

**2008 Citi Financial Services
Conference**
January 29, 2008



Dominic Frederico, President & CEO
Bob Mills, CFO

Assured Guaranty Ltd.

**ASSURED
GUARANTY®**

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 losses, pricing, ratings, capital adequacy and the growth of the direct business 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;
 - 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, including interest spread changes and credit losses;
 - more severe or frequent losses 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 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. 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.



Business Overview

Dominic Frederico, President & CEO

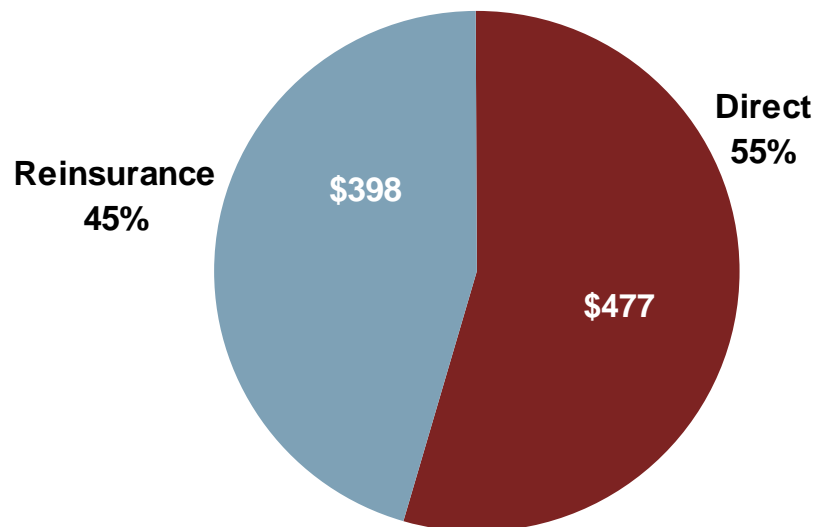
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Assured Guaranty Overview



(\$ in millions)

New Business Production (PVP¹) Full Year 2007

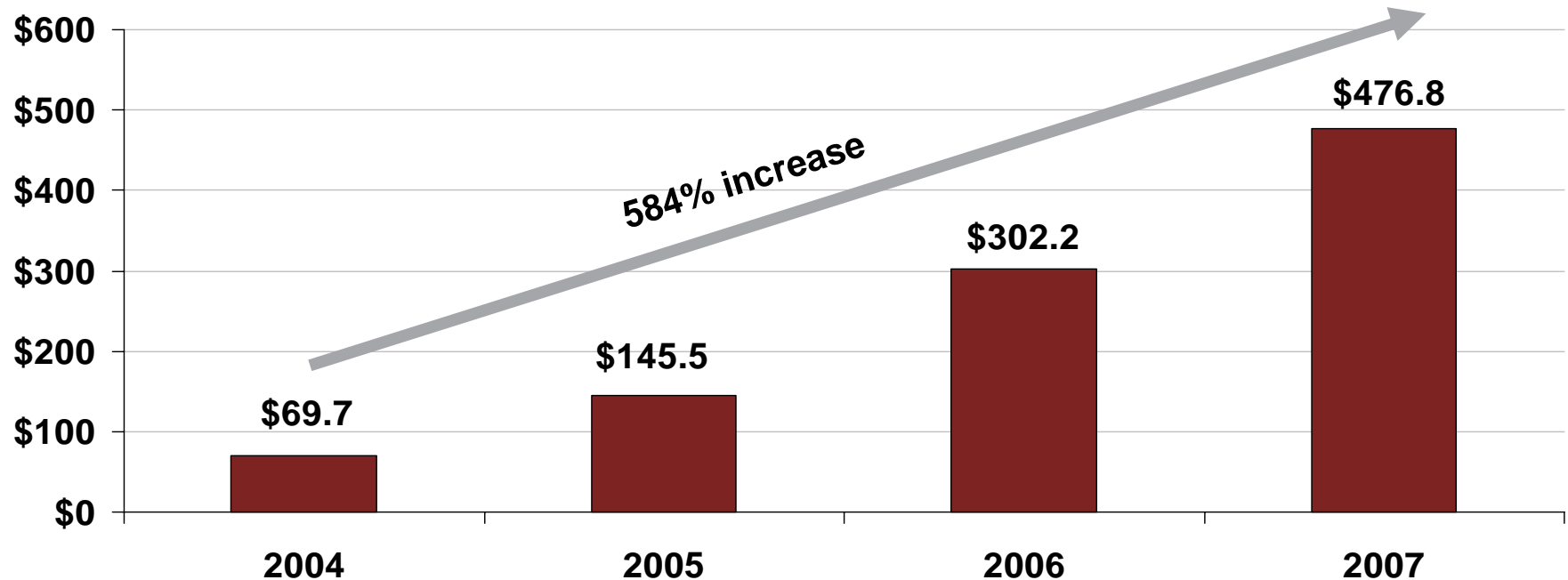


Total PVP: \$875 million
93% growth versus 2006

- **20 year track record in financial guaranty market**
- **Assured Guaranty Corp. is one of only two triple-A (stable) rated financial guaranty insurance companies**
 - Benefiting from market turmoil
- **AG Re is the largest financial guaranty reinsurer**
 - Bermuda-based

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 17-18.

Assured Guaranty Ltd. Financial Guaranty Direct PVP ¹ (\$ in millions)



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 17-18.

- **Exercise strict underwriting discipline**
- **Expand direct franchise**
 - Direct PVP¹ increased 584% from 2004 to 2007
- **Maintain leading reinsurance market position**
 - Bermuda platform with focus on growing facultative business
 - Major reinsurance transaction with Ambac Assurance Corp. in December 2007
- **Maintain triple-A ratings for Assured Guaranty Corp.**
 - During December 2007, all of the major rating agencies affirmed Assured Guaranty Corp.'s AAA (stable) ratings
- **Efficient utilization of capital**
 - Four repurchase programs since the IPO including a 2.0 million share repurchase program approved in November 2007
 - Follow-on offering in December 2007

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 17-18.

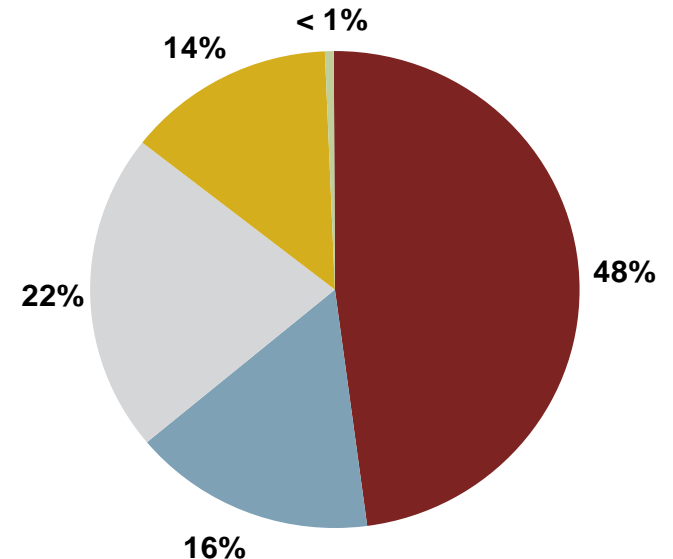
Strict Underwriting Discipline



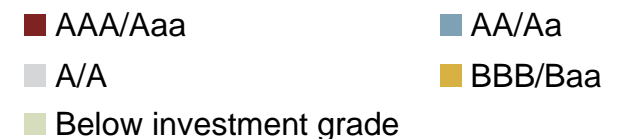
As of September 30, 2007

- **Assured's portfolio is very highly rated:**
 - 48% AAA
 - 64% AA or higher
 - 14% BBB or lower
 - 0.5% below investment grade
- **Have not written a CDO of ABS deal since 2003**

**Assured Guaranty Ltd.
Net Par Outstanding by Rating ¹**
As of September 30, 2007



\$153.7 billion

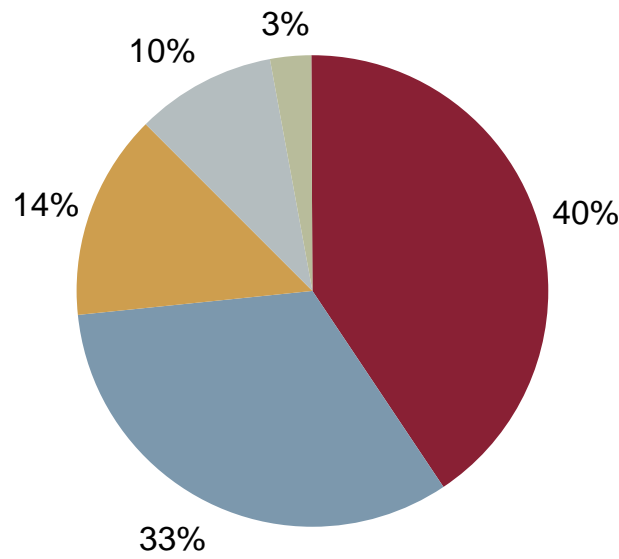


1. Represents Assured Guaranty internal rating. Our scale is comparable to that of the nationally recognized rating agencies.

High Quality U.S. RMBS Portfolio



**Assured Guaranty Ltd.
Direct U.S. RMBS
Net Par Outstanding by Asset Class**
As of December 31, 2007



\$16.7 billion

- Subprime First Lien
- Alt-A First Lien
- Prime First Lien
- Prime HELOC
- Prime Closed End Seconds

**Assured Guaranty Ltd.
Direct U.S. RMBS
by Asset Class and Average Rating**
As of December 31, 2007

<u>Asset Class</u>	<u>Average Rating¹</u>
Subprime First Lien	AAA
Alt-A First Lien	AAA
Prime First Lien	A+
Prime HELOC	BB-
Prime Closed End Seconds	A+

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

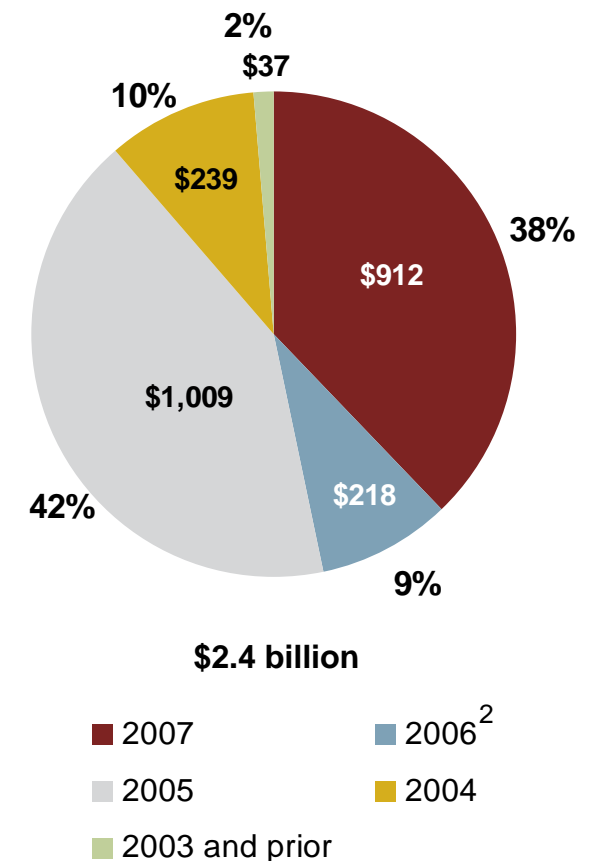
Home Equity Line of Credit (HELOC)



- Assured's HELOC book consists of principally 2005 and 2007 exposures
- No direct 2006 HELOC
- Countrywide comprises over 90% of HELOC net par outstanding
- Assured's direct HELOC exposures have experienced increased delinquencies and collateral losses

HELOC by Year Insured ¹

As of December 31, 2007
(\$ in millions)



1. Some amounts may not add due to rounding.

2. The \$218 million of HELOC net par outstanding insured in 2006 as of 12/31/07 was generated from treaty reinsurance business and is spread across 9 deals.

Direct U.S. RMBS Performance: Prime HELOC and Subprime First Lien



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Residential Mortgage-Backed Securities Issued January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2007 ¹

U.S. Prime HELOC

Year issued:	Net Par Outstanding	Subordination ²	Cumulative Losses ³	60+ Day Delinquencies ⁴
2005	\$ 796	0.6%	3.4%	10.2%
2006	-	N/A	N/A	N/A
2007	790	0.4%	1.3%	4.6%
	<u>\$ 1,586</u>	<u>0.5%</u>	<u>2.9%</u>	<u>8.2%</u>

U.S. Subprime First Lien

Year issued:	Net Par Outstanding	Subordination ²	Cumulative Losses ³	60+ Day Delinquencies ⁴
2005	\$ 3,788	52.4%	1.3%	29.9%
2006	1,900	31.6%	1.2%	26.1%
2007	577	40.0%	1.5%	23.8%
	<u>\$ 6,265</u>	<u>39.4%</u>	<u>1.3%</u>	<u>26.6%</u>

1. Subordination, cumulative loss, delinquency, and pool factor data is based on information obtained from Intex and/or provided by the trustee and may be subject to restatement or correction. The summary data provided here is based on the most recent reports available to Assured.

2. Represents the sum of subordinate tranches and over-collateralization and does not include any benefit from excess interest collections that may be used to absorb losses. HELOC exposures currently generate excess spread of roughly 250-300 bps per year. The amount of future excess spread generated can fluctuate as a result of interest rate changes and other factors.

3. Cumulative losses are defined as net charge-offs on the underlying loan collateral divided by the original pool balance.

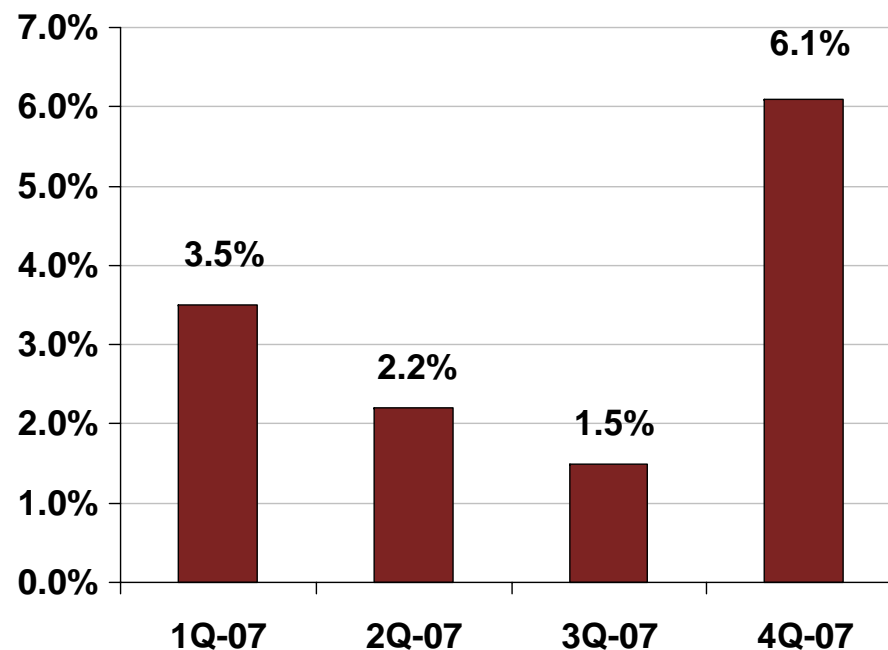
4. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and also includes all loans that are in foreclosure, bankruptcy or REO.

Current Market Fundamentals



- **Assured Guaranty Corp. is one of only two direct financial guarantors with AAA stable ratings from all of the major credit rating agencies**
 - Improved pricing and terms
 - Strong demand for secondary wraps
- **Significant growth in direct U.S. public finance in 4Q-07 and 2008 to date**
 - As of January 25th, 2008, direct U.S. public finance market share for the month of January was estimated at nearly 16%
- **Increased demand for reinsurance capacity**
 - Opportunity to leverage Bermuda reinsurance platform
 - Ability to select portfolios with attractive credit and economic profiles

**Assured Guaranty
Direct U.S. Public Finance
2007 Market Share**



Source: Thomson Financial



Financial Overview

Bob Mills, CFO

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Pre-Announced Selected Fourth Quarter Results



- **Record quarterly and annual consolidated PVP¹**
 - 4Q-07 PVP of \$477.0 million represents the highest PVP quarter in the Company's history and an increase of 311% compared to 4Q-06
- **Loss and loss adjustment expenses totaled \$18.1 million in 4Q-07**
 - Primarily due to higher loss and loss adjustment expenses associated with the Company's U.S. HELOC exposures
 - U.S. HELOC loss and loss adjustment expenses totaled \$20.1 million in 4Q-07
 - Consisted of \$17.6 million in portfolio loss reserves primarily due to the Company's ratings downgrades of direct HELOC exposures and \$2.5 million in case loss reserves associated with reinsurance HELOC exposures
- **CMC list totaled \$2.1 billion at 12/31/07**
 - Net increase of \$1.3 billion from September 30, 2007 largely due to the addition of \$1.8 billion in HELOC exposures

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 17-18.

Unrealized Mark-to-Market Loss on Derivatives

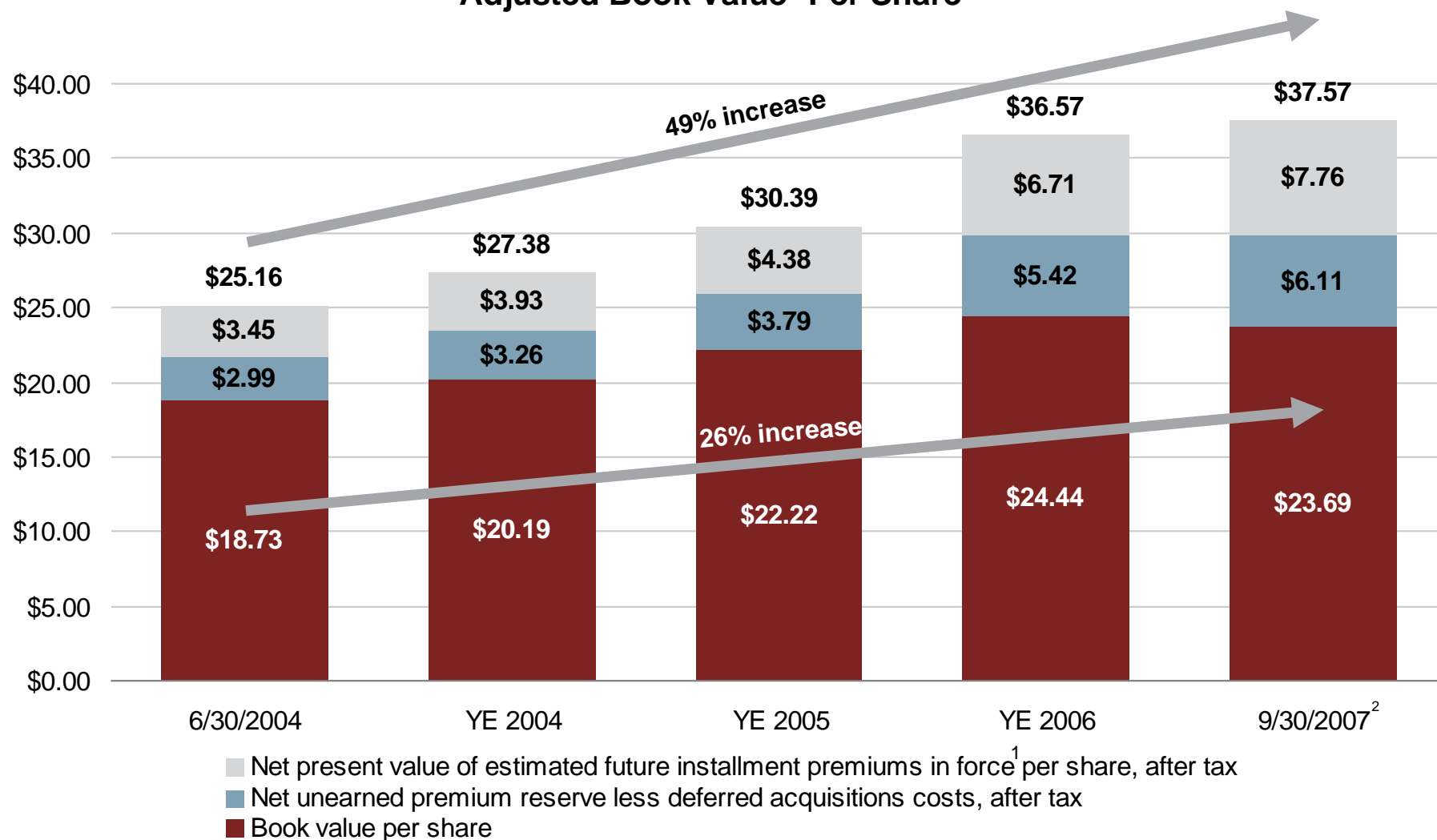


- **During 3Q-07 and 4Q-07, we recorded \$163 million and \$303 million after-tax unrealized mark-to-market losses on CDS contracts in force, respectively**
 - Approximately half was due to the decline in the market value of CLOs and the other half was due to the decline in the market value of U.S. RMBS/CMBS
 - \$5.65 per share reduction in GAAP book value per share as of December 31, 2007
- **The mark-to-market loss does not reflect actual claims or credit losses**
 - No impact on claims-paying resources, rating agency capital or regulatory capital position
- **The net gain or loss on CDS exposure will amortize to zero as the exposure approaches its maturity date, unless there is a payment default on the exposure**
- **CDS contracts are substantially similar to financial guaranty contracts**
 - No acceleration or collateral requirements

Book Value Per Share Growth



Adjusted Book Value¹ Per Share



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 slide 17.

2. The Company's book value per share as of 9/30/07 was negatively impacted by approximately \$2.20 per share due the unrealized mark-to-market loss on derivatives.



Appendix

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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 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 and after-tax unrealized gains (losses) on derivative financial instruments. Management believes 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 Assured's results of operations by highlighting the underlying profitability of Assured's insurance business. Net realized gains (losses) on investments and net unrealized gains (losses) on derivative financial instruments are excluded 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 (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: PVP¹ – Reconciliation to Gross Written Premiums²



(\$ in millions)

	2004	2005	1Q-06	2Q-06	3Q-06	4Q-06	2006	1Q-07	2Q-07	3Q-07	4Q-07	2007
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	\$ 165.5	\$ 477.0	\$ 874.6
Less: Installment premium PVP	164.1	183.6	44.2	70.8	86.1	69.5	270.6	77.2	72.9	118.0	276.9	545.0
Upfront financial guaranty & mortgage guaranty GWP	125.5	102.7	17.6	77.6	41.3	46.5	183.0	29.5	52.4	47.5	200.1	329.6
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	36.3	41.7	55.0	172.7
Financial guaranty & mortgage guaranty GWP	265.5	219.9	51.6	111.4	73.5	85.1	321.6	69.2	88.7	89.2	255.2	502.3
Plus: Other segment GWP	(74.6)	32.2	3.8	0.1	0.1	0.1	4.1	3.3	0.1	0.1	-	3.5
Total gross written premiums	\$ 190.9	\$ 252.1	\$ 55.4	\$ 111.5	\$ 73.6	\$ 85.2	\$ 325.7	\$ 72.5	\$ 88.8	\$ 89.3	\$ 255.2	\$ 505.9

1. For an explanation of PVP, a non-GAAP financial measure, please refer to the appendix on slide 17.

2. Some amounts may not add due to rounding.

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