



Keefe, Bruyette & Woods 2007 Insurance Conference

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Safe Harbor Disclosure

- Forward-looking statements are being made in this presentation. Actual results could differ materially from these statements.
- Some of the forward-looking statements may include references to our financial outlook, reserves, business strategy, growth prospects, ratings, market position and market conditions.
- Factors that could cause actual results to differ materially include, but are not limited to:
 - downgrades of financial strength ratings;
 - difficulties with the execution of the Company's business strategy;
 - a reduction in the amount of reinsurance ceded by one or more of our principal ceding companies;
 - contract cancellations;
 - developments or volatility in the world's financial and capital markets;
 - more severe or frequent losses and related analysis affecting the adequacy of the Company's loss reserves;
 - changes in regulation or tax laws;
 - governmental actions;
 - natural catastrophes;
 - the Company's dependence on customers;
 - decreased demand or increased competition;
 - loss of key personnel;
 - technological developments;
 - the effects of mergers, acquisitions and divestitures;
 - changes in accounting policies or practices;
 - changes in general economic conditions;
 - other risks and uncertainties that have not been identified at this time; and
 - management's response to these factors.
- See our SEC filings and our latest earnings press release and financial supplement, which are available on our website, for more information on factors that could affect our forward-looking statements.



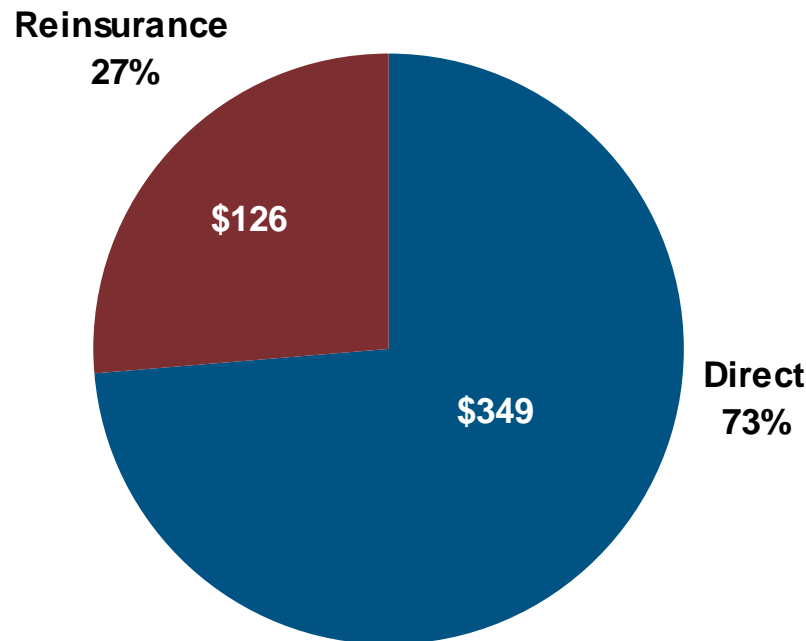
Strategic Overview

Dominic Frederico, President and Chief Executive Officer

Assured Guaranty Overview

As of June 30, 2007

New Business Written (PVP¹) Trailing 12 months (\$ in millions)



Total PVP: \$476 million

- 19+ year track record in financial guaranty market
- Fastest growing financial guaranty direct company in 2006 and number two YTD in 2007
- Largest financial guaranty reinsurer
- Received Aaa for Assured Guaranty Corp. from Moody's in July 2007
 - Rated AAA/Aaa/AAA, the same as our competitors

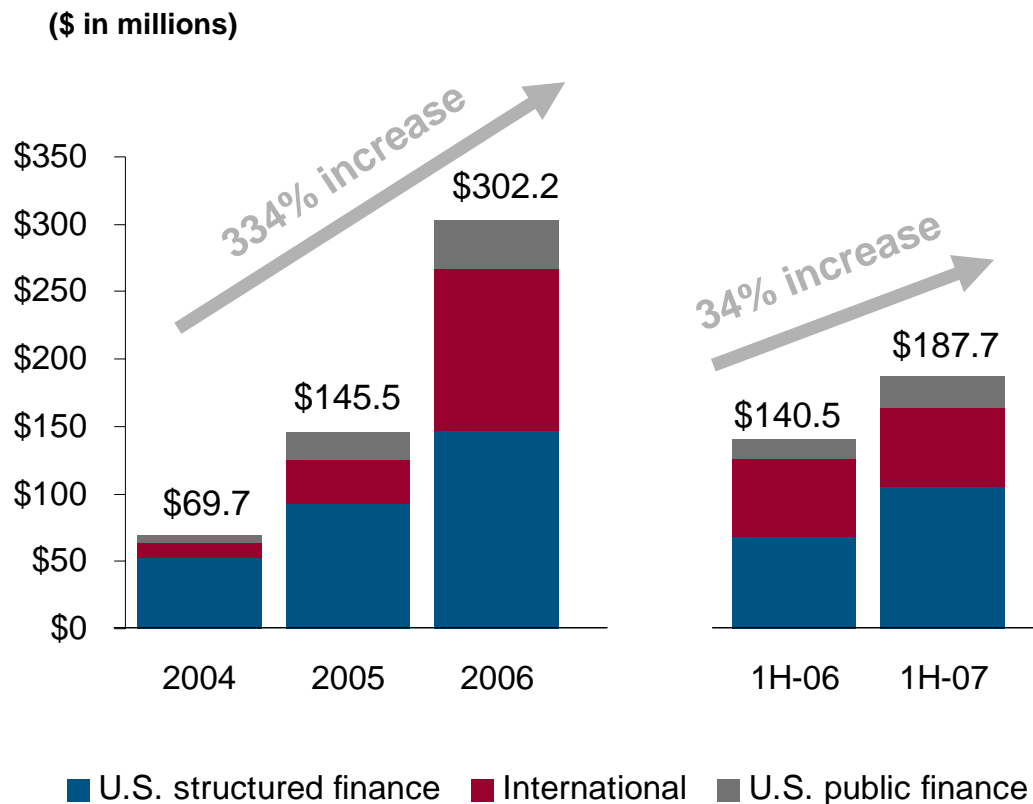
1. For an explanation of PVP, a non-GAAP financial measure, and a reconciliation of PVP to gross written premiums, which is the most comparable GAAP term, please refer to the appendix on slides 20-22.

Current Market Fundamentals

- Liquidity and credit crunch in RMBS market presents opportunities
 - Increased demand
 - Better pricing
- Assured has limited exposure to troubled 2006 vintage RMBS and no post-2003 exposure to multi-sector CDOs
- Assured has ample opportunity to put capital to work at significantly improved pricing and terms and conditions
- Our direct pipeline is at an all-time high
 - Goal is to expand in all markets

Strategic Goals and Accomplishments: Expand Financial Guaranty Direct Franchise

Financial Guaranty Direct PVP¹



- Direct PVP has grown each year since IPO, even without ratings parity at Assured Guaranty Corp., our principal direct company
- With ratings parity, we are well-positioned for expansion in all markets with the greatest opportunities in:
 - U.S. public finance
 - “Flow” ABS/MBS
 - Infrastructure

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Financial Guaranty Direct: Market Expansion Opportunities

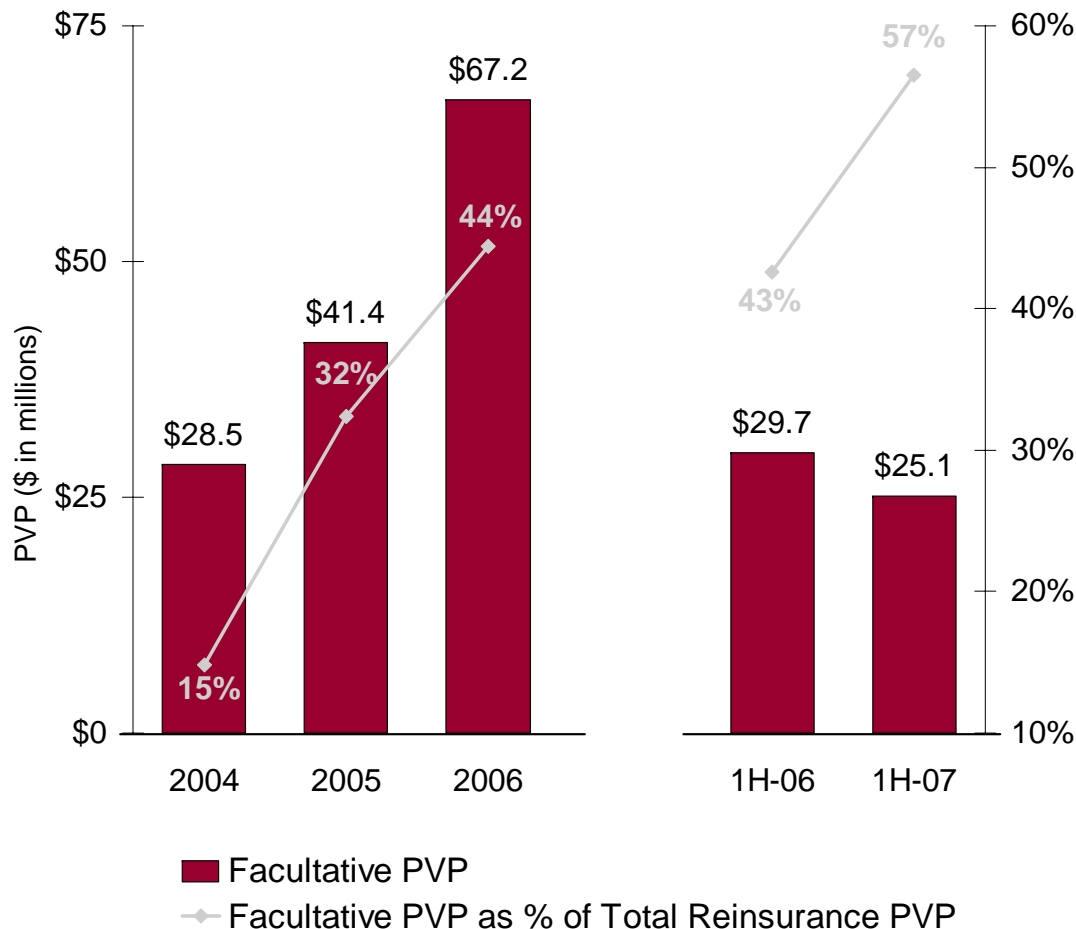
- U.S. public finance
 - Large deals
 - General government/tax backed
 - Competitive bid

- U.S. ABS/MBS
 - Public deals by major MBS/ABS originators
 - Commercial assets

- International
 - Infrastructure, including UK PFI
 - ABS
 - Geographic expansion

Strategic Goals and Accomplishments: Maintain Market Position in Reinsurance

Financial Guaranty Facultative Reinsurance PVP¹

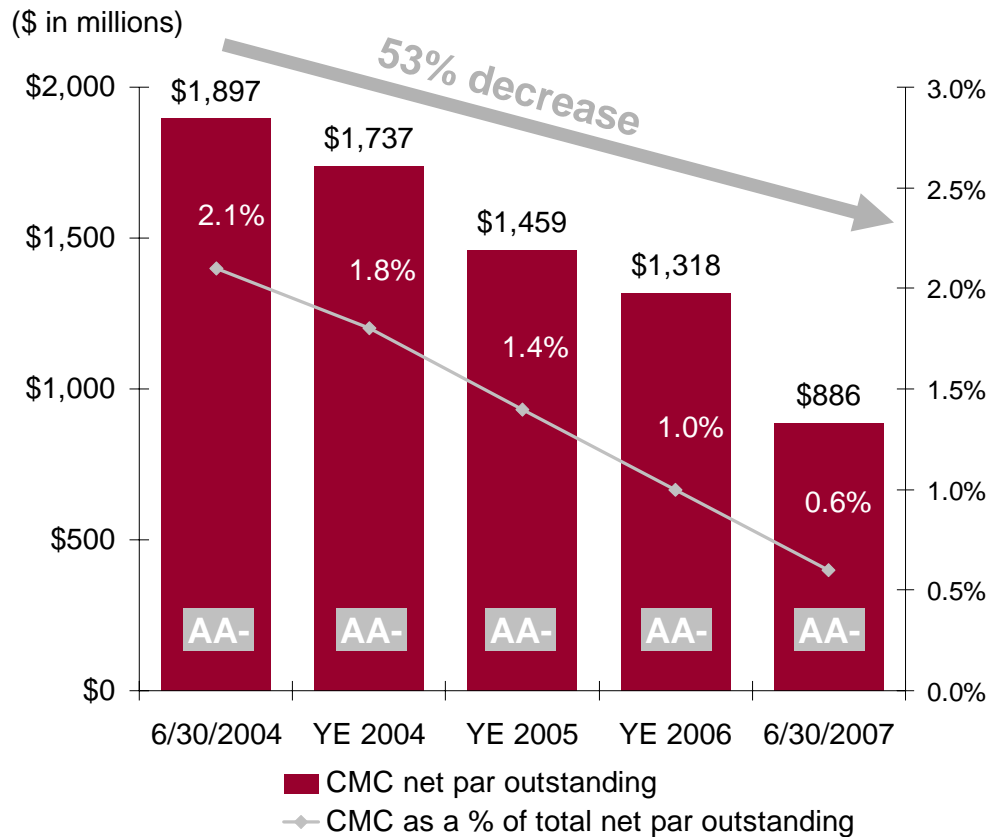


- AG Re continues to be the largest monoline reinsurer with \$67 billion of par insured and \$899 million in shareholder's equity at June 30, 2007
- Centralized reinsurance business in Bermuda post-IPO with focus on growing facultative business
 - Facultative deal submissions have grown each year and were up 21% in the first half of 2007
 - Facultative PVP represented 57% of first half 2007 PVP, versus approximately 10% pre-IPO
 - Decline in first half 2007 facultative PVP reflects less "large" deal activity

1. For an explanation of PVP, a non-GAAP financial measure, and a reconciliation of PVP to gross written premiums, which is the most comparable GAAP term, please refer to the appendix on slides 20-22.

Strategic Goals and Accomplishments: Exercise Strict Underwriting Discipline

Closely Monitored Credits (CMC)¹



Gray boxes represent average rating of total financial guaranty portfolio

- Average portfolio credit rating has been maintained at a AA- average since the IPO
- Gross par written in the first half of 2007 had an average rating of AA, of which 62% was rated AAA.
- CMC list has declined by 53% since the IPO and was 0.6% of net par outstanding as of June 30, 2007, a record low
 - Only \$98 million of U.S. subprime RMBS on CMC list

1. Our surveillance department is responsible for monitoring our portfolio of credits and maintains a list of closely monitored credits. The closely monitored credits are divided into four categories: Category 1 (low priority; fundamentally sound, greater than normal risk); Category 2 (medium priority; weakening credit profile, may result in loss); Category 3 (high priority; claim/default probable, case reserve established); Category 4 (claim paid, case reserve established for future payments). The closely monitored credits include all below investment grade (BIG) exposures where there is a material amount of exposure (generally greater than \$10.0 million) or a material risk of the Company incurring a loss greater than \$0.5 million. The closely monitored credits also include investment grade (IG) risks where credit quality is deteriorating and where, in the view of the Company, there is significant potential that the risk quality will fall below investment grade.

2. Represents Assured Guaranty internal rating. Our scale is comparable to that of the nationally recognized rating agencies.

Strategic Goals and Accomplishments: Maintain Triple-A Rating at Direct Companies

- Received AAA (stable) rating from Fitch Ratings in April 2005 for Assured Guaranty Corp. and Assured Guaranty (UK) Ltd. (direct companies)
- Received AAA (stable) rating from S&P in June 2005 for direct companies
- Received Aaa (stable) rating from Moody's in July 2007 for direct companies

Strategic Goals and Accomplishments: Efficient Capital Management

- Three repurchase programs since the IPO
 - As of June 30, 2007, a total of 7.9 million shares, or 10.5% of shares issued as of the IPO, had been repurchased

- Will continue to manage capital to triple-A levels at the direct companies and will efficiently utilize shareholders' equity

- Highest current return on capital is to invest in new business production
 - Ratings parity opens new markets
 - Market turmoil increases both demand and pricing, while terms and conditions improve



Financial Overview

Robert Mills, Chief Financial Officer

First Half 2007 Financial Results¹

	Six Months Ended June 30,		% Change versus YTD 2006
	2007	2006	
Revenues			
Gross written premiums	\$ 161.4	\$ 166.9	(3)%
Net written premiums	153.3	161.1	(5)%
Net earned premiums	108.1	96.2	12%
Net investment income	62.3	53.5	16%
Total revenues	170.4	149.7	14%
Expenses			
Loss and loss adjustment expenses	(13.8)	(6.9)	100%
Profit commission expense	2.5	3.0	(17)%
Acquisition costs	21.7	22.1	(2)%
Other operating expenses	39.5	32.8	20%
Interest and related expenses	13.1	8.0	64%
Total expenses	63.0	59.0	7%
Income before provision for income taxes	107.4	90.7	18%
Total provision for income taxes	14.6	14.0	4%
Operating income²	92.8	76.7	21%
After-tax realized losses on investments	(1.5)	(1.4)	7%
After-tax unrealized (losses) gains on derivatives	(19.6)	4.2	NM
Net income	\$ 71.8	\$ 79.4	(10)%
ROE, excluding AOCI	8.7%	9.6%	
Less: After-tax realized losses on investments	(0.2)%	(0.2)%	
Less: After-tax unrealized (losses) gains on derivatives	(2.4)%	0.5%	
Operating ROE, excluding AOCI²	11.3%	9.3%	

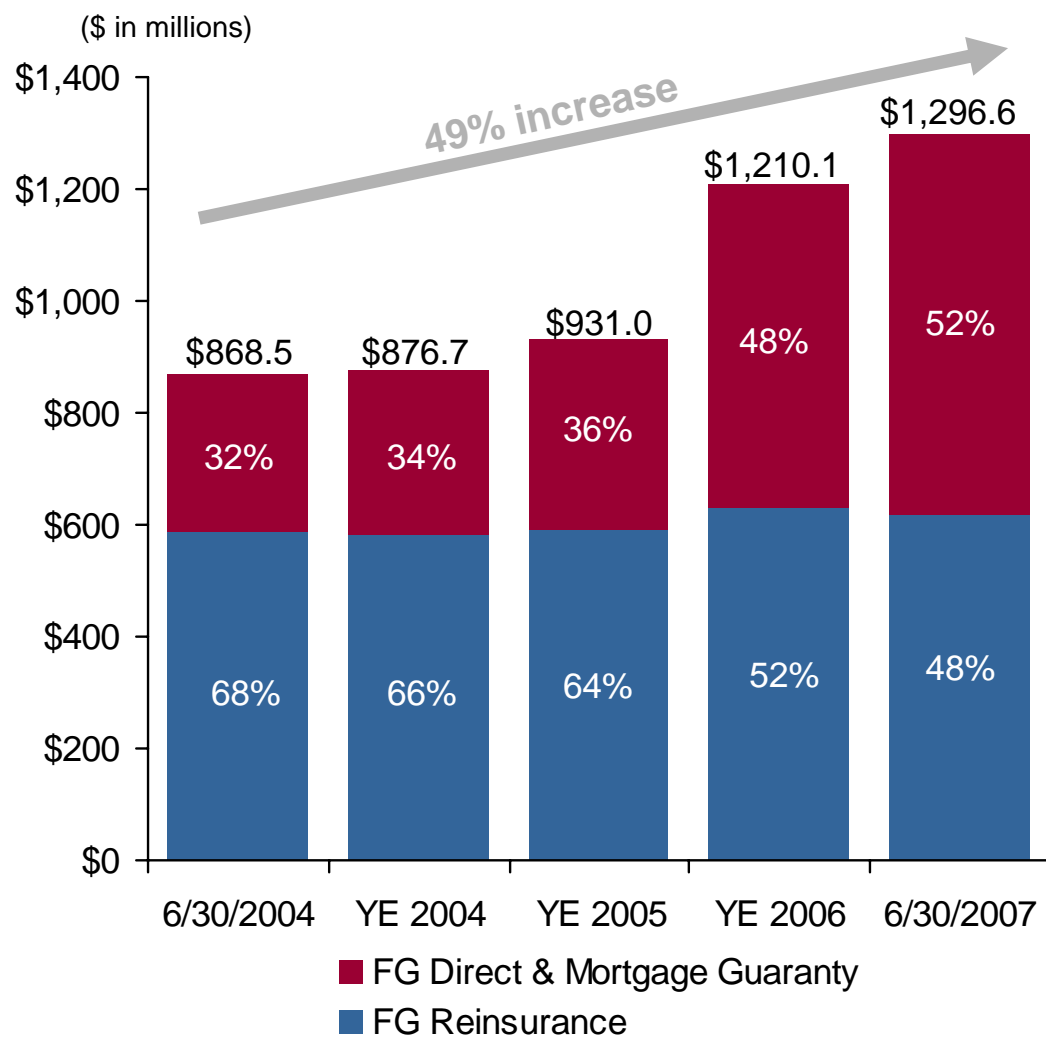
NM = Not meaningful

1. Some amounts may not add due to rounding.

2. For an explanation of operating income and operating return on equity, which are non-GAAP financial measures, please refer to the appendix on slide 20.

Building Future Earned Premium Base

Unearned Premium Reserve Net of Ceded Reinsurance & Net Present Value of Estimated Future Installment Premiums In Force¹, Pre-Tax



- Our future earned premium base has grown each year
 - Driven by PVP exceeding net earned premiums
- Since the IPO, direct unearned premium reserve net of ceded reinsurance and net present value of estimated future installment premiums in force, pre-tax is up 173%

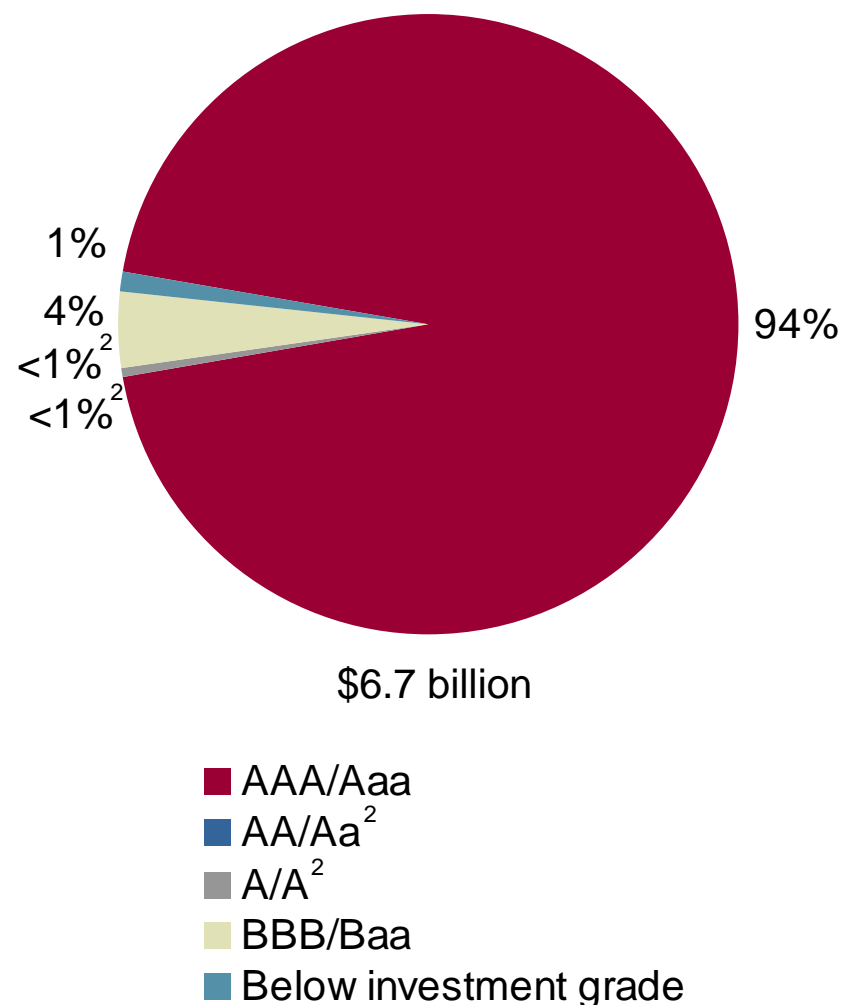
1. For an explanation of net present value of estimated future installment premiums in force, which is a non-GAAP financial measure, please refer to the appendix on slide 20.

U.S. Subprime RMBS

As of June 30, 2007

- 94% of our U.S. subprime RMBS exposure is rated AAA
- Financial Guaranty Direct represents 95% of our exposure
 - FG Direct U.S. subprime RMBS has an average rating of AAA
- \$100 million of our U.S. subprime RMBS exposure is below investment grade
 - Exposure is seasoned and consisting of pre-IPO vintages
 - No downgrades of 2005 or later vintages

**Assured Guaranty Ltd.
U.S. Subprime RMBS by Rating ¹**



1. Represents Assured Guaranty internal rating. Our scale is comparable to that of the nationally recognized rating agencies.

2. As of June 30, 2007, \$19 million of Assured Guaranty Ltd.'s U.S. Subprime RMBS exposure was rated AA/Aa and \$33 million was rated A/A.

CDOs of ABS

As of June 30, 2007

- Have not written a CDO of ABS deal since 2003
- Direct net par outstanding exposure to CDOs of ABS totaled \$2.5 billion with an average rating of AAA/Aaa as of June 30, 2007
- Significant levels of subordination and largely AAA rated collateral
- Only one direct deal contains any U.S. subprime RMBS exposure
 - Net par outstanding of \$594.0 million and is backed by a pool of 100% AAA rated senior collateral
 - 32% of the collateral is U.S. subprime RMBS
 - Expires in April 2008
 - Originated in 2003



Conclusion

Dominic Frederico, President and Chief Executive Officer

Second Half 2007 Outlook

- Market conditions have improved for the industry
- Achieving triple, triple-A ratings for the direct companies should open new markets for Assured
 - Direct pipeline is at an all-time high
- Remain very comfortable with the quality of our RMBS and CDOs of ABS
- Do not have liquidity or capital issues due to change in market value on CDS
 - No market value collateral posting requirements
 - Rating agency capital models are based on statutory accounting, which do not use FAS 133



Appendix

Appendix

Explanation of Non-GAAP Financial Measures

Adjusted book value, which is a non-GAAP financial measure, is defined as shareholders' equity (book value) plus the after-tax value of the unearned premium reserve net of prepaid reinsurance premiums, plus the net present value of estimated future installment premiums in force, less future ceding commissions, after tax discounted at 6%, less deferred acquisition costs, after tax. We believe adjusted book value is a useful measure for management, equity analysts and investors because the calculation of adjusted book value permits an evaluation of the net present value of the Company's in-force premiums and capital base. The premiums described above will be earned in future periods, but may differ materially from the estimated amounts used in determining current adjusted book value due to changes in market interest rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, and other factors that management cannot control or predict. This measure should not be viewed as a substitute for book value determined in accordance with GAAP.

Operating income, which is a non-GAAP financial measure, is defined as net income excluding after-tax realized gains (losses) on investments and after-tax unrealized gains (losses) on derivative financial instruments. Operating return on equity (ROE) represents operating income as a percentage of average shareholders' equity, excluding accumulated other comprehensive income. We believe that operating income and operating ROE are useful measures for management, equity analysts and investors because the presentation of operating income and operating ROE enhance the understanding of our results of operations by highlighting the underlying profitability of our insurance business. We exclude net realized gains (losses) on investments and net unrealized gains (losses) on derivative financial instruments because the amount of these gains (losses) is heavily influenced by, and fluctuates in part according to, market interest rates, credit spreads, and other factors that management cannot control or predict. These measures should not be viewed as substitutes for net income or ROE determined in accordance with GAAP.

Net present value of estimated future installment premiums in force, which is a non-GAAP financial measure, is defined as the present value of estimated future installment premiums from our in-force book of business, net of reinsurance and discounted at 6%. We believe net present value of estimated future installment premiums in force is a useful measure for management, equity analysts and investors because it permits an evaluation of the value of future estimated installment premiums. Estimated future premiums may change from period to period due to changes in par outstanding, maturity, or other factors that management cannot control or predict that result from market interest rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, or other factors. There is no comparable GAAP financial measure.

Present value of gross written premiums or PVP, which is a non-GAAP financial measure, is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, on contracts written in the current period, discounted at 6% per year. We believe PVP is a useful measure for management, equity analysts and investors because it permits the evaluation of the value of new business production for Assured Guaranty by taking into account the value of estimated future installment premiums on new contracts underwritten in a reporting period, which GAAP gross premiums written does not adequately measure. Actual future net earned or written premiums may differ from PVP due to factors such as prepayments, amortizations, refundings, contract terminations or defaults that may or may not be influenced by market interest rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, or other factors that management cannot control or predict. This measure should not be viewed as a substitute for gross written premiums determined in accordance with GAAP.

For adjusted book value, net present value of estimated future installment premiums in force, and present value of gross written premiums or PVP, we use 6% as the present value discount rate because it is the approximate taxable equivalent yield on our investment portfolio for the periods presented.

Appendix

PVP¹ – Reconciliation to Gross Written Premiums² (\$ in millions)

	2004	2005	1Q-06	2Q-06	3Q-06	4Q-06	2006	1Q-07	2Q-07
Gross written premiums (GWP) analysis:									
Present value of GWP (PVP)	\$ 289.6	\$ 286.3	\$ 61.8	\$ 148.4	\$ 127.4	\$ 116.0	\$ 453.6	\$ 106.7	\$ 125.3
Less: Installment premium PVP	164.1	183.6	44.2	70.8	86.1	69.5	270.6	77.2	72.9
Upfront financial guaranty & mortgage guaranty GWP	125.5	102.7	17.6	77.6	41.3	46.5	183.0	29.5	52.4
Less: Upfront premium due to novations	-	18.4	-	-	-	-	-	-	-
Plus: Installment GWP	140.0	135.6	34.0	33.8	32.2	38.6	138.6	39.7	35.8
Financial guaranty & mortgage guaranty GWP	265.5	219.9	51.6	111.4	73.5	85.1	321.6	69.2	88.7
Plus: Other segment GWP	(74.6)	32.2	3.8	0.1	0.1	0.1	4.1	3.3	0.1
Total gross written premiums	\$ 190.9	\$ 252.1	\$ 55.4	\$ 111.5	\$ 73.6	\$ 85.2	\$ 325.7	\$ 72.5	\$ 88.8

1. For an explanation of PVP, a non-GAAP financial measure, please refer to the appendix on slide 20.

2. Some amounts may not add due to rounding.

Appendix

PVP¹ By Segment – Reconciliation to Gross Written Premiums² (\$ in millions)

Financial Guaranty Direct Segment	2004	2005	1Q-06	2Q-06	3Q-06	4Q-06	2006	1Q-07	2Q-07
Present value of gross w ritten premiums (PVP)	\$ 69.7	\$ 145.5	\$ 41.6	\$ 98.8	\$ 90.9	\$ 70.8	\$ 302.2	\$ 83.7	\$ 104.0
Less: Present value of installment premiums	64.0	125.1	33.2	53.1	69.4	48.6	204.3	63.0	68.7
Upfront gross w ritten premiums (GWP)	5.7	20.3	8.5	45.7	21.5	22.2	97.9	20.7	35.3
Plus: Installment GWP	75.1	75.8	21.8	22.7	20.4	26.5	91.3	28.8	27.4
Financial guaranty direct GWP	\$ 80.8	\$ 96.2	\$ 30.2	\$ 68.4	\$ 41.9	\$ 48.7	\$ 189.2	\$ 49.5	\$ 62.7
Financial Guaranty Reinsurance Segment	2004	2005	1Q-06	2Q-06	3Q-06	4Q-06	2006	1Q-07	2Q-07
Present value of gross w ritten premiums (PVP)	\$ 192.8	\$ 127.8	\$ 20.1	\$ 49.6	\$ 36.5	\$ 45.2	\$ 151.5	\$ 23.1	\$ 21.3
Less: Present value of installment premiums	83.3	58.5	11.0	17.7	16.8	20.8	66.3	14.2	4.2
Upfront gross w ritten premiums (GWP)	109.5	69.2	9.1	31.9	19.8	24.4	85.2	8.9	17.1
Less: Upfront premium due to novations ³	-	18.4	-	-	-	-	-	-	-
Plus: Installment GWP	50.8	47.2	9.7	9.8	9.9	9.3	38.7	9.8	8.4
Financial guaranty reinsurance GWP	\$ 160.3	\$ 98.0	\$ 18.8	\$ 41.7	\$ 29.7	\$ 33.7	\$ 123.9	\$ 18.7	\$ 25.5
Mortgage Guaranty Segment	2004	2005	1Q-06	2Q-06	3Q-06	4Q-06	2006	1Q-07	2Q-07
Present value of gross w ritten premiums (PVP)	\$ 27.1	\$ 13.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Present value of installment premiums	16.9	-	-	-	-	-	-	-	-
Upfront gross w ritten premiums (GWP)	10.3	13.1	-	-	-	-	-	-	-
Plus: Installment GWP	14.1	12.6	2.6	1.2	1.9	2.7	8.4	1.0	0.5
Mortgage guaranty GWP	\$ 24.4	\$ 25.7	\$ 2.6	\$ 1.2	\$ 1.9	\$ 2.7	\$ 8.4	\$ 1.0	\$ 0.5

1. For an explanation of PVP, a non-GAAP financial measure, please refer to the appendix on slide 20.

2. Some amounts may not add due to rounding.

3. Relates to reassumption by FSA of approximately \$820 million par value of healthcare related business.