



Assured Guaranty Ltd.

June 30, 2010 Equity Investor Presentation

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.

**ASSURED
GUARANTY®**
FAMILY OF COMPANIES

Safe Harbor Disclosure



- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty” or the “Company”) with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from these statements. For example, Assured Guaranty’s forward looking statements could be affected by:
 - rating agency action, including a ratings downgrade at any time of Assured Guaranty Ltd. or any of its subsidiaries and/or of transactions insured AGL’s subsidiaries, both of which have occurred in the past;
 - developments in the world’s financial and capital markets that adversely affect issuers’ payment rates, Assured Guaranty’s loss experience, its ability to cede exposure to reinsurers, its access to capital, its unrealized (losses) gains on derivative financial instruments or its investment returns;
 - changes in the credit markets, segments thereof or general economic conditions;
 - more severe or frequent losses implication the adequacy of Assured Guaranty’s loss reserve;
 - the impact of market volatility on the mark-to-market of its contracts written in credit default swap form;
 - reduction in the amount of reinsurance portfolio opportunities available to Assured Guaranty;
 - decreased demand or increased competition;
 - changes in applicable accounting policies or practices;
 - changes in applicable laws or 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 August 5, 2010. Assured Guaranty does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Conventions and Non-GAAP Financial Measures



- Unless otherwise noted, the following conventions are used in this presentation:
 - Ratings on our insured portfolio are Assured Guaranty's internal rating. Although the Company's ratings scale is similar to that used by the nationally recognized rating agencies, the ratings may not be the same as ratings assigned by any nationally recognized rating agency.
 - The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured Guaranty's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (2) Assured Guaranty's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured Guaranty's attachment point to be materially above the AAA attachment point.
 - 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.

Assured Guaranty Today



Assured Guaranty Ltd. (\$ in billions)	As of June 30, 2010
Net par outstanding	\$627.5
Total investment portfolio	\$10.5
Total assets	\$17.6
Net unearned premium reserve ¹	\$6.7
Shareholders' equity	\$3.9
Claims paying resources	\$13.3

- **We are the world's leading financial guaranty franchise**
 - 20+ years of experience
 - The only active company today
- **We serve the global capital market through two platforms:**
 - Assured Guaranty Municipal Corp. ("AGM") focuses on public finance and infrastructure transactions
 - Assured Guaranty Corp. ("AGC") guarantees public finance, global infrastructure and structured finance transactions
- **We also own the largest and only active financial guaranty reinsurer**
 - Assured Guaranty Re Ltd. ("AG Re"), domiciled in Bermuda

1. Unearned premium reserve net of ceded unearned premium reserve.

2010 Goals: A Year of Building



- **We are focused on building our integrated operations in 2010**
 - Integration of our two organizations is complete
 - RMBS trends are improving; conditional default rate loss curve not extended this quarter
 - Working to improve the value of and demand for our product
- **Public finance market**
 - Strengthening fixed income investor confidence, which was weakened by our competitors' failure to maintain their ratings
- **Structured finance and international markets**
 - Limited but growing new issuance activity in structured finance, a key market for financial guaranty
 - International infrastructure market relied on banks during crisis; economic expansion and need for long-term project financing should strengthen capital market issuance

Our Strategic Priorities Remain Unchanged



Our strategic goals—the key to our past and future success—are virtually unchanged since our IPO:

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

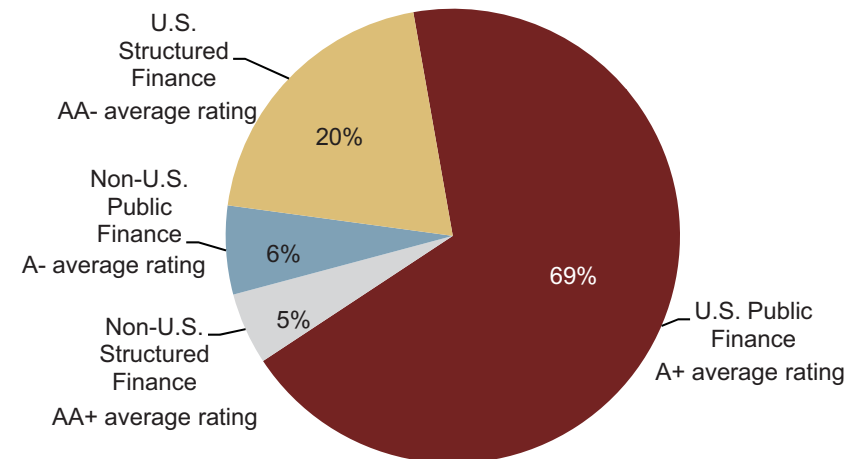
Exercise Underwriting Discipline



- **Our U.S. public finance portfolio, our largest exposure category, has performed well despite increased financial pressure on governmental issuers caused by the recession**
 - We have tightened our public finance underwriting standards; about 20% of credits turned down for terms and conditions in first half 2010 compared to 5% historically
 - Only two of our credits greater than \$50 million have defaulted since 2007: Jefferson County, AL (revenue bond) and Harrisburg, PA (general obligation)
- **Our principal losses in the last three years have been on U.S. RMBS due to the lack of adherence to underwriting standards by mortgage originators**
 - Neither AGC nor AGM underwrote collateralized debt obligations (“CDOs”) of residential mortgage-backed securities (“RMBS”), protecting us from the size of losses experienced by our former competitors
 - We will not underwrite new RMBS until risk improves

Consolidated Net Par Outstanding

As of June 30, 2010



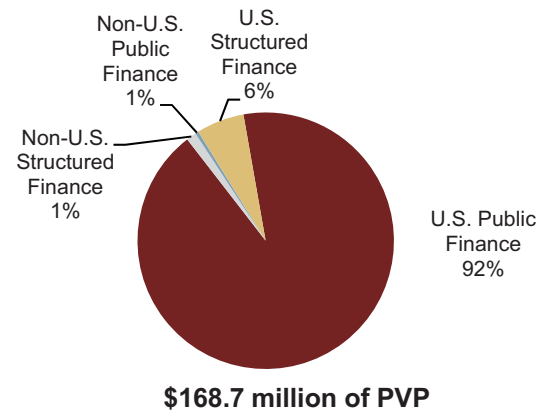
\$627.5 billion, A+ average rating

Expand Our Direct Franchise

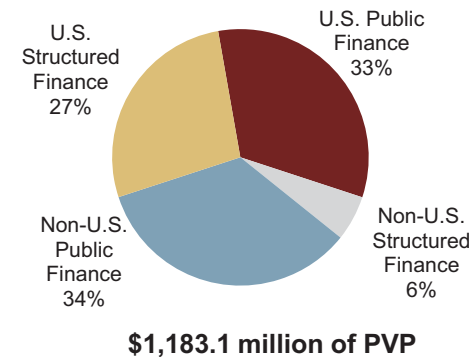


- **We are focused on building demand**
 - Goal of \$100 million of quarterly present value of new business production (“PVP”) in 2010
 - U.S. public finance is principal new business source
 - Pre-crisis 2007 PVP was diversified across all sectors; only 33% was public finance
- **2011 PVP goal of \$1.0+ billion**
 - \$600-800 million public finance
 - \$100-300 million structured finance
 - \$100-300 million international infrastructure
- **Our U.S. public finance production is rebuilding**
 - Peak PVP (excluding 2008) was \$505 million in 2005
 - We generated \$425 million in U.S. public finance PVP in the last 12 months

Consolidated by Product 1H-10



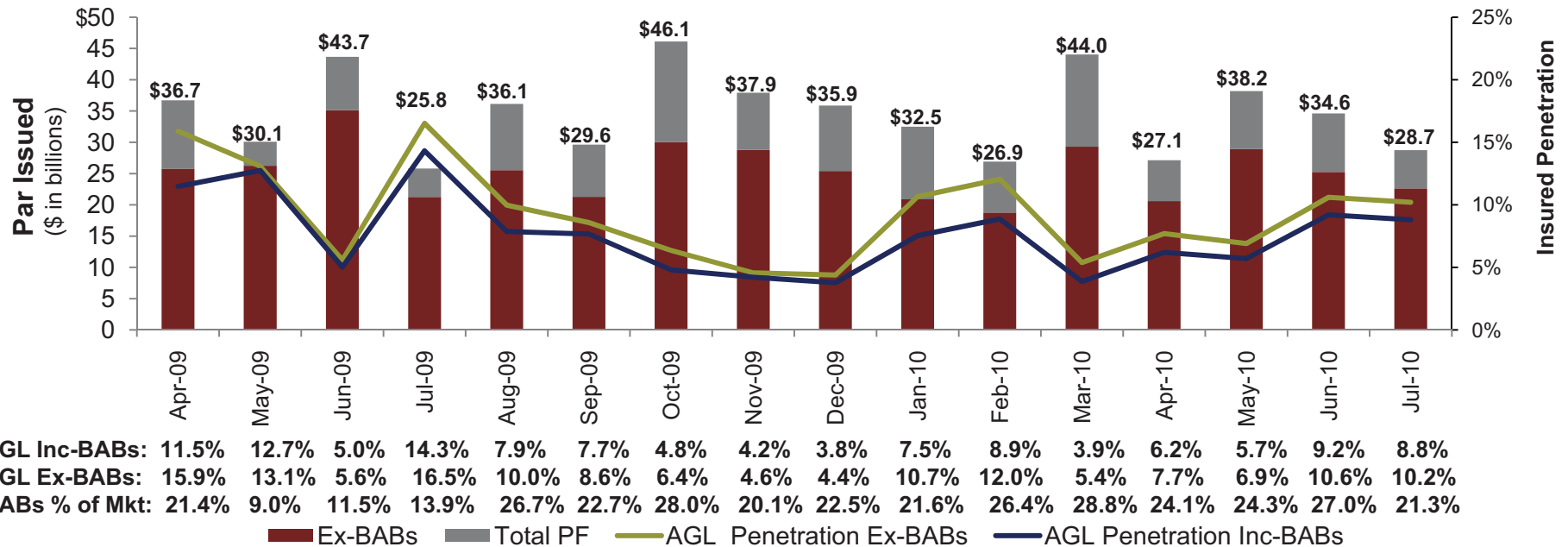
PVP for AGM by Product 2007



Second Quarter 2010 Penetration



- **2Q-10 new issue par insured penetration was 8.4% excluding BABs**
 - 7.1% of total new issue par, including BABs
 - 8.8% YTD through June excluding BABs; 6.7% including BABs
- **2Q-10 insured penetration by transaction count was 13.5% excluding BABs**
 - 13.0% of both tax exempt and BABs by transaction
 - 14.5% YTD through June excluding BABs; 13.0% including BABs



AGL Inc-BABs:	11.5%	12.7%	5.0%	14.3%	7.9%	7.7%	4.8%	4.2%	3.8%	7.5%	8.9%	3.9%	6.2%	5.7%	9.2%	8.8%
AGL Ex-BABs:	15.9%	13.1%	5.6%	16.5%	10.0%	8.6%	6.4%	4.6%	4.4%	10.7%	12.0%	5.4%	7.7%	6.9%	10.6%	10.2%
BABs % of Mkt:	21.4%	9.0%	11.5%	13.9%	26.7%	22.7%	28.0%	20.1%	22.5%	21.6%	26.4%	28.8%	24.1%	24.3%	27.0%	21.3%

Source: SDC. Represents new issue volume (which includes both new money and refundings)

Expand Our Direct Franchise: Structured Finance and International Infrastructure



- **We are the only active financial guarantor underwriting structured finance**
 - We expect increased activity in this sector as the market normalizes
 - We have closed 6 transactions in 2010, including an AmeriCredit auto deal in the first quarter and a conduit renewal in the second quarter
 - Focus on granular, tangible collateral: credit cards, cars, equipment loans, commercial receivables
 - We will not underwrite RMBS for the foreseeable future; product risk uncertain
- **International infrastructure market also reviving**
 - Global economic recession impacted issuance and new project development
 - Our current focus is on refinancings and transactions wrapped by other guarantors
 - Long-term need for non-bank financing in this market remains strong

Pursue Proactive Loss Mitigation Strategies



- **We have been pursuing reimbursement for mortgage put backs for breaches of representation and warranties (“R&W”) since 2008. Our progress through June 30, 2010 has been:**
 - Over 24,800 second lien files, representing nearly \$1.9 billion of loans reviewed; have reached agreement for approximately \$227.0 million of second lien loans to be repurchased
 - Over 5,200 first lien files, representing nearly \$2.3 billion of loans reviewed; have reached agreement for approximately \$50.5 million of first lien loans to be repurchased
- **Our current \$1.3 billion benefit is less than the total dollar amount of loans put back; need only a modest recovery on total expected put backs to monetize our R&W benefits**
 - \$998.0 million for second lien and \$322.8 million for first liens
- **We have filed lawsuits against unresponsive R&W providers**
 - In June, sued Deutsche Bank for breach of contract on ACE Securities Corp. Home Equity Loan Trust, Series 2006-GP1 HELOC deal
 - In July, sued EMC (JPMorgan) for breach of contract on SACO I Trust 2005-GP1 HELOC deal
- **We launched a servicing enhancement program**
 - Poor servicing increases loss frequency and severity; we will provide incentives for improved servicing
 - Transfer servicing where appropriate
 - Eight mortgage servicing specialists hired to implement this strategy
- **We also have a wrapped bond repurchase program, in which we purchase bonds we have insured in order to reduce our losses**

Maintain High Financial Strength Ratings



- **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
 - Standard & Poor's affirmed AGC's and AGM's AAA ratings on May 17, 2010
- **Our goal is to get stable or positive outlooks from Moody's and S&P and to achieve an upgrade from Moody's to Aa2 or higher level for AGC and AGM**
 - We believe an upgrade is dependent on our RMBS experience and new business production

Financial Strength Ratings

As of August 5, 2010

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

Utilize Reinsurance Platform



- **We are focused on recapturing our previously ceded direct business from other reinsurers**
 - Tokio Marine in first quarter 2010
 - Swiss Re in second quarter 2010
- **Also trying to acquire high-quality portfolios from dormant companies**
 - Public finance as well as high-quality structured finance business, such as performing pooled corporates and commercial receivables

Public Finance Portfolios at Other Financial Guarantors and S&P Rating

(as of March 31, 2010, unless otherwise noted)

<i>(\$ in billions)</i>	Net Par Outstanding ¹	S&P Rating
National Public Financial	\$499.2	A
Ambac	218.7	CC
Syncora	50.3 ¹	Withdrawn

Source: Company operating supplements and financial statements

1. As of December 31, 2009 and includes Syncora Capital Assurance Inc. and Syncora Guarantee Inc.

Efficient Capital Utilization: 2010 Priorities



- **We expect to generate excess capital as our RMBS and structured finance exposures run off**
 - About one-third of our structured finance portfolio run off by year end 2012
 - RMBS run-off will free up the most capital; expect 40% to run off by year end 2012
- **First goal is to maintain adequate capital for ratings and upgrades**
 - Achieve stable/positive outlooks
 - Moody's upgrade
- **Second, we look to utilize capital for new business growth and portfolio acquisitions**
 - Current level of new business is not capital intensive
- **Share repurchase**
 - Purchased 707,350 shares in May 2010 at an average price of \$14.74 per share
 - Will also evaluate dividend policy
 - New 2.0 million share repurchase program authorized in August 2010
- **Wrapped bond repurchase program**
 - Over \$500 million of par repurchased

Financial Results

June 30, 2010



Second Quarter 2010 Financial Results



(\$ in millions, except per share data)

	Quarter Ended June 30		% Change vs. 2Q-09
	2010	2009	
Net earned premiums ¹	\$307.7	\$78.6	291%
Net investment income	90.9	43.3	110%
Total revenues included in operating income ²	424.4	114.9	269%
Loss & LAE and incurred losses on credit derivatives ³	123.6	73.2	69%
Total expenses	133.6	111.7	20%
Operating income ²	172.0	27.3	529%
Operating income¹ per diluted share	\$0.91	\$0.29	214%
Operating ROE^{2,4}	15.9%	4.1%	11.8 pp
After-tax gain (loss) on investments / derivatives	\$36.3	\$(157.9)	NM
Net income	203.5	(170.0)	NM
Net income per diluted share	\$1.08	\$(1.82)	NM

NM = Not meaningful pp = percentage points

1. Includes \$15.6 million related to variable interest entities ("VIEs") that was eliminated in reported results due to consolidation.
2. For an explanation of operating income and operating ROE, both non-GAAP financial measures, and a reconciliation of operating income to net income, which is the most comparable GAAP term, please refer to the appendix.
3. Includes \$24.3 million that was eliminated in reported results due to the consolidation of VIEs.
4. Quarterly ROE calculations represent annualized returns.

Selected Financial Results Since the Acquisition



Selected Financial Results by Quarter

(as of June 30, 2010)

- **Our financial performance has strengthened since the AGMH acquisition closed on July 1, 2009**
- **Decline in earned premium has been due to run off of unearned premium reserve associated with acquisition accounting**

\$ in millions (except per share data)	3Q-09	4Q-09	1Q-10	2Q-10
Net earned premiums ¹	\$387.4	\$426.5	\$373.3	\$342.8
Net investment income	84.7	87.6	84.3	90.9
Loss and LAE ²	275.5	186.9	206.9	99.3
Other operating expenses	66.2	52.0	64.4	47.4
Operating Income	70.1	155.9	112.6	172.0
Operating shareholders' equity per share	\$22.19	\$22.49	\$23.02	\$23.87
Adjusted book value per share	\$54.59	\$48.40	\$48.00	\$48.41

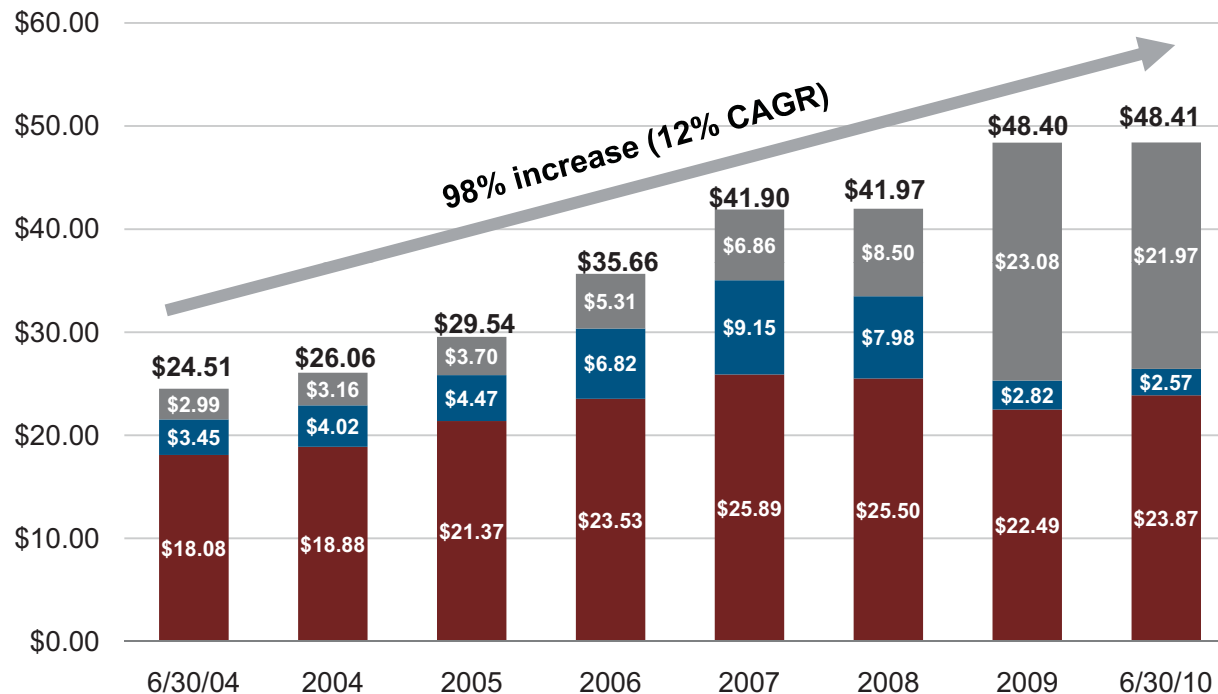
1. Including credit derivative revenues and adjusted for consolidation of VIEs in first and second quarter 2010.

2. Includes credit impairment on credit derivative and adjusted for consolidation for VIEs in first and second quarter 2010.

Operating Shareholders' Equity and Adjusted Book Value Per Share



Adjusted Book Value¹ Per Share



■ Operating shareholders' equity per share

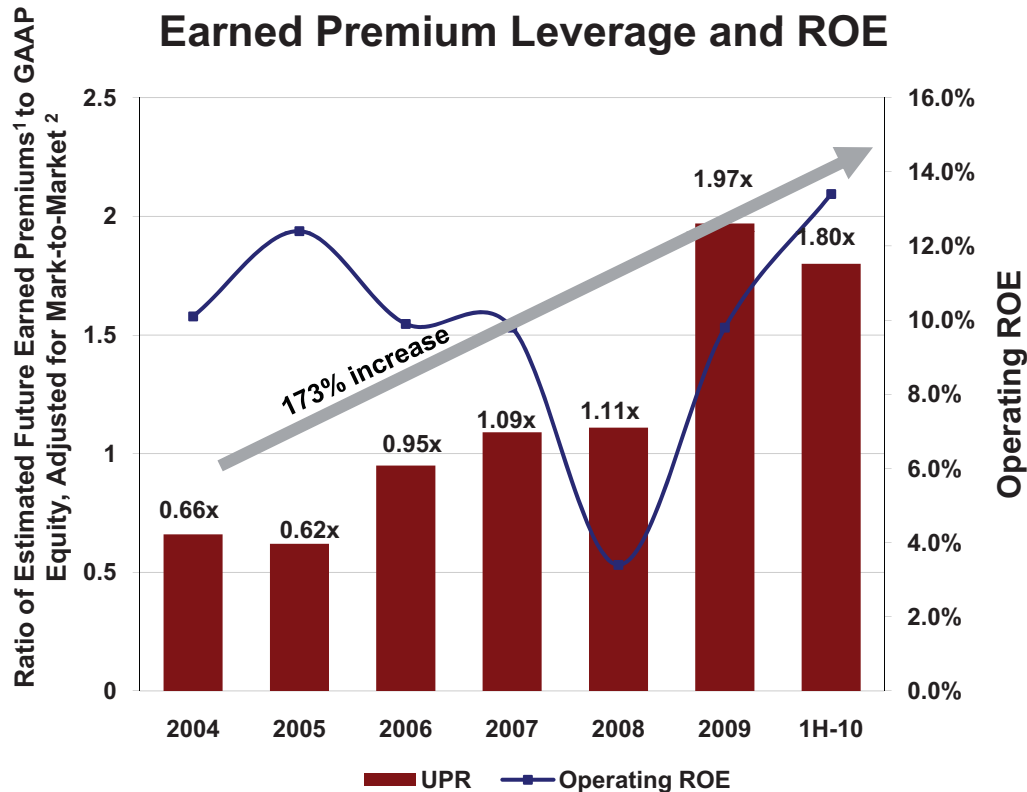
■ Net present value of estimated net future credit derivative revenue in force and net unearned revenue on credit derivatives, after tax

■ Net unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed less deferred acquisition costs, after tax

- Our adjusted book value has grown 98% since our second quarter 2004 initial public offering (“IPO”) at \$18.00 per share
- Operating shareholders' equity per share has increased 32% over the same period

1. For explanations of adjusted book value and net present value of estimated net future credit derivative revenue and operating shareholders' equity, which are non-GAAP financial measures, please refer to the appendix. Effective January 1, 2010, GAAP accounting required the consolidation of VIEs where the Company is determined to be the control party through rights under our financial guaranty insurance contracts. For those VIEs that the Company consolidates, it records all of the activities of the VIE and eliminates the related insurance accounting. Operating shareholders' equity reverses the financial effect of consolidating these entities and accounts for them as financial guaranty insurance contracts in order to present the Company's insured obligations on a consistent basis.

ROE Improvement and Earned Premium Leverage



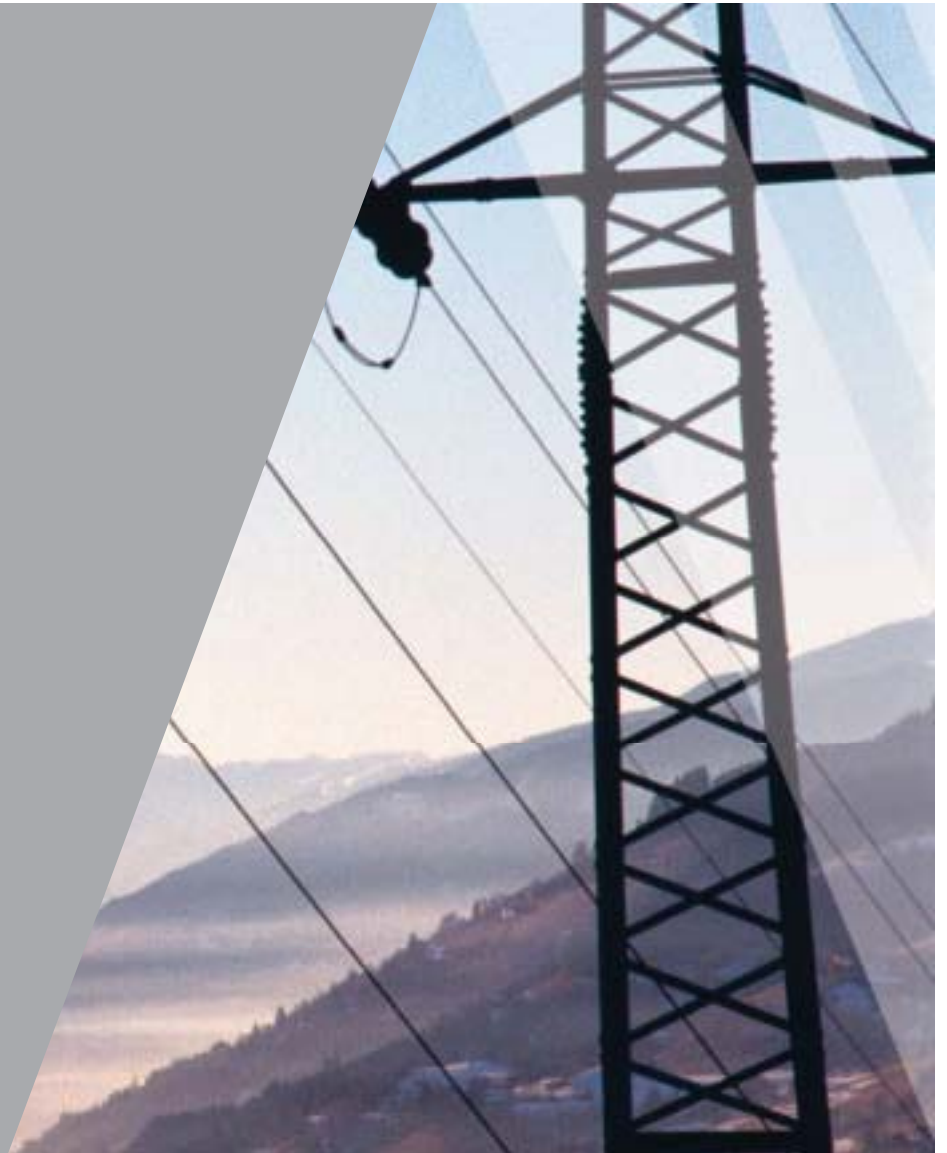
- Since our IPO, we have focused on improving our future earned premium/equity ratio as the key metric for increasing our ROE
 - Losses have reduced potential ROE
- 2009 operating ROE was 9.8%, despite \$604.5 million of incurred pre-tax losses on financial guaranty insurance contracts and credit derivatives
- Second quarter 2010 annualized operating ROE was 15.9%, despite \$123.6 million in incurred pre-tax losses
 - Year to date annualized ROE of 13.4%

1. Estimated future earned premiums is net unearned premium reserves plus estimated future installment premiums of CDS (calculations for 2004 and 2005 include statutory unearned premium reserves and net present value of estimated future installment premiums). 2009 and 2010 is on a present value basis and excludes expected losses, which were recorded in UPR in accordance with acquisition accounting principals.

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

Portfolio Overview

June 30, 2010



Three Discrete Operating Companies With Separate Capital Bases



(\$ in millions)

Consolidated Claims-Paying Resources and Statutory-basis Exposures¹

	As of June 30, 2010				
	AGC	AG Re Ltd. ²	AGM	Eliminations ⁶	Consolidated
Claims paying resources					
Policyholders' surplus	\$ 1,019	\$ 1,069	\$ 843	\$ (300)	\$ 2,631
Contingency reserve	627	-	1,421	-	2,048
Qualified statutory capital	1,646	1,069	2,264	(300)	4,679
Unearned premium reserve	886	1,037	2,260	-	4,183
Loss and loss adjustment expense reserves	439	267	1,194	-	1,900
Total policyholders' surplus and reserves	2,971	2,373	5,718	(300)	10,762
Present value of installment premium ³	594	321	715	-	1,630
Standby line of credit/stop loss	200	200	498	-	898
Total claims paying resources	\$ 3,765	\$ 2,894	\$ 6,931	\$ (300)	\$ 13,290
Net par insured outstanding	\$ 124,565	\$ 143,090	\$ 347,713	\$ (1,490)	\$ 613,878
Net debt service outstanding	\$ 179,862	\$ 230,984	\$ 519,966	\$ (3,435)	\$ 927,377
Ratios:					
Net par insured to statutory capital	76:1	134:1	154:1		131:1
Capital ratio ⁴	109:1	216:1	230:1		198:1
Financial resources ratio ⁵	48:1	80:1	75:1		70:1

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

Net Par Outstanding Diversified By Sector

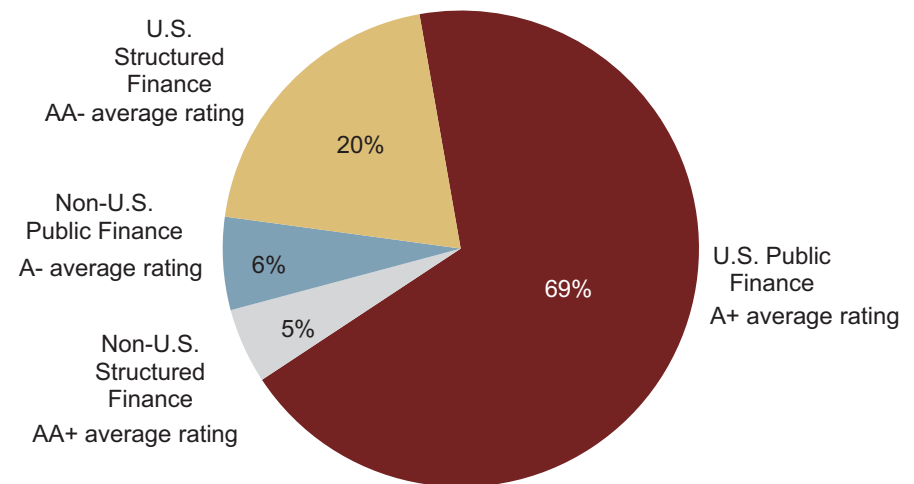


- **Assured Guaranty's portfolio is largely concentrated in U.S. public finance**
 - 69% U.S. public finance
 - 20% U.S. structured finance
 - 11% International
- **Our portfolio has an A+ average internal credit rating**
 - 95.9% investment grade
- **RMBS is our largest BIG exposure**
 - \$17.3 billion (68% of total BIG) is U.S. RMBS
 - Plus \$0.9 billion of triple-X life securitization deals with assets invested in RMBS
 - Plus \$1.4 of BIG rated Mortgage and Real Estate Investment Trust ("REIT") Trust Preferred Securities ("TruPS")
- **Other BIG exposure related:**
 - \$3.7 billion in 103 public finance deals
 - \$0.7 billion in five bank and insurance TruPS transactions

Consolidated Net Par Outstanding

As of June 30, 2010

(\$ in billions)



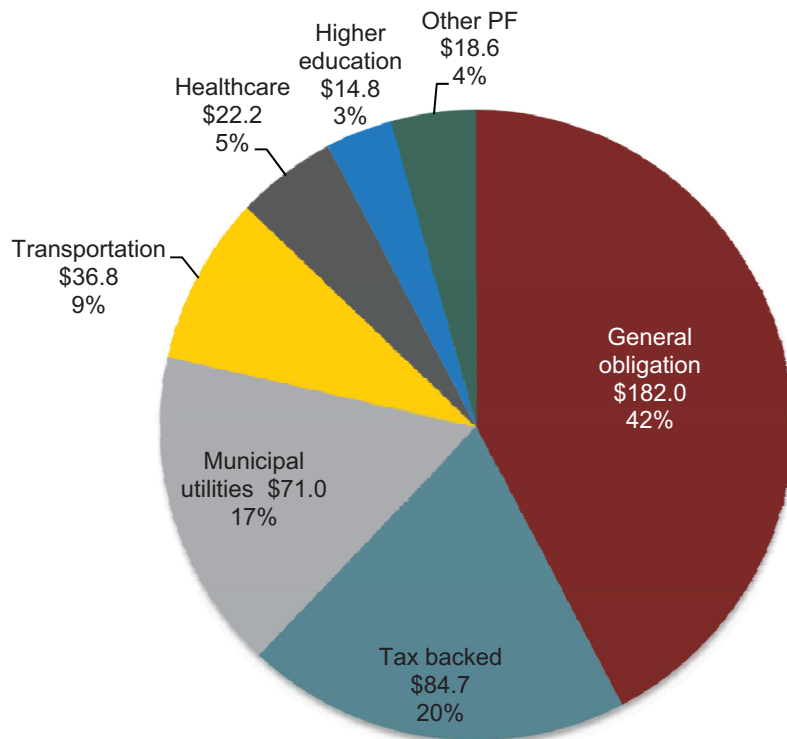
\$627.5 billion, A+ average rating

U.S. Public Finance Net Par Outstanding



(\$ in billions)

Assured Guaranty Ltd. Net Par Outstanding As June 30, 2010



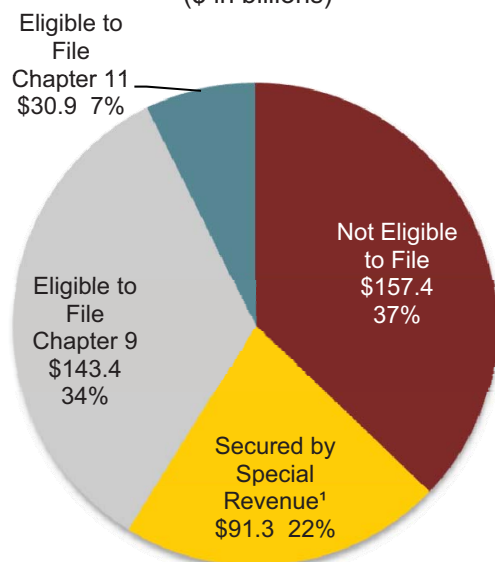
Net Par Outstanding: \$429.9 billion

- **\$429.9 billion of U.S. public finance net par outstanding, 69% of our total as of June 30, 2010**
- **General obligation, tax-backed and municipal utilities represent 79% of U.S. public finance net par outstanding and 88% of all transactions**
 - 54% of total net par outstanding
- **Average internal rating of A+**
 - 0.7% or \$3.2 billion rated BIG

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



**Assured Guaranty Ltd.
Net Par Outstanding
As of December 31, 2009**
(\$ in billions)



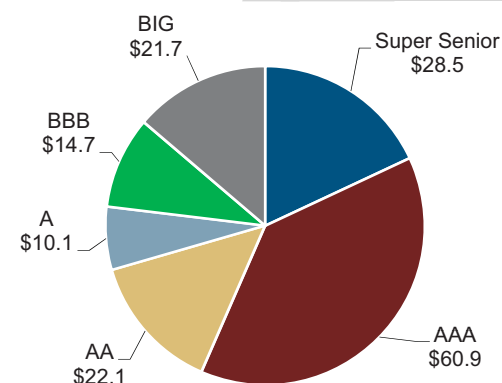
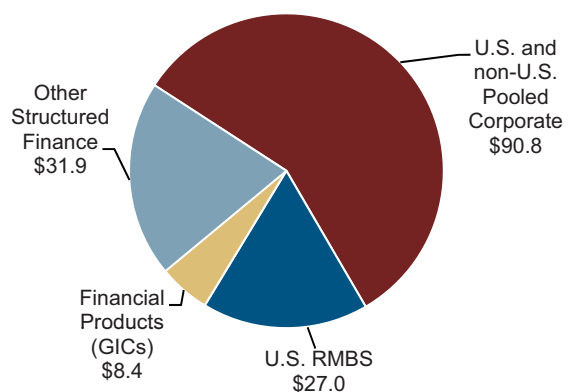
Net Par Outstanding: \$423.1 billion

- As of December 31, 2009 only about 40% of our public finance exposures are eligible to file Chapter 9 or Chapter 11 bankruptcy
 - 22% secured by special revenue
 - 37% not eligible for Chapter 9 due to lack of enabling state legislation

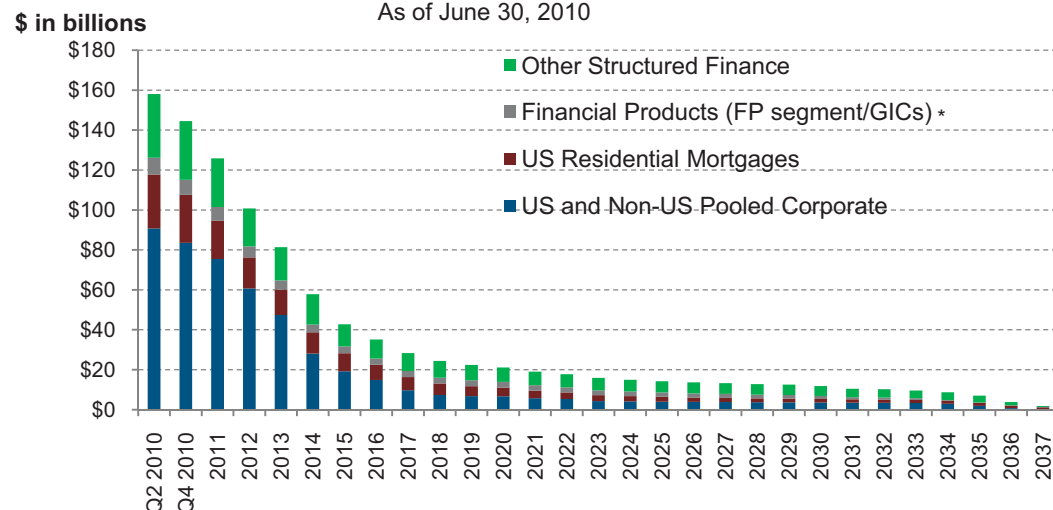
Disclosure Sector (\$ in billions)	Not Eligible for Bankruptcy	Secured By Special Revenue ¹	Eligible to File Chapter 9	Eligible to File Chapter 11	Net Par Outstanding	Weighted Avg. Rating
General obligation	57.9	-	120.5	-	178.4	A+
Tax backed	51.9	11.3	19.8	-	83.0	A+
Municipal utilities	14.7	54.8	-	-	69.6	A
Transportation	9.8	25.2	0.3	-	35.3	A
Healthcare	-	-	0.2	21.8	22.0	A
Higher education	13.5	-	-	1.7	15.1	A+
Housing	4.7	-	2.6	1.3	8.5	AA-
Infrastructure finance	-	-	-	3.6	3.6	BBB
Investor-owned utilities	-	-	-	1.7	1.7	BBB+
Other public finance	4.9	-	-	0.9	5.9	A
Total U.S. Public Finance:	\$ 157.4	\$ 91.3	\$ 143.4	\$ 30.9	\$ 423.1	A+

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

Our Global Structured Finance Exposure Expected to Run Off Rapidly



\$158.1 Billion Net Par Outstanding
As of June 30, 2010



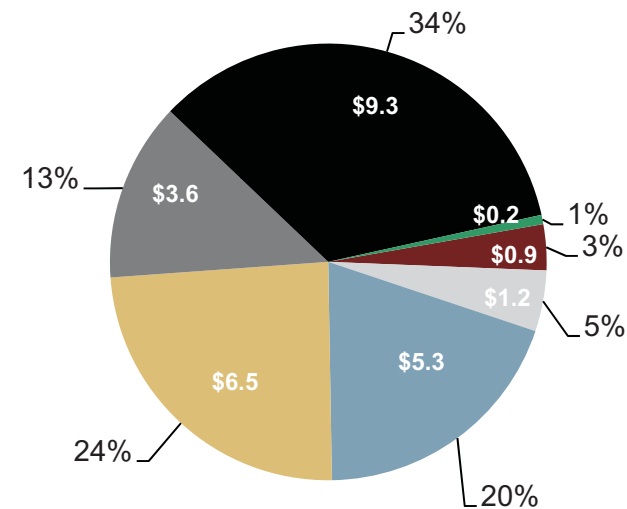
Consolidated U.S. RMBS



- **Our \$27.0 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007 and is the principal source of our 2008-2010 incurred losses**
 - Average rating of BB at June 30, 2010 versus AA at year-end 2007
 - U.S. RMBS is the largest source of our below investment grade exposures (“BIG”) at 68%
- **Our U.S. RMBS portfolio is amortizing on an absolute basis and as a percentage of the portfolio**
 - RMBS represents 4.3% of total net par outstanding at June 30, 2010 versus 8.3% at year-end 2008
 - Total RMBS has declined from \$30.2 billion at September 30, 2009 to \$27.0 billion at June 30, 2010, a \$3.2 billion or 11% reduction

U.S. RMBS by Exposure Type

As of June 30, 2010
(\$ in billions)



\$27.0 billion, 4.3% of net par outstanding

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

1. NIMs= Net Interest Margin

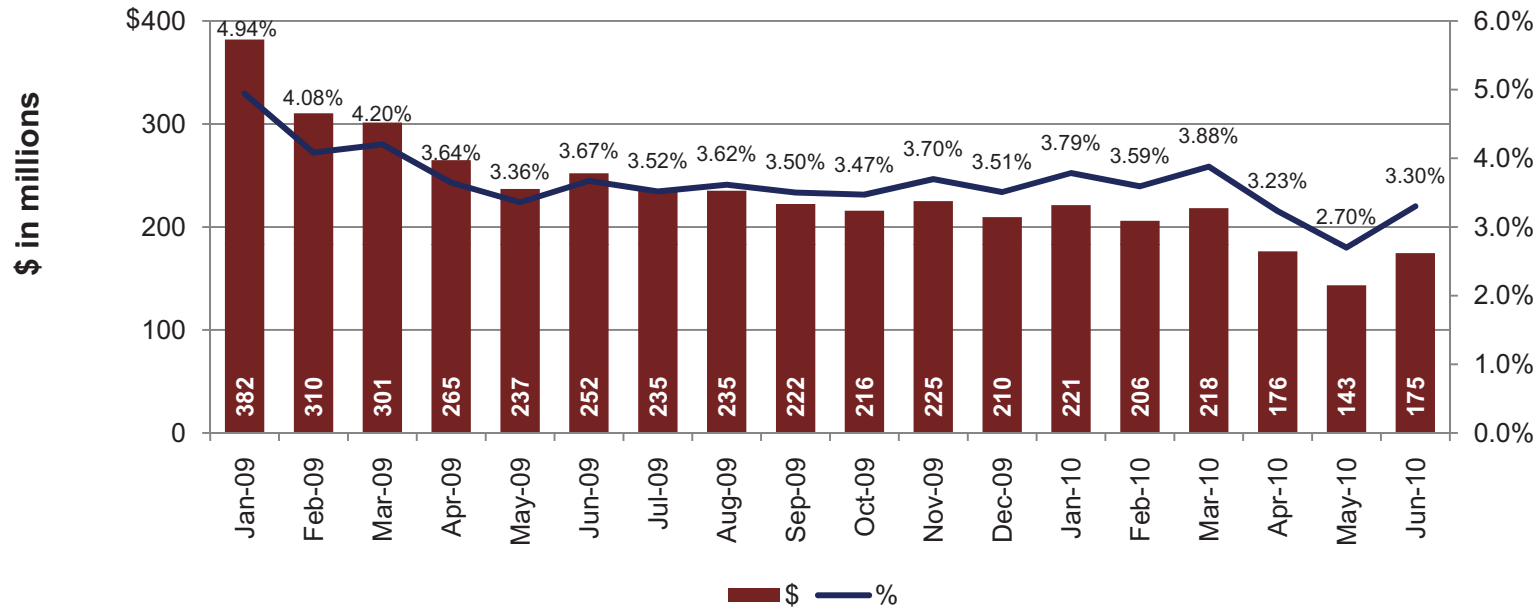
- **Our loss reserving methodology is driven by our assumptions on several factors:**
 - Conditional default rate (“CDR”)
 - Constant prepayment rate
 - Excess spread
 - Loss severity (liquidation rates)
- **Key focus on CDR**
 - The number of current mortgages that CDR projects will become delinquent in the future
- **We evaluate each transaction individually**
- **Our RMBS exposures show a decline in early stage delinquencies since the beginning of 2010**
 - Second lien early stage delinquencies improving:
 - 3.30% and 4.05% for troubled HELOCs and CES, respectively, in June 2010, down from 3.51% and 4.96% in December 2009
 - First liens 30-59 delinquencies have declined: 2.80% and 3.42% for Alt-A and option-ARM, respectively, in June 2010, down from 3.51% and 4.16% in December 2009
 - The total dollar amount of delinquencies is declining as well, from \$4,710.0 million and \$292.0 million in first and second liens, respectively, at December 31, 2009 to \$3,411.2 million and \$222.4 million at June 30, 2010

Second Lien Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008*



Troubled HELOCs 30-59 Days



	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
30-59 day % delinquencies	4.94%	4.08%	4.20%	3.64%	3.36%	3.67%	3.52%	3.62%	3.50%	3.47%	3.70%	3.51%	3.79%	3.59%	3.88%	3.23%	2.70%	3.30%
30-59 day dollar amount (in millions of \$)	382.0	310.4	301.3	264.8	237.0	252.2	235.2	235.2	222.3	215.8	225.1	209.5	221.3	206.0	218.2	176.4	143.4	174.7

*Assured Guaranty has not insured any U.S. RMBS since 2008.

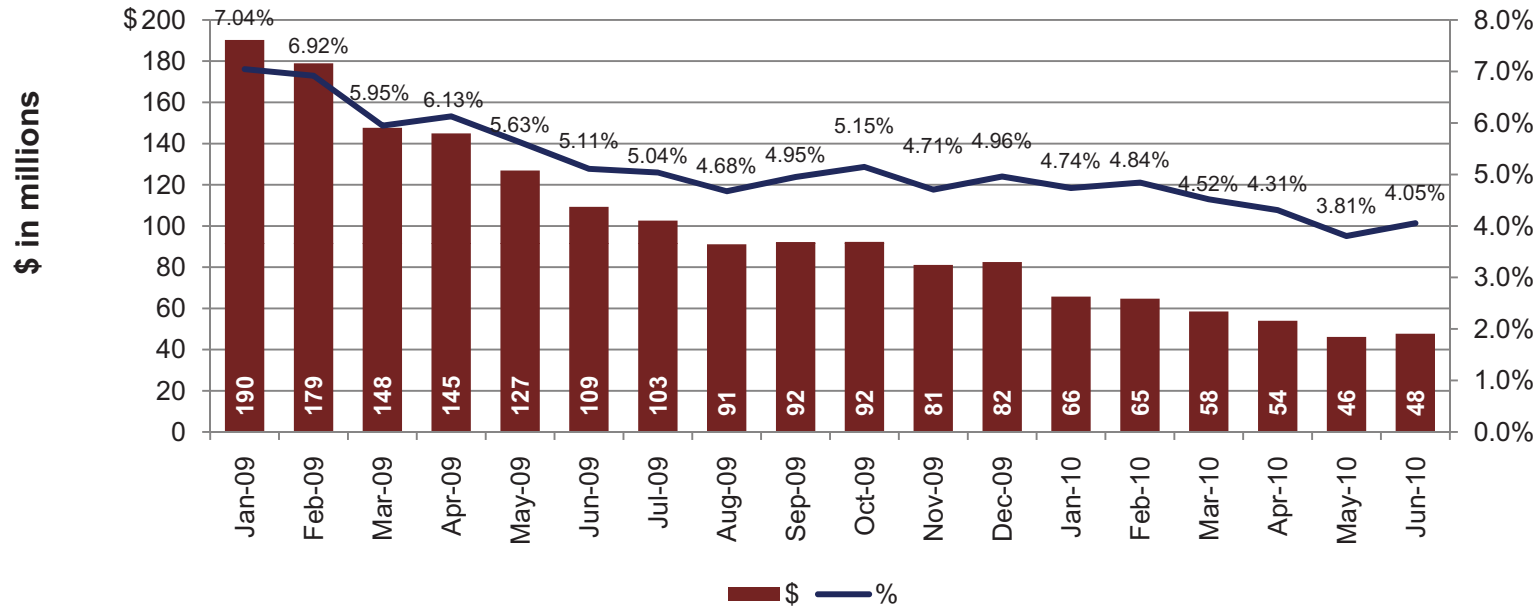
Reflects actual AGC and AGM direct data.

Second Lien Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



CES 30-59 Days



	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
30-59 day % delinquencies	7.04%	6.92%	5.95%	6.13%	5.63%	5.11%	5.04%	4.68%	4.95%	5.15%	4.71%	4.96%	4.74%	4.84%	4.52%	4.31%	3.81%	4.05%
30-59 day dollar amount (in millions of \$)	190.3	179.0	147.6	144.9	126.9	109.3	102.6	91.1	92.2	92.2	81.1	82.5	65.7	64.7	58.5	54.0	46.1	47.7

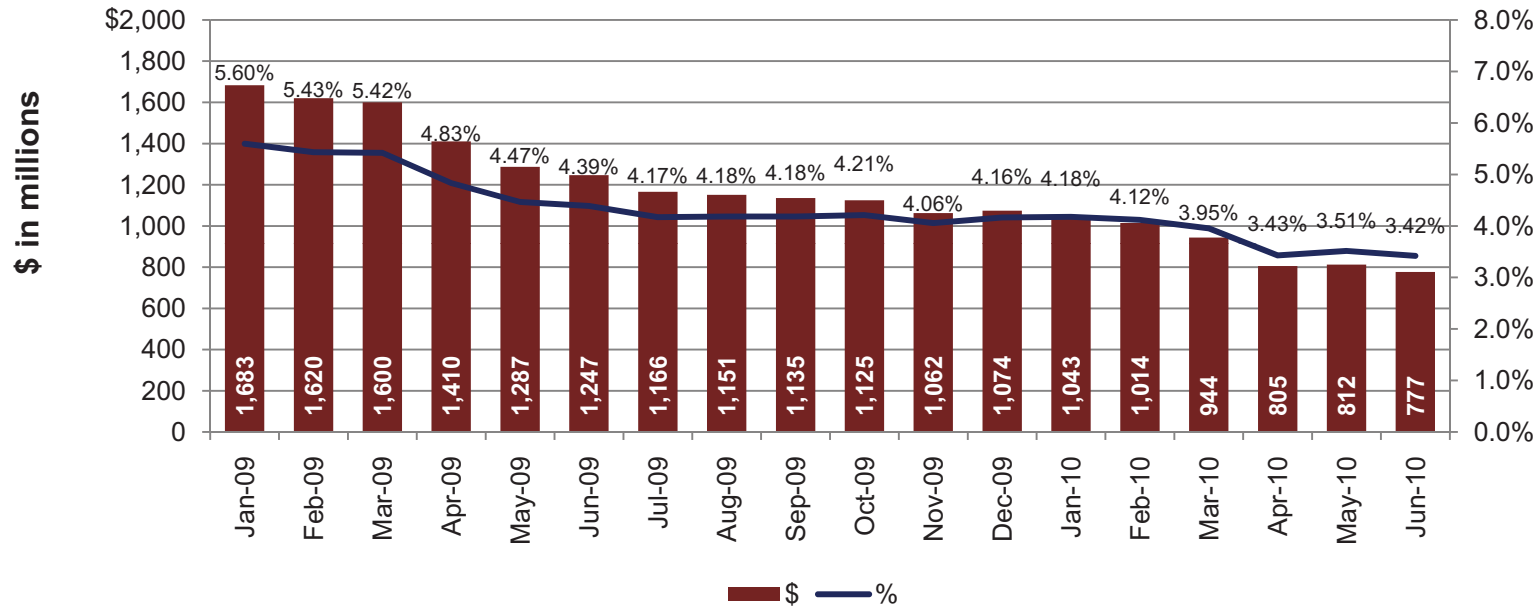
Reflects actual AGC and AGM direct data.

First Lien 30-59 Day Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



Option ARMs 30-59 Days



	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
30-59 day % delinquencies	5.60%	5.43%	5.42%	4.83%	4.47%	4.39%	4.17%	4.18%	4.18%	4.21%	4.06%	4.16%	4.18%	4.12%	3.95%	3.43%	3.51%	3.42%
30-59 day dollar amount (in millions of \$)	1,683.4	1,620.1	1,600.2	1,410.4	1,287.3	1,246.8	1,165.9	1,150.9	1,135.3	1,125.0	1,062.4	1,074.1	1,042.7	1,014.4	944.0	805.2	812.2	776.6

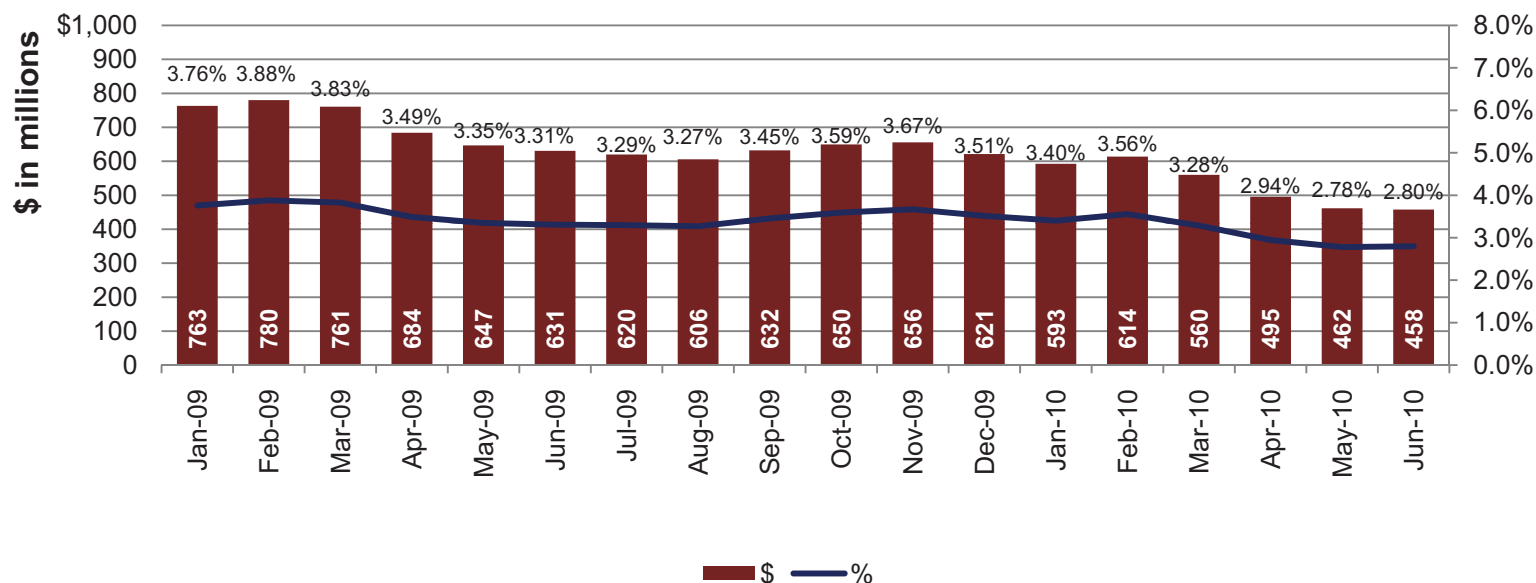
Reflects actual AGC and AGM direct data.

First Lien 30-59 Day Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



Alt-A 30-59 Days



	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
30-59 day % delinquencies	3.76%	3.88%	3.83%	3.49%	3.35%	3.31%	3.29%	3.27%	3.45%	3.59%	3.67%	3.51%	3.40%	3.56%	3.28%	2.94%	2.78%	2.80%
30-59 day dollar amount (in millions of \$)	762.9	780.0	760.5	683.9	646.6	630.6	619.8	605.7	632.2	649.7	655.6	621.3	592.8	613.8	560.2	495.4	461.6	457.7

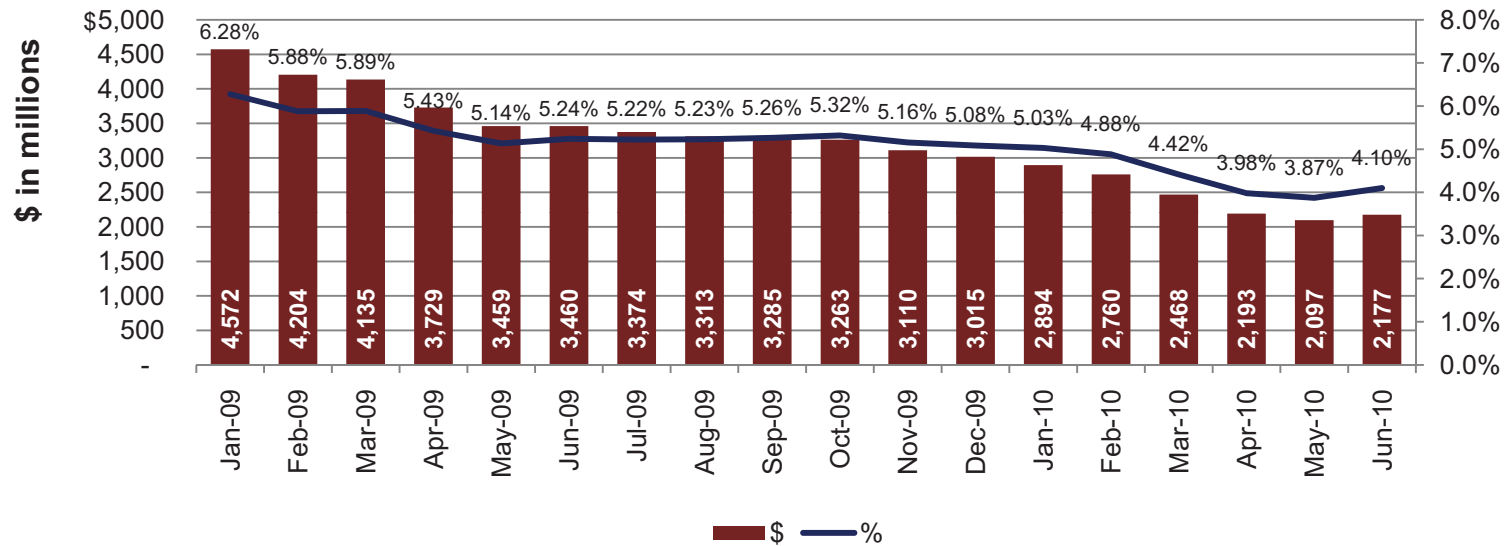
Reflects actual AGC and AGM direct data.

First Lien 30-59 Day Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



Subprime 30-59 Days



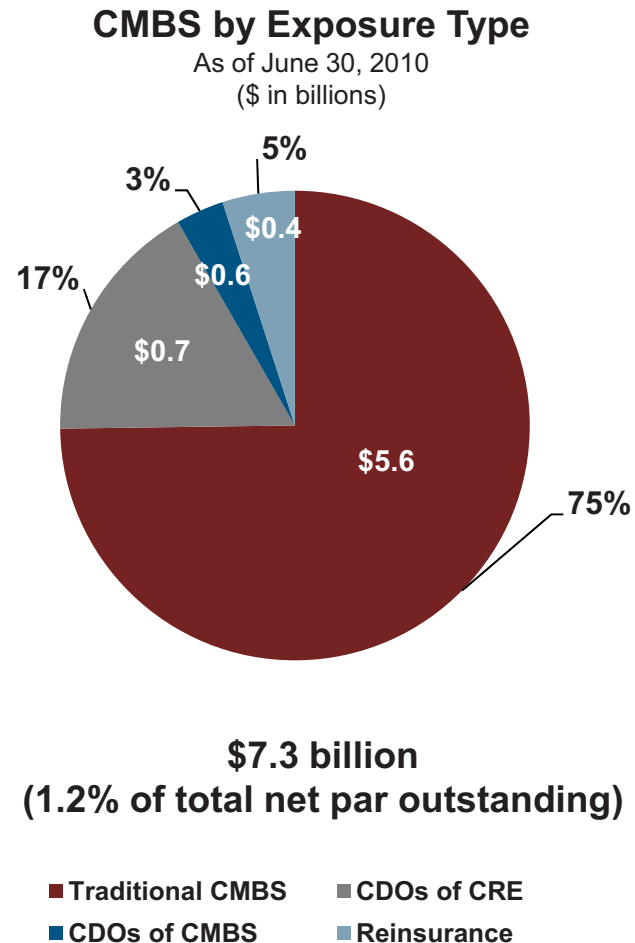
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
30-59 day % delinquencies	6.28%	5.88%	5.89%	5.43%	5.14%	5.24%	5.22%	5.23%	5.26%	5.32%	5.16%	5.08%	5.03%	4.88%	4.42%	3.98%	3.87%	4.10%
30-59 day dollar amount (in millions of \$)	4,572.0	4,204.4	4,135.2	3,728.8	3,459.2	3,459.9	3,374.4	3,313.0	3,285.2	3,263.2	3,110.4	3,014.6	2,893.9	2,759.9	2,468.4	2,193.1	2,096.8	2,176.9

Reflects actual AGC and AGM direct data.

CMBS Exposure



- **We have three types of CMBS transactions**
 - Traditional CMBS - \$5.6 billion
 - CDOs of Commercial Real Estate (“CRE”) - \$0.7 billion
 - Collateralized debt obligation (“CDOs”) of CMBS - \$0.6 billion
 - We also have reinsurance of \$0.4 billion
- **We have maintained a conservative underwriting stance on CMBS throughout our history**
 - Low levels of CMBS historically
 - Focus on senior exposures and whole loans
 - AGM did not underwrite CMBS

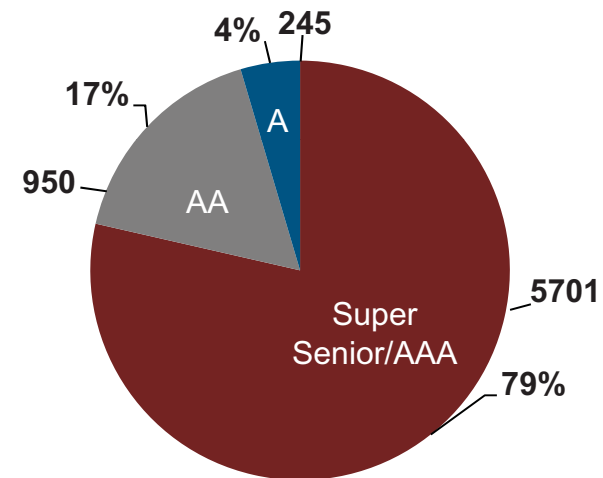


Direct CMBS Exposure Largely AAA No BIG Exposure



- **Our portfolio was largely triple-A at underwriting and remains highly rated as of June 30, 2010**
 - Most deals written with triple-A rating at inception with high attachment points
 - One deal was single-A at underwriting
 - 79% of exposure had internal rating of AAA as of June 30, 2010
- **Beginning in the middle of 2006, we concluded that underwriting standards applied to newly originated commercial property loans were deteriorating and adjusted our underwriting standards accordingly**
 - No CMBS underwritten since June 30, 2007
- **No reinsurance since 2007**

Direct CMBS Exposure by Average Rating



\$6.9 billion of CMBS Traditional CMBS, CDOs of CRE and CDOs of Direct Exposure (1.1% of total net par outstanding)

Direct Commercial Mortgage-Backed Securities



Distribution of Financial Guaranty Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Internal Rating¹, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010²

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

Rating:	Net Par Outstanding	Pool Factor ³	Subordination ⁴	Cumulative Losses ⁵	60+ Day Delinquencies ⁶	Number of Transactions
Super senior	\$ 4,185	91.5%	30.6%	0.3%	6.6%	185
AAA	245	85.9%	26.0%	0.3%	8.6%	7
AA	950	90.5%	13.7%	0.3%	6.9%	39
A	245	68.4%	11.0%	0.8%	6.1%	1
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
	\$ 5,625	90.1%	26.7%	0.3%	6.7%	232

Collateralized Debt Obligations ("CDOs") of U.S. Commercial Real Estate and CMBS⁷

	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement ⁸	Avg. Current Enhancement ⁸
CDOs of Commercial Real Estate	\$ 715	56.3%	49.4%	47.0%
CDOs of CMBS ⁹	556	43.7%	29.5%	44.8%
	\$ 1,271	100.0%	40.7%	46.0%

1. Assured Guaranty's internal rating.

2. For this presentation, net par outstanding is based on values as of June 30, 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on June 30, 2010 information obtained from Intex, Bloomberg, and/or provided by the trustee and may be subject to restatement or correction.

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

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

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

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

7. Represents other U.S. Commercial Real Estate not included in the table above.

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

9. Relates to vintages 2003 and prior.

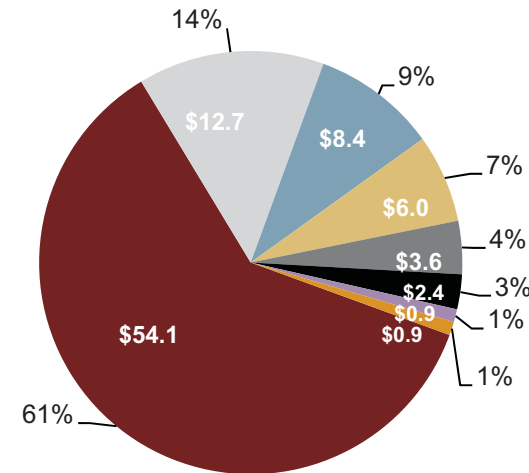
Direct Pooled Corporate Obligations Credit Quality Remains High



- **Our direct pooled corporate exposure is highly rated and well-protected**
 - Average credit enhancement of 28.3%
 - 81.6% rated super senior or AAA
- **\$2.4 billion of U.S. mortgage and REIT TruPS are the lowest rated asset classes**
 - BB average rating
 - Credit enhancement at June 30, 2010 remains strong at 38.1% but ratings quality of collateral has been downgraded sharply due to real estate market and recession

Direct Pooled Corporate Obligations By Asset Class

As of June 30, 2010
(\$ in billions)



\$89.0 billion, AAA average rating

- CLOs/CBOs¹
- Synthetic investment grade pooled corporate
- Synthetic high yield pooled corporate
- Market value CDOs of corporate
- TruPS - banks and insurance
- TruPS - US mortgage and REITs
- TruPS - European mortgage and REITs
- Other pooled corporate

1. CLOs are collateralized loan obligations and CBOs are collateralized bond obligations

Pooled Corporate Obligations TruPS



- **Our TruPS pooled corporate exposure’s credit performance has deteriorated since 2008, particularly in U.S. mortgage and REITs**
 - 38.1% current credit enhancement for U.S. Mortgage and REITs, down from 41.6% at June 30, 2009
- **Through June 30, 2010, net claims payable total \$2.9 million and we have \$73.1 million in reserves¹**
- **BIG list includes 9 transactions with exposures greater than \$50 million**
- **Credit enhancement ² statistics below are calculated using assumed recovery rates on defaulted or deferring securities as stipulated in the respective transaction documents**

As of June 30, 2010

Primary TruPS Type	NPO (\$ in millions)	As % of TruPS NPO	# TruPS	Initial Average CE ²	Average Current CE ²	Internal Rating
Bank and Insurance TruPS	\$3,613	52.7%	45	46.9%	33.3%	BBB
US Mortgage and REIT TruPS	\$2,373	34.6%	10	50.0%	38.1%	BB
European Mortgage & REIT TruPS	\$876	12.7%	2	36.8%	31.2%	BBB-
Total Direct TruPS	\$6,861	100.0%	57	46.7%	34.7%	BBB-

1. Includes reserves for financial guaranty and credit impairment related to credit derivative contracts.
2. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured Guaranty's exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown above do not include any benefit from excess spread. Credit enhancement for any given TruPS equals: (i) 1 minus (ii) (a) the balance of insured notes, along with senior and pari passu notes, divided by (b) the OC Numerator. Data is obtained from third-party sources such as trustee reports and may be subject to misstatement or correction.

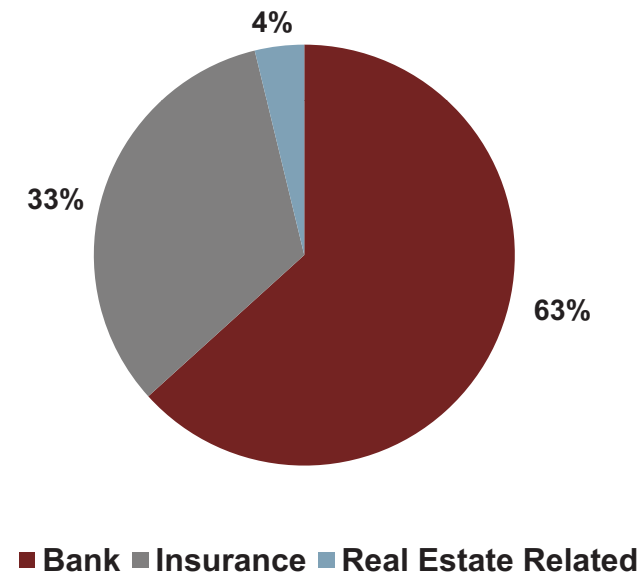
Bank & Insurance TruPS

Underlying Collateral



- **Our exposure to Bank & Insurance (“B&I”) TruPS is \$3.6 billion to more than 1,300 issuers**
- **Within the performing collateral in B&I TruPS CDOs, approximately 63% are securities issued by depository institutions (banks) and 33% are securities issued by insurance companies**
- **TARP funding, which is subordinate to trust preferred securities, has been provided to roughly 27% of the banks in the B&I TruPS**
 - Of the 280 banks in the B&I TruPS that have received TARP, 6 have defaulted (i.e. closed by regulators) and 53 are deferring on the securities
 - Of the underlying TARP recipient banks 16% have repaid TARP as of June 30, 2010

Performing Collateral Across B&I TruPS
As of June 30, 2010



B&I TruPS

Most Frequent Performing Issuers



- There are over 1,300 issuers within our B&I TruPS collateral portfolio. The following represent the top 50 performing exposures by frequency within the insured B&I TruPS:

Issuer	Issuer Type	Q2 2010 Adjusted Exposure ¹ (\$ millions)	As % of B&I TruPS NPO	# of TruPS	Frequency of Issuer (# of TruPS/Total # of B&I TruPS)
Huntington Bancshares / Sky Financial Group	Bank	38.4	1.0%	17	37.8%
Wells Fargo & Company	Bank	25.9	0.7%	17	37.8%
Beal Financial Corporation	Bank	47.3	1.3%	15	33.3%
Wintrust Financial Corporation	Bank	34.0	0.9%	14	31.1%
ETB Holdings, Inc.	Bank	36.4	1.0%	13	28.9%
First Bancorp (PR)	Bank	25.8	0.7%	10	22.2%
Flagstar Bancorp, Inc.	Bank	24.8	0.7%	9	20.0%
American Equity Investment Life Holding Company	Insurance	21.4	0.6%	8	17.8%
Bank of America Corporation	Bank	5.1	0.1%	8	17.8%
F.N.B. Corporation	Bank	6.9	0.2%	8	17.8%
Liberty Bancshares, Inc.	Bank	10.5	0.3%	8	17.8%
M&T Bank Corporation	Bank	3.0	0.1%	8	17.8%
PacWest Bancorp	Bank	7.0	0.2%	8	17.8%
Argonaut Group, Inc.	Insurance	13.4	0.4%	7	15.6%
Arx Holding Corp.	Insurance	9.7	0.3%	7	15.6%
Banco Bilbao Vizcaya Argentaria S.A.	Bank	6.4	0.2%	7	15.6%
Bank of the Ozarks, Inc.	Bank	5.4	0.1%	7	15.6%
Capital One Financial Corporation	Bank	0.8	0.0%	7	15.6%
East West Bancorp, Inc.	Bank	22.5	0.6%	7	15.6%
First Commonwealth Financial Corporation	Bank	6.1	0.2%	7	15.6%
Glacier Bancorp, Inc.	Bank	6.6	0.2%	7	15.6%
International Bancshares Corporation	Bank	18.5	0.5%	7	15.6%

1. Adjusted exposure is the notional amount of the collateral weighted to reflect Assured Guaranty's exposure in the respective transactions.

B&I TruPS

Most Frequent Performing Issuers(Cont'd)



Issuer	Issuer Type	Q2 2010 Adjusted Exposure (\$ in millions)	As % of B&I TruPS NPO	# of TruPS	Frequency of Issuer (# of TruPS/Total # of B&I TruPS)
Marshall & Ilsley Corporation	Bank	16.1	0.4%	7	15.6%
National Penn Bancshares, Inc.	Bank	5.6	0.2%	7	15.6%
PNC Financial Services Group, Inc.	Bank	7.4	0.2%	7	15.6%
Validus Holdings, Ltd	Insurance	19.5	0.5%	7	15.6%
WesBanco, Inc.	Bank	9.6	0.3%	7	15.6%
Banco Popular Espanol	Bank	11.0	0.3%	6	13.3%
Boston Private Financial Holdings, Inc.	Bank	12.3	0.3%	6	13.3%
Capitol Federal Financial	Bank	6.3	0.2%	6	13.3%
Cathay General Bancorp	Bank	14.0	0.4%	6	13.3%
CoBiz Financial Inc.	Bank	9.2	0.2%	6	13.3%
Cullen Frost	Bank	4.1	0.1%	6	13.3%
CVB Financial Corp.	Bank	8.5	0.2%	6	13.3%
First National of Nebraska, Inc.	Bank	15.9	0.4%	6	13.3%
Flagstone Reinsurance Holdings Ltd.	Insurance	23.1	0.6%	6	13.3%
IBERIABANK Corporation	Bank	17.6	0.5%	6	13.3%
MB Financial, Inc.	Bank	12.0	0.3%	6	13.3%
NBT Bancorp Inc.	Bank	3.4	0.1%	6	13.3%
New York Community Bancorp, Inc.	Bank	21.3	0.6%	6	13.3%
Quincy Mutual Fire Insurance Company	Insurance	9.6	0.3%	6	13.3%
Sovereign Bancorp	Bank	17.7	0.5%	6	13.3%
Sun Bancorp, Inc.	Bank	8.5	0.2%	6	13.3%
Banner Corporation	Bank	7.6	0.2%	5	11.1%
Northwest Bancorp	Bank	11.4	0.3%	5	11.1%
NYMAGIC, Inc.	Insurance	6.6	0.2%	5	11.1%
Prosperity Bancshares, Inc.	Bank	7.1	0.2%	5	11.1%
Texas Capital Bancshares, Inc.	Bank	9.3	0.3%	5	11.1%
Tower Group, Inc.	Insurance	12.8	0.3%	5	11.1%
Zions Bancorporation	Bank	8.6	0.2%	5	11.1%
Sub-Total Top 50 Performing Issuers in B&I TruPS		692.2	18.8%		

Mortgage & REIT TruPS

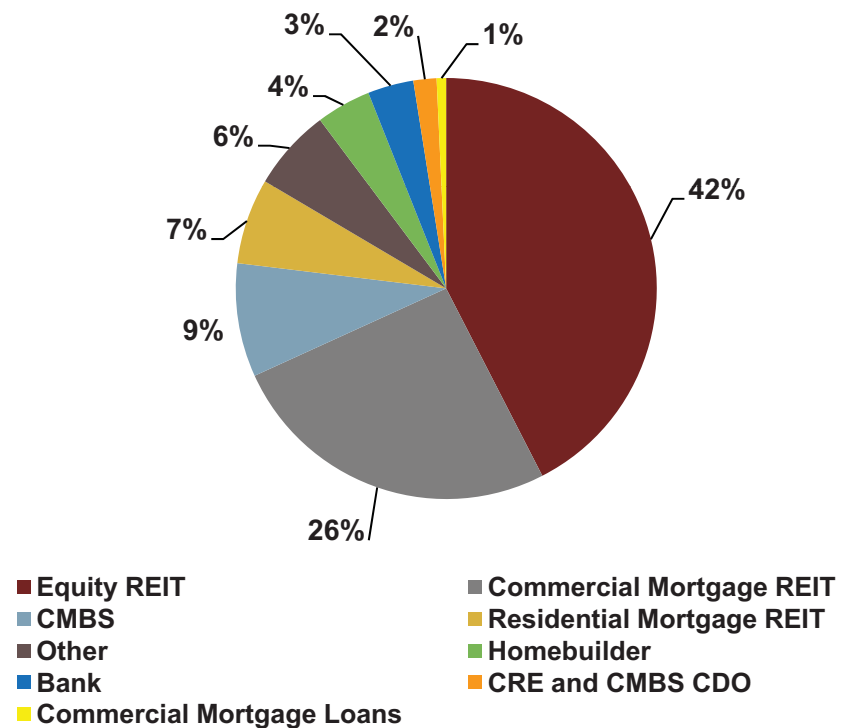
Underlying Collateral



- Our exposure to Mortgage & REIT (“M&R”) TruPS is \$3.2 billion to approximately 300 issuers
- Within the performing¹ collateral in M&R TruPS CDOs, approximately 42% are securities issued by equity REITs and 26% are securities issued by commercial mortgage REITs
- Stress in the M&R TruPS portfolio has been concentrated primarily in the homebuilders and residential mortgage REITs, where more than 60% of the underlying securities are classified as not performing².

Performing¹ Collateral Across M&R TruPS

As of June 30, 2010



1. Performing collateral includes, for certain transactions, securities that have been the subject of distressed restructuring/exchanges. An example of such distressed restructuring/exchange is one where the coupon of a security is reduced and the par amount increased in order to provide some debt service relief to the underlying issuer, who continues to pay but at the lower coupon rate. To date, this has been seen primarily in relation to real estate-related issuers. Distressed restructuring/exchanges issuers represent approximately 6% of the performing totals included above.

2. Non-performing issuers in M&R TruPS include defaulted and deferring issuers. In addition, some issuers may be classified as non-performing due to ratings (e.g. if rated below triple-C) as specified under the respective transaction documents.

M&R TruPS

Most Frequent Performing ¹ Issuers



- There are approximately 300 issuers within our M&R TruPS collateral portfolio. The following represent the top 50 performing¹ exposures by frequency within the insured M&R TruPS:

Issuer	Issuer Type	Q2 2010 Adjusted Exposure (\$ in millions)	As % of M&R TruPS NPO	# of TruPS	Frequency of Issuer (# of TruPS/Total # of M&R TruPS)
CapitalSource, Inc.	Commercial Mortgage REIT	113.2	3.5%	11	91.7%
NorthStar Realty Finance Corp.	Commercial Mortgage REIT	79.4	2.4%	9	75.0%
KKR Financial Corporation	Residential Mortgage REIT	72.7	2.2%	8	66.7%
Arbor Realty Trust	Commercial Mortgage REIT	69.7	2.1%	7	58.3%
Simon Property Group	Equity REIT	24.7	0.8%	7	58.3%
The Related Companies	Equity REIT	38.7	1.2%	6	50.0%
Healthcare Property Investors, Inc.	Equity REIT	11.1	0.3%	5	41.7%
Hospitality Properties	Equity REIT	11.2	0.3%	5	41.7%
JP Morgan Chase Commercial Mortgage 2006-LDP8	CMBS	2.2	0.1%	5	41.7%
Merrill Lynch Mortgage Trust 2005-LC1	CMBS	4.3	0.1%	5	41.7%
ProLogis	Equity REIT	16.8	0.5%	5	41.7%
Realty Income	Equity REIT	16.2	0.5%	5	41.7%
American Casino and Entertainment Properties	Hospitality	29.8	0.9%	4	33.3%
American International Group	Insurance	20.4	0.6%	4	33.3%
Banc of America Commercial Mortgage 2005-6	CMBS	7.4	0.2%	4	33.3%
Citigroup Commercial Mortgage Trust 2007-C6	CMBS	3.4	0.1%	4	33.3%
Duke Realty Corporation	Equity REIT	8.7	0.3%	4	33.3%
European Capital	Commercial Mortgage REIT	45.0	1.4%	4	33.3%
Homburg Invest, Inc.	Equity REIT	22.8	0.7%	4	33.3%
iStar Financial, Inc.	Commercial Mortgage REIT	25.9	0.8%	4	33.3%
Lexington Realty Trust	Equity REIT	42.3	1.3%	4	33.3%
M/I Homes, Inc.	Homebuilder	12.6	0.4%	4	33.3%
Medical Properties Trust, Inc.	Equity REIT	30.1	0.9%	4	33.3%
Merrill Lynch Mortgage Trust 2007-C1	CMBS	9.1	0.3%	4	33.3%

1. Includes issuers that have effected distressed restructurings/exchanges and that continue to pay.

M&R TruPS

Most Frequent Performing Issuers (Cont'd)



Issuer	Issuer Type	Q2 2010 Adjusted Exposure (\$ in millions)	As % of M&R TruPS NPO	# of TruPS	Frequency of Issuer (# of TruPS/Total # of M&R TruPS)
Mills Corporation	Equity REIT	28.5	0.9%	4	33.3%
MLCFC 2006-3	CMBS	3.0	0.1%	4	33.3%
Redwood Trust, Inc.	Residential Mortgage REIT	33.3	1.0%	4	33.3%
Wyndham Worldwide	Equity REIT	19.1	0.6%	4	33.3%
Banc of America Commercial Mortgage 2007-4	CMBS	3.1	0.1%	3	25.0%
Bluegreen Corporation	Equity REIT	24.2	0.7%	3	25.0%
Camden Property Trust	Equity REIT	6.6	0.2%	3	25.0%
Capital Automotive	Equity REIT	15.7	0.5%	3	25.0%
Capital Trust	Commercial Mortgage REIT	24.4	0.8%	3	25.0%
Colonial Realty	Equity REIT	5.8	0.2%	3	25.0%
Felcor Lodging Trust, Inc.	Equity REIT	17.1	0.5%	3	25.0%
First Industrial Realty Trust, Inc.	Equity REIT	11.0	0.3%	3	25.0%
Great Wolf Resorts, Inc.	Equity REIT	18.6	0.6%	3	25.0%
Greenwich Capital Commercial Funding Corp 2005-GG5	CMBS	4.4	0.1%	3	25.0%
Health Care REIT, Inc.	Equity REIT	11.6	0.4%	3	25.0%
Hersha Hospitality Trust	Equity REIT	19.2	0.6%	3	25.0%
HRPT Properties Trust	Equity REIT	7.2	0.2%	3	25.0%
Iron Mountain	Other	30.8	0.9%	3	25.0%
JP Morgan Chase Commercial Mortgage 2005-LDP2	CMBS	4.8	0.1%	3	25.0%
JP Morgan Chase Commercial Mortgage 2006-LDP7	CMBS	5.5	0.2%	3	25.0%
Kimco Realty	Equity REIT	11.0	0.3%	3	25.0%
Meritage Homes Corporation	Homebuilder	22.9	0.7%	3	25.0%
Newcastle Investment Corp.	Commercial Mortgage REIT	17.8	0.5%	3	25.0%
SL Green Realty Corp.	Equity REIT	27.2	0.8%	3	25.0%
Star Asia Finance Limited	Equity REIT	22.8	0.7%	3	25.0%
Wachovia Bank Commercial Mortgage Trust 2006-C27	CMBS	2.6	0.1%	3	25.0%
Sub-Total Top 50 Performing Issuers in M&R TruPS		1,116.1	34.4%		

BIG Exposures by Category



(\$ in millions)

Net Par Outstanding by BIG Category ¹

- The majority of our category 2 and 3 BIG exposures are in structured finance – specifically RMBS
- Category 1 BIG, which have not incurred loss revenues but which are under intensive monitoring, were \$5.4 billion at June 30, 2010, down 18% from December 31, 2009

Description:	June 30, 2010	December 31, 2009
BIG:		
Category 1		
U.S. public finance	\$ 1,698	\$ 1,761
Non-U.S. public finance	536	600
U.S. structured finance	3,207	4,275
Non-U.S. structured finance	1	2
Total Category 1	5,442	6,638
Category 2		
U.S. public finance	897	719
Non-U.S. public finance	4	4
U.S. structured finance	11,178	9,913
Non-U.S. structured finance	70	3
Total Category 2	12,149	10,639
Category 3		
U.S. public finance	565	647
Non-U.S. public finance	35	40
U.S. structured finance	6,285	6,202
Non-U.S. structured finance	999	1,000
Total Category 3	7,884	7,889
BIG Total	\$ 25,475	\$ 25,166

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

BIG Exposures > \$250 Million



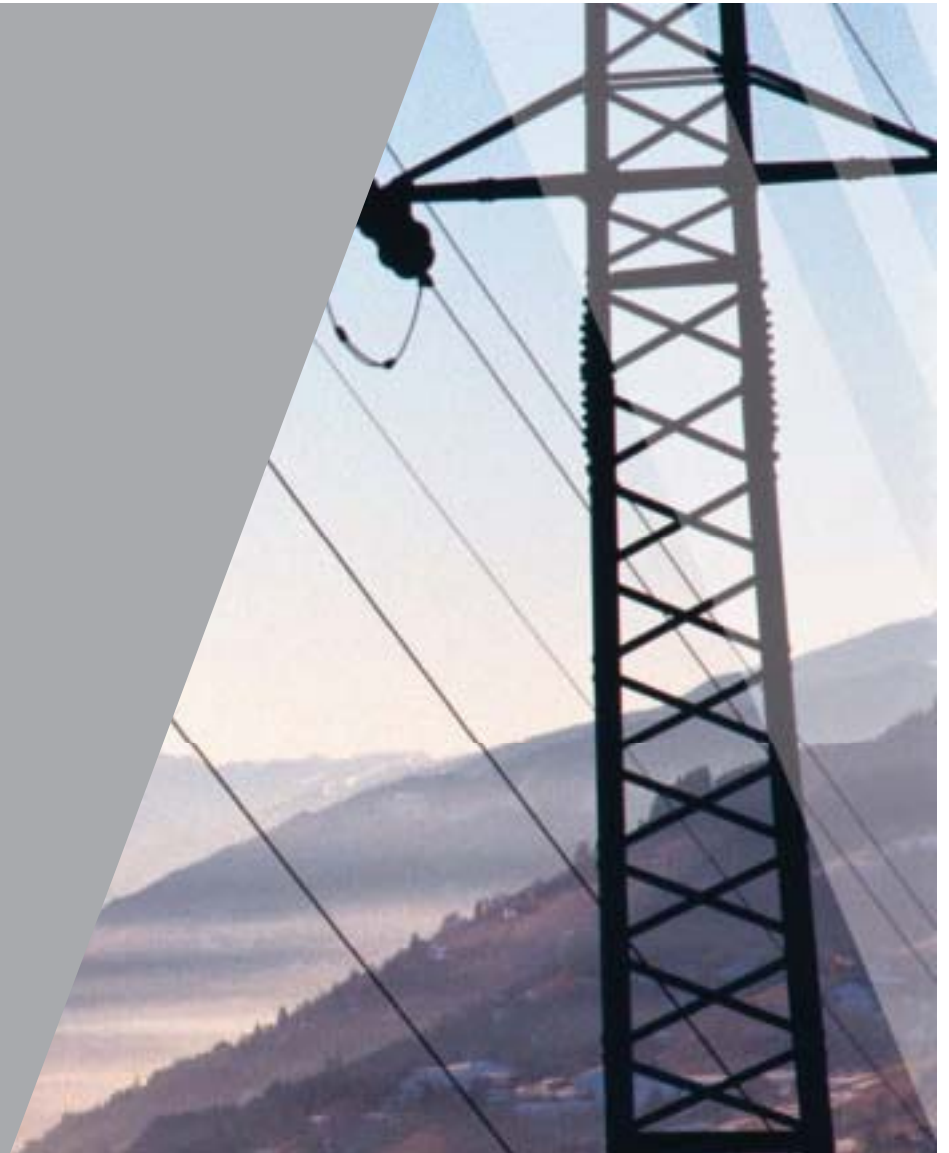
BIG Exposures Greater Than \$250 Million as of June 30, 2010

Name or Description	Net Par Outstanding	Internal Rating ¹	Current Credit Enhancement	60+ Day Delinquencies ²
Deutsche ALT-A Securities Mortgage Loan 2007-2	\$ 864	CCC	4.7%	32.4%
MABS 2007-NCW	618	BB	33.9%	67.2%
Countrywide HELOC 2006-I	601	CCC	0.0%	9.4%
MASTR 2007-3	548	CCC	5.2%	56.7%
Countrywide HELOC 2006-F	529	CCC	0.0%	26.3%
Mortgage IT Securities Corp. Mortgage Loan 2007-2	525	B	10.4%	12.9%
Jefferson County Alabama Sewer	512	D	N/A	N/A
Ballantyne Re PLC Class A-2 Floating Rate Notes	500	CC	N/A	N/A
Private Residential Mortgage Transaction	496	B	23.8%	30.1%
Private Residential Mortgage Transaction	468	BB	23.1%	29.3%
Private Residential Mortgage Transaction	459	CCC	26.3%	31.3%
Deutsche ALT-A Securities Mortgage Loan 2007-3	438	B	9.3%	26.7%
Orkney Re II, PLC Series A-1 Floating Rate Notes	423	CCC	N/A	N/A
Detroit (City of) Michigan	414	BB	N/A	N/A
Option One 2007-FXD2	395	B	18.6%	30.1%
CWALT Alternative Loan Trust 2007-HY9	395	CCC	7.2%	47.1%
Nomura Asset Acceptance Corp. 2007-1	390	CCC	1.6%	44.0%
Private Residential Mortgage Transaction	389	B	17.0%	36.9%
Countrywide Home Equity Loan Trust 2007-D	365	CCC	0.0%	9.0%
Countrywide Home Equity Loan Trust 2005-J	363	CCC	0.0%	15.6%
HarborView 2006-12	337	B	10.7%	56.7%
AAA Trust 2007-2	336	CCC	37.4%	50.2%
Countrywide HELOC 2005-D	326	CCC	0.0%	13.2%
Countrywide HELOC 2007-A	309	CCC	0.0%	9.8%
MARM 2007-1 (FKA MASTR 2007-OA1)	309	CCC	0.0%	35.0%
Taberna Preferred Funding IV, LTD. Class A-1	292	CCC	33.4%	N/A
Countrywide 2007-13	281	BB	31.3%	56.4%
Countrywide HELOC 2007-B	280	CCC	0.0%	9.7%
GMACM 2004-HE3	270	B	0.0%	0.0%
Alesco Preferred Funding XVI, LTD.	259	B-	6.9%	N/A
Guaranteed Student Loan transaction	254	BB	N/A	N/A
Terwin Mortgage Trust 2006-12SL	253	CCC	0.0%	18.4%
Total	\$ 13,198			

1. Assured Guaranty's internal rating. Although the Company's ratings scale is similar to that used by the nationally recognized rating agencies, the ratings in the above table may not be the same as ratings assigned by any nationally recognized rating agency.

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

Appendix



Appendix:

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



Explanation of Non-GAAP Financial Measures:

The Company references financial measures that are not in accordance with accounting principles generally accepted in the United States of America ("GAAP") which management uses and in order to assist investors and analysts in evaluating the Company's financial results. The following paragraphs define each financial measure not in accordance with GAAP ("non-GAAP financial measures") and describe why they are useful. In each case, a reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure, if available, is presented. Non-GAAP financial measures should not be viewed as substitutes for their most directly comparable GAAP measures.

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. In addition, Assured Guaranty's management and board of directors also utilize non-GAAP measures as a basis for determining senior management incentive compensation. By providing a calculation of Assured Guaranty's non-GAAP financial measures in the Company's financial results press release, periodic financial reports filed with the U.S. Securities and Exchange Commission and investor presentations, investors, analysts and financial news media reporters have access to the same information that management reviews internally.

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 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 and is not liable for such debt obligations.
2. 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.
3. 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.
4. 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.
5. 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.

Operating Shareholders' Equity: Management believes that operating shareholders' equity is a useful measure because it presents the equity of Assured Guaranty Ltd. with all financial guaranty contracts accounted for on a more consistent basis and excluding fair value adjustments that are not expected to result in economic loss. Many investors, analysts and members of the financial news media use operating shareholders' equity as the principal financial measure for valuing Assured Guaranty Ltd.'s current share price or projected share price and also as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd.'s common shares. Many of the Company's fixed income investors also use operating shareholders' equity to evaluate the Company's capital adequacy. Operating shareholders' equity is the basis of the calculation of adjusted book value (see below). Operating shareholders' equity is defined as shareholders' equity attributable to Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1. Elimination of the effects of consolidating certain 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 and is not liable for such debt obligations.
2. Elimination of the after-tax unrealized gains (losses) on the Company's investments that are recorded as a component of accumulated other comprehensive income (AOCI) (excluding foreign exchange revaluation). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore will not recognize an economic loss.
3. 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.
4. 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.

Appendix: Explanation of Non-GAAP Financial Measures



Operating return on equity ("Operating ROE"): Operating ROE represents operating income for a specified period divided by the average of operating shareholders' equity at the beginning and the end of that period. Management believes that operating ROE is a useful measure to evaluate the Company's return on invested capital. Many investors, analysts and members of the financial news media use operating ROE to evaluate Assured Guaranty Ltd.'s share price and as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd. common shares. Quarterly and year-to-date operating ROE are calculated on an annualized basis.

Adjusted Book Value: Management believes that adjusted book value is a useful measure because it enables an evaluation of the net present value of the Company's in force premiums and revenues in addition to operating shareholders' equity. The premiums and revenues included in adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current adjusted book value due to changes in, foreign exchange rates, refinancing or refunding activity, prepayment speeds, terminations, credit defaults and other factors. Many investors, analysts and members of the financial news media use adjusted book value to evaluate Assured Guaranty Ltd.'s share price and as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd. common shares. Adjusted book value is operating shareholders' equity, as defined above, further adjusted for the following:

1. Elimination of after-tax deferred acquisition costs. These amounts represent net deferred expenses that have already been paid or accrued that will be expensed in future accounting periods.
2. Addition of the after-tax net present value of estimated net future credit derivative revenue. See below.
3. Addition of the after-tax value of the unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed, net of reinsurance. This amount represents the expected future net earned premiums, net of expected losses to be expensed, which are not reflected in GAAP equity.

Net present value of estimated net future credit derivative revenue: This amount represents the present value of estimated future revenue from the Company's credit derivative in-force book of business, net of reinsurance, ceding commissions and premium taxes in excess of expected losses, and is discounted at 6% (which represents the Company's tax-equivalent pre-tax investment yield on its investment portfolio). Estimated net future credit derivative revenue may change from period to period due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation. Management believes that this amount is a useful measure because it enables an evaluation of the value of future estimated credit derivative revenue. There is no corresponding GAAP financial measure.

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.

Appendix: PVP¹ – Reconciliation to Gross Written Premiums (“GWP”)



(\$ in millions)

	Quarter Ended June 30,		% Change versus 2Q-09
	2010	2009	
Consolidated new business production analysis:			
Present value of new business production ("PVP")			
Public finance - U.S.:			
Primary markets	\$ 72.7	\$ 112.8	(36)%
Secondary markets	8.7	15.0	(42)%
Public finance - non-U.S.			
Primary markets	-	-	NM
Secondary markets	0.7	-	NM
Structured finance - U.S.	5.7	12.2	(53)%
Structured finance - non-U.S.	2.1	-	NM
Total PVP	89.9	140.0	(36)%
Less: PVP of credit derivatives	-	-	NM
PVP of financial guaranty insurance	89.9	140.0	(36)%
Less: Financial guaranty installment premium PVP	1.8	12.5	(86)%
Total: Financial guaranty upfront GWP	88.1	127.5	(31)%
Plus: Financial guaranty installment PVP adjustment ²	3.6	14.6	(75)%
Total financial guaranty GWP	91.7	142.1	(35)%
Plus: Other segment GWP	-	(1.1)	(100)%
Total GWP	\$ 91.7	\$ 141.0	(35)%

NM = Not meaningful

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

2. Includes the difference in management estimates for the discount rate applied to future installments compared to the discount rate used for new financial guaranty insurance accounting standard as well as the changes in estimated term for future installments.

Appendix: Reconciliation of Net Income (loss) to Operating Income



(\$ in millions, except per share data)

Reconciliation of Consolidated Net Income to Operating Income

	<u>2Q-10</u>	<u>2Q-09</u>
Net income (loss) attributable to Assured Guaranty Ltd.	\$ 203.5	\$ (170.0)
Less: Realized gains (losses) on investments, after tax	(4.3)	(7.1)
Less: Non-credit impairment unrealized fair value gains (losses) on credit derivatives, after tax	40.6	(150.8)
Less: Fair value gains (losses) on committed capital securities, after tax	8.2	(39.4)
Less: Foreign exchange gains (losses) on revaluation of premiums receivable, after tax	(19.0)	-
Less: Effect of consolidating VIEs, after tax ¹	6.0	-
Operating income	<u>\$ 172.0</u>	<u>\$ 27.3</u>

Per Diluted Share

	<u>2Q-10</u>	<u>2Q-09</u>
Net income (loss) attributable to Assured Guaranty Ltd.	\$ 1.08	\$ (1.82)
Less: Realized gains (losses) on investments, after tax	(0.02)	(0.08)
Less: Non-credit impairment unrealized fair value gains (losses) on credit derivatives, after tax	0.21	(1.62)
Less: Fair value gains (losses) on committed capital securities, after tax	0.04	(0.42)
Less: Foreign exchange gains (losses) on revaluation of premiums receivable, after tax	(0.10)	-
Less: Effect of consolidating VIEs, after tax ¹	0.03	-
Operating income	<u>\$ 0.91</u>	<u>\$ 0.29</u>

1. Effective January 1, 2010, GAAP accounting required the consolidation of VIEs where the Company is determined to be the control party through rights under our financial guaranty insurance contracts. For those VIEs that the Company consolidates, it records all of the activities of the VIE and eliminates the related insurance accounting. Operating income reverses the financial effect of consolidating these entities and accounts for them as financial guaranty insurance contracts in order to present the Company's insured obligations on a consistent basis.

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