

November 2009
Assured Guaranty Re Ltd.
Presentation



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Revised on 11.13.09

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 - developments in the world’s financial and capital markets that adversely affect issuers’ payment rates, the Company’s loss experience or its investment returns;
 - changes in the credit markets, segments thereof or general economic conditions;
 - rating agency action, including a ratings downgrade at any time of one or more of AGL’s insurance subsidiaries and/or of transactions that such subsidiaries have insured, both of which have occurred in the past;
 - more severe or frequent losses affecting the adequacy of the Company’s loss reserve;
 - reduction in the amount of reinsurance facultative cessions or portfolio opportunities available to the Company;
 - changes in applicable laws or regulation, including insurance and tax laws;
 - other governmental actions;
 - difficulties with the execution of AGL’s business strategy;
 - contract cancellations;
 - the Company’s dependence on customers;
 - loss of key personnel; and
 - decreased demand or increased competition.
- In addition, our results could be affected by developments in the world’s financial and capital markets that adversely affect the Company’s ability to cede exposure to reinsurers, its access to capital, or its unrealized (losses) gains on derivative financial instruments or its investment returns; the impact of market volatility on the mark-to-market of its contracts written in credit default swap form; changes in applicable accounting policies or practices; 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 AGL’s filings with the U.S. Securities and Exchange Commission. Do not place undue reliance on these forward-looking statements, which are made as of November 10, 2009 unless otherwise specified. The Company does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- This presentation references several non-GAAP financial measures. These non-GAAP financial measures are defined in the Appendix of this presentation. In each case, if available, the most directly comparable GAAP financial measure is presented and a reconciliation of the non-GAAP financial measure and the GAAP financial measure is provided. This presentation is consistent with how our management, analysts and investors evaluate our financial results and is comparable to estimates published by analysts in their research reports on us. Each of the GAAP financial measures is identified in this presentation as such.

Executive Summary



Executive Summary



- **Assured Guaranty Re Ltd. (“AG Re”) is the industry’s leading financial guaranty reinsurance company, with a diversified book of business from both independent and affiliated ceding companies**
 - Wholly-owned subsidiary of publicly-traded (NYSE ticker symbol: AGO) Assured Guaranty Ltd.
 - AG Re has a separate and distinct balance sheet and capital base from its sister companies Assured Guaranty Corp. (“AGC”) and Assured Guaranty Municipal Corp. (“AGM”), formerly known as Financial Security Assurance Inc. (“FSA”)
 - Provides ongoing reinsurance capacity to both AGC and AGM on a quota share basis and also to previously triple-A rated financial guaranty insurers on a facultative basis only
 - Currently rated AA (stable) by S&P, A1 (under review for possible downgrade) by Moody’s and AA- (negative outlook) by Fitch
 - Supported by \$1.1 billion of Bermuda statutory capital and surplus (as of December 31, 2008) and \$2.6 billion in claims-paying resources (as of June 30, 2009), separate from AGC and AGM
 - Over 61% of outstanding exposure was ceded by companies other than AGC
 - Significant potential future earnings capacity provided by \$1.3 billion unearned premium reserve under U.S. Generally Accepted Accounting Principles (“GAAP”), as of June 30, 2009
 - Regulated by the Bermuda Monetary Authority as a Class 3b insurer

Executive Summary

Recent Developments at AG Re



- **Limited current third-party reinsurance activity due to decline in credit quality of non-affiliated formerly triple-A rated financial guaranty companies**
 - The only treaties that are currently active in place, are with AGC and AGM
 - No ongoing reinsurance expected from non-Assured entities
 - Third party reinsurance opportunities limited to legacy portfolio acquisitions from non-affiliated companies
 - Focus is on U.S. municipal sector
 - New potential entrants (MIAC, Everspan, National) unlikely to generate meaningful new business in the near term
- **Shift in 2007 to facultative portfolio acquisitions of seasoned books of business has produced attractive returns**
 - Since November 2007, AG Re has acquired \$50 billion of par exposure from non-affiliated companies representing \$480 million in present value of new business production ("PVP"), a non-GAAP financial measure¹
 - Able to negotiate highly profitable returns via ceding commission adjustments or business mix
 - Opportunity to review each credit
- **Currently exploring opportunities to guaranty credit derivatives directly written by Bermuda affiliate**
 - All transactions must meet existing underwriting guidelines, must be approved by AG Re Credit Committee, and for non-AGC and non-AGM transactions by AG Re Board of Directors
 - Transactions will be structured like financial guaranty policies (no acceleration, no requirements to post collateral, no applicable additional termination events)

6 | 1. See page 36 "Non-GAAP Financial Measures" for definition of PVP

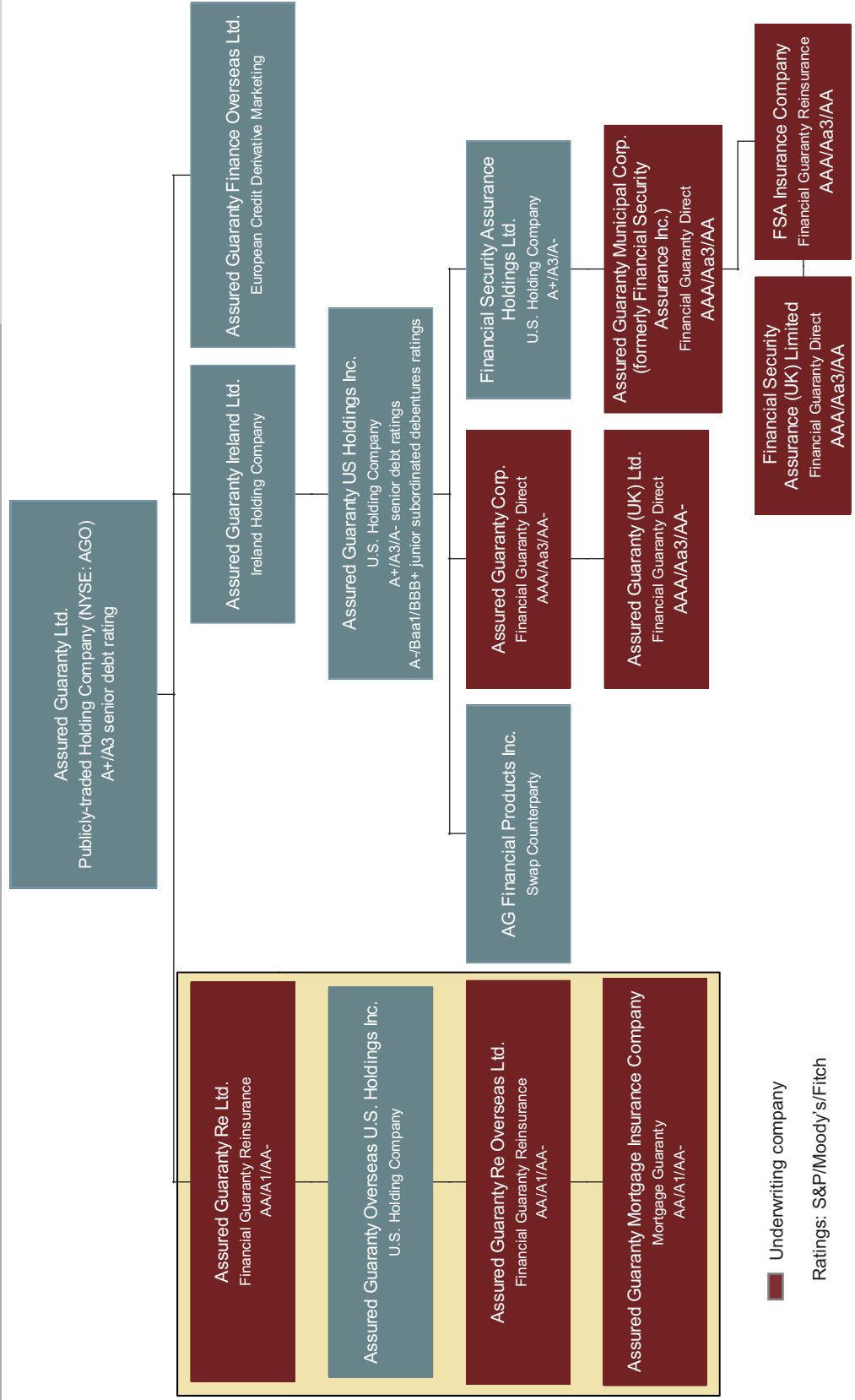
Executive Summary

AG Re's Financial Strength



- **As of December 31, 2008, AG Re's Bermuda Statutory Capital and Surplus was \$1.1 billion**
- **As of June 30, 2009, AG Re's claims paying resources were \$2.6 billion**
- **Significant potential future earnings capacity and stability provided by \$1.3 billion GAAP unearned premium reserve as of June 30, 2009**
- **High quality insured portfolio, with \$119.1 billion net par outstanding ("NPO") carrying an average rating of A+ based on Assured Guaranty's internal rating scale, as of June 30, 2009**
 - Only 3.2% below investment grade ("BIG") as of June 30, 2009
- **High quality investment portfolio of \$2.1 billion, with an average rating of AA+ based on Assured Guaranty's internal ratings and an average duration of 3.0 years, as of June 30, 2009**

AG Re within the Assured Guaranty Ltd. Corporate Structure



 Underwriting company
 Ratings: S&P/Moody's/Fitch

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Financial Guaranty Reinsurance



Financial Guaranty Reinsurance Changing Industry Relationships



- **Successful build up of facultative franchise created strong relationships with all primary insurers**
 - Kept us in the mix regarding portfolio transactions
 - Allowed for better insights into relative portfolio quality
 - Provided competitive advantage for portfolio opportunities
- **New entrants have yet to gain traction**
 - National Public Finance Guarantee remains a work in progress
 - Everspan launch has been postponed
 - MIAC status is uncertain
- **Portfolio opportunities still remain**
 - Syncora has a substantial public finance book that remains a potential opportunity
 - Further MBIA rating downgrade could free up FGIC portfolio for transfer to AG Re
 - Ambac and MBIA solvency is still questionable
 - AGM, formerly known as FSA, has a number of portfolios that could be reassumed from downgraded reinsurers and ceded to AG Re
 - RAM Re and Radian Asset Assurance are in run-off and could present portfolio opportunities

Financial Guaranty Reinsurance

AGC and AGM Relationship



- **AGC and AGM growth would provide a strong foundation for future growth and enhanced stability at AG Re**
- **Better balanced portfolio in 2009 and going forward as AGC and AGM builds public finance franchise**
- **AGM, formerly known as FSA, provides opportunities for portfolio transfer to AG Re after re-assumption from existing reinsurance**
- **Quota share cession on new business written in AGC and AGM**
 - 15-90% of business originated from AGC and AGM in 2009
 - Expected 15-30% cession on “standard” transactions
 - Higher cession percentages are expected on transactions constrained by statutory or internal limits at AGC or AGM

Financial Guaranty Reinsurance Underwriting



- **All facultative transactions are approved by a committee underwriting process**
 - Underwriting process has been structured to maintain separation of surveillance from credit
 - All non-AGC and non-AGM transactions require AG Re Credit Committee and AG Re board approval
- **Enterprise risk management across Assured Guaranty family of companies**
 - Single risk limits established at the AGL level by Portfolio Risk Management Committee (“PRMC”)
 - AGL’s Chief Risk Officer conducts reviews of transaction memos
- **Transaction information on non-AGC and non-AGM transactions is not shared with AGC and AGM underwriting personnel**

Financial Guaranty Reinsurance Competitive Position



- **21+ year track record of successfully writing financial guaranty reinsurance business within Assured Guaranty family of companies**
- **Capital base provides significant single risk capacity**
- **Diversified portfolio mix**
- **Rated within the double-A rating category by S&P and Fitch and A1 by Moody's**
- **Bermuda platform mitigates financial impact of reinsurance costs**
- **Experienced management team**
- **Tight credit controls – Corporate-wide credit culture and resources**
- **Close attention to exposure management**



Risk Management

Financial Guaranty Reinsurance Risk Management



- **Risk Oversight Committee at the AGL board level reviews overall underwriting and risk management guidelines and policy**
 - Monitor underwriting process
 - Review significant changes in policy
 - Review guidelines for managing and monitoring risk
 - Monitor risk-based capital adequacy
 - Review reserving policy
- **PRMC at AGL management level sets corporate-wide credit and risk management policy and limits**
 - Establish risk limits
 - Monitor compliance
 - Approve any exceptions to limits
 - Review and approve new products
- **AG Re Underwriting Authority**
 - All third party transactions require AG Re Credit Committee and AG Re board approval
- **AG Re loss reserves established by AG Re board**
 - Sign-off on the final case reserves established each quarter

Financial Guaranty Reinsurance Surveillance



- **AG Re has responsibility for conducting surveillance on the reinsurance portfolio and small direct portfolio, including claims mitigation and portfolio management.**
- **Reports on BIG credits are obtained from ceding companies on a regular basis (generally monthly or quarterly) and reviewed for follow-up where needed**
 - Conference calls or visits to cedants to discuss BIG exposures
 - More frequent contact on problem credits
 - Establish and review case reserves where necessary
- **Surveillance audits of treaty clients are currently conducted annually; audit frequency increased as needed**
 - Sector reviews conducted on an as-needed basis
 - Remodel transactions where deemed appropriate
 - Quarterly conference calls or company visits to discuss BIGs
- **Historically, sector concentrations were managed through treaty exclusion lists with third parties.**
 - No subprime mortgage transactions below AA-/Aa3 based on Assured Guaranty's internal rating
 - Restrictions on certain CDOs (beginning in 2003)
 - No airports
 - Limits on healthcare

Portfolio Risk Management



Portfolio Risk Management



As of June 30, 2009:

- **\$119.1 billion NPO with average credit quality of A+, based on Assured Guaranty's internal ratings**
- **75% of portfolio consists of public finance and infrastructure credits**
 - The remaining 25% consists of structured finance credits
- **Only 39% of portfolio was ceded by AGC, with the remaining exposure ceded by AGM and third parties**
- **43% of net par rated AA- or better, based on Assured Guaranty's internal ratings**
- **BIG exposure of \$3.8 billion, or 3.2% of net par outstanding**

Portfolio Risk Management

AG Re Portfolio Composition



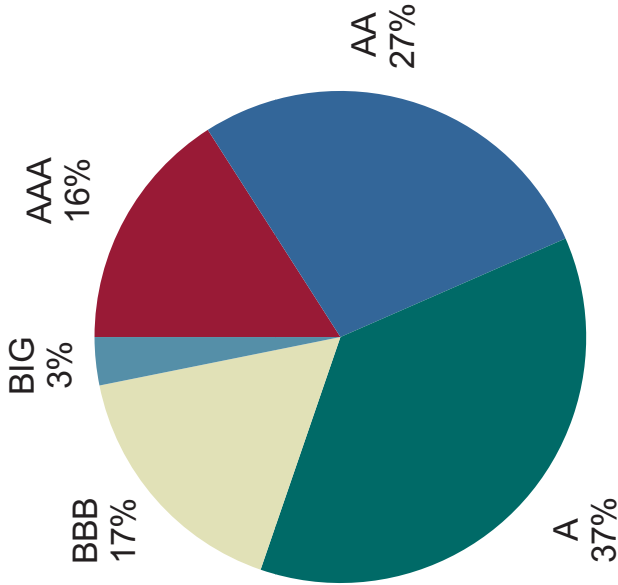
Sector	Net Par Outstanding as of June 30, 2009			
	AGC Cessions	Other Cessions, including AGM	AG Re Direct	Total AG Re
General Obligation	\$ 6,751	\$ 15,098	\$ -	\$ 21,849
Tax Backed	6,200	13,831	-	20,031
Municipal Utility	2,744	7,701	-	10,445
Transportation	1,708	6,204	-	7,912
Healthcare	2,603	3,656	-	6,259
Infrastructure & Pooled Infrastructure	2,456	3,460	-	5,915
Regulated Utilities	1,220	4,303	-	5,523
Other Public Finance	1,234	3,085	-	4,320
Higher Education	1,192	2,584	-	3,776
Housing	3	1,729	-	1,731
Investor Owned Utilities (IOUs)	79	1,077	-	1,156
Total public finance	\$ 26,188	\$ 62,729	\$ -	\$ 88,917
Pooled Corporate Obligations	\$ 8,824	\$ 1,859	\$ -	\$ 10,682
Residential Mortgage-backed and Home Equity	5,913	863	34	6,810
Commercial Receivables	719	2,928	-	3,647
Consumer Receivables	619	2,007	-	2,626
Insurance Securitization	1,234	574	200	2,008
Commercial Mortgage-backed Securities	1,262	475	-	1,737
Structured Credit	849	752	-	1,601
Future Flow	366	296	-	663
Other Structured Finance	200	245	-	445
Total structured finance	\$ 19,987	\$ 9,998	\$ 234	\$ 30,219
	\$ 46,175	\$ 72,727	\$ 234	\$ 119,136
	100.0%	100.0%	100.0%	100.0%

Portfolio Risk Management

Portfolio Credit Quality¹



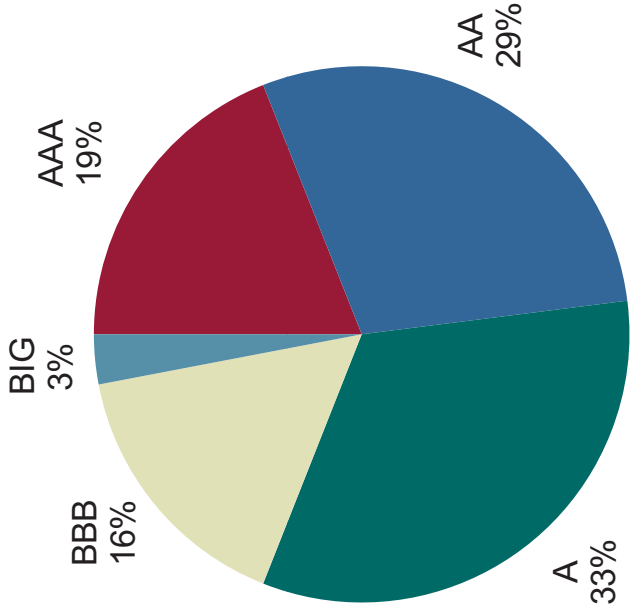
June 30, 2009



\$119.1 billion net par outstanding

- AAA
- AA
- A
- BBB
- BIG

December 31, 2008



\$111.7 billion net par outstanding

- AAA
- AA
- A
- BBB
- BIG

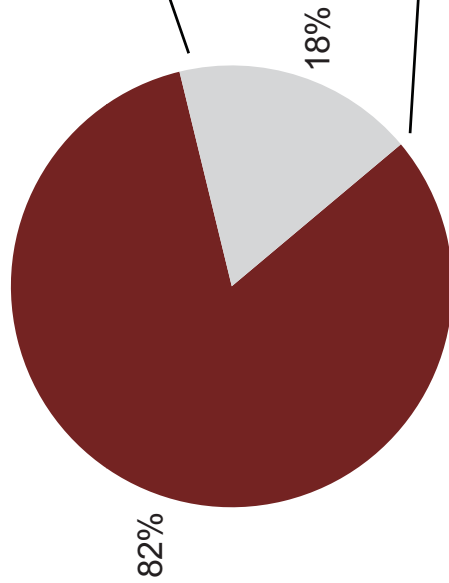
¹Assured Guaranty's internal rating. Assured Guaranty's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by Assured Guaranty in instances where the Company's triple-A rated exposure has additional credit enhancement due to either (1) the existence of another security rated triple-A that is subordinated to the Company's exposure or (2) the Company's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes the Company's attachment point to be materially above the triple-A attachment point.

Portfolio Risk Management Geographic Distribution



As of June 30, 2009:

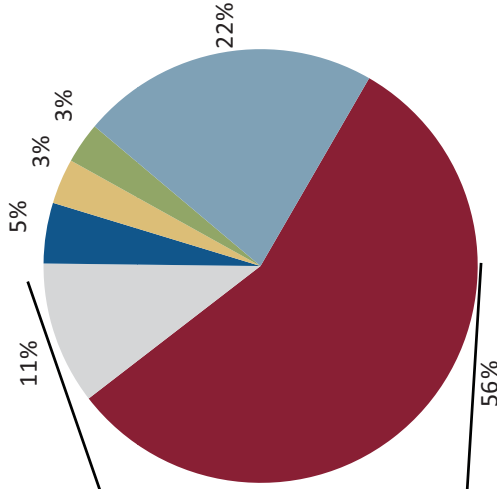
Total Net Par Outstanding



\$119.1 billion net par outstanding

- US
- Non-U.S.

International Net Par Outstanding



\$21.1 billion net par outstanding

- United Kingdom
- Australia
- Germany
- Italy
- Ireland
- Other

Portfolio Risk Management Below Investment Grade Exposures¹



- **BIG exposure \$3.8 million, 3.2% of NPO**
- **BIG exposure is concentrated in a small number of transactions**
 - 5 largest have NPO of \$1,429.0 million or 37.9% of the total
 - 10 largest have NPO of \$1,983.7 million or 52.6% of the total

Credit	Rating	AG Re NPO	Percent of BIG
Deutsche Bank Alt-A Securities Mortgage Loan Trust 2007-2	CCC	\$376.2	10.0%
Ballantyne Re PLC Class A-2 Floating Rate Notes	D	370.0	9.8
Orkney Re II, PLC	D	264.3	7.0
Countrywide Home Equity Loan Trust 2005-J CL1-A & 2-A	D	230.5	6.1
Jefferson County Alabama Sewer	D	188.1	5.0
Total		\$1,429	37.9%

1. Data as of June 30, 2009

Portfolio Risk Management

Below Investment Grade Exposures



(\$ in millions)	Weighted Average Life	NPO 6/30/2009	Average Rating	% Total NPO
US Public Finance				
General Obligations	17.5	268.1	B	0.23%
Healthcare	12.2	63.5	BB	0.05%
Municipal Utility	18.7	198.2	D	0.17%
Other Public Finance	29.8	285.4	BB+	0.24%
Tax Backed	21.3	86.4	BB	0.07%
Total US Public Finance:	21.7	901.6	CCC+	0.76%
US Structured Finance				
Commercial Receivables	4.5	105.2	BB+	0.09%
Consumer Receivables	3.9	43.2	BB	0.04%
Other Structured Finance	5.7	4.2	B+	0.00%
Pooled Corporate Obligations	20.1	228.5	BB	0.19%
Residential Mortgage-Backed and Home Equity Structured Credit	7.6	1,807.4	CCC	1.52%
	2.0	9.5	BB	0.01%
Total US Structured Finance:	8.6	2,198.0	CCC+	1.84%
International				
Commercial Receivables	1.5	0.9	B	0.00%
Future Flow	2.7	17.5	BB	0.01%
Infrastructure	7.7	6.4	CCC+	0.01%
Insurance Securitizations	12.0	644.4	D	0.54%
Total International:	11.7	669.2	CCC-	0.56%
Total Below Investment Grade:	12.3	3,768.7	CCC	3.16%

1. Based on Assured Guaranty's internal ratings.

Portfolio Risk Management

Top Ten Below Investment Grade Exposures



\$ in millions

Credit Name	Internal Rating	NPO 6/30/2009	% of Total BIG	% of Total NPO
Deutsche Bank Alt-A Securities Mortgage Loan Trust 2007-2	CCC	376.2	10.0%	0.3%
Ballantyne Re PLC Class A-2 Floating Rate Notes	D	370.0	9.8%	0.3%
Orkney Re II, PLC	D	264.3	7.0%	0.2%
Countrywide Home Equity Loan Trust 2005-J CL 1-A & 2-A	D	230.5	6.1%	0.2%
Jefferson County Alabama Sewer	D	188.1	5.0%	0.2%
Access to Loans for Learning Student Loan Corporation	C	152.0	4.0%	0.1%
Detroit Michigan Pension Obligations	BB	141.2	3.7%	0.1%
Mortgageit Securities Corp. Mortgage Loan 2007-2	B	102.3	2.7%	0.1%
North Texas Higher Education Authority	B	80.0	2.1%	0.1%
Countrywide Home Equity Loan Trust 2007-D	D	79.1	2.1%	0.1%
CC		\$1,983.7	52.5%	1.7%



Financial Review



Financial Review First Half 2009 Results



- **Largest claims paying resources and strongest earnings amongst monoline reinsurers**
 - AG Re's claims paying resources were \$2.6 billion as of June 30, 2009
- **As of December 31, 2008, AG Re's Bermuda Statutory Capital and Surplus was \$1.1 billion**
- **Significant potential future earnings capacity and stability provided by \$1.3 billion US GAAP unearned premium reserve as of June 30, 2009**
- **High quality insured portfolio, with \$119.1 billion NPO carrying an average rating of A+ based on Assured Guaranty's internal rating scale, as of June 30, 2009**
- **High quality investment portfolio of \$2.1 billion, with an average rating of AA+ based on Assured Guaranty's internal ratings and an average duration of 3 years as of June 30, 2009**
- **Net income for the first half of 2009 was \$78.7 million**

Financial Review

Summary GAAP Income Statements



	<u>6 months ended 6/30/09</u>	<u>2008</u>	<u>2007</u>
	<i>\$ in millions</i>		
Net earned premiums	\$132.7	\$169.4	\$100.5
Investment income	20.4	33.2	63.5
Change in fair value of derivatives	<u>21.8</u>	<u>(64.0)</u>	<u>(136.8)</u>
Total revenues	174.9	138.6	27.2
Losses incurred	49.9	116.3	21.2
Profit commission	1.5	0.9	6.4
Acquisition costs	37.2	42.7	28.7
Other u/w expenses	<u>9.8</u>	<u>13.3</u>	<u>12.4</u>
Total expenses	98.4	173.2	68.7
Pre-tax income	76.5	(34.6)	(41.5)
Taxes	<u>(2.2)</u>	<u>0.6</u>	<u>(5.9)</u>
Net income	\$78.7	(\$35.2)	(\$35.5)

Note: 2009 Balances reflect the impact of FAS 163

Financial Review

Summary GAAP Balance Sheets



	<u>Jun-09</u>	<u>2008</u>	<u>2007</u>
<i>\$ in millions</i>			
Balance Sheet Items:			
Invested assets	\$2,103.2	\$1,989.6	\$1,774.2
Other assets	<u>982.2</u>	<u>328.1</u>	<u>255.7</u>
Total assets	3,085.4	2,317.7	2,029.9
Liabilities			
Unearned premiums	1,288.4	713.9	624.8
Profit commission	5.5	4.6	18.7
Loss reserves	89.8	90.8	70.2
Other liabilities	<u>409.3</u>	<u>315.2</u>	<u>193.3</u>
Total liabilities	1,793.0	1,124.5	907.0
Policyholders' surplus	1,292.4	1,193.2	1,122.9
Total liabilities & shareholder's surplus	\$ 3,085.4	\$ 2,317.7	\$ 2,029.9

Note - 2009 Balances reflect the impact of FAS 163

Financial Review

Liquidity



- **\$2.1 billion investment portfolio as of June 30, 2009 with 3.0 year duration and \$396.6 million in cash and short-term investments**
- **US Treasuries and agency obligations account for 21.2% of total investment portfolio, while triple-A rated securities account for an additional 57.6% of the total investment portfolio**
- **Annual operating cash flow in 2008 was \$167 million**
- **AG Re participates in \$300 million third-party liquidity facility for Assured Guaranty**
 - \$100 million available to AG Re

Financial Review

Summary of Invested Assets as of June 30, 2009



(\$ in millions)

Investment Category	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income
Fixed maturity securities available for sale:					
U.S. Treasury securities and obligations of U.S. government agencies	\$ 121.6	4.3%	4.1%	\$ 131.1	\$ 5.2
Agency obligations	219.2	4.7%	4.6%	231.0	10.3
Foreign government securities	3.9	6.9%	6.5%	4.1	0.3
Obligations of states and political subdivisions	68.1	4.9%	4.7%	67.3	3.3
Insured obligations of state and political subdivisions	28.3	4.5%	4.2%	26.9	1.3
Corporate securities	257.6	5.0%	4.8%	254.6	12.9
Mortgage-backed securities:					
Pass-thrus	920.8	8.1%	7.9%	893.3	74.9
PACs	27.1	4.8%	4.7%	27.0	1.3
Asset-backed securities	71.5	5.4%	5.4%	71.4	3.8
Total fixed maturity securities available for sale	\$ 1,718.1	6.6%	6.4%	\$ 1,706.7	\$ 113.2
Short-term investments	396.6	0.2%	0.2%	396.6	0.8
Total investments	\$ 2,114.7	5.4%	5.2%	\$ 2,103.3	\$ 114.0

Financial Review

Investment Portfolio Rating Distribution



Investment Portfolio	6/30/2009		12/31/2008	
	Fair Value (\$ in millions)	%	Fair Value (\$ in millions)	%
Ratings Quality Distribution:				
Treasury and government obligations	\$ 131.1	7.7%	\$ 145.3	8.8%
Agency obligations	231.0	13.5%	257.3	15.7%
AAA/Aaa	982.4	57.6%	988.5	60.2%
AA/Aa	133.6	7.8%	95.8	5.8%
A/A	167.2	9.8%	149.8	9.1%
BBB	0.9	0.1%	5.3	0.3%
Below Investment Grade	60.5	3.5%	0.8	0.0%
Total	\$ 1,706.7	100.0%	\$ 1,642.8	100.0%
Average Ratings	AA+/Aa1		AAA/Aaa	
Duration of investment portfolio (in years):	3.0		3.3	

Financial Review

Investment Portfolio Guidelines



- **Guidelines reviewed and approved by the Finance Committee of the AGL Board of Directors**
- **Portfolio objectives**
 - Preserve AG Re's double-A rating
 - Manage investment risk within the context of the underlying portfolio of insurance risk
 - Maintain sufficient liquidity to cover unexpected stress in the insurance portfolio
 - Maximize after tax book income while generating a competitive total rate of return
- **Assets must have a minimum rating of "A"**
 - ABS/RMBS/CMBS – in aggregate not to exceed 33% of aggregate portfolio
 - AAA and senior most tranches limit of 2.5% of aggregate portfolio
 - Non-agency securities and mezzanine tranches are prohibited
 - Single servicer limit of 10.0% of aggregate portfolio
 - Corporate bonds – limit of 15% of aggregate portfolio
 - AAA issuer limit of 2% of the aggregate portfolio
 - AA/A issuer limit of 1% of the aggregate portfolio
 - Aggregate exposure to A corporate bonds not to exceed 5% of the aggregate portfolio



Appendix

As of June 30, 2009

Client Name	Sector	Internal Rating	NPO
1 NEW YORK CITY GENERAL OBLIGATION	City/County - General Obligation	A+	911,597,655
2 LOS ANGELES CALIFORNIA UNIFIED SCHOOL DISTRICT	Schools - General Obligation	AA	860,419,267
3 CALIFORNIA STATE GENERAL OBLIGATION	States - General Obligation	A+	841,465,995
4 MASSACHUSETTS STATE GENERAL OBLIGATION	States - General Obligation	AA-	764,518,773
5 WASHINGTON STATE GENERAL OBLIGATION	States - General Obligation	AA	751,298,948
6 LONG ISLAND POWER AUTHORITY	Public Power Agency	A-	722,887,968
7 PORT AUTHORITY OF NEW YORK & NEW JERSEY	Airports	AA-	695,278,351
8 DISTRICT OF COLUMBIA GENERAL OBLIGATION	City/County - General Obligation	A	664,325,029
9 CHICAGO ILLINOIS GENERAL OBLIGATION	City/County - General Obligation	AA-	658,081,287
10 NEW YORK STATE MTA - TRANSPORTATION	Sales Tax - Local	A	613,502,438
11 MIAMI-DADE COUNTY FLORIDA AVIATION AUTHORITY	Airports	A	579,804,091
12 HAWAII STATE GENERAL OBLIGATION	States - General Obligation	AA	539,460,660
13 MASSACHUSETTS STATE SCHOOL BUILDING AUTHORITY	Sales Tax - State Wide	AA	476,666,587
14 FLORIDA STATE GENERAL OBLIGATION	States - General Obligation	AAA	462,500,000
15 PENNSYLVANIA STATE TURNPIKE COMMISSION	Tolls - greater than 5 year operation	A+	460,226,989
16 MICHIGAN STATE BUILDING AUTHORITY	States - Leases	A+	447,030,707
17 CLARK COUNTY NEVADA SCHOOL DISTRICT	Schools - General Obligation	AA	435,458,400
18 NEW JERSEY STATE TRANSPORTATION TRUST FUND	States - Leases	AA-	414,605,721
19 PUERTO RICO ELECTRIC POWER AUTHORITY	Water, Sewer, Electric and Gas	BBB+	408,714,540
20 LOS ANGELES CALIFORNIA DEPART OF WATER & POWER-ELE	Water, Sewer, Electric and Gas	AA-	398,786,834
21 NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY	Water and Sewer	AA+	397,868,721
22 WISE 2006-1 PLC SENIOR SWAP - A	Infrastructure - Structured Pool	AAA	391,921,985
23 WISE 2006-1 PLC SENIOR SWAP - B	Infrastructure - Structured Pool	AAA	391,921,985
24 WISE 2006-1 PLC SENIOR SWAP - C	Infrastructure - Structured Pool	AAA	391,921,985
25 NEW YORK STATE THRUWAY AUTHORITY - TRUST FUND	Gas Tax - Statewide	AA-	365,434,190

AG Re

Top 25 Structured Finance Exposures



As of June 30, 2009

Client Name	Sector	Internal Rating	NPO
1 PERMANENT MASTER ISSUER PLC SERIES 2007-1 3A	Asset Backed - Prime First Lien RMBS	AAA	456,307,279
2 LIICA HOLDINGS, LLC	Asset-Backed - Insurance Securitization	AA	405,000,000
3 SHENANDOAH TRUST CAPITAL I TERM SECURITIES	Asset-Backed - Insurance Securitization	A+	394,000,000
4 DEUTSCHE ALT-A SECURITIES MORTGAGE LOAN 2007-2	Asset-Backed - Alt-A Loans - RMBS	CCC	376,183,548
5 BALLANTYNE RE PLC CLASS A-2 FLOATING RATE NOTES	Asset-Backed - Insurance Securitization	D	370,000,000
6 PARAGON MORTGAGES (NO.13) PLC	Asset Backed - Prime First Lien RMBS	AAA	351,880,944
7 PB DOMICILE 2006-1	Asset Backed - Prime First Lien RMBS	AAA	326,899,701
8 TABERNA EUROPE CDO II PLC	CDO - Trust Preferred	A+	302,928,708
9 HERTZ VEHICLE FINANCING, LLC SERIES 2005-2 & 3	Asset-Backed - Auto Fleet Financing	BBB	289,465,927
10 DISCOVER CARD MASTER TRUST I SERIES 2005-A	Asset-Backed - Credit Card Receivable - Prime	AAA	280,000,000
11 ORKNEY RE II, PLC SERIES A-1 FLOATING RATE NOTES	Asset-Backed - Insurance Securitization	D	264,269,250
12 ARKLE MASTER ISSUER PLC - SERIES 2006-2 3A2	Asset Backed - Prime First Lien RMBS	AAA	256,449,319
13 GRACECHURCH MORTGAGE FINANCING PLC 2006-1 A5	Asset Backed - Prime First Lien RMBS	AAA	252,382,034
14 ARKLE MASTER ISSUER PLC - SERIES 2006-1 5A1	Asset Backed - Prime First Lien RMBS	AAA	248,013,210
15 SPIRIT ISSUER PLC CLASS A1 DEBENTURE BONDS	Asset-Backed - Whole Business Sec	BBB	239,591,562
16 GRACECHURCH MORTGAGE FINANCING PLC 2007-1 3A2	Asset Backed - Prime First Lien RMBS	AAA	236,533,649
17 DB MASTER FINANCE LLC, SERIES 2006-1 CLASS A-2	Asset-Backed - Whole Business Sec	BBB-	234,082,302
18 APPLEBEES ENTERPRISES LLC	Asset-Backed - Whole Business Sec	BBB-	233,349,282
19 HARBOURMASTER CLO I B.V.	CDO/CLO - Investment Grade Cash Flow	AAA	229,673,430
20 TELEREAL SECURITISATION PLC (BRITISH TELECOM) A1	Asset-Backed - CMBS / Comm. Real Estate	BBB+	226,293,071
21 JUPITER SECURITIZATION COMPANY	Asset Backed - Program-wide Credit Enhancement	AAA	225,129,514
22 SANDELMAN FINANCE 2006-1 LIMITED CLASS A-1-A	CDO/CLO - High Yield Cash Flow	AA	225,000,000
23 TIMBERLAKE FINANCIAL, LLC FLOATING INSURED NOTES	Asset-Backed - Insurance Securitization	A	221,000,000
24 ACS 2007-1 PASS THROUGH TRUST G-1	Asset-Backed - Aircraft Leases	A	205,073,003
25 GENESIS FUNDING LIMITED SERIES 2006-1 CLASS G-1	Asset-Backed - Aircraft Leases	A	200,000,000

Non-GAAP Financial Measures



- PVP or present value of new business production: PVP is a non-GAAP financial measure defined as: gross upfront and installment premiums received and the present value of gross estimated future installment premiums or revenues on financial guaranty and credit derivative contracts written in the current period, discounted at 6%. Management believes that PVP is a useful measure for management, investors and analysts because it permits the evaluation of the value of new business production for Assured Guaranty by taking into account the value of estimated future installment premiums or revenues on all new contracts underwritten in a reporting period, whether in insurance or credit derivative contract form, which the GAAP measures of gross premiums written and the net credit derivative premiums received and receivable portion of net realized gains and other settlement on credit derivatives revenues do not adequately measure. 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 contract whereas, for PVP purposes, management only records an estimate of the future installment premiums that they expect Assured Guaranty to receive. Actual future net earned or written premiums and credit derivative revenues may differ from PVP due to factors such as prepayments, amortizations, refundings, contract terminations or defaults that may or may not be influenced by market interest rates, foreign exchange rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, or other factors that management cannot control or predict. PVP should not be viewed as a substitute for gross written premiums determined in accordance with GAAP.

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**Assured Guaranty Re Ltd.
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