

## Association of Financial Guaranty Insurors

### Combined Financial Highlights

(Amounts in \$ millions)	2001	2000	1999	1998	1997
<b>Insurance Written &amp; Outstanding</b>					
U.S. municipal par insured	\$145,979	\$97,582	\$134,379	\$168,562	\$115,947
U.S. asset-backed par insured	167,085	116,067	117,917	103,602	79,757
International municipal par insured	6,047	4,062	2,561	3,058	3,874
International asset-backed par insured	51,426	55,241	24,174	16,458	12,836
Total par insured	<u>370,537</u>	<u>272,952</u>	<u>279,031</u>	<u>291,680</u>	<u>212,414</u>
Total outstanding net insured P&I	<u>\$1,934,280</u>	<u>\$1,639,829</u>	<u>\$1,616,226</u>	<u>\$1,416,433</u>	<u>\$1,262,697</u>

### Financial Results

#### Income Statement

Premiums written	\$2,161	\$1,572	\$1,520	\$1,569	\$1,334
Net premiums earned	1,274	1,042	1,013	933	797
Net investment income	1,189	1,025	942	962	846
Other income	2	(8)	(9)	163	29
Losses & loss expenses incurred	76	42	43	213	66
Other underwriting expenses	442	438	367	356	374
Net income before taxes	1,942	1,576	1,536	1,489	1,231
Income taxes	500	315	327	311	251
Net income	<u>\$1,442</u>	<u>\$1,261</u>	<u>\$1,209</u>	<u>\$1,178</u>	<u>\$980</u>

#### Balance Sheet

Cash and invested assets	\$21,550	\$19,118	\$17,735	\$15,922	\$14,295
Other assets	158	275	788	735	642
Total assets	<u>\$21,708</u>	<u>\$19,393</u>	<u>\$18,523</u>	<u>\$16,657</u>	<u>\$14,937</u>
Losses and loss expense reserves	\$315	\$353	\$328	\$315	\$155
Unearned premium reserves	6,835	6,395	6,070	5,717	5,265
Contingency reserves	5,660	5,085	4,218	3,534	3,007
Other liabilities	1,407	800	986	791	666
Surplus	7,491	6,760	6,921	6,299	5,844
Total liabilities and surplus	<u>\$21,708</u>	<u>\$19,393</u>	<u>\$18,523</u>	<u>\$16,657</u>	<u>\$14,937</u>
Qualified statutory capital	<u>\$13,151</u>	<u>\$11,845</u>	<u>\$11,139</u>	<u>\$9,833</u>	<u>\$8,851</u>

### Key Statistics

Capital ratio*	147:1	138:1	145:1	144:1	143:1
Return on average surplus	20.2%	18.4%	18.3%	19.4%	18.2%
Loss ratio	5.9%	4.0%	4.2%	22.8%	8.3%
Expense ratio	20.5%	27.9%	24.1%	22.7%	28.1%
Combined ratio	26.4%	31.9%	28.3%	45.5%	36.4%

\* Capital ratio is net financial guarantees in-force divided by qualified statutory capital.

**Association of Financial Guaranty Insurers**  
**Combined Financial Highlights**

**Insurance Outstanding**

(Amounts in \$ millions)	<b>Net Par Outstanding 12/31/01</b>
<b>Municipal</b>	
General obligation	\$206,065
Tax-backed revenue	178,871
Utility revenue	141,763
Health care revenue	76,273
Transportation revenue	71,793
University revenue	37,211
Housing revenue	28,776
Student loan	16,408
International	15,786
Other	49,323
Total municipal	\$822,269
<b>Non-Municipal</b>	
Mortgage-backed securities - U.S.	\$132,483
Other asset-backed - U.S.	180,279
Mortgage-backed securities -International	9,374
Other asset-backed - International	68,430
Investor-owned utility obligations	37,878
Other - U.S.	17,239
Other - International	31,162
Total non-municipal/structured finance	\$476,845
TOTAL	\$1,299,114

This report was prepared by AFGI and refers to the financial guaranty industry as a whole. The combined results are based on information provided by the member companies and are unaudited. XL Capital Assurance Inc. financial results are included beginning year 2000, and RAM Reinsurance Company Ltd. results begin in 1998, the years these companies, respectively, joined AFGI. Financial results for AXA Re Finance, a Paris-based reinsurer and former AFGI member, are included through 2000 only. All disclosures are on a statutory accounting basis in accordance with rules and procedures prescribed or permitted by state regulatory authorities.