that currently are in runoff and no longer actively writing new business ("Legacy Monoline Insurers"). The Company, if required, secures its reinsurance obligations to these Legacy Monoline Insurers, typically by depositing in trust assets with a market value equal to its assumed liabilities calculated on a U.S. statutory basis. The Company currently secures its reinsurance obligations to

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AGUK by pledging collateral generally equal to 102% of the sum of AG's assumed liabilities from AGUK.

As of December 31, 2025, the majority of the Company's Assumed Business from Legacy Monoline Insurers consists of business that AG assumed in the Syncora Guaranty Inc. ("SGI") transaction effective as of June 1, 2018, pursuant to which AG (among other things) assumed, generally on a 100% quota share basis, substantially all of SGI's insured portfolio. The reinsured portfolio consists predominantly of public finance and infrastructure obligations that met Assured Guaranty's new business underwriting criteria at the inception of the transaction.

The Company's facultative and treaty agreements are generally subject to termination at the option of the ceding company:

- if the Company fails to meet certain financial and regulatory criteria,
- if the Company fails to maintain a specified minimum financial strength rating, or
- upon certain changes of control of the Company.

Upon termination due to one of the above events, the Company typically would be required to return to the ceding company unearned premiums (net of ceding commissions) and loss reserves, calculated by the ceding company in accordance with the accounting rules governing it, attributable to the assumed business (plus, in certain cases, an additional required amount), after which the Company would be released from liability with respect to such business.

As of December 31, 2025, if each non-affiliated and affiliated company ceding business to AG had a right to recapture such business, and chose to exercise such right, the aggregate amount that AG could be required to pay to all non-affiliated and affiliated companies would be approximately \$365 million.

The Company has ceded financial guaranty business to affiliated and non-affiliated companies to limit its exposure to risk. The Company remains primarily liable for all risks it directly underwrites and is required to pay all gross claims. It then seeks reimbursement from the reinsurer for its proportionate share of claims. The Company may be exposed to risk for this exposure if it were required to pay the gross claims and not be able to collect ceded claims from an assuming company experiencing financial distress. The Company's ceded contracts generally allow the Company to recapture ceded financial guaranty business after certain triggering events, such as reinsurer downgrades.

In the event that any or all of the reinsuring companies are unable to meet their obligations, or contest such obligations, the Company may be unable to recover amounts due. In accordance with U.S. statutory accounting requirements and U.S. insurance laws and regulations, in order for the Company to receive credit for liabilities ceded to reinsurers domiciled outside of the U.S., such reinsurers must secure their liabilities to the Company in an amount equal to their U.S. statutory unearned premium, reserves for losses and LAE and contingency reserves associated with the ceded business. The Company requires collateral from reinsurers primarily to (a) receive statutory credit for the reinsurance, (b) provide liquidity to the Company in the event of claims on the reinsured exposures, and (c) enhance rating agency credit for the reinsurance. The amount of

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collateral pledged by the reinsuring companies at December 31, 2025 was \$519.7 million, consisting primarily of trust accounts.

Amounts of ceded and assumed business were as follows:

Summary of Reinsurance

<i>(in thousands)</i>	At December 31, 2025			At December 31, 2024		
	Affiliated	Unaffiliated	Total	Affiliated	Unaffiliated	Total
Unearned premium reserve ceded	\$ 490,984	\$ 3,250	\$ 494,234	\$ 463,492	\$ 3,222	\$ 466,714
Unearned premium reserve assumed	342,417	129,974	472,391	323,164	139,681	462,845
Premium balances in course of collection, net						
Ceded payable	8,082	4	8,086	14,775	—	14,775
Assumed receivable	6,466	1,603	8,069	12,693	1,684	14,377
Loss and LAE reserve (benefit) ceded	(6,482)	(2,100)	(8,582)	4,545	(860)	3,685
Loss and LAE reserve assumed	57,205	78,169	135,374	20,541	81,183	101,724
Ceded funds held liability	190	—	190	10,192	—	10,192
Assumed funds held asset	—	—	—	—	—	—
Par outstanding ceded	58,562,705	57,559	58,620,264	54,367,431	58,103	54,425,534
Par outstanding assumed	19,806,747	6,626,647	26,433,394	18,622,876	7,618,902	26,241,778
	Year Ended December 31, 2025			Year Ended December 31, 2024		
Premiums written ceded	\$ 97,657	\$ 68	\$ 97,725	\$ 71,042	\$ —	\$ 71,042
Premiums written assumed	34,181	5,776	39,957	28,420	6,132	34,552
Premiums earned ceded	75,767	41	75,808	77,565	18	77,583
Premiums earned assumed	38,794	17,003	55,797	39,786	15,749	55,535
Ceding commission income	35,748	36	35,784	26,906	36	26,942
Assumed commission expense	9,701	43	9,744	8,008	52	8,060
Losses and LAE (benefit) incurred ceded	(1,254)	575	(679)	(12,043)	91	(11,952)
Losses and LAE incurred assumed	16,508	336	16,844	13,381	5,811	19,192

Commutations

In 2025, the Company recognized commutation losses of \$3.1 million related to the commutation of business previously assumed from AGUK and \$0.4 million related to the commutation of business previously ceded to Assured Guaranty Re Ltd.

Return Commission

In addition to recovering unearned premium reserves, the maximum amount of return commission which would have been due to reinsurers if all ceded reinsurance were canceled was \$151.8 million and \$144.2 million as of December 31, 2025 and 2024, respectively.

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In addition to the return of the unearned premium reserves, the maximum amount of return commission which would have been due to the Company if all assumed reinsurance were canceled was \$103.4 million and \$98.0 million as of December 31, 2025 and 2024, respectively.

10. Related Party Transactions

The Company made dividend payments of \$287 million in 2025 to its parent.

Share Redemptions

In 2024 and 2025, AG executed multiple share redemptions of its common stock with its Parent. See Note 8, Capital, Surplus and Dividend Restrictions.

Investment in the European Insurance Subsidiaries

As of December 31, 2025, the admitted value for the European Insurance Subsidiaries was \$806.8 million and is recorded in stocks. See Note 6, Investments — Investments in the European Insurance Subsidiaries.

Investment in AGAS

As of December 31, 2025, the admitted value for AGAS was \$1.1 billion and is recorded in other invested assets.

Promissory Note

On October 1, 2019, AG made a 10-year, 3.5% interest rate inter-company loan to AGUS totaling \$250 million, recorded as loans receivable from affiliate. AGUS repaid \$50 million of principal in 2025. As of December 31, 2025, \$200 million remained outstanding. AG recognized \$8.3 million and \$8.8 million in interest income on this note in 2025 and 2024, respectively.

Sound Point

The Company is a subsidiary of AGL. Beginning July 1, 2023, Assured Guaranty participates in the asset management business through its ownership interest in Sound Point Capital Management, LP ("Sound Point, LP") and certain of its investment management affiliates (together with Sound Point, LP, "Sound Point"). On July 1, 2023, Assured Guaranty contributed to Sound Point, LP most of its asset management business, other than that conducted by Assured Healthcare Partners LLC, as contemplated by the transaction agreement entered into with Sound Point on April 5, 2023 ("Transaction Agreement"). Assured Guaranty received, subject to certain potential post-closing adjustments, approximately 30% of the common interests in Sound Point, LP, and certain other interests in Sound Point.

In addition, pursuant to a letter agreement effective July 1, 2023 ("Letter Agreement"), AG engaged Sound Point to be its sole alternative credit manager and transitioned to Sound Point the management of certain existing alternative investments and related commitments. Under the Letter Agreement, AG, including through its investment subsidiary, AG Asset Strategies LLC ("AGAS"),

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agreed, subject to the terms and conditions of the Letter Agreement, to invest in funds, other vehicles and separately managed accounts managed by Sound Point. When aggregated with the alternative investments and commitments transitioned from the Company and any reinvestments (collectively, “Sound Point Investments”), together with investments made by other Assured Guaranty affiliates, the total amount of such investments is expected to be \$1 billion. AG has invested with Sound Point across multiple strategies in order to seek to enhance investment returns and anticipates continuing to invest with Sound Point pursuant to the Letter Agreement. The Letter Agreement contemplates a long-term investment partnership between Sound Point and Assured Guaranty, whereby AG has agreed to reinvest all returns of capital from Sound Point Investments until July 1, 2038, at which point the Letter Agreement may be terminated without cause. In addition, AG agreed to reinvest all gains and dividends from Sound Point Investments until July 1, 2025, and fifty percent of such gains and dividends thereafter until July 1, 2033. Beginning July 1, 2028, AG may elect to reduce the amounts invested or required to be reinvested in certain Sound Point Investments under the Letter Agreement, subject to corresponding adjustments of Assured Guaranty’s portion of its ownership interest in Sound Point. To the extent not required to be reinvested by the Letter Agreement, all proceeds from Sound Point Investments received in accordance with their operative investment documents can be distributed to AG.

The Company is using Sound Point’s investment knowledge and experience to expand the categories and types of its alternative investments by: (a) allocating \$1 billion of capital in Sound Point managed funds, other vehicles and separately managed accounts; (b) redeploying return of capital, gains and dividends from Sound Point managed funds, other vehicles and separately managed accounts in future Sound Point managed funds, other vehicles and separately managed accounts; and (c) having Sound Point serve as AG’s sole alternative credit manager. This expansion of categories and types of investments, allocations to Sound Point and exclusivity arrangement with Sound Point may increase the credit, interest rate and liquidity risk in the Company’s investments and expose the Company to reputational or other risks.

Assured Guaranty’s investments in Sound Point and in Sound Point managed funds, other vehicles and separately managed accounts are subject to the risks of Sound Point’s business.

- Sound Point’s business operates in highly competitive markets. Sound Point competes with many other firms in every aspect of the asset management industry, including raising funds, seeking investments and hiring and retaining professionals. Sound Point’s ability to increase and retain assets under management (“AUM”) is directly related to the performance of the assets it manages as measured against market averages and the performance of its competitors. Some of Sound Point’s competitors may have a lower cost of funds and access to funding and other resources that are not available to Sound Point. In addition, some of Sound Point’s competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than Sound Point does. Furthermore, Sound Point may lose investment opportunities if it does not match its competitors’ pricing, terms and structure. The loss of such investment opportunities may limit Sound Point’s ability to grow or cause it to have to shrink the size of its AUM, which could decrease its earnings. If Sound Point matches its competitors’ pricing, terms and structure, it may experience decreased earnings and increased risk of investment losses.
- Sound Point is dependent on certain key personnel, including Sound Point’s Managing Partner and Chief Investment Officer, and its future success depends on their continued

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service. The departure of any of Sound Point's key personnel for any reason could have a material adverse effect on Sound Point's business, financial condition or results of operations and, consequently, AG's investments in Sound Point funds, other vehicles and separately managed accounts.

- The asset management business is also subject to legal, regulatory, compliance, accounting, valuation and political risks that differ from those that may affect the Company's insurance business. Sound Point operates in a highly regulated industry and, as a registered investment adviser, is subject to the provisions of the Investment Advisers Act of 1940, as amended. Sound Point is, from time to time, subject to formal and informal examinations, investigations, inquiries, audits and reviews from numerous regulatory authorities both in response to issues and questions raised in such examinations or investigations and in connection with the changing priorities of the applicable regulatory authorities across the market in general. Because the Company does not control the business, management or policies of Sound Point, it relies upon Sound Point to make appropriate decisions and operate in a manner consistent with applicable rules and regulations. In turn, Sound Point may rely on third party service providers such as custodians and fund administrators whom they do not control to comply with applicable rules and regulations. Failure of Sound Point or its service providers to comply with applicable rules and regulations could have a material adverse effect on the value of the Company's ownership interest in Sound Point and/or its investments in Sound Point funds, other vehicles and separately managed accounts.
- AG's indirect parent company, AGL, will be reliant on Sound Point to provide accurate and timely financial reporting that will allow AGL to timely prepare its own financial statements in accordance with GAAP and in compliance with U.S. Securities and Exchange Commission ("SEC") regulations and New York Stock Exchange listing rules. While Sound Point and its related parties have agreed to provide AGL with the financial information necessary to complete and file its periodic SEC reports on a timely basis, any failure by Sound Point or its related parties to provide AGL with accurate and timely financial information could result in a delay in AGL's timely reporting of its results of operations or it not filing one or more periodic reports with the SEC on time or inaccuracies in its financial statements.

AG Financial Products Inc. (AGFP) Guaranties

The Company has issued financial guaranty insurance policies guaranteeing the obligations of its affiliate, AGFP, to various third-party beneficiaries under credit default swap ("CDS") agreements. Pursuant to its financial guaranty insurance policy, the Company is obligated to pay the beneficiary named in the policy, upon receipt of a claim as contemplated thereby, amounts that become due for payment by AGFP in the event of a payment default by AGFP under the applicable CDS agreement. The Company may have a payment obligation to the beneficiary so long as there are outstanding transactions between AGFP and the beneficiary under the International Swaps and Derivatives Association ("ISDA") master agreement entered into by the parties. Pursuant to its financial guaranty insurance policy, the Company is fully subrogated to the rights of the beneficiary to the extent of payment by the Company under such policy. The financial guaranty insurance policies are non-cancelable for any reason, including by reason of non-payment of premium.

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In consideration of the issuance of the financial guaranty insurance policy, AGFP agrees to pay the Company premium pursuant to a premium agreement. Pursuant to the premium agreement, AGFP also agrees to pay the fees and expenses of the Company in connection with the issuance of the financial guaranty insurance policy and the performance of its obligations under such policy. Under such premium agreement, the Company is fully subrogated to AGFP's rights (including its right to receive payments) under the underlying agreement to the extent that the Company makes payments pursuant to the financial guaranty insurance policy.

Reinsurance Transactions

The amounts included in the financial statements resulting from reinsurance transactions with affiliates are shown in the Summary of Reinsurance table in Note 9, Reinsurance.

Support of the European Insurance Subsidiaries

AG provides support to its affiliates, AGUK and AGE, through reinsurance and other agreements.

AG Support of AGUK

AG and AGUK have in place a co-guarantee structure pursuant to which each of AG and AGUK directly guarantees a share of certain issued obligations ("Co-Guarantee Structure"). Under the current Co-Guarantee Structure in effect since January 1, 2026: (i) AGUK directly guarantees 50% of the obligations issued in a particular transaction, subject to a guaranteed original principal amount limit of £100 million per transaction; (ii) AG directly guarantees 50% of the issued obligations, plus any principal amounts in excess of the foregoing AGUK limit; and (iii) AG also provides a second-to-pay guarantee for AGUK's guaranteed portion of the obligations. For the 12-month period ending December 31, 2025, the Co-Guarantee Structure split was 15% AGUK and 85% AG. The Co-Guarantee Structure has been in place since 2011 for public finance business and since 2021 for non-public finance business.

Separate and apart from the Co-Guarantee Structure, AG provides support to AGUK through a quota share and excess of loss reinsurance agreement ("Reinsurance Agreement") and a net worth maintenance agreement ("Net Worth Agreement").

Under the quota share cover of the Reinsurance Agreement, AG reinsures varying proportional shares of most of the outstanding financial guaranties that AGUK wrote prior to the initial implementation of the Co-Guarantee Structure in 2011. The quota share cover of the Reinsurance Agreement also obligates AG to reinsure 85% of new business written by AGUK where the Co-Guarantee Structure cannot be utilized; currently, there is no such outstanding business at AGUK. Under the excess of loss cover of the Reinsurance Agreement, AG is obligated to pay AGUK quarterly the amount (if any) necessary to ensure that AGUK's incurred and paid losses and LAE as of the quarter end do not cause AGUK's capital resources to fall below 110% of the greatest amount of capital that AGUK may be required to maintain as a condition to carrying on a financial guarantee business in the U.K. AG secures its quota share reinsurance obligations to AGUK under the Reinsurance Agreement by pledging collateral generally equal to 102% of the sum of AG's assumed liabilities from AGUK.

Under the Net Worth Agreement, AG is obligated to make capital contributions to AGUK in amounts sufficient to ensure that AGUK maintains capital resources equal to 110% of the greatest

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amount of capital that AGUK may be required to maintain as a condition to carrying on financial guarantee business in the U.K., subject to limitations on the amounts of individual and aggregate contributions AG can make under the agreement without approval (or non-disapproval) of the MIA. The Net Worth Agreement obligates AG to provide AGUK with support similar to that which AG also provides AGUK under the excess of loss cover of the Reinsurance Agreement, except the latter is meant to protect against erosion of AGUK's capital resources due to insurance and/or reinsurance losses in AGUK's insured portfolio, while the former is meant to protect against an erosion of AGUK's capital resources for other reasons (e.g., poor investment performance or origination expenses exceeding premium). AG has never been required to make any capital contributions to AGUK under the current Net Worth Agreement; however, AG may elect to make, from time to time and subject to MIA approval or non-disapproval, capital contributions to AGUK not required by the Net Worth Agreement.

AG Support of AGE

AGE has in place similar reinsurance and capital support agreements as are in place with AGUK.

AG's reinsurance agreements with AGE generally apply to all AGE policies that insure business in European Economic Area ("EEA") jurisdictions. These agreements consist of: (i) a quota share reinsurance agreement pursuant to which AG provides AGE with 90% proportional reinsurance for new business written by AGE since its authorization in January 2020; (ii) a second quota share reinsurance agreement pursuant to which AG reinsures approximately 70-100% of certain pre-2020 business transferred to AGE by AGUK; and (iii) an excess of loss reinsurance agreement, similar to the excess of loss cover of AG's Reinsurance Agreement with AGUK, pursuant to which AG is obligated to pay AGE quarterly the amount (if any) necessary to ensure that AGE's incurred and paid losses and LAE as of the quarter end do not cause AGE's capital resources to fall below 110% of the greatest amount of capital that AGE may be required to maintain as a condition to carrying on a financial guarantee business in France. AG secures its quota share reinsurance obligations to AGE under the agreements described above by pledging collateral generally equal to 102% of AG's assumed liabilities from AGE.

AG also has in place with AGE a net worth maintenance agreement that is similar to AG's Net Worth Agreement with AGUK that obligates AG to ensure that AGE maintains capital resources at least equal to 110% of its greatest capital requirement for carrying on a financial guarantee business in France, subject to limitations on the amount of individual and aggregate contributions that AG can make under the agreement without MIA approval or non-disapproval. AG may elect to make, from time to time and subject to MIA approval or non-disapproval, capital contributions to AGE not required by the net worth maintenance agreement.

Cessions to AG Re

AG also routinely cedes a proportionate share of new business to AG Re under a whole account quota share agreement effective January 1, 2007, amended as of October 1, 2010. The proportionate share cessions to AG Re generally range from 15% to 35%.

Expense Sharing Agreements

The Company and various of its affiliates are parties to the Third Amended and Restated Service Agreement, effective as January 1, 2020 (as amended, the "Group Service Agreement"). The

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Company's affiliate, AG US Group Services Inc. ("AG Services"), a Delaware corporation, acts as the payroll company and employer for all U.S. personnel, and the central, dedicated service provider within the Assured Guaranty group. Under the Group Service Agreement, AG Services' employees make available to the group's Bermuda, U.S. and U.K. affiliates, as applicable, equipment, insurance, reinsurance and other services, including actuarial, marketing, underwriting, claims handling, surveillance, legal, corporate secretarial, information technology, human resources, accounting, tax, financial reporting and investment planning services. In addition, under the Group Service Agreement the Company makes available to its affiliates the use of certain equipment and office space leased by it. Expenses under the Group Service Agreement are allocated directly where appropriate and, where not appropriate, based upon an allocation of employee time and corresponding office overhead. The agreement provides for pre-funding by affiliates who are the largest consumers of group services and inter-company allocation of expenses. The agreement also provides for quarterly settlements and an express right of offset with regard to amounts owing between parties under the Group Service Agreement and other agreements between such parties.

Under the Group Service Agreement, the total expenses allocated to the Company by AG Services were \$190.5 million and \$180.2 million in 2025 and 2024, respectively

AG and Assured Guaranty Finance Overseas Ltd. ("AGFOL") are parties to an arranging agreement pursuant to which AGFOL introduces business to AG so that AG may consider whether it would provide a financial guarantee for a proposed transaction together with AGUK under their Co-Guarantee Structure. The arranging agreement provides for the payment of fees by AG to AGFOL on a cost basis, except with respect to the U.K. office rent and overhead, which is on a cost-plus basis. The total expenses allocated to the Company by AGFOL were \$10.8 million and \$8.3 million in 2025 and 2024, respectively.

AGM Merger

On August 1, 2024, Assured Guaranty executed the Merger. Prior to the Merger, AGUS contributed AG to AGMH. Immediately following the Merger, AG became the direct parent of AGUK, and AG became the direct 99.9999% parent of AGE. AGMH holds the remaining 0.0001% of AGE.

The Merger added \$160.7 billion of net par insured on August 1, 2024.

The Merger was accounted for as a statutory merger pursuant to SSAP No. 68, Business Combinations and Goodwill. In accordance with the NAIC Annual Statement instructions, the prior year results were restated to reflect the Merger as if the Merger had occurred as of January 1, 2023.

After the merger, the Company's total admitted assets, liabilities and policyholders' surplus at December 31, 2023 increased by \$5,103,488,904, \$2,757,244,404 and \$2,346,244,500, respectively.

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The pre-merger separate company balances for the year ended December 31, 2023 were as follows:

	AG	AGM	Eliminations and adjustments	Restated Balance
Revenue	\$ 143,483,002	\$ 450,972,207	\$ 46,435	\$ 594,501,644
Net income	79,418,713	209,272,156	—	288,690,869
Other surplus adjustments	(344,923,299)	(309,556,176)	(12,276,115)	(666,755,590)
Admitted assets	\$ 2,393,783,298	\$ 5,438,772,330	\$ (335,283,426)	\$ 7,497,272,202
Liabilities	743,209,999	2,792,527,830	(35,283,426)	3,500,454,403
Policyholders' surplus	1,650,573,299	2,646,244,500	(300,000,000)	3,996,817,799

The impact of the Merger as compared to the previously reported June 30, 2024, net income and policyholders' surplus is shown in the table below:

	First Six Months 2024 (1)	Last Six Months 2024	Full Year Before Restatement	Statutory Merger Restatement Adjustments	Full Year Adjusted for Merger
Premiums earned	\$ 24,628,615	\$ 131,216,868	\$ 155,845,483	\$ 105,714,733	\$ 261,560,216
Losses incurred	18,215,339	53,083,706	71,299,045	26,117,076	97,416,121
Loss adjustment expenses	(1,962,491)	(8,472,332)	(10,434,823)	(5,251,092)	(15,685,915)
Other underwriting expenses	(37,937,281)	(110,483,263)	(148,420,544)	(78,016,835)	(226,437,379)
Aggregate write-ins for u/w ded	190,738	—	190,738	—	190,738
Net investment income	54,560,265	132,369,938	186,930,203	100,111,412	287,041,615
Net realized capital gains (losses)	(589,438)	18,534,106	17,944,668	(482,520)	17,462,148
Other income	2,786,371	10,101,117	12,887,488	928,598	13,816,086
Pretax income	59,892,118	226,350,140	286,242,258	149,121,372	435,363,630
Federal and foreign income taxes	(6,968,627)	(38,112,803)	(45,081,430)	(35,442,956)	(80,524,386)
Net income	<u>\$ 52,923,491</u>	<u>\$ 188,237,337</u>	<u>\$ 241,160,828</u>	<u>\$ 113,678,416</u>	<u>\$ 354,839,244</u>

(1) As reported in AG June 30, 2024, Quarterly Statement

As a result of the Merger, the \$300 million surplus note issued by AGM to AG was eliminated.

11. Commitments and Contingencies

Unfunded Commitments

The Company has unfunded commitments of \$55 million as of December 31, 2025, related to certain of the Company's other invested assets.

Leases

The Company is party to various non-cancelable lease agreements accounted for as operating leases. The largest lease relates to approximately 155,500 square feet of office space in New York City, which expires in 2032. Subject to certain conditions, the Company has an option to renew a portion of this leased space for an additional five years at a fair market rent. In addition, AG leases additional office space in San Francisco under a non-cancelable operating lease which expires in 2026. Rental expense, calculated based on allocations under the Group Service Agreement (see note 10, Related Party Transactions), was \$6.7 million and \$6.3 million for the years ended December 31, 2025 and 2024, respectively.

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Future minimum rental payments (before allocations for affiliates with which AG shares the office space) are as follows (in thousands):

Year Ended December 31,	
2026	\$ 11,370
2027	11,543
2028	12,226
2029	12,399
2030	12,413
Thereafter	17,262
Total	\$ 77,213

Contingencies

Legal Proceedings

Lawsuits arise in the ordinary course of the Company's business. It is the opinion of the Company's management, based upon the information available, that the expected outcome of litigation against the Company, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, although an adverse resolution of litigation against the Company in a fiscal quarter or year could have a material adverse effect on the Company's results of operations or liquidity in that particular quarter or year.

In addition, in the ordinary course of its business, the Company is involved in litigation with third parties to recover insurance losses paid in prior periods or prevent or reduce losses in the future. For example, the Company is involved in a number of legal actions in the U.S. District Court of the District of Puerto Rico ("Federal District Court of Puerto Rico") to enforce or defend its rights with respect to the obligations of PREPA it insures. There are two recently active proceedings related to PREPA, while there are a number of other unresolved proceedings related to PREPA that remain stayed pending the Federal District Court of Puerto Rico's determination on a plan of adjustment and disclosure statement. The impact, if any, of these and other proceedings on the amount of recoveries the Company receives and losses it pays in the future is uncertain, and the impact of any one or more of these proceedings during any quarter or year could be material to the Company's results of operations in that particular quarter or year.

The Company also receives subpoenas and interrogatories from regulators from time to time.

Litigation

On November 28, 2011, Lehman Brothers International (Europe) (in administration) ("LBIE") sued AGFP, an affiliate of AG, which, in the past, had provided credit protection to counterparties under CDS. Following defaults by LBIE under transaction documents governing CDS between LBIE and AGFP, AGFP terminated the CDS in compliance with the transaction documents and properly calculated that LBIE owed AGFP approximately \$25 million in connection with the termination, whereas LBIE asserted in its complaint filed in the Supreme Court of the State of New York (the "Court") that AGFP owed LBIE a termination payment of approximately \$1.4 billion. Following a

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bench trial, on March 8, 2023, the Court rendered its decision and found in favor of AGFP. Following the exhaustion of LBIE's appeals, the Company recognized a gain in the first quarter of 2025 of approximately \$87 million (net of ceded reinsurance), which represents the full satisfaction of the judgment AGFP was awarded and AGFP's claims for attorneys' fees, expenses and interest in connection with this litigation. Of this amount, \$53 million was recognized as an LAE benefit, \$32 million was recognized as premiums earned, and \$2 million was recognized as ceding commission income.

Puerto Rico Litigation

Currently, there are numerous legal actions relating to defaults by PREPA on debt service payments, and related matters, and the Company is a party to a number of them. The Company has taken legal action, and may take additional legal action in the future, to enforce its rights with respect to the remaining Commonwealth obligations it still insures. In addition, the Commonwealth, the Financial Oversight and Management Board ("FOMB") established under the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), and others have taken legal action naming the Company as a party.

Certain legal actions involving the Company and relating to defaults by the Commonwealth and its authorities and public corporations were resolved in 2022. The remaining proceedings relate to PREPA's default, including two recently active proceedings and a number of proceedings that remain stayed pending the Federal District Court of Puerto Rico's determination on a plan of adjustment and disclosure statement, as described below.

PREPA – Recently Active Proceedings

PREPA Litigation Stay and Motion for Relief from the Litigation Stay. In July 2024, the Federal District Court of Puerto Rico entered a global stay of all PREPA-related litigation in the District Court. In February 2025, the Company and certain other PREPA bondholders moved for relief from that litigation stay. In March 2025, the Federal District Court of Puerto Rico granted relief from the litigation stay to permit discrete PREPA-related litigation to go forward.

Bondholders' Administrative Expense Claim. The Federal District Court of Puerto Rico permitted bondholders to file a motion asserting that they are entitled to compensation in the form of an administrative expense priority claim for PREPA's consumption of net revenues during the pendency of the Title III case. The bondholders filed their administrative expense motion in April 2025. If the bondholders ultimately succeed in establishing an entitlement to an administrative expense priority claim, PREPA would be required under the U.S. Bankruptcy Code to pay such claim in full in cash prior to exiting bankruptcy. On March 16, 2026, the Federal District Court of Puerto Rico denied the bondholders' administrative expense claim motion purely on legal grounds. The bondholders appealed the decision, and such appeals are currently pending before the U.S. Court of Appeals for the First Circuit ("First Circuit") with briefing to occur over the next few months.

Reinstated Accounting Counterclaim. On March 30, 2026, the Company and certain other bondholders sought relief from the Federal District Court of Puerto Rico's litigation stay with respect to their counterclaim for an equitable accounting cause of action to recover net revenues that had been wrongfully diverted from debt service since the beginning of the Title III case, as well as to seek adequate protection in respect of their collateral and resolve other key issues with the

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Federal District Court of Puerto Rico. On April 13, 2026, the Federal District Court of Puerto Rico issued an order partially lifting the litigation stay to permit the bondholders equitable accounting counterclaim and related discovery. At the request of the Federal District Court of Puerto Rico, the parties submitted a report and discovery plan on April 18, 2026, which included competing proposals and schedules for litigating the equitable accounting counterclaim, including the scope and timing of relevant discovery. On May 20, 2026, the Federal District Court of Puerto Rico denied the bondholders' April 13, 2026 motion to seek adequate protection in respect of their collateral and other relief, but allowed the bondholders to continue to pursue the equitable accounting counterclaim previously allowed.

Composition of the Financial Oversight and Management Board for Puerto Rico

In August 2025, the FOMB announced that the U.S. administration terminated six of its seven board members. On September 18, 2025, three of the terminated board members sued the U.S. administration for reinstatement, alleging that they had been unlawfully terminated without cause and that their offices are a form of property protected by due process. On October 3, 2025, the Federal District Court of Puerto Rico granted the plaintiffs' request for a preliminary injunction and enjoined the terminations. On December 2, 2025, the U.S. administration filed a notice of appeal of the preliminary injunction to the First Circuit. Subsequently, the U.S. administration requested a stay of the litigation pending the U.S. Supreme Court's decision in *Trump v. Cook*, a case involving related questions of the powers of the U.S. President to terminate a member of the Federal Reserve Board of Governors; the requested stay was unopposed and granted on December 30, 2025. Oral arguments in the *Trump v. Cook* case were heard on January 21, 2026, with a decision expected to follow by the end of the U.S. Supreme Court's current term in late June or early July, 2026.

Mediation

After the Commonwealth of Puerto Rico purported to unilaterally terminate a 2019 restructuring support agreement for PREPA's bonds in March 2022, the Federal District Court of Puerto Rico ordered the parties into mediation and appointed the Honorable Shelley C. Chapman as lead mediator. After the First Circuit issued its decision in the lien and estimation appeal, the Federal District Court of Puerto Rico ordered the FOMB and bondholders to resume mediation, subsequently extending mediation several times. The Federal District Court of Puerto Rico most recently extended the mediation through October 31, 2026.

Plan of Adjustment, Disclosure Statement and Related Stayed Proceedings

As directed by the Federal District Court of Puerto Rico, the FOMB filed on March 28, 2025, its Fifth Amended Title III Plan of Adjustment and related Disclosure Statement for informational purposes of the parties. The Plan of Adjustment remains before the Federal District Court of Puerto Rico with no schedule for any confirmation proceedings in anticipation that a revised Plan will be submitted.

The following proceedings involving the Company and relating to the default by PREPA remain stayed in the Federal District Court of Puerto Rico pending its ultimate determination on a plan of adjustment and disclosure statement:

- The Company's motion to dismiss PREPA's Title III Bankruptcy proceeding or, in the alternative, to lift the PROMESA automatic stay to allow for the appointment of a receiver.

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- Adversary complaint by certain unsecured lenders of PREPA against the Company, among other parties, including various PREPA bondholders and bond insurers, seeking, among other things, declarations that the unsecured lines of credit qualify as “Current Expenses” under the Trust Agreement, there is no valid lien securing the PREPA bonds unless and until such lenders are paid in full, as well as orders subordinating the PREPA bondholders’ lien and claims to such lenders’ claims, and declaring the PREPA restructuring support agreement executed in May 2019 null and void.
- Adversary complaint filed in 2023 by the official committee of unsecured creditors, PREPA’s employee union, PREPA’s retirement system, and certain other unsecured creditors, against the FOMB, PREPA, Puerto Rico Fiscal Agency and Financial Advisory Authority, and the PREPA bond trustee. The 2023 complaint seeks, among other things, declarations that plaintiffs’ claims are “Current Expenses” under the trust agreement, and an order subordinating the PREPA bondholders’ lien and claim to the plaintiffs’ claims.

For a discussion of the Company’s exposure to Puerto Rico related to the litigation described above, please see Note 5, Losses and Loss Adjustment Expenses - Selected U.S. Public Finance Transactions - Puerto Rico.

12. Committed Capital Securities (“CCS”)

AG has entered into put agreements with eight separate custodial trusts allowing it to issue an aggregate of \$400 million of non-cumulative redeemable perpetual preferred securities to the trusts in exchange for cash.

The arrangement entails eight custodial trusts (Woodbourne Capital Trust I, II, III and IV and Sutton Capital Trust I, II, III and IV), each of which issued \$50 million face amount of CCS and invested the proceeds of that issuance in eligible assets that enable the trust to have the cash necessary to respond to AG’s exercise of a put option.

The put option consists of a right that AG has, pursuant to separate put agreements that AG entered into with each of the trusts, to issue to each trust \$50 million of non-cumulative redeemable perpetual preferred stock, in exchange for an equivalent amount of cash (i.e., an aggregate of \$400 million). When AG exercises its put option, the relevant trust must liquidate the portfolio of high-quality, liquid assets that it currently maintains and use the liquidation proceeds to purchase AG preferred stock. The put agreements have no scheduled termination date or maturity, but may be terminated upon the occurrence of certain specified events. None of the events that would give rise to a termination of the put agreements have occurred.

13. Fair Values of Financial Instruments

Fair Value Hierarchy

The categorization within the fair value hierarchy is determined based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Company

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estimates of market assumptions. The fair value hierarchy prioritizes model inputs into three broad levels as follows, with Level 1 being the highest and Level 3 the lowest. An asset's or liability's categorization is based on the lowest level of significant input to its valuation.

- Level 1 – Quoted prices for identical instruments in active markets. The Company generally defines an active market as a market in which trading occurs at significant volumes. Active markets generally are more liquid and have a lower bid-ask spread than an inactive market.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and observable inputs other than quoted prices, such as interest rates or yield curves and other inputs derived from or corroborated by observable market inputs.
- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Financial instruments are considered Level 3 when their values are (i) determined using pricing models, discounted cash flow methodologies or similar techniques and (ii) at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

The following fair value hierarchy tables present information about the Company's assets measured at fair value as of December 31, 2025 and 2024.

December 31, 2025				
Type of Financial Instrument	Level 1	Level 2	Level 3	Total
(in thousands)				
Common stock - Industrial & miscellaneous	—	—	715	715
Money market mutual funds	1,127	197,277	—	198,404
Total assets	\$ 1,127	\$ 197,277	\$ 715	\$ 199,119

December 31, 2024				
Type of Financial Instrument	Level 1	Level 2	Level 3	Total
(in thousands)				
Bonds - U.S. special revenue	\$ —	\$ —	\$ 2,380	\$ 2,380
Money market mutual funds	507	213,935	—	214,442
Total assets	\$ 507	\$ 213,935	\$ 2,380	\$ 216,822

Bonds

Bonds with an NAIC designation of 1 and 2 are carried at amortized cost while bonds with an NAIC designation of 3 through 6 are carried at the lower of cost or fair value.

The fair value of bonds in the investment portfolio is generally based on prices received from third-party pricing services or alternative pricing sources with reasonable levels of price transparency. The pricing services prepare estimates of fair value using their pricing models, which take into account: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, industry and economic events and sector groupings. Additional valuation factors that can be taken into account are nominal spreads and

Assured Guaranty Inc.
Notes to Statutory Financial Statements
For the Years Ended December 31, 2025 and 2024

liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements and sector news.

In many cases, benchmark yields have proven to be more reliable indicators of the market for a security, as compared to reported trades for infrequently traded securities and distressed transactions. The extent of the use of each input is dependent on the asset class and the market conditions. The valuation of fixed-maturity investments is more subjective when markets are less liquid due to the lack of market based inputs.

Stocks

The Company's investment in stocks other than the FHLBNY are those of a third-party company and are accounted for at fair value. The Company's investment in the FHLBNY capital plan prescribes the par value of the capital stock is \$100 and all capital stock is issued, redeemed, repurchased or transferred at par value. Since there is not an observable market for the FHLBNY common stock, it has been classified as Level 3. The fair value of the FHLBNY common stock is presumed to equal par as prescribed by SSAP No. 30, Unaffiliated Common Stock.

Cash and Cash Equivalents

Cash equivalents, with the exception of money market mutual funds, are stated at amortized cost and have maturities within one year of purchase date. Money market mutual funds are accounted for at fair value, which approximates amortized cost.

Other Invested Assets

The carrying amounts reported in the statement of admitted assets, liabilities and surplus for these instruments are at amortized cost. Investments in limited partnership and limited liability company interests are carried on the equity basis, to the extent admissible.

Rollforward of Level 3 Items

For financial instruments measured at fair value and categorized within Level 3 of the fair value hierarchy, the following tables are a reconciliation from the opening balance to the closing balance during the year (in thousands):

Description:	Beginning Balance at January 1, 2025	Transfers Into Level 3	Transfers Out of Level 3	Total Gains & Losses incl in Net Income	Total Gains & Loss incl in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at December 31, 2025
Bonds - Issuer credit obligations	\$ 2,380	\$ —	\$ 2,380	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Common stock - Industrial and miscellaneous	—	—	—	—	—	715	—	—	—	715
Total assets at fair value	\$ 2,380	\$ —	\$ 2,380	\$ —	\$ —	\$ 715	\$ —	\$ —	\$ —	\$ 715

Transfers in and out of Level 3 are recognized at the end of the quarter when the Company evaluates whether securities with unobservable inputs need to be carried at fair value.

Assured Guaranty Inc.
Notes to Statutory Financial Statements
For the Years Ended December 31, 2025 and 2024

- During the year ended December 31, 2025, the Company purchased FHLB NY capital stock that was classified as Level 3.
- During the year ended December 31, 2025, one issuer credit obligation bond was transferred out of Level 3 of the fair value hierarchy and moved to Schedule BA pursuant to the adoption of the NAIC's new principles-based bond definition guidance. See Note 2, Significant Accounting Policies - Investments, Cash and Cash Equivalents.

Inputs and Techniques Used for Level 3 Fair Values

All Level 3 securities were priced with the assistance of independent third parties. The pricing is based on a discounted cash flow approach using the third party's proprietary pricing models. The models use inputs such as projected prepayment speeds; severity assumptions; recovery lag assumptions; estimated default rates (determined on the basis of an analysis of collateral attributes, historical collateral performance, borrower profiles and other features relevant to the evaluation of collateral credit quality); home price appreciation/depreciation rates based on macroeconomic forecasts; and recent trading activity. The yield used to discount the projected cash flows is determined by reviewing various attributes of the security including collateral type, weighted average life, sensitivity to losses, vintage and convexity, in conjunction with market data on comparable securities. Significant changes to any of these inputs could have materially changed the expected timing of cash flows within these securities which is a significant factor in determining the fair value of the securities.

Other Fair Value Disclosures

The fair value of the Company's financial guaranty insurance contracts was approximately \$1.1 billion at December 31, 2025 and based on management's estimate of what a similarly rated financial guaranty insurance company would demand to acquire the Company's in-force book of financial guaranty insurance business. It is based on a variety of factors that may include pricing assumptions management has observed for portfolio transfers and acquisitions that have occurred in the financial guaranty market and also includes adjustments to the carrying value of unearned premium reserve for stressed losses, ceding commissions and return on capital. The Company classified the fair value of financial guaranty insurance contracts as Level 3.

Fair Values for All Financial Instruments by Levels 1, 2 and 3

The tables below reflect the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described above.

Assured Guaranty Inc.
Notes to Statutory Financial Statements
For the Years Ended December 31, 2025 and 2024

December 31, 2025

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3
(in thousands)					
Issuer credit obligations	\$ 3,128,853	\$ 3,190,857	\$ —	\$ 3,085,901	\$ 42,952
Asset-backed securities	1,014,487	1,032,642	—	637,813	376,674
Common stocks	715	715	—	—	715
Cash, cash equivalents and short-term investments	290,072	290,072	92,795	197,277	—
Loans receivable from affiliate	200,000	200,000	—	—	200,000
Other invested assets	48,942	42,231	—	111	48,831
Total assets	<u>\$ 4,683,069</u>	<u>\$ 4,756,517</u>	<u>\$ 92,795</u>	<u>\$ 3,921,102</u>	<u>\$ 669,172</u>

December 31, 2024

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3
(in thousands)					
Bonds	\$ 4,188,422	\$ 4,369,478	\$ —	\$ 3,356,176	\$ 832,246
Cash, cash equivalents and short-term investments	268,653	268,653	49,727	218,926	—
Loans receivable from affiliate	250,000	250,000	—	—	250,000
Other invested assets	32,608	30,840	—	—	32,608
Total assets	<u>\$ 4,739,683</u>	<u>\$ 4,918,971</u>	<u>\$ 49,727</u>	<u>\$ 3,575,102</u>	<u>\$ 1,114,854</u>

14. Subsequent Events

Subsequent events have been considered and disclosed if material through May 21, 2026, the date on which these financial statements were issued.

Assured Guaranty Inc.
Summary Investment Schedule and
Supplemental Investment Risks Interrogatories
For the Year Ended December 31, 2025

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported In the Annual Statement			
	1 Amount	2 Percentage of Column 1 Line 14	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3+4) Amount	6 Percentage of Column 5 Line 14
1. Issuer credit obligations (Schedule D, Part 1, Section 1):						
1.01 U.S. government obligations	28,895,642	0.420	28,895,642	0	28,895,642	0.420
1.02 Other U.S. government obligations	0	0.000	0	0	0	0.000
1.03 Non-U.S. sovereign jurisdiction securities	0	0.000	0	0	0	0.000
1.04 Municipal bonds - general obligations (direct & guaranteed)	388,396,374	5.384	388,396,374	0	388,396,374	5.385
1.05 Municipal bonds - special revenue	1,140,484,889	16.895	1,140,484,889	0	1,140,484,889	16.899
1.06 Project finance bonds issued by operating entities	0	0.000	0	0	0	0.000
1.07 Corporate bonds	1,859,272,219	24.290	1,859,272,219	0	1,859,272,219	24.295
1.08 Mandatory convertible bonds	0	0.000	0	0	0	0.000
1.09 Single entity backed obligations	0	0.000	0	0	0	0.000
1.10 SVO-identified bond exchange traded funds - fair value	0	0.000	0	0	0	0.000
1.11 SVO-identified bond exchange traded funds - systematic value	0	0.000	0	0	0	0.000
1.12 Bonds issued by funds representing operating entities	0	0.000	0	0	0	0.000
1.13 Bank loans - issued	0	0.000	0	0	0	0.000
1.14 Bank loans - acquired	0	0.000	0	0	0	0.000
1.15 Mortgage loans that qualify as SVO-identified credit tenant loans	0	0.000	0	0	0	0.000
1.16 Certificates of deposit	0	0.000	0	0	0	0.000
1.17 Other issuer credit obligations	0	0.000	0	0	0	0.000
1.18 Total issuer credit obligations	3,194,829,125	48.788	3,194,829,124	0	3,194,829,124	48.779
2. Asset-backed securities (Schedule D, Part 1, Section 2):						
2.01 Financial asset-backed securities - self-liquidating	958,221,930	13.998	958,221,930	0	958,221,930	14.001
2.02 Financial asset-backed securities - not self-liquidating	0	0.000	0	0	0	0.000
2.03 Non-financial asset-backed securities	72,448,299	1.081	72,448,299	0	72,448,299	1.081
2.04 Total asset-backed securities	1,028,670,229	15.058	1,028,670,229	0	1,028,670,229	15.082
3. Preferred stocks (Schedule D, Part 2, Section 1):						
3.01 Industrial and miscellaneous (unaffiliated)	0	0.000	0	0	0	0.000
3.02 Parent, subsidiaries and affiliates	0	0.000	0	0	0	0.000
3.03 Total preferred stocks	0	0.000	0	0	0	0.000
4. Common stocks (Schedule D, Part 2, Section 2):						
4.01 Industrial and miscellaneous - publicly traded (unaffiliated)	827,585	0.009	827,585	0	827,585	0.009
4.02 Industrial and miscellaneous - other (unaffiliated)	715,000	0.010	715,000	0	715,000	0.010
4.03 Parent, subsidiaries and affiliates - publicly traded	0	0.000	0	0	0	0.000
4.04 Parent, subsidiaries and affiliates - other	808,786,715	11.810	808,786,715	0	808,786,715	11.813
4.05 Mutual funds	0	0.000	0	0	0	0.000
4.06 Unit investment trusts	0	0.000	0	0	0	0.000
4.07 Closed-end funds	0	0.000	0	0	0	0.000
4.08 Exchange traded funds	0	0.000	0	0	0	0.000
4.09 Total common stocks	808,129,300	11.830	808,129,300	0	808,129,300	11.833
5. Mortgage loans (Schedule B):						
5.01 Farm mortgages	0	0.000	0	0	0	0.000
5.02 Residential mortgages	0	0.000	0	0	0	0.000
5.03 Commercial mortgages	0	0.000	0	0	0	0.000
5.04 Mezzanine real estate loans	0	0.000	0	0	0	0.000
5.05 Total valuation allowance	0	0.000	0	0	0	0.000
5.06 Total mortgage loans	0	0.000	0	0	0	0.000
6. Real estate (Schedule A):						
6.01 Properties occupied by company	1,038,587	0.015	0	0	0	0.000
6.02 Properties held for production of income	0	0.000	0	0	0	0.000
6.03 Properties held for sale	0	0.000	0	0	0	0.000
6.04 Total real estate	1,038,587	0.015	0	0	0	0.000
7. Cash, cash equivalents and short-term investments:						
7.01 Cash (Schedule E, Part 1)	91,887,892	1.342	91,887,892	0	91,887,892	1.342
7.02 Cash equivalents (Schedule E, Part 2)	198,404,180	2.904	198,404,180	0	198,404,180	2.905
7.03 Short-term investments (Schedule DA)	0	0.000	0	0	0	0.000
7.04 Total cash, cash equivalents and short-term investments	290,292,072	4.246	290,292,072	0	290,292,072	4.247
8. Contract loans	0	0.000	0	0	0	0.000
9. Derivatives (Schedule DB)	0	0.000	0	0	0	0.000
10. Other invested assets (Schedule BA)	1,504,992,898	22.024	1,503,992,898	0	1,503,992,898	22.021
11. Receivables for securities	3,985,013	0.058	3,985,013	0	3,985,013	0.058
12. Securities Lending (Schedule DL, Part 1)	0	0.000	0	XXX	XXX	XXX
13. Other invested assets (Page 2, Line 11)	0	0.000	0	0	0	0.000
14. Total invested assets	8,831,210,427	100.000	8,829,878,437	0	8,829,878,437	100.000

Assured Guaranty Inc.
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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2025

(To Be Filed by April 1)

Of The ASSURED GUARANTY INC. _____

Address (City, State and Zip Code) New York, NY 10019 _____

NAIC Group Code 0194 _____ NAIC Company Code 30180 _____ Employer's ID Number 52-1533068 _____

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. _____ \$ _____ 6,951,517,262
2. Ten largest exposures to a single issuer/borrower/investment.

	1	2	3	4
	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2.01	AG Asset Strategies, LLC	Affiliated Other Invested Assets	\$ 1,098,568,480	15.8 %
2.02	Assured Guaranty UK Limited	Affiliated Common Stock	\$ 708,350,081	10.2 %
2.03	Assured Guaranty US Holdings Inc. - Promissory note	Promissory Note	\$ 200,000,000	2.9 %
2.04	Drayfus Institutional Reserves Funds	Cash Equivalent	\$ 185,328,930	2.7 %
2.05	Federal National Mortgage Association	Bond	\$ 173,595,888	2.5 %
2.06	Federal Home Loan Mortgage Corporation	Bond	\$ 165,289,148	2.4 %
2.07	AHP Fund II L.P.	Unaffiliated Other Invested Assets	\$ 149,193,859	2.1 %
2.08	ASSURED GUARANTY (EUROPE) SA	Affiliated Common Stock	\$ 98,436,634	1.4 %
2.09	MASTR Asset Backed Securities Trust 2007-NW	Bond	\$ 86,677,369	1.2 %
2.10	Government National Mortgage Association	Bond	\$ 70,652,055	1.0 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

Bonds		1	2	Preferred Stocks		3	4
3.01	NAIC 1	\$ 3,440,715,927	49.5 %	3.07	NAIC 1	\$ _____	0.0 %
3.02	NAIC 2	\$ 738,705,454	10.6 %	3.08	NAIC 2	\$ _____	0.0 %
3.03	NAIC 3	\$ 0	0.0 %	3.09	NAIC 3	\$ _____	0.0 %
3.04	NAIC 4	\$ 29,052,006	0.4 %	3.10	NAIC 4	\$ _____	0.0 %
3.05	NAIC 5	\$ 2,397,854	0.0 %	3.11	NAIC 5	\$ _____	0.0 %
3.06	NAIC 6	\$ 12,628,113	0.2 %	3.12	NAIC 6	\$ _____	0.0 %

4. Assets held in foreign investments:

4.01	Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?	Yes [] No [X]
If response to 4.01 above is yes, responses are not required for Interrogatories 5 - 10.		
4.02	Total admitted assets held in foreign investments	\$ 916,582,351 13.2 %
4.03	Foreign-currency-denominated investments	\$ 45,513,040 0.7 %
4.04	Insurance liabilities denominated in that same foreign currency	\$ _____ 0.0 %

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

	1	2
5.01	Countries designated NAIC 1	\$ 923,830,074 13.3 %
5.02	Countries designated NAIC 2	\$ 2,850,375 0.0 %
5.03	Countries designated NAIC 3 or below	\$ _____ 0.0 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

	1	2
Countries designated NAIC 1:		
6.01	Country 1: United Kingdom	\$ 770,487,610 11.1 %
6.02	Country 2: France	\$ 110,096,898 1.6 %
Countries designated NAIC 2:		
6.03	Country 1: Panama	\$ 2,431,405 0.0 %
6.04	Country 2: Mexico	\$ 418,970 0.0 %
Countries designated NAIC 3 or below:		
6.05	Country 1:	\$ _____ 0.0 %
6.06	Country 2:	\$ _____ 0.0 %

7. Aggregate unhedged foreign currency exposure
- | | 1 | 2 |
|--|---------------|-------|
| | \$ 45,513,040 | 0.7 % |

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

Assured Guaranty Inc.
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	<u>1</u>	<u>2</u>	
8.01 Countries designated NAIC 1	\$ 45,513,040		0.7 %
8.02 Countries designated NAIC 2			0.0 %
8.03 Countries designated NAIC 3 or below			0.0 %
 9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:			
Countries designated NAIC 1:			
9.01 Country 1: United Kingdom	\$ 37,897,138		0.5 %
9.02 Country 2: France	\$ 6,634,201		0.1 %
Countries designated NAIC 2:			
9.03 Country 1:			0.0 %
9.04 Country 2:			0.0 %
Countries designated NAIC 3 or below:			
9.05 Country 1:			0.0 %
9.06 Country 2:			0.0 %
 10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:			
	<u>1</u>	<u>2</u>	<u>3</u>
	<u>Issuer</u>	<u>NAIC Designation</u>	<u>4</u>
10.01 ASSURED GUARANTY UK LIMITED	Affiliated Common Stock	\$ 708,350,081	10.2 %
10.02 ASSURED GUARANTY (EUROPE) SA	Affiliated Common Stock	\$ 98,436,634	1.4 %
10.03 Thames Water Super Senior Issuer Plc	4Z	\$ 29,052,006	0.4 %
10.04 Sumitomo Mitsui Financial Group, Inc.	1FE	\$ 14,000,000	0.2 %
10.05 Vodafone Group Public Limited Company	3FE	\$ 7,273,493	0.1 %
10.06 Galaxy Pipeline Assets Bidco Limited	1FE	\$ 6,411,572	0.1 %
10.07 Thames Water Utilities Limited	6Z	\$ 6,362,936	0.1 %
10.08 Enel Finance International N.V.	3FE	\$ 5,978,360	0.1 %
10.09 NIP B.V.	3FE	\$ 4,690,906	0.1 %
10.10 NatWest Group plc	1FE	\$ 4,227,401	0.1 %
 11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:			
11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?			Yes [X] No []
If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.			
	<u>1</u>	<u>2</u>	
11.02 Total admitted assets held in Canadian investments	\$		0.0 %
11.03 Canadian-currency-denominated investments	\$		0.0 %
11.04 Canadian-denominated insurance liabilities	\$		0.0 %
11.05 Unhedged Canadian currency exposure	\$		0.0 %
 12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.			
12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?			Yes [X] No []
If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.			
	<u>1</u>	<u>2</u>	<u>3</u>
12.02 Aggregate statement value of investments with contractual sales restrictions	\$		0.0 %
Largest three investments with contractual sales restrictions:			
12.03	\$		0.0 %
12.04	\$		0.0 %
12.05	\$		0.0 %
 13. Amounts and percentages of admitted assets held in the ten largest equity interests:			
13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?			Yes [] No [X]
If response to 13.01 is yes, responses are not required for the remainder of Interrogatory 13.			
	<u>1</u>	<u>2</u>	<u>3</u>
	<u>Issuer</u>		
13.02 AG ASSET STRATEGIES LLC	\$ 1,098,568,480		15.8 %
13.03 ASSURED GUARANTY UK LIMITED	\$ 708,350,081		10.2 %
13.04 AHP Fund II L.P.	\$ 149,193,659		2.1 %
13.05 ASSURED GUARANTY (EUROPE) SA	\$ 98,436,634		1.4 %
13.06 Federal Home Loan Bank of New York	\$ 715,000		0.0 %
13.07 PRIVATE EXPT FDG CORP.	\$ 627,385		0.0 %
13.08	\$		0.0 %
13.09	\$		0.0 %
13.10	\$		0.0 %
13.11	\$		0.0 %
 14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:			
14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?			Yes [X] No []

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If response to 14.01 above is yes, responses are not required for 14.02 through 14.05.

	1	2	3	
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	\$ _____	_____	0.0 %
Largest three investments held in nonaffiliated, privately placed equities:				
14.03	_____	\$ _____	_____	0.0 %
14.04	_____	\$ _____	_____	0.0 %
14.05	_____	\$ _____	_____	0.0 %

Ten largest fund managers:

	1	2	3	4
	<u>Fund Manager</u>	<u>Total Invested</u>	<u>Diversified</u>	<u>Non-Diversified</u>
14.06	Drayfus (aka BONY Inv Mgmt)	\$ 185,428,930	\$ 185,428,930	\$ _____
14.07	Allspring Global Investments	\$ 1,425,000	\$ 1,475,000	\$ _____
14.08	First American Funds Inc.	\$ 280,000	\$ 280,000	\$ _____
14.09	_____	\$ _____	\$ _____	\$ _____
14.10	_____	\$ _____	\$ _____	\$ _____
14.11	_____	\$ _____	\$ _____	\$ _____
14.12	_____	\$ _____	\$ _____	\$ _____
14.13	_____	\$ _____	\$ _____	\$ _____
14.14	_____	\$ _____	\$ _____	\$ _____
14.15	_____	\$ _____	\$ _____	\$ _____

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes No
 If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	1	2	3	
15.02	Aggregate statement value of investments held in general partnership interests	\$ _____	_____	0.0 %
Largest three investments in general partnership interests:				
15.03	_____	\$ _____	_____	0.0 %
15.04	_____	\$ _____	_____	0.0 %
15.05	_____	\$ _____	_____	0.0 %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes No
 If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	1	2	3	
	<u>Type (Residential, Commercial, Agricultural)</u>			
16.02	_____	\$ _____	_____	0.0 %
16.03	_____	\$ _____	_____	0.0 %
16.04	_____	\$ _____	_____	0.0 %
16.05	_____	\$ _____	_____	0.0 %
16.06	_____	\$ _____	_____	0.0 %
16.07	_____	\$ _____	_____	0.0 %
16.08	_____	\$ _____	_____	0.0 %
16.09	_____	\$ _____	_____	0.0 %
16.10	_____	\$ _____	_____	0.0 %
16.11	_____	\$ _____	_____	0.0 %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		Loans		
16.12	Construction loans	\$ _____	_____	0.0 %
16.13	Mortgage loans over 90 days past due	\$ _____	_____	0.0 %
16.14	Mortgage loans in the process of foreclosure	\$ _____	_____	0.0 %
16.15	Mortgage loans foreclosed	\$ _____	_____	0.0 %
16.16	Restructured mortgage loans	\$ _____	_____	0.0 %

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

		1	2	3	4	5	
	<u>Loan-to-Value</u>	<u>Residential</u>		<u>Commercial</u>		<u>Agricultural</u>	
17.01	above 95%	\$ _____	0.0 %	\$ _____	0.0 %	\$ _____	0.0 %
17.02	91% to 95%	\$ _____	0.0 %	\$ _____	0.0 %	\$ _____	0.0 %
17.03	81% to 90%	\$ _____	0.0 %	\$ _____	0.0 %	\$ _____	0.0 %
17.04	71% to 80%	\$ _____	0.0 %	\$ _____	0.0 %	\$ _____	0.0 %
17.05	below 70%	\$ _____	0.0 %	\$ _____	0.0 %	\$ _____	0.0 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes No
 If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

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Largest five investments in any one parcel or group of contiguous parcels of real estate.

	<u>Description</u> 1	2	3	
18.02	_____	\$ _____	_____	0.0 %
18.03	_____	\$ _____	_____	0.0 %
18.04	_____	\$ _____	_____	0.0 %
18.05	_____	\$ _____	_____	0.0 %
18.06	_____	\$ _____	_____	0.0 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes No
 If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

	1	2	3	
19.02	Aggregate statement value of investments held in mezzanine real estate loans: _____	\$ _____	_____	0.0 %
	Largest three investments held in mezzanine real estate loans:			
19.03	_____	\$ _____	_____	0.0 %
19.04	_____	\$ _____	_____	0.0 %
19.05	_____	\$ _____	_____	0.0 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	<u>At Year-End</u>		<u>At End of Each Quarter</u>			
	1	2	<u>1st Qtr</u> 3	<u>2nd Qtr</u> 4	<u>3rd Qtr</u> 5	
20.01	Securities lending agreements (do not include assets held as collateral for such transactions) _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
20.02	Repurchase agreements _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
20.03	Reverse repurchase agreements _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
20.04	Dollar repurchase agreements _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
20.05	Dollar reverse repurchase agreements _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

	<u>Owned</u>			<u>Written</u>		
	1	2		3	4	
21.01	Hedging _____	\$ _____	0.0 %	\$ _____	_____	0.0 %
21.02	Income generation _____	\$ _____	0.0 %	\$ _____	_____	0.0 %
21.03	Other _____	\$ _____	0.0 %	\$ _____	_____	0.0 %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	<u>At Year-End</u>		<u>At End of Each Quarter</u>			
	1	2	<u>1st Qtr</u> 3	<u>2nd Qtr</u> 4	<u>3rd Qtr</u> 5	
22.01	Hedging _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
22.02	Income generation _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
22.03	Replications _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
22.04	Other _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	<u>At Year-End</u>		<u>At End of Each Quarter</u>			
	1	2	<u>1st Qtr</u> 3	<u>2nd Qtr</u> 4	<u>3rd Qtr</u> 5	
23.01	Hedging _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
23.02	Income generation _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
23.03	Replications _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____
23.04	Other _____	\$ _____	0.0 %	\$ _____	\$ _____	\$ _____

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1. The Company did not have any risks reinsured under a quota share reinsurance contract, entered into, renewed or amended on or after January 1, 1994, with any other entity that includes a provision that would limit the reinsurer's losses below the stated quota share percentage.

2. The Company did not cede any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), entered into, renewed or amended on or after January 1, 1994, for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features that would have similar results:
 - a. A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 - b. A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - c. Aggregate stop loss reinsurance coverage;
 - d. A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - e. A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - f. Payment schedules, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

3. The Company during the period covered by the statement did not cede any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) entered into, renewed or amended on or after January 1, 1994 (excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member), for which the Company recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders, where:
 - a. The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 - b. Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates.

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4. Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62 - Property and Casualty Reinsurance, the Company did not cede any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates), entered into, renewed or amended on or after January 1, 1994, during the period covered by the financial statement, and either:
 - a. Accounted for that contract as reinsurance (either prospective or retroactive) under SAP and as a deposit under GAAP; or
 - b. Accounted for that contract as reinsurance under GAAP and as a deposit under SAP.