

**Assured Guaranty Ltd. (AGO)**  
**May 8, 2026**  
**First Quarter 2026 Earnings Call**

**Robert Tucker**  
**Senior Managing Director, Investor Relations and Corporate Communications**

Thank you, operator. And thank you all for joining Assured Guaranty for our First Quarter 2026 financial results conference call.

Today's presentation is made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995.

The presentation may contain forward-looking statements about our new business and credit outlooks, market conditions, credit spreads, financial ratings, loss reserves, financial results or other items that may affect our future results.

These statements are subject to change due to new information or future events. Therefore, you should not place undue reliance on them, as we do not undertake any obligation to publicly update or revise them, except as required by law.

If you are listening to a replay of this call, or if you are reading the transcript of the call, please note that our statements made today may have been updated since this call.

Please refer to the Investor Information section of our website for our most recent presentations and SEC filings, most current financial filings, and for the risk factors.

This presentation also includes references to non-GAAP financial measures.

We present the GAAP financial measures most directly comparable to the non-GAAP financial measures referenced in this presentation, along with a reconciliation between such GAAP and non-GAAP financial measures, in our current Financial Supplement and Equity Investor Presentation, which are on our website at [AssuredGuaranty.com](http://AssuredGuaranty.com).

Turning to the presentation, our speakers today are Dominic Frederico, President and Chief Executive Officer of Assured Guaranty Ltd., Rob Bailenson, our Chief Operating Officer, and Ben Rosenblum, our Chief Financial Officer. After their remarks, we will open the call to your questions.

As the webcast is not enabled for Q&A, please dial in to the call if you would like to ask a question.

I will now turn the call over to Dominic.

**Dominic Frederico**  
**President and Chief Executive Officer**

Thank you, Robert, and welcome to everyone joining today's call.

Assured Guaranty began 2026 with a strong first quarter. The quarter's adjusted operating income per share came in at \$2.50. Our new business production generated \$73 million dollars of PVP, almost twice the PVP of last year's first quarter, as we saw increases for each of our three financial guaranty underwriting groups. Rob will fill in the production details in a few minutes.

We also produced \$44 million dollars of adjusted operating income in our asset management segment during the first quarter of 2026, nearly four times the amount produced in the first quarter of 2025. Our pivot to increasing the proportion of alternative investments in our overall investment portfolio over the past few years has increased the all-in return of the investment portfolio. The inception-to-date annualized internal rate of return for all of our alternative investments was 12% at the end of first quarter 2026.

The Assured Life Re team has received positive feedback from potential customers with clear interest in our AA insurance from AGRO, as well as general market desire for fresh reinsurance capacity. Currently, we have had positive discussions with potential partners in the U.S. MYGA market and the U.K. PRT market in addition to interest from other non-U.S. potential partners.

We have also made good progress integrating our staff with experienced employees already employed by Assured Life Re. Annuity reinsurance exemplifies the type of business opportunities we look for, those that will further diversify the company, create synergies with our existing business lines, generate attractive returns, have risk profiles in line with ours, and benefit from our core competencies.

Economic uncertainty, political and geopolitical discord, and war permeate the news investors have been seeing recently. Investors understandably find high-quality municipal bonds attractive. Our guaranty can expand the supply of high-quality bonds, and, in certain cases, reduce the borrowing cost and support the market value of even naturally double-A rated municipal bonds. We believe municipal bond market issuance will have another strong year.

We are off to a good start for 2026 and believe our financial guaranty business will provide us with many insurance opportunities as we continue to expand our business in U.S. municipals, global infrastructure and structured finance.

We are also focused on building out our new annuity reinsurance business and on managing our capital prudently and profitably to support the growth in these businesses, while protecting our policyholders and rewarding our shareholders.

I will now turn the call over to Rob to provide more details about our production results.

**Robert Bailenson**  
**Chief Operating Officer**

Thank you, Dominic, and good morning to everyone on the call.

Assured Guaranty closed \$73 million dollars of PVP in the first quarter of 2026, compared with \$39 million dollars of PVP in the first quarter of last year. Year-over-year, total PVP and U.S. public finance PVP each nearly doubled their first-quarter results, and structured finance more than doubled its PVP result.

U.S. public finance led the way in PVP production, with a 92% year-over-year increase to \$48 million dollars of PVP, and non-U.S. public finance and global structured finance contributed \$8 million dollars and \$17 million dollars of PVP, respectively.

For the first quarter of 2026, Assured Guaranty continued to guarantee the majority of insured municipal par issued at 53%. We insured \$4 billion dollars of par in the primary and secondary markets on a closed date basis. Market conditions and our mix of business allowed us to produce significantly more PVP than in first quarter 2025, while taking on less nominal exposure. In the secondary market during the first quarter of 2026, we issued 227 policies compared to 144 policies in the first quarter of last year.

Our guaranty has been instrumental in supporting large transactions within the municipal bond market, highlighting the institutional demand for our guaranty. This interest demonstrates that institutions are increasingly acknowledging the benefits our insurance provides, including greater price stability and improved market liquidity. Our guaranty also allows issuers to attract a broader, often more diversified base of investors, reduce borrowing costs, or raise more proceeds without increasing interest rate cost.

The first quarter of 2026 included nine large transactions with insured par over \$100 million dollars, including:

- \$444 million dollars of a taxable military housing bond for Fort Carson, where over 70% of the bonds had an underlying rating of AA and the balance was rated single-A
- \$243 million dollars of Hartford HealthCare Revenue Bonds issued by Connecticut's Health and Educational Facilities Authority
- \$201 million dollars for the Western Maricopa Education Center District in Arizona, and
- \$102 million dollars in taxable bonds for Brown University Health.

Among double-A municipal credits during the first quarter of 2026, we insured 20 primary and 5 secondary market transactions, on a closed date basis, amounting to a total of nearly \$900 million dollars in insured par. This activity highlights the value our guaranty provides as a backstop against headline risk and unexpected fiscal stress, whether from broad economic or financial developments, natural events, or other causes.

For non-U.S. public finance, new business in the first quarter of 2026 included a secondary local authority transaction in the U.K., annual extensions of liquidity facilities, and a primary social housing transaction in France, marking our inaugural primary market guarantee in the social housing sector within the European Union.

Our global structured finance results were produced primarily by fund finance and financial guarantees for life insurance capital management purposes. Fund finance continues to be a strong area of focus for us. This business is typically repeatable flow business, and since the transactions have relatively short lives, we earn the premiums much more rapidly and can recycle the capital more quickly, often within one to two years. For example, the fund finance transactions we insured in the first quarter of 2026 have maturities that range from a few months to a little over two years and, as we said, we expect that the majority of these transactions will be renewed at maturity.

As we have discussed in the past, both non-U.S. public and structured finance have expanded the application of our products into various new sectors and geographic markets, and we look to continue to develop additional product applications, and new counter-party relationships, in line with our strategic objective to accelerate our business growth.

For instance, in first quarter 2026, we closed a significant capital relief transaction with a major financial institution in the Asia Pacific region, guaranteeing a portfolio of fund finance exposures, for a counterparty that we had previously done a modest amount of business with.

In closing, we expect demand to continue for our core products and believe we have abundant opportunities for further growth and greater diversification. We are off to a promising start in the second quarter of 2026 with a good pipeline ahead. Already in the second quarter, for instance, we have insured or issued commitments for:

- \$636 million dollars for the City of Houston's Convention and Entertainment Facilities Department
- Approximately \$130 million dollars of senior student housing revenue bonds for Morgan State University in Maryland
- Approximately \$300 million dollars for the Burbank-Glendale-Pasadena Airport Authority in California, and
- Several large global structured finance deals.

We continue to maintain that at times when challenges or uncertainty arise in the economy and financial markets, when the cost of borrowing goes up, when market execution becomes less certain, or entities are trying to better manage their capital utilization, our products can help optimize a wide variety of transactions, so our clients can accomplish more with lower financing costs and obtain capital more efficiently.

I will now turn the call over to Ben to discuss our financial results.

**Benjamin Rosenblum**  
**Chief Financial Officer**

Thank you, Dominic and Rob, and good morning.

I am pleased to report first quarter 2026 adjusted operating income of \$115 million dollars, or \$2.50 per share. This quarter's results include two noteworthy items:

- First, a \$21 million dollar after-tax benefit attributable to the recognition of carried interest from a Sound Point fund that sold its single underlying asset, and
- Second, a \$33 million dollar one-time tax benefit due to changes in the UK's Pillar II global minimum tax legislation enacted in the first quarter that reduced the Company's global minimum tax accrual.

This compares to adjusted operating income of \$162 million dollars, or \$3.18 per share, in the first quarter of 2025, which included an \$82 million dollar after-tax benefit related to the resolution of the LBIE litigation.

Recent new business production has contributed to a steady stream of scheduled net earned premiums and credit derivative revenues, which were \$90 million dollars in the first quarter of 2026, compared with \$89 million dollars in the first quarter of 2025. Our deferred premium revenue held steady compared to last quarter at \$3.8 billion dollars.

In addition, alternative investments remain an important part of our overall investment strategy. We have an inception-to-date IRR of approximately 12% percent on the alternative investment portfolio, which compares to an average yield of 4.2% over the past three years in our fixed maturity portfolio. As of March 31, 2026, our alternative investments had a fair value of \$965 million dollars.

This portfolio generated \$35 million dollars in pre-tax adjusted operating income in the first quarter of 2026, compared with \$53 million dollars in the first quarter of 2025. Other than the CLO investments, which experienced a decline in value quarter-over-quarter, our remaining alternative investments performed well and delivered relatively consistent results.

The remainder of the available-for-sale and short-term investment portfolio also performed well, generating \$82 million dollars of net investment income in the first quarter of 2026, up from \$75 million dollars in the first quarter of 2025, as we shifted that portfolio towards higher-yielding corporate securities.

Turning to our below investment-grade exposures, economic loss development was \$44 million dollars in the first quarter of 2026, primarily attributable to Brightline and PREPA.

However, loss expense included in adjusted operating income was primarily related to PREPA, as the Brightline losses are well within our unearned premium reserve and therefore have not yet been recognized.

In terms of capital management, in the first quarter of 2026, we repurchased 882,000 shares for \$75 million dollars, at an average price of \$85.58 per share, and also returned \$18 million dollars in dividends to our shareholders.

After over 13 years of consistent share repurchases, we have now bought back 81% of the shares that were outstanding at the start of the program and, in that time, we have returned \$6 billion dollars to the shareholders under the program.

During that same period, we increased our quarterly dividends per share from \$.10 per share to \$.38 per share, which amounted to \$929 million dollars of additional distributions to shareholders.

As always, we actively assess the various opportunities to deploy our capital effectively and aim to invest in those that we believe provide the most attractive returns.

At this time, we have decided to reduce our share purchases over the next three months to a target of \$30 million dollars in order to use a portion of available capital to support our growth opportunities in our financial guaranty insurance and our new annuity reinsurance businesses, in addition to other strategic considerations. We are excited to grow this platform and we are advancing several promising opportunities for new business.

Our holding company liquidity as of today is approximately \$153 million dollars, of which \$56 million dollars is at AGL.

As of the end of the first quarter of 2026, we had reached record per-share valuations of:

- \$128.61 for adjusted operating shareholders' equity, and
- \$188.74 for adjusted book value, reflecting the successful execution of our key strategic initiatives.

I will now turn the call over to our operator to give you instructions for the Q&A period.

## **Question and Answer Session**

### **Operator**

[Operator Instructions]

The first question comes from the line of Marissa Lobo with UBS. Marissa, your line is open. Please go ahead.

**Marissa Lobo, UBS**

With about \$600 billion of projected muni supply in '26, and if penetration rates hold, what is your target for 2026 for new issue insured par, and is the pricing environment supportive to translate into higher gross premiums?

**Dominic Frederico**

Well, if the market issuance remains up, we would project our penetration – we'd probably remain consistent because of the credit conditions that exist in terms of spreads and rates, but we think the volume alone will give us a growth opportunity as well. As we have some large deals that we know they are in the pipeline that will also help the year. So we expect a strong year, apples to apples. And in terms of return, obviously, now we have a very sophisticated ROE model. We calculate on every risk that we write.

We have a review function now over the whole process to make sure the ROE are in line with our cost of capital so that we're not leaving at all the value of the company or the opportunities that we see. But we're being selective in terms of our underwriting choices as well as the pricing that we're looking for in terms of spread and return. But like I said, volume will help our volume this year.

**Rob Bailenson**

And we're seeing more triple B issuance as well as more infrastructure transactions and also health care, which is giving us a significant amount, significantly amount more premium on those transactions.

**Dominic Frederico**

Remember, we're the slave to large deals and large deals have their own timeframe in terms of closing. We've met many quarters, we expected a number of X and because two deals didn't close at the end of the quarter and fell into the next quarter, you have a very different volume structure. But as I said, if we look at it over the year, you know, apples to apples, we expect the year to be a strong year relative to public finance as well as meet our return hurdles from the standpoint of profitability.

**Marissa Lobo**

Okay, great. And how are you incorporating AI into your, into your processes? And where do you see the biggest opportunity for it to improve your, you know, credit selection?

**Dominic Frederico**

Well, that probably has the most discussion we're having in the organization. So obviously AI represents a great opportunity for us in terms of being able to do the work we do, which as you appreciate, fairly repetitive on a credit-by-credit basis, on a surveillance basis, on a review of the portfolio basis. A lot of those functions can be machine learned and we're obviously applying it in every facet of our business. And most importantly, you've seen the activity in the secondary market where we continue to push those numbers up significantly, utilizing artificial intelligence as part of the process.

But remember, a human being still has to look at it to approve it. But at the end of the day, the compilation, the accessibility of the data, the molding the data into a format that would fit our process for credit and surveillance is critical to us. So we think as a company that does a lot of repeat functionality, we should be most benefited by the use of AI. And we've got literally an AI committee that looks at everything. We're applying applications kind of across the board in areas you would think of, like financial reporting, Sarbanes-Oxley.

So there's a lot of implications or applications that we're applying it to. And we think it's a critical tool for us to use in the future, both with how we want to manage the company and the business.

### **Rob Bailenson**

Marissa, we're actually, that's why you see the velocity of our secondary market transactions go much more quickly because it's, we're actually using AI to interact with our clients much more quickly as well. In addition, our credit reports are being done using AI, but an individual actually reviews it. But it takes less time for an analyst to actually write them.

### **Marissa Lobo**

That's great. Thank you. And just moving if I could to the loss development on Brightline with the going concern audit opinion that was just issued and the interest payment grace period expiring. You know, can you talk to us, has AGO been approached for any forbearance or restructuring or you know, what scenario might it move to BIG category three here?

### **Dominic Frederico**

Well, there's a lot of activity on Brightline as you can appreciate and a lot of words in the marketplace in terms of the operations of the organization. However, if you look at our structure in terms of capital, the capital stack is roughly \$7 billion. We're half of the top \$2.4 billion. So you say to yourself, is the company worth at least \$2.4 billion? And the answer resoundingly comes back absolutely. We don't see this as a loss situation, but obviously we have to compare ourselves to what the rating agencies think in terms of what their capital they're going to assess, how the regulators view it.

As you know, our accounting model requires us to consider all possible scenarios and probability weight them. So we got to put a scenario out there to – it's got to have some loss content in it. But at the end of the day we believe in the structure. We believe in our credit underwriting. We stand back on our historical results and time is on our side. Remember, in our portfolio there's not any loss that would be significant to us in terms of principal and interest only when due, there's no acceleration. This I think has a \$58 million payment annually until about 2042. So at the end of the day it's not big cash flows. And as I said, I don't mind owning a railroad for \$2.4 billion.

### **Marissa Lobo**

Thank you very much.

**Operator**

Your next question comes from the line of Tommy McJoynt at KBW. Your line is open. Please go ahead.

**Tommy McJoynt, KBW**

Hi, good morning. First question here for investors that have become accustomed to AGO buying back roughly \$500 million of stock in 10 of the last 12 years was the slower pace of buybacks year to date and the message of a slowdown in buybacks for the next three months, was that meant to signal just a temporary slowdown here or is this a true change in the way you guys think about capital distribution?

**Dominic Frederico**

Well, when you say temporary, Tommy, that's a good question. I say we look at the capital management, it's still a critical issue, still a critical strategic objective on the company. It's what we pay the most attention to. But at the end of the day, we've shrunk the company significantly. We've got to look at how we manage that remaining capital, where the opportunities lie. As we talked about in the life business, for instance, theoretically based on its growth pattern, it could absorb or need somewhere between \$50 and \$150 million of capital to continue to exercise its growth program over the next 18 months.

We want to make sure we have plenty of capital for that as well as still have enough cushion to protect ourselves from some myopic views of loss activity such as Brightline in terms of what the capital charges are coming out of the rating agencies for that. So we have to protect the company relative to its ratings. We got to provide the opportunity to grow the business. We've done a tremendous job and I think we get half the credit we deserve for the capital management we've done, as Ben talked about \$6 billion, 81% of the outstanding. Well, that's liquidating the company. We want to grow the company and we think we've got great opportunities to grow the company. But at the same token, if we can't use the capital, if we see the excess capital continues to build as it has in the past, we will be aggressive in our capital management and of course we'll protect our stock as well.

**Tommy McJoynt**

Got it. Thanks for that. And then I think we've talked about this in the past, but I just want to confirm that when you think about your sort of first order or second order exposure to the Middle East crisis, I assume you think it's pretty minimal, but perhaps thinking of second order impacts around just the level of heightened risk globally, have you guys seen an uptick in terms of like the pipeline or demand for sort of risk mitigation strategies from AGO, specifically over the past few months that you can pinpoint to the crisis in the Middle East.

**Dominic Frederico**

No, we haven't, Tommy, thank God. If you notice, and I've been in this business and in this position for a long time. I've seen probably four or five recessions, maybe three or four or more global crises. And at the end of the day look at the result that Assured us put up. Never had a loss. In order to buy back the amount of stock and pay the dividends we

had, we had to be hugely profitable. I see nothing affects that going forward. We haven't seen the demand as you're saying, in terms of people running for the exits.

Our basic policy today where our growth engine is fund finance which is a very safe, highly rated book of business. We do capital arbitrage but the volatility in the market does allow us to open up more portals of business opportunity because of the spread widening, spread is increasing, which gives us more opportunity to make money and be looking at more deals. But we don't see the panic at all. And as I said in our life history it really has never had an effect because the portfolio is so well written and so well protected from a credit point of view.

### **Rob Bailenson**

And Tommy, we're seeing the increase in structured finance globally and international infrastructure due to regulatory requirements on banks becoming, you know, we're part of their solution when it comes to their capital management and capital efficiency and risk management. So that's where we're opening up and they're looking at our financial guarantee as a solution to helping their regulatory capital.

### **Dominic Frederico**

Yeah, I think what that says about the company, right, we're opening up more counterparty relationships against banks across the world globe providing a significant lines of credit capacity that they're willing to absorb in terms of Assured's credit risk. Why would that be? Because they realize that the strength of the company, the strength of its financial ratings, the ability to provide this capital arbitrage in spite of the market and the results that we've been able to generate in the past. So I think that alone would indicate the confidence that the market has in us and continues to provide us those opportunities.

### **Rob Bailenson**

I also just want to add that it's in these banks core lending portfolios. It's not anything that their risks that they're concerned about. It's the core lending. They want to service their clients even further.

### **Tommy McJoynt**

Thanks. And then if I could just sneak one last modeling one. In looking at the investment portfolio and excluding the alternative investments, what was your new money yield in the quarter relative to the effective yield on the portfolio?

### **Ben**

So I don't have the number right in front of me but I'm going to say we're probably, the new money yield is probably somewhere a little north of 4%. That's probably 4.4% or so. But you know, I might be off by you know, 10 or 15 basis points there.

### **Operator**

Your next question comes from the line of Geoffrey Dunn at Dowling and Partners. Your line is open. Please go ahead.

## **Geoffrey Dunn**

Thanks. Good morning, guys. Dominic, I know you don't put hard numbers on this but can you talk about how you think about the level of excess capital in the company or you know, alternatively the ROE drag from the excess capital in the company. Last time I heard a number, it was north of \$2 billion. And so outside looking in, it seems like you have enough money for all the above to keep an aggressive buyback plan in place, as well as consider new alternatives. So can you maybe flush that out a little bit more? And then also, you know, as you pointed out, you bought back over 80% of the company over the last 12 years. How much is the float of the stock coming into, as a factor with your buyback appetite going forward?

## **Dominic Frederico**

Yeah, I don't think float is the problem to date. So that could be a problem down the road, but today it's not been a problem. So let's talk about capital. So right now, capital is predominantly equity capital. As we look to the future and see growth opportunities, that mix of capital has to be looked at and examined. Can we bring in more soft capital facilities to let the hard equity capital be aggressively managed from a standpoint of shareholder buybacks for other opportunities? The soft capital also would provide us opportunities to allocate some of that for growth. And right now, we're saying to ourselves, we shrank the company significantly. Some of the triggers that now exist on the overall balance sheet or portfolio have to be examined more closely, and therefore, soft capital could be a definite wave of the future, as well as when we look at the capital, we have rating agency, we have regulatory. When companies come to us for large deals, they look at our balance sheet, and the size of that balance sheet also gives them the confidence to write a \$2 billion deal, a \$2.5 billion deal.

So we need to maintain certain size of asset as well, or certain size of balance sheet to make sure that the issuer has full confidence in our ability to execute on the transaction and obviously provide the value that we expect in terms of the loss, cost, liquidity, you know, protection for the ultimate investor. So I think we're going to look at all aspects of the capital and say, are we still a capital management company? Absolutely. Are we still going to use buybacks as a capital management tool? Absolutely.

As we looked at the composition of capital, we're going to change the composition? Absolutely. Do we think we have tremendous growth opportunities? Absolutely. So we're trying to balance all those balls in the air. I think we're doing a pretty good job, and you'll see it by the end of the year, whether we've been able to meet the promise or not.

## **Ben**

I think it's important, Goeff, that the large deals are where we really get paid. We get paid both on an absolute premium dollar basis, typically, and we get paid on a high return basis. And those are the deals we really need to capture to really grow ROE. Rob ticked off we had a bunch of deals in the first quarter that were over \$100 million in par. These are the deals Rob has been going after. We need big deals and we need and those are the ones that are really going to drive the higher returns that we're looking forward to.

**Rob Bailenson**

And don't forget, Geoff, those significantly large fund finance deals earn very, very quickly. So that PVP that comes in in structured finance will earn over the next year to two.

**Dominic**

And it also releases the capital over the next year. You've got a lot of things to consider, Geoff, as you can appreciate, there's kind of a new wave of opportunity, new wave of businesses that we are looking at and all that needs some capital. And as I said, we've got to look at the mix of our capital and move to more soft facilities as opposed to hard cash equity. In terms of how we meet some of these requirements and still provide ourselves the ability and the capability to do capital management through share repurchases.

**Geoffrey Dunn**

The magic number has been \$500 million for buyback. When you think about the business plan for this year, do you anticipate deploying \$500 plus million into non-FG, whether it be buyback or annuity re or anything like that? I'm just curious, in terms of the excess capital deployment, is it just where it's going changes but your target amounts don't?

**Dominic**

Well, we have the balance is what's running off in the portfolio from the standpoint of capital requirements, what are we putting on in terms of new business and that delta can go anywhere from flat to maybe plus \$200 million depending on the type of business and where you write the business. So you got that issue. But then we also make money so that increases the capital. So we look at the balance of the two and then look at the new business I talked about in the life business. We think, and we're pretty optimistic in terms of what we see in activity that that could also require us to put up maybe anywhere between \$50 and \$150 million of capital for that growth for the next two years.

**Ben**

Again, I think, we told you guys when we joined the life business. If we're looking at the life business, we think, you know, roughly two, three years, we'll get to some kind of steady state of equilibrium. We could probably be printing, you know, 10% to 12% returns. And again, we are very focused, as Dominic mentioned earlier, on ROE. This is an area we're 100% focused on. We know we can do better. We are doing better, and we're seeing that. But we do need the capital to use to grow that ROE.

**Geoffrey Dunn**

Gotcha. Okay, thanks.

**Operator**

You. This concludes the question and answer session. I would now like to turn the conference back over to our host, Robert Tucker, for closing remarks.

**Robert Tucker**

Thank you, operator. I'd like to thank everyone for joining today's call. If you have additional questions, please feel free to give us a call. Thank you very much.

**Operator**

This concludes today's call. Thank you for attending. You may now disconnect it.