



Assured Guaranty Ltd.

December 31, 2009 Equity Investor Presentation



Safe Harbor Disclosure



- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty” or the “Company”) with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from these statements. For example, Assured Guaranty’s forward looking statements could be affected by:
 - rating agency action, including a ratings downgrade at any time of Assured Guaranty Ltd. or any of its subsidiaries and/or of transactions insured by the Company or its subsidiaries, both of which have occurred in the past;
 - developments in the world’s financial and capital markets that adversely affect issuers’ payment rates, Assured Guaranty’s loss experience, its ability to cede exposure to reinsurers, its access to capital, its unrealized (losses) gains on derivative financial instruments or its investment returns;
 - changes in the credit markets, segments thereof or general economic conditions;
 - more severe or frequent losses affecting the adequacy of Assured Guaranty’s loss reserve;
 - the impact of market volatility on the mark-to-market of its contracts written in credit default swap form;
 - reduction in the amount of reinsurance portfolio opportunities available to Assured Guaranty;
 - decreased demand or increased competition;
 - changes in applicable accounting policies or practices;
 - changes in applicable laws or regulation, including insurance and tax laws;
 - other governmental actions;
 - difficulties with the execution of Assured Guaranty’s business strategy;
 - contract cancellations;
 - Assured Guaranty’s dependence on customers;
 - loss of key personnel;
 - adverse technological developments;
 - the effects of mergers, acquisitions and divestitures;
 - natural or man-made catastrophes;
 - other risks and uncertainties that have not been identified at this time;
 - management’s response to these factors; and
 - other risk factors identified in Assured Guaranty’s filings with the Securities and Exchange Commission (the “SEC”).
- See Assured Guaranty’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 only as of March 8, 2010. Assured Guaranty 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.

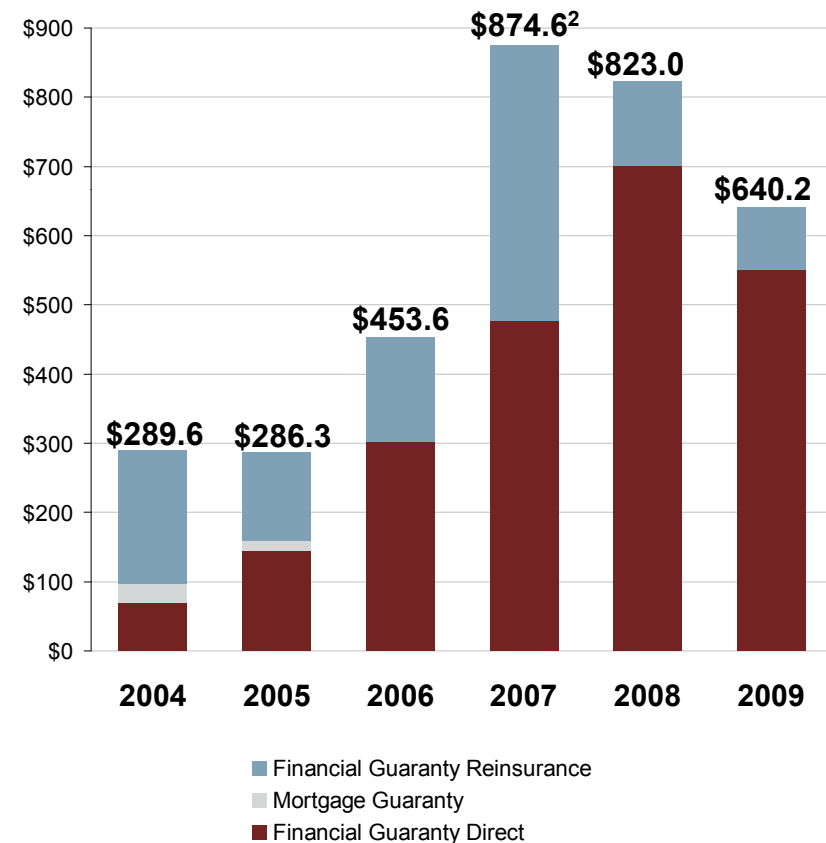
Assured Guaranty Ltd. Overview



- Assured Guaranty Ltd. is the world’s leading financial guaranty franchise, serving the global capital markets for more than 20 years**
 - Assured Guaranty (“AGL” or, together with its subsidiaries “Assured Guaranty”), through its subsidiaries, is the only monoline financial guaranty company actively underwriting business today
- Assured Guaranty serves the financial guaranty insurance market through two platforms:**
 - Assured Guaranty Municipal Corp. (“AGM”), acquired in 2009, serves the U.S. public finance and global infrastructure markets
 - Assured Guaranty Corp. (“AGC”) guarantees U.S. public finance and global infrastructure and structured finance transactions
- Assured Guaranty Re Ltd. (“AG Re”) is the long-standing leader in financial guaranty reinsurance**
 - Supports AGC and AGM as well

Assured Guaranty Ltd. PVP¹

(\$ 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.
 2. Includes \$259.8 million from Ambac reinsurance transaction.

Major 2009 Milestone: Acquisition of AGM



- **On July 1, 2009, AGL acquired Financial Security Assurance Holdings (“FSAH”), the parent company of Financial Security Assurance Inc. (“FSA”), now renamed AGM**
- **The acquisition of FSAH from Dexia SA (“Dexia”) is the major milestone in Assured Guaranty’s track record of achievement since our April 2004 initial public offering:**
 - We did not acquire FSAH’s Financial Products (“FP”) segment, which has sustained material losses on U.S. residential mortgage-backed securities (“RMBS”)
 - Assured Guaranty and its subsidiaries are indemnified against exposure to the FP segment by Dexia, and in the case of the GIC portion of the FP segment, guarantees by the French and Belgian governments
- **The purchase price was at a significant discount to FSAH’s June 30, 2009 shareholder’s equity**
 - Purchase GAAP rules (“P-GAAP”) requires the purchase price to be reallocated to each balance sheet item based on fair value
 - Largest impact is on unearned premium reserve (“UPR”)
 - Consolidated net UPR at December 31, 2009 was \$7.2 billion, an increase from \$2.0 billion at January 1, 2009, which is primarily attributable to FSAH acquisition
 - The Company expects to have future expected losses of \$1.3 billion, the majority of which represents AGM losses embedded in UPR

Source: Company filings; SDC Platinum

Material Growth in Our Franchise and Balance Sheet



(\$ in millions unless otherwise noted)	Assured Guaranty Ltd. (06/30/09)	Assured Guaranty Ltd. (12/31/09)
Net par insured	\$246.8 B	\$640.4 B
Total investment portfolio	\$4,584.2	\$10,808.2
Total assets	\$6,495.7	\$16,593.4
Loss reserves ¹	\$277.9	\$718.7
Net unearned premium reserve ²	\$2,199.6	\$7,167.4
Claims paying ability resources	\$5.3 B	\$13.5 B

- **Our combined franchise is the undisputed market leader**

- New issue U.S. municipal par insured for 2009 was \$34.8 billion for AGC and AGM combined versus only \$0.6 billion for Berkshire Hathaway Assurance Corporation (“BHAC”)
- No other bond insurer, including Ambac, MBIA, National Public, FGIC or Syncora, has had any significant level of new business since early 2008
- Our combined net par outstanding was \$640.4 billion and claims paying resources were \$13.5 billion as of December 31, 2009

1. Includes gross reserves for contracts written in both financial guaranty and credit derivative form.

2. Unearned premium reserve net ceded unearned premium reserve.

Three Discrete Operating Companies With Separate Capital Bases



(\$ in millions)

Consolidated Claims-Paying Resources

As of December 31, 2009

	Assured Guaranty Corp.	Assured Guaranty Re Ltd. ¹	Assured Guaranty Municipal Corp.	Eliminations	Consolidated
Claims paying resources					
Policyholders' surplus	\$ 1,224	\$ 1,190	\$ 909	\$ (300) ⁶	\$ 3,023
Contingency reserve	556	-	1,323		1,879
Qualified statutory capital	1,780	1,190	2,232	(300)	4,902
Unearned premium reserve	887	848	2,392		4,127
Loss and loss adjustment expense reserves	398	129	1,236		1,763
Total policyholders' surplus and reserves	3,065	2,167	5,860	(300)	10,792
Present value of installment premium ^{e, 2}	612	349	874	-	1,835
Standby line of credit/stop loss	200	200	498	-	898
Total claims paying resources	\$ 3,877	\$ 2,716	\$ 7,232	\$ (300)	\$ 13,525
Net par insured outstanding ³	\$ 130,468	\$ 116,117	\$ 381,865	\$ (2,176)	\$ 626,274
Net debt service outstanding ³	\$ 186,606	\$ 190,089	\$ 570,249	\$ (4,751)	\$ 942,193
Ratios:					
Net par insured to statutory capital	73:1	98:1	171:1		128:1
Capital ratio ⁴	105:1	160:1	255:1		192:1
Financial resources ratio ⁵	48:1	70:1	79:1		70:1

1. AG Re numbers are the Company's estimate of U.S. statutory as this company files Bermuda statutory financial statements.
2. Includes financial guaranty and credit derivatives.
3. Statutory basis.
4. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
5. The financial resources ratio is calculated by dividing net debt service outstanding by total claims paying resources.
6. In 2009, Assured Guaranty Corp. issued a \$300.0 million surplus note.

Our Strategic Priorities Are Unchanged:



- **Exercise underwriting discipline**
 - Design criteria to limit credit losses
 - Our portfolio is stress-tested for adverse economic, financial and market environments
 - No RMBS for foreseeable future
 - Prefer granular structured finance business
- **Expand our direct business through dual operating platforms**
- **Pursue proactive loss mitigation strategies**
 - Put-backs to originators and sellers based on breaches of representations and warranties
 - Repurchases of insured securities
 - Exercise of control rights (triggers and covenants, collateral controls)
- **Maintain commitment to high financial strength rating; current ratings are:**
 - AGC: AAA (negative) for S&P and Aa3 (negative) for Moody's
 - AGM: AAA (negative) for S&P and Aa3 (negative) for Moody's
- **Utilize reinsurance platform to enhance market opportunities**
 - Portfolio reinsurance
 - Support direct platform with excess capacity, potential credit derivative capacity
- **Utilize both soft and hard capital efficiently for our shareholders**
 - Growth opportunities evaluated versus dividends, share buybacks

Exercise Underwriting Discipline

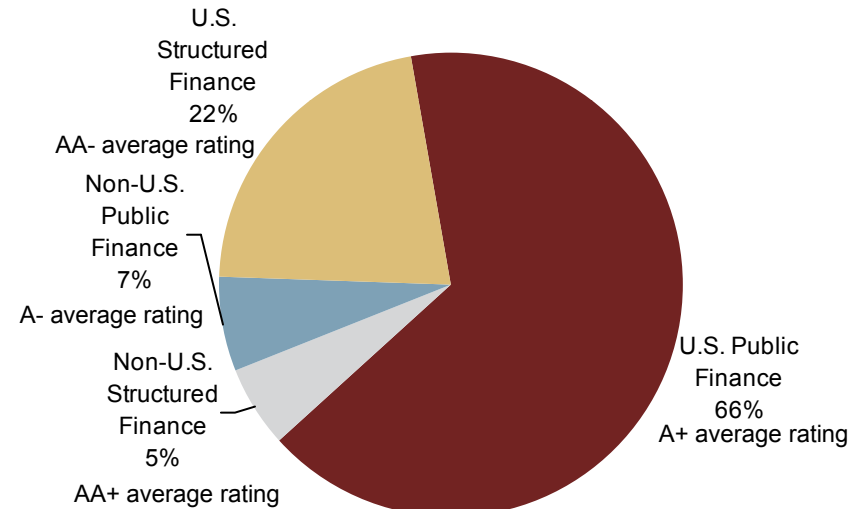


- **We significantly tightened limits and underwriting standards multiple times since 2005 for a broad expanse of asset classes**
 - AGM, prior to the FSAH Acquisition, also tightened limits and standards
- **We also exercised underwriting discipline with respect to portfolio reinsurance transactions and acquisition opportunities**
 - Other than CIFG reinsurance transaction in January 2009, market opportunities were not attractive
- **AGC and AGM avoided the severe losses experienced at other financial companies by not underwriting CDOs of ABS or material amounts of RMBS**

(\$ in billions)

Consolidated Net Par Outstanding

As of December 31, 2009



\$640.4 billion, A+ average rating

- U.S. Public Finance
- Non-U.S. Structured Finance
- Non-U.S. Public Finance
- U.S. Structured Finance

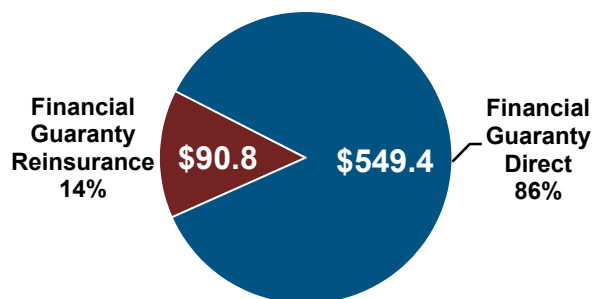
1. Figures may not sum due to rounding

2009 New Business Trends



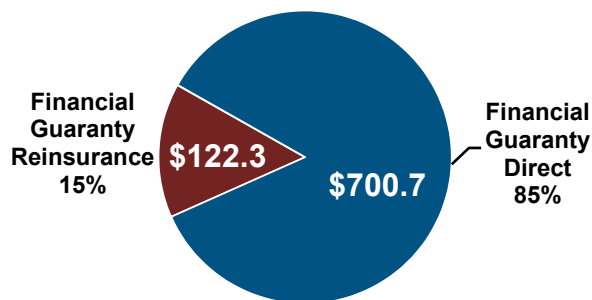
(\$ in millions)

2009 New Business Production



Total PVP¹: \$640.2 million

2008 New Business Production



Total PVP¹: \$823.0 million

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.
2. Source: SDC Platinum.

- **2009 market trends are strong for Assured Guaranty**
 - We guaranteed \$34.8 billion in U.S. public finance new issue transactions, up 32% from 2008
 - Our 2009 new issue public finance transactions were 17.5%² of the entire market's transactions and represented 8.5%² of U.S. public finance new issue par
- **We accounted for 98% of insured U.S. public finance issuance in 2009**
 - Limited competition from other financial guarantors or alternative credit enhancement products

Expand Direct Business: Demand for Our Product in U.S. Public Finance



- **Demand for our financial guaranties in the U.S. public finance market remains strong**

- 4.3% insured penetration on par basis in 4Q-09
- 8.5% for full year 2009

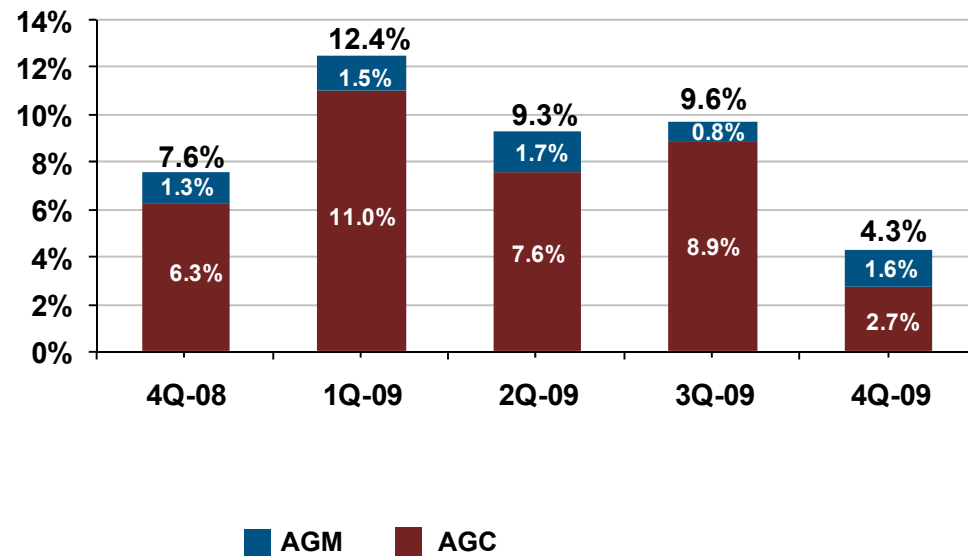
- **Smaller and retail-placed deals in particular depend on insurance**

- 11.3% insured penetration based on number of transactions in 4Q-09 and 17.5% in 2009

- **The market has limited demand for or access to alternative forms of credit enhancement**

- Limited bank capacity for letters of credit (“LC”), which are not a true equivalent of financial guaranty
- LC penetration of 3.0% in 4Q-09 and 5.0% in 2009 versus 26.1% for full year 2008

AGC and AGM Insured Penetration of U.S. Public Finance New Issue Par

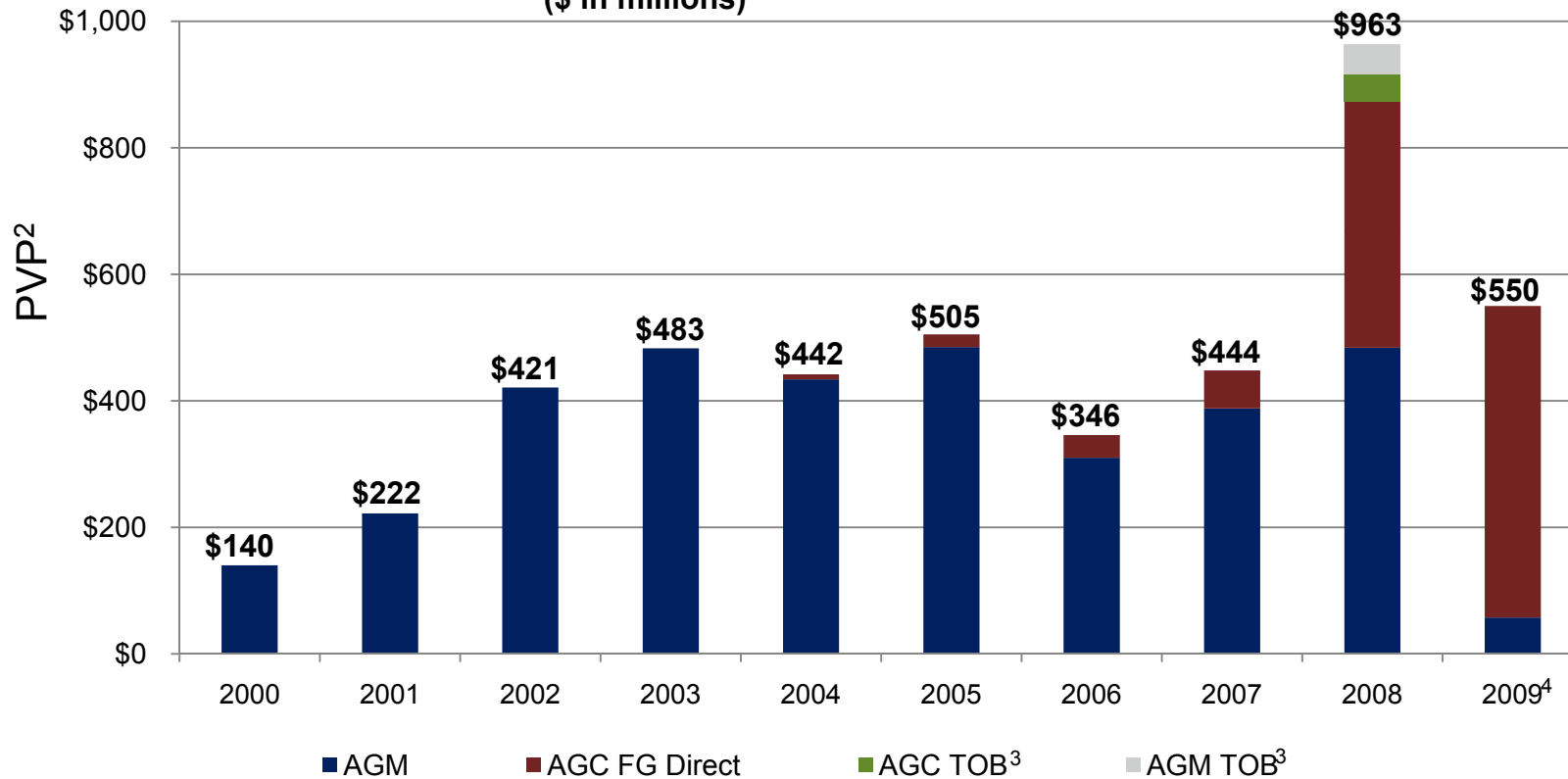


Source: SDC Platinum

2009: Second Best Year Ever for Public Finance (Pro Forma Combined Basis)



Assured Guaranty 2009 U.S. Public Finance PVP²
(\$ in millions)



1. Includes legacy AGM as well as Assured Guaranty FG direct. Assured Guaranty FG Direct data not available for years 2000-2003. In addition, 2004 does include some international public finance for Assured Guaranty FG direct.
2. 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.
3. Tender Option Bonds.
4. Excludes the CIFG N.A. transaction that took place in 1Q-09, but includes actual full year 2009 data.

Keen Focus on Loss Mitigation



- **We are pursuing multiple strategies for reducing our losses**
 - U.S. RMBS performance has been poor; AGC and AGM (including legacy FSA) together have paid approximately \$2.0 billion in claims on RMBS to date, largely for home equity line of credit (“HELOC”) and closed-end seconds (“CES”) transactions
 - Present value of future expected losses to be expensed for U.S. RMBS of \$1,176.3 million
- **Our major current focus is on enforcing breaches of the representations and warranties (“R&W”) that the mortgage originators or sellers provided when the deals were originally done.**
 - Countywide/Bank of America is the largest rep and warranty claimant we have to date
 - We have exposure to eight other originators/sellers who are financially able to reimburse R&W claims
- **We also have a wrapped bond repurchase program, focused on reducing incurred losses by purchasing bonds that are trading at less than our expected embedded losses**

- **We have reviewed over 18,800 files, representing \$1.5 billion in outstanding par of defaulted second lien loans**
- **We continue to negotiate with the sellers and originators of the breaching loans**
 - Through December 2009, approximately \$147.1 million of second lien loans have been repurchased
 - Though the process is fairly new, approximately \$27.1 million of first lien loans have been repurchased
- **Our financial guaranty loss estimate include estimated benefits from repurchases of approximately \$905 million for second liens and \$268 million for first liens**
 - \$533 million is included in loss and loss adjustment expenses
 - \$640 million is included in unearned premium reserves

Financial Strength Ratings



- **Rating agency activities consumed a substantial portion of our time in 2009**
- **Moody's confirmed the Aa3 financial strength ratings of AGC and AGM and the A1 financial strength rating of AG Re on December 18, 2009**
 - Negative outlook
- **Standard & Poor's affirmed AGC's and AGM's AAA ratings on July 1, 2009**
 - Negative outlook
 - Major issue with AGM is the support of the Belgian (AA/ stable) and French (AAA/stable) governments
- **At our request, Fitch withdrew its ratings on AGC and AGM and other rated subsidiaries of Assured Guaranty on February 24, 2010**
 - Action followed Fitch's announcement that it was withdrawing ratings on all insured bonds for which it does not provide an underlying rating on the issuer
 - Fitch's announcement reduced utilization of Fitch ratings to only 10% of our exposures

Financial Strength Ratings

As of December 31, 2009

	AGC	AGM	AG Re
Moody's	Aa3	Aa3	A1
S&P	AAA	AAA	AA

Utilize Reinsurance Platform



- **Third-party reinsurance business prospects are limited near-term due to lack of new business at former competitors**
 - Focus on portfolio deals for companies in run-off
- **AG Re provides capital support to AGC and AGM**

Major Market Participants by Net Par Outstanding and Rating

<i>(\$ in billions)</i>	Net Par Outstanding ¹	S&P Rating
Assured Guaranty	\$640.4 ¹	AAA
National	520.8 ²	A
Ambac	409.3 ²	CC
MBIA Insurance Corp.	215.4 ²	BB+

1. As of December 31, 2009.

2. As of September 30, 2009.

Source: Competitors operating supplements.

Efficient Capital Utilization



- **Current focus on capital is for ratings support to maintain our franchise value**
- **Capital opportunities will result from**
 - Run-off of RMBS exposures at AGC and AGM
 - Run-off of AGM's structured finance book
- **ROE improvement from acquisition**

Current Debt Ratios As of December 31, 2009

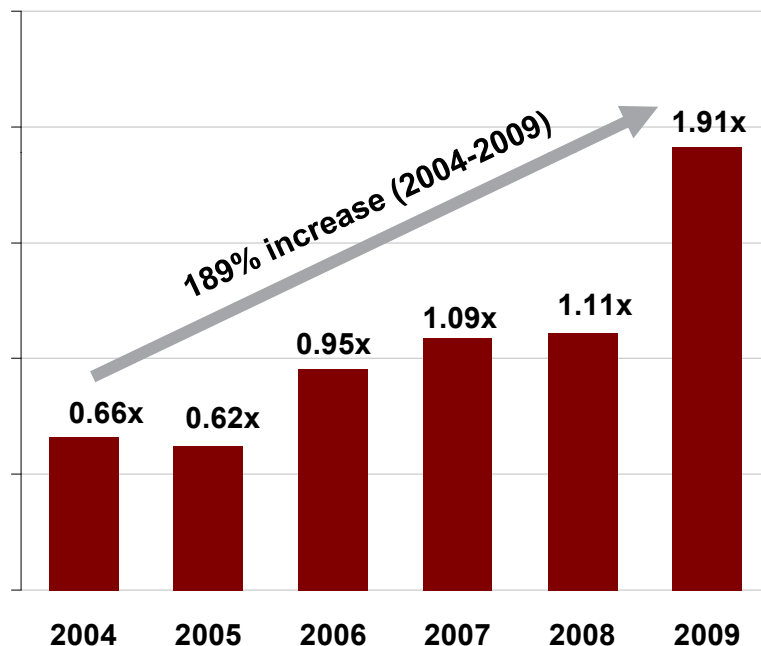
	Assured Guaranty Corp.	Assured Guaranty Re Ltd. ¹	Assured Guaranty Municipal Corp.	Eliminations ⁵	Consolidated
Total claims paying resources	\$ 3,877	\$ 2,716	\$ 7,232	\$ (300)	\$ 13,525
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Capital ratio ³	105:1	160:1	255:1		192:1
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5. In 2009, Assured Guaranty Corp. issued a \$300.0 million surplus note.

ROE Improvement Driven by Earned Premium Leverage



Ratio of Estimated Future Earned Premiums¹ to GAAP Equity, Adjusted for Mark-to-Market²



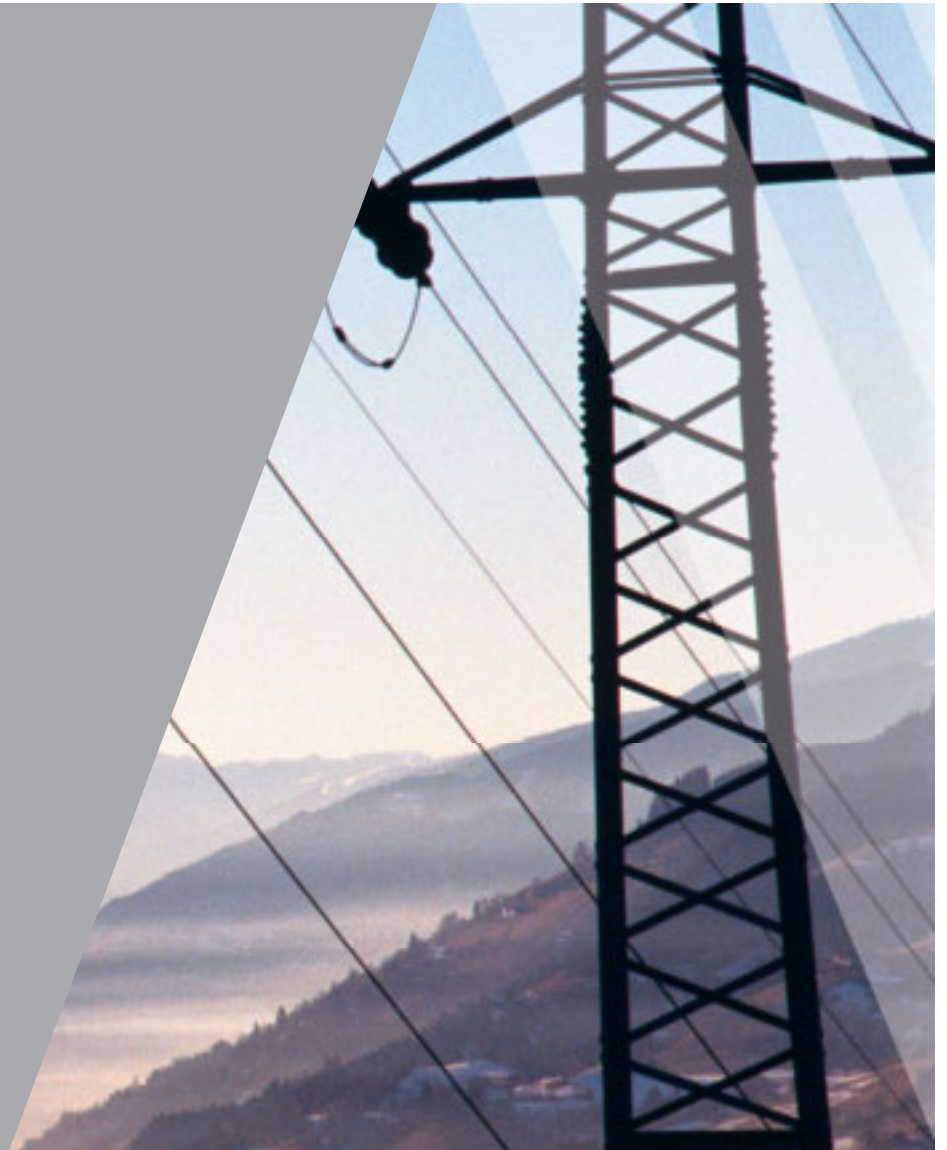
- **Since IPO, we have focused on improving our future earned premium/equity ratio as the key driver for increasing our ROE**
 - 2008 and 2009 losses have reduced potential ROE
- **AGMH Acquisition and purchase generally accepted accounting principles (“p-GAAP”) adjustments adds material amount of UPR**
- **2009 operating ROE³ was 9.8%, despite \$604.5 million of incurred pre-tax losses on financial guaranty insurance contracts and credit derivatives**

1. Estimated future earned premiums is net unearned premium reserves plus estimated future installment premiums of CDS (calculations for 2004 and 2005 include statutory unearned premium reserves and net present value of estimated future installment premiums). 2009 is on a present value basis and excludes expected losses, which were recorded in UPR in accordance with p-GAAP.

2. 2004, 2005, 2006, 2007, 2008 and 2009 GAAP equity is adjusted for net unrealized mark-to-market gains/(losses) on credit derivatives. In addition, AGL's 2007, 2008 and 2009 GAAP equity excludes mark-to-market gains/(losses) on credit derivatives and a fair value gain (loss) on committed capital securities.

Financial Results Overview

December 31, 2009



Acquisition Increases Adjusted Book Value Per Share from \$41.97 to \$48.40



(\$ in millions)

	Assured Guaranty Ltd. (12/31/09)	Assured Guaranty Ltd. (12/31/08)
Book value attributable to Assured Guaranty Ltd.¹	\$ 3,520.5	\$ 1,926.2
Less: Non-credit impairment unrealized gains (losses) on credit derivatives, after tax	(767.6)	(422.7)
Less: Unrealized gains (losses) on committed capital securities, after tax	6.2	33.2
Less: Unrealized gain (loss) on investment portfolio excluding foreign exchange effect, after tax	139.7	(3.4)
Operating shareholders' equity	\$ 4,142.2	\$ 2,319.1
Less: Deferred acquisition costs, after tax	235.3	260.6
Plus: Net present value of estimated net future credit derivative revenue, after tax ²	520.0	725.9
Plus: Unearned premium reserve on financial guaranty contracts in excess of expected loss, after tax ³	4,486.8	1,033.4
Adjusted book value	\$ 8,913.7	\$ 3,817.8
Book value attributable to Assured Guaranty Ltd. per share	\$19.12	\$21.18
Operating shareholders' equity per share	\$22.49	\$25.50
Adjusted book value per share	\$48.40	\$41.97

1. The Company adopted new financial guaranty insurance standard effective January 1, 2009. The adoption of this accounting rule had an effect of \$19.4 million on January 1, 2009 book value.

2. Includes unearned revenue less ceded unearned premiums on credit derivatives, after tax.

3. UPR less ceded unearned premiums, after tax.

Fourth Quarter 2009 Financial Results



(\$ in millions, except per share data)

	Quarter Ended December 31		% Change vs. 4Q-08
	2009	2008	
Net earned premiums	\$373.4	\$77.4	382%
Net investment income	87.6	42.3	107%
Total revenues	457.2	123.3	271%
Loss & LAE and incurred losses on credit derivatives	186.9	114.8	63%
Total expenses	228.7	129.9	76%
Operating income ¹	155.9	3.5	NM
Operating income¹ per diluted share	\$0.91	\$0.04	NM
Operating ROE^{1,2}	16.4%	0.6%	
After-tax gain (loss) on investments / derivatives	79.6	(259.3)	NM
Net income (loss)	216.7	(243.8)	NM
Net income (loss) per diluted share	\$1.27	\$(2.66)	NM

NM = Not meaningful

1. For an explanation of operating income and operating ROE, both non-GAAP financial measures, and a reconciliation of operating income to net income, which is the most comparable GAAP term, please refer to the appendix.
2. Quarterly ROE calculations represent annualized returns.

Portfolio Overview

December 31, 2009



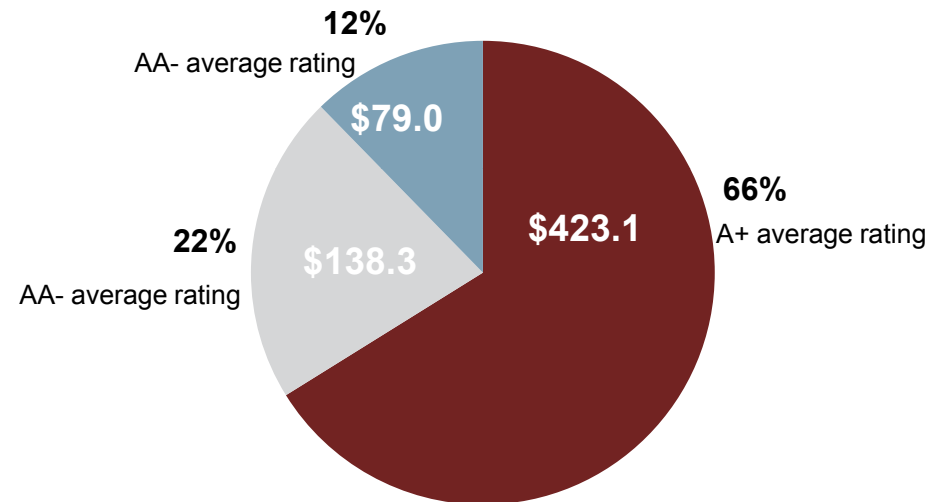
Net Par Outstanding Diversified By Sector



- Assured's portfolio is well diversified by asset class**
 - 66% U.S. public finance
 - 22% U.S. structured finance
 - 12% International
- Our portfolio has an A+ overall credit rating despite deterioration of U.S. RMBS portfolio**
 - BB+ average internal rating¹ for U.S. RMBS
- 90% of our portfolio is in direct segment**

Consolidated Net Par Outstanding

As of December 31, 2009
(\$ in billions)



\$640.4 billion, A+ average rating¹

- U.S. public finance
- U.S. structured finance
- International

1. Assured Guaranty's internal rating. Assured Guaranty'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 Assured Guaranty 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 Guaranty's exposure or (2) Assured Guaranty'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 Guaranty's attachment point to be materially above the AAA attachment point.

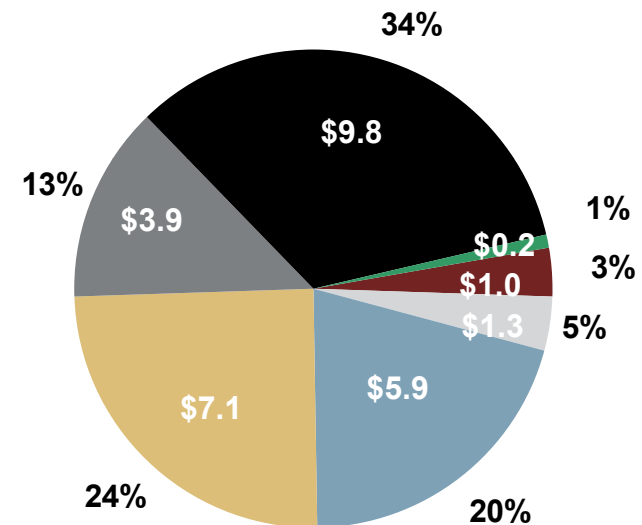
Consolidated U.S. RMBS



- **Our \$29.2 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB+ at December 31, 2009 versus AA at year-end 2007
 - U.S. RMBS is the largest source of our below investment grade exposures (“BIG”) at 68%
- **However, our U.S. RMBS portfolio is amortizing on an absolute basis and as a percentage of the portfolio**
 - 4.6% of total net par outstanding versus 8.3% at year-end 2008
 - 99% was underwritten in our financial guaranty direct segment

U.S. RMBS by Exposure Type

As of December 31, 2009
(\$ in billions)



\$29.2 billion, 4.6% of net par outstanding

- Prime first lien
- Prime HELOC
- Alt-A Option ARMs
- NIMs
- Prime closed end seconds
- Alt-A first lien
- Subprime first lien

Loss and Loss Adjustment Expenses



(\$ in millions)

As of December 31, 2009	<u>Total Net Par Outstanding for BIG Transactions</u>	<u>4Q-09 Incurred Losses^{2, 4}</u>	<u>2009 Incurred Losses^{2, 4}</u>	<u>Gross Reserves^{3, 4}</u>	<u>Expected Loss to be Expensed</u>
Financial Guaranty Direct and Reinsurance:¹					
Prime first lien	\$ 614.5	\$ -	\$ (0.7)	\$ -	\$ -
Prime closed end seconds	1,260.0	(12.1)	22.8	66.5	218.5
Prime HELOC	4,498.4	52.0	147.7	23.5	227.3
Alt-A first lien	4,622.5	24.1	129.2	150.6	178.9
Alt-A option ARMs	3,440.3	46.3	163.8	184.1	494.7
Subprime first lien	<u>2,688.4</u>	<u>3.1</u>	<u>35.0</u>	<u>87.8</u>	<u>56.9</u>
Total U.S. RMBS	17,124.1	113.4	497.8	512.5	1,176.3
Other structured finance	4,271.9	48.4	36.0	136.9	34.9
Public finance	<u>3,770.2</u>	<u>25.1</u>	<u>70.7</u>	<u>69.3</u>	<u>67.6</u>
Total Financial Guaranty Direct and Reinsurance	<u>\$ 25,166.2</u>	<u>\$ 186.9</u>	<u>\$ 604.5</u>	<u>\$ 718.7</u>	<u>\$ 1,278.8</u>

1. Includes financial guaranty insurance contracts 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. Amounts exclude \$1.3 billion of expected losses embedded in unearned premium reserve (see table "Estimated Net Exposure Amortization and Estimated Amortization of Net Present Value of Net Unearned Premium Reserve and Estimated Net Future Credit Derivative Revenues" of the AGL financial supplement for expected recognition of loss and loss adjustment expense in future periods). Amounts included above have already been recognized in AGL consolidated statements of income, whereas amounts embedded in unearned premium reserve have not yet been recognized in AGL statements of operations.

4. The Company adopted new financial guaranty insurance standard effective January 1, 2009.

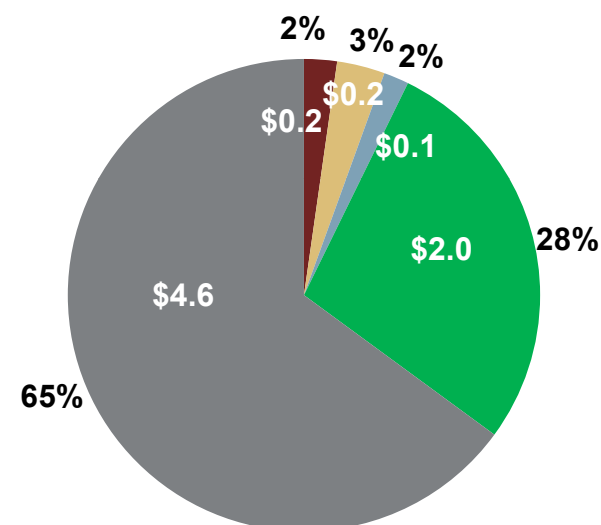
Consolidated U.S. RMBS Alt-A First Lien Exposure¹



- **Over 99% of our Alt-A was underwritten by our financial guaranty direct segment, largely underwritten after June 2007**
 - Many transactions were underwritten on a secondary basis and had the benefit of some seasoning
- **Our alt-A exposures have an average rating of BB due to significant downgrades in 2008 and 2009**
 - 65% rated² below investment grade
- **Gross reserves and expected loss to be expensed³ for alt-A first lien exposure were \$329.5 million as of December 31, 2009**

Alt-A¹ Exposure by Average Rating

As of December 31, 2009
(\$ in billions)



\$7.1 billion, BB average rating²

■ AAA ■ AA ■ A ■ BBB ■ BIG

1. Alt-A exposures include alt-A first lien.

2. Assured Guaranty's internal rating. Please see slide 22 footnote 1 for more explanation.

3. Includes loss reserves and losses yet to be expensed embedded in UPR for both financial guaranty and credit derivatives.

Direct U.S. RMBS Performance

Alt-A First Lien



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2009 ¹

U.S. Alt-A First Lien

Year insured:	<u>Net Par Outstanding</u>	<u>Pool Factor²</u>	<u>Subordination³</u>	<u>Cumulative Losses⁴</u>	<u>60+ Day Delinquencies⁵</u>	<u>Number of Transactions</u>
2005	\$ 764	47.4%	13.1%	3.4%	19.1%	21
2006	562	57.5%	3.4%	8.5%	39.5%	7
2007	3,391	70.1%	11.1%	5.1%	35.7%	12
2008	2,236	65.4%	29.2%	5.5%	32.2%	5
2009	-	-	-	-	-	-
	<u>\$ 6,954</u>	<u>65.1%</u>	<u>16.5%</u>	<u>5.3%</u>	<u>33.1%</u>	<u>45</u>

1. For this presentation, net par outstanding is based on values as of December 2009. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on December 31, 2009 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

2. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.

3. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.

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

5. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or real estate owned ("REO") divided by net par outstanding.

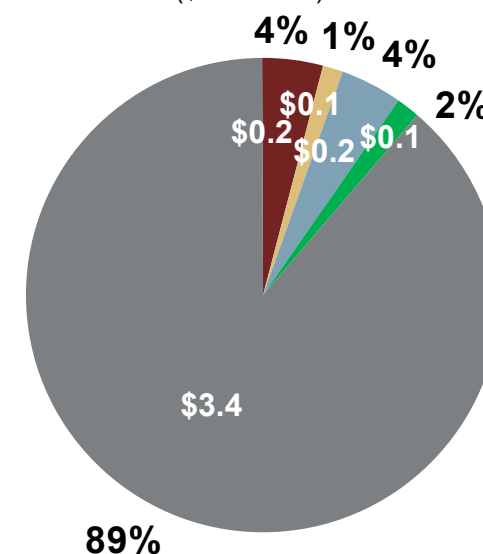
Consolidated U.S. RMBS Alt-A Option-ARM Exposure¹



- **99.6% of our Alt-A Option-ARM was underwritten by our financial guaranty direct segment, largely underwritten in 2006 and 2007**
- **Our Alt-A Option-ARM exposures have an average rating² of below investment grade due to significant downgrades**
 - 9% rated² A or higher as of December 31, 2009
 - 89% rated² below investment grade
- **Gross reserves and expected loss to be expensed³ for Alt-A first lien exposure for Alt-A Option-ARM exposure were \$678.8 million as of December 31, 2009**
 - 2009 paid losses of \$0.9 million

Alt-A¹ Option-ARM Exposure by Average Rating

As of December 31, 2009
(\$ in billions)



\$3.9 billion, B+ average rating²

■ AAA ■ AA ■ A ■ BBB ■ BIG

1. Alt-A exposures include Alt-A Option-ARMs.

2. Includes loss reserves and losses yet to be expensed embedded in UPR for both financial guaranty and credit derivatives.

3. Assured Guaranty's internal rating. Please see page 22, footnote 1 for more information.

Direct U.S. RMBS Performance

Alt-A First Lien and Alt-A Option ARMs



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2009 ¹

U.S. Alt-A Option ARMs

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 173	35.1%	12.6%	5.9%	41.6%	4
2006	1,020	64.5%	8.8%	6.8%	50.3%	7
2007	2,476	72.6%	10.8%	5.9%	41.3%	11
2008	136	72.4%	49.7%	4.0%	34.6%	1
2009	-	-	-	-	-	-
	<u>\$ 3,805</u>	<u>68.7%</u>	<u>11.7%</u>	<u>6.1%</u>	<u>43.5%</u>	<u>23</u>

1. For this presentation, net par outstanding is based on values as of December 2009. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on December 31, 2009 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

2. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.

3. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.

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

5. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

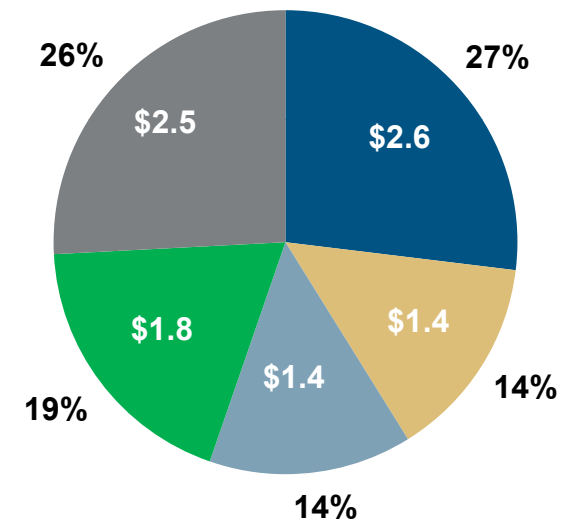
Consolidated U.S. RMBS Subprime Exposure



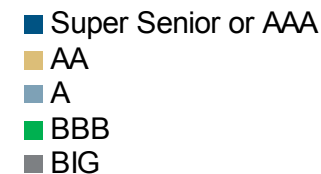
- **Our direct subprime portfolio remains highly rated**
 - 41% rated double-A or higher¹
 - Average subordination is 47.3%
- **Only 18% of par is in reinsurance segment**
- **Gross reserves and expected losses to be expensed² for subprime exposure were \$144.7 million at December 31, 2009**
 - 2009 paid losses of \$13.6 million

Subprime by Average Rating

As of December 31, 2009
(\$ in billions)



\$9.8 billion, A average rating¹



1. Assured Guaranty's internal rating. Please see slide 22 footnote 1 for more explanation.

2. Includes loss reserves and expected losses embedded in UPR for both financial guaranty and credit derivatives.

Direct U.S. RMBS Performance

Subprime First Lien



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2009 ¹

U.S. Subprime First Lien

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 464	36.7%	51.0%	4.4%	40.6%	7
2006	4,264	28.8%	60.7%	11.1%	45.6%	4
2007	3,180	65.1%	29.0%	9.2%	50.8%	13
2008	85	76.4%	35.3%	3.5%	35.4%	1
2009	-	-	-	-	-	-
	<u>\$ 7,993</u>	<u>44.2%</u>	<u>47.3%</u>	<u>9.9%</u>	<u>47.3%</u>	<u>25</u>

1. For this presentation, net par outstanding is based on values as of December 2009. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on December 31, 2009 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

2. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.

3. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.

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

5. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

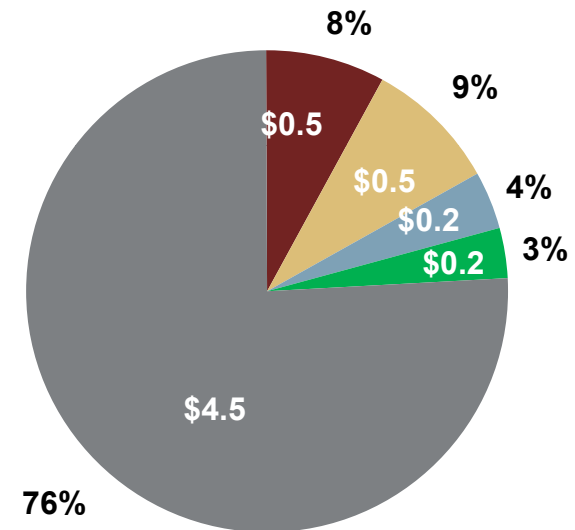
Consolidated U.S. RMBS Home Equity Line of Credit (HELOC) Exposure



- **Assured Guaranty’s HELOC book consists principally of 9 Countrywide deals underwritten between 2005 - 2007**
 - Current par insured of \$5.9 billion
 - \$4.5 billion of par on the below investment grade list
 - Average rating¹ of B
- **Only 3% of HELOCs are in reinsurance segment**
 - No transaction after 2006

HELOCs by Average Rating

As of December 31, 2009
(\$ in billions)



\$5.9 billion, B average rating³

■ AAA ■ AA ■ A ■ BBB ■ BIG

1. Assured Guaranty’s internal rating. Please see slide 22 footnote 1 for more explanation.

Direct U.S. RMBS Performance

Prime HELOC



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2009 ¹

U.S. HELOC

Year insured:	<u>Net Par Outstanding</u>	<u>Pool Factor²</u>	<u>Subordination³</u>	<u>Cumulative Losses⁴</u>	<u>60+ Day Delinquencies⁵</u>	<u>Number of Transactions</u>
2005	\$ 1,217	25.0%	0.5%	10.8%	12.2%	6
2006	1,876	43.6%	0.2%	21.8%	15.8%	7
2007	2,312	57.6%	3.7%	20.9%	9.0%	9
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
	<u>\$ 5,406</u>	<u>45.4%</u>	<u>1.8%</u>	<u>18.9%</u>	<u>12.1%</u>	<u>22</u>

1. For this presentation, net par outstanding is based on values as of December 2009. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on December 31, 2009 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

2. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.

3. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.

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

5. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or real estate owned ("REO") divided by net par outstanding.

Consolidated U.S. RMBS Closed End Second Liens Exposure



- **Limited exposure to closed end second liens in reinsurance**

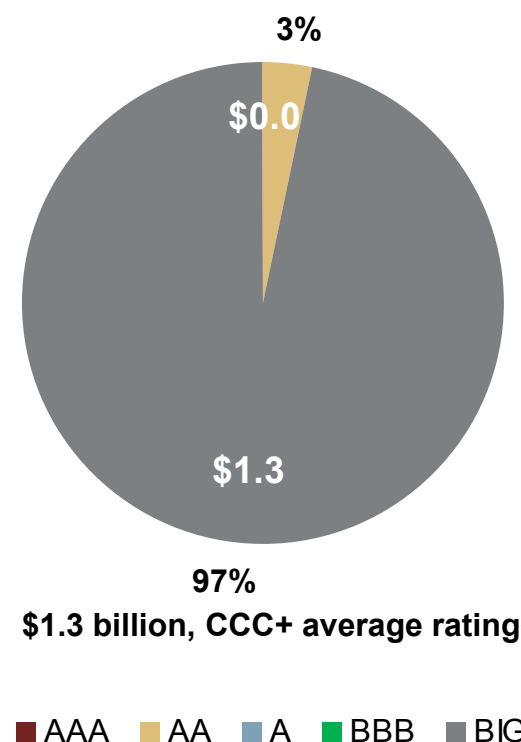
- \$1.3 billion in total exposure
- Less than \$15 million in reinsurance segment
- All but \$3 million of exposure is 2006 or 2007 vintage

- **12 direct transactions totaling \$1.3 billion**

- 11 deals for \$1.3 billion rated BIG
- 1 deal rated² AA

Closed End Second Liens by Average Rating

As of December 31, 2009
(\$ in billions)



1. Closed End Second Liens insured in 2009, 2008 and 2005 was \$0.

2. Assured Guaranty's internal rating. Please see slide 22 footnote 1 for more explanation.

Direct U.S. RMBS Performance

Closed End Seconds



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2009 ¹

U.S. CES

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	457	27.1%	-	50.7%	15.9%	2
2007	833	35.4%	-	52.9%	14.9%	10
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
	<u>\$ 1,290</u>	<u>32.5%</u>	<u>-</u>	<u>52.1%</u>	<u>15.3%</u>	<u>12</u>

1. For this presentation, net par outstanding is based on values as of December 2009. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on December 31, 2009 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

2. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.

3. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses. Many of the CES transactions insured by the Company have unique structures whereby the collateral may be written down for losses without a corresponding write-down of the obligations insured by the Company. Many of these transactions are currently under-collateralized, with the principal amount of collateral being less than the principal amount of the obligation insured by the Company. The Company is not required to pay principal shortfalls until legal maturity (rather than making timely principal payments), and takes the under-collateralization into account when estimating expected losses for these transactions.

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

5. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or real estate owned ("REO") divided by net par outstanding.

Direct Commercial Mortgage-Backed Securities



Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Internal Rating ¹, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of December 31, 2009 ²

(\$ in millions)

U.S. Commercial Mortgage-Backed Securities ("CMBS")

Rating:	Net Par Outstanding	Pool Factor ³	Subordination ⁴	Cumulative Losses ⁵	60+ Day Delinquencies ⁶	Number of Transactions
Super senior	\$ -	-	-	-	-	-
AAA	4,433	93.9%	32.1%	0.1%	3.6%	192
AA	950	94.6%	18.3%	0.2%	3.3%	39
A	270	74.4%	9.7%	0.8%	1.7%	1
BBB	-	-	-	-	-	-
Below investment grade	-	-	-	-	-	-
	<u>\$ 5,653</u>	<u>93.1%</u>	<u>28.7%</u>	<u>0.1%</u>	<u>3.5%</u>	<u>232</u>

Other U.S. Commercial Real Estate and CMBS Exposure⁷

	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement ⁸	Avg. Current Enhancement ⁸
Commercial Real Estate	\$ 735	54.8%	49.3%	48.2%
CDO of CMBS ⁹	606	45.2%	29.3%	43.4%
	<u>\$ 1,341</u>	<u>100.0%</u>	<u>40.2%</u>	<u>46.0%</u>

1. Assured Guaranty's internal rating. Please see slide 22 footnote 1.

2. For this presentation, net par outstanding is based on values as of December 2009. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on December 31, 2009 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

3. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.

4. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.

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

6. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

7. Represents U.S. other CMBS not included in the table above.

8. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured's exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown above do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes. Data is obtained from third-party sources such as trustee reports and may be subject to misstatement or correction.

9. Relates to vintages 2003 and prior.

Non-RMBS U.S. Structured Finance Exposure



- **Assured's non-RMBS U.S. structured finance exposures are principally comprised of**

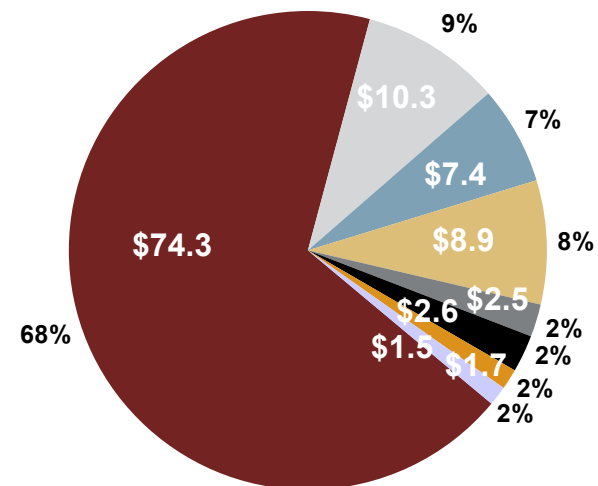
- Pooled corporate obligations
- Commercial mortgage-backed securities
- Consumer receivables
- Commercial receivables
- Structured credit
- Insurance securitizations

- **Non-RMBS U.S. structured finance credit experience has been generally strong, although downgrades increased during first quarter 2009**

- 59% rated¹ super senior or AAA
- 3% rated¹ below investment grade

U.S. Non-RMBS Structured Finance by Average Rating

As of December 31, 2009
(\$ in billions)



\$109.1 billion, AA+ average rating¹

- Pooled corporate obligations
- Financial Products
- Commercial mortgage-backed securities
- Consumer receivables
- Commercial receivables
- Structured credit
- Insurance securitizations
- Other structured finance

1. Assured's internal rating. Please see slide 22 footnote 1 for more explanation.

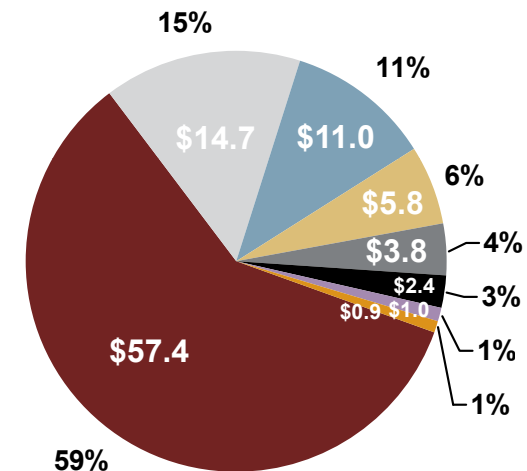
Direct Pooled Corporate Obligations



- **Our direct pooled corporate exposure is highly rated and well-protected**
 - Average credit enhancement of 27.6%
 - 74.8% rated¹ AAA, AAA average rating
 - Pooled corporate obligations of trust preferred securities were downgraded during 2009 due to increased deferrals and defaults on collateral
- **\$2.4 billion of Trust Preferreds for U.S. mortgage and REITs and are the lowest rated asset classes**
 - BB average rating
 - Many downgrades in first half 2009 for banks and insurance companies

Direct Pooled Corporate Obligations By Asset Class

As of December 31, 2009
(\$ in billions)



\$97.1 billion, AAA average rating¹

- CLOs/CBOs
- Synthetic investment grade pooled corporate
- Synthetic high yield pooled corporate
- Market Value CDOs of corporate
- Trust Preferred – banks and insurance
- Trust Preferred – US Mortgage and REITs
- Trust Preferred – European Mortgage and REITs
- Other Pooled Corporate

1. Assured's internal rating. Please see slide 22 footnote 1 for more explanation.

Pooled Corporate Obligations By Collateral Type



(\$ in millions)

Distribution of Financial Guaranty Direct Pooled Corporate Obligations by Asset Class as of December 31, 2009

Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement ²	Avg. Current Enhancement ²	Avg. Rating¹
Collateralized loan obligation ("CLOs")/Collateralized bond obligation ("CBOs")	\$ 57,434	59.2%	29.9%	26.5%	AAA
Synthetic investment grade pooled corporate	14,652	15.1%	19.2%	17.7%	AAA
Synthetic high yield pooled corporate	11,040	11.4%	36.7%	34.4%	AAA
Market Value CDOs ⁴ of corporate	5,846	6.0%	31.9%	38.3%	AAA
Trust Preferred – banks and insurance	3,759	3.9%	46.9%	36.0%	BBB+
Trust Preferred – US Mortgage and REITs ³	2,400	2.5%	50.1%	42.1%	BB
Trust Preferred – European Mortgage and REITs	1,030	1.0%	36.8%	32.9%	BBB-
Other Pooled Corporate	923	0.9%	24.4%	15.4%	A-
	<u>\$ 97,084</u>	<u>100.0%</u>	<u>30.4%</u>	<u>27.6%</u>	<u>AAA</u>

1. Assured Guaranty's internal rating. Please see page 22 footnote 1 for more information.

2. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured Guaranty's exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown above do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes. Data is obtained from third-party sources such as trustee reports and may be subject to misstatement or correction.

3. REITs are real estate investment trusts.

4. CDOs are collateralized debt obligations.

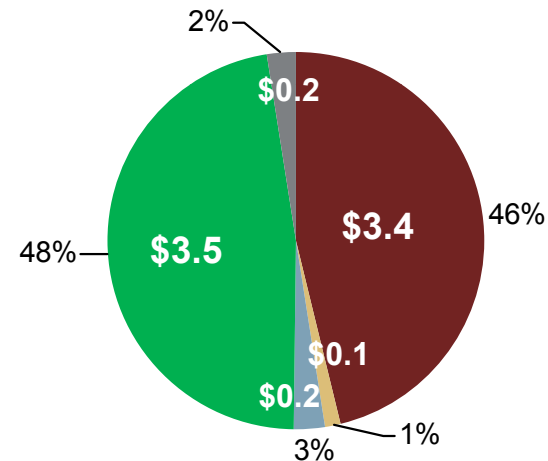
Consolidated U.S. Consumer Receivables



- **U.S. consumer receivable exposures are well protected**

- Average rating¹ of AA-
- For credit cards, student loans and auto loans current credit enhancement is higher than initial credit enhancement
- Credit cards have 52.2% average current credit enhancement
- 46% rated¹ super senior or AAA
- 2.0% rated¹ below investment grade

Assured Guaranty Ltd.
Consolidated U.S. Consumer Receivables by Average Rating
 As of December 31, 2009
 (\$ in billions)



\$7.4 billion, AA- average rating¹

■ Super Senior ■ AAA ■ AA ■ A ■ BBB ■ BIG

1. Assured Guaranty's internal rating. Please see slide 22 footnote 1 for more explanation.

Consolidated U.S. Consumer Receivables By Collateral Type



(\$ in millions)

Distribution of Consolidated U.S. Consumer Receivables by Rating ¹ as of December 31, 2009

Rating:	Credit Cards	Student Loans	Manufactured Housing	Auto	Total Net Par Outstanding
Super senior					
AAA	\$ 2,010	\$ 1,261	\$ 92	\$ 68	\$ 3,431
AA	-	-	50	42	91
A	-	210	-	-	210
BBB	89	-	-	3,433	3,522
Below investment grade	-	-	180	-	180
	<u>\$ 2,099</u>	<u>\$ 1,471</u>	<u>\$ 322</u>	<u>\$ 3,542</u>	<u>\$ 7,434</u>
Average rating ¹	AA+	AAA	A	AA-	AA-
Avg. Initial Credit Enhancement ²	30.8%	21.1%	27.6%	11.9%	19.7%
Avg. Current Enhancement ²	52.2%	22.8%	26.7%	24.9%	32.3%

1. Assured Guaranty's internal rating. Assured Guaranty'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 Guaranty's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (2) Assured Guaranty'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 Guaranty's attachment point to be materially above the AAA attachment point.

2. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured Guaranty's exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown above do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes. Data is obtained from third-party sources such as trustee reports and may be subject to misstatement or correction.

Closely Monitored Credits



(\$ in millions)

Net Par Outstanding by Below Investment Grade Category ¹

Description:	December 31, 2009		
	Net Par Outstanding	% of Total	Number of Credits in Category
BIG:			
Category 1	\$ 6,638	26.4%	112
Category 2	10,639	42.3%	208
Category 3	7,889	31.3%	44
BIG Total	\$ 25,166	100.0%	364

1. Effective January 1, 2009 Assured adopted new financial guaranty insurance standard. Assured's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of below investment grade ("BIG") credits. The BIG credits are divided into three categories: BIG Category 1: BIG transactions showing sufficient deterioration to make material losses possible, but for which no losses have been incurred. Non-investment grade transactions on which liquidity claims have been paid are in this category. Intense monitoring and intervention is employed, with internal credit ratings reviewed quarterly. BIG Category 2: BIG transactions for which expected losses have been established but for which no unreimbursed claims have yet been paid. Intense monitoring and intervention is employed, with internal credit ratings reviewed quarterly. BIG Category 3: BIG transactions for which expected losses have been established and on which unreimbursed claims have been paid. Transactions remain in this category when claims have been paid and only a recoverable remains. Intense monitoring and intervention is employed, with internal credit ratings reviewed quarterly.

Below-Investment Grade¹ Exposures



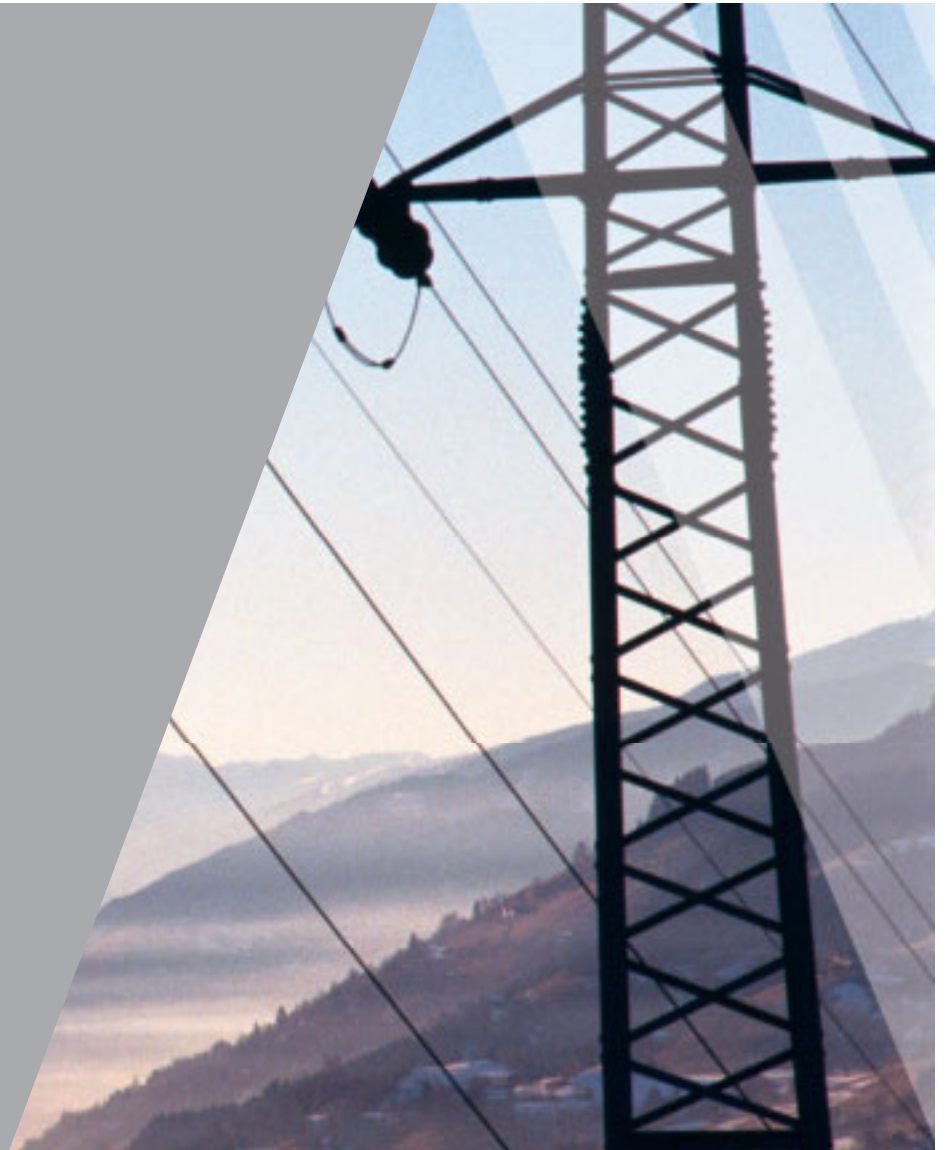
Below Investment Grade Exposures Greater Than \$250 Million as of December 31, 2009

	Net Par Outstanding	Internal Rating ¹	Current Credit Enhancement	60+ Day Delinquencies ²
Deutsche ALT-A Securities Mortgage Loan 2007-2	\$ 913	CCC	6.6%	31.3%
Countrywide HELOC 2006-I	703	CCC	0.0%	12.1%
MABS 2007-NCW	648	BB	34.6%	67.0%
Countrywide HELOC 2006-F	604	CCC	0.0%	27.6%
Jefferson County Alabama Sewer	592	D	N/A	N/A
MASTR Adjustable Rate Mortgages Trust 2007-3	587	CCC	9.1%	56.6%
Mortgage IT Securities Corp. Mortgage Loan 2007-2	560	BB	10.8%	10.8%
Private Residential Mortgage Transaction	544	BB	25.8%	30.2%
Private Residential Mortgage Transaction	506	B	27.3%	30.5%
Ballantyne Re PLC Class A-2 Floating Rate Notes	500	CC	N/A	N/A
Deutsche ALT-A Securities Mortgage Loan 2007-3	463	BB	12.2%	30.2%
Detroit (City of) Michigan	458	BB	N/A	N/A
CWALT Alternative Loan Trust 2007-HY9	424	CCC	7.8%	46.1%
Orkney Re II, PLC Floating Rate Notes	423	CCC	N/A	N/A
Countrywide Home Equity Loan Trust 2007-D	422	CCC	0.0%	12.1%
Private Residential Mortgage Transaction	414	B	20.0%	37.5%
Option One Mortgage Loan Trust 2007-FXD2	406	BB	19.8%	31.9%
Countrywide Home Equity Loan Trust 2005-J	404	CCC	0.0%	15.3%
Nomura Asset Acceptance Corporation, Alternative Loan Trust, Series 2007-1	390	CCC	5.0%	48.3%
AAA Trust 2007-2	371	B	39.5%	53.7%
CWHEQ Revolving Home Equity Loan Trust, Series 2007-A	363	CCC	0.0%	13.6%
CWHEQ Revolving Home Equity Loan Trust, Series 2005-D	361	CCC	0.0%	13.1%
HarborView Mortgage Loan Trust 2006-12	356	BB	11.9%	54.2%
MASTR Adjustable Rate Mortgages Trust 2007-1	340	B	5.6%	35.6%
CWHEQ Revolving Home Equity Loan Trust, Series 2007-B	323	CCC	0.0%	10.8%
GMACM 2004-HE3	297	BB	0.0%	4.2%
Taberna Preferred Funding IV, LTD.	292	CCC	40.3%	N/A
Taberna Preferred Funding III, LTD.	288	CCC	34.1%	N/A
IndyMac Home Equity Mortgage Loan Asset-Backed Trust, Series 2007-H1	262	CCC	0.0%	11.8%
Alesco Preferred Funding XVI, LTD.	260	B	11.1%	N/A
Terwin Mortgage Trust 2006-12SL	255	CCC	-	18.5%

1. Assured's internal rating. Please see slide 22 footnote 1 for more explanation.

2. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

Appendix



Appendix: Explanation of Non-GAAP Financial Measures



Endnotes related to non-GAAP financial measures discussed in the presentation:

Explanation of Non-GAAP Financial Measures:

This presentation references financial measures that are not financial measures that are in accordance with U.S. generally accepted accounting principles ("non-GAAP financial measures") which management uses in order to assist analysts and investors in evaluating Assured Guaranty Ltd.'s financial results. These non-GAAP financial measures are defined below. In each case, the most directly comparable GAAP financial measure, if available, is presented and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how Assured Guaranty's management, analysts and investors evaluate Assured Guaranty Ltd.'s financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty Ltd. The following paragraphs define each non-GAAP financial measure presented in this presentation and describe why they are useful for investors.

Operating Income: Operating income is a non-GAAP financial measure defined as net income (loss) attributable to Assured Guaranty Ltd. (which excludes noncontrolling interest in consolidated variable interest entities) adjusted for the following:

1. Elimination of the after-tax realized gains (losses) on investments;
2. Elimination of the after-tax non-credit impairment fair value gains (losses) on credit derivatives accounted for as derivatives, which is the amount in excess of the present value of the expected estimated economic credit losses;
3. Elimination of the after-tax fair value gains (losses) on the Company's committed capital; and
4. Elimination of goodwill and settlement of pre-existing relationships.

Management believes that operating income is a useful measure for management, investors and analysts because the presentation of operating income clarifies the understanding of the Company's results of operations by highlighting the underlying profitability of its business. Realized gains and losses on investments are excluded from operating income because the timing and amount of realized gains and losses are not directly related to the Company's insurance businesses. Non-credit impairment unrealized gains and losses on credit derivatives, and unrealized gains and losses on the Company's committed capital securities are excluded from operating income because these gains and losses do not result in an economic gain or loss and are heavily affected by, and fluctuate, in part, according to changes in market interest rates, credit spreads and other factors unrelated to the Company. This measure should not be viewed as a substitute for net income (loss) determined in accordance with GAAP.

Operating Shareholders' Equity ("Operating Shareholders Equity"): Operating shareholders' equity is a non-GAAP financial measure calculated as shareholders' equity attributable to Assured Guaranty Ltd. (which excludes noncontrolling interest in consolidated variable interest entities) reported under accounting principles generally accepted in the United States of America (GAAP), adjusted for the following fair value adjustments deemed to be unrelated to credit impairment. The specific adjustments are:

1. Elimination of the after-tax non-credit impairment unrealized gains (losses) on credit derivatives which are unrealized gains (losses) other than the present value of estimated economic credit losses;
2. Elimination of the after-tax unrealized gains (losses) on the Company's committed capital securities; and
3. Elimination of the after-tax unrealized gains (losses) on investment portfolios, recorded as a component of accumulated comprehensive income, excluding foreign exchange revaluation.

Management believes that operating shareholders' equity and operating ROE are useful measures for management, investors and analysts because the presentation of these measures clarifies the understanding of the Company's results of operations by highlighting the underlying profitability of its business. Non-credit impairment unrealized gains and losses on credit derivatives, unrealized gains and losses on the Company's committed capital securities, and unrealized gains (losses) on the investment portfolio recorded in accumulated comprehensive income are excluded from operating shareholders' equity because these gains and losses do not result in an economic gain or loss and are heavily affected by, and fluctuate, in part, according to changes in market interest rates, credit spreads and other factors unrelated to the Company. This measure should not be viewed as a substitute for shareholders' equity determined in accordance with GAAP.

Operating return on equity ("Operating ROE"): Operating ROE represents operating income for the specified period divided by the average of operating shareholders' equity at the beginning and the end of the specified period. Operating shareholders' equity is a non-GAAP financial measure calculated as shareholders' equity attributable to Assured Guaranty Ltd. (which excludes noncontrolling interest in consolidated variable interest entities) reported under accounting principles generally accepted in the United States of America (GAAP), adjusted for adjustments 1, 2 and 3 in the ABV definition on the next page.

Appendix: Explanation of Non-GAAP Financial Measures



Adjusted Book Value: Adjusted book value is calculated as shareholders' equity attributable to Assured Guaranty Ltd. (which excludes noncontrolling interest in consolidated entities) adjusted for the following:

1. Elimination of the after-tax non-credit impairment fair value gains (losses) on credit derivatives accounted for as derivatives, which is the amount in excess of the present value of the expected estimated economic credit losses;
2. Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities;
3. Elimination of the after-tax unrealized gains (losses) on investment portfolios, recorded as a component of accumulated comprehensive income, excluding foreign exchange revaluation;
4. Elimination of after-tax deferred acquisition costs;
5. Addition of the after-tax net present value of expected estimated future revenue on credit derivatives in force, less ceding commissions and premium taxes in excess of expected losses, discounted at the tax equivalent yield on the investment portfolio for periods beginning in 2010 and 6% for periods prior to 2010 and the addition of the after-tax value of net unearned revenue on credit derivatives; and
6. Addition of the after-tax value of the net unearned premium reserve on financial guaranty contracts in excess of net expected loss.

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 included in adjusted book value 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, foreign exchange rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults and other factors. This measure should not be viewed as a substitute for shareholders' equity attributable to Assured Guaranty Ltd. determined in accordance with GAAP.

Net present value of estimated future revenue on credit derivatives in force: Net present value of estimated installment premiums on credit derivatives in force is a non-GAAP financial measure defined as the present value of estimated future revenue from our credit derivative in-force books of business, net of reinsurance and discounted at 6% for December 31, 2009 and 6% for December 31, 2008. Management believes that net present value of estimated future revenue in force is a useful measure for management, investors and analysts because it permits an evaluation of the value of future estimated credit derivative revenue. Estimated future premiums may change from period to period due to changes in par outstanding, maturity, or other factors that result from market interest rates, foreign exchange rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, or other factors. There is no comparable GAAP financial measure.

PVP or present value of new business production: PVP is a non-GAAP financial measure 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% for December 31, 2009 and 6% for December 31, 2008. 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 Guaranty 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 net credit derivative premiums received and receivable portion of net realized gains and other settlement on credit derivatives ("Credit Derivative Revenues") do not adequately measure. For purposes of the PVP calculation, management discounts estimated future installment premiums on insurance contracts at 6% per year on the Company's general investment portfolio, while under GAAP these amounts are discounted at a risk free rate. Additionally, under GAAP management records future installment premiums on financial guaranty insurance contracts covering non-homogeneous pools of assets based on the contractual term of the transaction, whereas for PVP purposes, management records an estimate of the future installment premiums the Company expects to receive, which may be a shorter period of time than the contractual term of the transaction. Actual future net earned or written premiums and Credit Derivative Revenues may differ from PVP due to factors including, but not limited to, prepayments, amortizations, refundings, contract terminations or defaults that may or may not result from changes in market interest rates, foreign exchange rates, refinancing or refundings, prepayment speeds, policy changes or terminations, credit defaults or other factors. PVP should not be viewed as a substitute for gross written premiums determined in accordance with GAAP.

Appendix: PVP¹ – Reconciliation to Gross Written Premiums



(\$ in millions)

Consolidated new business production:	Quarter Ended December 31,		% Change
	2009	2008	
Present value of new business production ("PVP")			
Public finance - U.S.	\$ 114.0	\$ 63.5	80%
Public finance - non-U.S.	-	-	NM
Structured finance - U.S.	6.3	49.9	(87)%
Structured finance - non-U.S.	0.1	14.7	(99)%
Total PVP	120.4	128.1	(6)%
Less: PVP of credit derivatives	-	57.7	NM
PVP of financial guaranty insurance	120.4	70.4	71%
Less: Financial guaranty installment premium PVP	(2.9)	10.5	(128)%
Total: Financial guaranty upfront GWP	123.3	59.9	106%
Plus: Financial guaranty installment adjustment ²	(66.9)	23.9	NM
Total financial guaranty GWP	56.4	83.9	(33)%
Plus: Mortgage guaranty segment GWP	-	-	NM
Plus: Other segment GWP	-	-	NM
Total GWP	\$ 56.4	\$ 83.9	(33)%

NM = Not meaningful

- For an explanation of PVP, a non-GAAP financial measure, please refer to the appendix on slide 44.
- 2009 amounts include the difference in management estimates for the discount rate applied to future installments compared to the discount rate used for ASC 944-20, as well as the changes in estimated term for future installments.

Appendix: Reconciliation of Operating Income to Net Income (Loss)²



(\$ in millions, except per share data)

Reconciliation of Net Income (Loss) to Operating Income

	<u>4Q-09</u>	<u>4Q-08</u>
Net income (loss)	\$ 216.7	\$ (243.8)
Less: Realized gains (losses) on investments, after tax	(4.0)	(46.8)
Less: Non-credit impairment unrealized gains (losses) on credit derivatives, after tax	83.6	(212.5)
Less: Unrealized gains (losses) on committed capital securities, after tax	(18.8)	12.0
Operating income	<u>\$ 155.9</u>	<u>\$ 3.5</u>

Weighted average shares outstanding (in millions)²:

Basic shares outstanding - GAAP	164.7	91.0
Diluted shares outstanding - GAAP	170.5	91.0
Diluted shares outstanding - non-GAAP	170.7	91.6

Per diluted share²

	<u>4Q-09</u>	<u>4Q-08</u>
Net income (loss)	\$ 1.27	\$ (2.66)
Less: Realized gains (losses) on investments, after tax	(0.02)	(0.51)
Less: Non-credit impairment unrealized gains (losses) on credit derivatives, after tax	0.49	(2.34)
Less: Unrealized gains (losses) on committed capital securities, after tax	(0.11)	0.13
Operating income	<u>\$ 0.91</u>	<u>\$ 0.04</u>

1. Effective January 1, 2009, the Company adopted new accounting insurance standard which clarifies that share-based payment awards that entitle their holders to receive nonforfeitable dividends or dividend equivalents before vesting should be considered participating securities and shall be included in the calculation of basic and diluted net income (loss) per share. Upon retrospective adoption of that accounting standard, Assured decreased previously reported diluted net loss per share by \$0.02 for Q4 2008. Operating income, a non-GAAP financial measure, for both periods is positive, therefore the per diluted share calculation ignores the effect of that accounting standard and includes the effect of dilutive securities.
2. Total may not add due to differences in calculating GAAP and non-GAAP per diluted share amounts.

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Equity Investor Presentation

