



Fixed Income Investor Presentation First Quarter 2011

The financial statements contained herein should not be relied on because Assured Guaranty will be restating them. For additional information, see the Current Report on Form 8-K that Assured Guaranty filed on or about October 18, 2011 with the Securities and Exchange Commission on this matter. It is available on the SEC Filings page of www.assuredguaranty.com.

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Safe Harbor Disclosure



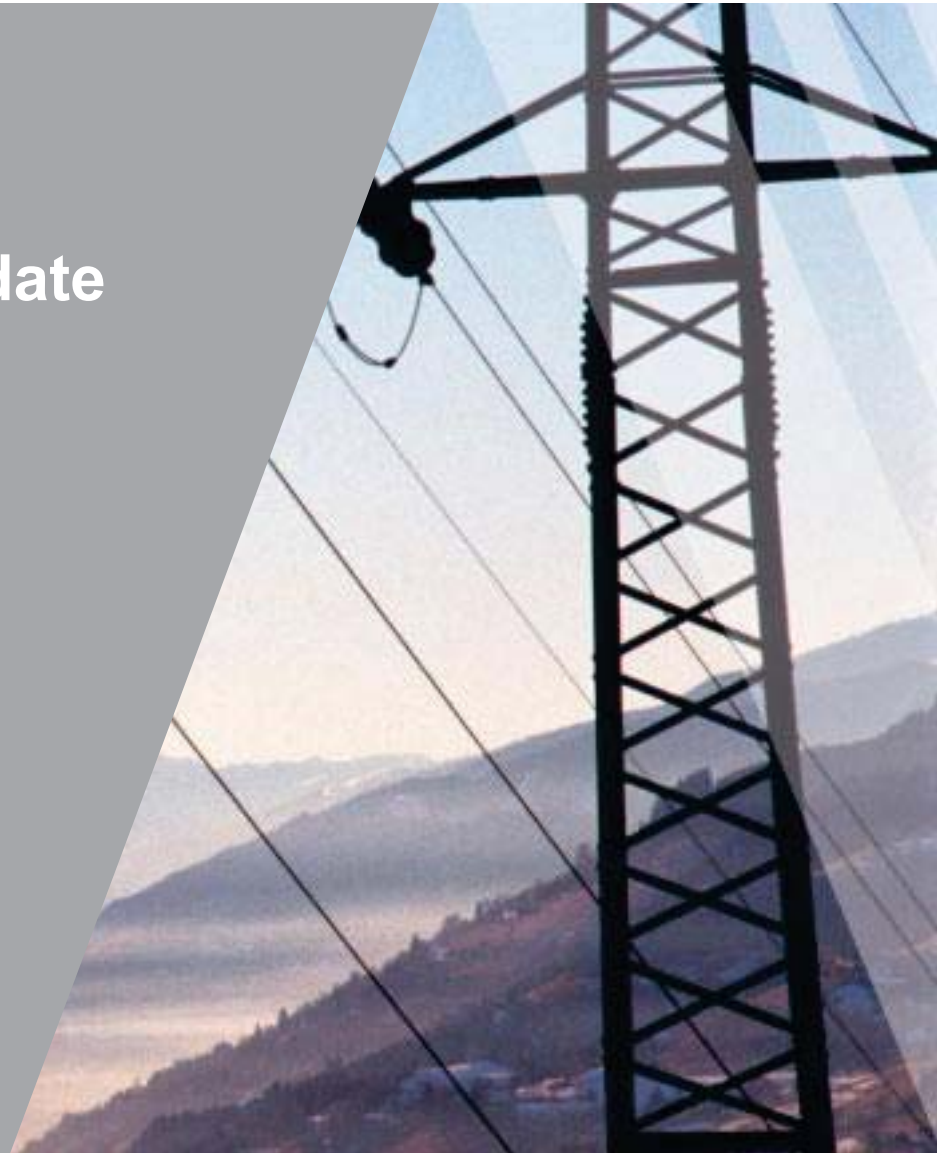
- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty” or the “Company”) with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially or change in outlook from these statements. For example, Assured Guaranty’s forward looking statements could be affected by:
 - rating agency action, including a ratings downgrade or change in outlook at any time of Assured Guaranty Ltd. or any of its subsidiaries and/or of transactions insured by AGL’s subsidiaries, both of which have occurred in the past, or a change in rating criteria;
 - 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 implicating 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 insurance and reinsurance opportunities available to Assured Guaranty;
 - deterioration in the financial condition of our reinsurers, the amount and timing of reinsurance recoverables actually received and the risk that reinsurers may dispute amounts owed to us under our reinsurance agreements;
 - the possibility that the Company will not realize insurance loss recoveries or damages expected from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions
 - increased competition;
 - changes in applicable accounting policies or practices;
 - changes in applicable laws or regulations, 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 May 23, 2011. 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, except as required by law.

Conventions, Non-GAAP Financial Measures and Disclaimer



- Unless otherwise noted, the following conventions are used in this presentation:
 - Ratings on our insured portfolio and on bonds purchased pursuant to loss mitigation or risk management strategies are Assured Guaranty's internal rating. Although the Company's ratings scale is similar to that used by the nationally recognized statistical rating organizations, the ratings may not be the same as ratings assigned by any such rating agency.
 - The super senior category, which is not generally used by rating agencies, is used by Assured Guaranty in instances where its 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 benefitting 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.
 - Exposures rated below investment grade are designated "BIG".
 - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P").
 - Percentages and totals in tables or graphs may not add due to rounding.
- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures not in accordance with GAAP ("non-GAAP financial measures") are defined in the appendix. 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's financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty.
- The materials in this presentation do not constitute advice with respect to any municipal financial products, or the issuance of any municipal securities, including with respect to the structuring, timing or terms of any such financial products or issuances. You should not rely on such material to make any decision with respect to these topics. Neither we nor any of our affiliates is acting as your advisor in connection with any municipal financial product or any issuance of municipal securities. We encourage you to consult your own financial and legal advisors and to make your own independent investigation regarding any municipal financial product and the structure, timing and terms of any issuance of municipal securities. Municipal financial product includes any municipal derivative, guaranteed investment contract, plan or program for the investment of the proceeds of municipal securities, or the recommendation and brokerage of municipal escrow investments.

Corporate Overview and Update



Corporate Overview and Update



- **Assured Guaranty Ltd. (“AGL” and together with its subsidiaries “Assured Guaranty” or “the Company”) is the leading financial guaranty franchise**
 - We are the only long-standing financial guaranty company writing new business today
 - We have maintained financial strength ratings acceptable to the market
- **Assured Guaranty’s sole focus is financial guaranty**
 - Publicly traded holding company (NYSE: AGO) with extensive quarterly financial disclosures providing transparency to all investors
 - More than 22-year track record in financial guaranty market
 - Two principal financial guaranty direct subsidiaries and one financial guaranty reinsurance subsidiary
- **Strong capital base**
 - Consolidated investment portfolio¹ of \$10.2 billion as of March 31, 2011
 - Consolidated claims-paying resources of \$12.7 billion as of March 31, 2011
- **On July 1, 2009, Assured Guaranty acquired Financial Security Assurance Inc. (“FSA”), the only other active legacy financial guaranty company, through its acquisition of Financial Security Assurance Holdings Ltd. (“FSAH”) from Dexia SA (“Dexia”).² FSAH was subsequently renamed Assured Guaranty Municipal Holdings Inc. (“AGMH”)**

(\$ in billions)	Assured Guaranty Ltd. (3/31/11)
Net par outstanding	\$602.3
Total investment portfolio ¹	\$10.2
Claims-paying resources	\$12.7

1. Total Investment Portfolio Available for Sale

2. Assured Guaranty did not acquire FSAH's Financial Products (“FP”) segment . Assured Guaranty and its subsidiaries are indemnified against exposure to the FP segment by Dexia, and in the case of the guaranteed investment contract (“GIC”) portion of the FP segment, by guarantees by the French and Belgian governments.

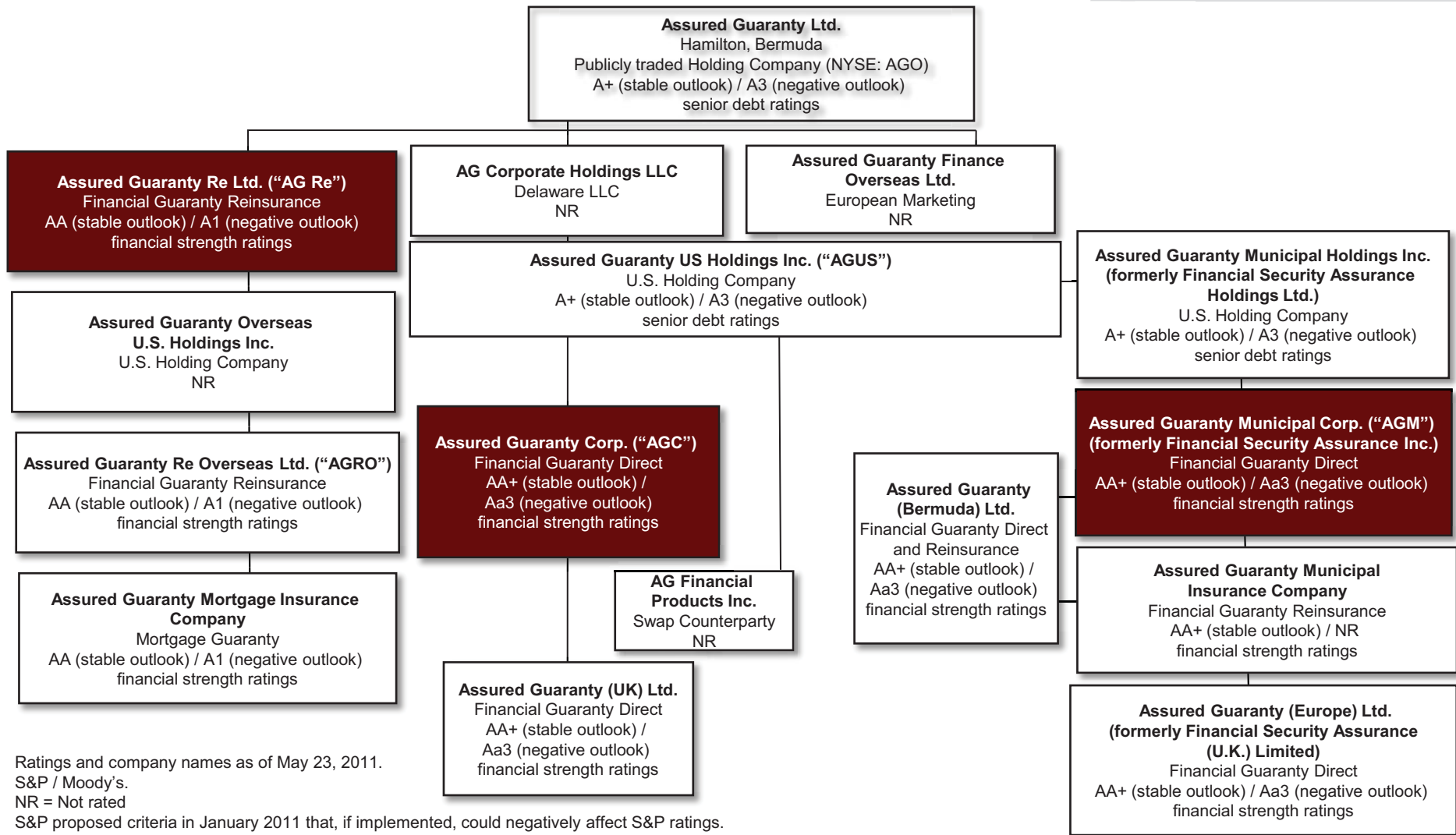
Assured Guaranty Strategic Priorities



Our long-term strategic goals are virtually unchanged since our initial public offering in April 2004:

- Expand our direct franchise
- Exercise underwriting discipline
- Pursue proactive loss mitigation strategies
- Maintain high financial strength ratings
- Utilize reinsurance platform to enhance market opportunities
- Utilize both soft and hard capital efficiently

Assured Guaranty Ltd. Corporate Structure



Ratings and company names as of May 23, 2011.

S&P / Moody's.

NR = Not rated

S&P proposed criteria in January 2011 that, if implemented, could negatively affect S&P ratings.

Assured Guaranty's Operating Platforms



- **Assured Guaranty Corp. (“AGC”) and Assured Guaranty Municipal (“AGM”) operate as two separate direct financial guaranty platforms with Assured Guaranty Re (“AG Re”) operating as a reinsurer**
 - AGC guarantees public finance, global infrastructure and structured finance transactions
 - AGM, formerly FSA, focuses exclusively on public finance and global infrastructure transactions
 - AG Re, as a reinsurer, provides additional capital and flexibility to AGC and AGM
- **AGC and AGM are integrated for risk management, surveillance, credit, financial reporting and systems**
- **Assured Guaranty’s financial position and market standing, along with the franchise value of AGC and AGM, are strengthened through this structure**
 - Greater capacity to write business
 - More flexibility in balancing portfolio exposures
 - Enhanced operating efficiencies through common infrastructure

Assured Guaranty's Operating Platforms (Cont'd)



- **Companies distinct for legal and regulatory purposes**

- Separate insured credit exposures: net par – AGC \$115 billion, AGM \$349 billion¹
- Separate insurance licenses
- Separate capital bases – claims-paying resources: AGC \$3.6 billion,² AGM \$6.5 billion
- Separate regulators – AGC is domiciled in Maryland; AGM is domiciled in New York
- Dividend restrictions – including Maryland and New York insurance law restrictions, and rating agency non-impairment confirmation; also, for three years after closing of acquisition, AGM cannot pay dividends unless rated at least AA-/Aa3 *and* dividends do not exceed 125% of AGMH annual debt service.

1. Includes insured GICs issued by AGMH's former FP affiliates (\$6.3 billion aggregate principal amount outstanding as of March 31, 2011). However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to the FP business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.

2. In 2009, Assured Guaranty Corp. issued a \$300.0 million note payable to Assured Guaranty Municipal Corp.

Operating Principles and Investor and Issuer Benefits



- **Underwriting principles designed to protect our franchise**
- **Experienced and disciplined management**
- **Commitment to disclosure and transparency: Committed to providing detailed exposure information to the market**
- **Our guaranty benefits investors and issuers because we provide credit selection, underwriting, surveillance and remediation in addition to default protection**
 - Bond insurance helps homogenize the market's view of insured credits, thereby increasing market liquidity
 - Credit enhancement provides protection in an uncertain credit environment

Financial Strength Ratings



- **We manage our business with the goal of attaining the highest financial strength ratings possible from Moody's and S&P**
- **We have the highest ratings of any active financial guaranty company today:**
 - Moody's confirmed the Aa3 financial strength ratings of AGC and AGM and the A1 financial strength rating of AG Re in fourth quarter 2009. Moody's annual review is in process
 - S&P rated AGC and AGM AA+ (stable) on October 25, 2010, with no indication of new criteria underway
- **S&P proposed criteria in January 2011 that, if implemented, could negatively affect our rating**
 - Our February 1, 2011 conference call and presentation addressed our concerns with some of the proposed rating criteria. Our comment letters dated March 1, 2011 and March 25, 2011 are also posted on our website
 - S&P requested comments by March 25, 2011; indicated that timing of final rating criteria is expected early in 3Q-11 with publication of updated ratings by September 30, 2011

Financial Strength Ratings

As of May 23, 2011

	Moody's (rating/outlook)	S&P (rating/outlook)
AGC	Aa3 / negative	AA+ / stable
AGM	Aa3 / negative	AA+ / stable
AG Re	A1 / negative	AA / stable

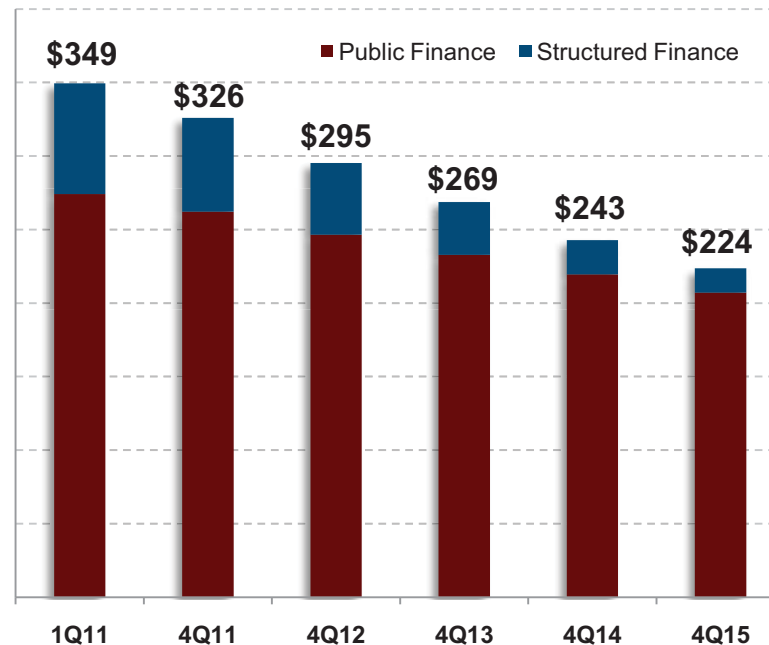
AGM's Commitment to the Public Finance Market



- We are committed to writing only U.S. public finance and global infrastructure transactions in AGM now and in the future.¹
- AGM's existing insured portfolio is expected to rapidly evolve toward its new public finance focus.
- We project that AGM's legacy global structured finance insured portfolio (\$75 billion as of March 31, 2011 vs. \$127 billion as of September 30, 2008) will run off rapidly – 35% by year-end 2012 and 78% by year-end 2015.²

AGM Net Par Outstanding Amortization

Year-End Amounts Projected as of March 31, 2011³
(\$ in billions)



1. AGM stopped writing structured finance transactions in August 2008.

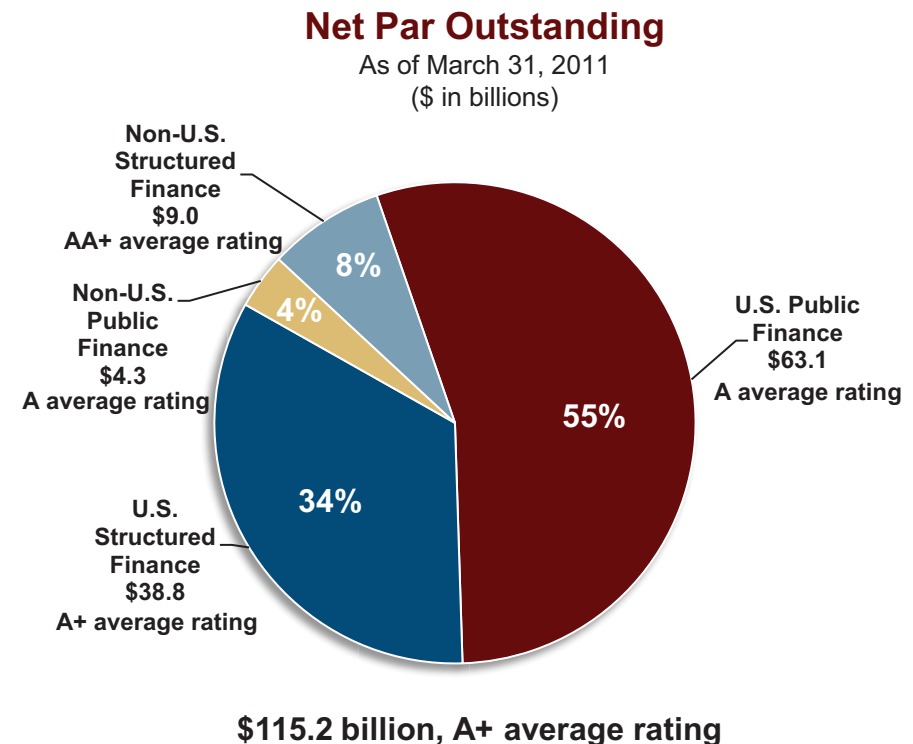
2. Represents the future expected amortization of current net par outstanding, assuming no advance refundings, as of March 31, 2011. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations and because of management's assumptions on structured finance amortization.

3. See page 69 for net par outstanding at March 31, 2011.

AGC's Operating Structure



- **AGC is a diversified insurer writing all classes of financial guaranty business, including: U.S. public finance, global infrastructure and structured finance**
- **Structured finance activities:**
 - Currently restricted to carefully selected asset types (e.g., auto loans and leases, credit card receivables, consumer loans, equipment loans and leases, trade receivables)
 - No U.S. RMBS until product changes fundamentally
 - Conservative limits
 - High attachment points
 - Less complex structures



AG Re's Operating Structure



- **AG Re is an insurance company primarily engaged in providing reinsurance to financial guarantors**
- **Reinsurance for AGC and AGM**
- **Portfolio opportunities with existing legacy monolines**
- **Opportunities with potential new primary financial guarantors**

Three Discrete Operating Companies with Separate Capital Bases



Consolidated Claims-Paying Resources and Statutory-Basis Exposures¹

As of March 31, 2011					
(\$ in millions)	Assured Guaranty Corp.	Assured Guaranty Re Ltd. ¹	Assured Guaranty Municipal Corp.	Eliminations ²	Consolidated
Claims-paying resources					
Policyholders' surplus	\$ 866	\$ 1,131	\$ 1,393	\$ (300)	\$ 3,090
Contingency reserve	739	-	1,666	-	2,405
Qualified statutory capital	1,605	1,131	3,059	(300)	5,495
Unearned premium reserve	860	1,054	2,286	-	4,200
Loss and loss adjustment expense reserves ^{3,4}	402	181	37	-	620
Total policyholders' surplus and reserves	2,867	2,366	5,382	(300)	10,315
Present value of installment premium ⁴	495	281	666	-	1,442
Standby line of credit/stop loss	200	200	498	-	898
Total claims-paying resources	\$ 3,562	\$ 2,847	\$ 6,546	\$ (300)	\$ 12,655
Net par outstanding ⁵	\$ 115,145	\$ 136,292	\$ 337,264	\$ (1,728)	\$ 586,973
Net debt service outstanding ⁵	166,459	220,009	506,701	(3,937)	\$ 889,232
Ratios:					
Net par outstanding to qualified statutory capital	72:1	121:1	110:1		107:1
Capital ratio ⁶	104:1	195:1	166:1		162:1
Financial resources ratio ⁷	47:1	77:1	77:1		70:1

1. AG Re numbers are the Company's estimate of U.S. statutory, as this company files Bermuda statutory financial statements.

2. In 2009, AGC issued a \$300.0 million note payable to AGM. Net par and net debt service outstanding eliminations represent second-to-pay policies between Assured Guaranty's insurance subsidiaries.

3. Reserves are reduced by approximately \$2.3 billion for benefit related to representation and warranty recoverables.

4. Includes financial guaranty insurance and credit derivatives.

5. Net par outstanding and net debt service outstanding are presented on a statutory basis. Under statutory accounting, such amounts would be reduced both when an outstanding issue is legally defeased (i.e., the rights and interests of bondholders and their lien on pledged revenues or other security are terminated in accordance with bond documentation) and when such issue is economically defeased (i.e., bond documentation does not provide a procedure for termination of such rights, interests and lien other than through payment of all outstanding debt in full; funds are deposited in an escrow account for future payment of the debt; and if the funds deposited prove insufficient to pay the outstanding debt in full, the issuer continues to be legally obligated to make payment on such debt).

6. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.

7. The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.

Bank of America Agreement



- **We have been pursuing reimbursement for mortgage put-backs for breaches of representation and warranties (“R&W”) since 2008.**
- **We resolved our R&W claims on 29 transactions with Bank of America/Countrywide on April 14, 2011.**
 - \$1.1 billion cash payment to be received by March 31, 2012; \$850 million was paid in April 2011
 - Reimbursement¹ of 80% of paid losses on 21 first lien transactions until collateral losses in those securitizations equal \$6.6 billion; as of March 31, 2011, collateral losses are expected to be \$4.8 billion, generating \$538 million of estimated gross economic loss to Assured Guaranty’s tranches, before consideration of R&W benefits
- **We continue to pursue reimbursement from other R&W providers; Deutsche Bank and UBS comprise about 60% of non-Bank of America future net R&W benefit as of March 31, 2011**

(\$ in millions)	Future Net R&W Benefit as of	
	March 31, 2011	December 31, 2010
Bank of America/Countrywide	\$1,401.4	\$1,049.7
Other R&W providers (11)	993.8	621.0
Total	\$2,395.2	\$1,670.7

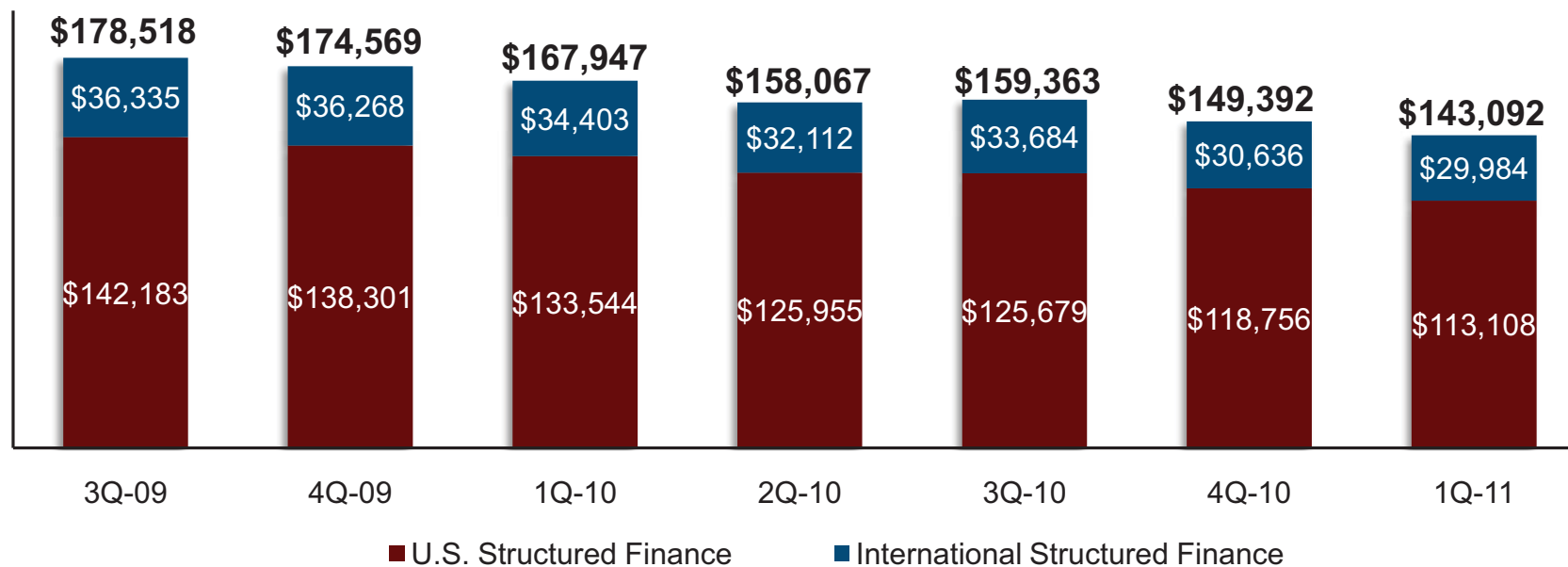
1. On April 14, 2011, Bank of America placed \$1 billion of eligible assets into trust in order to collateralize the reimbursement obligation relating to the first lien transactions. The amount of assets required to be posted may increase or decrease from time to time, as determined by rating agency requirements.

Other Capital Creation Initiatives

- **We also have a wrapped bond repurchase program, in which we purchase bonds we have insured in order to reduce our losses**
 - Have purchased over \$1 billion of par on insured securities through March 31, 2011 with an initial purchase price of approximately \$450 million; current carrying value of approximately \$260 million
- **We generate excess capital as our RMBS and other structured finance exposures run off**
 - 20% of structured finance portfolio has run off since September 30, 2009
 - About 27% of our structured finance portfolio is expected to run off from 1Q-11 through year end 2012
 - U.S. RMBS run-off will free up the most capital; expect \$8.3 billion to run off in 2011 and 2012

Structured Finance Run-off

(\$ in millions)

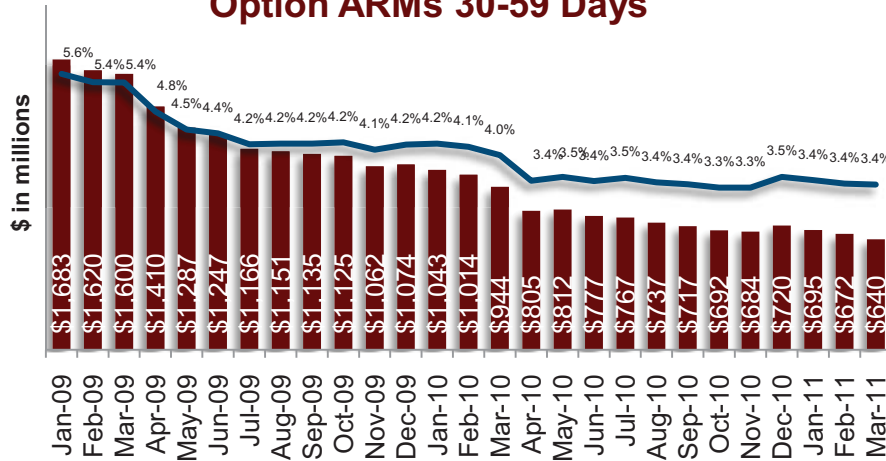


First Lien 30-59 Day Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



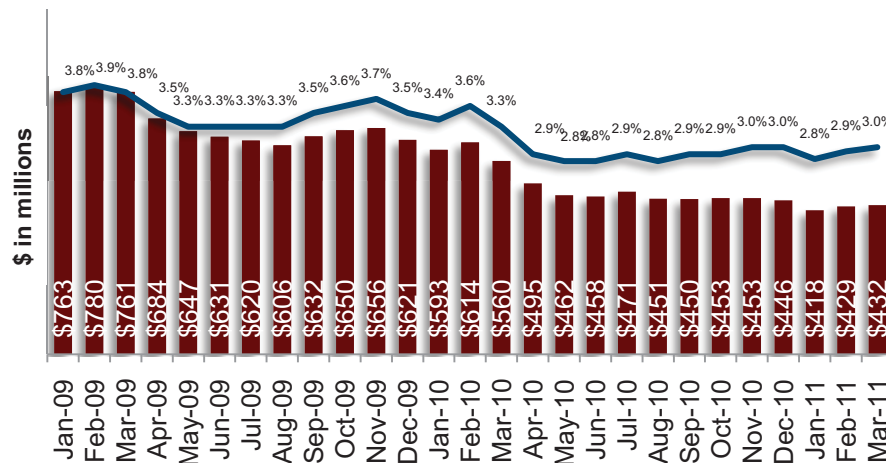
Option ARMs 30-59 Days



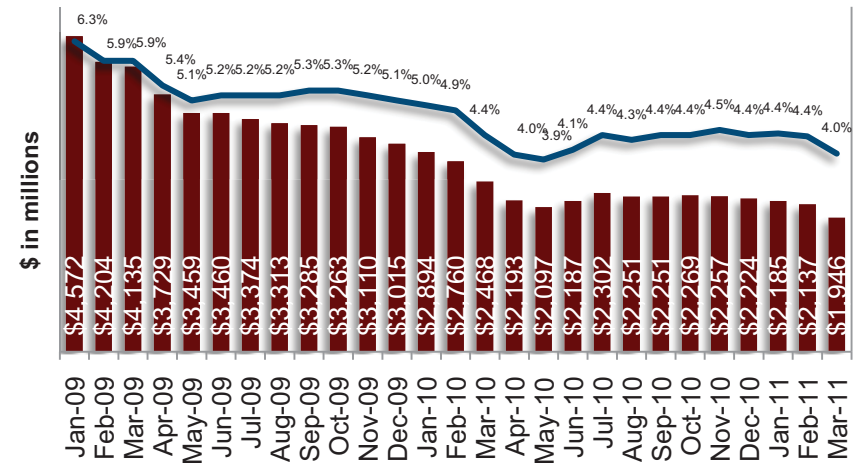
- First lien 30-59 day delinquencies are down since January 2009 in both percentage terms and dollar amounts in Option ARM, Alt-A and subprime transactions.



Alt-A 30-59 Days



Subprime 30-59 Days



Reflects actual AGC and AGM direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

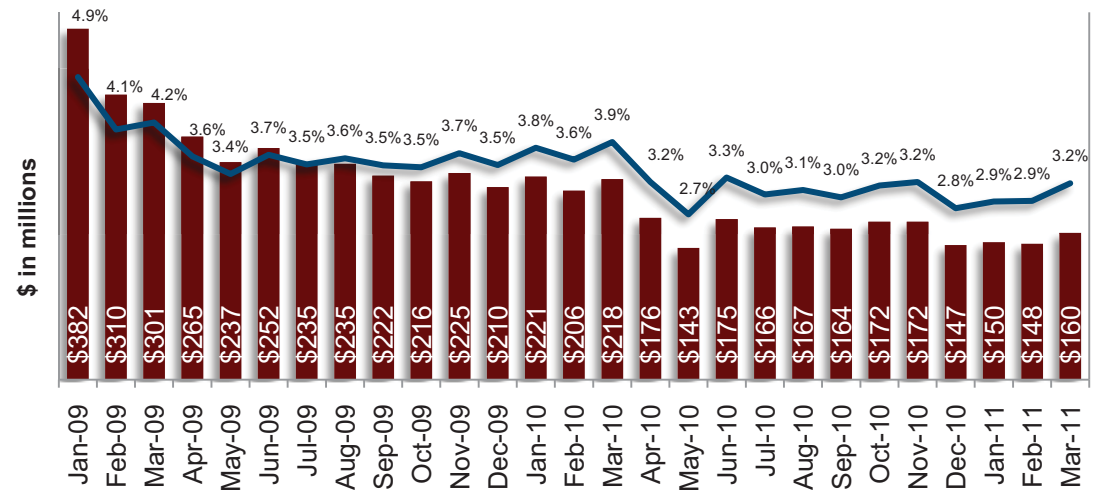
Second Lien Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



- **Second lien 30-59 day delinquencies are down since January 2009 in both percentage terms and dollar amounts for troubled HELOCs.**

Troubled HELOCs 30-59 Days



Reflects actual AGC and AGM direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

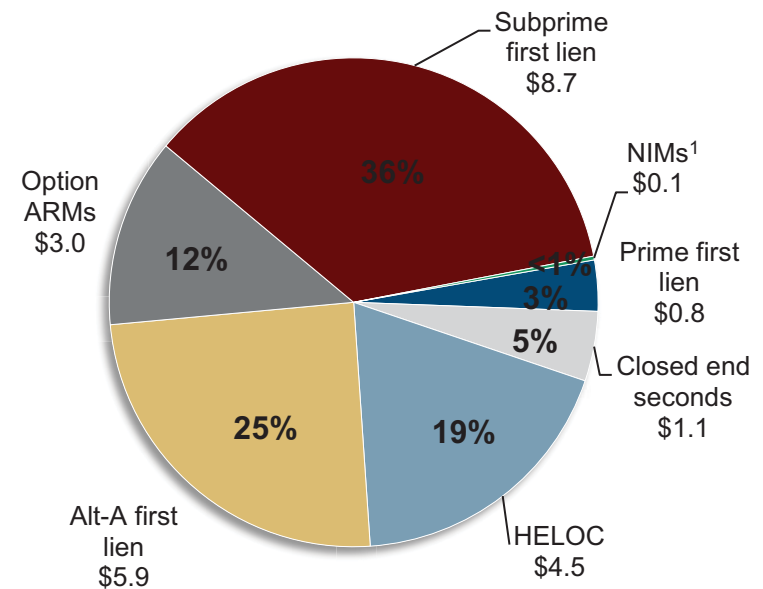
Consolidated U.S. RMBS



- **Our \$24.1 billion U.S. RMBS portfolio is amortizing on an absolute basis and as a percentage of the portfolio**
 - U.S. RMBS represents 4.0% of total net par outstanding at March 31, 2011 versus 8.3% at year-end 2008
 - Total U.S. RMBS has declined from \$30.2 billion at September 30, 2009 to \$24.1 billion at March 31, 2011, a \$6.1 billion or 20% reduction
- **Our loss reserving methodology is driven by our assumptions on several factors with a key variable on new delinquencies:**
 - Conditional default rate
 - Constant prepayment rate
 - Excess spread
 - Loss severity
- **We have several initiatives aimed at reducing ultimate losses**

U.S. RMBS by Exposure Type

As of March 31, 2011
(\$ in billions)



\$24.1 billion
(4.0% of net par outstanding)

1. NIMs= Net Interest Margin

Assured Guaranty U.S. RMBS Performance

Alt-A First Lien and Option ARMs



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 ¹

U.S. Option ARMs

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 131	27.9%	8.7%	8.2%	38.9%	4
2006	751	52.9%	3.6%	11.9%	52.7%	7
2007	1,968	57.7%	4.5%	13.0%	40.8%	11
2008	106	60.2%	49.5%	8.9%	28.2%	1
	<u>\$ 2,956</u>	<u>55.3%</u>	<u>6.1%</u>	<u>12.3%</u>	<u>43.3%</u>	<u>23</u>

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 672	38.6%	10.9%	5.0%	19.6%	21
2006	472	45.9%	0.1%	14.4%	37.7%	7
2007	2,994	57.7%	6.5%	10.1%	34.1%	12
2008	1,672	53.7%	25.3%	10.2%	31.5%	5
	<u>\$ 5,810</u>	<u>53.4%</u>	<u>11.9%</u>	<u>9.9%</u>	<u>31.9%</u>	<u>45</u>

1. Net par outstanding is based on values as of March 31, 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 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 collateral 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 current collateral balance.

Assured Guaranty U.S. RMBS Performance

Subprime First Lien



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 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	\$ 352	36.0%	46.7%	5.3%	41.4%	7
2006	3,690	24.7%	61.4%	14.4%	40.5%	4
2007	2,930	57.2%	25.7%	14.6%	48.7%	13
2008	82	70.1%	31.9%	8.4%	29.4%	1
	<u>\$ 7,054</u>	<u>39.3%</u>	<u>45.5%</u>	<u>14.0%</u>	<u>43.8%</u>	<u>25</u>

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Assured Guaranty U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 ¹

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 947	19.9%	2.6%	13.8%	12.0%	6
2006	1,353	32.4%	1.9%	30.7%	11.1%	7
2007	1,790	47.5%	3.1%	27.1%	6.4%	9
2008	-	-	-	-	-	-
	<u>\$ 4,090</u>	<u>36.1%</u>	<u>2.6%</u>	<u>25.2%</u>	<u>9.3%</u>	<u>22</u>

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Assured Guaranty Direct U.S. RMBS Performance Closed-End Seconds



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 ¹

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ^{3,6}	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	442	18.8%	-	57.7%	13.4%	2
2007	659	22.9%	-	63.2%	11.2%	10
2008	-	-	-	-	-	-
	<u>\$ 1,102</u>	<u>21.3%</u>	<u>-</u>	<u>61.0%</u>	<u>12.1%</u>	<u>12</u>

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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 collateral 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 current collateral balance.

6. Many of the closed end second lien 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.

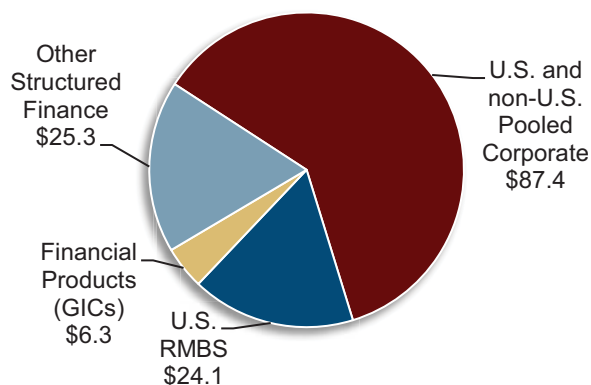
Structured Finance Exposures Net Par Outstanding



(\$ in billions)

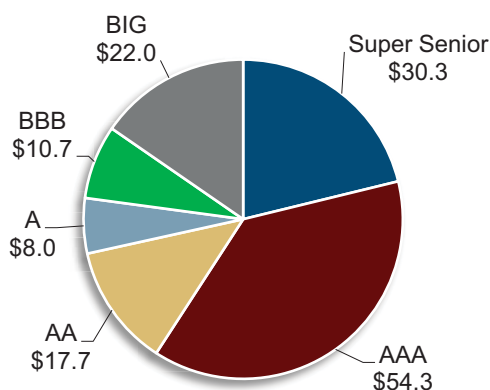
By Type

As of March 31, 2011



\$143.1 billion, AA- average rating

By Internal Rating



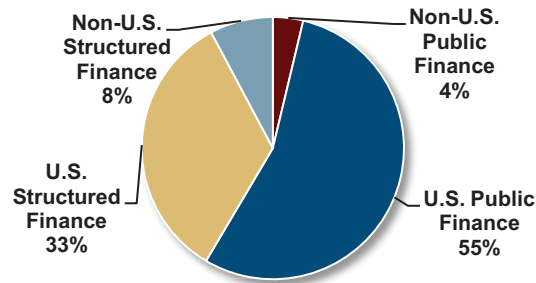
- **We expect AGL's global structured finance insured portfolio (\$143.1 billion as of March 31, 2011) to run off rapidly – 27% by year-end 2012 and 59% by year-end 2014.**
 - \$87.4 billion in global pooled corporate obligations expected to be reduced by 26% by year-end 2012 and by 65% by year-end 2014
 - \$24.1 billion in U.S. RMBS expected to be reduced by 34% by year-end 2012 and by 57% by year-end 2014
- **Assured Guaranty and AGM's total structured finance exposures of \$240.9 billion at December 31, 2007 have declined by \$97.8 billion to \$143.1 billion through March 31, 2011, a 41% reduction.**

1. Represents the future expected amortization of current net par outstanding, assuming no advance refundings, as of March 31, 2011. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations and because of management's assumptions on structured finance amortization.

Portfolio Diversification by Sector Net Par Outstanding (as of March 31, 2011)

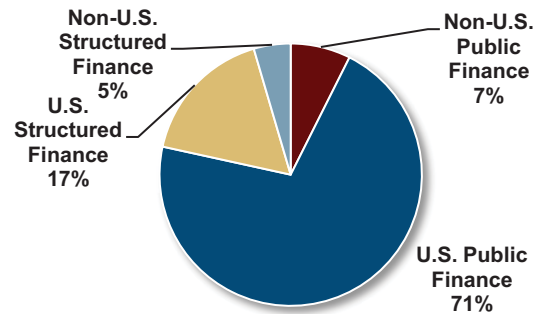


AGC



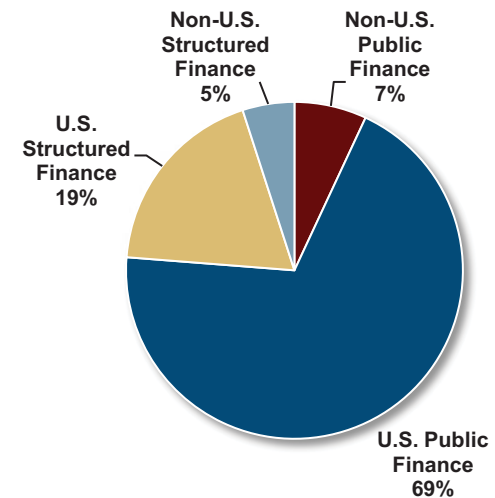
\$115.2 billion

AGM



\$349.5 billion¹

Assured Guaranty Ltd. Consolidated



\$602.3 billion^{1,2}

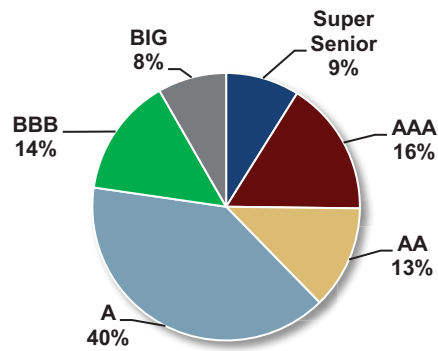
1. Includes \$6.3 billion at 3/31/11 in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Portfolio Ratings

Net Par Outstanding (as of March 31, 2011)

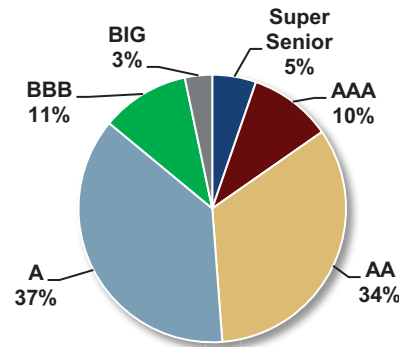


AGC



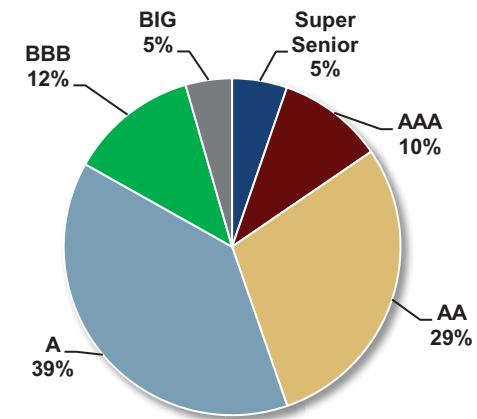
\$115.2 billion

AGM



\$349.5 billion¹

Assured Guaranty Ltd. Consolidated



\$602.3 billion^{1,2}

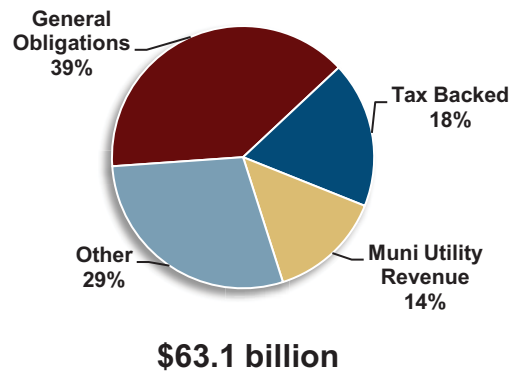
- Includes \$6.3 billion at 3/31/11 in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
- Consolidated amounts include those of AG Re.

U.S. Public Finance Portfolios

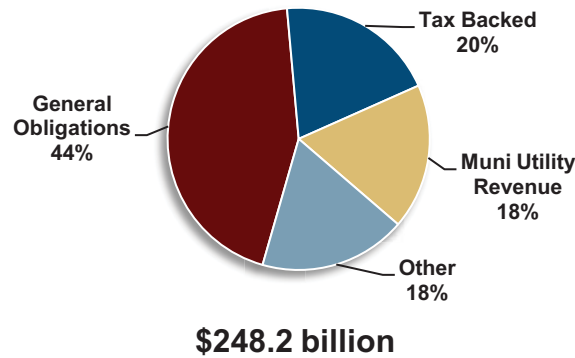
Net Par Outstanding (as of March 31, 2011)



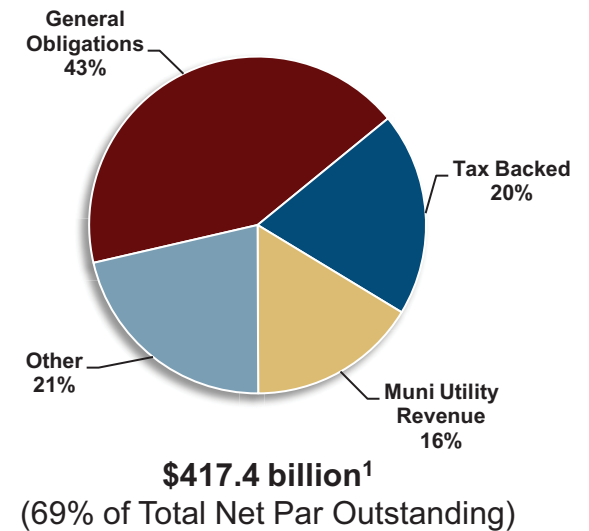
AGC



AGM



Assured Guaranty Ltd. Consolidated

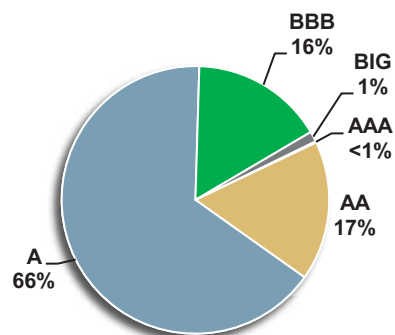


1. Consolidated amounts include those of AG Re.

Portfolio Ratings - U.S. Public Finance Net Par Outstanding (as of March 31, 2011)

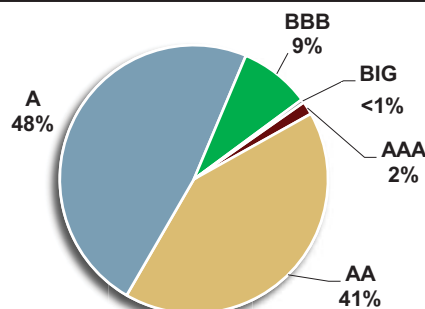


AGC



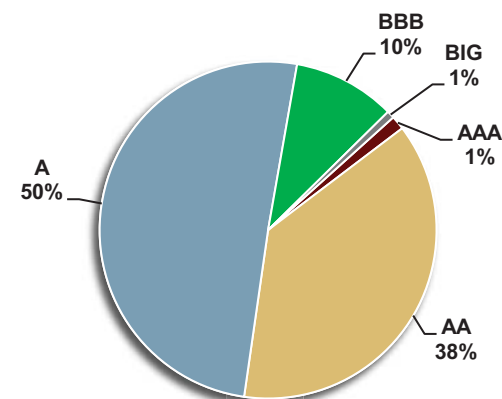
\$63.1 billion

AGM



\$248.2 billion

Assured Guaranty Ltd. Consolidated



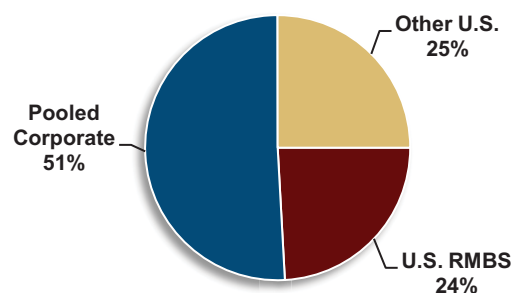
\$417.4 billion¹
(69% of Total Net Par Outstanding)

1. Consolidated amounts include those of AG Re.

U.S. Structured Finance Portfolios Net Par Outstanding (as of March 31, 2011)

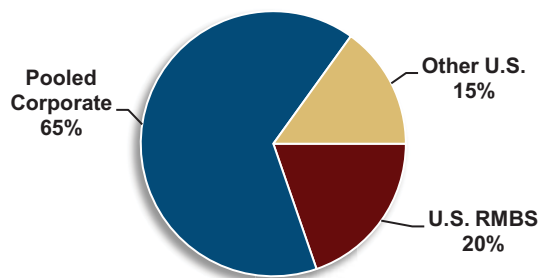


AGC



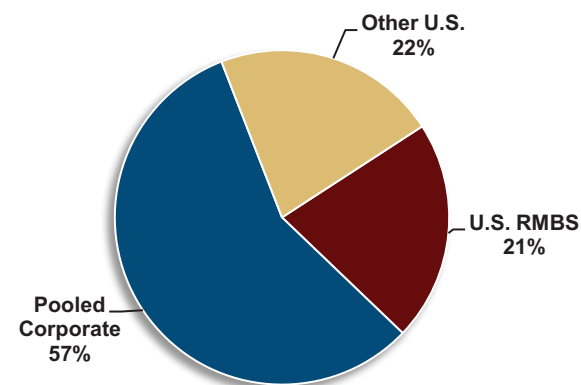
\$38.8 billion

AGM



\$59.5 billion¹

Assured Guaranty Ltd. Consolidated



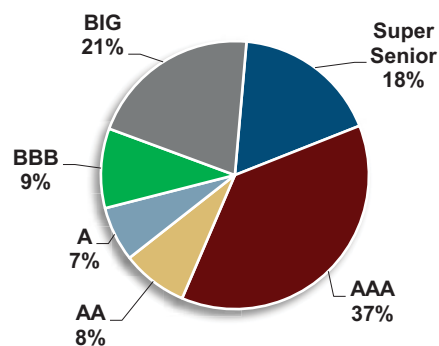
\$113.1 billion^{1,2}
(19% of Total Net Par Outstanding)

1. Includes \$6.3 billion in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Portfolio Ratings – U.S. Structured Finance Net Par Outstanding (as of March 31, 2011)

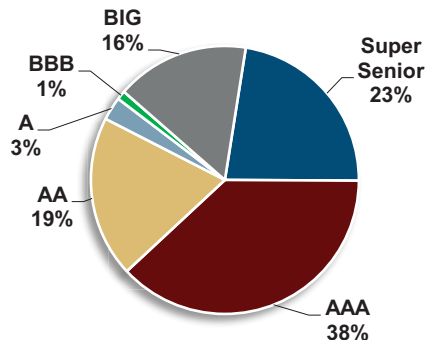


AGC



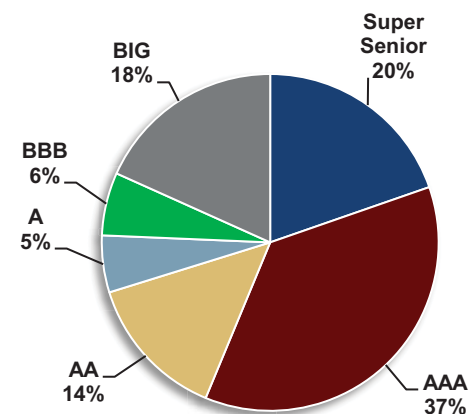
\$38.8 billion

AGM



\$59.5 billion

Assured Guaranty Ltd. Consolidated



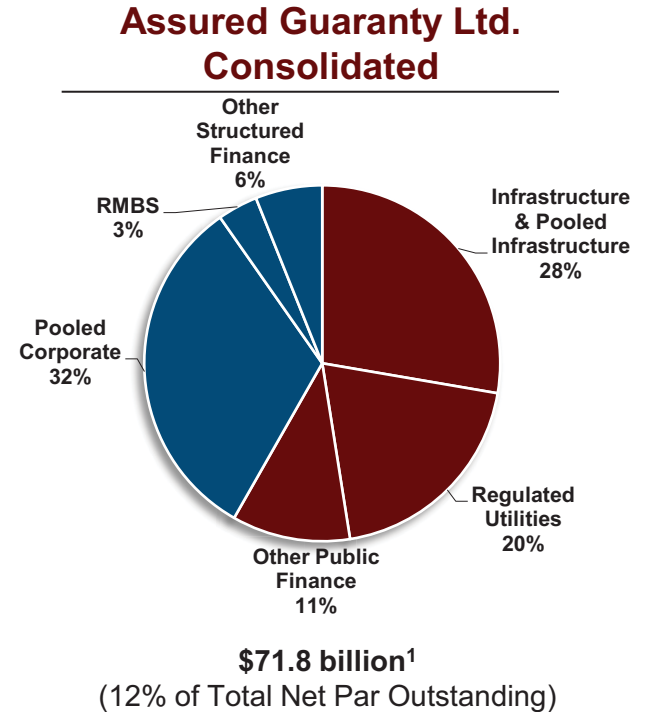
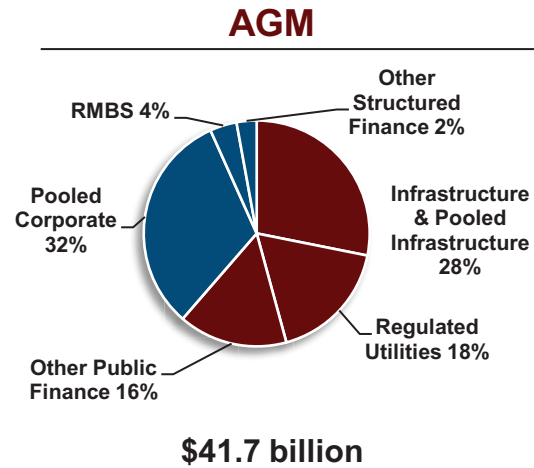
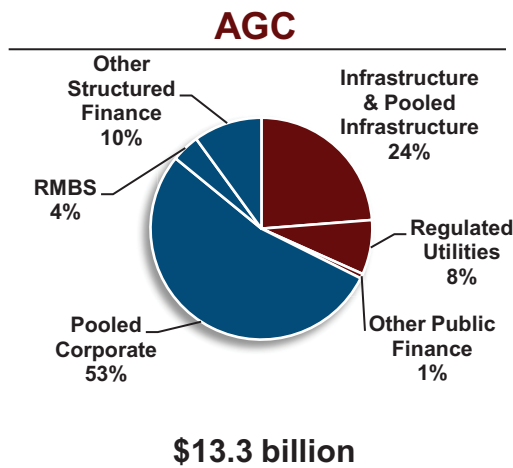
\$113.1 billion^{1,2}
(19% of Total Net Par Outstanding)

1. Includes \$6.3 billion at 3/31/11 in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Non-U.S. Portfolios

Public Finance and Structured Finance

Net Par Outstanding (as of March 31, 2011)

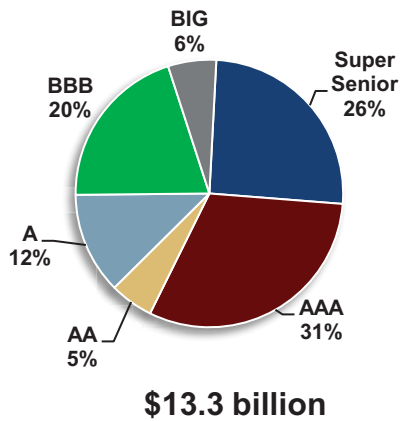


1. Consolidated amounts include those of AG Re.

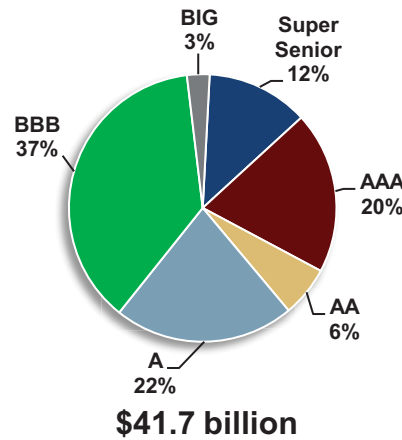
Portfolio Ratings – Non-U.S. Portfolios Public Finance and Structured Finance Net Par Outstanding (as of March 31, 2011)



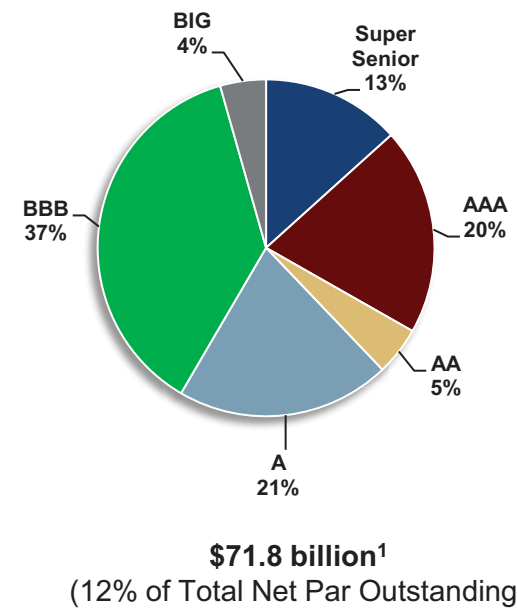
AGC



AGM



Assured Guaranty Ltd. Consolidated



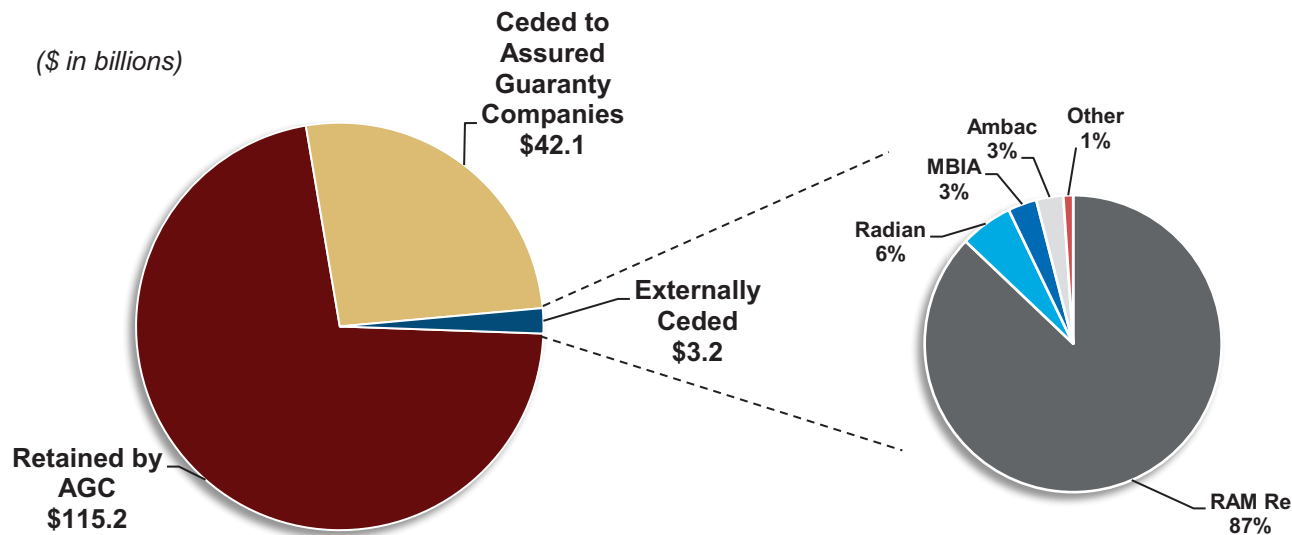
1. Consolidated amounts include those of AG Re.

Reinsurance: AGC Has Ceded 2% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines



**AGC's Total Gross Par Outstanding:
\$160.5 billion**

**Externally Ceded Par Outstanding:
\$3.2 billion (2%)**



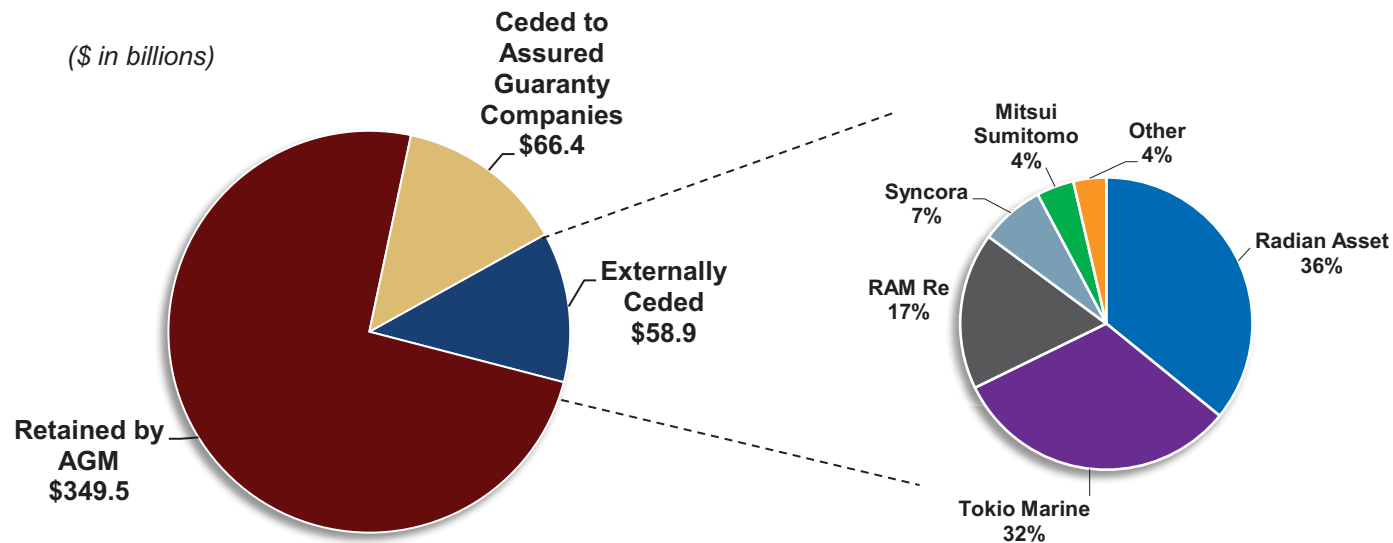
As of March 31, 2011

Reinsurance: AGM Has Ceded 12% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines



**AGM's Total Gross Par Outstanding:
\$474.8 billion**

**Externally Ceded Par Outstanding:
\$58.9 billion (12%)**



As of March 31, 2011

Municipal Bankruptcy Considerations



- **Municipal budget stress has increased in the last few years, causing investor concern about potential loss development in the municipal market and in our insured portfolio.**
- **Chapter 9 of the Bankruptcy Code provides a financially distressed municipality protection from its creditors while it develops and negotiates a plan for debt adjustment. It is seldom used, with only approximately 600 cases, being filed since Chapter 9 was enacted in 1934.**
- **Chapter 9 is expensive, time-consuming and stigmatizing.**
- **Chapter 9 is significantly different from Chapter 11:**
 - 10th Amendment to the U.S. Constitution restricts the power of the bankruptcy court, as a federal court, in Chapter 9 cases
 - No provision for liquidation of municipal assets and distribution
 - Bankruptcy judge not as active as in Chapter 11
- **While we expect some deterioration in municipal finance and credit performance over the next several years, the nature of our exposures and the credit protections embedded in them help protect us from the severe credit stress that we have seen in the structured finance markets.**

Chapter 9 Eligibility

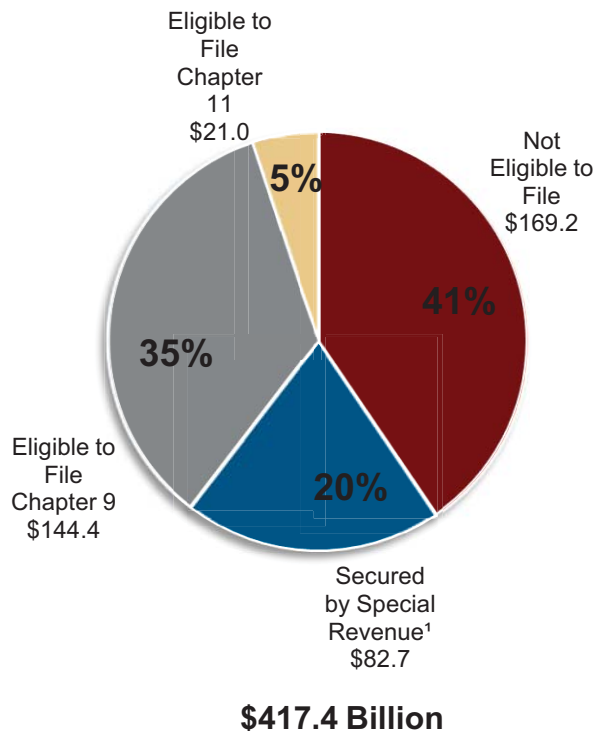
- States cannot file for Chapter 9.
- To qualify for Chapter 9, the debtor must meet the definition of “municipality”:
 - Political subdivision or public agency or instrumentality of a State (includes cities, townships, school districts, public improvement districts, bridge authorities, highway authorities and gas authorities)
- The debtor must also satisfy four additional requirements:
 - Specifically authorized by state statute to be a debtor and to seek Chapter 9 relief (only 27 states specifically authorize Chapter 9 filings)
 - Insolvency – municipality must be insolvent
 - Voluntary – unlike Chapter 11, municipality cannot be put into bankruptcy by involuntary petition
 - Attempt to avoid filing – by working with creditors

U.S. Public Finance Net Par Outstanding by Bankruptcy Eligibility



U.S. Public Finance

As of March 31, 2011
(\$ in billions)



- **As of March 31, 2011 only about 40% of our public finance exposures are eligible to file Chapter 9 or Chapter 11 bankruptcy**
 - 20% secured by special revenue
 - 39% not eligible for Chapter 9 due to lack of enabling state legislation

Disclosure Sector (\$ in billions)	Not Eligible for Bankruptcy	Secured By Special Revenue ¹	Eligible to File Chapter 9	Eligible to File Chapter 11	Net Par Outstanding	Weighted Avg. Rating
General obligation	\$55.3	\$0.0	\$122.9	-	\$178.3	A+
Tax backed	50.4	11.8	19.5	-	81.7	A+
Municipal utilities	19.0	48.9	-	-	67.9	A
Transportation	13.6	22.0	0.4	-	36.0	A
Healthcare	5.2	-	0.1	15.6	21.0	A
Higher education	14.3	-	-	1.3	15.7	A+
Housing	3.8	-	1.5	1.0	6.3	AA-
Infrastructure finance	2.6	0.0	-	1.5	4.1	BBB+
Investor-owned utilities	0.0	-	-	1.2	1.2	A-
Other public finance	4.9	-	-	0.4	5.2	A-
Total U.S. Public Finance:	\$169.2	\$82.7	\$144.4	\$21.0	\$417.4	A+

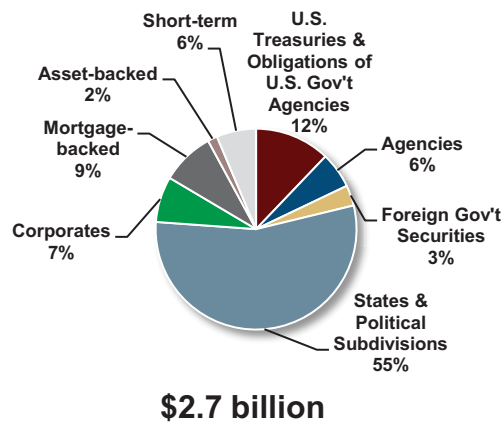
1. Special revenue secured bonds are not subject to an automatic stay under Chapter 9 of the Bankruptcy Code.

Investment Portfolio Available for Sale by Sector¹

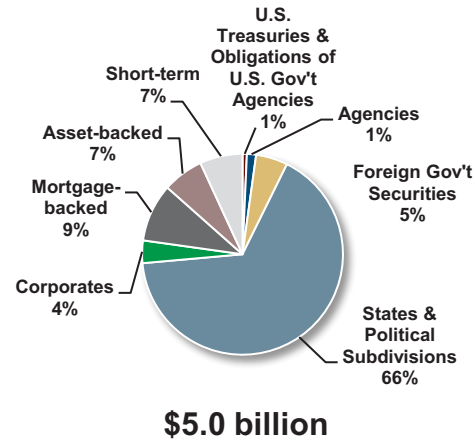
Fair Value as of March 31, 2011



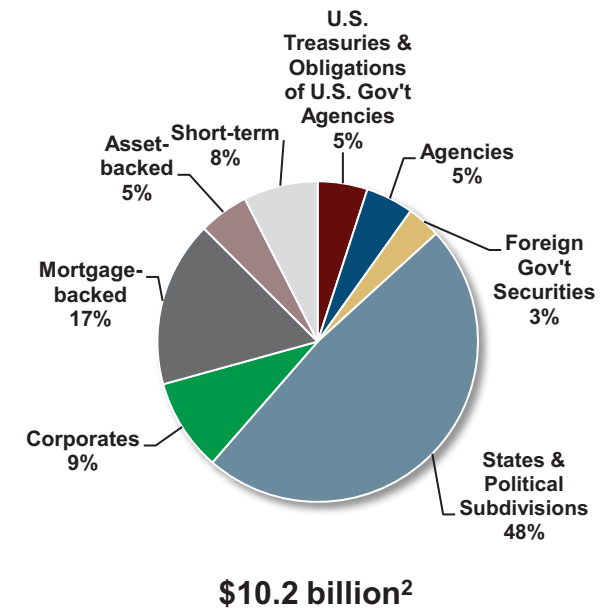
AGC



AGM



Assured Guaranty Ltd. Consolidated



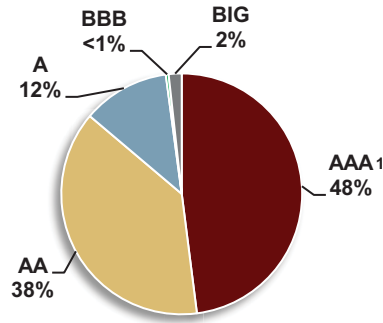
1. Includes fixed maturity securities and short-term investments only. Excludes other invested assets.
2. Consolidated amounts include those of AG Re.

Investment Portfolios by Ratings

Fair Value as of March 31, 2011

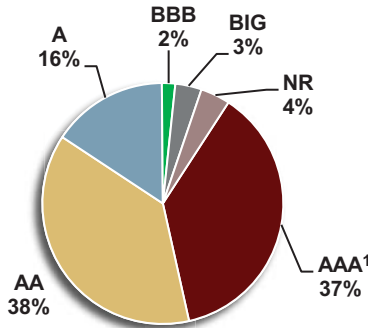


AGC



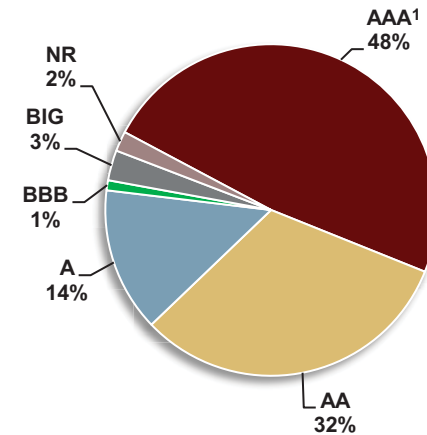
\$2.7 billion

AGM



\$5.0 billion

Assured Guaranty Ltd. Consolidated



\$10.2 billion²

1. Includes all short-term securities.

2. Consolidated amounts include those of AG Re.

Key Activities in First Quarter 2011



During first quarter 2011, we have been focused on three principal areas that affect our business:

- **S&P proposal for new criteria for bond insurance**
- **Negotiation of an agreement with Bank of America Corporation on 29 U.S. residential mortgage-backed securities (“RMBS”) transactions insured by AGM or AGC**
- **New business development, especially in the U.S. public finance market**

New Business Production

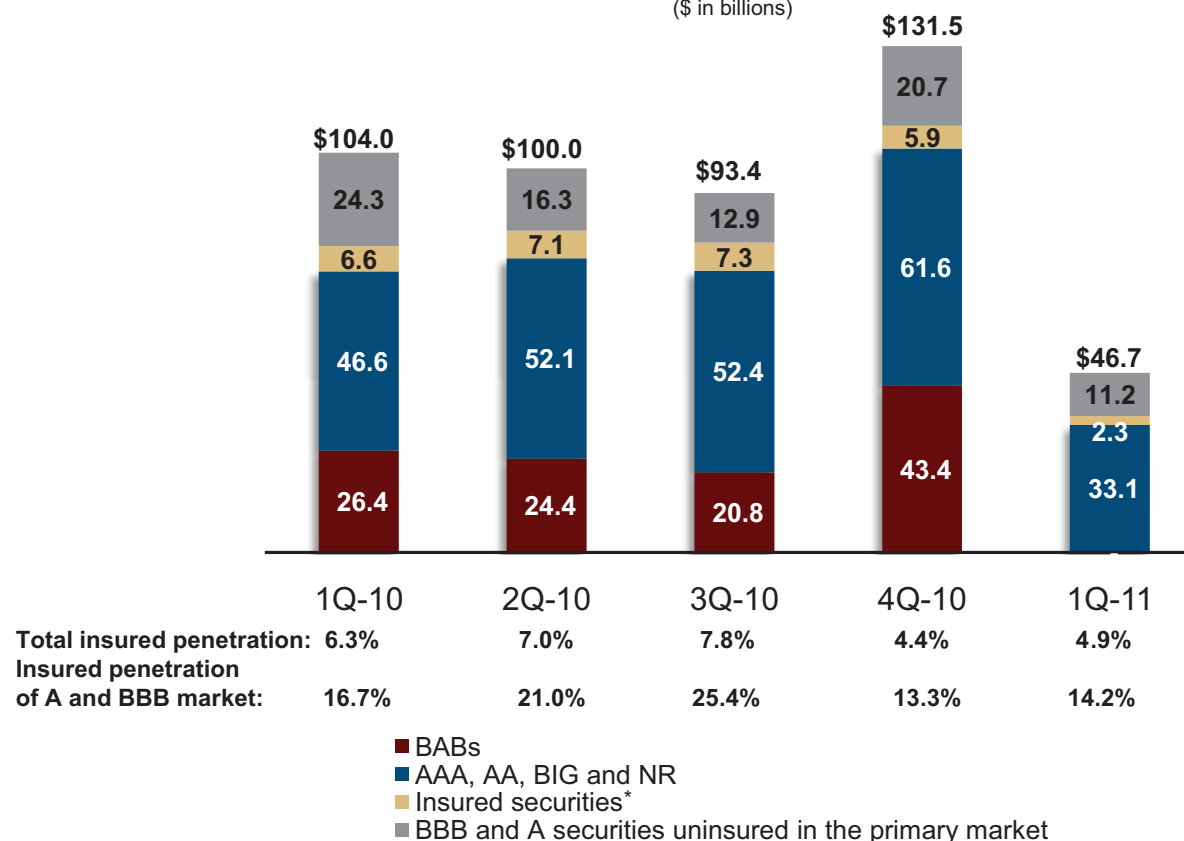


- We are focused on building demand for our guaranties, which was challenged in 1Q-11 and 2010 for several reasons:

- November 2009 downgrade to Aa3 (negative) by Moody's and October 2010 downgrade to AA+ (stable) by S&P
- Recalibration of public finance ratings by Moody's in 2010, which resulted in upgrades
- Proposed new criteria for rating bond insurers by S&P in 1Q-11
- Sharp decline in new issue volume in 2011 as a result of Build America Bonds ("BABs") program in 2010 and wide credit spreads

U.S. New Issue Public Finance Insured Penetration

(As of March 31, 2011)
(\$ in billions)



Source: SDC database, adjusted for underlying rating.

*Insured securities includes BABs, AA or NR securities that were insured by the Company.

Assured Guaranty Insured 1,697 New Issues Sold in 2010 Totaling \$27 Billion in Par Insured¹



2010 Selected Insured Municipal Transactions

<p>\$148,750,000</p> <p>Airport Revenue Bonds</p> <p>Birmingham Airport Authority</p> <p>December 2010</p>	<p>\$709,090,000</p> <p>Certificates of Participation, Series 2010A</p> <p>State of Arizona</p> <p>January 2010</p>	<p>\$165,000,000</p> <p>Sewer System Revenue Obligations</p> <p>Pima County, Arizona</p> <p>June 2010</p>	<p>\$425,420,000</p> <p>State Lottery Revenue Bonds</p> <p>State of Arizona</p> <p>June 2010</p>	<p>\$100,650,000</p> <p>Revenue Refunding Bonds</p> <p>Airport Commission City and County of San Francisco, California</p> <p>San Francisco International Airport</p> <p>April 2010</p>
<p>\$100,000,000</p> <p>General Obligation Bonds (Santa Clara County, California)</p> <p>East Side Union High School District</p> <p>April 2010</p>	<p>\$120,515,000</p> <p>Revenue Bonds (Children's Hospital Los Angeles)</p> <p>California Health Facilities Financing Authority</p> <p>May 2010</p>	<p>\$109,996,475</p> <p>General Obligation Bonds (Contra Costa County, California)</p> <p>Mount Diablo Unified School District</p> <p>September 2010</p>	<p>\$387,185,000</p> <p>Water and Sewer System Revenue Bonds</p> <p>Miami-Dade County, Florida</p> <p>March 2010</p>	<p>\$193,625,000</p> <p>Refunding Revenue Bonds</p> <p>Orlando-Orange County Expressway Authority</p> <p>June 2010</p>
<p>\$101,370,000</p> <p>Special Obligation Parking Revenue Bonds (Marlins Stadium Project)</p> <p>City of Miami, Florida</p> <p>July 2010</p>	<p>\$149,730,000</p> <p>Energy System Revenue and Refunding Bonds</p> <p>City of Lakeland, Florida</p> <p>October 2010</p>	<p>\$170,680,000</p> <p>Revenue Anticipation Certificates (Columbus Regional Healthcare System)</p> <p>The Medical Center Hospital Authority</p> <p>September 2010</p>	<p>\$290,500,000</p> <p>General Obligation Bonds</p> <p>City of Chicago</p> <p>January 2010</p>	<p>\$569,965,000</p> <p>General Obligation Refunding Bonds</p> <p>State of Illinois</p> <p>March 2010</p>

1. Amounts are a sale-date basis

Assured Guaranty Insured 1,697 New Issues Sold in 2010 Totaling \$27 Billion in Par Insured¹ (Cont'd)



2010 Selected Insured Municipal Transactions

<p>\$128,875,000</p> <p>General Airport Third Lien Revenue Bonds</p> <p>City of Chicago Chicago O'Hare International Airport April 2010</p>	<p>\$400,004,497</p> <p>McCormick Place Expansion Project Refunding Bonds</p> <p>Metropolitan Pier and Exposition Authority (Illinois) October 2010</p>	<p>\$126,025,000</p> <p>Auxiliary Facilities System Revenue Bonds</p> <p>Board of Trustees of Northern Illinois University December 2010</p>	<p>\$183,730,000</p> <p>Power System Revenue Bonds (Prairie State Project)</p> <p>Kentucky Municipal Power Agency May 2010</p>	<p>\$100,050,000</p> <p>Revenue Bonds (University of Louisiana Lafayette)</p> <p>Lafayette Public Trust Financing Authority December 2010</p>
<p>\$158,690,000</p> <p>Passenger Facility Charge Revenue Bonds</p> <p>Clark County, Nevada Las Vegas-McCarran International Airport February 2010</p>	<p>\$252,755,000</p> <p>School Districts Revenue Bond Financing Program</p> <p>Dormitory Authority of the State of New York June 2010</p>	<p>\$102,865,000</p> <p>Airport Revenue Refunding Bonds</p> <p>Albany County Airport Authority August 2010</p>	<p>\$129,865,000</p> <p>Hospital Facilities Revenue Bonds (Summa Health System)</p> <p>State of Ohio May 2010</p>	<p>\$168,120,000</p> <p>Hospital Revenue Refunding Bonds (Asante Health System)</p> <p>The Hospital Facilities Authority of the City of Medford, Oregon February 2010</p>
<p>\$185,000,000</p> <p>Water and Wastewater Revenue Bonds</p> <p>City of Philadelphia, Pennsylvania August 2010</p>	<p>\$173,765,000</p> <p>Regional Asset District Sales Tax Revenue Bonds</p> <p>Sports & Exhibition Authority of Pittsburgh and Allegheny County September 2010</p>	<p>\$121,660,000</p> <p>Sewer Revenue Bonds</p> <p>Allegheny County Sanitary Authority October 2010</p>	<p>\$150,000,000</p> <p>Sales Tax Revenue Bonds, Series 2010C</p> <p>Puerto Rico Sales Tax Financing Corporation June 2010</p>	<p>\$124,515,000</p> <p>Revenue Refunding and Improvement Bonds (Downtown Arena Private Improvements)</p> <p>City of Atlanta and Fulton County Recreation Authority November 2010</p>

1. Amounts are on a sale-date basis

Current U.S. Municipal Operating Environment Remains Favorable

Spreads Remain Wide by Historical Standards



- **U.S. municipal investors continue to focus on underlying issuer credit fundamentals**
- **The proportion of spread widening for AGC and AGM insured paper is consistent with spread widening across the ratings spectrum as Assured Guaranty has maintained its value proposition**

Credit Default Swap Spreads



- Movements in credit default swap (“CDS”) levels for AGC and AGM continue to be significantly affected by technical factors such as supply/demand imbalance and light trading volume
- The deterioration in the asset-backed securities market’s pricing through first quarter 2009 expanded demand for CDS protection on AGC and AGM by fixed income holders of AGC and AGM insured paper as they sought to hedge exposure, thereby exacerbating the supply/demand imbalance
- AGC and AGM’s 5-year CDS bid prices peaked in mid-March 2009 at 4961 bps and 3120 bps, respectively
- 5-year CDS levels for AGC and AGM have rallied considerably since March 2009 as general market fundamentals have improved and as a result of the market’s positive reaction to the closing of the AGMH acquisition in July 2009, rating agency announcements, the December 2009 capital raise and the April 2011 Bank of America agreement on 29 RMBS transactions
- In May 2011, the 5-year CDS levels for AGC and AGM were at 11 and 15 percent, respectively, of their mid-March 2009 levels. As of May 5, 2011, they were 550 bps and 474 bps, respectively

CDS Spreads July 1, 2008 – May 5, 2011



Source: CMA – Represents end-of-day bid price for 5-year protection, modified restructuring credit event spreads at New York close.

Broadening Market Awareness



FACT SHEET

FAQ

VIDEO

RADIO

CONTACTS

ASSUREDGUARANTY.COM

THERE'S NO GUARANTY HER ROOF WON'T LEAK THIS SPRING.
THERE'S NO GUARANTY HER DAUGHTER WILL FOLLOW IN HER FOOTSTEPS.
THERE'S NO GUARANTY SHE'LL MAKE IT TO YOGA TONIGHT.
BUT THERE IS A GUARANTY FOR HER MUNICIPAL BONDS.

Info for Financial Advisors

Learn more about AGM, AGC and our financial guaranty products >>

Get all the basics on municipal bond insurance >>

CEO Interview



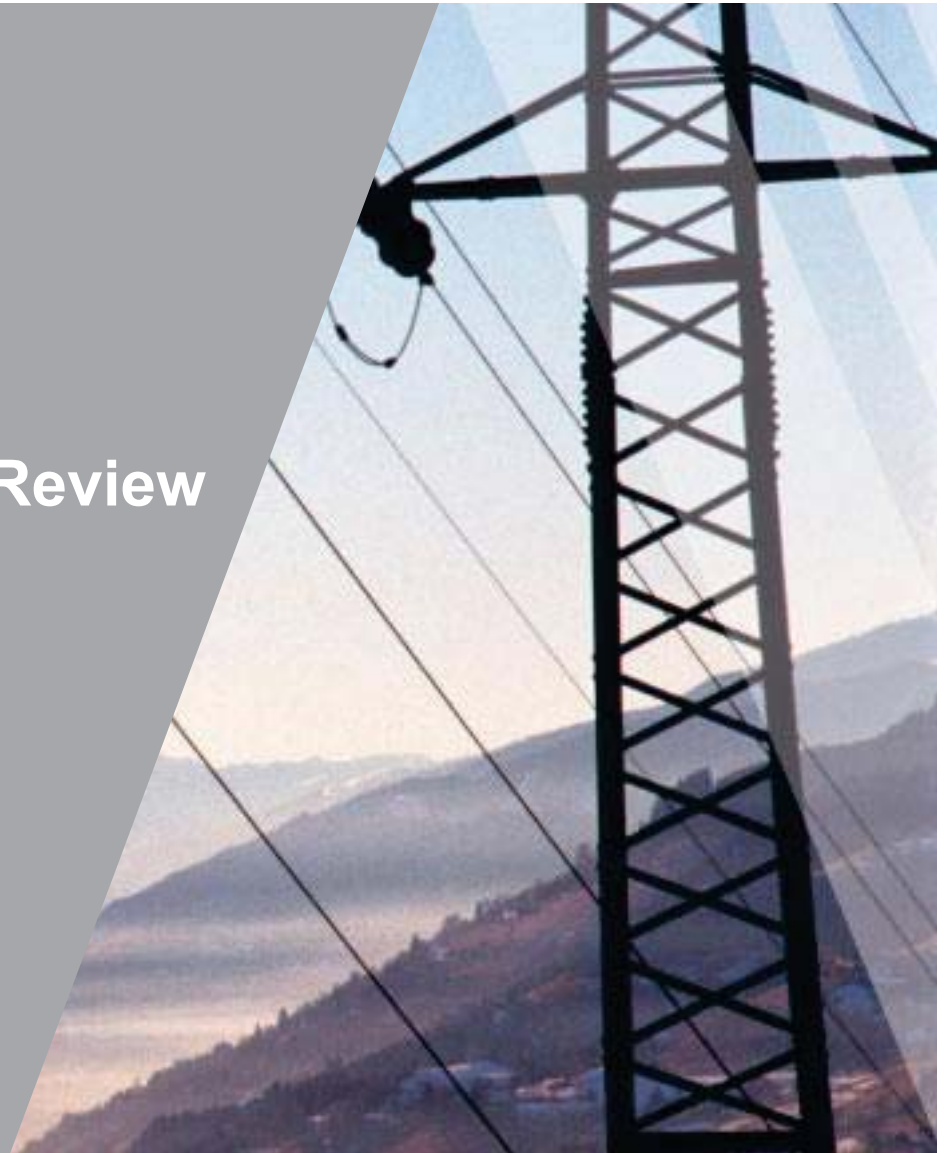
Watch an interview with President & CEO Dominic J. Frederico >>

Radio

Listen to the Assured Guaranty radio commercials >>

thinkassuredguaranty.com

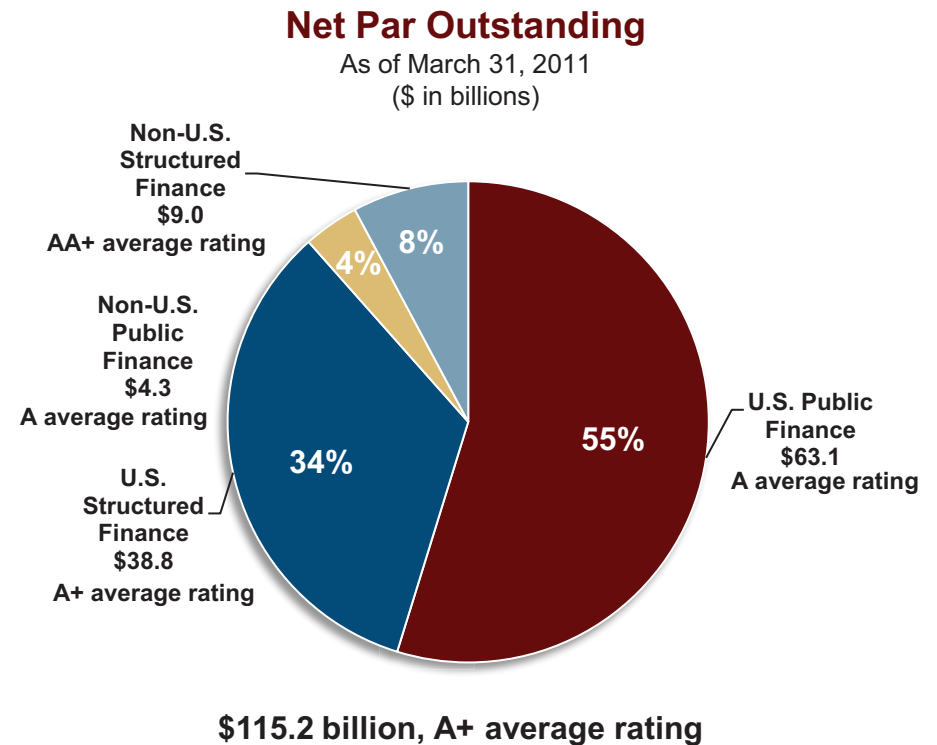
**Assured Guaranty Corp.
Financial Guaranty Portfolio Review**



AGC Net Par Outstanding By Market Sector



- **AGC's portfolio is well diversified by asset class**
 - 55% U.S. public finance
 - 34% U.S. structured finance
 - 4% Non-U.S. public finance
 - 8% Non-U.S. structured finance
- **Portfolio maintains a high overall credit rating despite downgrades in U.S. RMBS portfolio**
 - A+ average internal rating
- **U.S. RMBS is the largest source of BIG exposures, at 55% of AGC's BIG exposures.**



AGC Net Par Outstanding by Exposure Category



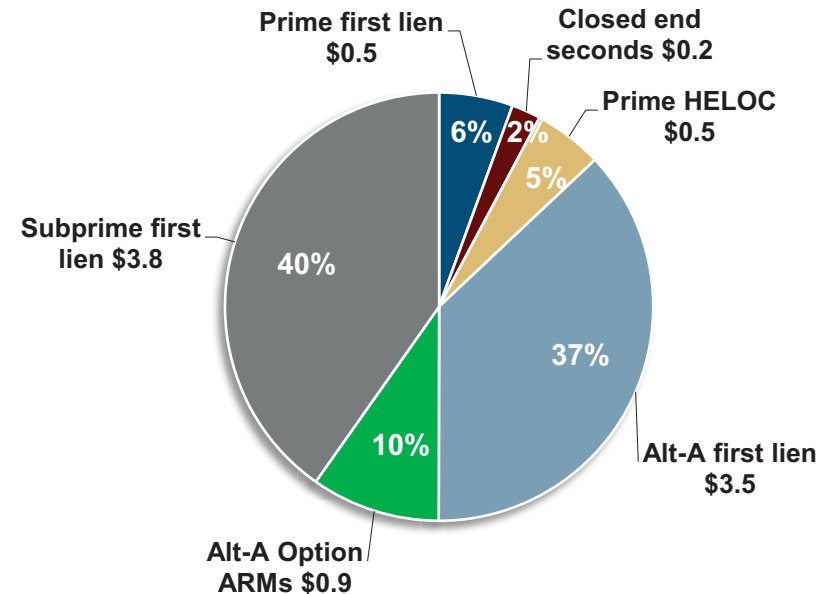
As of March 31, 2011; \$ in millions

	<u>Net Par Outstanding</u>	<u>Avg. Rating</u>		<u>Net Par Outstanding</u>	<u>Avg. Rating</u>
U.S. public finance:			U.S. structured finance:		
General obligation	\$ 24,696	A	Pooled corporate obligations	\$ 19,739	AA+
Tax backed	11,380	A	RMBS	9,366	BB+
Municipal utilities	8,852	A	CMBS and other commercial real estate related exposures	5,302	AAA
Transportation	6,399	A	Consumer receivables	2,256	AA
Healthcare	4,955	A	Commercial receivables	1,040	BBB+
Higher education	3,412	A	Structured credit	480	BB
Infrastructure finance	986	BBB	Insurance securitizations	243	A
Investor-owned utilities	529	A-	Other structured finance	389	A-
Housing	219	AA-	Total U.S. structured finance	38,815	A+
Other public finance	1,680	A	Non-U.S. structured finance:		
Total U.S. public finance	63,108	A	Pooled corporate obligations	7,109	AAA
Non-U.S. public finance:			Commercial receivables	567	A-
Pooled infrastructure	1,920	AA	RMBS	541	AAA
Infrastructure finance	1,235	BBB	Structured credit	339	BBB
Regulated utilities	1,055	BBB+	Insurance securitizations	279	CCC-
Other public finance	92	AA-	CMBS and other commercial real estate related exposures	141	AAA
Total non-U.S. public finance	4,302	A	Other structured finance	3	A
Total public finance	\$ 67,410	A	Total non-U.S. structured finance	8,979	AA+
			Total structured finance	\$ 47,794	AA-
			Total net par outstanding	\$ 115,204	A+

- AGC's \$9.4 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB+ at March 31, 2011 versus AA at year-end 2007
 - All exposures were rated investment grade at the time of underwriting
- AGC's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
 - 8.1% of total net par outstanding versus 14.3% at year-end 2007
 - \$9.4 billion versus \$13.4 billion at year-end 2007, a decrease of 30%

U.S. RMBS by Exposure Type

As of March 31, 2011
(\$ in billions)



\$9.4 billion, 8.1% of net par outstanding

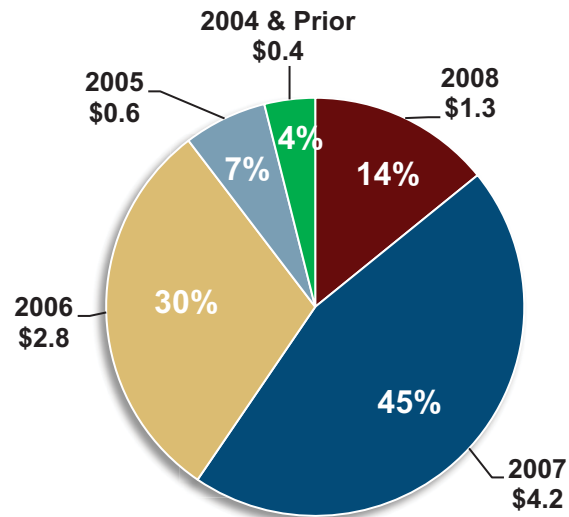
AGC U.S. RMBS

By Vintage and Rating



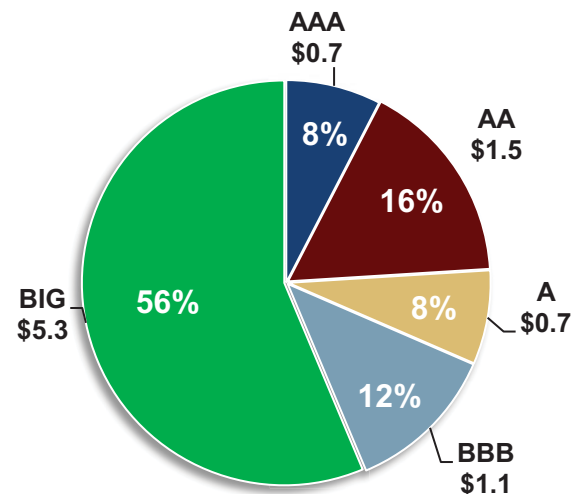
U.S. RMBS by Year Insured

As of March 31, 2011
(\$ in billions)



U.S. RMBS by Rating

As of March 31, 2011
(\$ in billions)



**Total U.S. RMBS = \$9.4 billion net par outstanding
BB+ average rating**

AGC has not insured any U.S. RMBS since 2008.

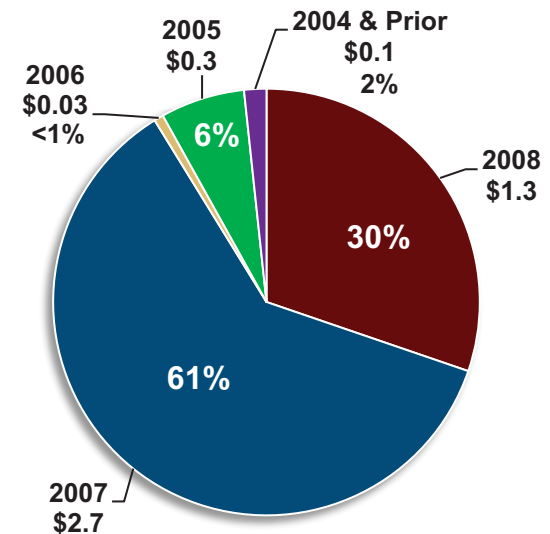
AGC U.S. RMBS Exposure Alt-A First Lien and Option ARMs¹



- **More than 91% of AGC’s current direct Alt-A and Option ARM exposures were underwritten in 2007 and 2008, using significantly stressed assumptions**
 - Many transactions were underwritten on a secondary basis and had the benefit of some seasoning and additional first loss enhancement
- **Limited exposures to Option ARMs (21% of all Alt-A and Option ARM exposure)**
- **Our Alt-A and Option ARM exposures have an average BIG rating due to significant downgrades in 2009 and 2010**
 - Less than 1% now rated triple-A
 - 80% rated BIG

Alt-A and Option Arm Exposure by Year Insured

As of March 31, 2011
(\$ in billions)



\$4.4 billion net par outstanding

1. Borrowers in Assured Guaranty’s Option ARM transactions are generally Alt-A.

AGC U.S. RMBS Performance

Alt-A First Lien and Option ARMs



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies ¹

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 257	41.7%	11.0%	3.2%	15.8%	13
2006	-	-	-	-	-	-
2007	1,931	57.4%	8.4%	8.9%	33.1%	8
2008	1,246	53.7%	25.3%	10.2%	31.5%	5
	<u>\$ 3,434</u>	<u>54.9%</u>	<u>14.7%</u>	<u>9.0%</u>	<u>31.2%</u>	<u>26</u>

U.S. Option ARMs

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 23	23.0%	24.1%	4.1%	21.7%	1
2006	31	36.5%	7.6%	8.7%	23.6%	1
2007	741	58.3%	7.7%	10.0%	33.2%	5
2008	80	60.2%	49.5%	8.9%	28.2%	1
	<u>\$ 875</u>	<u>56.7%</u>	<u>12.0%</u>	<u>9.7%</u>	<u>32.1%</u>	<u>8</u>

1. Net par outstanding is based on values as of March 31, 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 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 have been delinquent for more than 60 days and all loans that are in foreclosure, bankruptcy or real estate owned ("REO"), divided by net par outstanding.

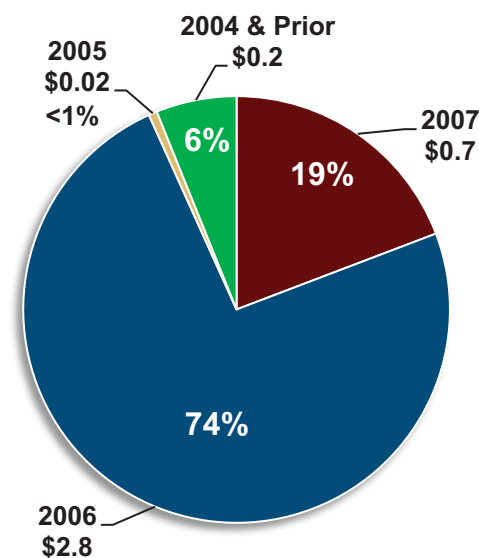
AGC U.S. RMBS Exposure Subprime First Lien



- **Despite the recent economic environment, the majority of AGC's subprime first lien portfolio is investment grade**
 - 18% rated triple-A
 - Of the \$3.8 billion portfolio, only 17% is BIG rated
 - Of the seven transactions written in 2005 or later, for a total net par of \$3.5 billion, average subordination is 55%
- **Of 18 total direct subprime first lien transactions, totaling \$3.8 billion, only 5 exposures are rated BIG**

Subprime First Lien by Year Insured

As of March 31, 2011
(\$ in billions)



\$3.8 billion net par outstanding

AGC U.S. RMBS Performance

Subprime First Lien



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies 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	\$ 24	19.7%	85.2%	11.3%	62.4%	1
2006	2,790	24.1%	61.9%	14.5%	40.5%	2
2007	724	35.3%	26.4%	21.0%	46.2%	4
2008	-	-	-	-	-	-
	<u>\$ 3,538</u>	<u>26.4%</u>	<u>54.8%</u>	<u>15.8%</u>	<u>41.8%</u>	<u>7</u>

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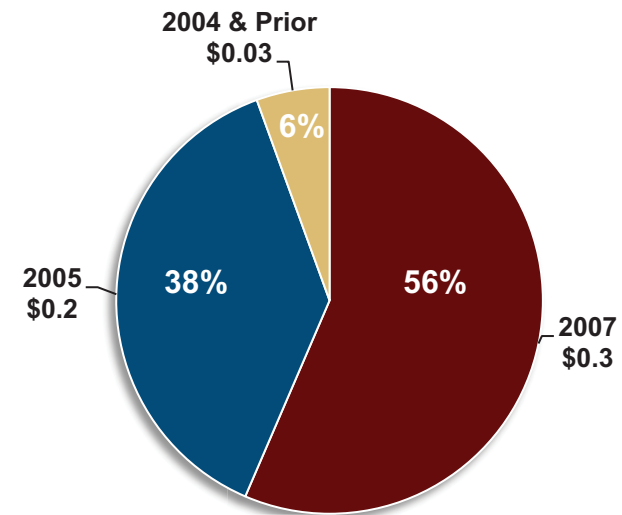
AGC U.S. RMBS Exposure HELOC



- **AGC's HELOC book consists principally of two Countrywide deals underwritten in 2005 and 2007**
- **Net par insured of \$487 million for all HELOCs**

HELOCs by Year Insured

As of March 31, 2011
(\$ in billions)



\$0.5 billion net par outstanding

AGC U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies 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	\$ 185	19.4%	0.0%	19.8%	16.0%	2
2006	-	-	-	-	-	-
2007	275	36.5%	0.0%	38.2%	8.6%	2
2008	-	-	-	-	-	-
	<u>\$ 460</u>	<u>29.6%</u>	<u>0.0%</u>	<u>30.8%</u>	<u>11.5%</u>	<u>4</u>

1. Net par outstanding is based on values as of March 31, 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

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AGC U.S. RMBS Exposure Closed-End Second Lien

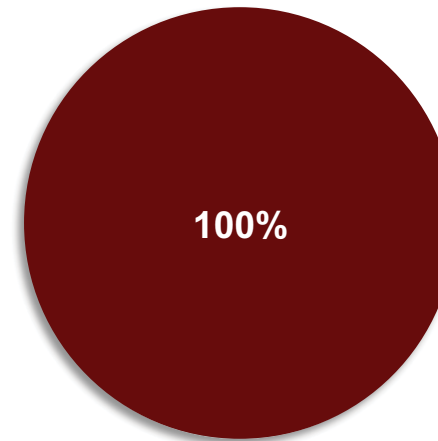


- **Limited exposure to CES**
 - \$206 million in total exposure
- **5 direct transactions totaling \$206 million**
 - 4 deals for \$180 million rated BIG
 - 1 deal is rated AA
 - All five are 2007 vintage

Closed-End Second Liens by Year Insured

As of March 31, 2011
(\$ in billions)

2007
\$0.2



\$0.2 billion net par outstanding

AGC Direct U.S. RMBS Performance

Closed-End Second Lien



(\$ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies ¹

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	-	-	-	-	-	-
2007	206	28.8%	0.0%	58.8%	9.1%	5
2008	-	-	-	-	-	-
	<u>\$ 206</u>	<u>28.8%</u>	<u>0.0%</u>	<u>58.8%</u>	<u>9.1%</u>	<u>5</u>

1. Net par outstanding is based on values as of March 31, 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

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AGC Non-RMBS Exposure

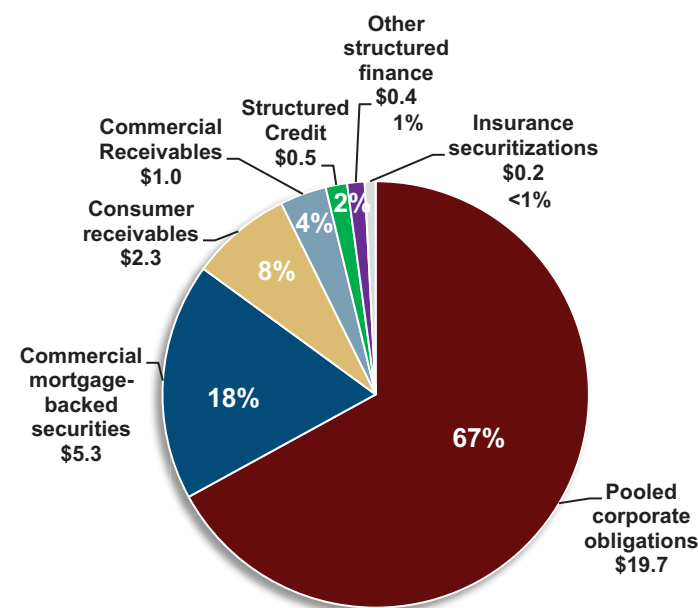
U.S. Structured Finance



- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
 - Pooled corporate obligations
 - CMBS
 - Consumer receivables
- **AGC's non-RMBS U.S. structured finance credit experience has been generally strong, although downgrades increased during 2009 and some continued in 2010**
 - 71% rated super senior or AAA
 - 9% rated BIG

U.S. Non-RMBS Structured Finance

As of March 31, 2011
(\$ in billions)



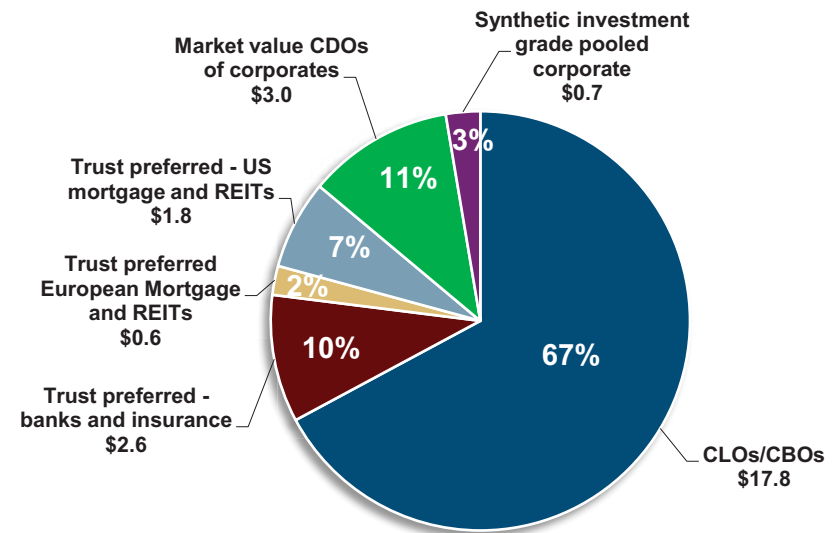
\$29.4 billion net par outstanding

AGC Global Pooled Corporate Obligations

- **Our pooled corporate exposure is highly rated and protected by overcollateralization. In AGC’s direct portfolio:**
 - Average current credit enhancement of 33.4%
 - 79% rated AAA or super senior, average rating AA+
- **AGC’s \$5.0 billion Trust Preferred Securities (“TruPS”) CDO portfolio is diversified by region (U.S. and European) as well as by collateral type (bank, thrift, insurance company, real estate investment trust (“REIT”) and CMBS)**
 - Includes more than 1,400 issuers
 - All our exposure at the CDO level is to the most senior debt tranche
 - 84% of US bank and insurance TruPS CDOs, 100% of European TruPS CDOs and 100% of US mortgage and REIT TruPS CDOs were originated at super senior attachment points
- **The \$1.8 billion of TruPS CDOs backed by U.S. mortgage and REITs is the lowest average rated pooled corporate subsector**
 - BB average rating

Financial Guaranty Direct Pooled Corporate Obligations¹ By Asset Class

As of March 31, 2011
(\$ in billions)



\$26.5 billion net par outstanding

1. AGC also assumed \$337 million of pooled corporate exposure.

AGC Direct Pooled Corporate Obligations By Collateral Type



(\$ in millions)

Distribution of Direct Pooled Corporate Obligations by Asset Class

Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement ¹	Avg. Current Credit Enhancement ¹	Avg. Rating
CBOs/CLOs ²	\$ 17,803	67.2%	35.5%	33.4%	AAA
Market value CDOs ³ of corporate	2,986	11.3%	42.2%	36.6%	AAA
Trust preferred - banks and insurance ⁴	2,607	9.8%	46.7%	31.1%	BBB-
Trust preferred - U.S. mortgage and REITs ^{4,5}	1,820	6.9%	50.1%	33.0%	BB
Synthetic investment grade pooled corporate	702	2.6%	30.0%	30.1%	Super Senior
Trust preferred - European Mortgage and REITs ^{4,5}	593	2.2%	37.3%	34.2%	BBB-
Total exposures	\$ 26,511	100.0%	38.3%	33.4%	AA+

1. "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.
2. CBOs (collateralized bond obligations) /CLOs (collateralized loan obligations) are largely non-investment grade/high yield collateral.
3. CDOs are collateralized debt obligations.
4. Prior to fourth quarter 2010, the ratio of average current credit enhancement for Trust Preferred Pooled Corporate Obligations was based on the value of the collateral as reported by the trustees, which for non-performing or low-rated collateral varied by transaction in accordance with the individual transaction documents. Beginning fourth quarter 2010, Assured Guaranty has made the measure consistent across transactions, assigning a value of 100% of the par to all performing securities, applying a standard haircut for restructured performing collateral, assigning recovery assumptions for defaulted collateral by collateral type, and making additional negative adjustments for transactions where the notional amount of interest rate hedges materially exceeds the amount of performing collateral requiring hedges.
5. REITs are real estate investment trusts.

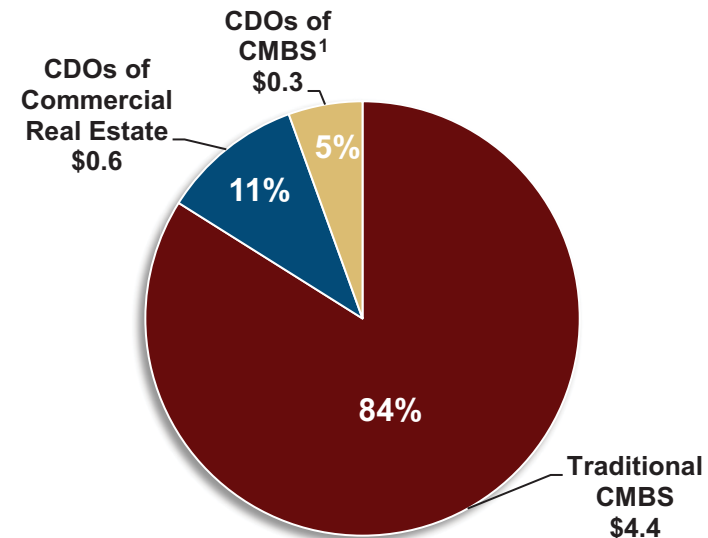
AGC U.S. CMBS Exposure Overview



- **AGC's CMBS-related exposures were underwritten at high attachment points**
 - All deals except one were written at triple-A ratings at inception
 - One deal was written with a single-A rating at inception
- **AGC's portfolio is highly rated**
 - AAA average rating
 - 80% of traditional CMBS rated Super Senior or AAA as of March 31, 2011
- **Beginning in the middle of 2006, AGC concluded that underwriting standards applied to newly originated commercial property loans were deteriorating and adjusted underwriting standards accordingly**

CMBS Exposure by Sector

As of March 31, 2011
(\$ in billions)



\$5.3 billion, net par outstanding

1. CDOs of CMBS exposures were insured in 2003 and earlier.

AGC U.S. Traditional CMBS



- **Most of the exposure was underwritten in credit derivative form**
- **Most of the exposures were written as “basket trades”; some have additional credit enhancement from first-loss position retained by the investor**
- **The total traditional CMBS portfolio (\$4.4 billion) is highly rated – 80% is super senior or triple-A, 13% is double-A and 7% is single-A (as of March 31, 2011)**

(\$ in millions)

Distribution of Direct U.S. CMBS Insured January 1, 2005 or Later by Exposure Type, Internal Rating, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies¹

U.S. CMBS

Rating:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
Super senior	\$ 3,341	87.0%	34.6%	0.9%	8.5%	182
AAA	201	80.6%	27.9%	0.8%	12.7%	10
AA	563	83.7%	19.0%	1.2%	7.1%	29
A	324	73.8%	15.9%	0.8%	11.5%	11
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
Total exposures	\$ 4,429	85.3%	31.0%	0.9%	8.8%	232

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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.

AGC CDOs of Commercial Real Estate



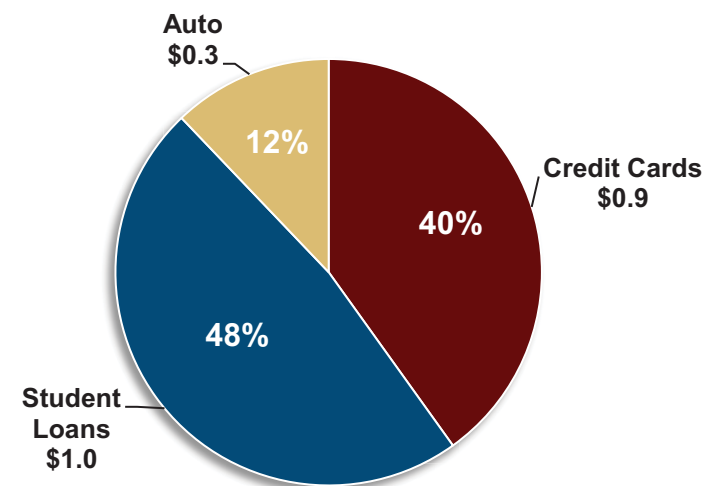
- **AGC underwrote three commercial real estate CDO transactions totaling \$557 million net par¹ as of March 31, 2011**
 - All were underwritten at the super senior attachment level
- **In aggregate, collateral consists of the following:**
 - 79% whole loans
 - 7% CMBS
 - 14% other (includes but not limited to mezzanine and subordinated notes, participation interests and preferred securities)
- **Average credit enhancement stands at 51.6%**
 - Average initial credit enhancement was 49.7%

1. May change due to deals with revolvers.

- **U.S. consumer receivable exposures are well protected. In AGC's direct portfolio:**
 - Average rating of AA
 - For all categories – credit cards, student loans and auto loans – current credit enhancement is higher than initial credit enhancement
 - 53% rated super senior or AAA
 - None rated BIG
- **48% of the current net par was written in 2009 and later, after the deterioration in consumer credit trends was evident**
 - AGC utilized underwriting criteria that had stress scenario assumptions

Direct U.S. Consumer Receivables by Type¹

As of March 31, 2011
(\$ in billions)



\$2.2 billion net par outstanding

1. AGC also assumed \$105 million of U.S. consumer receivable exposure.

AGC U.S. Direct Consumer Receivables By Rating and Collateral Type



(\$ in millions)

Distribution of Direct U.S. Consumer Receivables by Rating

Rating:	Credit Cards	Student Loans	Auto	Total Net Par Outstanding
Super senior	\$ 863	\$ -	\$ -	\$ 863
AAA	-	333	-	333
AA	-	-	-	-
A	-	-	224	224
BBB	-	695	37	732
BIG	-	-	-	-
Total exposures	\$ 863	\$ 1,028	\$ 261	\$ 2,152
Average rating	Super Senior	A	A	AA
Avg. initial credit enhancement ¹	53.7%	7.1%	19.8%	27.3%
Avg. current credit enhancement ¹	56.8%	8.6%	32.5%	30.8%

1. "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.

AGC Expected Loss and Loss Adjustment Expense (“LAE”) to Be Paid As of March 31, 2011



(\$ in millions)

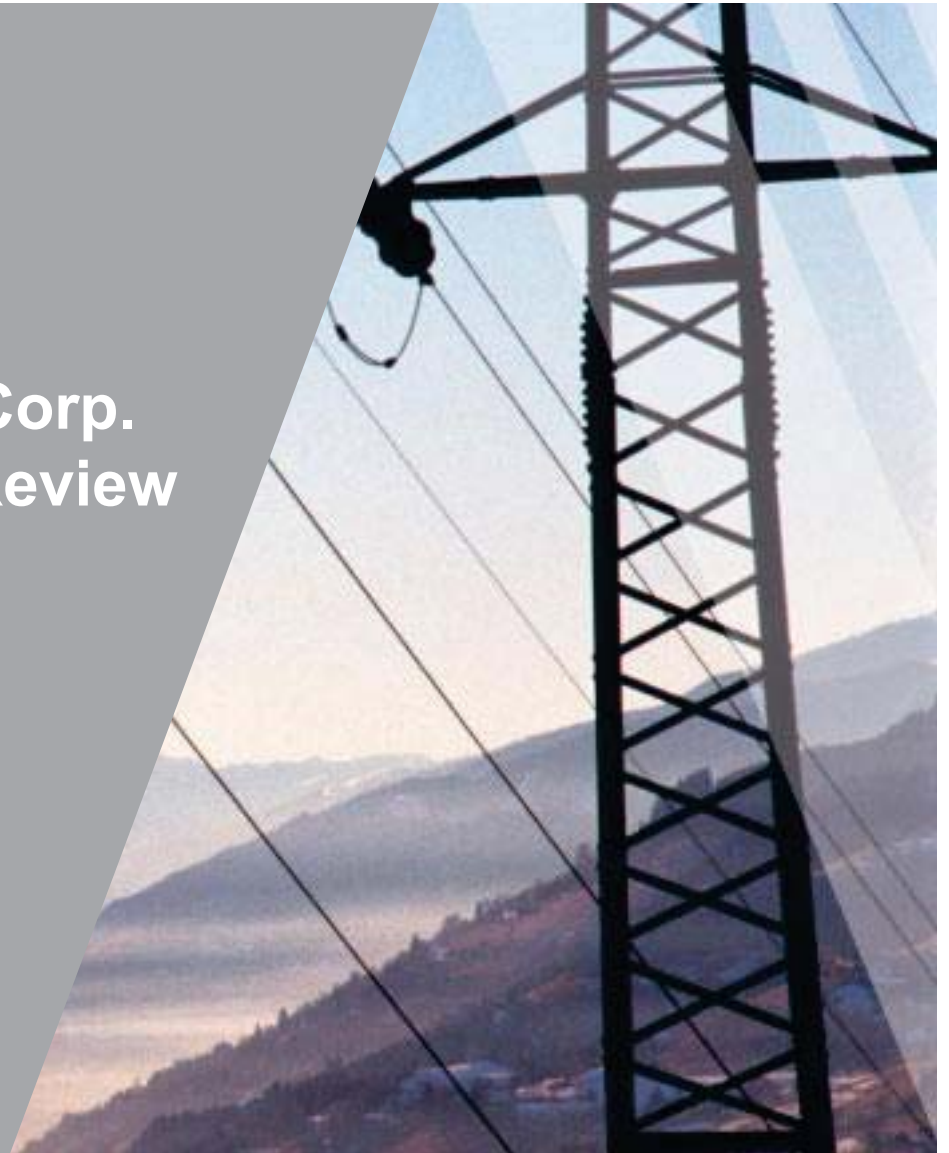
Roll forward of Net Expected Loss and LAE to be Paid for the Three Months Ended March 31, 2011

<u>Financial Guaranty Insurance Contracts and Credit Derivatives</u>	<u>Expected Loss to be Paid as of December 31, 2010</u>	<u>Loss Development and Accretion of Discount for 1Q-11¹</u>	<u>Paid Losses 1Q-11</u>	<u>Expected Loss to be Paid as of March 31, 2011</u>
U.S. RMBS				
First lien:				
Prime first lien	\$ 0.8	\$ (0.5)	\$ -	\$ 0.3
Alt-A first lien	195.3	2.3	(0.4)	197.2
Option ARMs	139.0	(30.6)	(11.0)	97.4
Subprime first lien	<u>99.9</u>	<u>33.4</u>	<u>(1.1)</u>	<u>132.2</u>
Total first lien	435.0	4.6	(12.5)	427.1
Second lien:				
Closed end seconds	(6.3)	(10.1)	(16.6)	(33.0)
HELOC	<u>(118.3)</u>	<u>19.6</u>	<u>(13.4)</u>	<u>(112.1)</u>
Total second lien	<u>(124.6)</u>	<u>9.5</u>	<u>(30.0)</u>	<u>(145.1)</u>
Total U.S. RMBS	310.4	14.1	(42.5)	282.0
TruPS	67.8	0.1	(1.1)	66.8
Other structured finance	67.1	5.2	(0.3)	72.0
Public finance	<u>47.3</u>	<u>(8.7)</u>	<u>(0.1)</u>	<u>38.5</u>
Total	\$ 492.6	\$ 10.7	\$ (44.0)	\$ 459.3

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. Under GAAP, however, a reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2010 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts and the effects of acquisition accounting on financial guaranty insurance accounting.

1. Includes the effect of changes in the Company's estimate of future recovery on R&W

**Assured Guaranty Municipal Corp.
Financial Guaranty Portfolio Review**

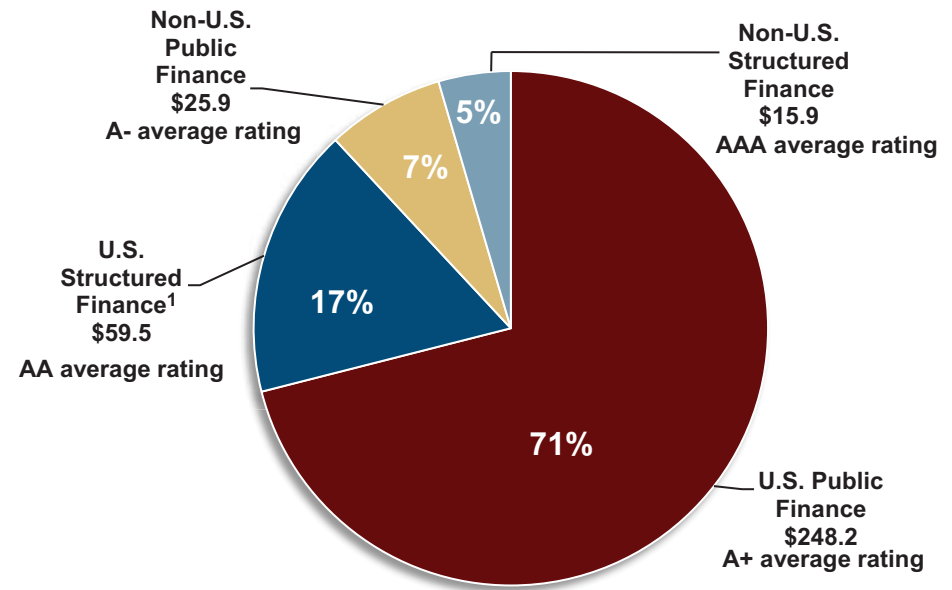


AGM Net Par Outstanding By Market Sector

- **AGM’s portfolio is well diversified by asset class**
 - 71% U.S. public finance
 - 17% U.S. structured finance
 - 7% Non-U.S. public finance
 - 5% Non-U.S. structured finance
- **The portfolio maintains a high overall credit rating despite downgrades in our U.S. RMBS portfolio**
 - A+ average internal rating
- **U.S. RMBS is the largest source of BIG exposures, at 77% of the below investment grade exposures.**

Consolidated Net Par Outstanding

As of March 31, 2011
(\$ in billions)



\$349.5 billion, A+ average rating

1. Includes \$6.3 billion in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.

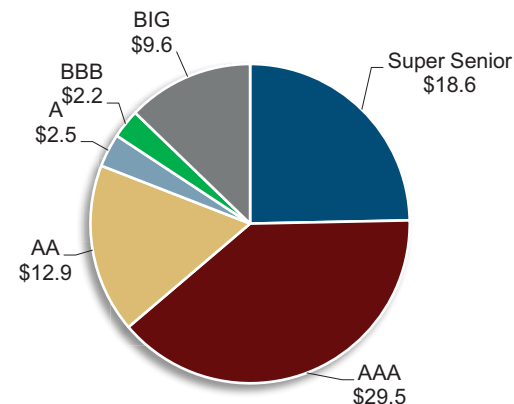
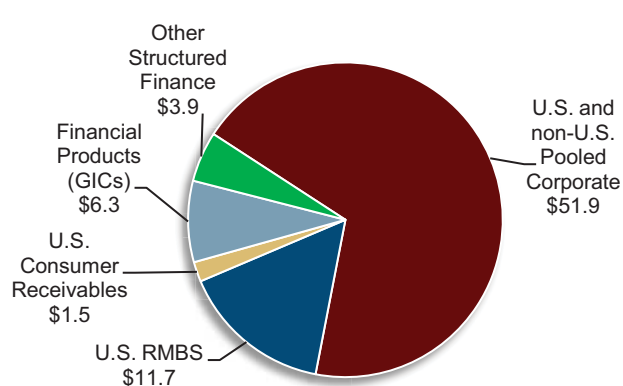
AGM Net Par Outstanding by Exposure Category



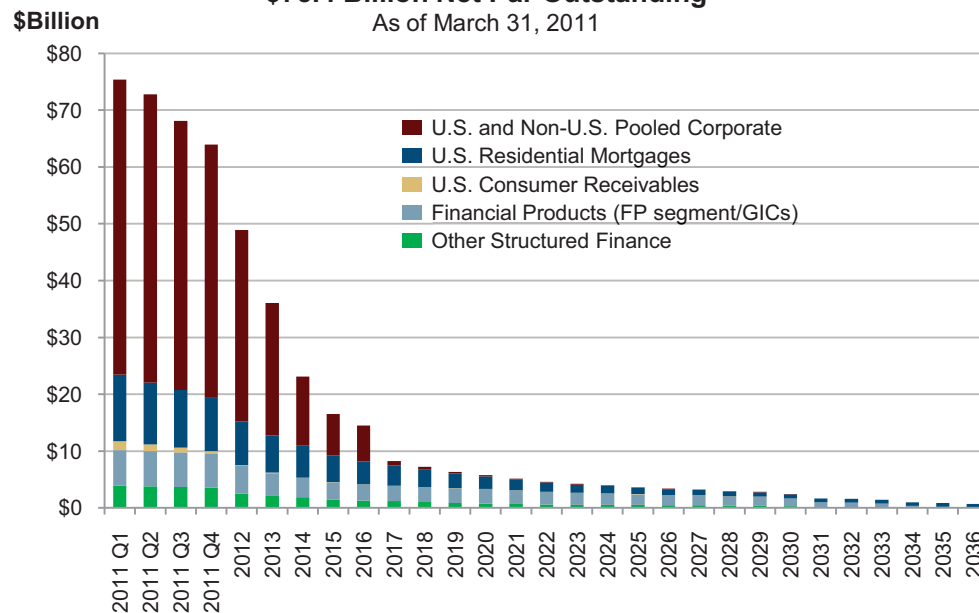
As of March 31, 2011; \$ in millions

	<u>Net Par Outstanding</u>	<u>Avg. Rating ¹</u>		<u>Net Par Outstanding</u>	<u>Avg. Rating ¹</u>
U.S. public finance:			U.S. structured finance:		
General obligation	\$ 109,536	A+	Pooled corporate obligations	\$ 38,818	AAA
Tax backed	49,083	A+	RMBS	11,731	BB-
Municipal utilities	44,592	A+	Financial products ²	6,293	AA-
Transportation	19,958	A	Consumer receivables	1,538	A+
Healthcare	9,637	A	Insurance securitization	369	AA
Higher education	7,356	A+	Commercial receivables	88	BBB-
Housing	5,188	AA-	Structured credit	79	B
Infrastructure finance	1,197	BBB	Other structured finance	594	A-
Investor-owned utilities	46	A-	Total U.S. structured finance	59,510	AA
Other public finance	1,639	A	Non-U.S. structured finance:		
Total U.S. public finance	248,232	A+	Pooled corporate obligations	13,094	AAA
Non-U.S. public finance:			RMBS	1,635	AA-
Infrastructure finance	11,759	BBB	Structured credit	484	BBB+
Regulated utilities	7,369	BBB+	Commercial receivables	217	A
Other public finance	6,736	AA-	Insurance securitizations	38	A+
Total non-U.S. public finance	25,864	A-	Other structured finance	390	Super Senior
Total public finance	\$ 274,096	A+	Total non-U.S. structured finance	15,858	AAA
			Total structured finance	\$ 75,368	AA
			Total net par outstanding	\$ 349,464	A+

AGM Run-Off of Global Insured Structured Finance Portfolio



\$75.4 Billion Net Par Outstanding
As of March 31, 2011



- We expect AGM's legacy global structured finance insured portfolio (\$75.4 billion as of March 31, 2011 versus \$127.3 billion as of September 30, 2008) to run off rapidly — 15% by year-end 2011, 35% by year-end 2012, and 78% by year-end 2015.¹
 - \$51.9 billion in global pooled corporate obligations expected to be reduced by 35% by year-end 2012 and by 86% by year-end 2015
 - \$11.7 billion in U.S. RMBS expected to be reduced by 34% by year-end 2012 and by 60% by year-end 2015
 - \$1.5 billion in U.S. consumer receivable obligations expected to be reduced by 76% by year-end 2011 and 91% by year-end 2012
 - \$3.9 billion in other structured finance (excluding FP) expected to be reduced by 35% by year-end 2012 and by 41% by year-end 2015
- Former FP business not part of Assured Guaranty's purchase; we are indemnified against exposure to the FP business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
 - \$6.3 billion in GICs expected to be reduced by 21% by year-end 2012 and by 38% by year-end 2015

1. Based on net par outstanding at March 31, 2011.

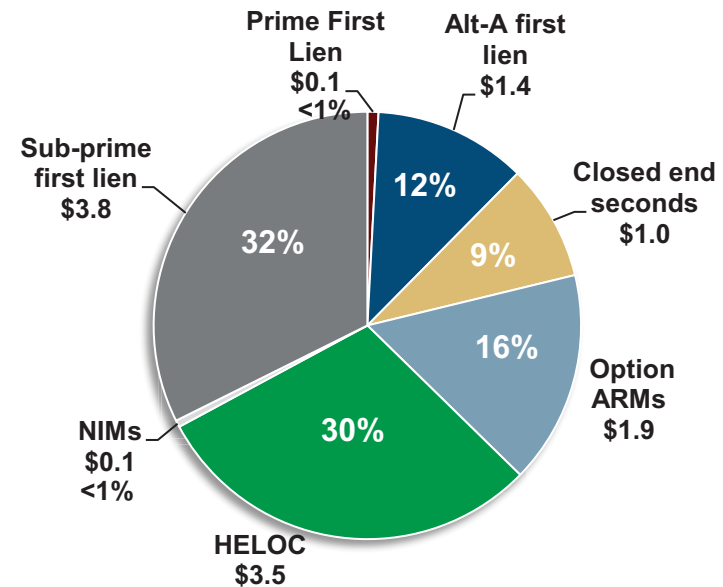
AGM U.S. RMBS



- **AGM's \$11.7 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB- at March 31, 2011
- **No U.S. RMBS underwritten since January 2008**
- **AGM's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
 - 3.4% of total net par outstanding versus 4.0% at year-end 2008
 - \$11.7 billion net par outstanding versus \$17.1 billion at year-end 2008, a decrease of 32%

U.S. RMBS by Exposure Type

As of March 31, 2011
(\$ in billions)



\$11.7 billion, 3.4% of net par outstanding

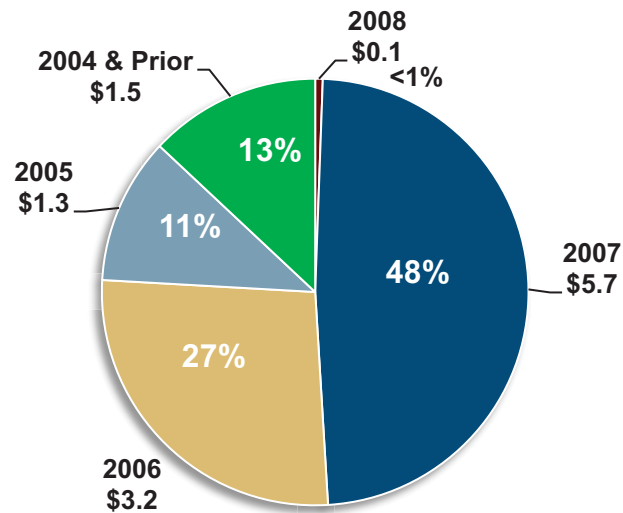
AGM U.S. RMBS

By Vintage and Rating



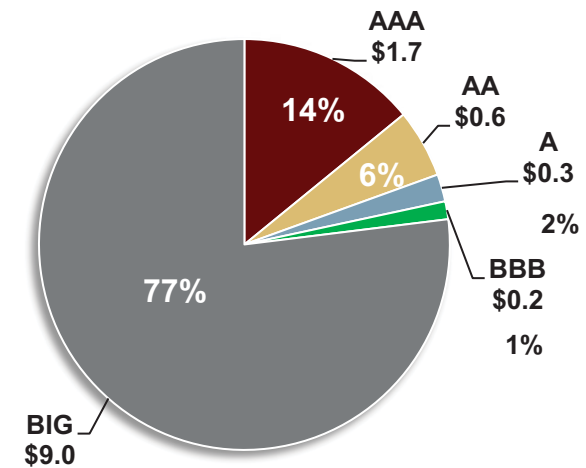
U.S. RMBS by Year Insured

As of March 31, 2011
(\$ in billions)



U.S. RMBS by Rating

As of March 31, 2011
(\$ in billions)



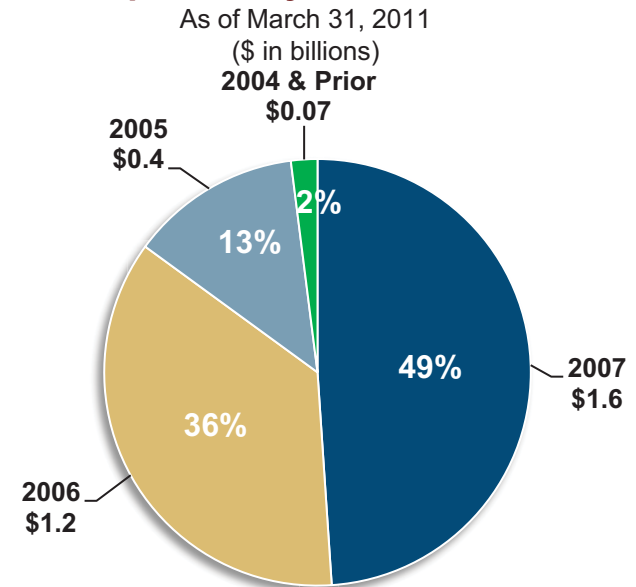
**Total U.S. RMBS = \$11.7 billion net par outstanding
BB- average rating**

AGM U.S. RMBS Exposure Alt-A First Lien and Option ARMs¹



- **AGM's Alt-A and Option ARM portfolio was largely underwritten since 2006 and all were rated AAA at closing**
- **AGM's Alt-A and Option ARM exposures have an average rating of BIG due to significant downgrades in 2008 and 2009**
 - 2% rated AAA
 - 96% rated BIG

Alt-A and Option ARM Exposure by Year Insured



\$3.2 billion net par outstanding

1. Borrowers in Assured Guaranty's Option ARM transactions are generally Alt-A.

AGM U.S. RMBS Performance

Alt-A First Lien and Option ARMs



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 ¹

U.S. Alt-A First Lien

Year insured:	Net Par	Pool Factor	Subordination	Cumulative	60+ Day	Number of
	Outstanding			Losses	Delinquencies	
2005	\$ 323	35.3%	10.9%	7.0%	23.6%	8
2006	467	45.9%	0.1%	14.4%	37.7%	7
2007	502	57.9%	0.4%	15.3%	39.7%	4
2008	-	-	-	-	-	-
	<u>\$ 1,292</u>	<u>47.9%</u>	<u>2.9%</u>	<u>12.9%</u>	<u>34.9%</u>	<u>19</u>

U.S. Option ARMs

Year insured:	Net Par	Pool Factor ²	Subordination ³	Cumulative	60+ Day	Number of
	Outstanding		Subordination ³	Losses ⁴	Delinquencies ⁵	
2005	\$ 98	29.4%	4.0%	9.5%	44.0%	3
2006	705	53.9%	3.3%	12.1%	54.5%	6
2007	1,087	57.3%	1.9%	15.3%	47.0%	6
2008	-	-	-	-	-	-
	<u>\$ 1,890</u>	<u>54.6%</u>	<u>2.6%</u>	<u>13.8%</u>	<u>49.7%</u>	<u>15</u>

1. For this presentation, net par outstanding is based on values as of December 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 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.

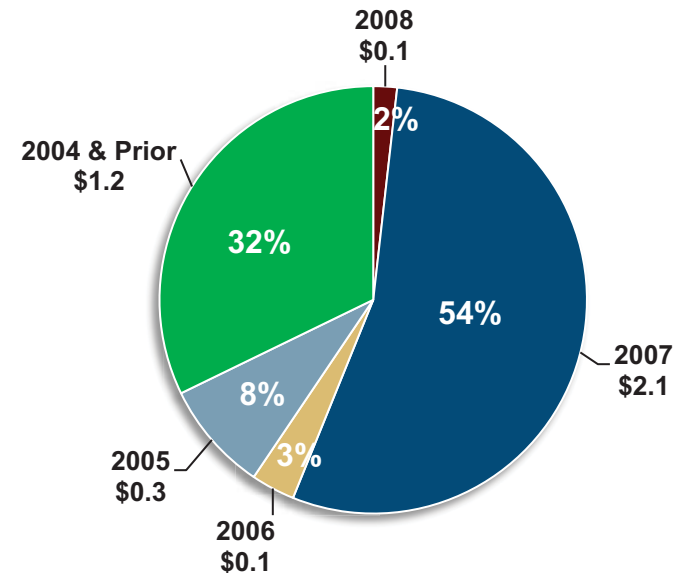
AGM U.S. RMBS Exposure Subprime First Lien



- **Despite the recent economic environment, AGM's subprime first lien portfolio is 45% investment grade**
 - 31% rated AAA
 - 55% rated BIG
 - Average subordination left is 29% on transactions insured after January 1, 2005
- **Of 92 total subprime transactions only 16 exposures are rated BIG**
 - Largest BIG exposure is \$577 million net par outstanding

Subprime First Lien by Year Insured

As of March 31, 2011
(\$ in billions)



\$3.8 billion net par outstanding

AGM U.S. RMBS Performance

Subprime First Lien



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 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	\$ 317	37.6%	42.9%	4.7%	39.2%	6
2006	126	39.0%	42.9%	12.5%	39.0%	2
2007	2,062	66.1%	25.4%	12.0%	49.8%	9
2008	68	70.1%	31.9%	8.4%	29.4%	1
	<u>\$ 2,573</u>	<u>61.4%</u>	<u>28.6%</u>	<u>11.0%</u>	<u>47.4%</u>	<u>18</u>

1. For this presentation, net par outstanding is based on values as of March 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.
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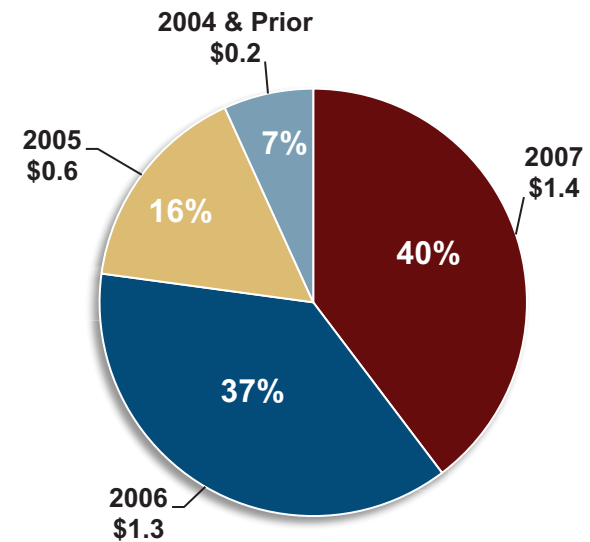
AGM U.S. RMBS Exposure HELOC



- **Outstanding net par insured of \$3.5 billion**
- **Average rating of BIG**
 - \$2.9 billion of HELOCs are BIG
 - \$0.6 billion of HELOCs remain investment grade

HELOCs by Year Insured

As of March 31, 2011
(\$ in billions)



\$3.5 billion net par outstanding

AGM U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 ¹

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 563	20.1%	4.3%	10.2%	9.5%	4
2006	1,307	32.6%	1.9%	30.6%	11.1%	7
2007	1,394	50.4%	4.2%	24.3%	5.8%	7
2008	-	-	-	-	-	-
	<u>\$ 3,264</u>	<u>38.0%</u>	<u>3.3%</u>	<u>24.4%</u>	<u>8.6%</u>	<u>18</u>

1. For this presentation, net par outstanding is based on values as of March 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.
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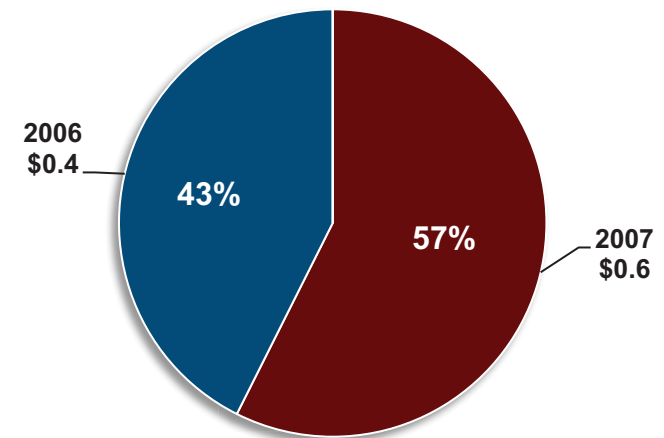
AGM U.S. RMBS Exposure Closed-End Second Lien



- **Limited exposure to CES**
 - All transactions are in the 2006 and 2007 vintages
- **11 transactions totaling \$1.0 billion**
 - 7 deals rated BIG
 - 4 deals rated AA (total \$179 million)

CES by Year Insured

As of March 31, 2011
(\$ in billions)



\$1.0 billion net par outstanding

AGM U.S. RMBS Performance

Closed-End Second Lien



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of March 31, 2011 ¹

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ^{3, 6}	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	440	18.8%	-	57.7%	13.4%	2
2007	593	13.6%	-	45.9%	8.6%	9
2008	-	-	-	-	-	-
	<u>\$ 1,033</u>	<u>15.9%</u>	<u>-</u>	<u>50.9%</u>	<u>10.7%</u>	<u>11</u>

1. For this presentation, net par outstanding is based on values as of March 2011. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on March 31, 2011 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 REO, divided by net par outstanding.

6. 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.

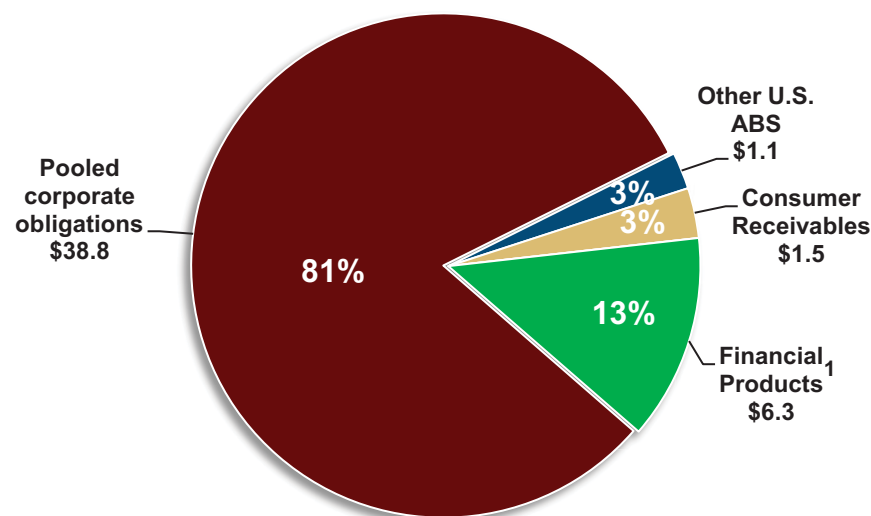
AGM Non-RMBS U.S. Structured Finance Exposure



- **AGM's non-RMBS U.S. structured finance exposures consist principally¹ of**
 - Pooled corporate
 - Consumer receivables
- **Non-RMBS U.S. structured finance credit experience has been generally strong given the recent environment**

U.S. Non-RMBS Structured Finance

As of March 31, 2011
(\$ in billions)



\$47.8 billion net par outstanding

1. Includes \$6.3 billion in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.

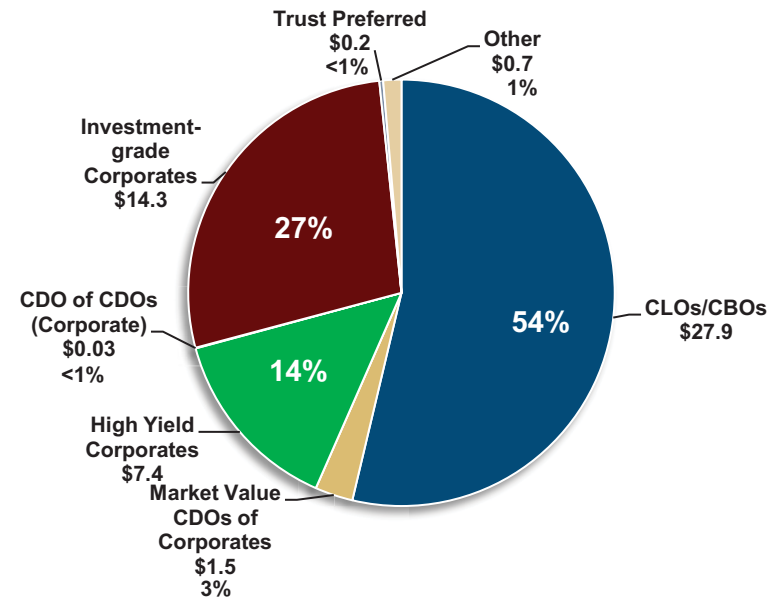
AGM Global Pooled Corporate Obligations



- **AGM's pooled corporate exposure is generally highly rated and well-protected**
 - Average current credit enhancement of 25.7%
 - 88% rated super senior or AAA
 - AAA average rating
 - Less than 0.5% rated BIG
- **\$151 million of TruPS (bank and insurance company only)**
 - A+ average rating
 - Average current credit enhancement remains strong at 47.7%

Pooled Corporate Obligations By Asset Class

As of March 31, 2011
(\$ in billions)



\$51.9 billion net par outstanding

AGM Global Pooled Corporate Obligations By Collateral Type



(\$ in millions)

Distribution of Financial Guaranty Pooled Corporate Obligations by Asset Class as of March 31, 2011

Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement¹	Avg. Current Credit Enhancement¹	Avg. Rating
CBOs/CLOs ²	\$ 27,880	53.7%	27.6%	28.1%	AAA
Synthetic investment grade pooled corporates	14,267	27.5%	18.6%	16.8%	AAA
Synthetic high yield pooled corporates	7,383	14.2%	34.7%	30.4%	AA+
Market value CDOs of corporates	1,492	2.9%	17.0%	53.6%	AAA
Trust preferred - banks and insurance ³	151	0.3%	50.3%	47.7%	A+
CDO of CDOs (corporate) ⁴	27	0.1%	24.1%	26.3%	A
Other pooled corporates	712	1.3%	0.0%	0.0%	A-
Total exposures	\$ 51,912	100.0%	25.5%	25.7%	AAA

1. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinate tranches that are junior in the capital structure to AGM's exposure, 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 numbers 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 adjustments.

2. CBOs(collateralized bond obligations)/CLOs(collateralized loan obligations) are largely non-investment/high yield collateral.

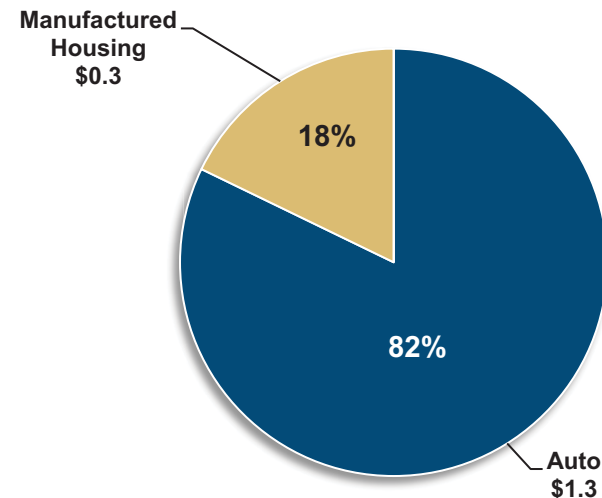
3. Prior to fourth quarter 2010, the ratio of average current credit enhancement for Trust Preferred Pooled Corporate Obligations was based on the value of the collateral as reported by the trustees, which for non-performing or low-rated collateral varied by transaction in accordance with the individual transaction documents. Beginning fourth quarter 2010, Assured Guaranty has made the measure consistent across transactions, assigning a value of 100% of the par to all performing securities, applying a standard haircut for restructured performing collateral, assigning recovery assumptions for defaulted collateral by collateral type, and making additional negative adjustments for transactions where the notional amount of interest rate hedges materially exceeds the amount of performing collateral requiring hedges.

4. CDOs are collateralized debt obligations.

- **U.S. consumer receivable exposures are well protected**
 - Average rating of A+
 - \$1.3 billion in auto receivable transactions have 34.4% average current credit enhancement
- **Over half of the par was written in 2007 or later, after the deterioration in consumer credit trends was evident**
 - AGM utilized underwriting criteria that had stress scenario assumptions

U.S. Consumer Receivables by Type

As of March 31, 2011
(\$ in billions)



\$1.5 billion net par outstanding

AGM U.S. Consumer Receivables By Rating and Collateral Type



(\$ in millions)

Distribution of U.S. Consumer Receivables by Rating as of March 31, 2011

Rating:	Manufactured Housing	Auto	Total Net Par Outstanding
AAA	\$ 75	\$ 16	\$ 91
AA	44	763	807
A	-	352	352
BBB	-	133	133
BIG	155	-	155
Total exposures	\$ 274	\$ 1,264	\$ 1,538
Average rating	A-	AA-	A+
Avg. initial credit enhancement ¹	27.5%	11.5%	14.4%
Avg. current credit enhancement ¹	25.9%	34.4%	32.9%

1. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinate tranches that are junior in the capital structure to AGM'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 adjustments.

AGM Expected Loss and LAE to Be Paid As of March 31, 2011



(\$ in millions)

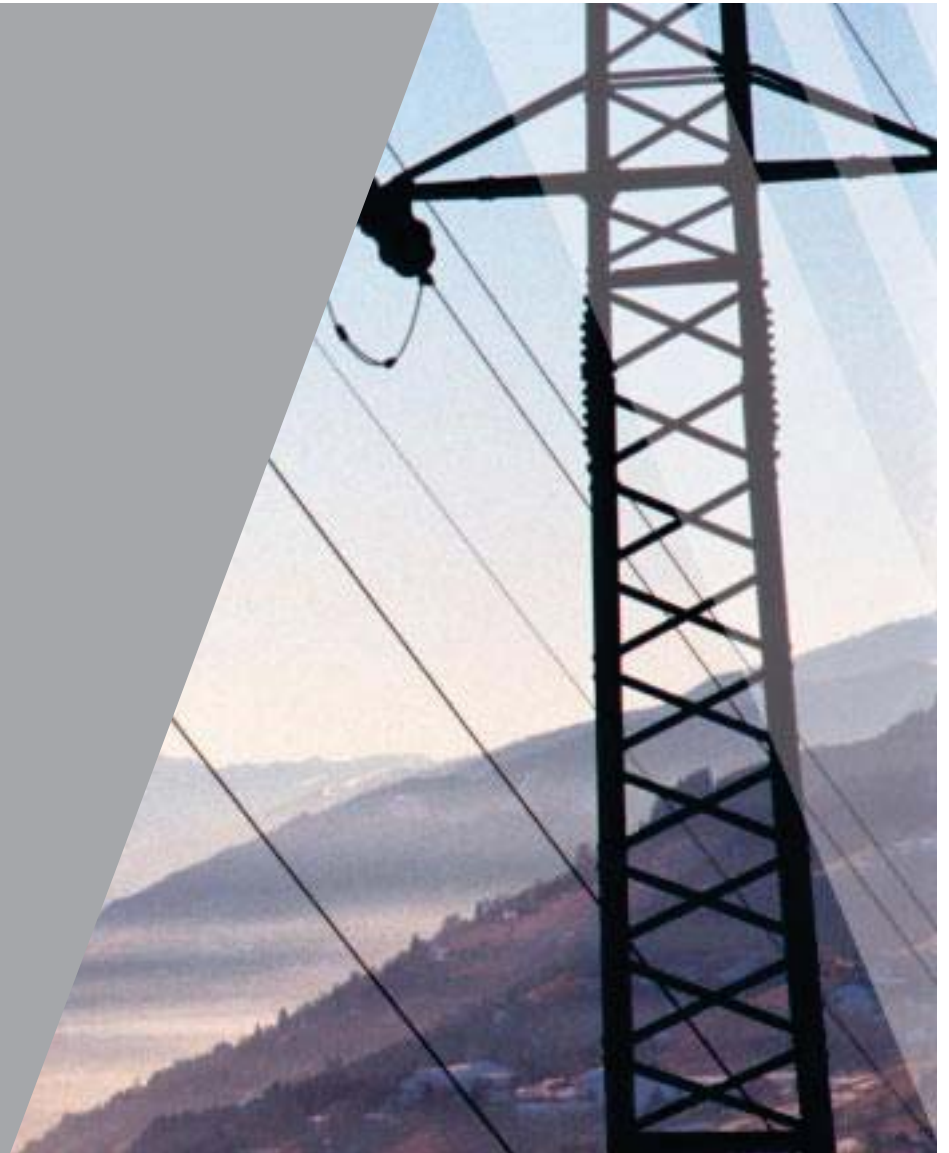
Roll forward of Net Expected Loss and LAE to be Paid for the Three Months Ended March 31, 2011

<u>Financial Guaranty Insurance Contracts and Credit Derivatives</u>	<u>Expected Loss to be Paid as of December 31, 2010</u>	<u>Loss Development and Accretion of Discount for 1Q-11 ¹</u>	<u>Paid Losses 1Q-11</u>	<u>Expected Loss to be Paid as of March 31, 2011</u>
U.S. RMBS				
First lien:				
Prime first lien	\$ -	\$ -	\$ -	\$ -
Alt-A first lien	145.0	8.3	(19.0)	134.3
Option ARMs	459.9	(81.4)	(85.7)	292.8
Subprime first lien	180.0	(25.4)	(8.0)	146.6
Total first lien	784.9	(98.5)	(112.7)	573.7
Second lien:				
Closed end seconds	92.1	(120.3)	(12.2)	(40.4)
HELOC	(621.0)	54.2	(42.7)	(609.5)
Total second lien	(528.9)	(66.1)	(54.9)	(649.9)
Total U.S. RMBS	256.0	(164.6)	(167.6)	(76.2)
Other structured finance	57.6	(4.4)	(0.9)	52.3
Public finance	9.4	1.4	(6.3)	4.5
Total	\$ 323.0	\$ (167.6)	\$ (174.8)	\$ (19.4)

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. Under GAAP, however, a reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. For AGM, unearned premium reserve on the Acquisition Date (July 1, 2009) represented fair value and incorporated all expected losses at that date. See Notes to the financial statements in the 2010 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts and the effects of acquisition accounting on financial guaranty insurance accounting.

1. Includes the effect of changes in the Company's estimate of future recovery on R&W

**Assured Guaranty Corp.
Financial Information**



AGC Consolidated Statements of Operations



(\$ in millions)

	Three Months Ended	
	March 31,	
	2011	2010
Revenues:		
Net earned premiums	\$ 28.7	\$ 29.5
Net investment income	24.8	19.6
Net realized investment gains (losses)	-	2.8
Net change in fair value of credit derivatives:		
Credit derivative revenues	23.3	20.7
Losses incurred on credit derivatives	(24.5)	(64.6)
Net unrealized gains (losses), excluding losses incurred	(223.2)	246.7
Net change in fair value of credit derivatives	(224.4)	202.8
Fair value gains (losses) on committed capital securities	0.3	1.4
Net change in financial guaranty VIEs	8.4	11.5
Other income	1.3	(2.2)
Total revenues	(160.9)	265.4
Expenses:		
Loss and loss adjustment expenses	(18.7)	34.5
Amortization of deferred acquisition costs	3.8	4.1
Interest expense	3.8	3.8
Other operating expenses	17.6	27.6
Total expenses	6.5	70.0
Income (loss) before income taxes	(167.4)	195.4
Provision (benefit) for income taxes	(62.0)	65.4
Net income (loss)	\$ (105.4)	\$ 130.0
Less after-tax adjustments:		
Realized gains (losses) on investments	-	1.9
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(145.1)	160.3
Fair value gains (losses) on committed capital securities	0.2	0.9
Foreign exchange gains (losses) on revaluation of premiums receivable	0.5	(1.7)
Effect of consolidating financial guaranty VIEs	7.1	7.5
Operating income (loss)	\$ 31.9	\$ (38.9)

See note under the table on page 67. Please refer to the appendix for an explanation of the non-GAAP financial measures.

AGC Consolidated Balance Sheets



(\$ in millions)

	As of	
	March 31, 2011	December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 2,526.5	\$ 2,488.9
Short-term investments, at fair value	172.0	235.7
Other invested assets	12.5	12.5
Total investment portfolio	2,711.0	2,737.1
Cash	3.0	16.6
Premiums receivable, net of ceding commissions payable	243.6	269.6
Ceded unearned premium reserve	371.5	388.6
Deferred acquisition costs	61.2	57.9
Reinsurance recoverable on unpaid losses	66.1	68.1
Salvage and subrogation recoverable	199.1	184.0
Credit derivative assets	425.8	399.5
Deferred tax asset, net	393.7	342.6
Current income tax receivable	58.6	38.3
Financial guaranty VIE assets, at fair value	1,000.7	966.0
Other assets	90.1	74.6
Total assets	\$ 5,624.4	\$ 5,542.9
Liabilities and shareholder's equity:		
Liabilities:		
Unearned premium reserve	\$ 1,269.2	\$ 1,323.1
Loss and loss adjustment expense reserve	206.4	231.1
Reinsurance balances payable, net	120.9	121.6
Note payable to affiliate	300.0	300.0
Credit derivative liabilities	1,631.5	1,360.4
Financial guaranty VIE liabilities with recourse, at fair value	518.5	523.5
Financial guaranty VIE liabilities without recourse, at fair value	511.3	495.7
Other liabilities	105.9	113.4
Total liabilities	4,663.7	4,468.8
Shareholder's equity:		
Preferred stock	-	-
Common stock	15.0	15.0
Additional paid-in capital	1,037.1	1,037.1
Retained earnings (deficit)	(99.5)	15.9
Accumulated other comprehensive income	8.1	6.1
Total shareholder's equity	960.7	1,074.1
Total liabilities and shareholder's equity	\$ 5,624.4	\$ 5,542.9

See note under the table on page 67

AGC Reconciliation of Present Value of New Business Production (“PVP”) to Gross Written Premiums (“GWP”)



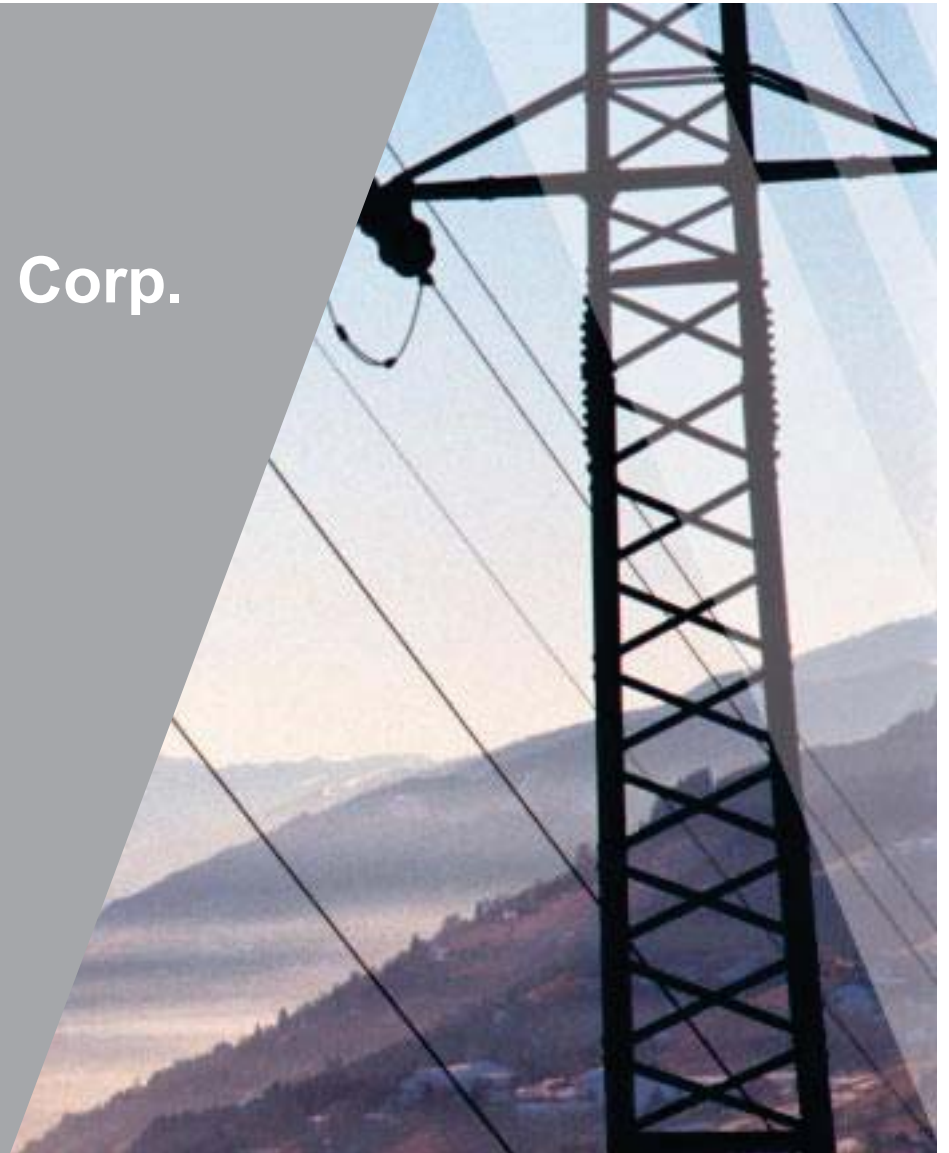
(\$ in millions)

	Three Months Ended	
	March 31,	
	2011	2010
Consolidated new business production analysis:		
PVP		
Public finance - U.S.		
Primary markets	\$ 0.6	\$ 12.1
Secondary markets	0.5	8.7
Public finance - non-U.S.		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S.	-	4.0
Structured finance - non-U.S.	-	-
Total PVP	1.1	24.8
Less: PVP of credit derivatives	-	-
PVP of financial guaranty insurance	1.1	24.8
Less: financial guaranty installment premium PVP	0.1	4.0
Total: financial guaranty upfront GWP	1.0	20.8
Plus: financial guaranty installment adjustment ¹	(19.8)	5.5
Total GWP	\$ (18.8)	\$ 26.3

1. Represents present value of new business on installment policies plus GWP adjustment on existing installment deals due to changes in assumptions.

Note: Please refer to the appendix for an explanation of the non-GAAP financial measures.

**Assured Guaranty Municipal Corp.
(formerly Financial Security
Assurance Inc.)
Financial Information**



AGM Consolidated Statements of Operations



(\$ in millions)

	Three Months Ended	
	March 31,	
	2011	2010
Revenues:		
Net earned premiums	\$ 189.1	\$ 250.0
Net investment income	51.1	47.8
Net realized investment gains (losses)	2.0	5.3
Net change in fair value of credit derivatives:		
Credit derivative revenues	30.4	28.1
Losses incurred on credit derivatives	33.7	2.8
Net unrealized gains (losses), excluding losses incurred	(2.5)	(48.9)
Net change in fair value of credit derivatives	61.6	(18.0)
Fair value gains (losses) on committed capital securities	0.2	(2.7)
Net change in financial guaranty VIEs	85.5	(22.1)
Other income	38.6	(1.4)
Total revenues	428.1	258.9
Expenses:		
Loss and loss adjustment expenses	(5.0)	59.0
Amortization of deferred acquisition costs	(2.6)	(1.3)
Interest expense	1.5	1.9
Other operating expenses	23.3	20.1
Total expenses	17.2	79.7
Income (loss) before income taxes	410.9	179.2
Provision (benefit) for income taxes	133.1	52.8
Net income (loss)	\$ 277.8	\$ 126.4
Less after-tax adjustments:		
Realized gains (losses) on investments	1.1	3.5
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(1.6)	(31.8)
Fair value gains (losses) on committed capital securities	0.1	(1.8)
Foreign exchange gains (losses) on revaluation of premiums receivable	6.3	(13.4)
Effect of consolidating financial guaranty VIEs	75.4	(11.8)
Operating income	\$ 196.5	\$ 181.7

See note under the table on page 87. Please refer to appendix for explanation of non-GAAP financial measures.

AGM Consolidated Balance Sheets



(\$ in millions)

	As of	
	March 31, 2011	December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 4,684.9	\$ 4,678.7
Short-term investments, at fair value	346.0	588.7
Other invested assets	129.2	133.7
Total investment portfolio	5,160.1	5,401.1
Note receivable from affiliate	300.0	300.0
Cash	49.3	43.7
Premiums receivable	735.1	729.2
Ceded unearned premium reserve	1,462.0	1,494.4
Reinsurance recoverable on unpaid losses	21.7	24.6
Salvage and subrogation recoverable	856.0	846.1
Credit derivative assets	168.5	181.8
Deferred tax asset, net	691.7	956.4
Current income tax receivable	39.7	-
Financial guaranty VIE assets, at fair value	2,678.3	2,691.5
Other assets	120.4	107.6
Total assets	\$ 12,282.8	\$ 12,776.4
Liabilities and shareholder's equity:		
Liabilities:		
Unearned premium reserve	\$ 5,076.2	\$ 5,321.3
Loss and loss adjustment expense reserve	125.9	243.0
Reinsurance balances payable, net	369.1	410.2
Notes payable	121.6	127.0
Credit derivative liabilities	551.6	592.8
Current income tax payable	-	183.6
Financial guaranty VIE liabilities with recourse, at fair value	2,239.3	2,403.5
Financial guaranty VIE liabilities without recourse, at fair value	861.8	841.5
Other liabilities	296.8	271.2
Total liabilities	9,642.3	10,394.1
Shareholder's equity:		
Preferred stock	-	-
Common stock	15.0	15.0
Additional paid-in capital	1,191.8	1,191.8
Retained earnings	1,440.1	1,162.3
Accumulated other comprehensive income (loss)	(6.4)	13.2
Total shareholder's equity	2,640.5	2,382.3
Total liabilities and shareholder's equity	\$ 12,282.8	\$ 12,776.4

See note under the table on page 87.

AGM Reconciliations of PVP to GWP



(\$ in millions)

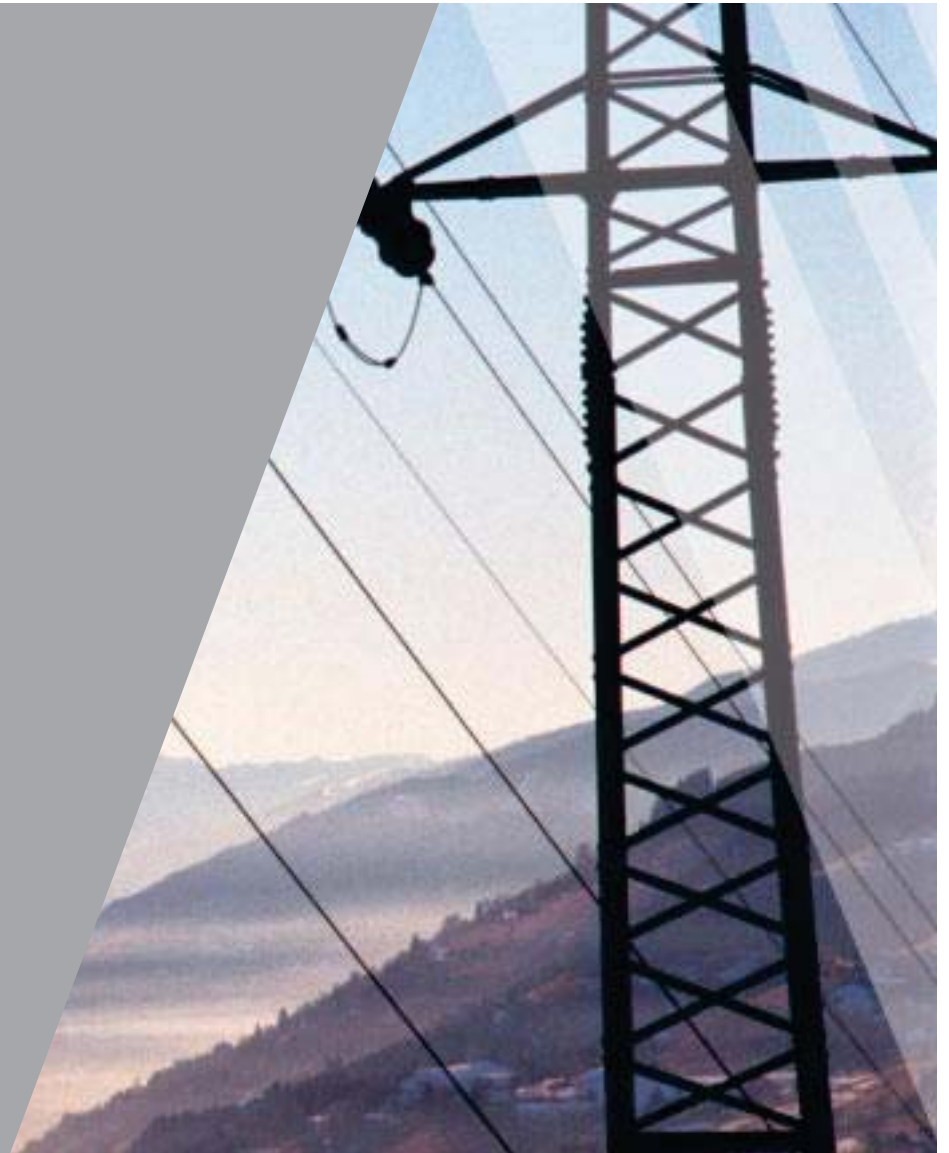
	Three Months Ended	
	March 31,	
	2011	2010
Consolidated new business production analysis:		
PVP		
Public finance - U.S.		
Primary markets	\$ 26.1	\$ 48.3
Secondary markets	6.8	5.3
Public finance - non-U.S.		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S. ¹	2.9	0.4
Structured finance - non-U.S. ¹	7.2	-
Total PVP	43.0	54.0
Less: PVP of credit derivatives	-	-
PVP of financial guaranty insurance	43.0	54.0
Less: Financial guaranty installment premium PVP	10.2	0.6
Total: Financial guaranty upfront GWP	32.8	53.4
Plus: Financial guaranty installment adjustment ²	5.5	13.8
Total GWP	\$ 38.3	\$ 67.2

1. These policies represent existing policies that have additional premium and have no par outstanding.

2. Represents present value of new business on installment policies plus GWP adjustment on existing installment deals due to changes in assumptions.

Note: Please refer to appendix for explanation of non-GAAP financial measures.

**Assured Guaranty Ltd.
Financial Information**



Assured Guaranty Ltd. Consolidated Statements of Operations



(\$ in millions)

	Three Months Ended March 31,	
	2011	2010
Revenues:		
Net earned premiums	\$ 254.0	\$ 319.6
Net investment income	96.4	84.3
Net realized investment gains (losses)	2.8	9.4
Net change in fair value of credit derivatives:		
Credit derivative revenues	61.0	54.7
Losses incurred on credit derivatives	(0.1)	(76.4)
Net unrealized gains (losses), excluding losses incurred	(296.6)	300.5
Net change in fair value of credit derivatives	(235.7)	278.8
Fair value gains (losses) on committed capital securities	0.5	(1.3)
Net change in financial guaranty VIEs	93.9	(10.6)
Other income	42.2	(12.9)
Total revenues	254.1	667.3
Expenses:		
Loss and loss adjustment expenses	(27.0)	130.5
Amortization of deferred acquisition costs	7.4	8.2
AGMH acquisition-related expenses	-	4.0
Interest expense	24.8	25.1
Other operating expenses	56.8	62.6
Total expenses	62.0	230.4
Income (loss) before income taxes	192.1	436.9
Provision (benefit) for income taxes	66.7	114.9
Net income (loss)	\$ 125.4	\$ 322.0
Less after-tax adjustments:		
Realized gains (losses) on investments	1.9	6.7
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(217.4)	230.8
Fair value gains (losses) on committed capital securities	0.3	(0.8)
Foreign exchange gains (losses) on revaluation of premiums receivable	9.2	(23.0)
Effect of consolidating financial guaranty VIEs	82.5	(4.3)
Operating income	\$ 248.9	\$ 112.6

See note under the table on page 67. Please refer to the appendix for an explanation of the non-GAAP financial measures.

Assured Guaranty Ltd. Consolidated Balance Sheets



(\$ in millions)

	As of :	
	March 31, 2011	December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 9,472.1	\$ 9,415.3
Short-term investments, at fair value	768.5	1,031.6
Other invested assets	264.5	283.0
Total investment portfolio	10,505.1	10,729.9
Cash	95.9	107.2
Premiums receivable, net of ceding commissions payable	1,118.0	1,167.6
Ceded unearned premium reserve	794.3	821.8
Deferred acquisition costs	236.0	239.8
Reinsurance recoverable on unpaid losses	18.6	22.3
Salvage and subrogation recoverable	1,057.0	1,032.4
Credit derivative assets	619.3	592.9
Deferred tax asset, net	1,004.5	1,224.0
Current income tax receivable	159.6	-
Financial guaranty VIE assets, at fair value	3,679.0	3,657.5
Other assets	221.9	199.2
Total assets	\$ 19,509.2	\$ 19,794.6
Liabilities and shareholders' equity:		
Liabilities:		
Unearned premium reserve	\$ 6,637.2	\$ 6,972.9
Loss and loss adjustment expense reserve	407.9	563.0
Reinsurance balances payable, net	268.2	274.4
Long-term debt	1,049.7	1,052.9
Credit derivative liabilities	2,761.5	2,465.5
Current income tax payable	-	93.0
Financial guaranty VIE liabilities with recourse, at fair value	2,757.8	2,927.0
Financial guaranty VIE liabilities without recourse, at fair value	1,373.0	1,337.2
Other liabilities	359.4	309.9
Total liabilities	15,614.7	15,995.8
Shareholders' equity:		
Common stock	1.8	1.8
Additional paid-in capital	2,589.2	2,585.4
Retained earnings	1,215.9	1,098.9
Accumulated other comprehensive income	85.6	110.7
Deferred equity compensation	2.0	2.0
Total shareholders' equity	3,894.5	3,798.8
Total liabilities and shareholders' equity	\$ 19,509.2	\$ 19,794.6

See note under the table on page 67.

Assured Guaranty Ltd.

Reconciliation of PVP to GWP



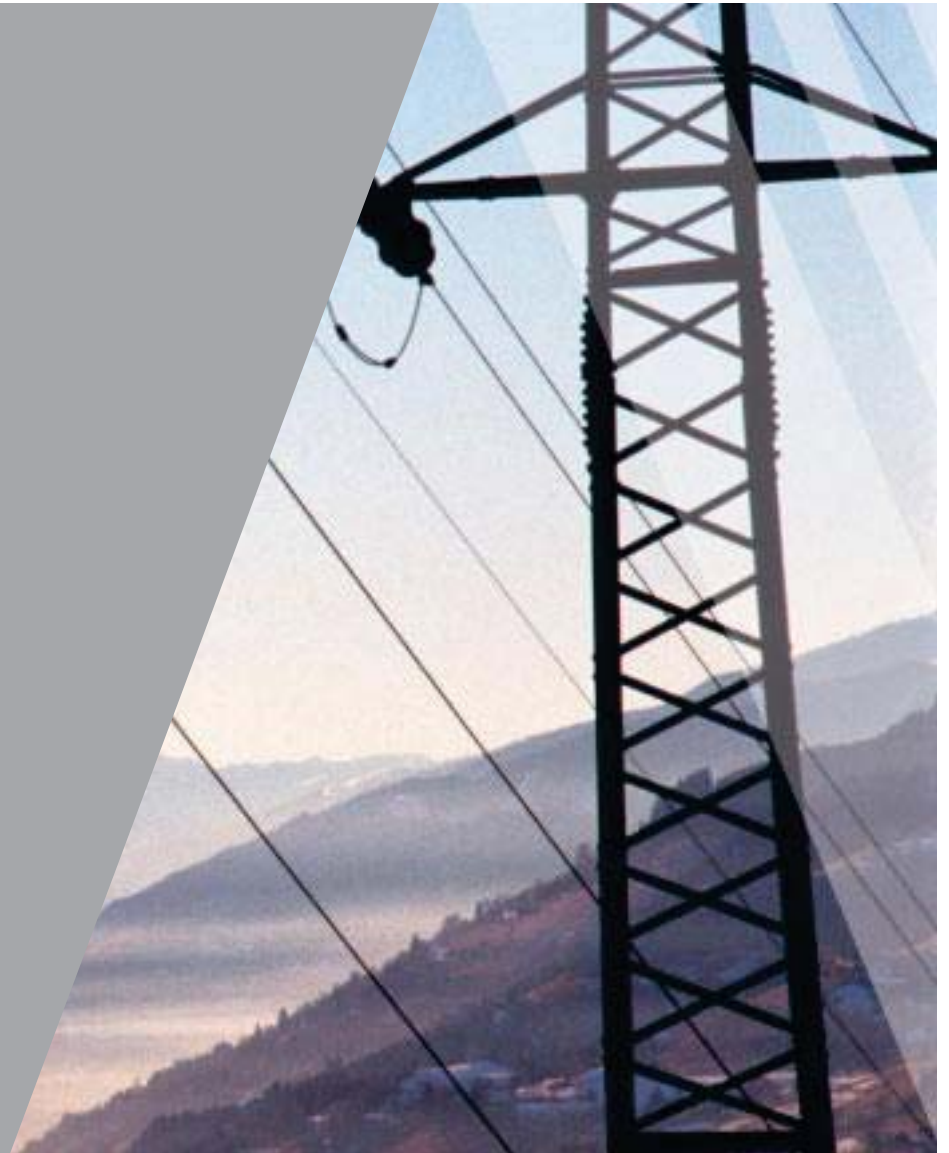
(\$ in millions)

	Three Months Ended	
	March 31,	
	2011	2010
Consolidated new business production analysis:		
PVP		
Public finance - U.S.:		
Primary markets	\$ 26.7	\$ 60.4
Secondary markets	7.3	13.9
Public finance - non-U.S.:		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S.	11.3	4.5
Structured finance - non-U.S.	7.2	-
Total PVP	52.5	78.8
Less: PVP of credit derivatives	-	-
PVP of financial guaranty insurance	52.5	78.8
Less: financial guaranty installment premium PVP	18.7	4.5
Total: financial guaranty upfront GWP	33.8	74.3
Plus: financial guaranty installment adjustment ¹	(45.3)	17.8
Total GWP	\$ (11.5)	\$ 92.1
Consolidated financial guaranty gross par written:		
Public finance - U.S.:		
Primary markets	\$ 1,886	\$ 5,816
Secondary markets	333	372
Public finance - non-U.S.:		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S.	100	1,000
Structured finance - non-U.S.	-	-
Total	\$ 2,319	\$ 7,188

1. Represents present value of new business on installment policies plus GWP adjustment on existing installment deals due to changes in assumptions and any cancellations of assumed reinsurance contracts.

Note: Please refer to the appendix for an explanation of the non-GAAP financial measures.

Appendix



Appendix: Explanation of Non-GAAP Financial Measures



The Company references financial measures that are not in accordance with GAAP. Assured Guaranty's management and board of directors utilize non-GAAP measures in evaluating the Company's financial performance and as a basis for determining senior management incentive compensation. By providing these non-GAAP financial measures, investors, analysts and financial news reporters have access to the same information that management reviews internally. In addition, Assured Guaranty's presentation of non-GAAP financial measures is consistent with how analysts calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and with how investors, analysts and the financial news media evaluate Assured Guaranty's financial results. The following paragraphs define each non-GAAP financial measure and describe why it is useful. A reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure, if available, is presented within this presentation. Non-GAAP financial measures should not be viewed as substitutes for their most directly comparable GAAP measures.

PVP or present value of new business production: Management believes that PVP is a useful measure because it enables 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 as well as premium supplements and additional installment premium on existing contracts as to which the issuer has the right to call the insured obligation but has not exercised such right, 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") do not adequately measure. PVP in respect of insurance and credit derivative contracts written in a specified period is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, in each case, discounted at 6% (the Company's tax-equivalent pre-tax investment yield on its investment portfolio). For purposes of the PVP calculation, management discounts estimated future installment premiums on insurance contracts at 6%, 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 based upon 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, changes in foreign exchange rates, refinancing or refunding activity, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation.

Operating Income: Management believes that operating income is a useful measure because it clarifies the understanding of the underwriting results of the Company's financial guaranty insurance business, and also includes financing costs and net investment income, and enables investors and analysts to evaluate the Company's financial results as compared to the consensus analyst estimates distributed publicly by financial databases. Operating income is defined as net income (loss) attributable to Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1. Elimination of the after-tax realized gains (losses) on the Company's investments, including other than temporary impairments, and credit and interest rate related gains and losses from sales of securities. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate related gains or losses, is largely subject to the Company's discretion and influenced by market opportunities, as well as the Company's tax and capital profile. Trends in the underlying profitability of the Company's business can be more clearly identified without the fluctuating effects of these transactions.
2. Elimination of the after-tax non-credit impairment unrealized fair value gains (losses) on credit derivatives, which is the amount in excess of the present value of the expected estimated economic credit losses. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss. Additionally, such adjustments present all financial guaranty contracts on a more consistent basis of accounting, whether or not they are subject to derivative accounting rules.
3. Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities. Such amounts are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.
4. Elimination of the after-tax foreign exchange gains (losses) on revaluation of net premium receivables. Long-dated receivables constitute a significant portion of the net premium receivable balance and represent the present value of future contractual or expected collections. Therefore, the current period's foreign exchange revaluation gains (losses) are not necessarily indicative of the total foreign exchange gains (losses) that the Company will ultimately recognize.
5. Elimination of the effects of consolidating certain financial guaranty variable interest entities (VIEs) in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs.

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Fixed Income Investor Presentation First Quarter 2011

