



Fixed Income Investor Presentation Second Quarter 2010

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[®]
CORP.

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Safe Harbor Disclosure



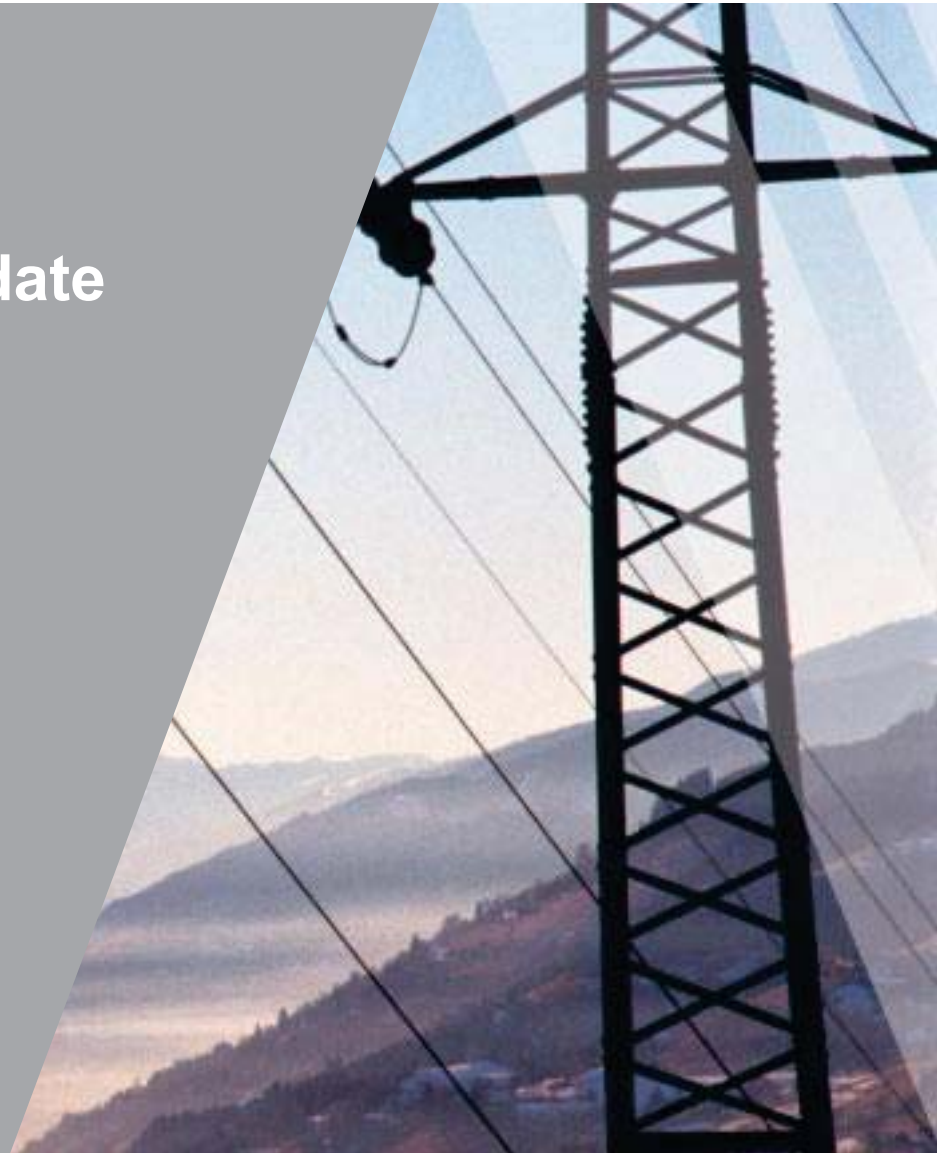
- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty” or the “Company”) with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially 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 20, 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 system. Our rating scale is similar to that used by the nationally recognized rating agencies; however, our internal ratings may be different from the ratings assigned by the nationally recognized rating agencies.
 - The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured Guaranty's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (2) Assured Guaranty's exposure benefiting 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 accounting principles generally accepted in the United States of America ("GAAP"). Management uses these financial measures not in accordance with GAAP ("non-GAAP financial measures") and believes they assist investors and analysts in evaluating Assured Guaranty's financial results. These 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 in each company's respective Financial Information section. This presentation is consistent with how analysts calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty, and with how Assured Guaranty's management and investors, analysts and the financial news media evaluate Assured Guaranty's financial results.

Corporate Overview and Update



- **Assured Guaranty is the leading financial guaranty franchise**
 - We are the only long-standing financial guaranty company still 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
 - 20+ year track record in financial guaranty market
 - Two principal financial guaranty direct subsidiaries and one financial guaranty reinsurance subsidiary
- **Strong capital base**
 - Consolidated investment portfolio of \$10.5 billion as of June 30, 2010
 - Consolidated claims-paying resources of \$13.3 billion as of June 30, 2010
 - In December 2009, issued 27.5 million common shares, raising net proceeds of approximately \$574 million

(\$ in billions)	Assured Guaranty Ltd. (6/30/10)
Net par insured	\$627.5
Total investment portfolio	\$10.5
Claims-paying resources	\$13.3

Assured Guaranty Strategic Priorities



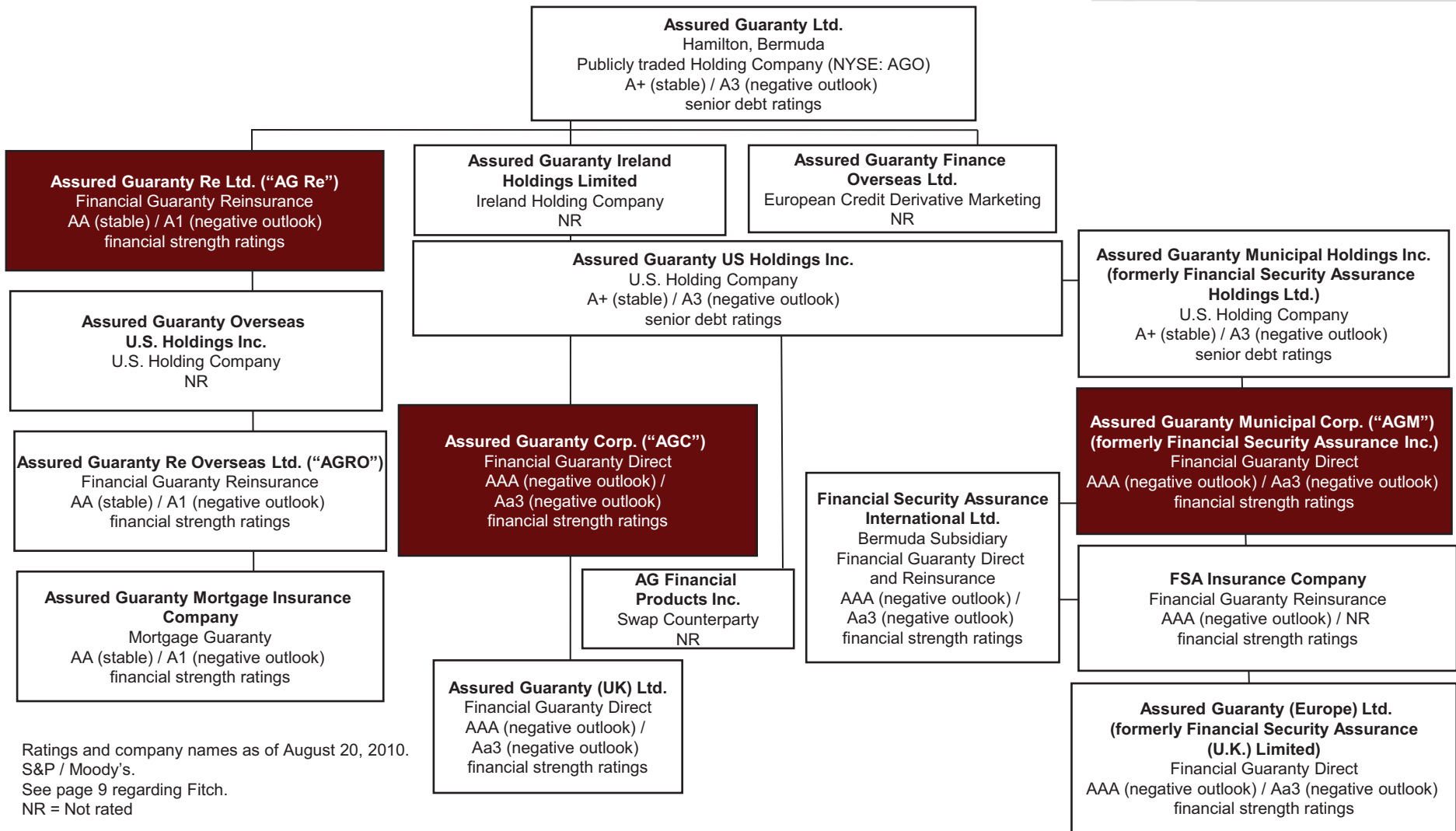
- **Exercise underwriting discipline**
- **Expand our direct franchise**
- **Pursue proactive loss mitigation strategies**
- **Maintain high financial strength ratings**
- **Utilize reinsurance platform to enhance market opportunities**
- **Utilize both soft and hard capital efficiently**

AGMH Acquisition



- **Assured Guaranty acquired Assured Guaranty Municipal Corp. (“AGM”), then known as Financial Security Assurance Inc. (“FSA”), on July 1, 2009, when it acquired, from Dexia SA (“Dexia”), Assured Guaranty Municipal Holdings Inc. (“AGMH”), which was then known as Financial Security Assurance Holdings Ltd. By doing so, it acquired the only other active legacy financial guaranty company.**
 - Assured Guaranty did not acquire AGMH’s Financial Products (“FP”) segment.
 - AGL and its subsidiaries are indemnified against exposure to the FP segment by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the guaranteed investment contract (“GIC”) portion of the FP segment.
- **AGL purchased AGMH for approximately \$822 million**
 - The consideration for the AGMH acquisition consisted of \$546 million in cash and 22.3 million AGL common shares
- **The purchase price was at a significant discount to AGMH’s June 30, 2009 shareholder’s equity.**
- **AGM focuses exclusively on the U.S. public finance and global infrastructure sectors.**
- **AGL has guaranteed \$730 million of the outstanding debt of AGMH.**

Assured Guaranty Ltd. Corporate Structure



Ratings and company names as of August 20, 2010.
S&P / Moody's.
See page 9 regarding Fitch.
NR = Not rated

Assured Guaranty's Operating Platforms

- **Assured Guaranty Corp. (“AGC”) and AGM operate as two separate direct financial guaranty platforms with Assured Guaranty Re Ltd. (“AG Re”) as a reinsurer**
 - AGC will continue to insure U.S. public finance, global infrastructure and structured finance.
 - AGM, formerly FSA, will focus exclusively on U.S. public finance and global infrastructure.
 - AG Re, as a reinsurer, provides additional capital and flexibility to AGC and AGM.
- **AGC and AGM are integrated for origination, 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 the integrated structure**
 - Greater capacity to write business
 - More flexibility in balancing portfolio exposures
 - Enhanced operating efficiencies through common infrastructure

Operating Principles and Issuers and Investors Benefits



- **Underwriting principles designed to protect our franchise**
- **Value proposition includes: 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.
- **Ratings: committed to maintaining the highest possible ratings**
- **Disclosure and transparency: committed to providing timely, detailed financial and exposure information to the market**
- **Investor benefits include: portfolio management; insurer diversification; flexibility of selecting muni-only or combined company; for short-term 2a-7 investors, assistance with regulatory exposure limits (10% rule)**
- **Issuer benefits include: two financially strong providers; one underwriting process with integrated infrastructure**

Financial Strength Ratings¹

As of August 20, 2010

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

1. On February 24, 2010, Fitch Ratings agreed to a request by Assured Guaranty to withdraw the Insurer Financial Strength (IFS) and debt ratings of AGC, AGM, AG Re and other rated subsidiaries of Assured Guaranty at the current rating levels. Assured Guaranty made the request following Fitch Ratings' announcement that it is withdrawing its IFS ratings on all insured bonds for which it does not provide an underlying rating. Accordingly, Assured Guaranty believes Fitch's rating no longer provides the same value to investors. However, if Fitch's participation in the municipal bond market should expand significantly in the future, Assured Guaranty would consider renewing its relationship with Fitch.

Distinct for Legal and Regulatory Purposes



- Two separate platforms for the U.S. public finance market



- Companies distinct for legal and regulatory purposes
 - Separate insured credit exposures: net par – AGC \$125 billion, AGM \$359 billion¹
 - Separate insurance licenses
 - Separate capital bases – claims-paying resources: AGC \$3.8 billion, AGM \$6.9 billion²
 - 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.
- For U.S. public finance transactions, bids out of two platforms
 - Offering market-based pricing to reflect the added value of platforms, as well as capacity

1. Includes GICs issued by AGMH's former FP affiliates (\$8.4 billion aggregate principal amount outstanding as of June 30, 2010). 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.

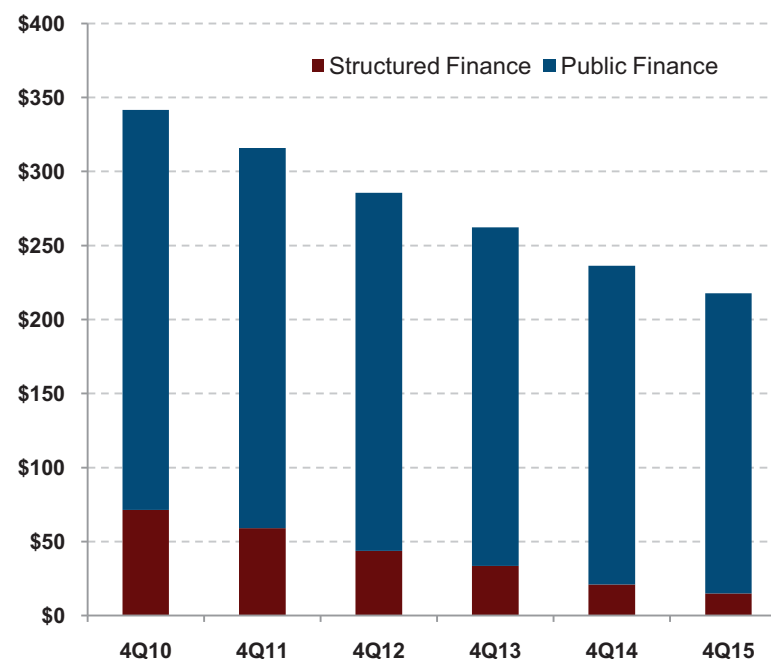
AGM's Commitment to the Public Finance Market



- **We are committed to writing only U.S. public finance and global infrastructure transactions in AGM now and in the future¹**
- **AGM's existing insured portfolio is expected to rapidly evolve toward its new public finance focus**
- **We expect AGM's legacy global structured finance insured portfolio (\$82 billion as of June 30, 2010 vs. \$133 billion as of June 30, 2008) to run off rapidly – 13% by year-end 2010, 47% by year-end 2012, and 82% by year-end 2015.²**
- **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.**
 - \$8.4 billion in GICs expected to be reduced by 34% by year-end 2012 and by 59% by year-end 2015²

AGM Net Par Outstanding Amortization

Year-End Amounts Projected as of June 30, 2010³
(\$ in billions)

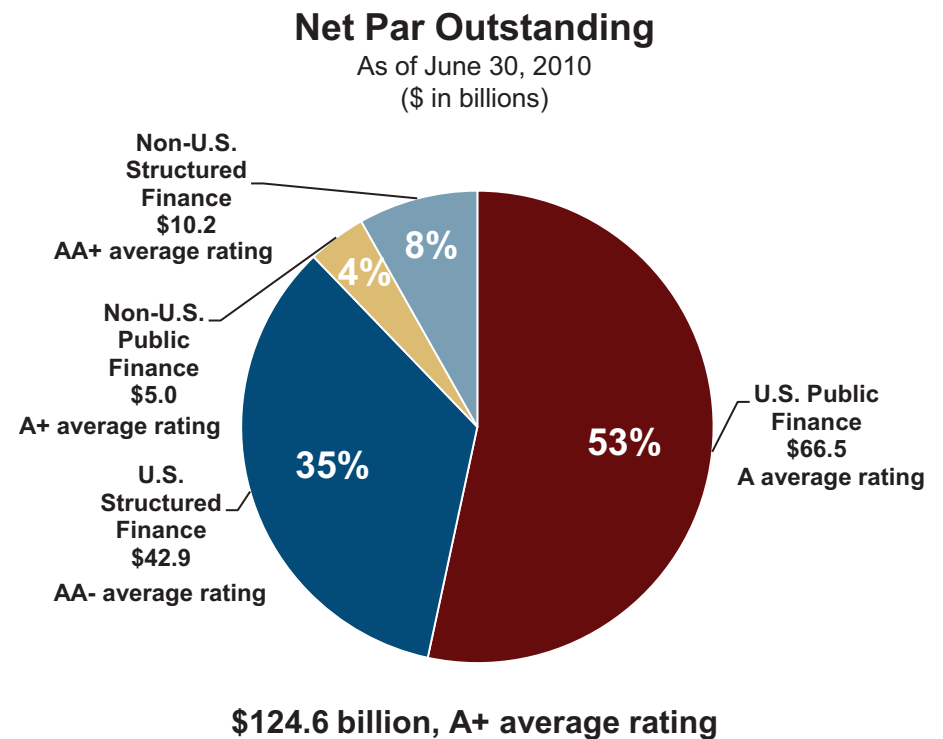


1. AGM stopped writing structured finance transactions in August 2008.
2. Based on net par outstanding at June 30, 2010.
3. See page 60 for net par outstanding at June 30, 2010.

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. residential mortgage-backed securities (“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



(\$ in millions)

Consolidated Claims-Paying Resources and Statutory-Basis Exposures¹

	As of June 30, 2010					Consolidated
	AGC	AG Re Ltd. ²	AGM	Eliminations ⁶		
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 insurance 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.

We Are Keenly Focused on Loss Mitigation



- **U.S. RMBS performance has been poor due to lack of adherence to underwriting standards by mortgage originators, and represents the main source of losses at AGC and AGM over the last three years**
 - Neither AGC nor AGM underwrote collateralized debt obligations of residential mortgage-backed securities (CDOs of ABS), such that we were not exposed to the sizable losses experienced by our former competitors
- **AGC and AGM together have paid approximately \$2.2 billion in claims on RMBS to date, largely for home equity line of credit (“HELOC”) and closed-end second (“CES”) transactions. As of June 30, 2010:**
 - Consolidated expected present value of net loss to be expensed for U.S. RMBS of \$1,156.5 million
 - Consolidated net loss and loss adjustment expense (“LAE”) reserves for U.S. RMBS of \$581.3 million
- **Since 2008, we have been seeking to put back defective mortgages that breach representations and warranties (“R&W”) provided by mortgage sellers and originators when the deals were originally done. Our progress through June 30, 2010 has been:**
 - Over 24,800 second lien files reviewed, representing nearly \$1.9 billion of loans; have reached agreement for approximately \$227 million of second lien loans to be repurchased by the sellers/originators
 - Over 5,200 first lien files reviewed, representing nearly \$2.3 billion of loans; have reached agreement for approximately \$50.5 million of first lien loans to be repurchased by the sellers/originators

We Are Keenly Focused on Loss Mitigation (Cont.)

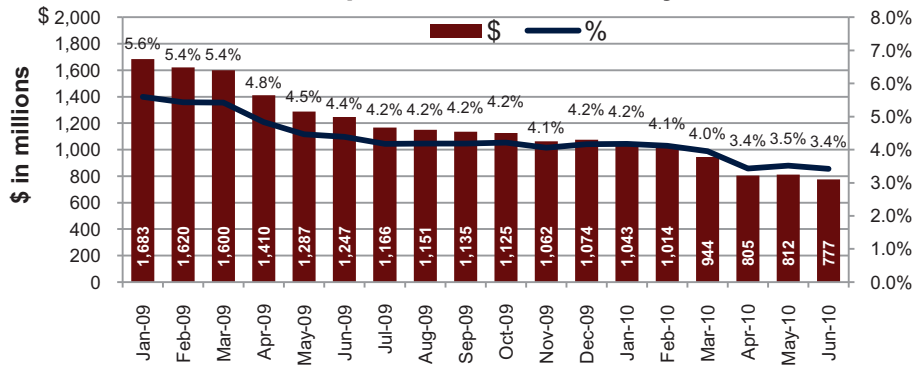


- Our consolidated financial guaranty loss estimate includes estimated benefits from R&W repurchases of approximately \$998 million for second liens and \$323 million for first liens
- In estimating remediation recoveries under R&W claims, we only include claims against financially viable providers
- The Company's estimated benefit is based on future repurchases by nine different companies
- **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 filed lawsuits in June and July against two unresponsive R&W providers**
- **We also have a wrapped bond repurchase program, in which we purchase bonds we have insured in order to reduce incurred losses**

First Lien Early Stage Delinquencies For Transactions Originated Between 2005-2008

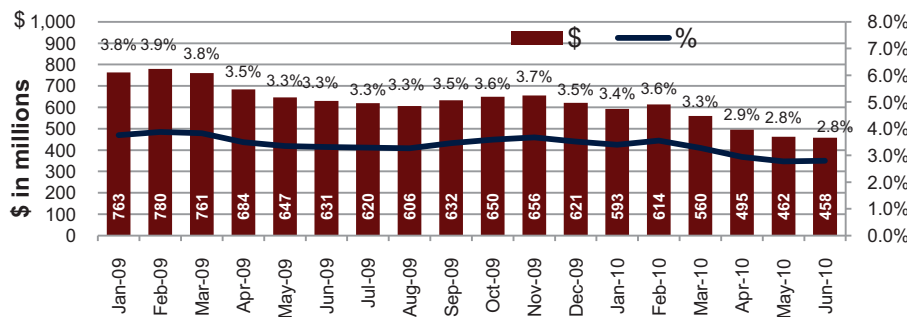


Option ARMs 30-59 Days

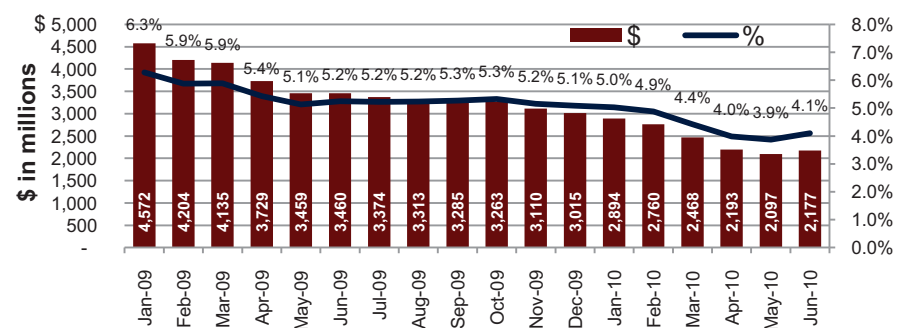


- First lien 30-59 day delinquencies have declined in both percentage terms and dollar amounts in Option ARM, Alt-A and subprime transactions.

Alt-A 30-59 Days



Subprime 30-59 Days

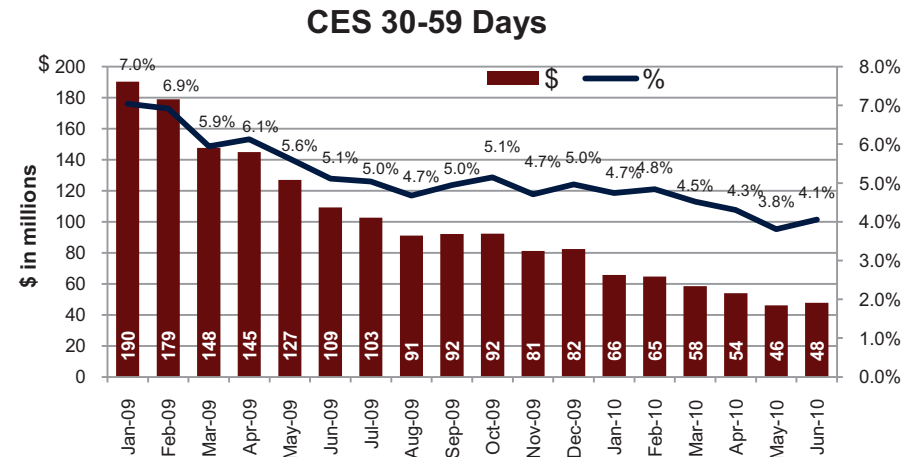
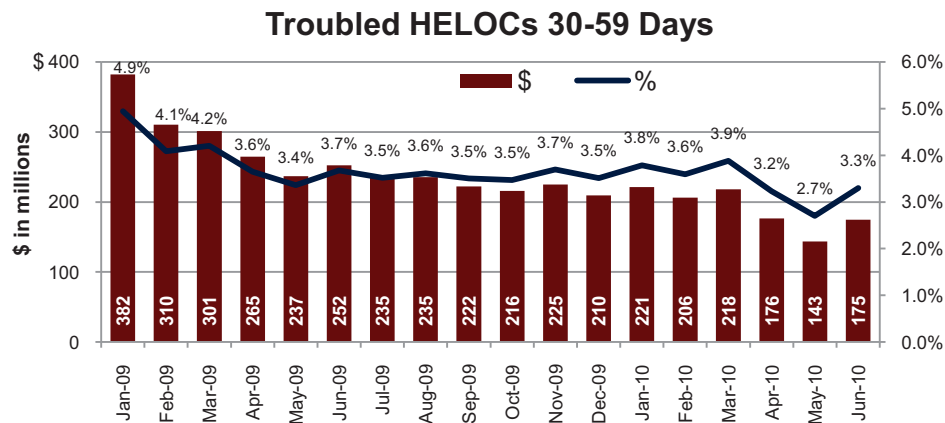


Reflects actual AGC and AGM direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

Second Lien Early Stage Delinquencies For Transactions Originated Between 2005-2008



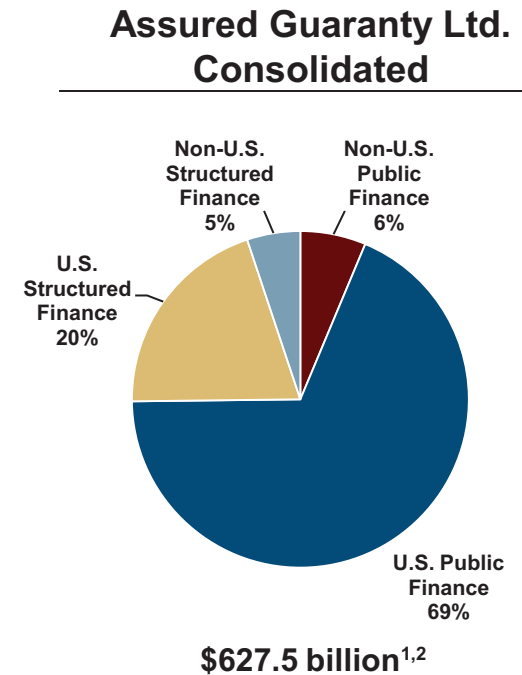
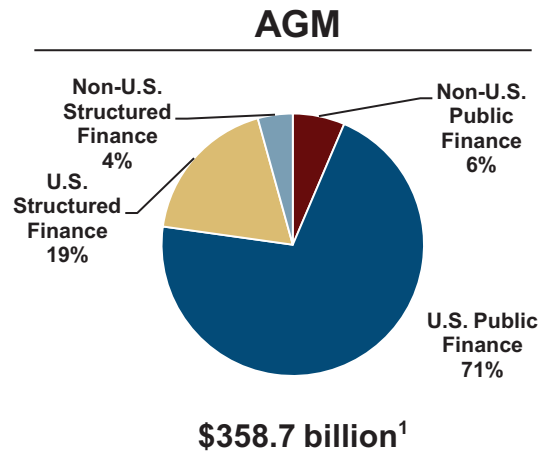
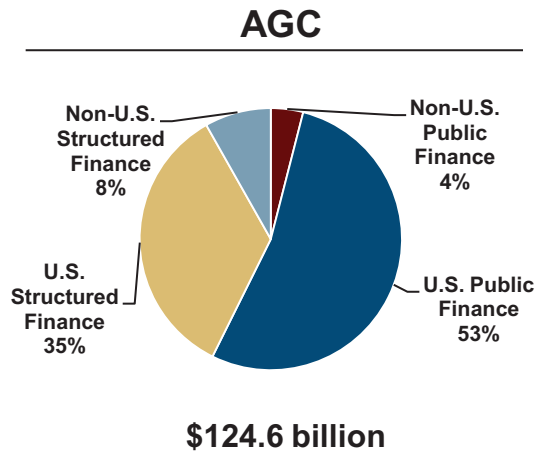
- Second lien 30-59 day delinquencies have declined in both percentage terms and dollar amounts for CES and troubled HELOCs.



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

Portfolio Diversification by Sector

Net Par Outstanding (as of June 30, 2010)



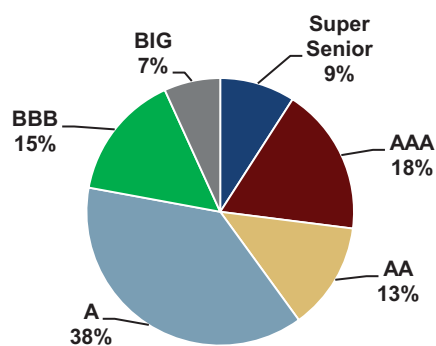
1. Includes \$8.4 billion in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Portfolio Ratings

Net Par Outstanding (as of June 30, 2010)

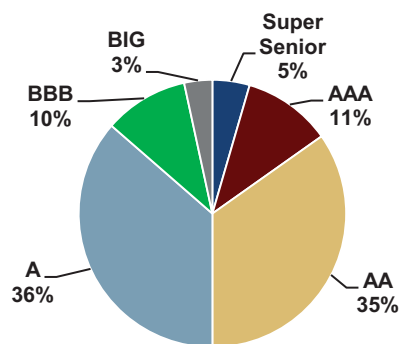


AGC



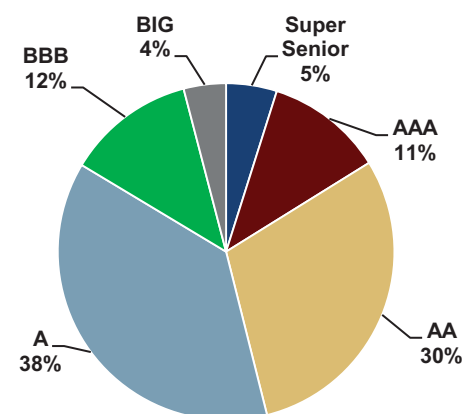
\$124.6 billion

AGM



\$358.7 billion¹

Assured Guaranty Ltd. Consolidated



\$627.5 billion^{1,2}

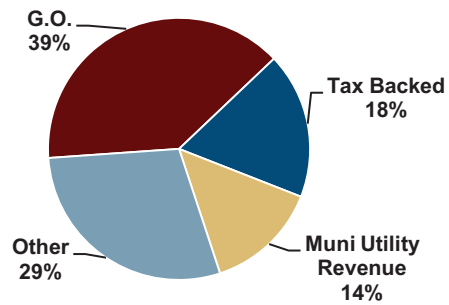
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U.S. Public Finance Portfolios

Net Par Outstanding (as of June 30, 2010)

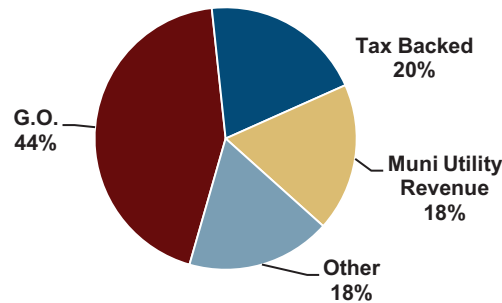


AGC



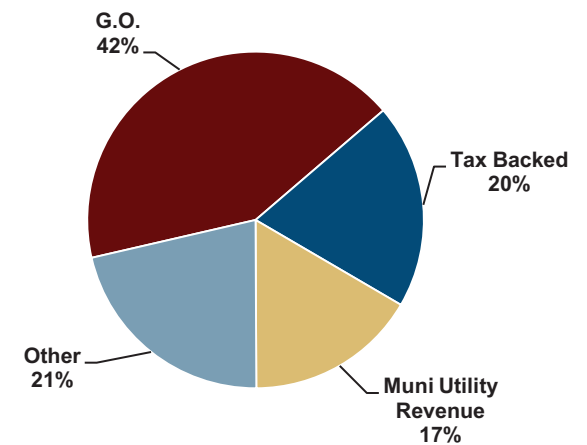
\$66.5 billion

AGM



\$254.0 billion

Assured Guaranty Ltd. Consolidated



\$429.9 billion¹
(69% of Total Net Par Outstanding)

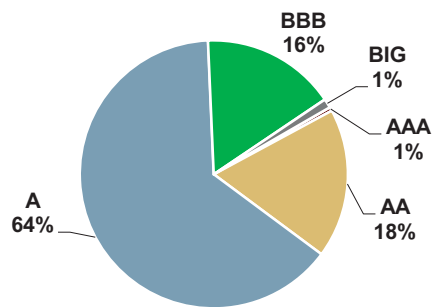
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Portfolio Ratings - U.S. Public Finance

Net Par Outstanding (June 30, 2010)

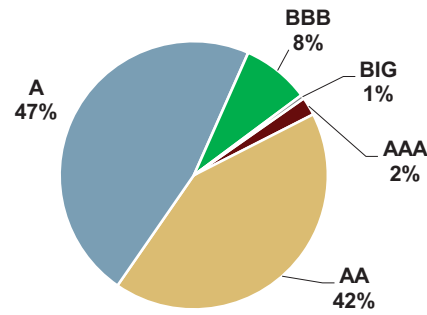


AGC



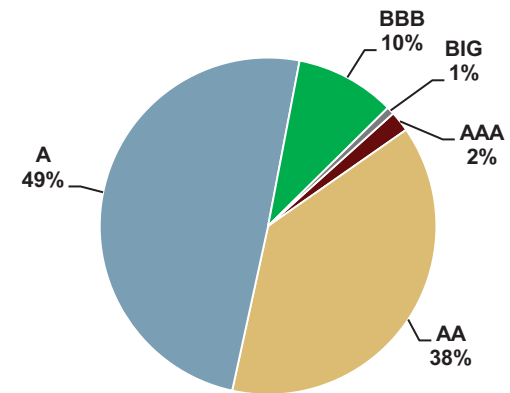
\$66.5 billion

AGM



\$254.0 billion

Assured Guaranty Ltd. Consolidated



\$429.9 billion¹
(69% of Total Net Par Outstanding)

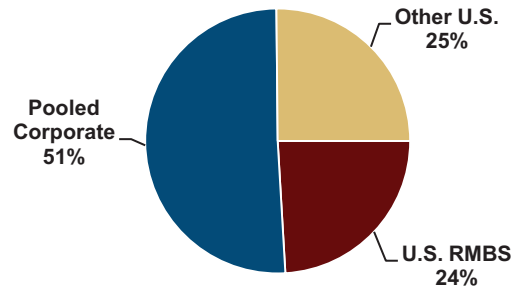
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U.S. Structured Finance Portfolios

Net Par Outstanding (as of June 30, 2010)

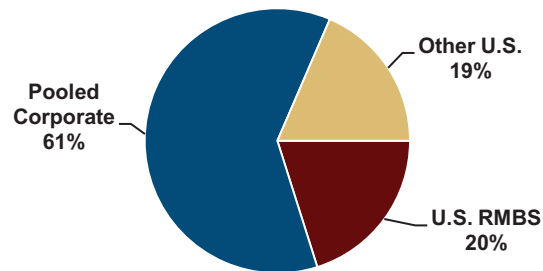


AGC



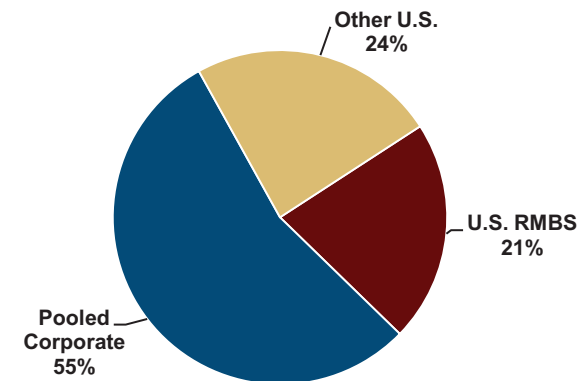
\$42.9 billion

AGM



\$66.3 billion¹

Assured Guaranty Ltd. Consolidated



\$126.0 billion^{1,2}
(20% of Total Net Par Outstanding)

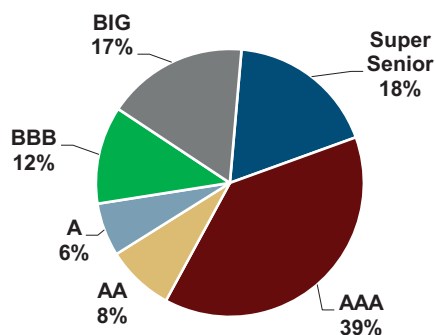
1. Includes \$8.4 billion in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Portfolio Ratings – U.S. Structured Finance

Net Par Outstanding (as of June 30, 2010)

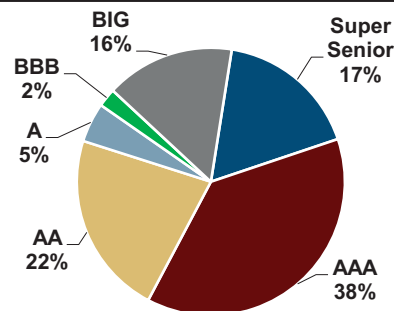


AGC



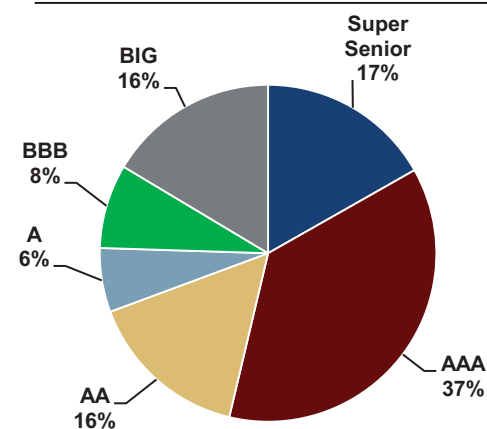
\$42.9 billion

AGM



\$66.3 billion¹

Assured Guaranty Ltd. Consolidated



\$126.0 billion^{1,2}
(20% of Total Net Par Outstanding)

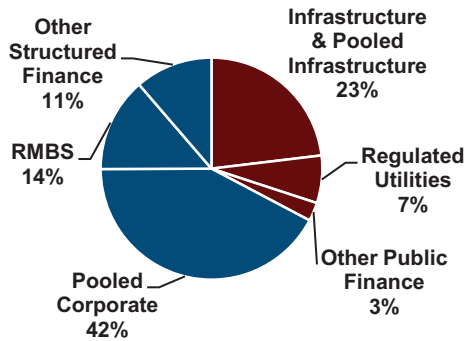
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2. Consolidated amounts include those of AG Re.

Non-U.S. Portfolios (Public Finance and Structured Finance)

Net Par Outstanding (as of June 30, 2010)

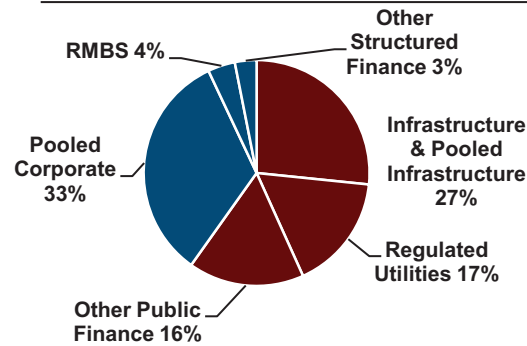


AGC



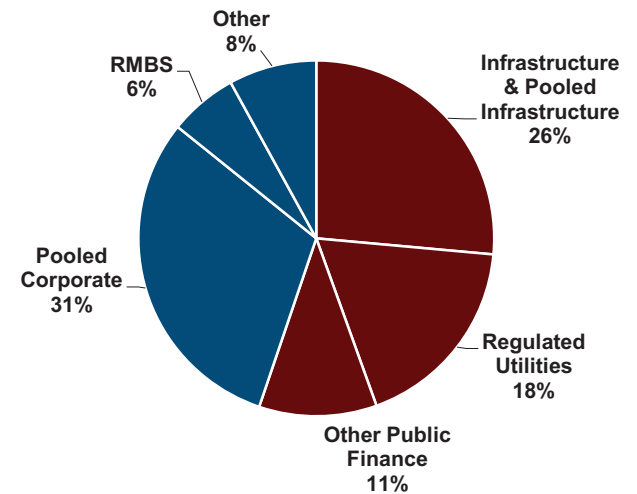
\$15.2 billion

AGM



\$38.4 billion

Assured Guaranty Ltd. Consolidated



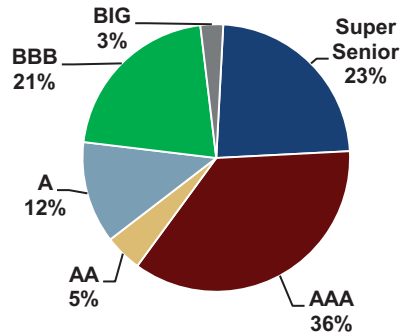
\$71.7 billion¹
(11% of Total Net Par Outstanding)

1. Consolidated amounts include those of AG Re.

Portfolio Ratings – Non-U.S. (Public Finance and Structured Finance) Net Par Outstanding (as of June 30, 2010)

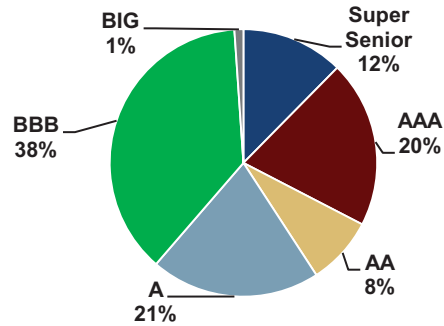


AGC



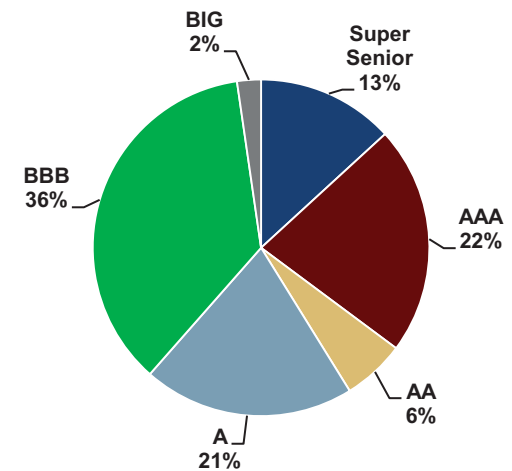
\$15.2 billion

AGM



\$38.4 billion

**Assured Guaranty Ltd.
Consolidated**



\$71.7 billion¹
(11% of Total Net Par Outstanding)

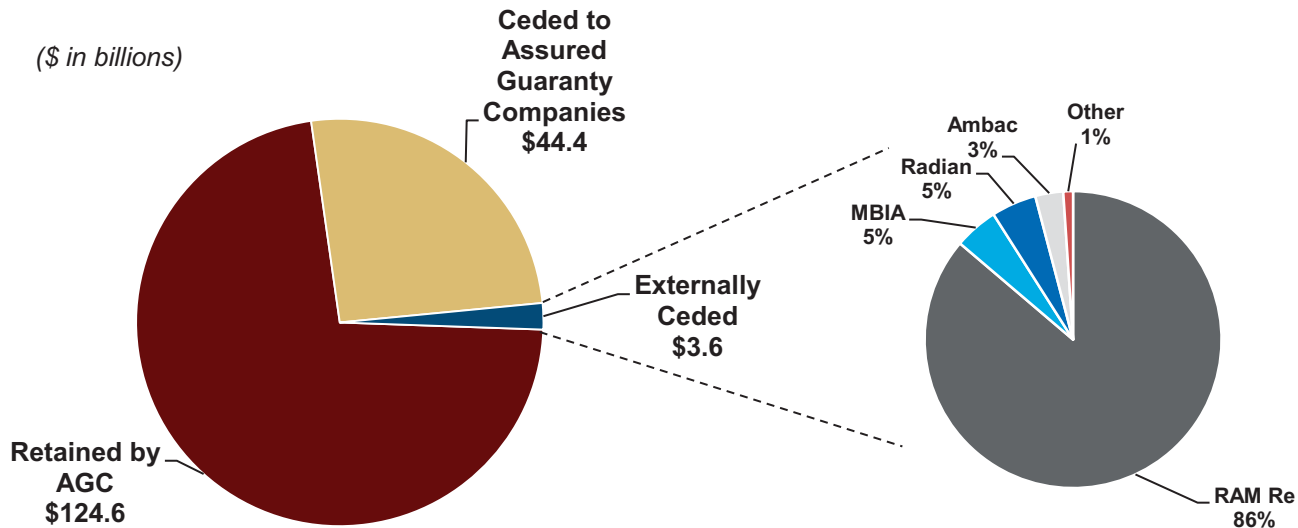
1. Consolidated amounts include those of AG Re.

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:
\$172.6 billion**

**Externally Ceded Par Outstanding:
\$3.6 billion (2%)**



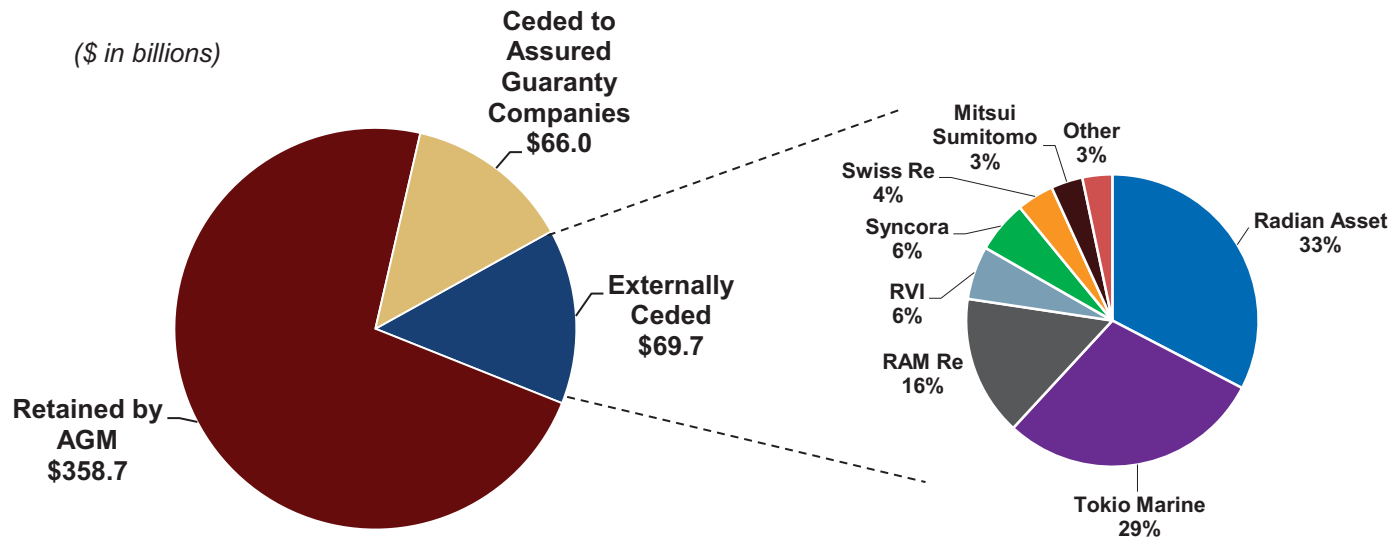
As of June 30, 2010

Reinsurance: AGM Has Ceded 14% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines



**AGM's Total Gross Par Outstanding:
\$494.4 billion**

**Externally Ceded Par Outstanding:
\$69.7 billion (14%)**



As of June 30, 2010

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 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.**

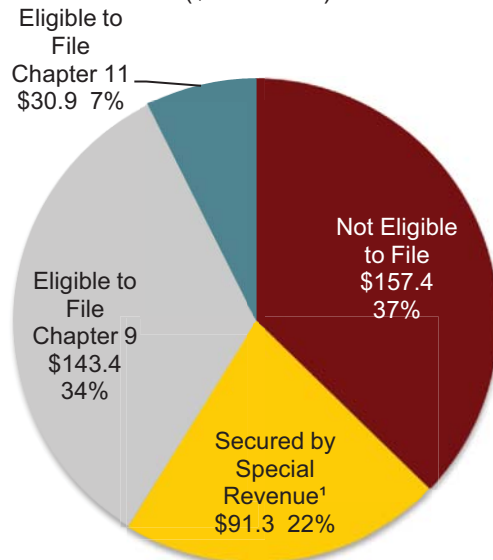
Chapter 9 Eligibility

- 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



**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

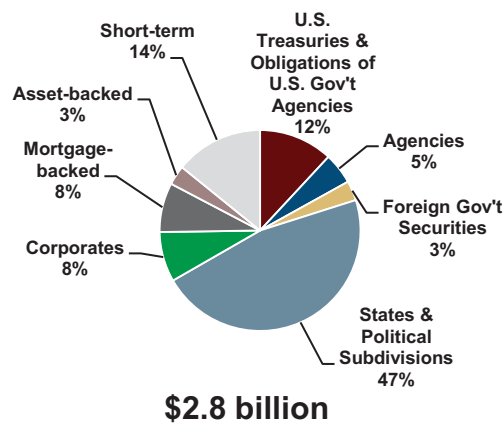
Disclosure Sector (\$ in billions)	Not Eligible for Bankruptcy	Secured By Special Revenue ¹	Eligible to File Chapter 9	Eligible to File Chapter 11	Net Par Outstanding	Weighted Avg. Rating
General obligation	57.9	-	120.5	-	178.4	A+
Tax backed	51.9	11.3	19.8	-	83.0	A+
Municipal utilities	14.7	54.8	-	-	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.

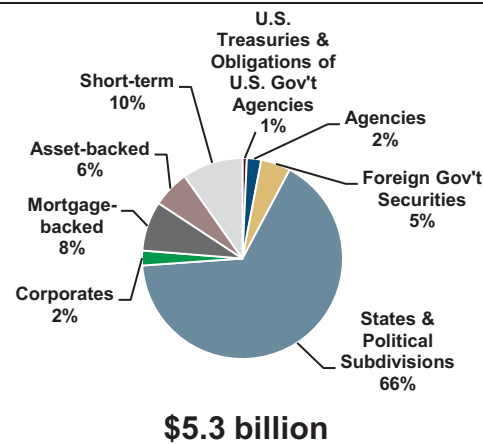
Investment Portfolios by Sector (Fair Value) As of June 30, 2010



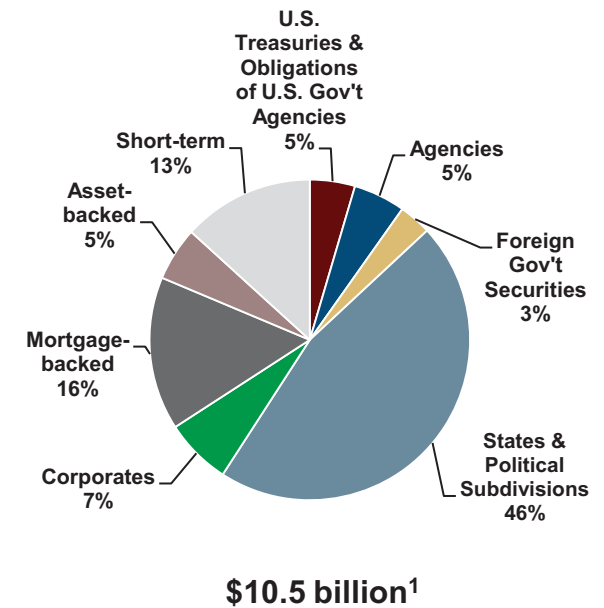
AGC



AGM



Assured Guaranty Ltd. Consolidated

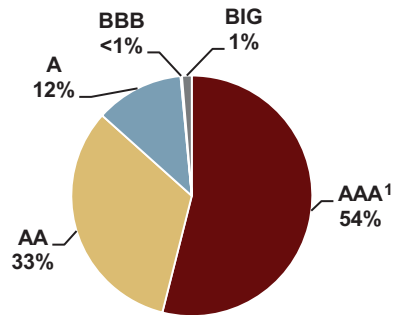


1. Consolidated amounts include those of AG Re.

Investment Portfolios by Ratings (Fair Value) As of June 30, 2010

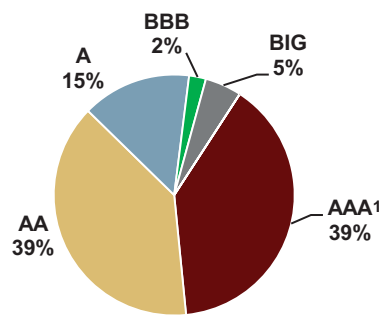


AGC



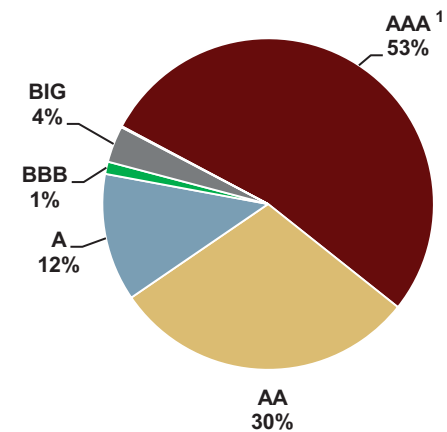
\$2.8 billion

AGM



\$5.3 billion

**Assured Guaranty Ltd.
Consolidated**



\$10.5 billion²

1. Includes all short-term securities.
2. Consolidated amounts include those of AG Re.

AGC and AGM U.S. Public Finance Market Fundamentals



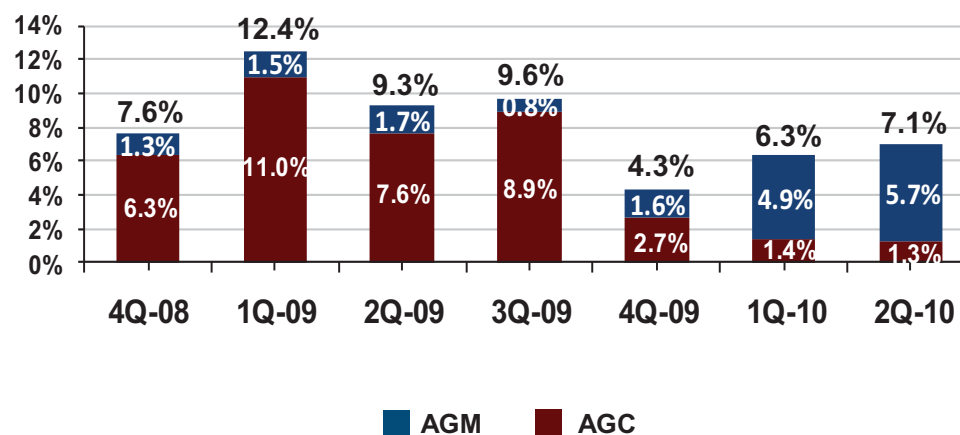
Market trends

- In 2Q10, insurance penetration rate was 7.1% of total market par insured and 9.0% of tax-exempt market. AGC and AGM were the only insurers.
- For first half 2010, AGC and AGM guaranteed \$13.6 billion in U.S. public finance new-issue par, representing 6.7% of the total par issued and 13.0% of the total number of transactions.
- For first half 2010, excluding Build America Bonds (BABs) and other taxable issues, AGC and AGM insured 8.9% of total par issued and 14.5% of the total number of transactions.
- In July 2010, AGC and AGM insured \$2.5 billion in U.S. public finance new-issue par, representing 8.8% of the total par issued that month. In the tax-exempt market that month, AGC and AGM insured 11% of par issued and 16.5% of the number of tax-exempt transactions.

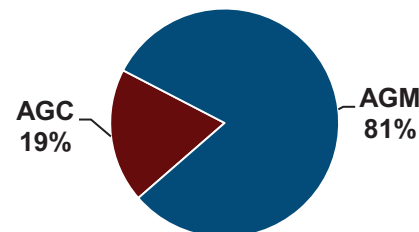
Smaller and retail-placed deals in particular depend on insurance

- Deals less than \$50mm: In the first half 2010, 14.0% insured penetration based on number of transactions

AGC and AGM Insured Penetration of U.S. Public Finance New Issue Par¹



First Half 2010 U.S. Public Finance Insured Market Share^{1,2}



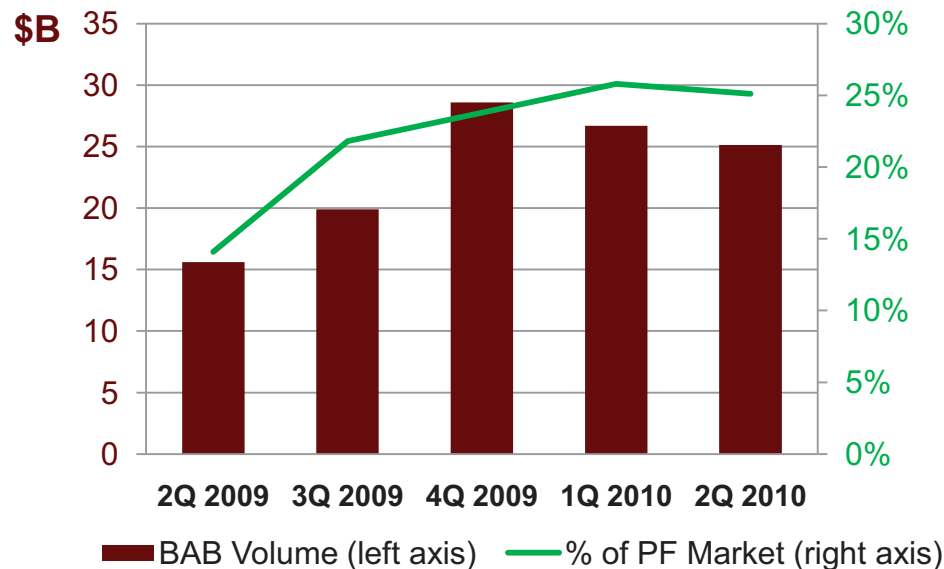
1. Source: Thomson Financial SDC Platinum. Represents only primary issuances (no secondary).

2. Percentage estimates based on each insurer's principal amount in Thomson's "True Economics" league table, which is designed to credit each insurer with its actual insured amount per issue.

Build America Bonds Remain Popular



BAB Volume and Share of PF Market



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

Distribution by Rating Category

	% Par	% Deals
AAA*	19%	24%
AA	52%	57%
A	28%	19%
BBB	1%	1%
	100%	100%

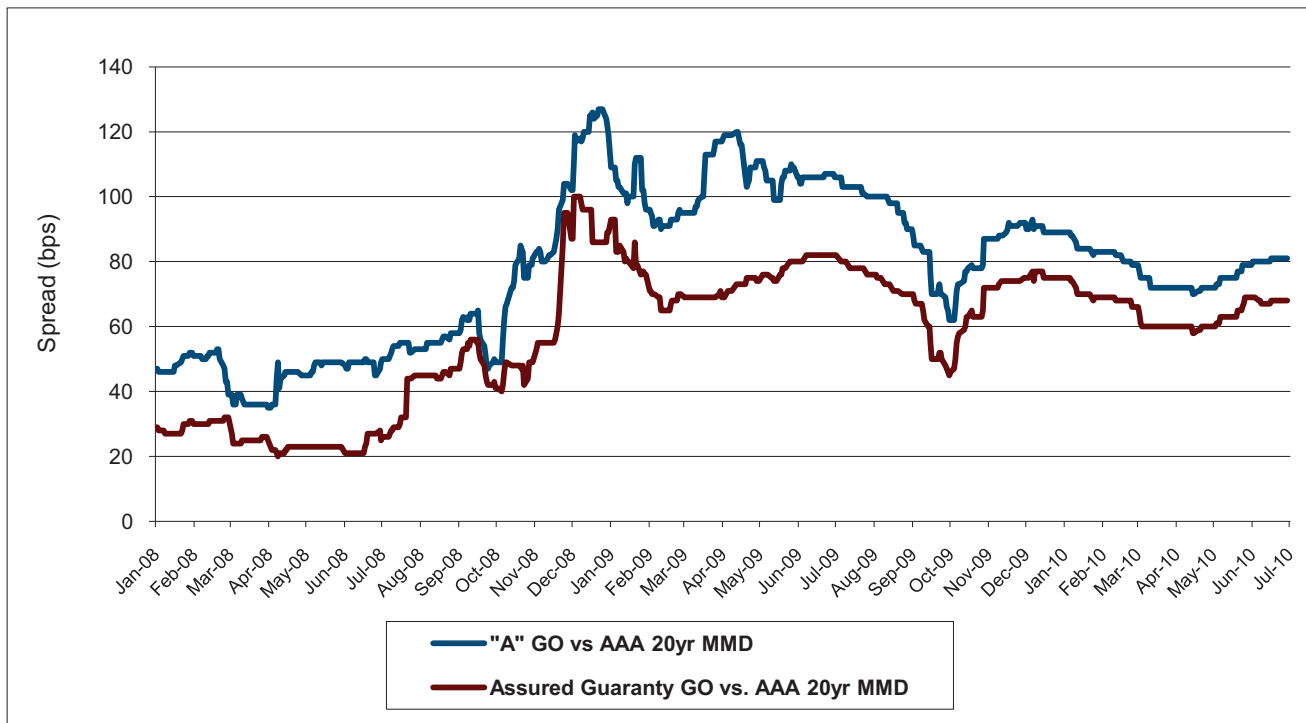
* Includes insured deals.

2009 and first half 2010 issuance. Includes only issues rated by S&P.

- **BABs are a significant part of the market as they represented almost 25% of all municipal issuance volume over the past few quarters.**
- **In first half 2010, 13% of all BAB transactions \$10-50 million in size utilized insurance (vs. 19% for tax-exempt deals of that size), as mid-sized issues enjoy the investor diversification provided by insurance.**
- **Assured Guaranty has licensed operating subsidiaries in Europe and Asia which could help facilitate international BAB distribution.**

Current U.S. Municipal Operating Environment Remains Favorable

Despite Recent Credit Spread Tightening, 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.**

Source: Thomson Reuters. Assured Guaranty GO index represents observed AGC and AGM results on new issue transactions. The index has been derived from an extrapolation of Assured Guaranty results and market feedback.

Credit Default Swap Spreads

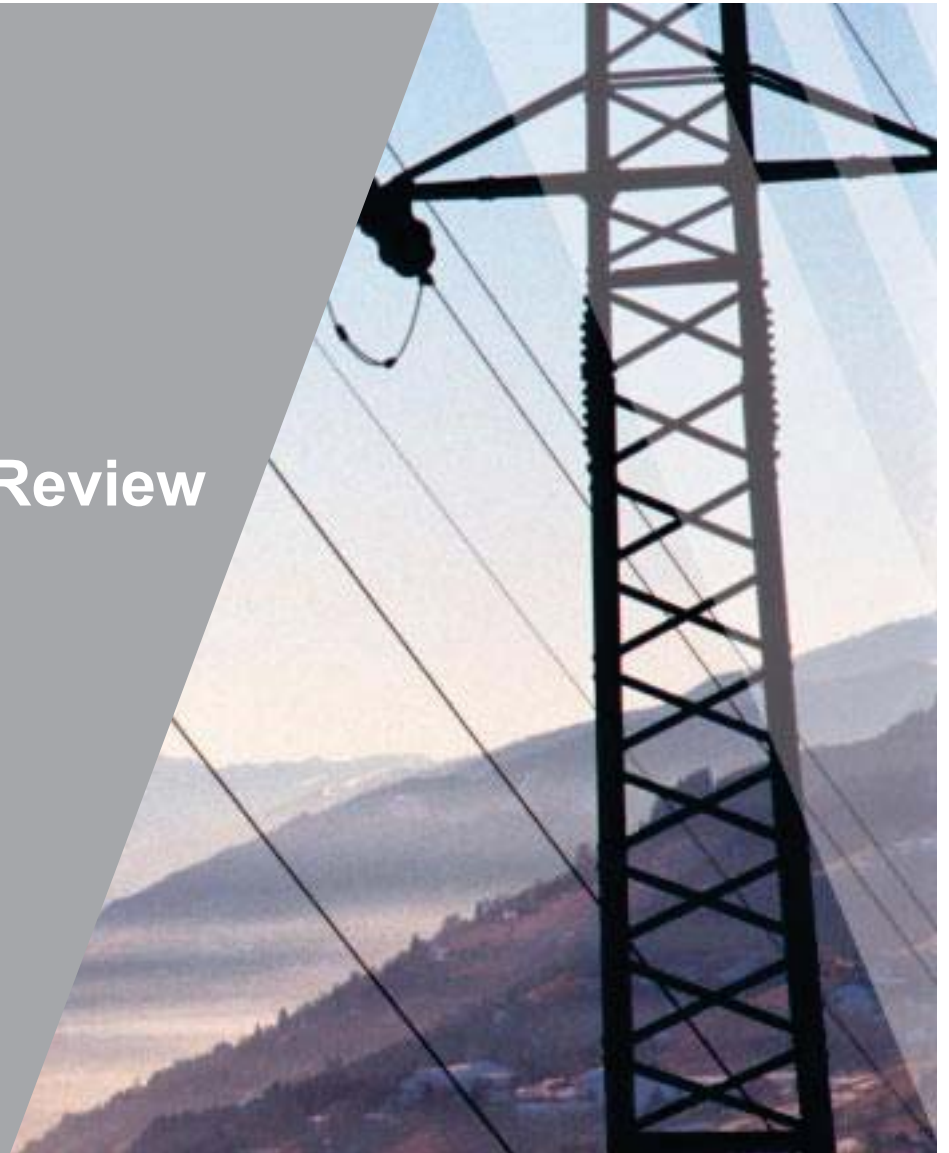


- Movements in credit default swaps (“CDS”) levels for AGC and AGM continue to be significantly affected by technical factors such as supply/demand imbalance and light trading volume.
- The deterioration in the asset-backed securities market’s pricing through first quarter 2009 expanded demand for CDS 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 since rallied considerably 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 and the December 2009 capital raise.
- In August 2010, the 5-year CDS levels for AGC and AGM were at 16 and 22 percent, respectively, of their mid-March 2009 levels. As of August 3, 2010, they were 818 bps and 635 bps, respectively.



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

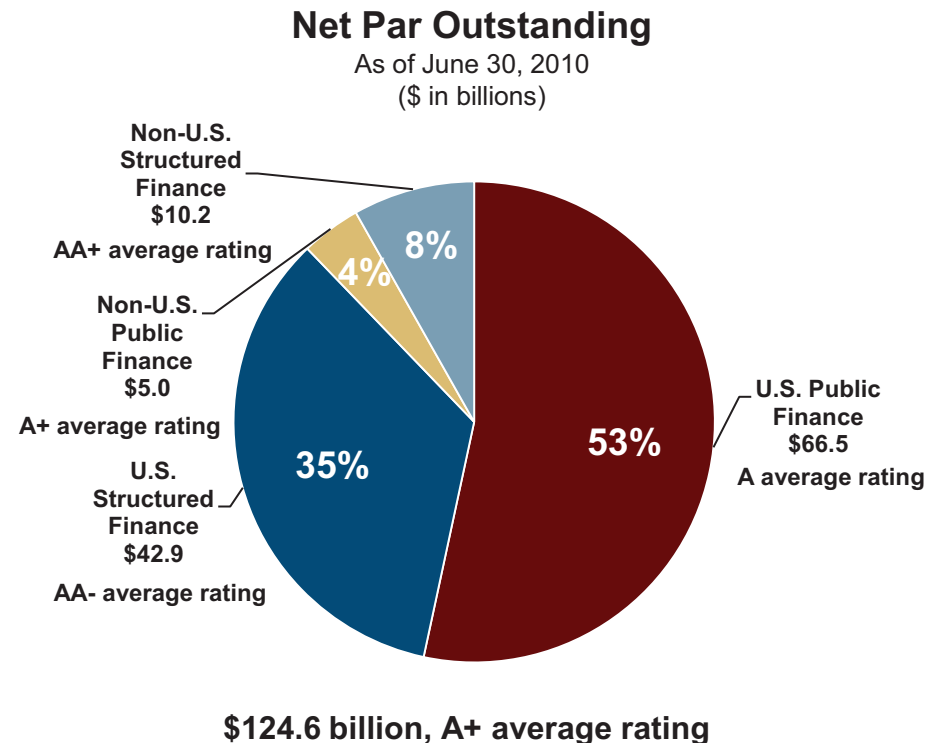
**Assured Guaranty Corp.
Financial Guaranty Portfolio Review**



AGC Net Par Outstanding By Market Sector



- **AGC's portfolio is well diversified by asset class**
 - 53% U.S. public finance
 - 35% 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 64% of AGC's BIG exposures.**
- **AGC's portfolio was principally underwritten in the direct segment**



AGC Net Par Outstanding by Exposure Category



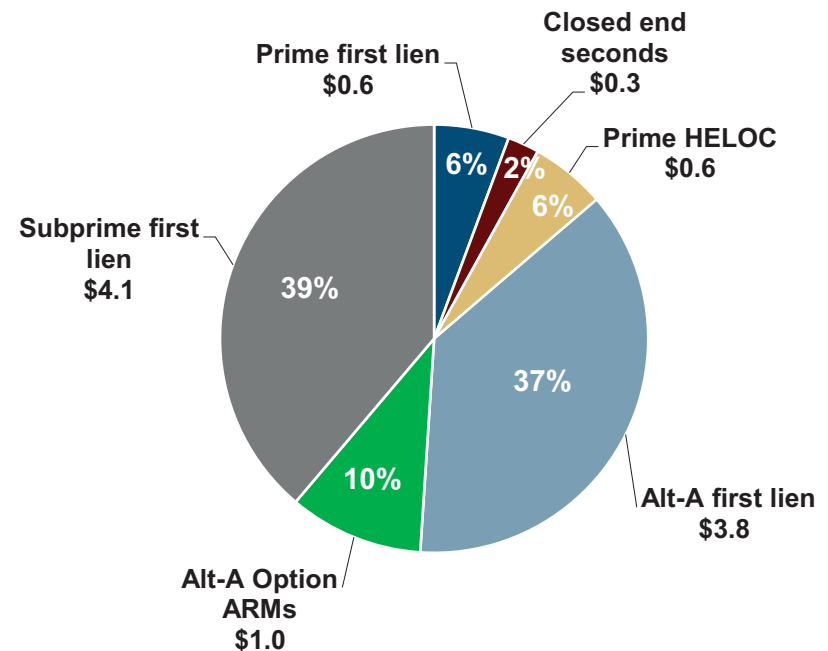
As of June 30, 2010; \$ in millions

	<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	\$ 25,934	A	Pooled corporate obligations	\$ 21,800	AA+
Tax backed	11,988	A	RMBS and home equity	10,336	BB+
Municipal utilities	9,293	A-	CMBS	5,662	AAA
Transportation	6,938	A	Consumer receivables	2,451	AAA
Healthcare	5,310	A-	Structured credit	1,246	BBB+
Higher education	3,285	A	Commercial receivables	1,066	BBB+
Infrastructure finance	956	BBB	Insurance securitizations	255	A
Investor-owned utilities	658	BBB+	Other structured finance	119	AA
Housing	333	AA-	Total U.S. structured finance	42,935	AA-
Other public finance	1,765	A	Non-U.S. Structured Finance:		
Total U.S. public finance	66,460	A	Pooled corporate obligations	6,403	AAA
Non-U.S. Public Finance:			RMBS and home equity	2,085	AAA
Pooled infrastructure	2,278	AA+	Commercial receivables	617	A-
Infrastructure finance	1,225	BBB	Structured credit	498	BBB
Regulated utilities	1,052	BBB+	CMBS	319	AAA
Other public finance	411	AA	Insurance securitizations	279	CCC-
Total non-U.S. public finance	4,966	A+	Other structured finance	3	A
Total public finance	\$ 71,426	A	Total non-U.S. structured finance	10,204	AA+
			Total structured finance	\$ 53,139	AA-
			Total net par outstanding	\$ 124,565	A+

- AGC's \$10.3 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB+ at June 30, 2010 versus AA at year-end 2007
 - All exposures were 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**
 - 8.3% of total net par outstanding versus 14.3% at year-end 2007
 - \$10.3 billion versus \$13.4 billion at year-end 2007, a decrease of 23%

U.S. RMBS by Exposure Type

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



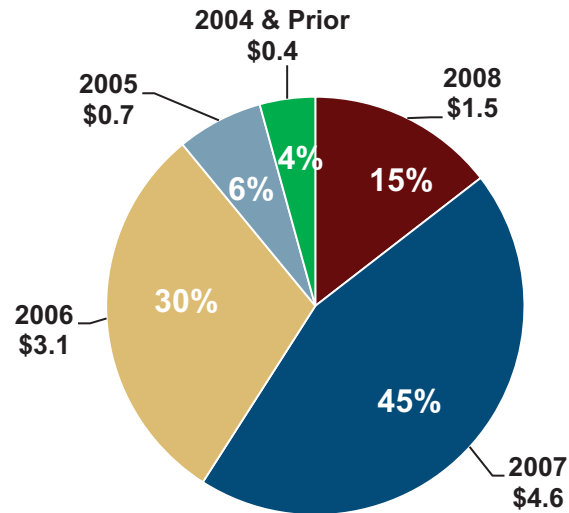
\$10.3 billion, 8.3% of net par outstanding

AGC U.S. RMBS By Vintage and Rating



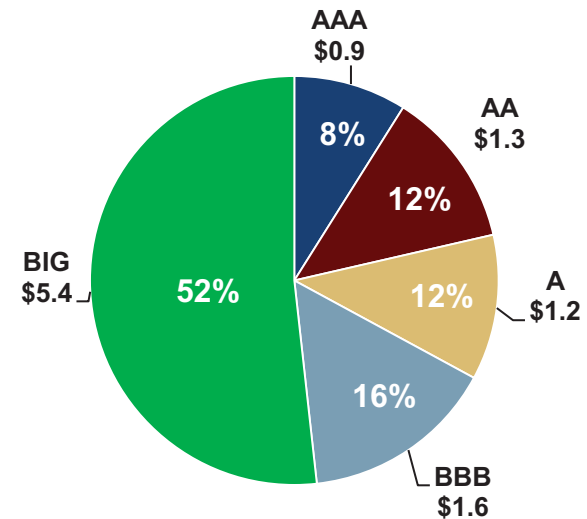
U.S. RMBS by Year Insured

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



U.S. RMBS by Rating

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



**Total U.S. RMBS = \$10.3 billion net par outstanding
BB+ average rating**

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

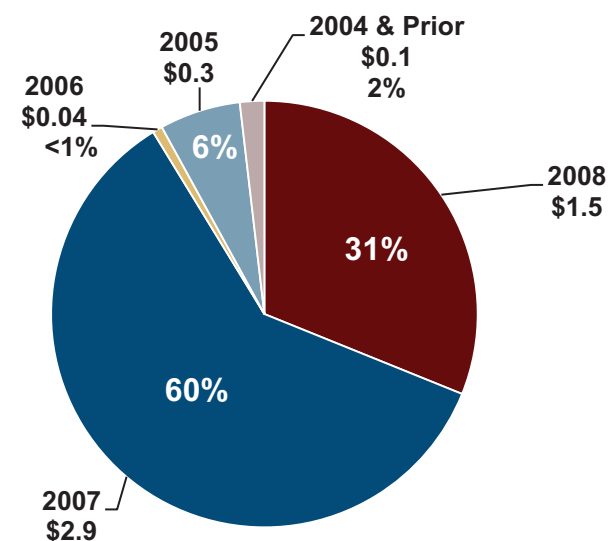
AGC U.S. RMBS Alt-A Exposure¹



- **More than 92% of AGC's direct Alt-A 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
 - Limited exposures to Alt-A Option ARMs (22% of Alt-A exposure)
- **Our Alt-A exposures have an average rating below investment grade due to significant downgrades in 2009**
 - Less than 1% now rated triple-A
 - 72% rated BIG

Alt-A¹ Exposure by Year Insured

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



\$4.8 billion net par outstanding

1. Alt-A exposures include Alt-A first lien and Alt-A Option ARMs.

AGC U.S. RMBS Performance

Alt-A First Lien and Alt-A Option ARMs



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010¹

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	\$ 266	49.1%	11.7%	2.4%	15.8%	13
2006	-	-	-	-	-	-
2007	2,042	64.2%	11.2%	6.4%	33.5%	8
2008	1,424	60.1%	27.7%	7.6%	31.7%	5
	<u>\$ 3,732</u>	<u>61.6%</u>	<u>17.5%</u>	<u>6.6%</u>	<u>31.6%</u>	<u>26</u>

U.S. Alt-A Option ARMs

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 25	25.6%	25.8%	3.1%	25.6%	1
2006	35	42.1%	12.3%	6.3%	24.1%	1
2007	850	67.0%	11.9%	7.3%	35.5%	5
2008	89	66.7%	49.6%	6.3%	35.2%	1
	<u>\$ 998</u>	<u>65.1%</u>	<u>15.6%</u>	<u>7.0%</u>	<u>34.8%</u>	<u>8</u>

1. For this presentation, net par outstanding is based on values as of June 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.

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

Subprime First Lien Exposure



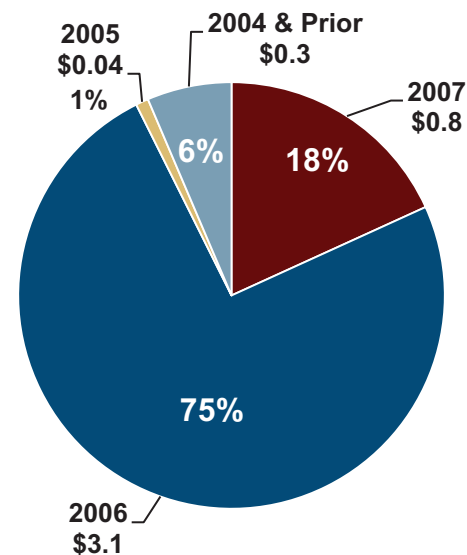
- **Despite the recent economic environment, the majority of AGC's subprime first lien portfolio is investment grade**

- 20% rated triple-A or super senior
- Of the \$4.1 billion portfolio, only 15% is BIG rated
- Of the seven transactions written in 2005 or later, for a total net par of \$3.8 billion, average subordination is 55%

- **Of 18 total subprime first lien transactions, totaling \$4.1 billion, only 4 exposures are rated BIG**

Subprime First Lien by Year Insured

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



\$4.1 billion net par outstanding

AGC U.S. RMBS Performance

Subprime First Lien Exposure



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010¹

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	\$ 36	21.7%	80.2%	10.0%	60.3%	1
2006	3,067	26.4%	61.3%	12.6%	42.2%	2
2007	745	39.1%	30.0%	18.1%	49.2%	4
2008	-	-	-	-	-	-
	<u>\$ 3,848</u>	<u>28.8%</u>	<u>55.4%</u>	<u>13.6%</u>	<u>43.7%</u>	<u>7</u>

1. For this presentation, net par outstanding is based on values as of June 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.

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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.

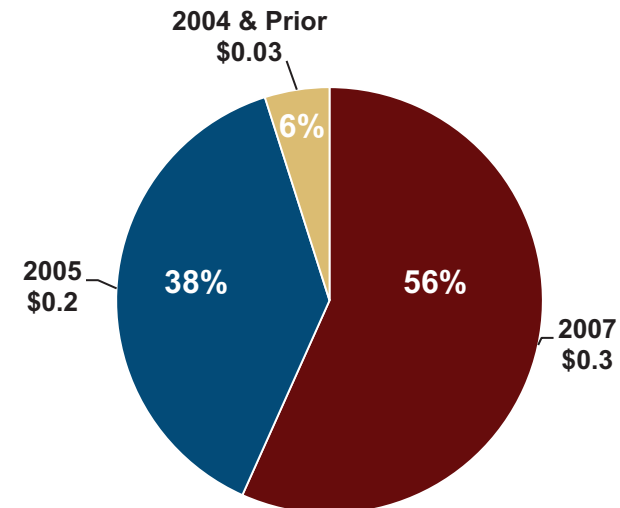
AGC U.S. RMBS HELOC Exposure



- **AGC's HELOC book consists principally of two Countrywide deals underwritten in 2005 and 2007**
 - \$33 million of HELOCS were insured in 2004 and prior years in AGC's reinsurance segment
- **Net par insured of \$577 million for all HELOCs**
- **HELOC and CES expected losses include the assumption that we will receive \$246.0 million in R&W repurchases**

HELOCs by Year Insured

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



\$0.6 billion net par outstanding

AGC U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010¹

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 222	23.0%	0.0%	17.8%	14.3%	2
2006	-	-	-	-	-	-
2007	322	42.9%	0.0%	33.0%	8.9%	2
2008	-	-	-	-	-	-
	<u>\$ 544</u>	<u>34.7%</u>	<u>0.0%</u>	<u>26.8%</u>	<u>11.1%</u>	<u>4</u>

1. For this presentation, net par outstanding is based on values as of June 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.

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AGC U.S. RMBS

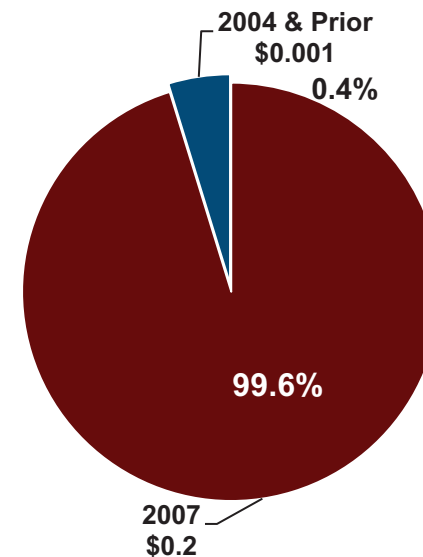
Closed-End Second Lien Exposure



- **Limited exposure to CES**
 - \$242 million in total exposure
 - Less than \$1.5 million is in AGC's reinsurance segment
- **5 direct transactions totaling \$241 million**
 - 4 deals for \$209 million rated BIG
 - 1 deal is rated AA
 - All five are 2007 vintage

Closed-End Second Liens by Year Insured

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



\$0.2 billion net par outstanding

AGC Direct U.S. RMBS Performance

Closed-End Seconds



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010¹

U.S. CES²

Year insured:	Net Par Outstanding	Pool Factor ³	Subordination ⁴	Cumulative Losses ⁵	60+ Day Delinquencies ⁶	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	-	-	-	-	-	-
2007	241	36.2%	6.3%	52.6%	11.1%	5
2008	-	-	-	-	-	-
	<u>\$ 241</u>	<u>36.2%</u>	<u>6.3%</u>	<u>52.6%</u>	<u>11.1%</u>	<u>5</u>

1. For this presentation, net par outstanding is based on values as of June 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.
2. Certain 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.
3. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.
4. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.
5. Cumulative losses are defined as net charge-offs on the underlying loan collateral divided by the original pool balance.
6. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

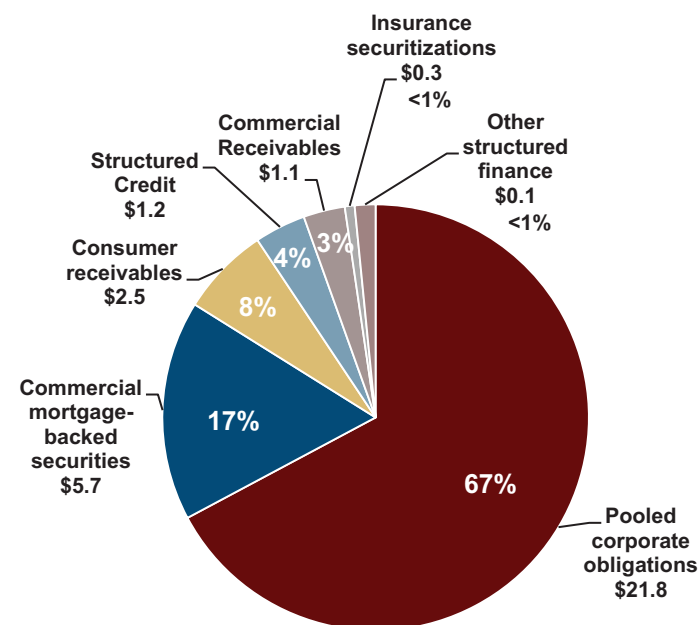
AGC Non-RMBS U.S. Structured Finance Exposure



- **AGC’s non-RMBS U.S. structured finance exposures consist principally of:**
 - Pooled corporate obligations
 - Commercial mortgage-backed securities (“CMBS”)
 - Consumer receivables
- **AGC’s non-RMBS U.S. structured finance credit experience has been generally strong, although downgrades increased during 2009**
 - 72% rated super senior or AAA
 - 6% rated BIG

U.S. Non-RMBS Structured Finance

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



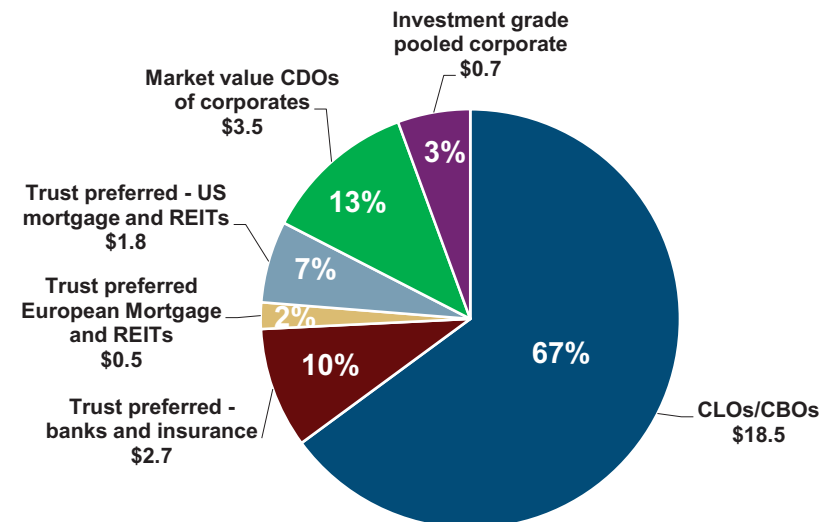
\$32.6 billion net par outstanding

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 32.5%
 - 77% rated AAA or super senior, average rating (AA+)
- **AGC’s \$5.1 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, REIT and CMBS)**
 - Includes more than 1,400 issuers
 - All our exposure at the CDO level is to the senior-most debt tranche
 - 86% 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 real estate investment trusts (“REITs”) is the lowest average rated pooled corporate subsector**
 - BB average rating

Financial Guaranty Direct Pooled Corporate Obligations¹ By Asset Class

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



\$27.8 billion net par outstanding

1. AGC also reinsures \$423 million of pooled corporate exposure.

AGC Direct Pooled Corporate Obligations By Collateral Type



(\$ in millions)

Distribution of Financial Guaranty Direct Pooled Corporate Obligations by Asset Class as of June 30, 2010

Asset class:	Net Par		Avg. Initial Credit	Avg. Current Credit	Internal Rating
	Outstanding	% of Total	Enhancement ¹	Enhancement ¹	
CLOs/CBOs ²	\$ 18,479	66.5%	34.7%	30.9%	AAA
Market value CDOs ³ of corporates	3,513	12.6%	37.7%	38.4%	AAA
Trust preferred - banks and insurance	2,701	9.7%	46.9%	32.2%	BBB
Trust preferred - US Mortgage and REITs ⁴	1,848	6.7%	50.1%	38.4%	BB
Synthetic investment grade pooled corporate	702	2.5%	30.0%	30.1%	Super Senior
Trust preferred - European Mortgage and REITs ⁴	537	2.0%	37.4%	31.6%	BBB-
	<u>\$ 27,780</u>	<u>100.0%</u>	<u>37.2%</u>	<u>32.5%</u>	<u>AA+</u>

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. REITs are real estate investment trusts.

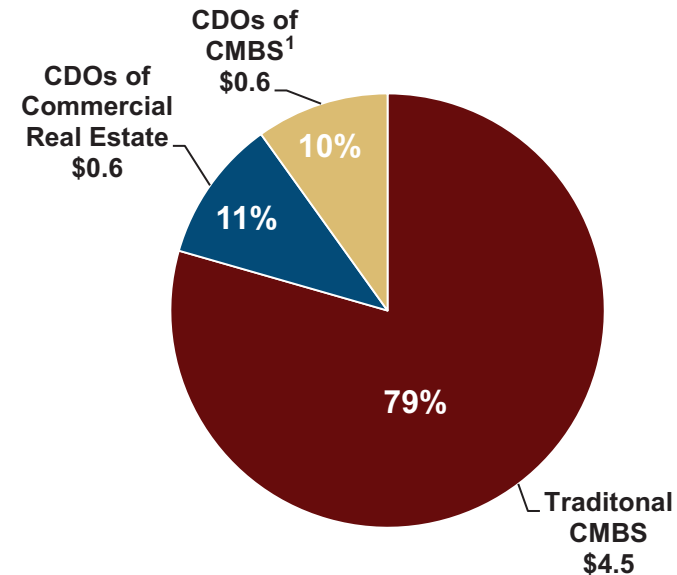
AGC U.S. CMBS Exposure Overview



- **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
 - 79% of traditional CMBS rated Super Senior or AAA as of June 30, 2009
- **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 June 30, 2010
(\$ in billions)



\$5.7 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 (\$4.5 billion) is highly rated – 79% is super senior or triple-A, 16% is double-A and 5% is single-A (as of June 30, 2009)**

(\$ in millions)

Distribution of Financial Guaranty Direct U.S. Commercial Mortgage-Backed Securities Insured January 1, 2005 or Later by Exposure Type, Internal Rating, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010 ¹

U.S. Commercial Mortgage-Backed Securities

Rating:	Net Par Outstanding	Pool Factor²	Subordination³	Cumulative Losses⁴	60+ Day Delinquencies⁵	Number of Transactions
Super senior	\$ 3,352	91.7%	30.6%	0.3%	6.7%	185
AAA	195	86.5%	26.3%	0.3%	8.9%	7
AA	713	90.5%	13.7%	0.3%	6.9%	39
A	208	68.4%	11.0%	0.8%	6.1%	1
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
	<u>\$ 4,468</u>	<u>90.2%</u>	<u>26.8%</u>	<u>0.3%</u>	<u>6.8%</u>	<u>232</u>

1. For this presentation, net par outstanding is based on values as of June 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.

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.

AGC CDOs of Commercial Real Estate



- **AGC underwrote three commercial real estate CDO transactions totaling \$599 million net par¹ as of June 30, 2010**
 - All were underwritten at the super senior attachment level
- **In aggregate, collateral consists of the following:**
 - 81% whole loans
 - 4% mezzanine CMBS
 - 14% other (includes but not limited to mezzanine and subordinated notes, participation interests and preferred securities)
- **Average credit enhancement stands at 46.9%**
 - Average initial credit enhancement was 49.4%

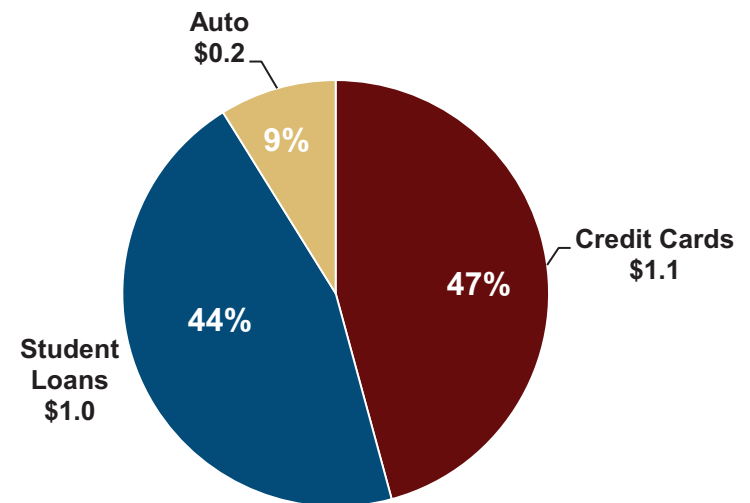
1. May change due to deals with revolvers.

AGC U.S. Consumer Receivables

- U.S. consumer receivable exposures are well protected. In AGC’s direct portfolio:**
 - Average rating of AAA
 - For all categories – credit cards, student loans and auto loans – current credit enhancement is higher than initial credit enhancement
 - 91% rated super senior or AAA
 - None rated BIG
- 53% of the par was written in 2008 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 June 30, 2010
(\$ in billions)



\$2.3 billion net par outstanding

1. AGC also reinsures \$121 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 as of June 30, 2010

Rating:	Credit Cards	Student Loans	Auto	Total Net Par Outstanding
Super senior	\$ 1,100	-	-	\$ 1,100
AAA	-	1,029	-	1,029
AA	-	-	-	-
A	-	-	140	140
BBB	-	-	61	61
BIG	-	-	-	-
	<u>\$ 1,100</u>	<u>\$ 1,029</u>	<u>\$ 201</u>	<u>\$ 2,330</u>
Average rating	Super Senior	AAA	A	AAA
Avg. initial credit enhancement ¹	54.2%	7.1%	19.8%	30.4%
Avg. current enhancement ¹	55.0%	11.0%	27.4%	33.2%

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 Loss and LAE Reserves

As of June 30, 2010

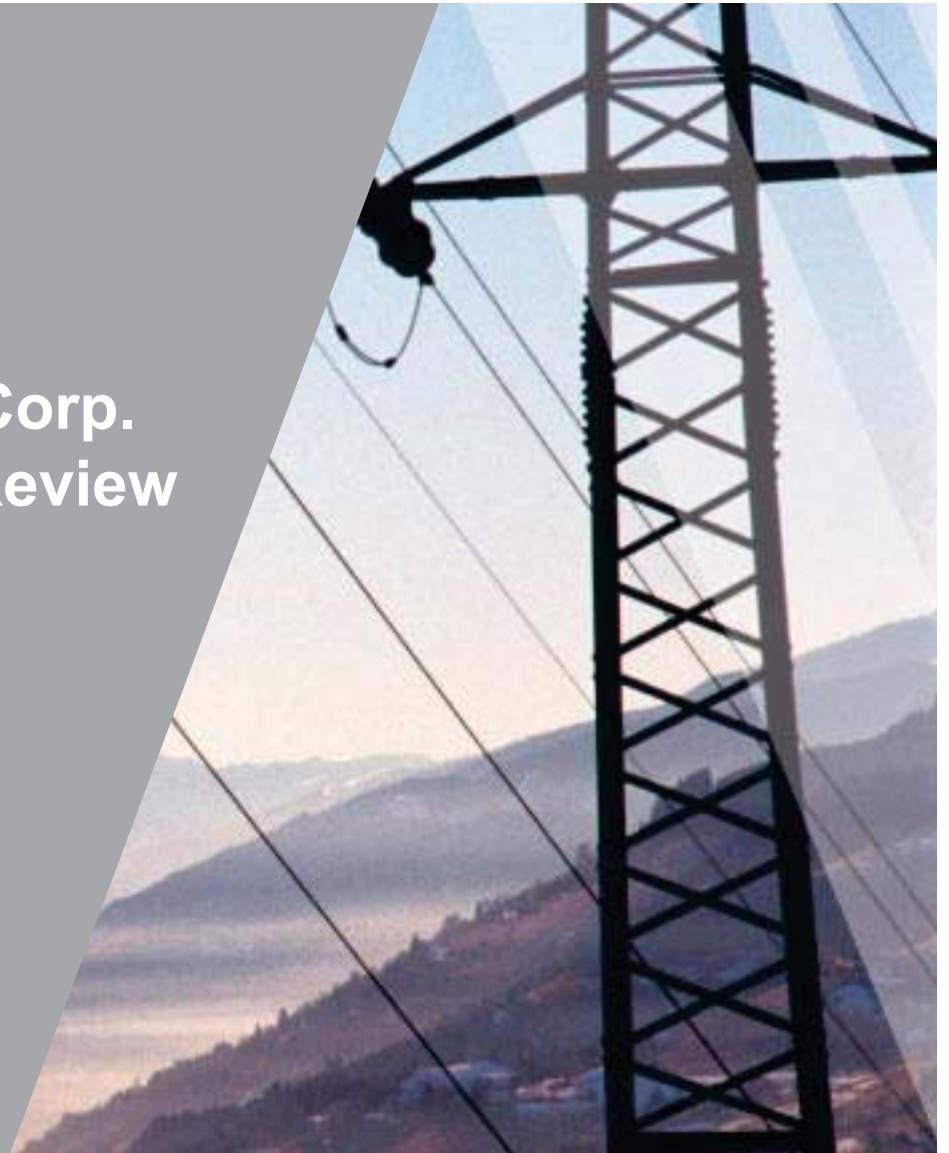


(\$ in millions)

Financial Guaranty Insurance Contracts and Credit Derivatives	Total Net Par Outstanding for BIG Transactions	2Q-10 Incurred Losses	2Q-10 Paid Losses	Net Loss and LAE Reserve ¹	Net Salvage and Subrogation Assets	Expected Loss to be Expensed
Financial Guaranty Direct and Reinsurance:						
First lien:						
Prime first lien	\$ 535.1	\$ -	\$ -	\$ 0.1	\$ -	\$ -
Alt-A first lien	2,645.3	(17.0)	0.1	116.7	-	1.5
Alt-A option ARMs	840.6	(1.2)	(2.9)	115.8	-	0.9
Subprime first lien	629.6	18.4	3.3	72.5	-	3.2
Total first lien	4,650.6	0.2	0.5	305.1	-	5.6
Second lien:						
Closed end seconds	208.8	(10.2)	9.4	3.7	11.5	4.0
HELOC	548.7	8.5	18.6	3.9	136.7	0.1
Total second lien	757.5	(1.7)	28.0	7.6	148.2	4.1
Total U.S. RMBS	5,408.1	(1.5)	28.5	312.7	148.2	9.7
Other structured finance	2,246.2	15.0	1.0	92.6	0.8	3.5
Public finance	827.2	(10.2)	6.5	29.0	9.3	3.7
Total Financial Guaranty Direct and Reinsurance	\$ 8,481.5	\$ 3.3	\$ 36.0	\$ 434.3	\$ 158.3	\$ 16.9
Effect of consolidating VIEs	-	-	(4.2)	-	(4.2)	-
Total	\$ 8,481.5	\$ 3.3	\$ 31.8	\$ 434.3	\$ 154.1	\$ 16.9

1. Includes credit impairment on credit derivative transactions.

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

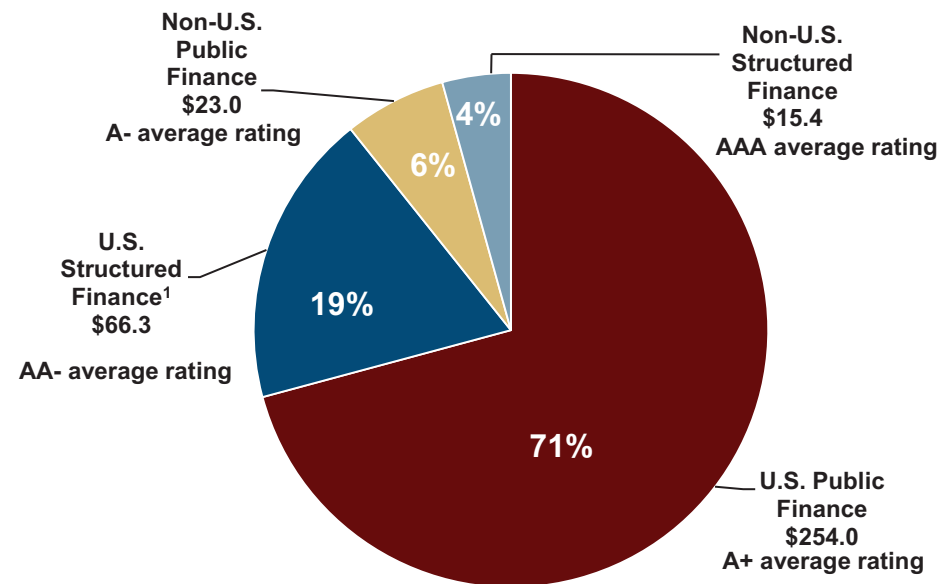


AGM Net Par Outstanding By Market Sector

- **AGM’s portfolio is well diversified by asset class**
 - 71% U.S. public finance
 - 19% U.S. structured finance
 - 6% Non-U.S. public finance
 - 4% 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 85% of the below investment grade exposures.**

Consolidated Net Par Outstanding

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



\$358.7 billion, A+ average rating

1. Includes \$8.4 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

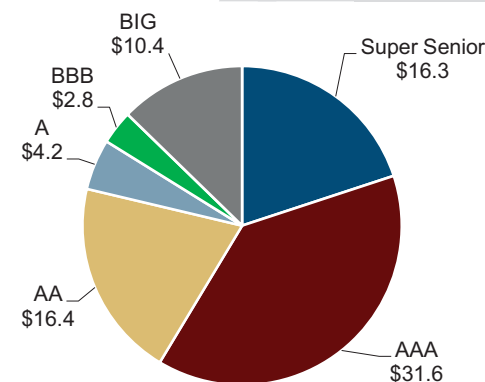
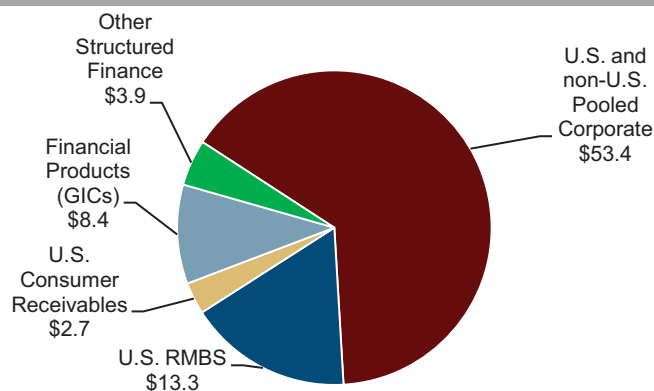


As of June 30, 2010; \$ in millions

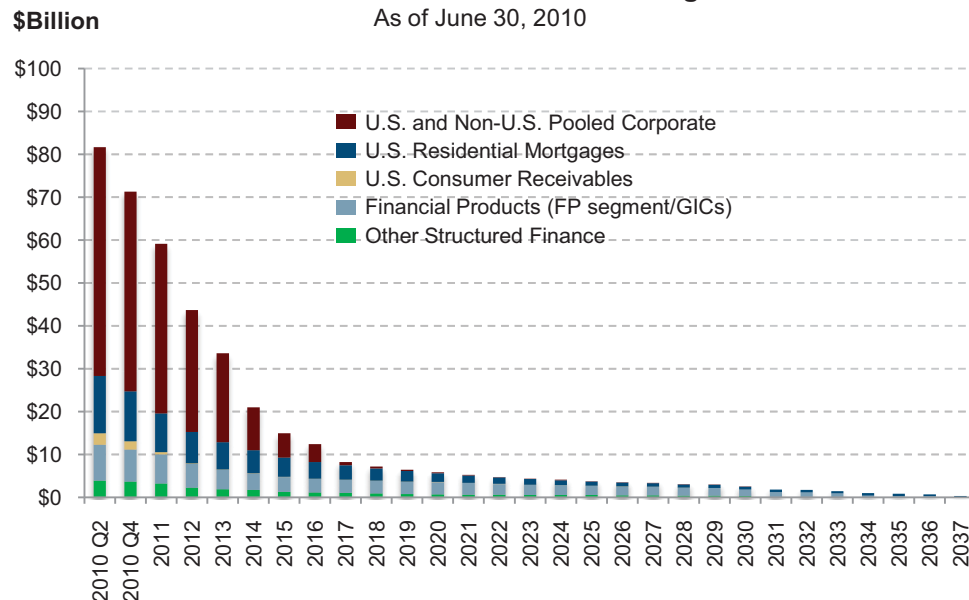
	<u>Net Par Outstanding</u>	<u>Avg. Rating</u>		<u>Net Par Outstanding</u>	<u>Avg. Rating</u>
U.S. Public Finance:			U.S. Structured Finance:		
General obligation	\$ 111,426	A+	Pooled corporate obligations	\$ 40,681	AAA
Tax backed	50,836	A+	RMBS and home equity	13,336	BB-
Municipal utilities	46,510	A	Financial products ¹	8,394	AA-
Transportation	19,999	A	Consumer receivables	2,692	A-
Healthcare	10,046	A	Insurance securitization	369	AA
Higher education	6,794	A+	Commercial receivables	95	BBB
Housing	5,398	AA-	Structured credit	80	BBB-
Infrastructure finance	1,144	BBB	Other structured finance	640	A
Investor-owned utilities	47	BBB+	Total U.S. structured finance	66,287	AA-
Other public finance	1,808	A	Non-U.S. Structured Finance:		
Total U.S. public finance	254,008	A+	Pooled corporate obligations	12,740	AAA
Non-U.S. Public Finance:			RMBS and home equity	1,499	AA
Infrastructure finance	10,230	BBB	Structured credit	539	BBB
Regulated utilities	6,390	BBB+	Commercial receivables	240	A
Other public finance	6,372	AA-	Insurance securitizations	38	A+
Total non-U.S. public finance	22,992	A-	Other structured finance	375	AAA
Total public finance	\$ 277,000	A+	Total non-U.S. structured finance	15,431	AAA
			Total structured finance	\$ 81,718	AA
			Total net par outstanding	\$ 358,718	A+

1. Represents 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 Run-Off of Global Insured Structured Finance Portfolio



\$81.7 billion Net Par Outstanding
As of June 30, 2010



- We expect AGM's legacy global structured finance insured portfolio (\$81.7 billion as of June 30, 2010 versus \$132.6 billion as of June 30, 2008) to run off rapidly — 13% by year-end 2010, 47% by year-end 2012, and 82% by year-end 2015.¹
 - \$53.4 billion in global pooled corporate obligations expected to be reduced by 47% by year-end 2012 and by 89% by year-end 2015
 - \$13.3 billion in U.S. RMBS expected to be reduced by 45% by year-end 2012 and by 66% by year-end 2015
 - \$2.7 billion in U.S. consumer receivable obligations expected to be reduced by 29% by year-end 2010 and 96% by year-end 2012
 - \$3.9 billion in other structured finance (excluding FP) expected to be reduced by 42% by year-end 2012 and by 67% 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.
 - \$8.4 billion in GICs expected to be reduced by 34% by year-end 2012 and by 59% by year-end 2015

1. Based on net par outstanding at June 30, 2010.

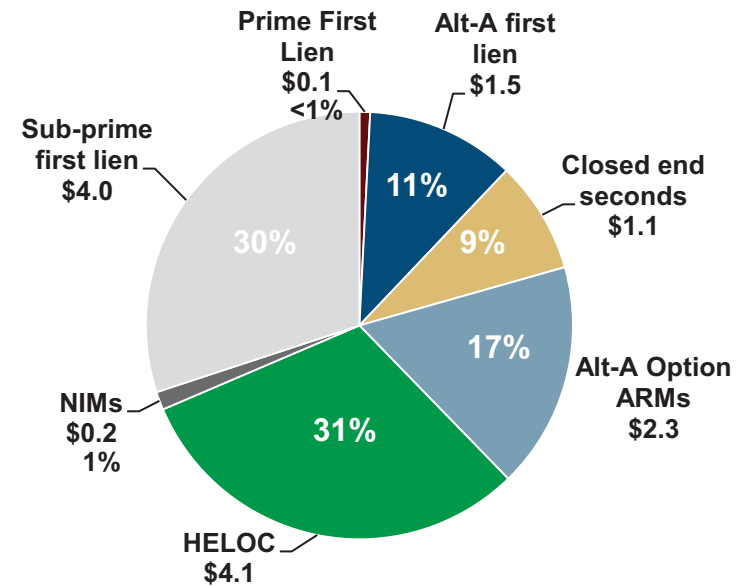
AGM U.S. RMBS



- **AGM's \$13.3 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB- at June 30, 2010
- **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**
 - 3.7% of total net par outstanding versus 4.0% at year-end 2008
 - \$13.3 billion net par outstanding versus \$17.1 billion at year-end 2008, a decrease of 22%

U.S. RMBS by Exposure Type

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



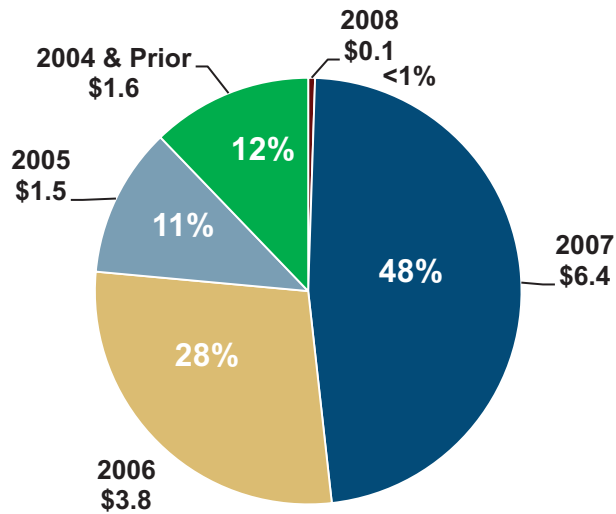
\$13.3 billion, 3.7% of net par outstanding

AGM U.S. RMBS by Vintage and Rating



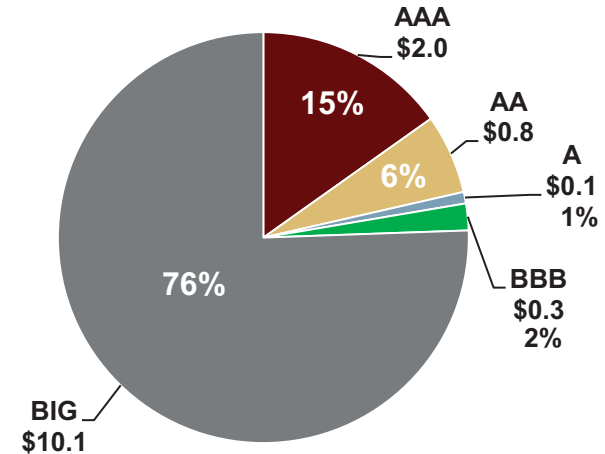
U.S. RMBS by Year Insured

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



U.S. RMBS by Rating

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



**Total U.S. RMBS = \$13.3 billion net par outstanding
BB- average rating**

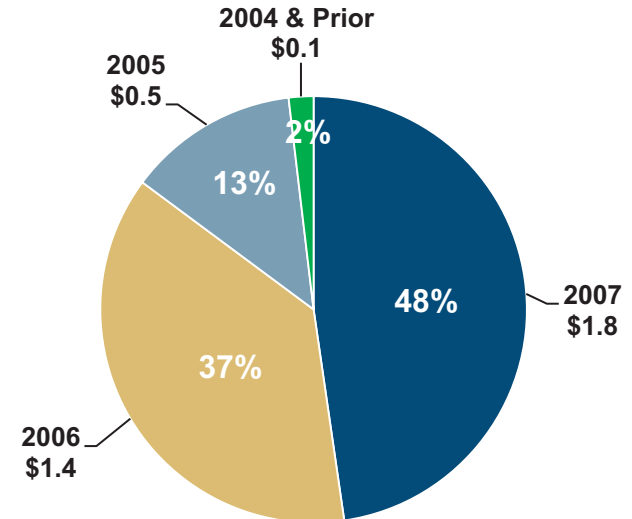
AGM U.S. RMBS Alt-A Exposure¹



- **AGM's portfolio was largely underwritten since 2006 and all were rated AAA at closing**
- **AGM's Alt-A exposures have an average rating of BIG due to significant downgrades in 2008 and 2009**
 - 6% rated AAA
 - 93% rated BIG

Alt-A¹ Exposure by Year Insured

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



\$3.8 billion net par outstanding

1. Alt-A exposures include Alt-A first lien and Alt-A Option ARMs.

AGM U.S. RMBS Performance

Alt-A First Lien and Alt-A 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 June 30, 2010 ¹

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 368	39.8%	12.7%	5.8%	23.4%	8
2006	517	52.5%	1.1%	11.1%	39.9%	7
2007	548	65.5%	1.0%	11.1%	45.8%	4
2008	-	-	-	-	-	-
	<u>\$ 1,433</u>	<u>54.2%</u>	<u>4.0%</u>	<u>9.8%</u>	<u>37.9%</u>	<u>19</u>

U.S. Alt-A Option ARMs

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 124	33.9%	6.2%	8.0%	42.2%	3
2006	902	60.6%	6.0%	9.3%	52.5%	6
2007	1,260	65.7%	4.4%	10.7%	46.9%	6
2008	-	-	-	-	-	-
	<u>\$ 2,285</u>	<u>62.0%</u>	<u>5.1%</u>	<u>10.0%</u>	<u>48.9%</u>	<u>15</u>

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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.

AGM U.S. RMBS

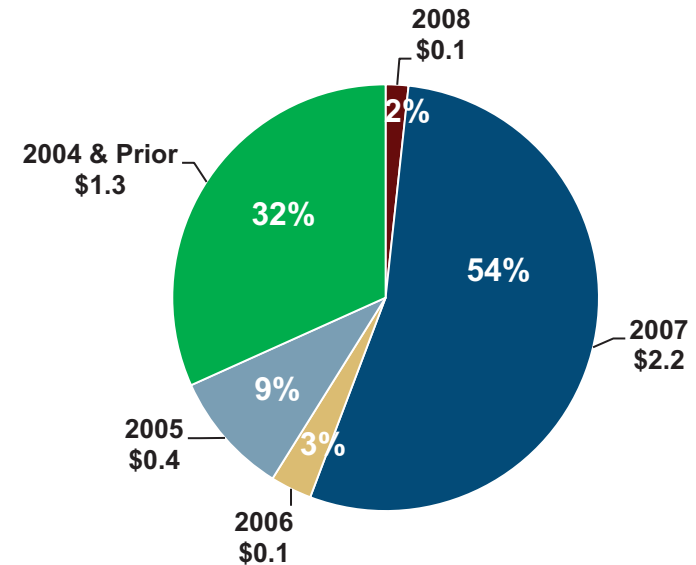
Subprime First Lien Exposure



- **Despite the recent economic environment, AGM's subprime first lien portfolio is 47% investment grade**
 - 31% rated AAA
 - 53% rated BIG
 - Average subordination left is 30% on transactions insured after January 1, 2005
- **Of 92 total subprime transactions only 15 exposures are rated BIG**
 - Largest BIG exposure is \$617 million

Subprime First Lien by Year Insured

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



\$4.0 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 June 30, 2010 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	\$ 376	38.3%	46.2%	4.0%	38.7%	6
2006	126	41.8%	43.2%	10.6%	40.1%	2
2007	2,166	70.5%	26.6%	9.0%	49.3%	9
2008	69	73.7%	34.3%	5.3%	31.5%	1
	<u>\$ 2,737</u>	<u>64.9%</u>	<u>30.3%</u>	<u>8.3%</u>	<u>47.0%</u>	<u>18</u>

1. For this presentation, net par outstanding is based on values as of June 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.
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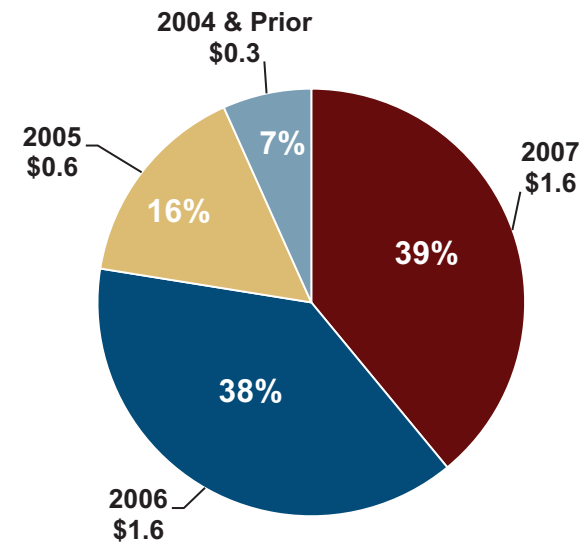
AGM U.S. RMBS HELOC Exposure



- **Outstanding net par insured of \$4.1 billion**
- **Average rating of BIG**
 - \$3.2 billion of HELOCs are BIG
 - \$0.9 billion of HELOCs remain investment grade

HELOCs by Year Insured

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



\$4.1 billion net par outstanding

AGM U.S. RMBS Performance

HELOC Exposure



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Internal Rating, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010 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	\$ 648	22.7%	4.0%	8.4%	10.5%	4
2006	1,584	38.5%	1.9%	25.5%	13.9%	7
2007	1,605	55.4%	4.3%	21.6%	6.8%	7
2008	-	-	-	-	-	-
	<u>\$ 3,837</u>	<u>42.9%</u>	<u>3.3%</u>	<u>21.0%</u>	<u>10.3%</u>	<u>18</u>

1. For this presentation, net par outstanding is based on values as of June 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.

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

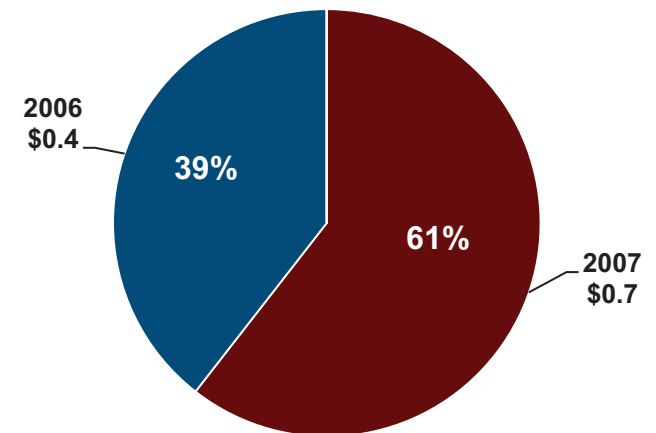
Closed-End Second Lien Exposure



- **Limited exposure to CES**
 - All vintage is 2007 and 2006
- **11 transactions totaling \$1.1 billion**
 - 8 deals rated BIG
 - 4 deals rated AA (total \$223.5 million)

CES by Year Insured

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



\$1.1 billion net par outstanding

AGM U.S. RMBS Performance

Closed-End Seconds



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Internal Rating, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of June 30, 2010 ¹

U.S. CES²

Year insured:	Net Par Outstanding	Pool Factor ³	Subordination ⁴	Cumulative Losses ⁵	60+ Day Delinquencies ⁶	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	448	23.8%	-	53.4%	16.3%	2
2007	687	29.1%	-	58.1%	12.4%	9
2008	-	-	-	-	-	-
	<u>\$ 1,135</u>	<u>27.0%</u>	<u>-</u>	<u>56.3%</u>	<u>13.9%</u>	<u>11</u>

1. For this presentation, net par outstanding is based on values as of June 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.
2. Certain 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.
3. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.
4. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.
5. Cumulative losses are defined as net charge-offs on the underlying loan collateral divided by the original pool balance.
6. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

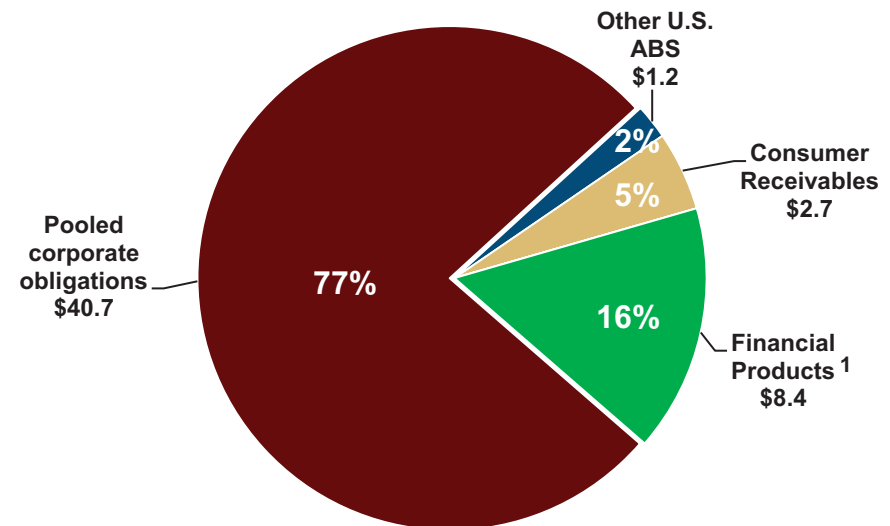
AGM Non-RMBS U.S. Structured Finance Exposure



- **AGM's non-RMBS U.S. structured finance exposures consist principally 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 June 30, 2010
(\$ in billions)



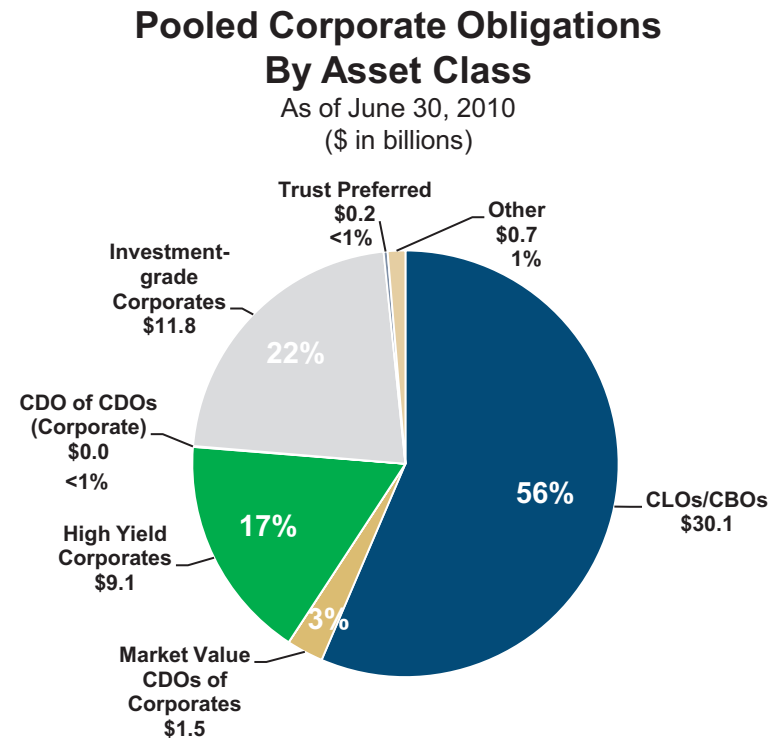
\$53.0 billion net par outstanding

1. Includes \$8.4 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 25.6%
 - 84% rated super senior or AAA
 - AAA average rating
 - Less than 1% rated BIG
- **\$162 million of TruPS (bank and insurance company only)**
 - Single-A average rating
 - Average current credit enhancement remains strong at 44.0%



\$53.4 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 June 30, 2010

Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement ¹	Avg. Current Credit Enhancement ¹	Avg. Rating
CBOs/CLOs ²	\$ 30,144	56.4%	27.1%	26.3%	AAA
Synthetic investment grade pooled corporates	11,769	22.0%	17.3%	15.4%	AAA
Synthetic high yield pooled corporates	9,105	17.0%	38.0%	32.9%	AA
Market Value CDOs of corporates	1,492	2.8%	17.0%	58.2%	AAA
Trust preferred - banks and insurance	162	0.3%	47.4%	44.0%	A
CDO of CDOs (corporate) ³	36	0.1%	26.3%	27.9%	A
Other pooled corporates	713	1.4%	0.0%	0.0%	A
Total	<u>\$ 53,421</u>	<u>100.0%</u>	<u>26.2%</u>	<u>25.6%</u>	<u>AAA</u>

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. CDOs are collateralized debt obligations.

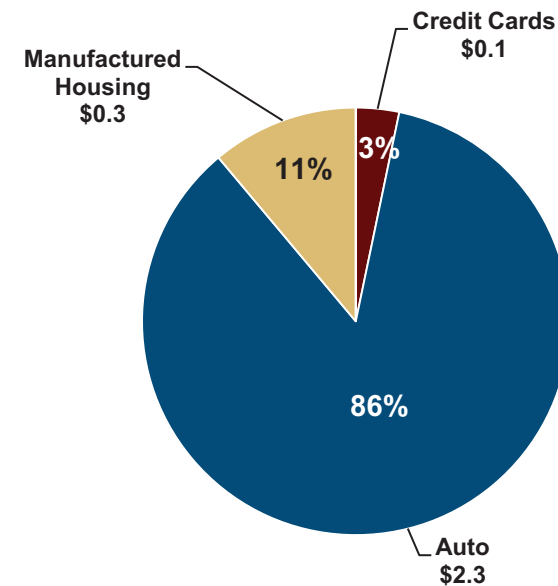
AGM U.S. Consumer Receivables



- **U.S. consumer receivable exposures are well protected**
 - Average rating of A-
 - \$2.3 billion in auto receivable transactions have 28.4% average current credit enhancement
 - \$88 million in credit cards have 15.6% 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 June 30, 2010
(\$ in billions)



\$2.7 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 June 30, 2010

Rating:	Credit Cards	Manufactured Housing	Auto	Total Net Par Outstanding
AAA	\$ -	\$ 84	\$ 25	\$ 109
AA	-	47	27	74
A	-	-	1,485	1,485
BBB	88	-	768	856
BIG	-	168	-	168
	\$ 88	\$ 299	\$ 2,305	\$ 2,692
Average rating	BBB	A-	A-	A-
Avg. initial credit enhancement ¹	13.2%	27.5%	10.9%	12.8%
Avg. current credit enhancement ¹	15.6%	26.1%	28.4%	27.8%

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 Loss and LAE Reserves

As of June 30, 2010

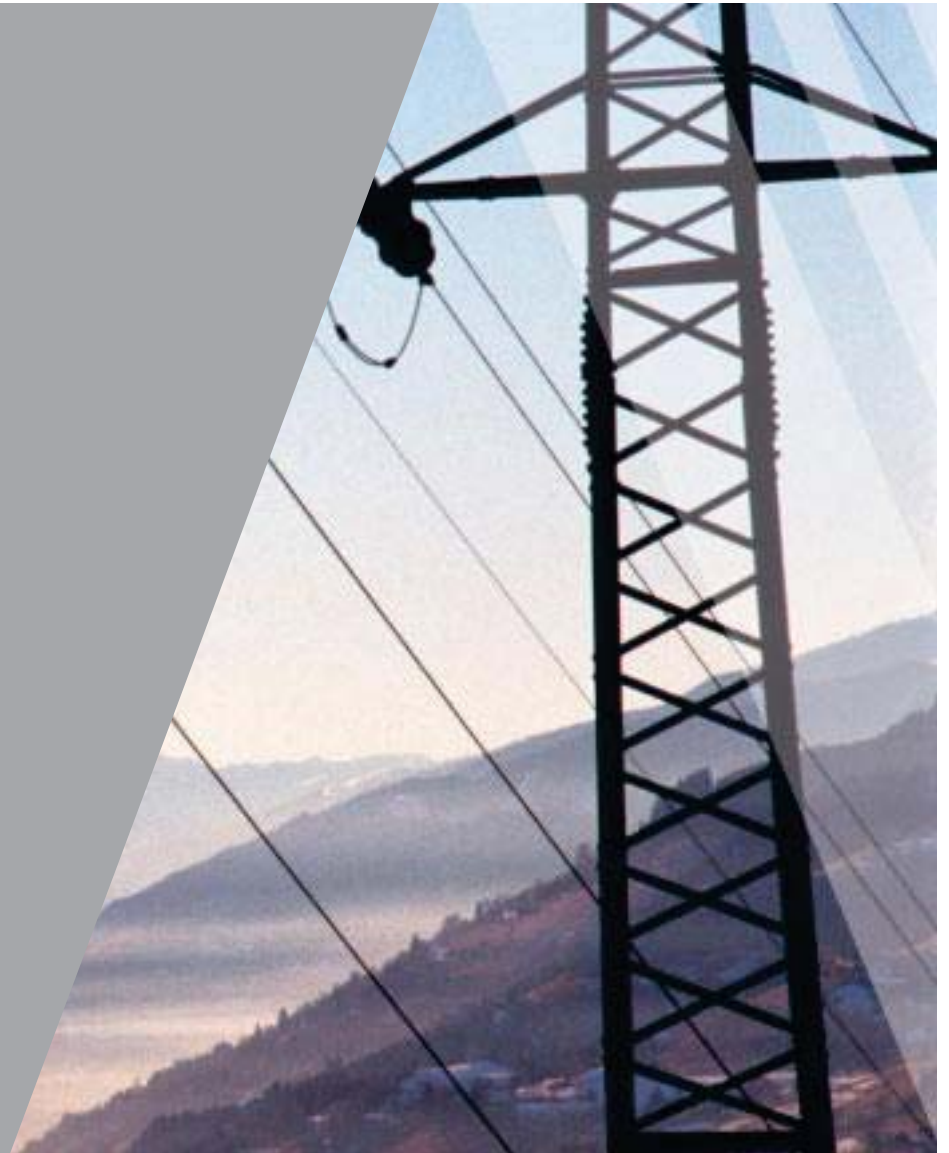


(\$ in millions)

Financial Guaranty Insurance Contracts and Credit Derivatives	Total Net Par Outstanding for BIG Transactions	2Q-10 Incurred Losses	2Q-10 Paid Losses	Net Loss and LAE Reserve ¹	Net Salvage and Subrogation Assets	Expected Loss to be Expensed
First lien:						
Prime first lien	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alt-A first lien	1,375.1	3.3	14.8	1.3	1.3	177.2
Alt-A option ARMs	2,137.3	47.0	31.1	83.0	12.9	463.4
Subprime first lien	2,268.5	16.0	0.8	63.5	-	82.0
Total first lien	5,780.9	66.3	46.7	147.8	14.2	722.6
Second lien:						
Closed end seconds	911.5	(1.7)	19.1	26.2	18.8	176.8
HELOC	3,196.1	(6.1)	135.5	3.6	370.3	223.3
Total second lien	4,107.6	(7.8)	154.6	29.8	389.1	400.1
Total U.S. RMBS	9,888.5	58.5	201.3	177.6	403.3	1,122.7
Other structured finance	517.8	24.5	0.5	50.9	-	6.8
Public finance	1,510.3	(3.0)	2.8	5.0	3.0	27.0
Total	\$ 11,916.6	\$ 80.0	\$ 204.6	\$ 233.5	\$ 406.3	\$ 1,156.5
Effect of consolidating VIEs	-	(24.3)	(36.7)	(17.4)	(36.1)	(90.6)
Total	\$ 11,916.6	\$ 55.7	\$ 167.9	\$ 216.1	\$ 370.2	\$ 1,065.9

1. Includes credit impairment on credit derivative transactions.

**Assured Guaranty Corp.
Financial Information**



AGC Consolidated Statements of Operations



(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues:				
Net earned premiums	\$ 25.1	\$ 26.7	\$ 54.6	\$ 94.4
Net investment income	23.8	19.7	43.4	39.0
Net realized investment gains (losses)	(0.4)	5.4	2.4	5.6
Change in fair value of credit derivatives:				
Realized gains and other settlements	20.9	22.0	41.6	45.0
Credit impairment on credit derivatives	0.4	(26.2)	(64.2)	(27.3)
Non-credit impairment fair value gains (losses) on credit derivatives	9.8	(198.8)	256.5	(220.7)
Net change in fair value of credit derivatives	31.1	(203.0)	233.9	(203.0)
Fair value gains (losses) on committed capital securities	5.9	(60.6)	7.3	(40.9)
Financial guaranty VIEs' revenues	27.5	-	54.5	-
Other income	(2.9)	0.4	(5.1)	1.1
Total revenues	110.1	(211.4)	391.0	(103.8)
Expenses:				
Loss and loss adjustment expenses	3.7	46.4	38.2	67.8
Amortization of deferred acquisition costs	1.6	3.1	5.7	2.8
Interest expense	3.7	-	7.5	-
Financial guaranty VIEs' expenses	35.9	-	51.4	-
Other operating expenses	19.1	32.2	46.7	48.8
Total expenses	64.0	81.7	149.5	119.4
Income (loss) before provision for income taxes	46.1	(293.1)	241.5	(223.2)
Provision (benefit) for income taxes	13.5	(108.4)	78.9	(87.9)
Net income (loss)	\$ 32.6	\$ (184.7)	\$ 162.6	\$ (135.3)
Less after-tax adjustments:				
Realized gains (losses) on investments	(0.3)	3.5	1.6	3.6
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	6.4	(129.3)	166.7	(143.5)
Fair value gains (losses) on committed capital securities	3.8	(39.4)	4.7	(26.6)
Foreign exchange gains (losses) on revaluation of premiums receivable	(1.6)	-	(3.3)	-
Effect of consolidating VIEs ¹	(5.9)	-	1.6	-
Operating income (loss)	\$ 30.2	\$ (19.5)	\$ (8.7)	\$ 31.2

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.

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

AGC Consolidated Balance Sheets



(\$ in millions)

	As of	
	June 30, 2010	December 31, 2009
Assets		
Investment portfolio, available-for-sale:		
Fixed maturity securities, at fair value	\$ 2,363.2	\$ 2,045.2
Short-term investments	389.9	802.6
Total investment portfolio	2,753.1	2,847.8
Cash	27.1	2.5
Premiums receivable, net of ceding commissions payable	333.1	351.4
Ceded unearned premium reserve	423.6	435.3
Deferred acquisition costs	51.2	45.2
Reinsurance recoverable on unpaid losses	56.9	50.7
Credit derivative assets	285.3	252.0
Committed capital securities, at fair value	11.3	4.0
Deferred tax asset, net	181.7	241.8
Salvage and subrogation recoverable	213.9	169.9
Financial guaranty VIE assets ¹	392.4	-
Other assets	116.9	99.2
Total assets	\$ 4,846.5	\$ 4,499.8
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 1,424.0	\$ 1,451.6
Loss and loss adjustment expense reserve	196.2	191.2
Note payable to affiliate	300.0	300.0
Credit derivative liabilities	879.8	1,076.7
Reinsurance balances payable, net	150.0	166.0
Financial guaranty VIE liabilities with recourse ¹	433.3	-
Financial guaranty VIE liabilities without recourse ¹	12.5	-
Other liabilities	121.0	88.1
Total liabilities	3,516.8	3,273.6
Shareholder's equity		
Common stock	15.0	15.0
Additional paid-in capital	1,037.1	1,037.1
Retained earnings ¹	246.5	153.7
Accumulated other comprehensive income	31.1	20.4
Total shareholder's equity	1,329.7	1,226.2
Total liabilities and shareholder's equity	\$ 4,846.5	\$ 4,499.8

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.

AGC Reconciliation of PVP to Gross Written Premiums (“GWP”)



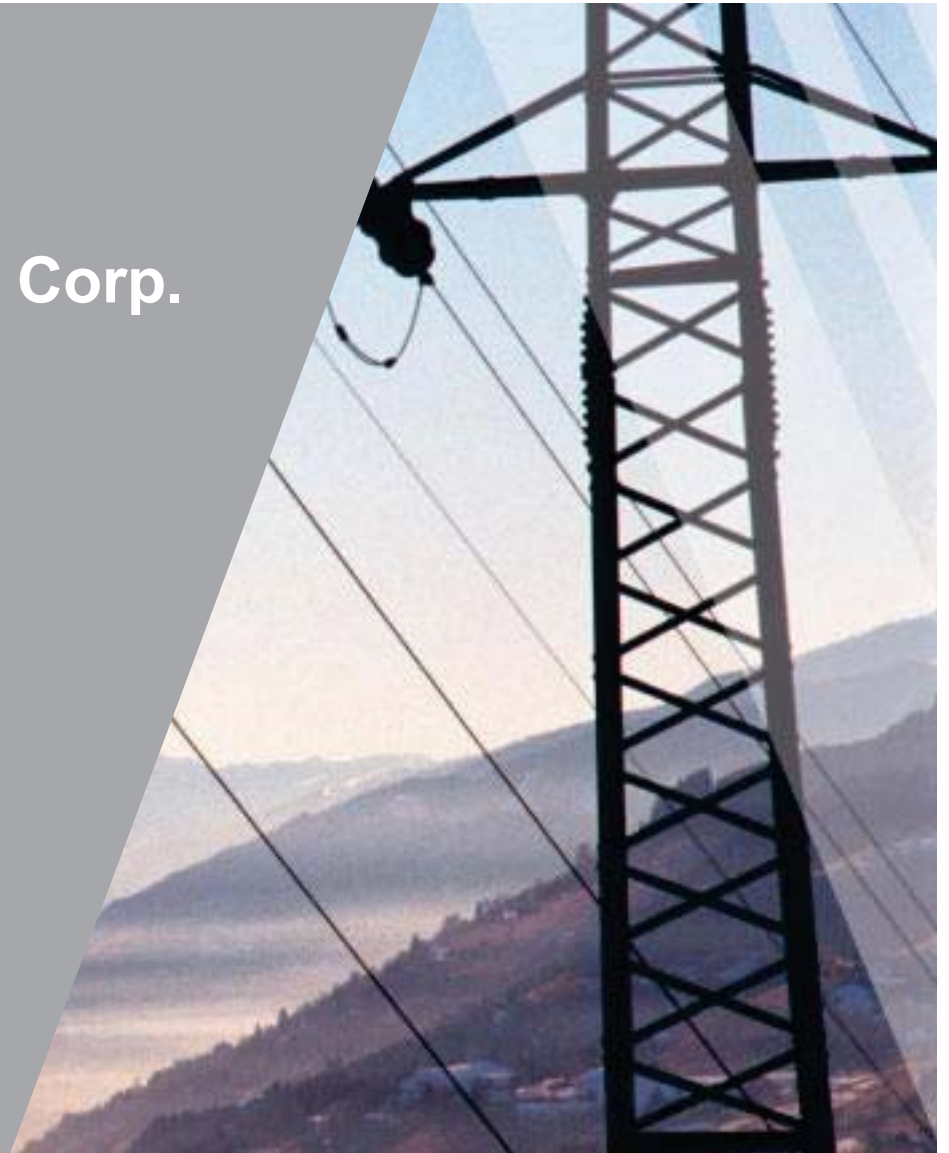
(\$ in millions)

	Three Month Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Consolidated new business production analysis:				
Present value of new business production ("PVP")				
Public finance - U.S.				
Primary markets	\$ 8.2	\$ 112.8	\$ 20.3	\$ 307.0
Secondary markets	0.7	15.0	9.4	38.3
Public finance - non-U.S.				
Primary markets	-	-	-	1.6
Secondary markets	0.7	-	0.7	0.2
Structured finance - U.S.	5.2	12.2	9.2	14.6
Structured finance - non-U.S.	-	-	-	-
Total PVP	14.8	140.0	39.6	361.7
Less: PVP of credit derivatives	-	-	-	2.4
PVP of financial guaranty insurance	14.8	140.0	39.6	359.3
Less: Financial guaranty installment premium PVP	5.7	12.5	9.7	24.1
Total: Financial guaranty upfront gross written premiums ("GWP")	9.1	127.5	29.9	335.2
Plus: Financial guaranty installment adjustment ¹	16.7	13.9	22.2	40.8
Total financial guaranty GWP	25.8	141.4	52.1	376.0
Plus: Other segment GWP	-	-	-	-
Total GWP	\$ 25.8	\$ 141.4	\$ 52.1	\$ 376.0

1. 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.

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

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



Summary of Impact of GAAP Purchase Accounting (“P-GAAP”) on AGM Financial Statements



- **AGM was purchased by Assured Guaranty US Holdings Inc., a subsidiary of Assured Guaranty Ltd., on July 1, 2009. These financial statements present financial information since its acquisition. On July 1, 2009, the purchase method of accounting was pushed down to AGM, which affects comparability of 2009 financial results to periods prior to the acquisition.**
- **Under GAAP, acquisition accounting requires that the fair value of each AGM financial guaranty contract be recorded on the balance sheets on the acquisition date.**
- **The carrying value recorded on July 1, 2009 takes into account the total fair value of each financial guaranty contract, including expected losses, on a contract by contract basis.**
- **No loss reserve may be established for a given financial guaranty transaction until its expected losses exceed its UPR. AGM’s UPR exceeded its expected losses on the acquisition date.**
- **As of July 1, 2009, all AGM expected losses relating to financial guaranty insurance contracts were a component of the UPR, which reflects the acquisition accounting fair value adjustments. For credit derivatives, the fair value recorded in the financial statements takes into account all expected credit impairment estimates.**
- **The expected losses on financial guaranty insurance contracts will be recognized in the income statement line “loss and LAE” in future periods as the UPR amortizes.**

AGM Consolidated Statements of Operations



(\$ in millions)

	Three Months Ended June 30, 2010	Six Months Ended June 30, 2010
Revenues:		
Net earned premiums	\$ 223.0	\$ 473.0
Net investment income	48.9	96.7
Net realized investment gains (losses)	(12.5)	(7.2)
Change in fair value of credit derivatives:		
Realized gains and other settlements	25.1	53.2
Credit impairment on credit derivatives	(20.0)	(17.2)
Non-credit impairment fair value gains (losses) on credit derivatives	33.8	(15.1)
Net change in fair value of credit derivatives	38.9	20.9
Fair value gains (losses) on committed capital securities	6.7	4.0
Financial guaranty VIEs' revenues	(46.6)	(69.5)
Other income	(2.6)	(4.0)
Total revenues	255.8	513.9
Expenses:		
Loss and loss adjustment expenses	35.7	94.7
Amortization of deferred acquisition costs	(3.0)	(4.3)
Interest expense	1.6	3.5
Financial guaranty VIEs' expenses	(55.5)	(56.3)
Other operating expenses	20.1	40.2
Total expenses	(1.1)	77.8
Income (loss) before provision for income taxes	256.9	436.1
Provision (benefit) for income taxes	79.7	132.5
Net income (loss)	177.2	303.6
Less: Noncontrolling interest of consolidated VIEs	-	-
Net income attributable to Assured Guaranty Municipal Corp.	\$ 177.2	\$ 303.6
Less after-tax adjustments		
Realized gains (losses) on investments	(8.2)	(4.7)
Non-credit impairment unrealized fair value gains on credit derivatives	27.4	(4.4)
Fair value gains (losses) on committed capital securities	4.4	2.6
Foreign exchange gains (losses) on revaluation of premiums receivable	(8.0)	(21.4)
Effect of consolidating VIEs ¹	12.0	0.2
Operating income	\$ 149.6	\$ 331.3
Effect of refundings and accelerations, net		
Earned premiums from refundings and accelerations, net	\$ 10.4	\$ 21.2
Operating income effect	\$ 6.8	\$ 13.8

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.

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

AGM Consolidated Balance Sheets



(\$ in millions)

	As of	
	June 30, 2010	December 31, 2009
Assets		
Investment portfolio, available-for-sale:		
Fixed maturity securities, at fair value	\$ 4,787.6	\$ 5,183.6
Short-term investments	518.2	542.0
Total investment portfolio	5,305.8	5,725.6
Assets acquired in refinancing transactions	138.3	152.4
Note receivable from affiliate	300.0	300.0
Cash	35.6	23.6
Premiums receivable	713.7	787.4
Ceded unearned premium reserve	1,564.0	1,537.1
Reinsurance recoverable on unpaid losses	21.0	13.7
Credit derivative assets	202.7	227.0
Committed capital securities, at fair value	9.6	5.6
Deferred tax asset, net	969.2	972.4
Salvage and subrogation recoverable	469.0	248.1
Financial guaranty VIE assets ¹	1,452.3	762.3
Other assets	106.1	135.5
Total assets	\$ 11,287.3	\$ 10,890.7
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 5,787.8	\$ 6,468.3
Loss and loss adjustment expense reserve	131.7	55.3
Notes payable	137.6	149.1
Credit derivative liabilities	626.7	625.8
Reinsurance balances payable, net	295.7	259.0
Financial guaranty VIE liabilities with recourse ¹	1,615.9	762.7
Financial guaranty VIE liabilities without recourse ¹	172.4	-
Other liabilities	352.6	496.4
Total liabilities	9,120.4	8,816.6
Shareholder's equity		
Preferred stock	-	-
Common stock	15.0	15.0
Additional paid-in capital	1,216.8	1,241.8
Retained earnings ¹	880.4	743.4
Accumulated other comprehensive income	54.7	74.3
Total shareholder's equity attributable to Assured Guaranty Municipal Corp.	2,166.9	2,074.5
Noncontrolling interest in consolidated VIEs ¹	-	(0.4)
Total shareholder's equity	2,166.9	2,074.1
Total liabilities and shareholder's equity	\$ 11,287.3	\$ 10,890.7

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.

AGM Reconciliations of PVP to Gross Written Premiums



(\$ in millions)

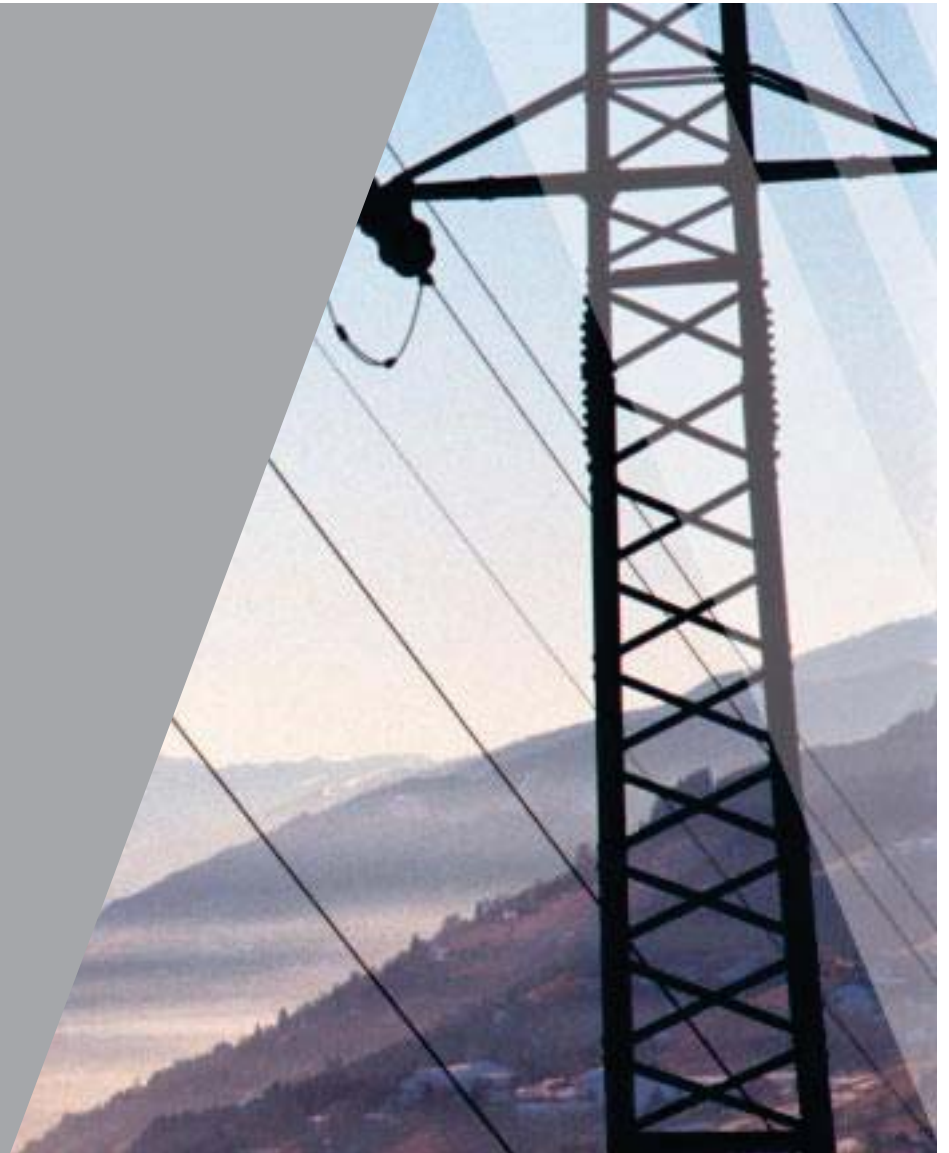
	<u>Three Months Ended June 30, 2010</u>	<u>Six Months Ended June 30, 2010</u>
Consolidated new business production analysis:		
Present value of new business production ("PVP")		
Public finance - U.S.		
Primary markets	\$ 64.5	\$ 112.8
Secondary markets	7.9	13.2
Public finance - non-U.S.		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S. ¹	0.5	0.9
Structured finance - non-U.S. ¹	2.1	2.1
Total PVP	<u>75.0</u>	<u>129.0</u>
Less: PVP of credit derivatives	-	-
PVP of financial guaranty insurance	<u>75.0</u>	<u>129.0</u>
Less: Financial guaranty installment premium PVP	1.3	1.9
Total: Financial guaranty upfront gross written premiums ("GWP")	<u>73.7</u>	<u>127.1</u>
Plus: Financial guaranty installment adjustment ²	2.3	16.1
Total GWP	<u>\$ 76.0</u>	<u>\$ 143.2</u>

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

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.

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 June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues:				
Net earned premiums	\$ 292.1	\$ 78.6	\$ 611.7	\$ 227.1
Net investment income	90.9	43.3	175.2	86.9
Net realized investment gains (losses)	(8.4)	(4.9)	1.0	(22.0)
Change in fair value of credit derivatives:				
Realized gains and other settlements	51.7	27.7	106.4	57.4
Credit impairment on credit derivatives	(28.1)	(35.2)	(104.5)	(36.2)
Non-credit impairment fair value gains on credit derivatives	49.9	(219.0)	350.4	(200.1)
Net change in fair value of credit derivatives	73.5	(226.5)	352.3	(178.9)
Fair value gains (losses) on committed capital securities	12.6	(60.6)	11.3	(40.9)
Financial guaranty VIEs revenues	(19.1)	-	(14.9)	-
Other income	(13.5)	0.5	(26.4)	1.4
Total revenues	428.1	(169.6)	1,110.2	73.6
Expenses:				
Loss and loss adjustment expenses	71.2	38.0	201.7	117.8
Amortization of deferred acquisition costs	6.9	16.5	15.1	40.0
AGMH acquisition-related expenses	2.8	24.2	6.8	28.8
Interest expense	24.9	6.5	50.0	12.3
Financial guaranty VIEs expenses	(19.6)	-	(4.8)	-
Other operating expenses	47.4	26.5	110.0	55.9
Total expenses	133.6	111.7	378.8	254.8
Income (loss) before provision for income taxes	294.5	(281.3)	731.4	(181.2)
Provision (benefit) for income taxes	91.0	(111.3)	205.9	(96.7)
Net income (loss)	203.5	(170.0)	525.5	(84.5)
Less: Noncontrolling interest of variable interest entities	-	-	-	-
Net income (loss) attributable to Assured Guaranty Ltd.	\$ 203.5	\$ (170.0)	\$ 525.5	\$ (84.5)
Less after-tax adjustments:				
Realized gains (losses) on investments	(4.3)	(7.1)	2.4	(24.2)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	40.6	(150.8)	271.4	(124.5)
Fair value gains (losses) on committed capital securities	8.2	(39.4)	7.4	(26.6)
Foreign exchange gains (losses) on revaluation of premiums receivable	(19.0)	-	(42.0)	-
Effect of consolidating VIEs ¹	6.0	-	1.7	-
Operating income	\$ 172.0	\$ 27.3	\$ 284.6	\$ 90.8

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.

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

Assured Guaranty Ltd. Consolidated Balance Sheets



(\$ in millions)

	As of :	
	June 30, 2010	December 31, 2009
Assets		
Investment portfolio, available-for-sale:		
Fixed maturity securities, at fair value	\$ 9,113.8	\$ 9,139.9
Short-term investments	1,391.2	1,668.3
Total investment portfolio	10,505.0	10,808.2
Assets acquired in refinancing transactions	138.3	152.4
Cash	97.2	44.1
Premiums receivable, net of ceding commissions payable	1,311.3	1,418.2
Ceded unearned premium reserve	929.5	1,080.5
Deferred acquisition costs	250.6	242.0
Reinsurance recoverable on unpaid losses	19.0	14.1
Credit derivative assets	491.1	492.5
Committed capital securities, at fair value	20.8	9.5
Deferred tax asset, net	1,072.3	1,158.2
Salvage and subrogation recoverable	686.0	420.3
Financial guaranty VIE assets ¹	1,844.7	762.3
Other assets	222.8	200.4
Total assets	\$ 17,588.6	\$ 16,802.7
Liabilities and shareholders' equity		
Liabilities		
Unearned premium reserves	\$ 7,661.3	\$ 8,400.2
Loss and loss adjustment expense reserve	403.5	289.5
Long-term debt	921.6	917.4
Notes payable	137.6	149.1
Credit derivative liabilities	1,766.0	2,034.6
Reinsurance balances payable, net	243.0	215.2
Financial guaranty VIE liabilities with recourse ¹	2,049.3	762.7
Financial guaranty VIE liabilities without recourse ¹	184.9	-
Other liabilities	352.8	513.9
Total liabilities	13,720.0	13,282.6
Shareholders' equity		
Common stock	1.8	1.8
Additional paid-in capital	2,581.3	2,585.0
Retained earnings ¹	1,092.1	789.9
Accumulated other comprehensive income	191.4	141.8
Deferred equity compensation	2.0	2.0
Total shareholders' equity attributable to Assured Guaranty Ltd.	3,868.6	3,520.5
Noncontrolling interest in consolidated VIEs ¹	-	(0.4)
Total shareholders' equity	3,868.6	3,520.1
Total liabilities and shareholders' equity	\$ 17,588.6	\$ 16,802.7

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

Assured Guaranty Ltd.

Reconciliation of PVP to Gross Written Premiums



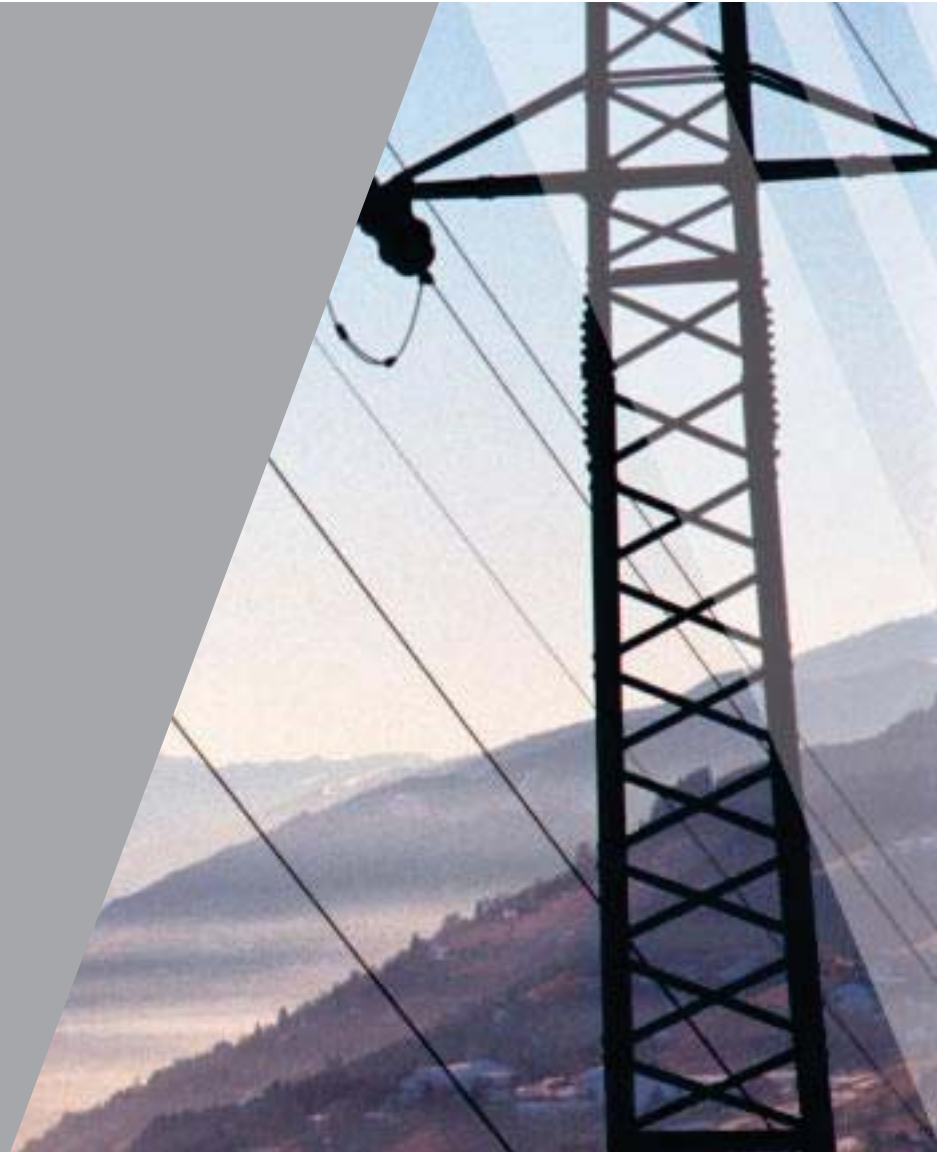
(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Consolidated new business production analysis:				
Present value of new business production ("PVP")				
Public finance - U.S.:				
Primary markets	\$ 72.7	\$ 112.8	\$ 133.1	\$ 307.0
Secondary markets	8.7	15.0	22.6	38.3
Public finance - non-U.S.:				
Primary markets	-	-	-	1.6
Secondary markets	0.7	-	0.7	0.2
Structured finance - U.S.	5.7	12.2	10.2	14.6
Structured finance - non-U.S.	2.1	-	2.1	-
Total PVP	89.9	140.0	168.7	361.7
Less: PVP of credit derivatives	-	-	-	2.4
PVP of financial guaranty insurance	89.9	140.0	168.7	359.3
Less: Financial guaranty installment premium PVP	1.8	12.5	6.3	24.1
Total: Financial guaranty upfront gross written premiums ("GWP")	88.1	127.5	162.4	335.2
Plus: Financial guaranty installment adjustment ¹	3.6	14.6	21.4	41.7
Total financial guaranty GWP	91.7	142.1	183.8	376.9
Plus: Other segment GWP	-	(1.1)	-	(1.1)
Total GWP	\$ 91.7	\$ 141.0	\$ 183.8	\$ 375.8

1. 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.

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

Appendix



Appendix: Explanation of Non-GAAP Financial Measures



This presentation references financial measures that are not in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management uses these financial measures not in accordance with GAAP ("non-GAAP financial measures") and believes they assist investors and analysts in evaluating Assured Guaranty's financial results. These non-GAAP financial measures are defined below. In each case, the most directly comparable GAAP financial measure, if available, is presented, and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided in each company's respective Financial Information section. This presentation is consistent with how analysts calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty, and with how Assured Guaranty's management and investors, analysts and the financial news media evaluate Assured Guaranty's financial results.

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 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.

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