



JP Morgan
2009 Insurance Conference
March 18, 2009

**ASSURED
GUARANTY®**

Dominic Frederico
President & Chief Executive Officer
Assured Guaranty Ltd.



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Safe Harbor Disclosure



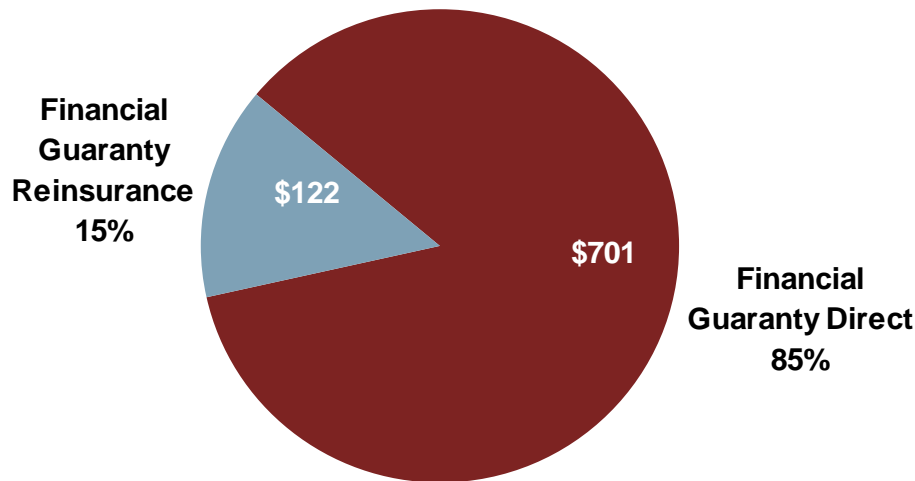
- Forward-looking statements are being made in this presentation. Actual results could differ materially from these statements.
- For example, the Company's forward looking statements, including its calculations of adjusted book value, PVP, net present value of estimated future installment premiums in force, total estimated net future premium earnings, and statements regarding capital losses, pricing, ratings, expenses and new business production could be affected by many events.
- Factors that could cause actual results to differ materially include, but are not limited to:
 - downgrades of financial strength ratings assigned by the major rating agencies to any of our insurance subsidiaries at any time, which has occurred in the past;
 - downgrades of transactions we insure;
 - our inability to execute our business strategy;
 - reduction in the amount of reinsurance facultative cessions or portfolio opportunities available to us
 - contract cancellations;
 - developments in the world's financial capital markets that adversely affect our loss experience, the demand for our products, our access to capital, our unrealized (losses) gains on derivative financial instruments or our investment returns;
 - more severe or frequent losses associated with our insurance products, or changes in our assumptions used to estimate loss reserves and realized (losses) gains on derivative financial instruments;
 - changes in regulation or tax laws applicable to us, our subsidiaries or customers;
 - governmental actions;
 - natural catastrophes;
 - the Company's dependence on customers;
 - decreased demand for our insurance or reinsurance products or increased competition in our markets;
 - loss of key personnel;
 - technological developments;
 - the effects of mergers, acquisitions and divestitures;
 - changes in accounting policies or practices;
 - changes in the credit markets, segments thereof or general economic conditions, including the overall level of activity in the economy or particular sectors, interest rates, credit spreads and other factors;
 - other risks and uncertainties that have not been identified at this time; and
 - management's response to these factors.
- See the Company's SEC filings and latest earnings press release and financial supplement, which are available on its website, for more information on factors that could affect its forward-looking statements. Do not place undue reliance on these forward-looking statements which are made as of February 25, 2009. Assured does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- This presentation references several non-GAAP financial measures. These non-GAAP financial measures are defined in the appendix of this presentation. In each case, if available, the most directly comparable GAAP financial measure is presented and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how our management, analysts and investors evaluate our financial results and is comparable to estimates published by analysts in their research reports on us. Each of the non-GAAP financial measures is identified in this presentation as such.

Overview of Assured Guaranty Ltd.



(\$ in millions)

2008 New Business Production (PVP¹)



Total PVP: \$823.0 million

- **Assured Guaranty Ltd. has a 20+ year track record in financial guaranty market**
- **Assured Guaranty Corp. has the highest rating of any experienced bond insurance company and is the only company to have a stable outlook from all three rating agencies**
 - AAA (stable) from Standard and Poor's and Fitch
 - Aa2 (stable) from Moody's
- **Bermuda-based Assured Guaranty Reinsurance Ltd. ("AG Re") is the largest financial guaranty reinsurer**
 - AA (stable) from Standard and Poor's and Fitch
 - Aa3 (stable) from Moody's

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 19-21.

- **Exercise strict underwriting discipline**
 - No leverage on leverage transactions
 - Granular risk analysis
- **Expand direct franchise**
 - Direct PVP¹ increased 905% from 2004 to 2008
- **Maintain leading reinsurance market position**
 - Current focus on portfolio transactions
 - CIFG NA portfolio closed January 2009
- **Maintain current ratings for Assured Guaranty Corp. and AG Re**
 - Assured Guaranty Corp. is currently rated AAA (stable) and AG Re AA (stable) by Standard & Poor's and Fitch Ratings
 - Moody's downgraded Assured Guaranty Corp. to Aa2 (stable) and AG Re to Aa3 (stable) during the fourth quarter
- **Efficient utilization of capital**

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 19-21.

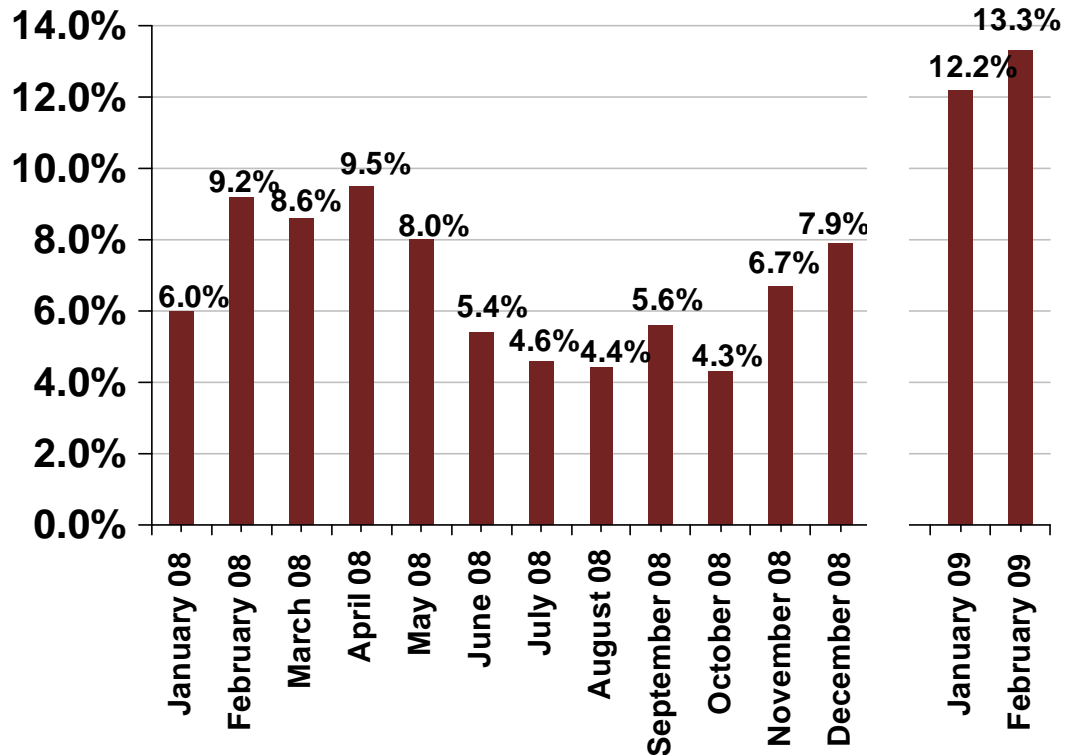
Financial Guaranty Direct

Public Finance Market Fundamentals



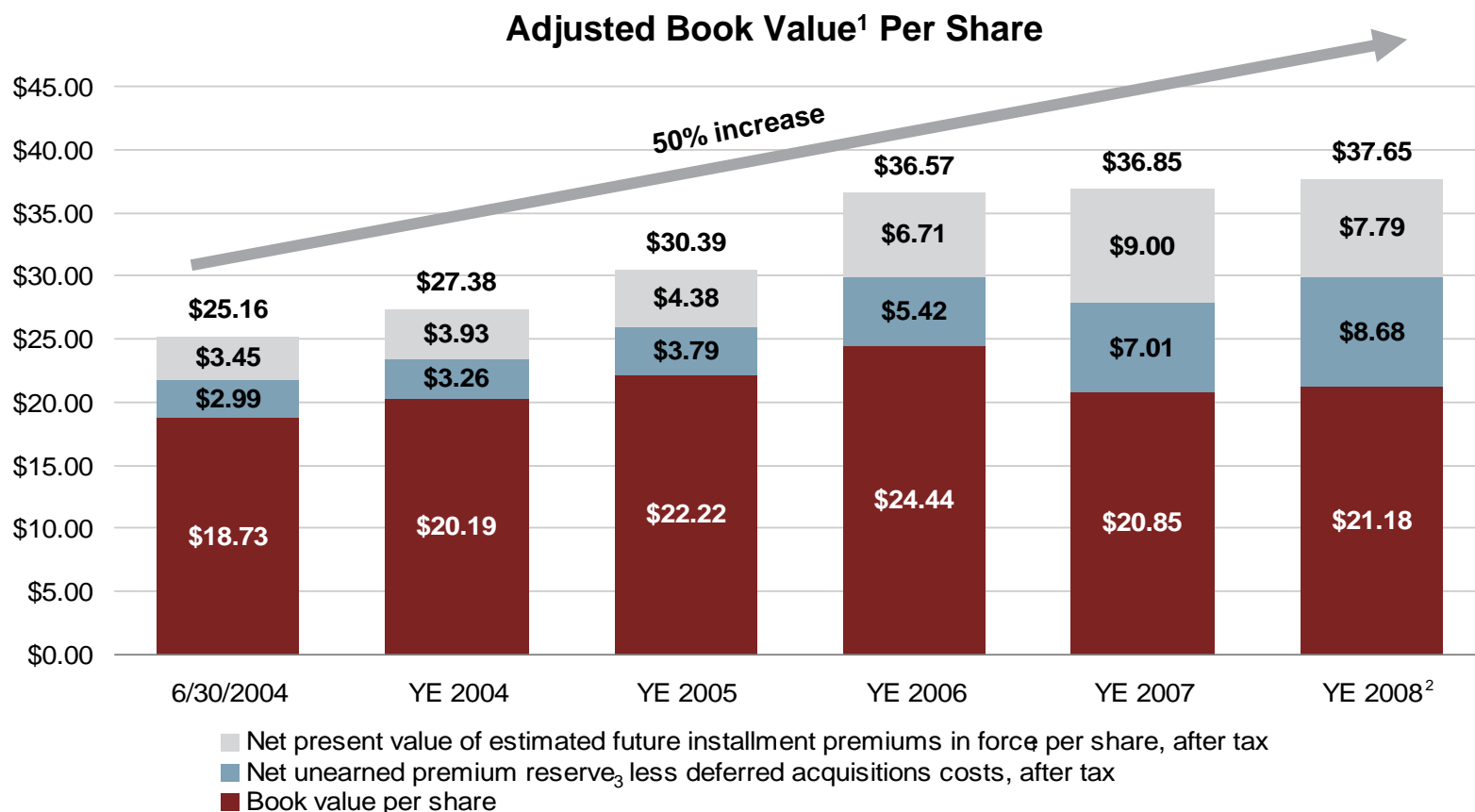
**Assured Guaranty Corp.'s
Monthly New Issue U.S. Public
Finance Insured from January 2008
to February 2009**

- **In 2008, Assured's U.S. public finance business took a tremendous step forward due to:**
 - Market turmoil
 - Ratings downgrades of competitors
 - Dominance of retail buyers
- **2009 market trends remain strong for Assured**
 - 12.8% of new issue U.S. public finance par has been insured by Assured through end of February 2009



Source: SDC Platinum

Book Value Per Share Growth Since IPO

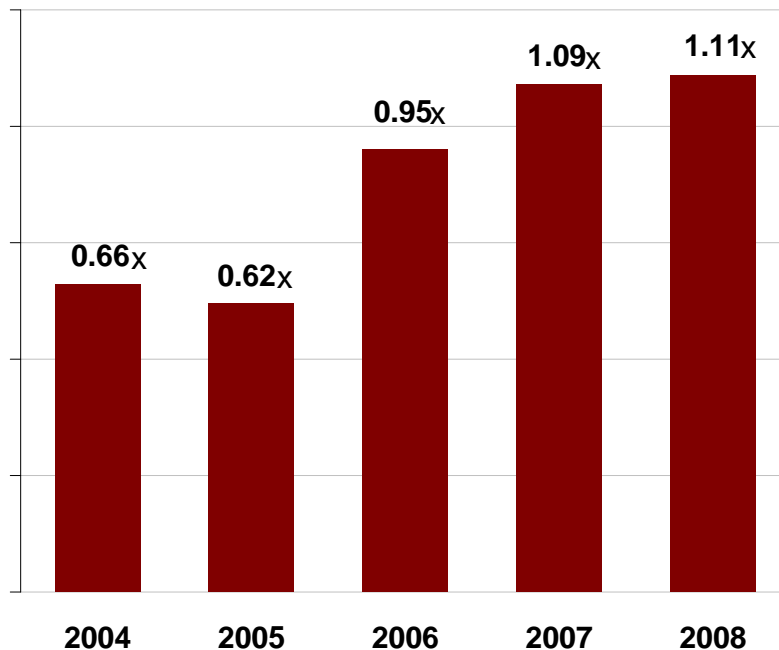


1. For explanations of adjusted book value and net present value of estimated future installment premiums in force, which is a non-GAAP financial measure, please refer to the appendix on slides 19-21.
2. The Company's book value and adjusted book value per share as of 12/31/08 was impacted by \$0.64 per diluted share in after-tax unrealized gains on credit derivatives and a fair value gain on Assured Guaranty Corp.'s committed capital securities for full year 2008.
3. Includes unearned revenue less prepaid reinsurance premiums on credit derivatives.

Growing Future Earned Premium Leverage Since IPO



Ratio of Assured's Estimated Future Earned Premiums¹ to GAAP Equity Adjusted for Mark-to-Market²



- **Assured has a solid base of future premium and credit derivative revenue**
 - \$1.2 billion of unearned premium reserves as of December 31, 2008
 - \$0.9 billion of present value of estimated future installment premiums³
- **Our earnings leverage exceeds most of our peers' 2006 leverage, a time when their ROEs were in 12-15% range**
 - MBIA² 0.86x
 - Ambac² 1.02x

1. Estimated future earned premiums is net unearned premium reserves plus estimated future installment premiums (calculations for 2004 and 2005 include statutory unearned premium reserves and net present value of estimated future installment premiums³)

2. MBIA, Ambac, 2004, 2005, 2006, 2007 and 2008 GAAP equity is adjusted for net unrealized mark-to-market gains/(losses) on credit derivatives. In addition, AGL's 2007 and 2008 GAAP equity excludes mark-to-market gains/(losses) on credit derivatives and a fair value gain on committed capital securities.

3. Please refer to the appendix on slides 18-20 for explanation of non-GAAP financial measures [net present value of estimated future installment premiums in force].

- **On November 14, 2008, Assured announced its agreement to purchase FSA Holdings Ltd. (“FSA”),**
 - Assured will not acquire FSA’s Financial Products Segment (“FP Segment”) from Dexia SA (“Dexia”)
 - Assured will be protected from any risk of loss from the FP segment
- **Purchase price of \$722 million based on \$8.10 per share at time of agreement**
 - \$361 million in cash and 44.6 million common shares of Assured to be paid to Dexia
 - Cash portion of the deal is backstopped by W.L. Ross & Co. between \$6.00 and \$8.50 per share
 - Assured will also assume \$730 million of FSA’s outstanding debt
- **Timing**
 - Working toward all necessary regulatory approvals
 - Dexia is preparing collateral support and guaranty documentation for separation of the FP segment
 - Assured shareholder vote on March 16, 2009 to approve share issuance to Dexia and WL Ross & Co.
 - Anticipate receiving regulatory approvals and rating agency conclusions by March 31, 2009
 - Closing required within 5 to 45 days after receipt of all approvals

Strong Claims Paying Resources



(\$ in billions)

	Assured 12/31/08	FSA 9/30/08	Pro Forma
Claims Paying Resources			
Policyholders' Surplus	\$1.6	\$1.3	\$2.9
Contingency Reserve	0.7	1.4	2.1
Qualified Statutory Capital	2.3	2.6	4.9
Unearned Premium Reserve	1.3	2.7	3.9
Loss & LAE Reserves	0.1	1.2	1.3
Total Policyholders' Surplus & Reserve:	3.7	6.5	10.2
Present Value of Installment Premium ¹	0.9	1.1	2.0
Standby Line of Credit/Stop Loss	0.4	0.6	1.0
Total Claims Paying Resources	\$5.0	\$8.1	\$13.1
Net Par Insured Outstanding	\$222.7	\$423.9	\$646.6
Net Debt Service Outstanding	348.8	660.6	1,009.4
Net Par Insured to Statutory Capital	96.4x	160.9x	130.8x
Capital Ratio	151.0	250.7	204.1
Financial Resources Ratio	70.3	81.2	77.1

- **Pro forma claims paying resources estimated at \$13.1 billion**
 - Second highest in the industry after MBIA
- **Net UPR and PV of installment premium of \$5.9 billion**
- **Statutory capital and contingency reserves of \$4.9 billion**

Source: Company public filings.

Note: Does not include purchase accounting adjustments.

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

Assured Guaranty Ltd.

Capital and Earnings Potential



- **Solid pro forma base of future earned premiums and credit derivative revenues**
 - \$6.2 billion of unearned premium reserve and estimated net future installments

\$ in millions	GAAP Equity	Net UPR ^{1,2}	Net PV of Installment Premiums ^{1,2}	Subtotal Embedded Earnings	Adjusted Book Value
Assured as of 12/31/08:					
12/31/2008	1,926.2	1,225.3	1,337.2	2,562.5	3,423.9
12 Month Growth	15.6%	40.8%	(7.2)%	10.9%	16.2%
FSA as of 09/30/08:					
9/30/2008	2,081.0	2,105.1	1,503.3	3,608.4	4,426.5
YTD Growth	31.9%	17.1%	35.1%	24.0%	(1.5)%
Pro-Forma Consolidated					
12/31/2008	4,007.2	3,330.4	2,840.5	6,170.9	7,850.4
Estimated 12 Month Growth	23.5%	24.9%	11.2%	18.2%	5.5%

(1) Includes FG and CDS

(2) Pre-tax

Assured Guaranty Ltd.

Embedded Revenue Base



\$ in millions	Upfront Earned Premiums	Installment Earned Premiums	Total Earned Premiums ¹	Investment Income ²	Total
Assured as of 12/31/08:					
2009	120.3	188.7	308.9	162.6	\$ 471.5
2010	83.9	186.4	270.3	162.6	432.9
2011	76.9	166.0	242.9	162.6	405.5
FSA as of 09/30/08:					
2009	182.3	202.0	384.3	265.7	650.0
2010	166.0	165.3	331.3	265.7	597.0
2011	153.6	134.4	288.0	265.7	553.7
Pro-Forma Consolidated					
2009	302.6	390.7	693.3	428.3	\$ 1,121.6
2010	249.9	351.7	601.6	428.3	1,029.9
2011	230.5	300.4	530.9	428.3	959.2

1. Includes FG and CDS.

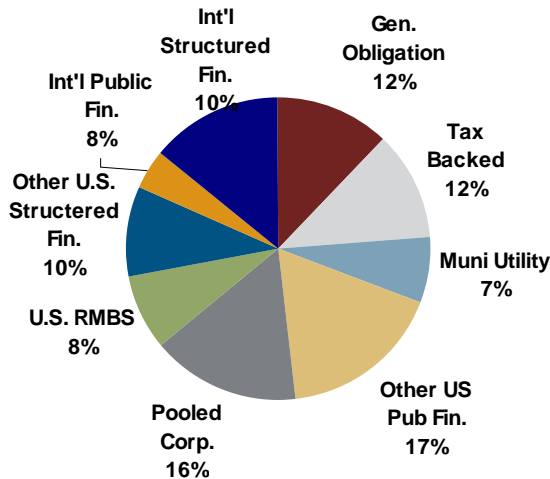
2. Investment income for Assured is equal to full year 2008 results and for FSA is equal to annualized 2008 results.

Pro Forma Net Par Outstanding



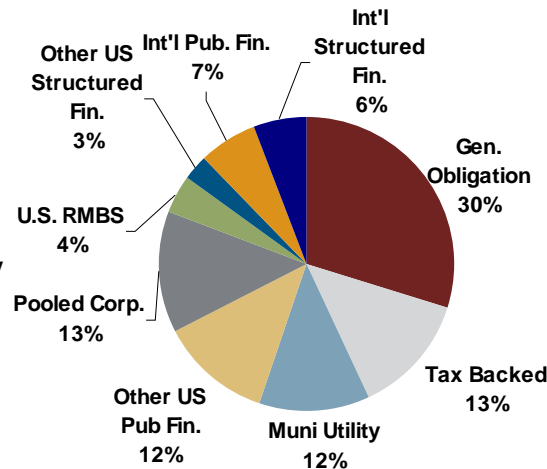
- **\$646.6 billion in pro forma net par outstanding**
- **Average pro forma portfolio rating¹ of AA**
 - 54% rated AA or higher
 - Less than 3% rated BIG

Assured Guaranty Ltd.
12/31/08



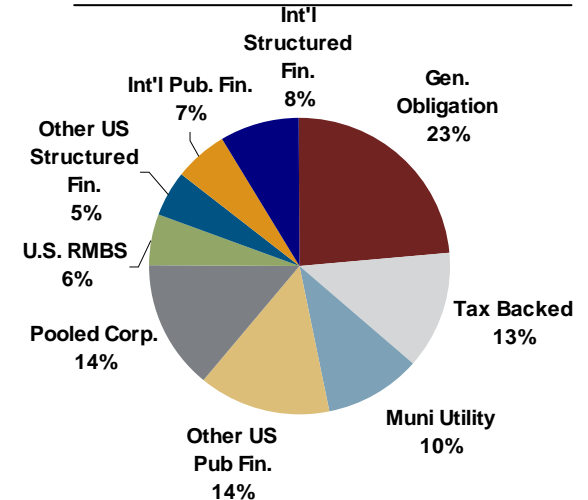
Total = \$222.7 bn
(56% Public Fin. / 44% Structured Fin.)
Average Rating AA-

FSA (ex. FP segment)
9/30/08



Total = \$423.9 bn
(74% Public Fin. / 26% Structured Fin.)
Average Rating AA-

Pro Forma



Total = \$646.6 bn
(67% Public Fin. / 33% Structured Fin.)
Average Rating AA-

Source: Company public filings.

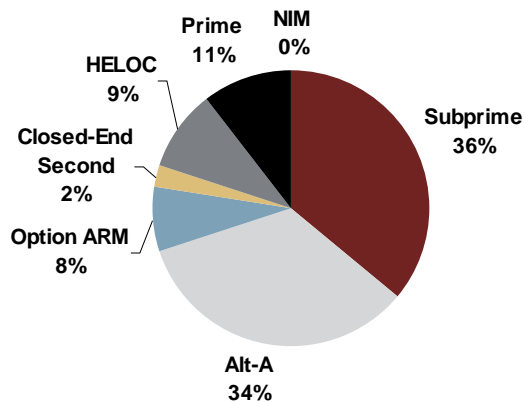
1. Ratings represent Assured's and FSA's internal rating.

Pro Forma Net Par Outstanding for U.S. RMBS



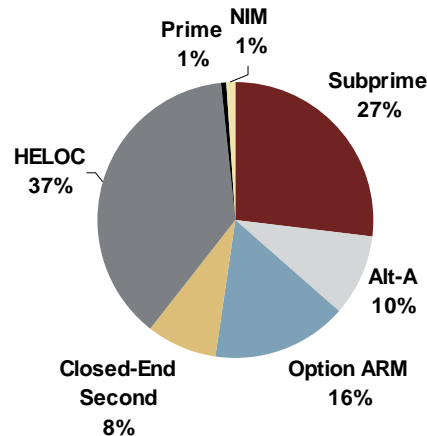
- **\$36.2 billion in pro forma U.S. RMBS net par outstanding, 5.6% of net par outstanding**
- **Combined portfolio is better diversified by type than either company on a stand-alone basis**
 - Over 70% is first lien

**Assured Guaranty Ltd.
12/31/08**



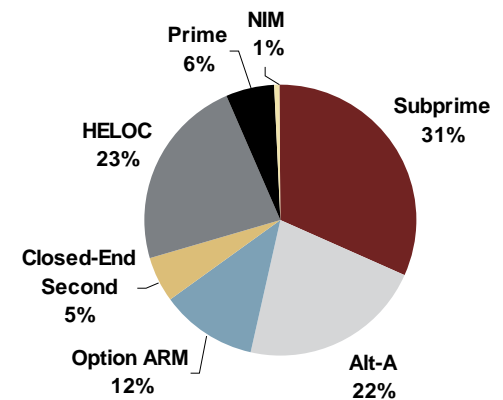
Total U.S. RMBS = \$18.4 B
Average Rating A

**FSA (ex. FP segment)
9/30/08**



Total U.S. RMBS = \$17.8 B
Estimated Average Rating BBB/BIG

Pro Forma



Total U.S. RMBS = \$36.2 B
Estimated Average Rating A/BBB

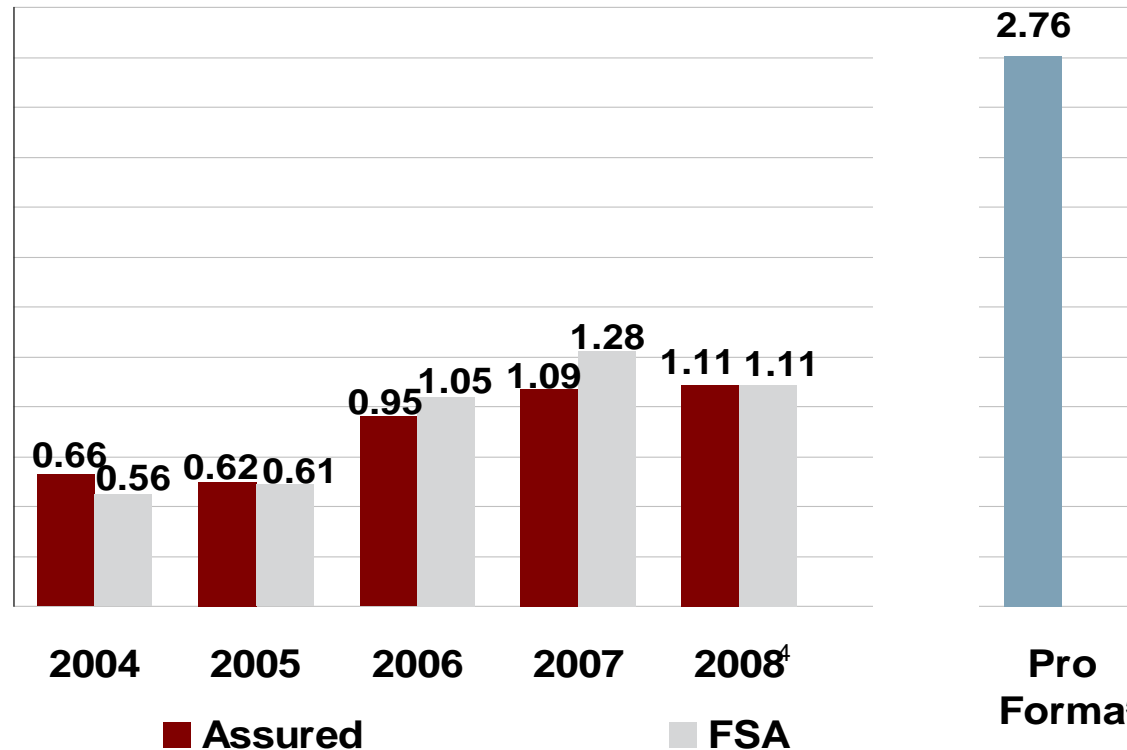
Source: Company public filings.

1. Ratings represent Assured's and FSA's internal rating.

Pro Forma Future Earned Premium Leverage Premium Leverage Exceeds Historical Peer Group



Ratio of Pro Forma Estimated Future Earned Premiums¹ to Assured⁴ and FSA⁴ combined GAAP Equity Adjusted for Mark-to-Market²



- **Peer 2006 leverage ratio:**
 - MBIA² 0.86x
 - Ambac² 1.02x

1. Estimated future earned premiums is net unearned premium reserves plus estimated future installment premiums (calculations for 2004 and 2005 include statutory unearned premium reserves and net present value of estimated future installment premiums³)
2. MBIA, Ambac, 2004, 2005, 2006, 2007 and 2008 GAAP equity is adjusted for net unrealized mark-to-market gains/(losses) on credit derivatives. In addition, Assured's and FSA's 2007 and 2008 GAAP equity excludes mark-to-market gains/(losses) on credit derivatives and a fair value gain on committed capital securities.
3. Please refer to the appendix on slides 19-21 for explanation of non-GAAP financial measures [net present value of estimated future installment premiums in force].
4. Assured as of 12/31/08. FSA as of 12/31 for 2004, 2005, 2006 and 2007 and as of 09/30 for 2008. Also, FSA includes the FP mark-to-market segment in 2004, 2005 and 2006.
5. As per unaudited proforma in proxy dated February 6, 2009, adjusted for Assured 12/31/08 unearned premium reserves and present value of installment premiums.

Appendix



Loss Expenses



Loss and Loss Adjustment Expenses

As of December 31, 2008

(dollars in millions)

	Total			Loss and Loss
	Net Par	4Q-08	Full Year 2008	Adjustment
	Outstanding	Incurred Losses ²	Incurred Losses ²	Expense Reserves ³
Financial Guaranty Direct and Reinsurance: ¹				
Prime First Lien	\$ 1,959	\$ 1.5	\$ 3.3	\$ 4.7
Prime Closed End Seconds	433	24.0	55.5	37.7
Prime HELOC	1,738	24.0	168.8	7.5
Alt-A First Lien	6,218	15.7	22.8	23.2
Alt-A Option ARMs	1,411	1.4	1.4	1.4
Subprime First Lien	6,633	8.3	24.7	35.8
Total U.S. RMBS	18,393	74.8	276.5	110.4
Other structured	78,508	24.4	15.1	94.0
Public finance	125,822	14.7	17.3	37.1
Total Financial Guaranty Direct and Reinsurance	\$ 222,722	\$ 113.9	\$ 308.9	\$ 241.5

1. Includes financial guaranty (FG) and insured derivatives in the insured portfolio.

2. Includes loss and loss adjustment expenses (recoveries) and incurred losses on credit derivatives, for the financial guaranty direct and reinsurance segments only.

3. Includes loss and loss adjustment expense reserves for financial guaranty and credit derivatives, for the financial guaranty direct and reinsurance segments only.

Non-Investment Grade Exposures



Non-Investment Grade Exposures Greater Than \$50 Million as of December 31, 2008

(\$ in millions)

Name or Description	Weighted Average	Net Par	Average
	Remaining Life	Outstanding	Rating ¹
Deutsche Alt-A Securities Mortgage Loan 2007-2	7.6	\$ 1,028	BB
Countrywide Home Equity Loan Trust 2007-D	6.0	587	D
Countrywide Home Equity Loan Trust 2005-J Class 1 & 2	5.1	520	D
Deutsche Alt-A Securities Mortgage Loan 2007-3	4.1	520	BB
Ballantyne Re PLC Class A-2 Floating Rate Notes	12.8	500	D
Jefferson County Alabama Sewer	24.5	452	D
Orkney Re II, PLC	9.6	423	B
CWALT Alternative Loan Trust 2007-OA10	3.0	184	BB
Guaranteed Student Loan transaction	32.5	152	BB+
Guaranteed Student Loan transaction	28.2	110	BB+
ACE Home Equity Loan Trust 2007-SL2	2.9	108	CCC
Argent Securities Inc. 2003-W6	4.0	98	BB
Guaranteed Student Loan transaction	37.6	95	BB+
Morgan Stanley Mortgage Loan Trust 2006-5AR	4.7	89	B
SACO I Trust 2005-GP1	2.1	85	D
American Home Mortgage Assets Trust 2007-3	2.5	77	D
Bear Stearns ABS I Trust 2005-AC6	4.0	65	BB
Customer Asset Protection Company (CAPCO) Excess SIPC	2.0	63	BB
CSAB Mortgage-Backed Trust 2007-1	6.3	63	B
CWHEQ Revolving Home Equity Trust Series 2006-I	2.1	61	D
Chevy Chase Funding LLC Series 2006-2 Class A-2	3.9	57	B
Total	9.8	\$ 5,338	CCC+

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

Appendix

Explanation of Non-GAAP Financial Measures



Present value of financial guaranty and credit derivative 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 insurance and credit derivative contracts written in the current period, discounted at 6% per year. Management believes that PVP is a useful measure for management, investors and analysts 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 all new contracts underwritten in a reporting period, whether in insurance or credit derivative contract form, which GAAP gross premiums written and the net credit derivative premiums received and receivable portion of net realized gains and other settlement on credit derivatives ("credit derivative revenues") does not adequately measure. Actual future net earned or written premiums and credit derivative revenues 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.

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 changes in 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.

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, the after-tax value of unearned premium on credit derivatives net of prepaid reinsurance premiums and the after-tax net present value of estimated future installment premiums in force, less future ceding commissions, discounted at 6%, less after-tax deferred acquisition costs. 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 shareholders' equity. 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.

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 financial guaranty and credit derivative in-force books 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, investors and analysts because it permits an evaluation of the value of future estimated financial guaranty and credit derivative 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: PVP¹ – Reconciliation to Gross Written Premiums²



(\$ in millions)

	Quarter Ended December 31,		Full Year Ended December 31,	
	2008	2007	2008	2007
Gross written premiums (GWP) analysis:				
Present value of insurance and credit derivative GWP (PVP)	\$ 128.1	\$ 477.0	\$ 823.0	\$ 874.6
Less: PVP of credit derivatives	57.6	81.8	204.5	252.2
PVP of financial guaranty GWP	70.5	395.2	618.5	622.4
Less: Financial guaranty installment premium PVP	10.6	195.1	96.5	292.8
Total: Financial guaranty upfront GWP	59.9	200.1	522.0	329.6
Plus: Upfront premium due to commutation	-	-	(20.8)	-
Plus: Financial guaranty installment GWP	24.0	29.2	112.8	88.6
Total financial guaranty GWP	83.9	229.3	614.0	418.2
Plus: Mortgage guaranty segment GWP	-	(0.2)	0.7	2.7
Plus: Other segment GWP	-	-	3.5	3.5
Total GWP per income statement	\$ 83.9	\$ 229.1	\$ 618.3	\$ 424.5

1. For an explanation of PVP, a non-GAAP financial measure, please refer to the appendix on slide 18.

2. Some amounts may not add due to rounding.

Appendix: Reconciliation of Operating Income to Net Loss²



(\$ in millions, except per share data)

	Quarter Ended December 31,	
	2008	2007
Operating income	\$ 3.5	\$ 37.0
Plus: After-tax realized losses (gains) on investments	(46.8)	0.4
Plus: After-tax unrealized losses on credit derivatives ¹	(200.5)	(297.5)
Net loss	\$ (243.8)	\$ (260.1)
Per diluted share		
Operating income	\$ 0.04	\$ 0.53
Plus: After-tax realized losses (gains) on investments	(0.51)	0.01
Plus: After-tax unrealized losses on credit derivatives ¹	(2.20)	(4.31)
Net loss	\$ (2.68)	\$ (3.77)

1. The quarters ended December 31, 2008 and 2007 included a fair value after-tax gain of \$12.0 million, or \$0.13 per diluted share, and \$4.5 million, or \$0.05 per diluted share, respectively, related to Assured Guaranty Corp.'s committed capital securities.

2. Some amounts may not add due to rounding.

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JP Morgan
2009 Insurance Conference
March 18, 2009

