



William Blair & Company  
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**ASSURED  
GUARANTY®**

**Dominic Frederico  
President & Chief Executive Officer  
Assured Guaranty Ltd.**

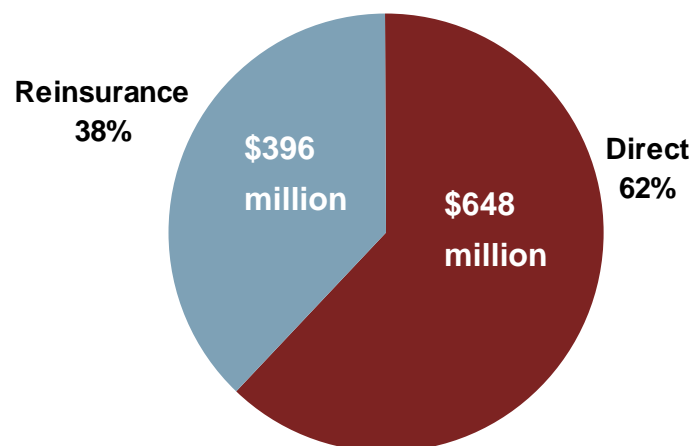


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- **Our sole focus is financial guaranty**
  - 20 year track record in financial guaranty market
  - Largest financial guaranty reinsurer in the business
  - Growing financial guaranty direct franchise
- **Strong capitalization**
  - Consolidated GAAP equity of \$1.5 billion, second highest in the industry as of March 31, 2008
  - GAAP equity plus mark-to-market on derivatives and \$250 million April 2008 equity investment by WL Ross & Co. is \$2.4 billion
  - Capital adequacy above rating agency requirements
- **Benefiting from current market conditions**
  - New business is up 109% in the last twelve months
  - Second largest financial guaranty company based on first quarter 2008 GAAP equity and new business production

## New Business Production (PVP<sup>1</sup>)

Last Twelve Months (LTM) ended 3/31/08

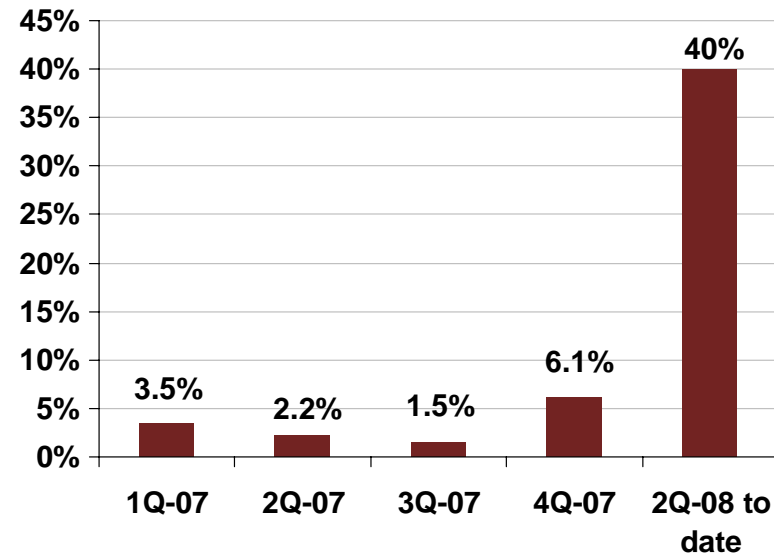


**Total PVP: \$1.04 Billion**

109% growth versus LTM ended 3/31/07

- **Unique market opportunity**
  - Only two companies providing triple triple-A (stable) guarantees in public finance and ABS markets
  - Attractive pricing environment
- **Strong capitalization**
  - No rating agency reviews
  - Proven and committed access to capital markets
  - Available debt capacity
- **Experienced underwriting teams in all asset classes**
  - Direct
  - Reinsurance

## Assured Guaranty U.S. Public Finance New Issue Market Share



Source: Thomson Financial

# Industry Environment: Exposure to RMBS



\$ in billions as of March 31, 2008

	AGL	Ambac	CIFG <sup>1</sup>	FGIC <sup>1</sup>	FSA	MBIA	SCA
<b>Lower risk assets</b>							
US prime first lien	\$2.3	\$11.4	\$0.0	\$2.4	\$2.8	\$2.2	\$0.1
US Alt-A	7.4	6.5	0.1	2.0	1.7	3.6	3.1
Subprime RMBS	<u>7.0</u>	<u>8.1</u>	<u>1.9</u>	<u>7.9</u>	<u>5.1</u>	<u>4.2</u>	<u>1.1</u>
<b>Total lower risk assets</b>	<b>16.7</b>	<b>26.0</b>	<b>2.0</b>	<b>12.3</b>	<b>9.6</b>	<b>10.0</b>	<b>4.3</b>
<b>Medium risk assets</b>							
US home equity	2.3	11.4	0.8	10.1	4.5	8.7	3.0
US closed end seconds	<u>0.5</u>	<u>5.0</u>	<u>0.5</u>	<u>9.0</u>	<u>0.8</u>	<u>10.1</u>	<u>0.5</u>
<b>Total medium risk assets</b>	<b>2.8</b>	<b>16.4</b>	<b>1.3</b>	<b>19.1</b>	<b>5.3</b>	<b>18.8</b>	<b>3.5</b>
<b>High risk assets</b>							
CDOs with RMBS	0.0	26.5	9.4	10.9	0.0	22.1	15.2
CDOs Squared	<u>0.0</u>	<u>3.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>8.6</u>	<u>1.6</u>
<b>Total high risk assets</b>	<b>0.0</b>	<b>29.5</b>	<b>9.4</b>	<b>10.9</b>	<b>0.0</b>	<b>30.7</b>	<b>16.8</b>
<b>Total RMBS &amp; CDOs w/RMBS<sup>2</sup></b>	<b>\$19.5</b>	<b>\$71.9</b>	<b>\$12.7</b>	<b>\$42.3</b>	<b>\$14.9</b>	<b>\$59.5</b>	<b>\$24.6</b>
<b>GAAP shareholder's equity</b>	<b>\$1.49</b>	<b>\$1.30</b>	<b>\$0.63</b>	<b>\$0.55</b>	<b>\$0.04</b>	<b>\$2.06</b>	<b>\$0.35</b>
<b>Lower risk assets to GAAP equity</b>	<b>11x</b>	<b>20x</b>	<b>3x</b>	<b>22x</b>	<b>218x</b>	<b>5x</b>	<b>12x</b>
<b>Medium risk assets to GAAP equity</b>	<b>2x</b>	<b>13x</b>	<b>2x</b>	<b>35x</b>	<b>121x</b>	<b>9x</b>	<b>10x</b>
<b>Higher risk assets to GAAP equity</b>	<b>0x</b>	<b>20x</b>	<b>15x</b>	<b>20x</b>	<b>0x</b>	<b>11x</b>	<b>44x</b>
<b>Total RMBS to GAAP equity</b>	<b>13x</b>	<b>55x</b>	<b>20x</b>	<b>77x</b>	<b>339x</b>	<b>29x</b>	<b>71x</b>
<b>Net par outstanding</b>	<b>\$214.9</b>	<b>\$511.1</b>	<b>\$78.7</b>	<b>\$303.1</b>	<b>\$414.1</b>	<b>\$667.8</b>	<b>\$154.9</b>
<b>% RMBS of total net par outstanding</b>	<b>9.1%</b>	<b>14.1%</b>	<b>16.1%</b>	<b>14.0%</b>	<b>3.6%</b>	<b>8.9%</b>	<b>15.9%</b>

(1) Data as of 9/30/07

(2) Numbers may not add up due to rounding

Source: S&P Report: "Detailed Results of Subprime Stress Test of Financial Guarantors" published 2/25/2008 (data as of 9/30/2007)

# New Competitive Tiering



As of March 31, 2008, unless noted, and in millions of dollars:  
Ranked by 1Q-08 new business production

Holding Company	Consolidated GAAP Shareholders' Equity	Net Par Outstanding	Net Par Outstanding to GAAP Equity	1Q-08 PVP <sup>3</sup>	Ratings S&P / Moody's / Fitch Outlook
FSA	\$44	\$414,128	9,412:1	\$281	AAA / Aaa / AAA Stable / Stable / Stable
<b>Assured</b>	<b>1,493</b>	<b>214,876</b>	<b>144:1</b>	<b>277</b>	<b>AAA / Aaa / AAA Stable / Stable / Stable</b>
MBIA	2,060	667,818	324:1	44	AA / Aaa / AA Neg / Neg / Neg
Ambac	1,297	511,082	394:1	40	AA / Aaa / AA Neg / Neg / Neg
SCA	348	154,900	445:1	10	A- / A3 / BB Neg / Neg / Neg
FGIC	548	303,145 <sup>2</sup>	553:1	N/A	BB / Baa3 / BBB Neg / Neg / Neg
CIFG <sup>1</sup>	631	78,706	125:1	N/A	A+ / Ba2 / CCC Neg / Neg / evolving

1. Results as of March 31, 2007

2. Results as of December 31, 2007

7 | 3. 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.

- **Flexible platform**
  - Direct and reinsurance
  - Public finance and structured finance
  - U.S., Bermuda and European licensed companies
- **Investor capacity for Assured-wrapped bonds**
  - Fixed income investors have limited exposure to Assured given our recent entry into the direct business
- **Proven track record for credit discipline**
  - No CDOs of ABS with subprime exposure
  - Limited second lien exposure
- **Publicly-traded company based in Bermuda**
  - Extensive financial disclosures on a quarterly basis

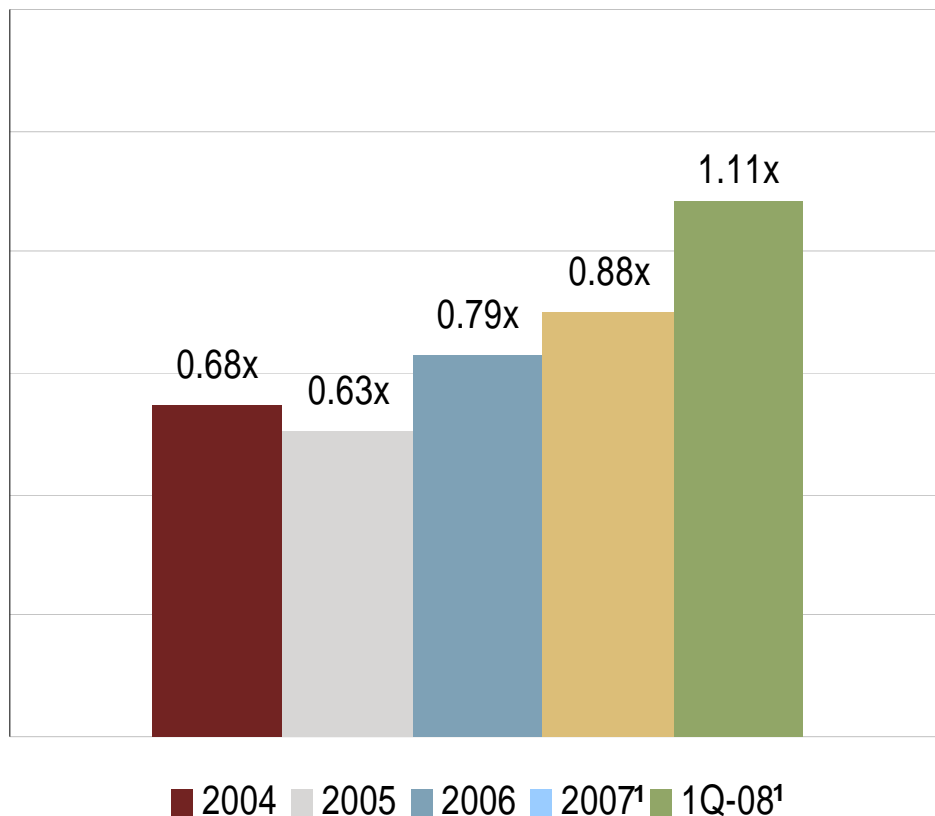
- **Continue to exercise strict underwriting discipline**
  - No U.S. RMBS in reinsurance segment
  - No CDOs of ABS or other transactions with embedded leverage
  
- **Financial goals**
  - Increase operating return on equity
  - Maintain additional capital cushion above current rating agency requirements
  - Retain focus on capital efficiency
  
- **Position company as industry leader**
  - Firmly establish U.S. public finance franchise
  - Expand international reach
  - Maintain position in structured finance
  
- **Opportunistic approach to capital and business opportunities**

# Building Earnings Through Future Premium Leverage



## Assured Guaranty Ltd. 2004 – 1Q-08

Unearned Premium Reserve (UPR) and Present Value of Installment Premiums (PVIP)<sup>2</sup> to GAAP Equity



- Assured's UPR + PVIP leverage has been growing
- Our leverage only exceeded most of our peer's 2006 leverage for the first time in 1Q-08
  - MBIA 0.84x
  - Ambac 0.98x
  - FSA 1.13x

1. 2007 and 1Q-08 GAAP Equity adjusted for mark-to-market losses  
2. For an explanation of PVIP, a non-GAAP financial measure, please refer to the appendix.

# 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. Management believes that 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 (loss) excluding i) after-tax realized gains (losses) on investments and ii) after-tax unrealized gains (losses) on credit derivatives and the fair value adjustment of the Company's committed capital securities, other than the Company's net estimate of after-tax incurred case and portfolio loss and loss adjusted expense reserves for credit derivatives. Operating return on equity (ROE) represents operating income as a percentage of average shareholders' equity, excluding accumulated other comprehensive income and after-tax unrealized gains (losses) on credit derivatives. Management believes that operating income and operating ROE are useful measures for management, investors and analysts because the presentation of operating income and operating ROE enhance the understanding of Assured's results of operations by highlighting the underlying profitability of Assured's business. Realized gains (losses) on investments and unrealized gains (losses) on credit derivatives and the fair value adjustment of the Company's committed capital securities, other than the portion attributable to the Company's net estimate of incurred case and portfolio loss and loss adjustment expense reserves for credit derivatives, are excluded because the amount of both 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 (loss) or ROE determined in accordance with GAAP.

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. Management believes that 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 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.

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%. Management believes that 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.

For adjusted book value, net present value of estimated future installment premiums in force, and PVP, Assured uses 6% as the present value discount rate because it is the approximate taxable equivalent yield on Assured's investment portfolio for the periods presented.

# Appendix: PVP<sup>1</sup> – Reconciliation to Gross Written Premiums<sup>2</sup>



(\$ in millions)

	Quarter Ended March 31,		As reclassified
	2008	2007	2007
<b>Gross written premiums (GWP) analysis:</b>			
Present value of financial guaranty and credit derivative GWP (PVP) <sup>a</sup>	\$ 276.6	\$ 106.7	\$ 874.6
Less: PVP of credit derivatives	93.4	40.3	252.2
PVP of financial guaranty GWP	183.2	66.4	622.4
Less: Financial guaranty installment premium PVP	36.1	36.9	292.8
Total: Financial guaranty upfront GWP	147.1	29.5	329.6
Plus: Financial guaranty installment GWP	24.7	21.3	88.6
Total financial guaranty GWP	171.8	50.8	418.2
Plus: Mortgage guaranty segment GWP	0.5	1.0	2.7
Plus: Other segment GWP	3.5	3.3	3.5
<b>Total GWP per income statement</b>	<b>\$ 175.8</b>	<b>\$ 55.2</b>	<b>\$ 424.5</b>

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

2. Some amounts may not add due to rounding.