



Fixed Income Investor Presentation Third 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.

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Safe Harbor Disclosure



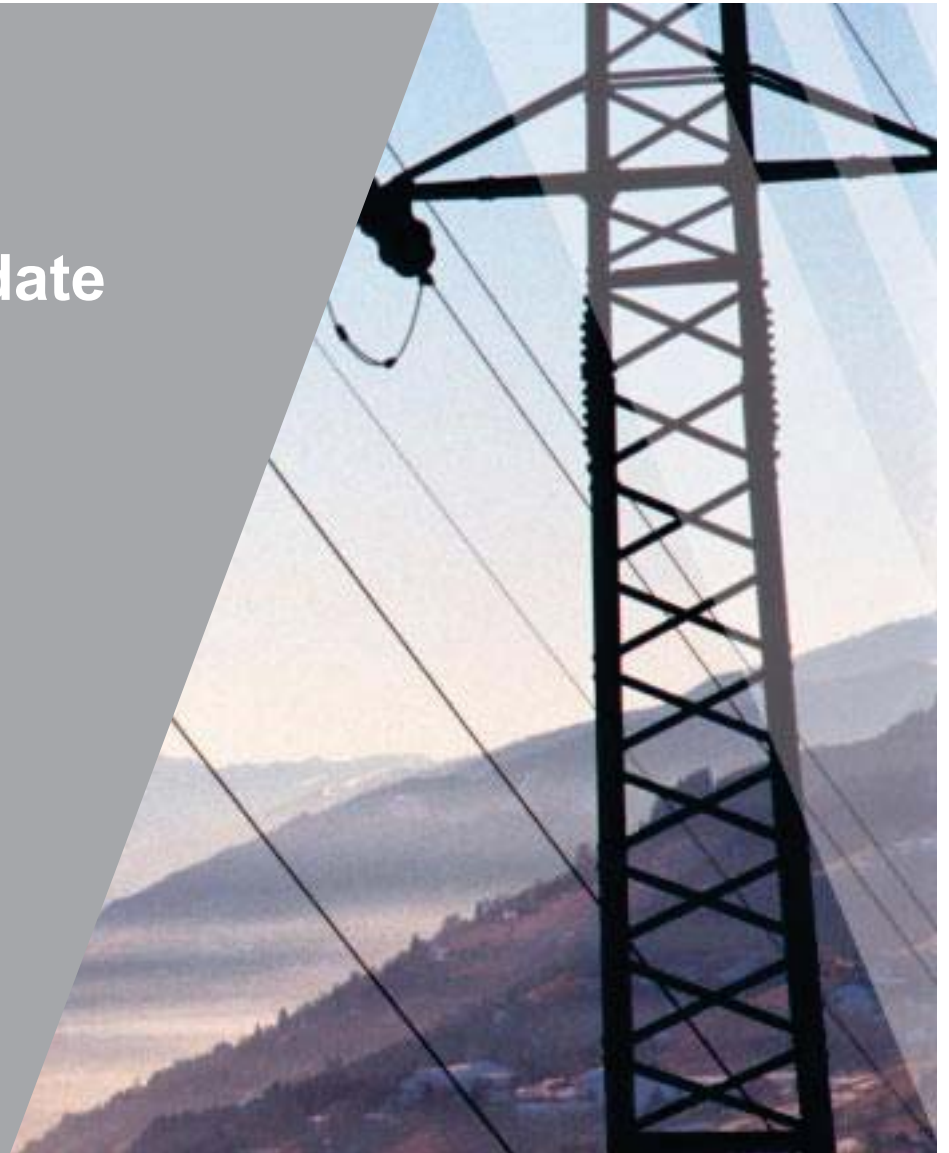
- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty” or the “Company”) with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially or change in out look from these statements. For example, Assured Guaranty’s forward looking statements could be affected by:
 - rating agency action, including a ratings downgrade or change in outlook at any time of Assured Guaranty Ltd. or any of its subsidiaries and/or of transactions that AGL’s subsidiaries have insured, 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 world ‘s credit markets, segments thereof or general economic conditions;
 - more severe or frequent losses implicating the adequacy of Assured Guaranty’s expected loss estimates;
 - 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;
 - deterioration in the financial condition of our reinsurers, the amount and timing of reinsurance recoverable actually received and the risk that reinsurers may dispute amounts owed to us under our reinsurance agreements;
 - the possibility that the Company will not realize insurance loss recoveries or damages from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions;
 - 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 U.S. 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 November 23, 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, except as required by law.

Conventions



- Unless otherwise noted, the following conventions are used in this presentation:
 - Ratings on our insured portfolio are Assured Guaranty's internal rating. Although the Company's ratings scale is similar to that used by the nationally recognized rating agencies, the ratings may not be the same as ratings assigned by any nationally recognized rating agency.
 - The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured Guaranty's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (2) Assured Guaranty's exposure benefitting from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured Guaranty's attachment point to be materially above the AAA attachment point.
 - Exposures rated below investment grade are designated "BIG".
 - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P").
 - Percentages and totals in tables or graphs may not add due to rounding.
- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures not in accordance with GAAP ("non-GAAP financial measures") are defined in the appendix. In each case, the most directly comparable GAAP financial measure, if available, is presented, and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how Assured Guaranty's management, analysts and investors evaluate Assured Guaranty's financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty.

Corporate Overview and Update



Corporate Overview and Update



- **Assured Guaranty Ltd. (“AGL” and together with its subsidiaries “Assured Guaranty” or “the Company”) is the leading financial guaranty franchise**
 - We are the only long-standing financial guaranty company 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 \$10.7 billion as of September 30, 2010
 - Consolidated claims-paying resources of \$12.8 billion as of September 30, 2010
 - In December 2009, issued 27.5 million common shares, raising net proceeds of approximately \$574 million
- **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.

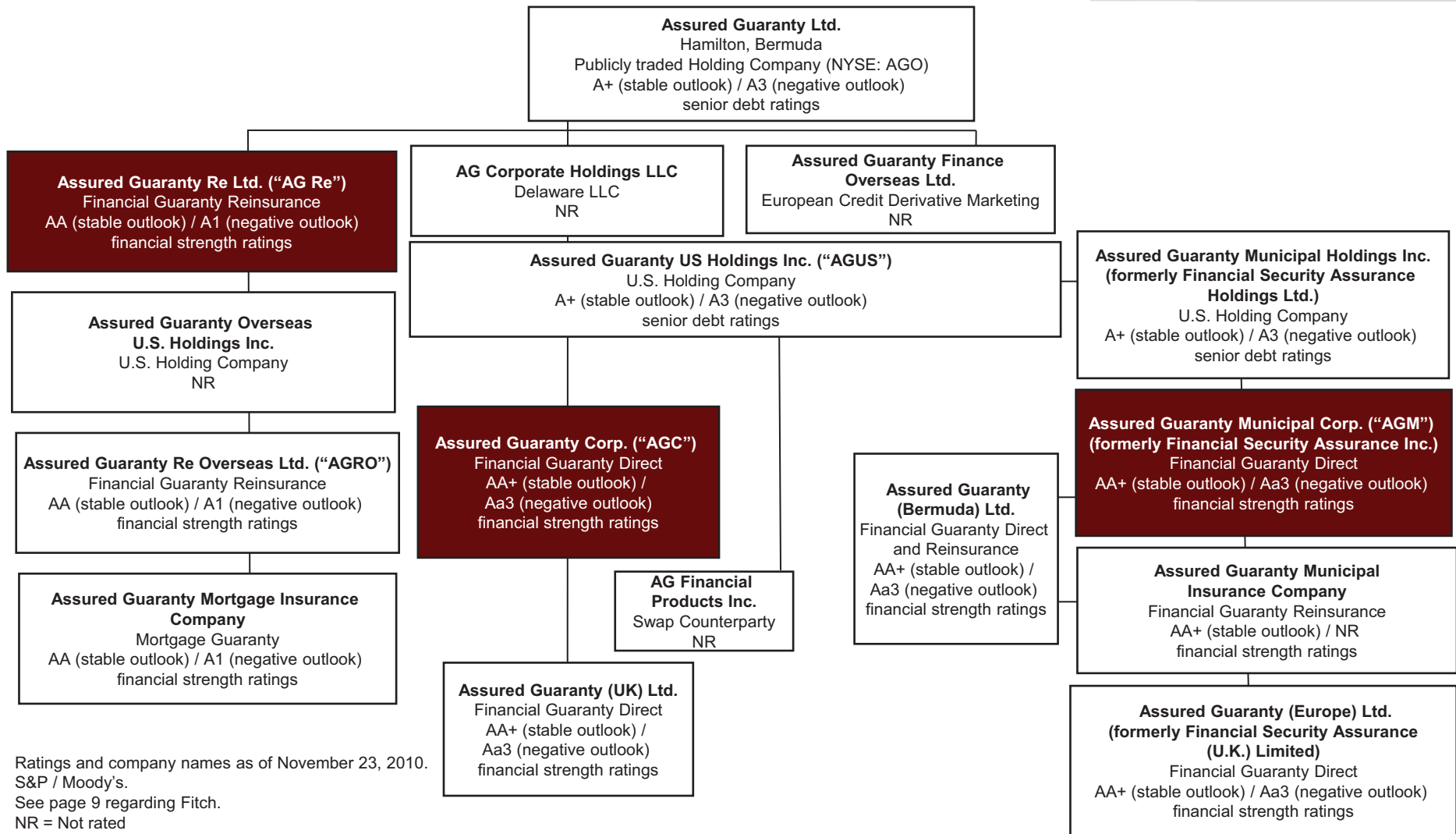
(\$ in billions)	Assured Guaranty Ltd. (9/30/10)
Net par insured	\$628.1
Total investment portfolio	\$10.7
Claims-paying resources	\$12.8

Assured Guaranty Strategic Priorities



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

Assured Guaranty Ltd. Corporate Structure



Ratings and company names as of November 23, 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”) operating as a reinsurer**
 - AGC guarantees public finance, global infrastructure and structured finance transactions.
 - AGM, formerly FSA, focuses exclusively on public finance and global infrastructure transactions.
 - AG Re, as a reinsurer, provides additional capital and flexibility to AGC and AGM.
- **AGC and AGM are integrated for risk management, surveillance, credit, financial reporting and systems**
- **Assured Guaranty’s financial position and market standing, along with the franchise value of AGC and AGM, are strengthened through this structure**
 - Greater capacity to write business
 - More flexibility in balancing portfolio exposures
 - Enhanced operating efficiencies through common infrastructure

Assured Guaranty's Operating Platforms (Cont'd)



- **Companies distinct for legal and regulatory purposes**
 - Separate insured credit exposures: net par – AGC \$123 billion, AGM \$362 billion¹
 - Separate insurance licenses
 - Separate capital bases – claims-paying resources: AGC \$3.6 billion,² AGM \$6.7 billion
 - Separate regulators – AGC is domiciled in Maryland; AGM is domiciled in New York
 - Dividend restrictions – including Maryland and New York insurance law restrictions, and rating agency non-impairment confirmation; also, for three years after closing of acquisition, AGM cannot pay dividends unless rated at least AA-/Aa3 *and* dividends do not exceed 125% of AGMH annual debt service.

1. Includes insured GICs issued by AGMH's former FP affiliates (\$7.7 billion aggregate principal amount outstanding as of September 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.

Operating Principles and Issuer and Investor Benefits



Financial Strength Ratings¹

As of November 23, 2010

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

- **Underwriting principles designed to protect our franchise**
- **Our guaranty benefits investors and issuers because we provide credit selection, underwriting, surveillance and remediation in addition to default protection**
 - Bond insurance helps homogenize the market's view of insured credits, thereby increasing market liquidity.
- **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**
- **For U.S. public finance transactions, bids out of two platforms**
- **We offer market-based pricing to reflect the added value of platforms, as well as capacity**

- **We have the highest ratings of any active financial guaranty company today:**
 - Moody's confirmed the Aa3 financial strength ratings of AGC and AGM and the A1 financial strength rating of AG Re in fourth quarter 2009
 - S&P rated AGC and AGM AA+ (stable) on October 25, 2010
- **We remain committed to attaining the highest ratings possible from Moody's and S&P**

1. At the request of Assured Guaranty, Fitch withdrew its ratings on AGC and AGM and other rated subsidiaries of Assured Guaranty on February 24, 2010. Action followed Fitch's announcement that it was withdrawing ratings on all Assured Guaranty insured bonds for which it does not provide an underlying rating on the bonds. The ratings were withdrawn at their then current rating levels.

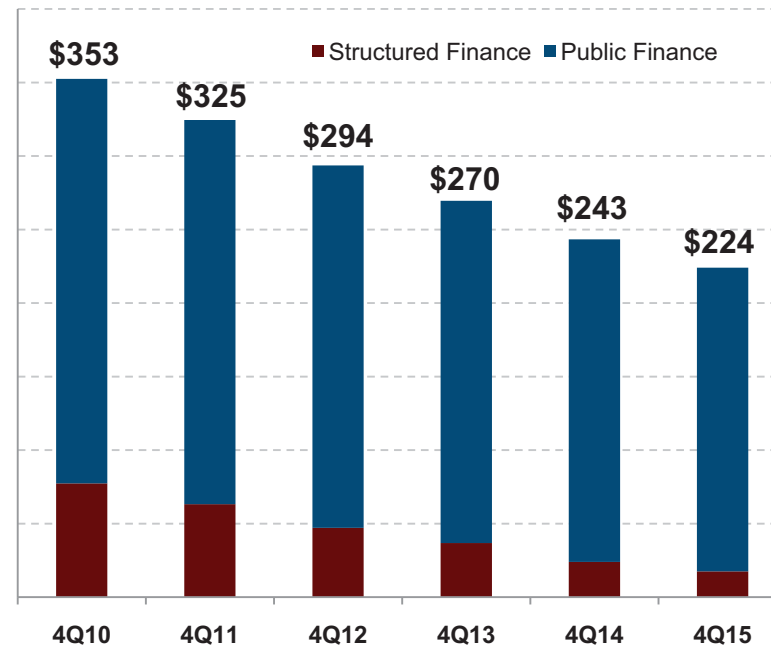
AGM's Commitment to the Public Finance Market



- **We are committed to writing only U.S. public finance and global infrastructure transactions in AGM now and in the future.¹**
- **AGM's existing insured portfolio is expected to rapidly evolve toward its new public finance focus.**
- **We project that AGM's legacy global structured finance insured portfolio (\$83 billion as of September 30, 2010 vs. \$127 billion as of September 30, 2008) will run off rapidly – 43% by year-end 2012 and 79% by year-end 2015.²**

AGM Net Par Outstanding Amortization

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



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

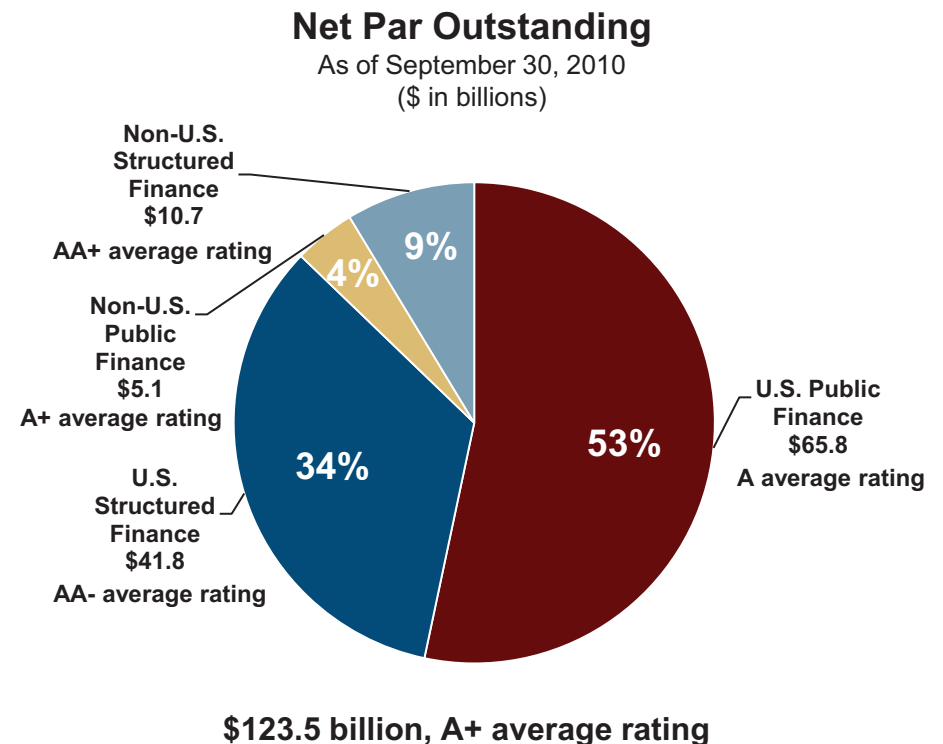
2. Represents the future expected amortization of current net par outstanding, assuming no advance refundings, as of September 30, 2010. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations and because of management's assumptions on structured finance amortization.

3. See page 68 for net par outstanding at September 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. 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 September 30, 2010				
	AGC	AG Re ²	AGM	Eliminations ³	Consolidated
Claims paying resources					
Policyholders' surplus	\$ 973	\$ 1,091	\$ 1,008	\$ (300)	\$ 2,772
Contingency reserve	666	-	1,505	-	2,171
Qualified statutory capital	1,639	1,091	2,513	(300)	4,943
Unearned premium reserve	882	1,009	2,305	-	4,196
Loss and loss adjustment expense reserves ⁴	295	209	670	-	1,174
Total policyholders' surplus and reserves	2,816	2,309	5,488	(300)	10,313
Present value of installment premium ⁵	570	303	714	-	1,587
Standby line of credit/stop loss	200	200	498	-	898
Total claims paying resources	\$ 3,586	\$ 2,812	\$ 6,700	\$ (300)	\$ 12,798
Net par outstanding	\$ 123,464	\$ 141,810	\$ 351,494	\$ (1,479)	\$ 615,289
Net debt service outstanding	\$ 177,585	\$ 227,748	\$ 525,385	\$ (3,486)	\$ 927,232
Ratios:					
Net par outstanding to qualified statutory capital	75:1	130:1	140:1		124:1
Capital ratio ⁶	108:1	209:1	209:1		188:1
Financial resources ratio ⁷	50:1	81:1	78:1		72:1

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

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

3. 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.

4. Reserves are reduced by approximately \$1.3 billion for benefit related to representation and warranty recoverables.

5. Includes financial guaranty insurance and credit derivatives.

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

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

Pursue Proactive Loss Mitigation Strategies



- **We have been pursuing reimbursement for mortgage put backs for breaches of representation and warranties (“R&W”) for three years. Our progress through September 30, 2010 has been:**
 - Over 28,400 second lien files reviewed, representing nearly \$2.2 billion of loans; have reached agreement for approximately \$280 million of second lien loans to be repurchased
 - Over 7,600 first lien files reviewed, representing nearly \$3.1 billion of loans; have reached agreement for approximately \$110 million of first lien loans to be repurchased
- **Our current \$1.4 billion benefit is less than the total dollar amount of loans put back**
 - Approximately \$4.7 billion in R&W breaches have been identified: \$3.6 billion have been sent back through September 30, 2010

Financial Guaranty Insurance	# of Insurance Policies as of September 30, 2010 with R&W Benefit Recorded	Outstanding Principal and Interest Policies with R&W Benefit Recorded as of September 30, 2010	Future Net R&W Benefit at December 31, 2009	R&W Development and Accretion of Discount during Year	R&W Recovered During 2010	Future Net R&W Benefit at September 30, 2010
Prime First Lien	1	\$ 58.5	\$ -	\$ 1.0	\$ -	\$ 1.0
Alt-A First Lien	17	1,964.2	64.2	19.8	-	84.0
Alt-A Option ARMs	10	2,083.3	203.7	86.8	42.5	248.0
Subprime First Lien (including NIMs ¹)	-	-	-	-	-	-
Closed-end second lien (“CES”)	3	312.9	76.5	59.5	-	136.0
Home equity line of credit (“HELOC”)	11	3,618.9	828.7	98.1	88.9	837.9
Total	42	\$ 8,037.8	\$ 1,173.1	\$ 265.2	\$ 131.4	\$ 1,306.9
Credit Derivatives	5	\$ 3,938.4	\$ 37.6	\$ 46.8	\$ -	\$ 84.4
Total	47	\$ 11,976.2	\$ 1,210.7	\$ 312.0	\$ 131.4	\$ 1,391.3

1. NIMs are net interest margin securities

Pursue Proactive Loss Mitigation Strategies (Cont'd)



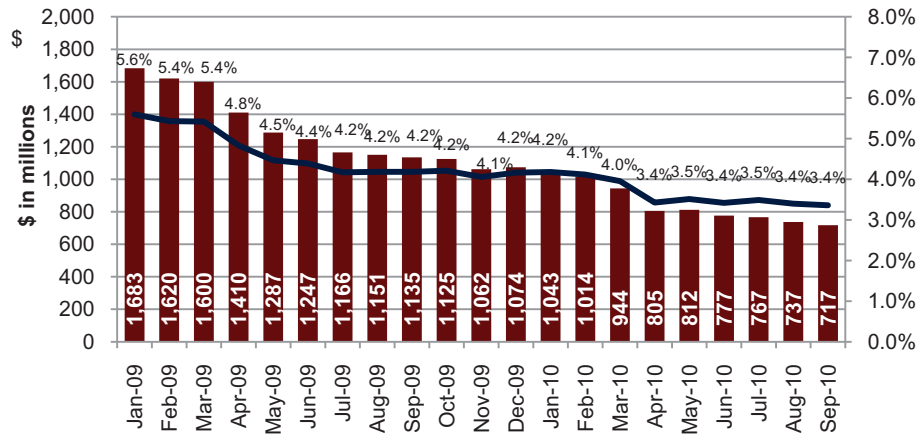
- **We have filed lawsuits in June, July and October against unresponsive R&W providers**
 - Will initiate additional lawsuits where appropriate
- **We launched a servicing enhancement program**
 - Poor servicing increases loss frequency and severity; we will provide incentives for improved servicing
 - Transfer servicing where appropriate
 - Eight mortgage servicing specialists hired to implement this strategy
- **We also have a wrapped bond repurchase program, in which we purchase bonds we have insured in order to reduce our losses**

First Lien 30-59 Day Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



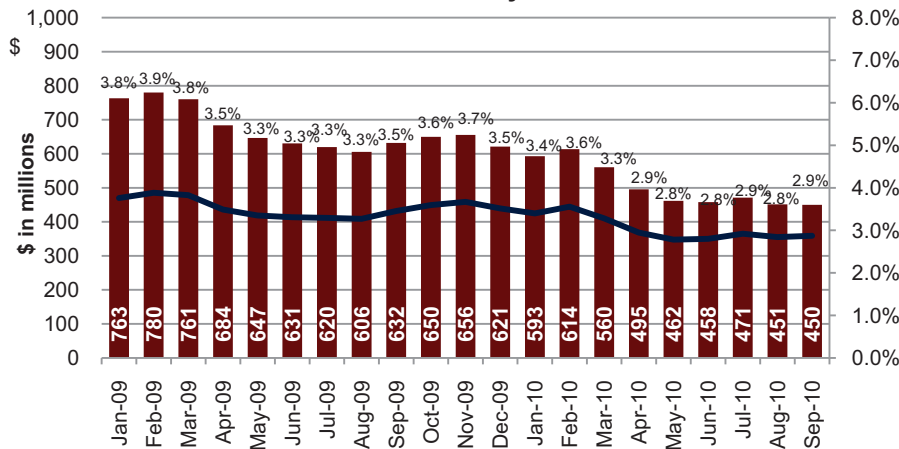
Option ARMs 30-59 Days



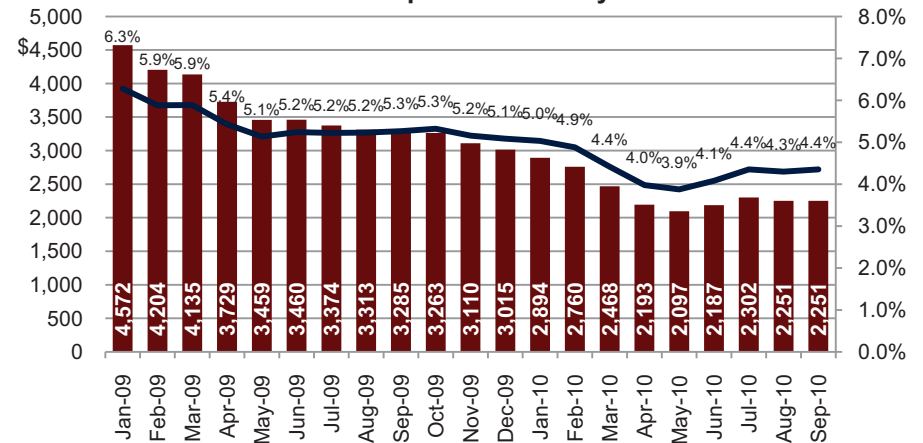
- Overall, first lien 30-59 day delinquencies have declined in both percentage terms and dollar amounts in Option ARM, Alt-A and subprime transactions.



Alt-A 30-59 Days



Subprime 30-59 Days



Data is obtained from third-party sources, such as trustee reports, and may be subject to misstatement or correction. Assured Guaranty has not insured any U.S. RMBS since 2008.

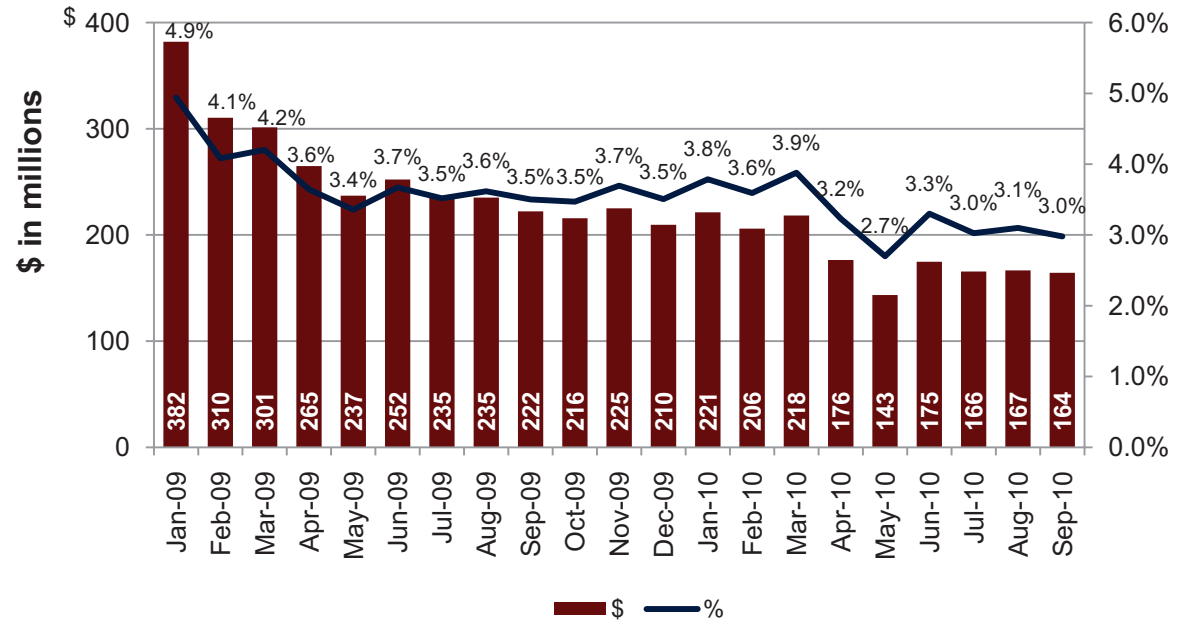
Second Lien Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008



Troubled HELOCs 30-59 Days

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



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Consolidated U.S. RMBS



- **Our \$26.0 billion U.S. RMBS portfolio is amortizing on an absolute basis and as a percentage of the portfolio**

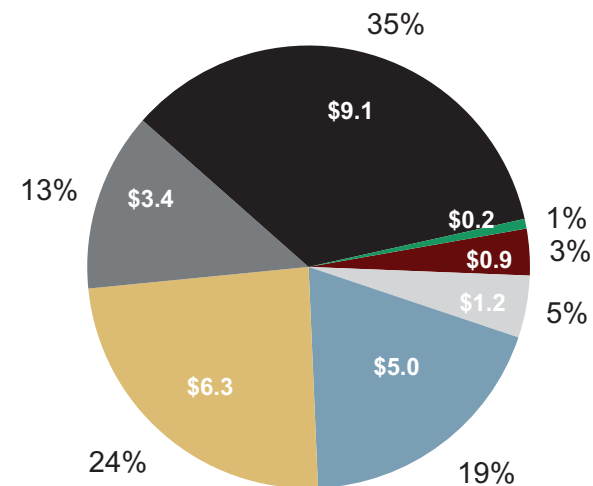
- U.S. RMBS represents 4.1% of total net par outstanding at September 30, 2010 versus 8.3% at year-end 2008
- Total U.S. RMBS has declined from \$30.2 billion at September 30, 2009 to \$26.0 billion at September 30, 2010, a \$4.2 billion or 14% reduction

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

- Do not expect to insure U.S. RMBS in the near future
- Will not insure U.S. RMBS at AGM, consistent with our decision to only underwrite public finance at AGM

U.S. RMBS by Exposure Type

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



\$26.0 billion, 4.1% of net par outstanding

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

Assured Guaranty U.S. RMBS Performance

Alt-A First Lien and Alt-A Option ARMs



(\$ in millions)

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

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	\$ 149	30.6%	9.2%	7.5%	37.7%	4
2006	885	57.2%	5.4%	10.3%	50.8%	7
2007	2,181	63.5%	6.0%	10.8%	40.4%	11
2008	114	64.3%	49.3%	7.3%	34.5%	1
	\$ 3,330	60.4%	7.5%	10.4%	42.8%	23

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 711	42.7%	11.8%	4.4%	19.6%	21
2006	506	50.2%	1.2%	12.3%	39.7%	7
2007	3,090	62.1%	8.0%	8.4%	35.1%	12
2008	1,825	57.5%	27.0%	8.6%	30.3%	5
	\$ 6,132	57.5%	13.5%	8.3%	32.3%	45

1. For this presentation, net par outstanding is based on values as of September 30, 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on September 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 real estate owned ("REO") divided by net par outstanding.

Assured Guaranty U.S. RMBS Performance

Subprime First Lien



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 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	\$ 401	36.3%	49.2%	4.9%	40.9%	7
2006	3,944	26.1%	61.3%	13.2%	40.7%	4
2007	3,014	60.1%	27.0%	12.6%	48.6%	13
2008	82	72.4%	33.6%	6.3%	32.8%	1
	\$ 7,442	41.0%	46.5%	12.4%	43.8%	25

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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.

Assured Guaranty U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 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	\$ 1,048	21.8%	2.5%	12.4%	11.7%	6
2006	1,509	36.0%	2.0%	27.8%	11.3%	7
2007	1,971	51.0%	3.2%	25.1%	6.9%	9
2008	-	-	-	-	-	-
	<u>\$ 4,528</u>	<u>39.2%</u>	<u>2.6%</u>	<u>23.0%</u>	<u>9.5%</u>	<u>22</u>

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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.

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



(\$ in millions)

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

U.S. CES

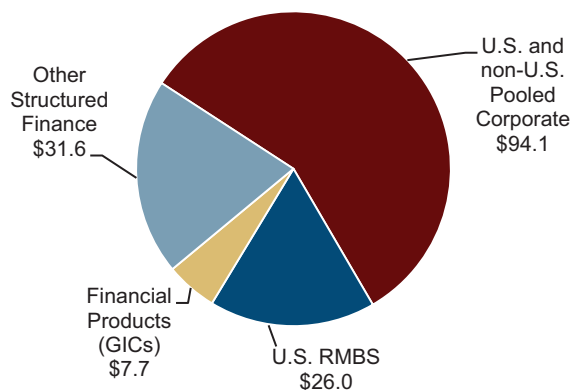
Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	448	22.5%	-	54.5%	17.1%	2
2007	719	27.1%	-	60.0%	12.0%	10
2008	-	-	-	-	-	-
	<u>\$ 1,167</u>	<u>25.3%</u>	<u>-</u>	<u>57.9%</u>	<u>14.0%</u>	<u>12</u>

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2. Pool factor is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.
3. Represents the sum of subordinate tranches and over-collateralization, expressed as a percentage of total transaction size and does not include any benefit from excess interest collections that may be used to absorb losses.
4. Cumulative losses are defined as net charge-offs on the underlying loan collateral divided by the original 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.

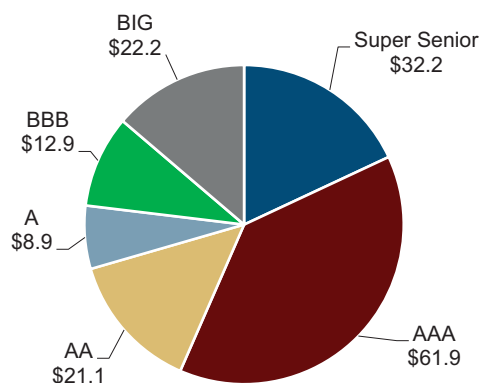
Our Global Structured Finance Exposure Expected to Run Off Rapidly



(\$ in billions)



\$159.4 billion net par outstanding



- **We expect AGL’s global structured finance insured portfolio (\$159.4 billion as of September 30, 2010) to run off rapidly – 34% by year-end 2012 and 61% by year-end 2014.¹**

- \$94.1 billion in global pooled corporate obligations expected to be reduced by 32% by year-end 2012 and by 67% by year-end 2014
- \$26.0 billion in U.S. RMBS expected to be reduced by 40% by year-end 2012 and by 59% by year-end 2014

- **Assured Guaranty and AGM’s total structured finance exposures of \$240.9 billion at December 31, 2007 have already run off by \$81.5 billion through September 30, 2010, a 34% reduction.**

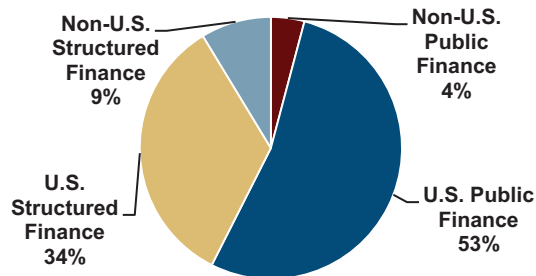
1. Represents the future expected amortization of current net par outstanding, assuming no advance refundings, as of September 30, 2010. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations and because of management’s assumptions on structured finance amortization.

Portfolio Diversification by Sector

Net Par Outstanding (as of September 30, 2010)

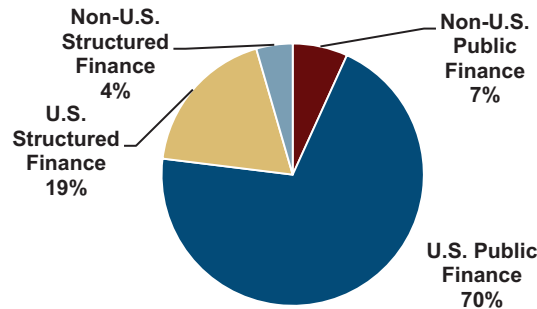


AGC



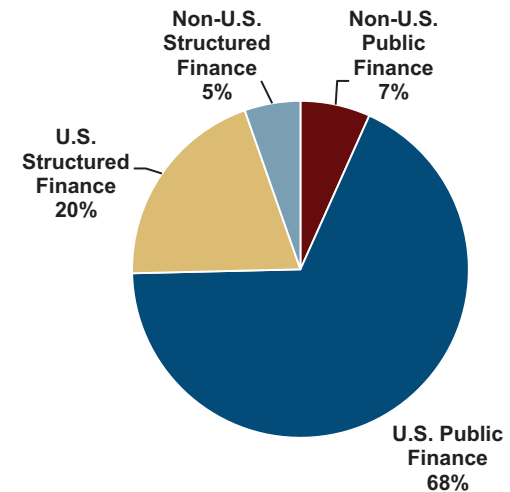
\$123.5 billion

AGM



\$361.8 billion¹

Assured Guaranty Ltd. Consolidated



\$628.1 billion^{1,2}

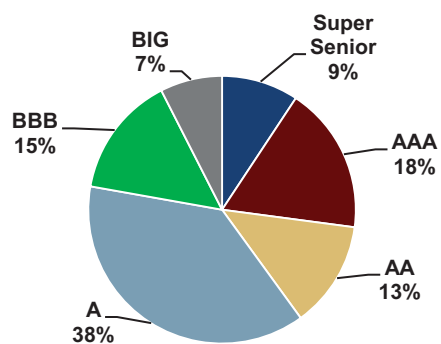
1. Includes \$7.7 billion at 9/30/10 in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Portfolio Ratings

Net Par Outstanding (as of September 30, 2010)

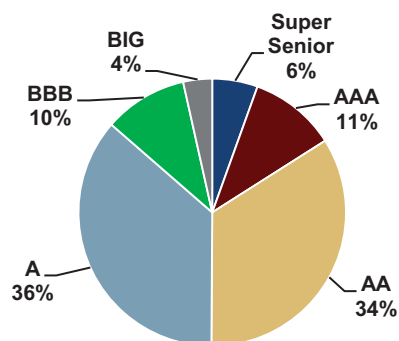


AGC



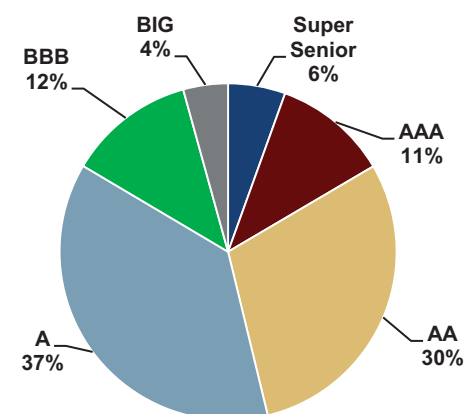
\$123.5 billion

AGM



\$361.8 billion¹

Assured Guaranty Ltd. Consolidated



\$628.1 billion^{1,2}

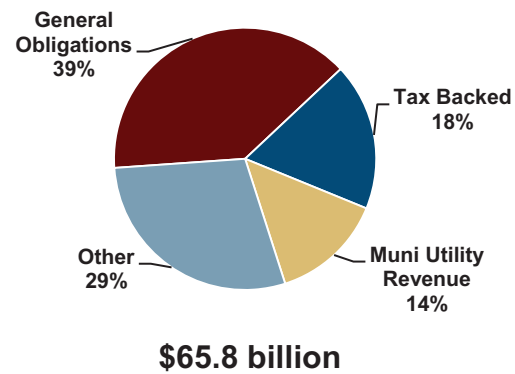
- Includes \$7.7 billion at 9/30/10 in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
- Consolidated amounts include those of AG Re.

U.S. Public Finance Portfolios

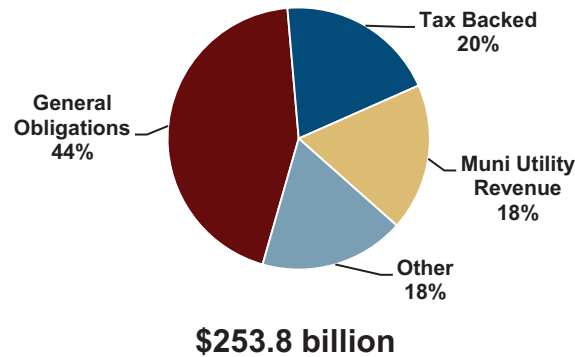
Net Par Outstanding (as of September 30, 2010)



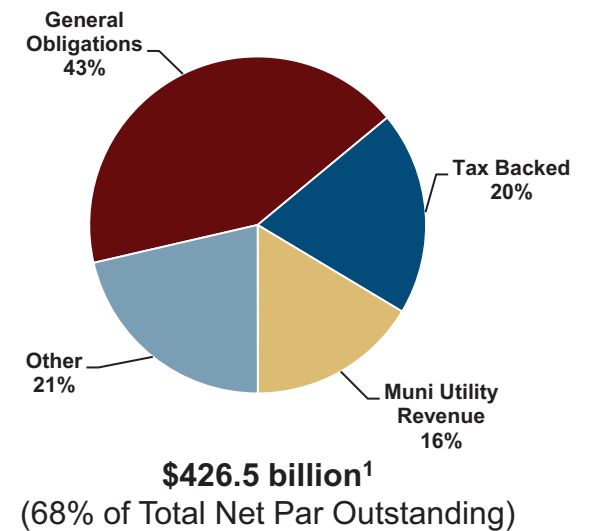
AGC



AGM



Assured Guaranty Ltd. Consolidated



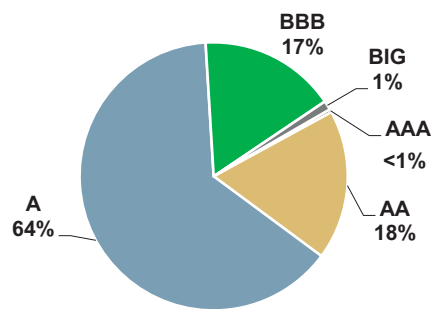
1. Consolidated amounts include those of AG Re.

Portfolio Ratings - U.S. Public Finance

Net Par Outstanding (as of September 30, 2010)

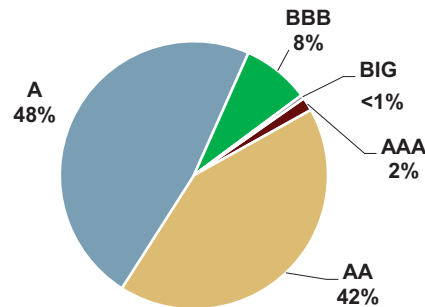


AGC



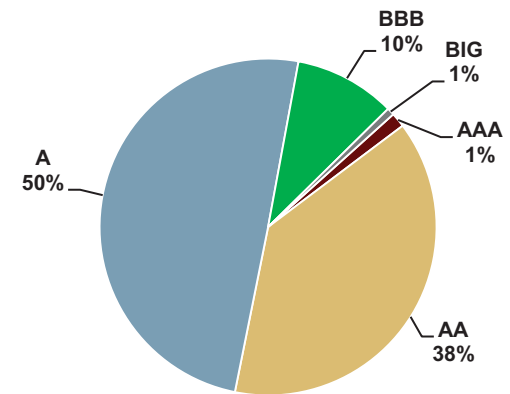
\$65.8 billion

AGM



\$253.8 billion

Assured Guaranty Ltd. Consolidated



\$426.5 billion¹
(68% of Total Net Par Outstanding)

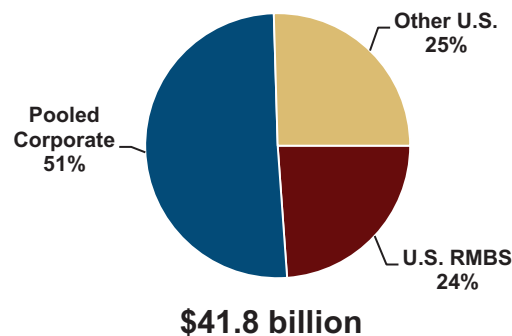
1. Consolidated amounts include those of AG Re.

U.S. Structured Finance Portfolios

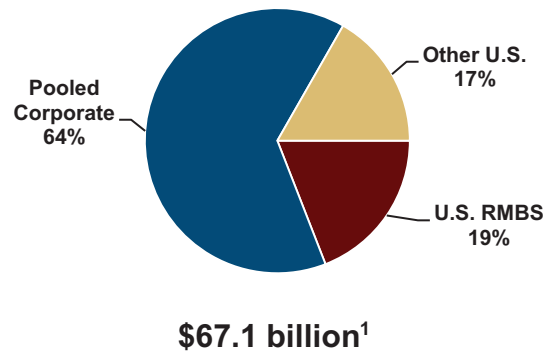
Net Par Outstanding (as of September 30, 2010)



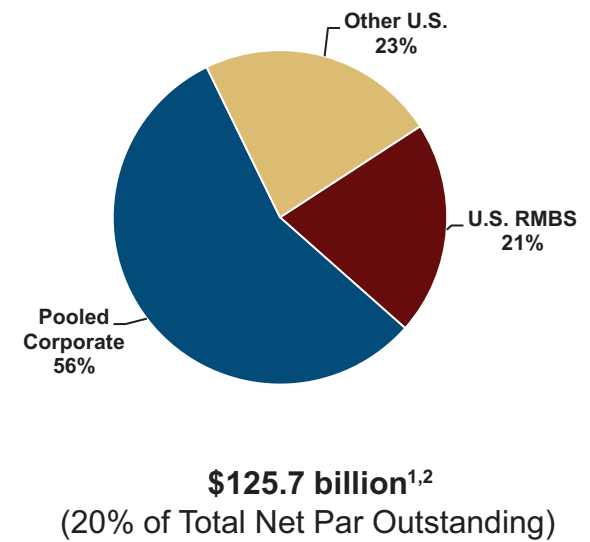
AGC



AGM



Assured Guaranty Ltd. Consolidated



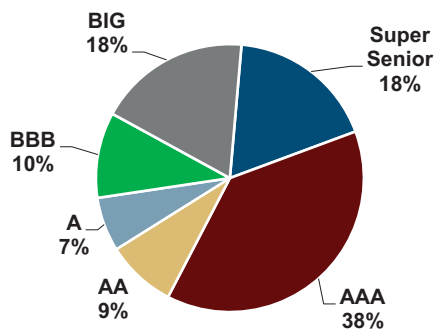
1. Includes \$7.7 billion in GICs issued by AGMH's former FP affiliates. However, FP business was not part of Assured Guaranty purchase. We are indemnified against exposure to this business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
2. Consolidated amounts include those of AG Re.

Portfolio Ratings – U.S. Structured Finance

Net Par Outstanding (as of September 30, 2010)

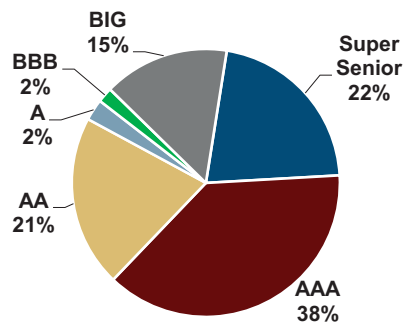


AGC



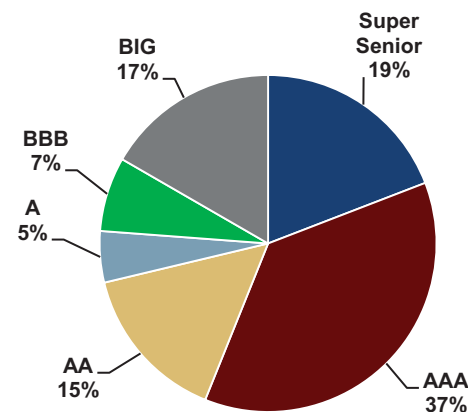
\$41.8 billion

AGM



\$67.1 billion¹

Assured Guaranty Ltd. Consolidated



\$125.7 billion^{1,2}
(20% of Total Net Par Outstanding)

1. Includes \$7.7 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.

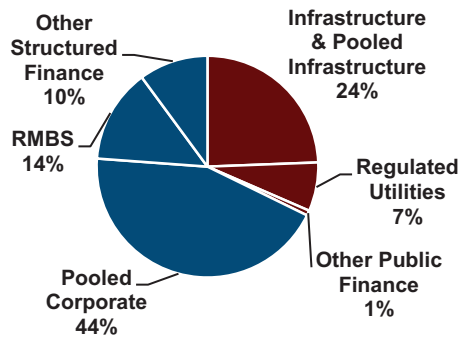
2. Consolidated amounts include those of AG Re.

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

Net Par Outstanding (as of September 30, 2010)

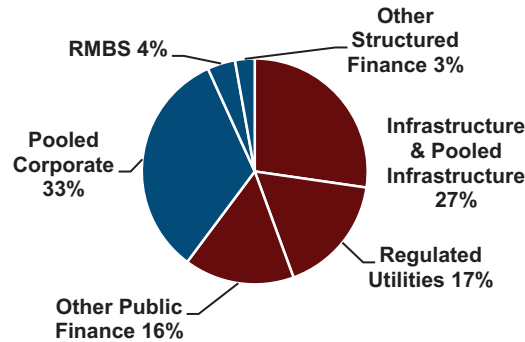


AGC



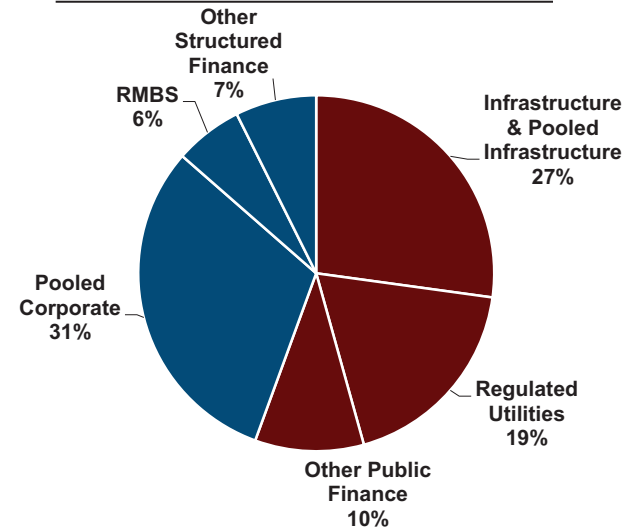
\$15.8 billion

AGM



\$40.8 billion

Assured Guaranty Ltd. Consolidated



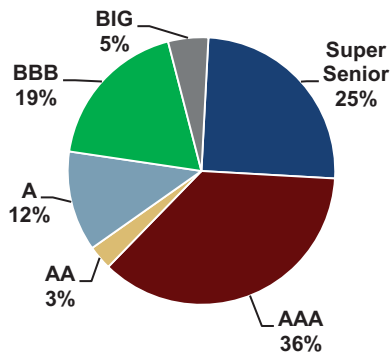
\$75.8 billion¹
(12% of Total Net Par Outstanding)

1. Consolidated amounts include those of AG Re.

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

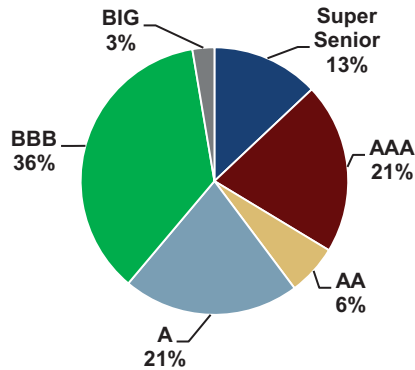


AGC



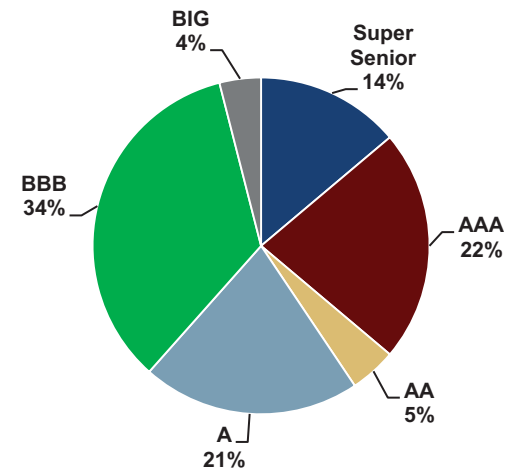
\$15.8 billion

AGM



\$40.8 billion

**Assured Guaranty Ltd.
Consolidated**



\$75.8 billion¹
(12% of Total Net Par Outstanding)

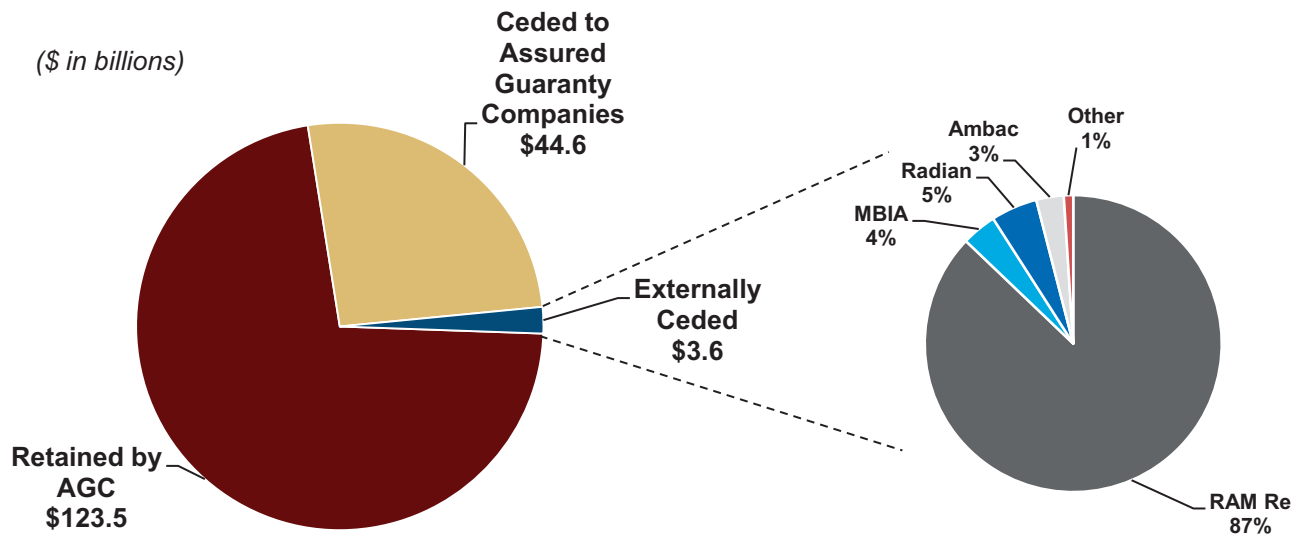
1. Consolidated amounts include those of AG Re.

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:
\$171.7 billion**

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



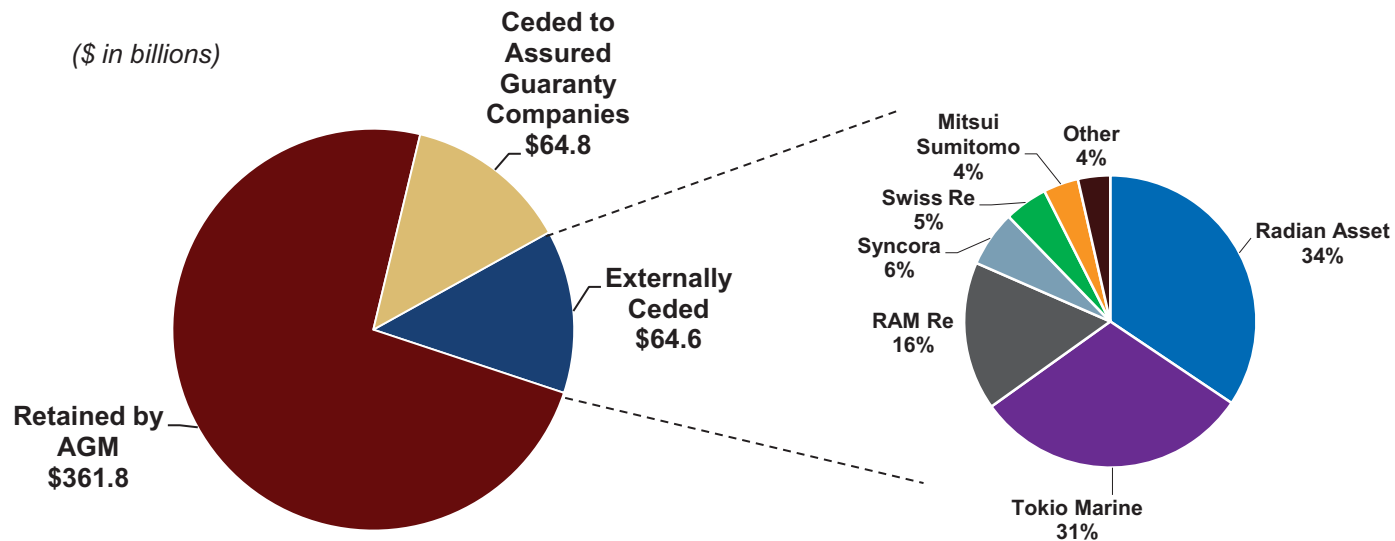
As of September 30, 2010

Reinsurance: AGM Has Ceded 13% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines



**AGM's Total Gross Par Outstanding:
\$491.1 billion**

**Externally Ceded Par Outstanding:
\$64.6 billion (13%)**



As of September 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.**

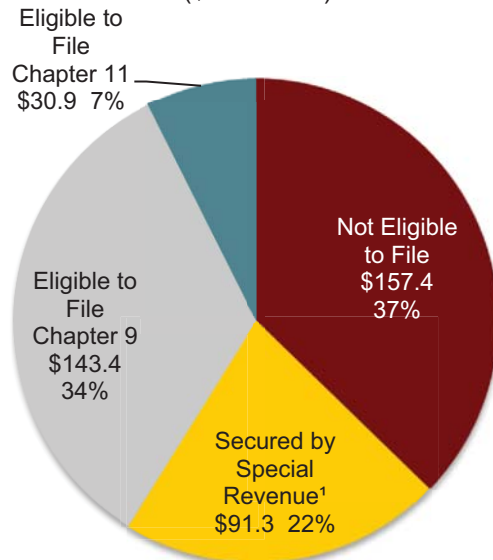
Chapter 9 Eligibility

- 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.

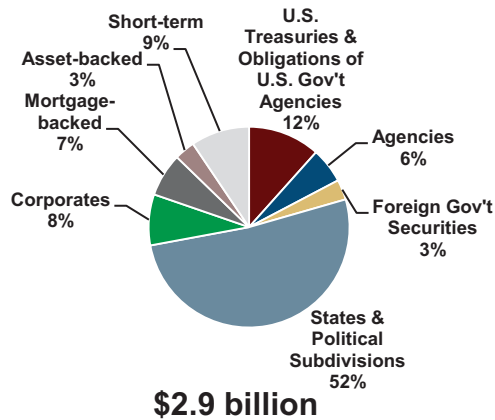
Investment Portfolios by Sector

(Fair Value)

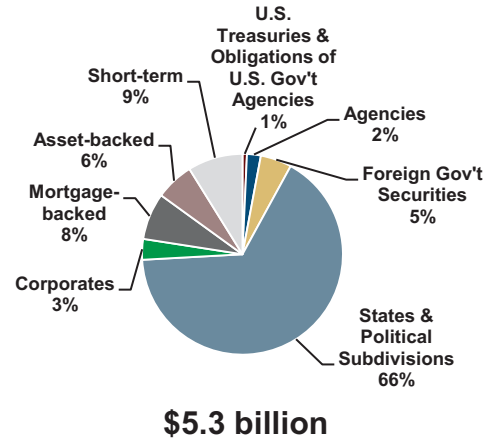
As of September 30, 2010



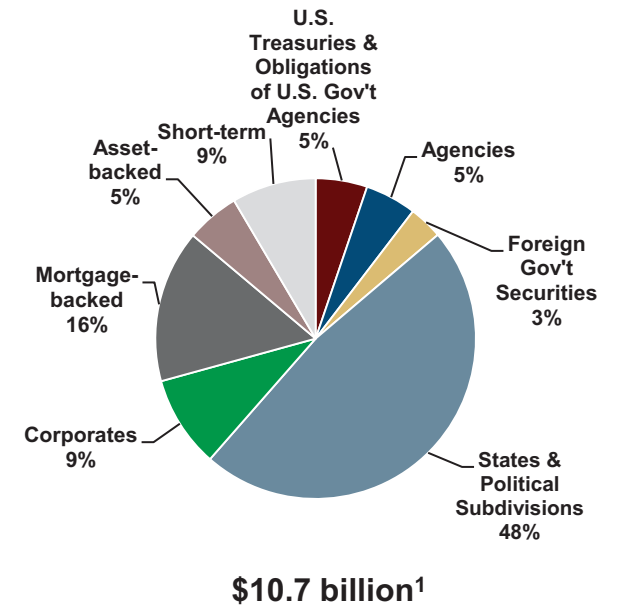
AGC



AGM



Assured Guaranty Ltd. Consolidated



1. Consolidated amounts include those of AG Re.

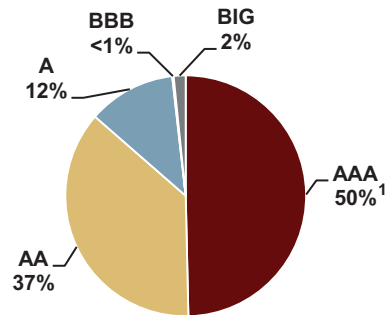
Investment Portfolios by Ratings

(Fair Value)

As of September 30, 2010

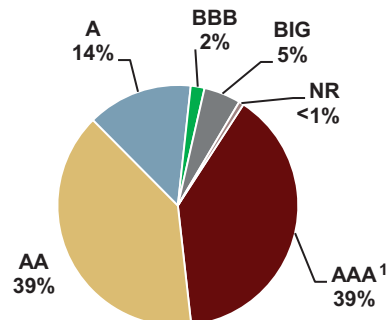


AGC



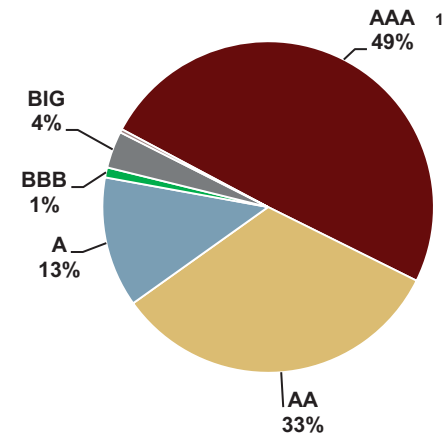
\$2.9 billion

AGM



\$5.3 billion

Assured Guaranty Ltd. Consolidated



\$10.7 billion²

1. Includes all short-term securities.

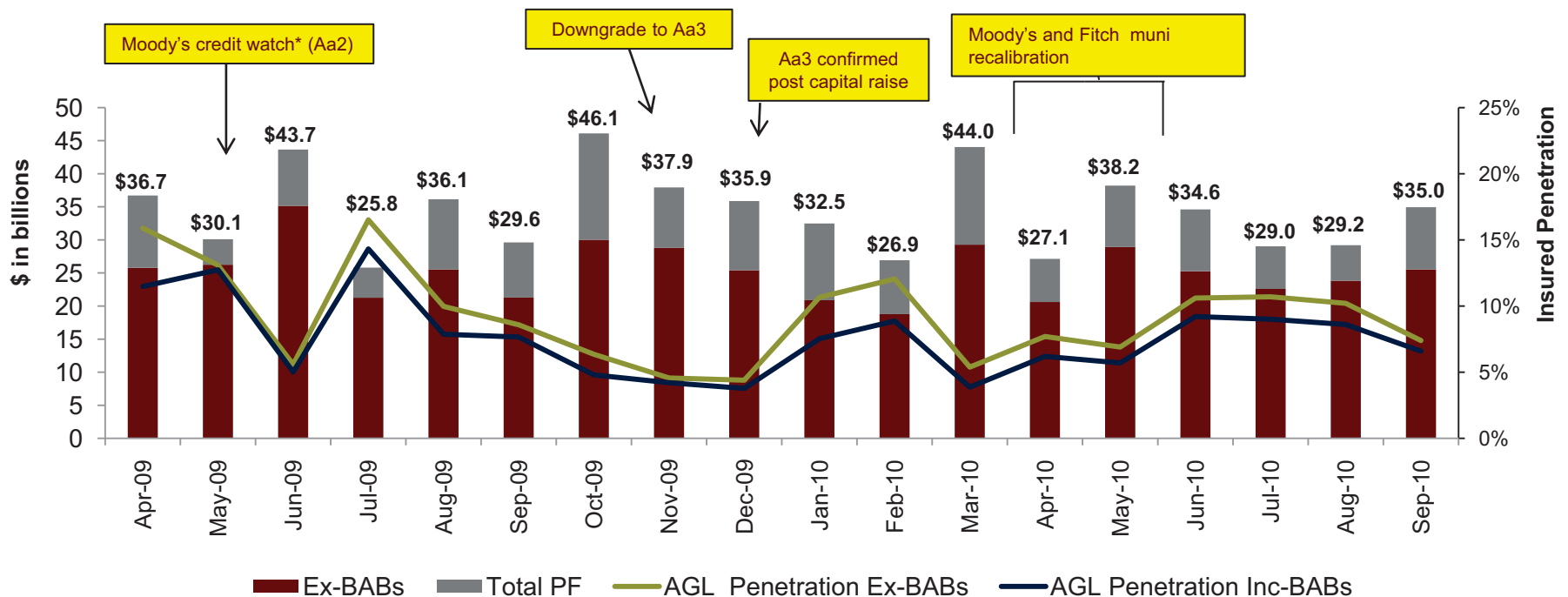
2. Consolidated amounts include those of AG Re.

Impact of Market Factors and Ratings on Public Finance New Business Activity

Third Quarter 2010 Penetration Improved



- **3Q-10 new issue par insured penetration was 9.4% excluding Build America Bonds (“BABs”)**
 - 7.7% of total new issue par, including BABs
 - 8.6% YTD through September excluding BABs; 7.0% including BABs
- **To put this penetration rate in perspective, from 2003 – 2007, FGIC (one of the “Big 4” insurers) averaged an 8.2% share during that period. During the same period, AGM’s share was 13.3%.**
- **In 2006, AAA-insurers Assured Guaranty Corp., XLCA and CIFG had a *combined* market share of 6.3%.**

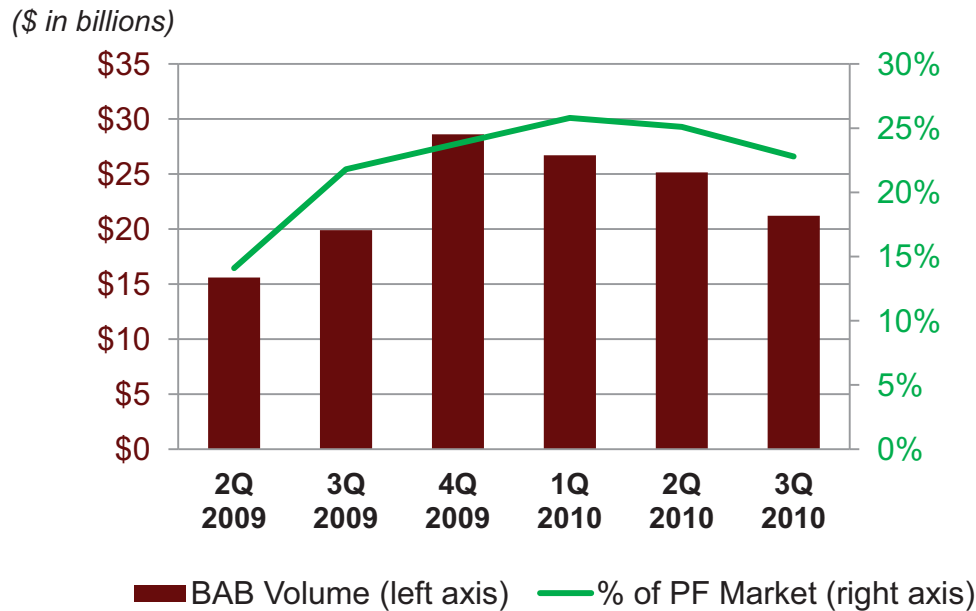


Source: SDC. On uninsured bonds, underlying rating is represented by the public rating of the bonds. For insured bonds, volume is categorized by its public underlying rating. In absence of such public ratings, the bonds are classified as NR.

Build America Bonds Remain Popular



BAB Volume and Share of PF Market



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

Distribution by Rating Category

	% Par	% Deals
AAA*	21%	25%
AA	52%	56%
A	26%	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 the first nine months of 2010, 11% of all BAB transactions \$10-50 million in size utilized insurance (vs. 16% 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.**

Expand Our Direct Franchise: Impact of Recalibration, BABs and Ratings



Rating agency municipal bond recalibrations, rather than reduced demand for our product, has reduced our market potential: new issue municipal bonds rated AA or higher increased from 19% in 2006 to 44% for 2010

Total New Issue U.S. Public Finance (including BABs): 2006 Versus 2010

First Nine Months of 2006					First Nine Months of 2010				
Underlying S&P Rating ¹	Total Par	Total Market %	Insured Par	Insurance Penetration	Underlying S&P Rating ¹	Total Par	Total Market %	Insured Par	Insurance Penetration
AAA	\$1,299.6	19.0%	\$137.7	10.6%	AAA	\$51,063.8	43.6%	-	0.0%
AA+	13,512.7	5.1%	2,555.5	18.9%	AA+	29,193.9	9.8%	\$22.8	0.1%
AA	35,446.5	13.4%	15,088.7	42.6%	AA	49,280.8	16.6%	397.1	0.8%
AA-	34,246.3	12.9%	23,465.3	68.5%	AA-	40,106.5	13.5%	1,580.8	3.9%
A+	28,906.3	10.9%	19,083.6	66.0%	A+	38,814.5	13.1%	7,062.1	18.2%
A	17,161.2	6.5%	13,284.2	77.4%	A	17,089.2	5.8%	3,048.2	17.8%
A-	10,229.0	3.9%	7,996.1	78.2%	A-	16,756.8	5.6%	2,161.6	12.9%
BBB+	2,836.2	1.1%	1,420.7	50.1%	BBB+	6,654.5	2.2%	803.1	12.1%
BBB	8,758.5	3.3%	2,450.2	28.0%	BBB	5,253.8	1.8%	247.7	4.7%
BBB-	5,003.6	1.9%	4,150.7	83.0%	BBB-	7,157.9	2.4%	0.0	0.0%
BIG	425.2	0.2%	0.0	0.0%	BIG	733.9	0.2%	0.0	0.0%
NR ²	106,870.6	40.4%	42,805.8	40.1%	NR ²	34,835.1	11.7%	5,501.5	15.8%
Industry Total	\$264,695.8		\$132,745.0	50.2%	Industry Total	\$296,940.7		\$20,824.9	7.0%

Source: SDC.

1. On uninsured bonds, underlying rating is represented by the public rating of the bonds. In absence of such public ratings, the bonds are classified as NR. For insured bonds, volume is categorized by its public underlying rating.
2. Although no underlying S&P rating is publicly available, insured obligations within Assured Guaranty's portfolio were internally rated investment grade at the time of issuance of the financial guaranty policy. Such obligations may carry a public underlying Moody's rating.

Secondary Market Activities

U.S. Public Finance

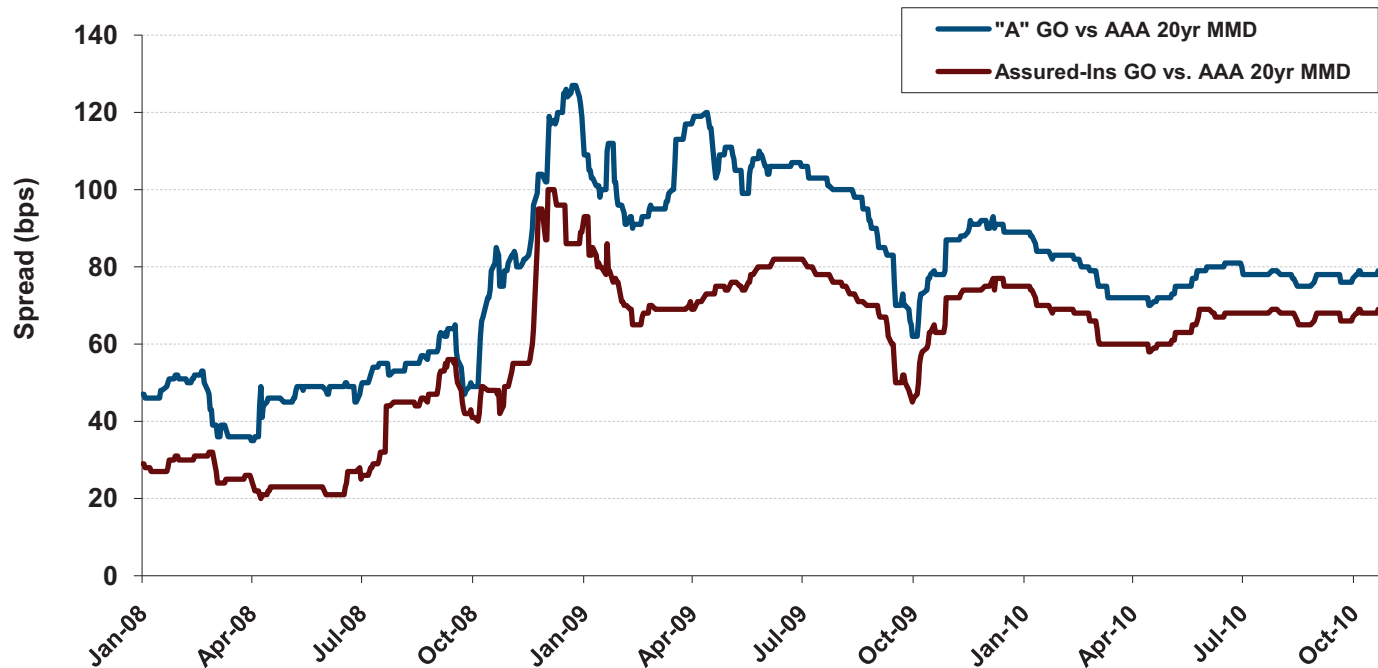


	YTD 3Q2009	YTD 3Q2010
Total Secondary Par Insured (mm)	\$976.7	\$1,103.0
% of Total Insured Par Written	2.4%	5.5%

- **Assured Guaranty's secondary market activity increased in par and as a percentage of overall insured business for the first three quarters of 2010 versus the same period in 2009.**
- **Secondary market insurance provides Assured Guaranty an opportunity subsequently to insure in the secondary market, lost-to-market and partially insured primary transactions.**
 - Examples include: Dulles Tollroad, Citizen's Property, Pennsylvania Appropriation, Chicago O'Hare, State of Illinois, NY Muni Bond Bank and Virgin Islands PFA.

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. MMD is the AAA municipal market data index.

Credit Default Swap Spreads



- Movements in credit default swap (“CDS”) levels for AGC and AGM continue to be significantly affected by technical factors such as supply/demand imbalance and light trading volume.
- The deterioration in the asset-backed securities market’s pricing through first quarter 2009 expanded demand for CDS protection on AGC and AGM by fixed income holders of AGC and AGM insured paper as they sought to hedge exposure, thereby exacerbating the supply/demand imbalance.
- AGC and AGM’s 5-year CDS bid prices peaked in mid-March 2009 at 4961 bps and 3120 bps, respectively.
- 5-year CDS levels for AGC and AGM have since rallied considerably since March 2009 as general market fundamentals have improved and as a result of the market’s positive reaction to the closing of the AGMH acquisition in July 2009, rating agency announcements and the December 2009 capital raise.
- In November 2010, the 5-year CDS levels for AGC and AGM were at 13 and 16 percent, respectively, of their mid-March 2009 levels. As of November 3, 2010, they were 655 bps and 492 bps, respectively.

CDS Spreads July 1, 2008 – November 3, 2010



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

Broadening Market Awareness



FACT SHEET

FAQ

VIDEO

RADIO

CONTACTS

ASSUREDGUARANTY.COM

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

Info for Financial Advisors

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

Get all the basics on municipal bond insurance >>

CEO Interview



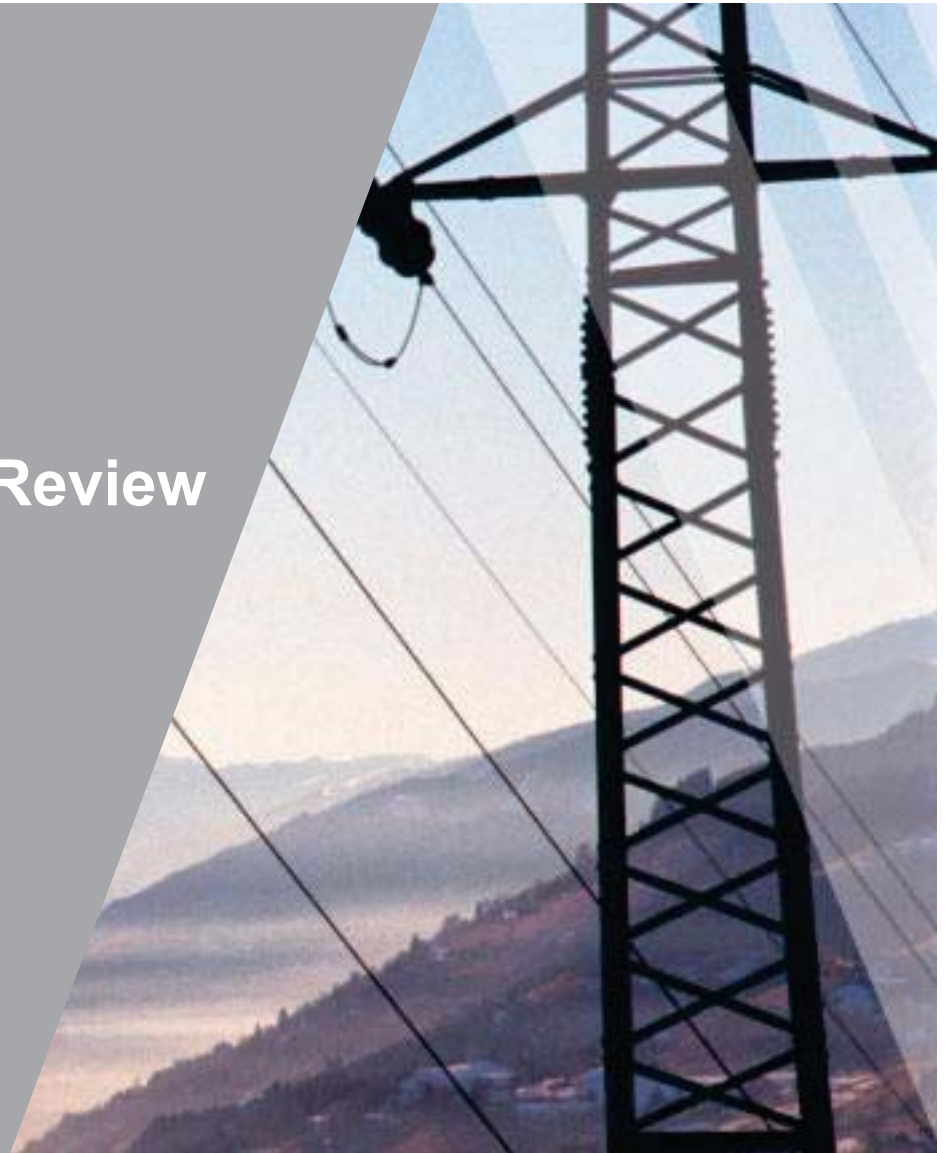
Watch an interview with President & CEO Dominic J. Frederico >>

Radio

Listen to the Assured Guaranty radio commercials >>

thinkassuredguaranty.com

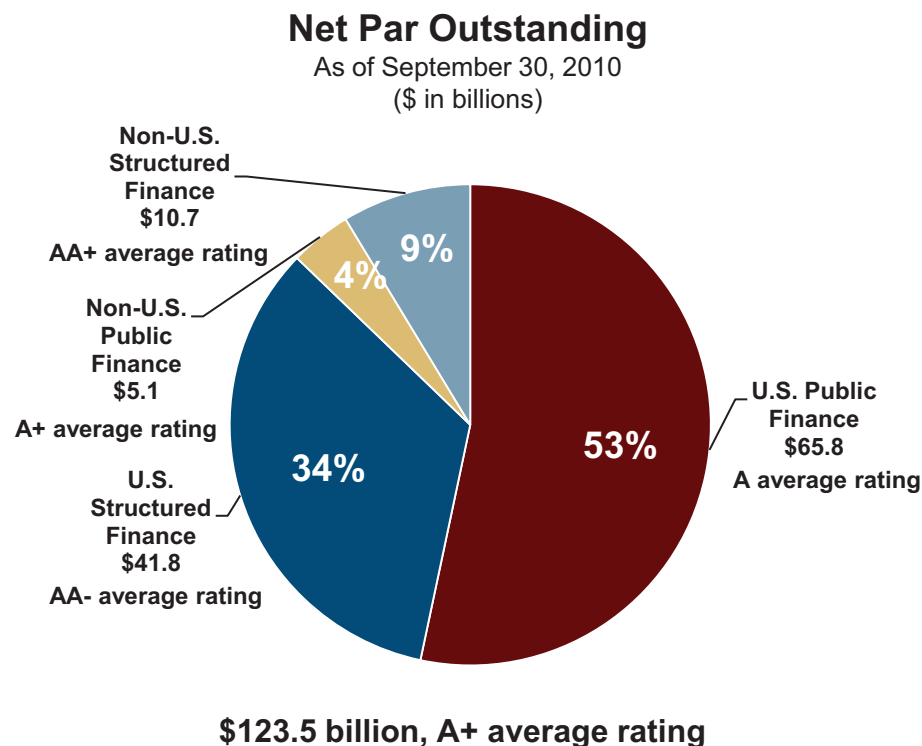
**Assured Guaranty Corp.
Financial Guaranty Portfolio Review**



AGC Net Par Outstanding By Market Sector



- **AGC's portfolio is well diversified by asset class**
 - 53% U.S. public finance
 - 34% U.S. structured finance
 - 4% Non-U.S. public finance
 - 9% 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 57% of AGC's BIG exposures.**
- **AGC's portfolio was principally underwritten in the direct segment**



AGC Net Par Outstanding by Exposure Category



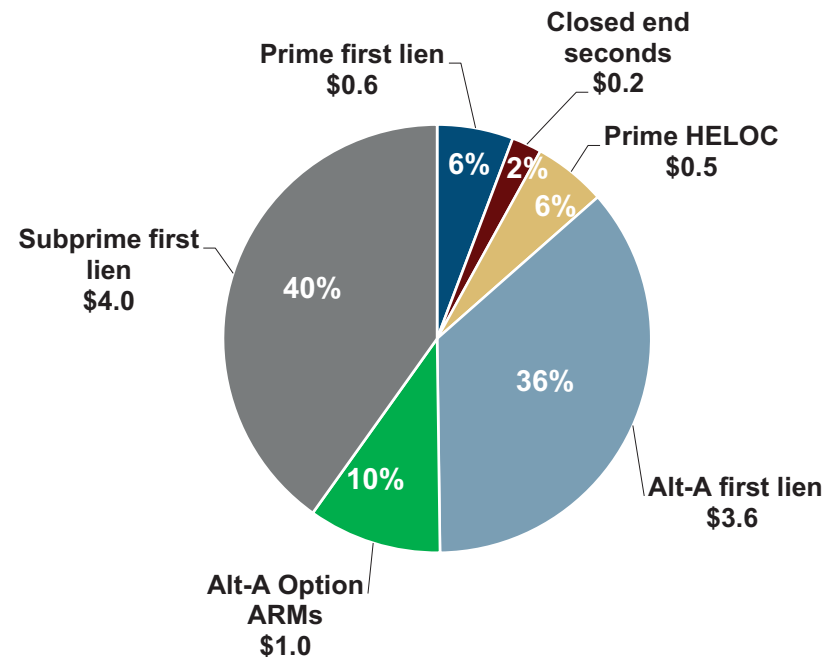
As of September 30, 2010; \$ in millions

	<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	\$ 25,747	A	Pooled corporate obligations	\$ 21,191	AA+
Tax backed	11,965	A	RMBS	9,979	BB+
Municipal utilities	9,138	A-	Commercial mortgage-backed securities ("CMBS") & other commercial real estate related exposures	5,605	AAA
Transportation	6,739	A	Consumer receivables	2,328	AAA
Healthcare	5,201	A	Structured credit	1,241	BBB+
Higher education	3,411	A	Commercial receivables	1,104	BBB+
Infrastructure finance	962	BBB	Insurance securitizations	255	A+
Investor-owned utilities	638	A-	Other structured finance	117	AA
Housing	330	AA	Total U.S. structured finance	41,820	AA-
Other public finance	1,699	A	Non-U.S. Structured Finance:		
Total U.S. public finance	65,830	A	Pooled corporate obligations	6,945	AAA
Non-U.S. Public Finance:			RMBS	2,173	AAA
Pooled infrastructure	2,532	AA+	Commercial receivables	579	A-
Infrastructure finance	1,326	BBB-	Structured credit	447	BBB
Regulated utilities	1,125	BBB+	CMBS & other commercial real estate related exposures	288	AAA
Other public finance	117	AA-	Insurance securitizations	279	CCC-
Total non-U.S. public finance	5,100	A+	Other structured finance	3	A
Total public finance	\$ 70,930	A	Total non-U.S. structured finance	10,714	AA+
			Total structured finance	\$ 52,534	AA-
			Total net par outstanding	\$ 123,464	A+

- AGC's \$10.0 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB+ at September 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**
 - 8.1% of total net par outstanding versus 14.3% at year-end 2007
 - \$10.0 billion versus \$13.4 billion at year-end 2007, a decrease of 25%

U.S. RMBS by Exposure Type

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



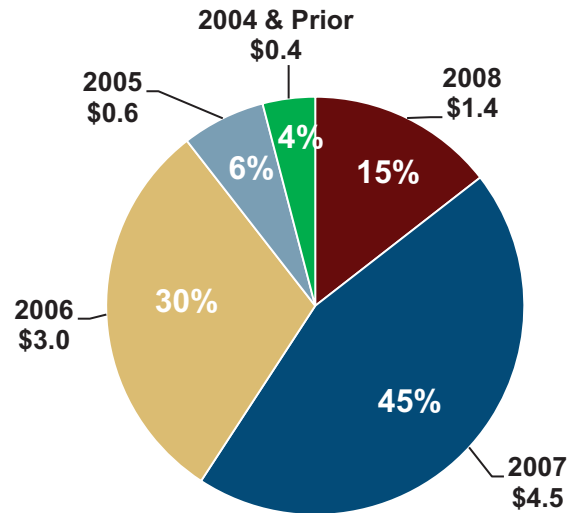
\$10.0 billion, 8.1% of net par outstanding

AGC U.S. RMBS By Vintage and Rating



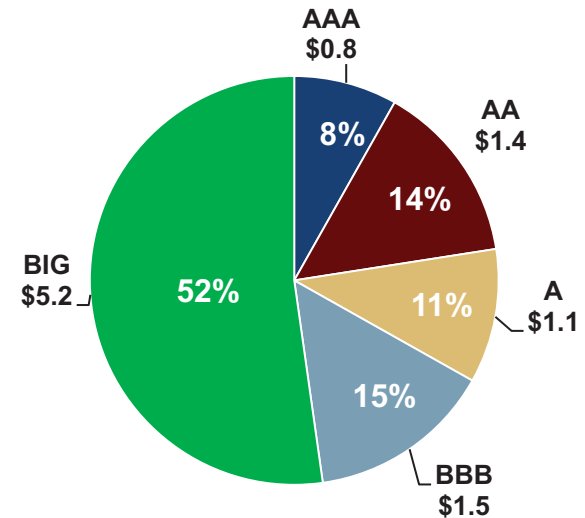
U.S. RMBS by Year Insured

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



U.S. RMBS by Rating

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



**Total U.S. RMBS = \$10.0 billion net par outstanding
BB+ average rating**

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

AGC U.S. RMBS Exposure

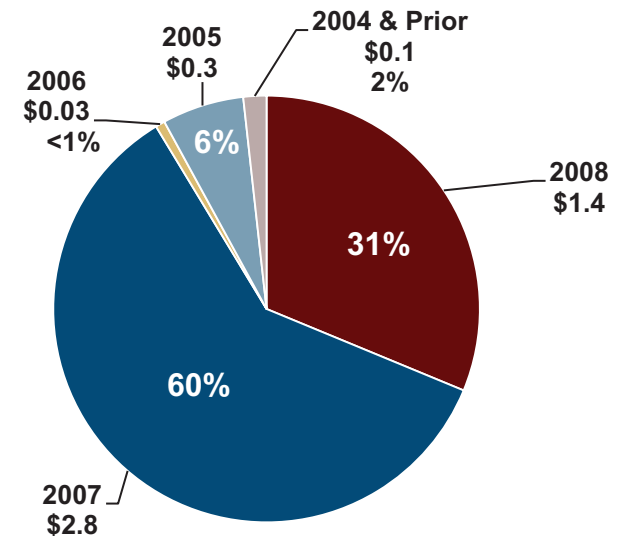
Alt-A First Lien and Alt-A Option ARMs



- **More than 91% 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 and additional first loss enhancement
 - Limited exposures to Alt-A Option ARMs (22% of Alt-A exposure)
- **Our Alt-A exposures have an average BIG rating due to significant downgrades in 2009**
 - Less than 1% now rated triple-A
 - 72% rated BIG

Alt-A¹ Exposure by Year Insured

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



\$4.6 billion net par outstanding

AGC U.S. RMBS Performance

Alt-A First Lien and Alt-A Option ARMs



(\$ in millions)

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

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 263	46.9%	11.6%	2.7%	15.5%	13
2006	-	-	-	-	-	-
2007	1,958	61.5%	10.3%	7.4%	33.0%	8
2008	1,359	57.5%	27.0%	8.6%	30.3%	5
	<u>\$ 3,581</u>	<u>58.9%</u>	<u>16.7%</u>	<u>7.5%</u>	<u>30.7%</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	\$ 24	24.4%	24.5%	3.7%	22.8%	1
2006	33	39.8%	10.8%	7.2%	23.8%	1
2007	822	64.6%	9.4%	8.6%	32.9%	5
2008	86	64.3%	49.3%	7.3%	34.5%	1
	<u>\$ 965</u>	<u>62.8%</u>	<u>13.4%</u>	<u>8.3%</u>	<u>32.5%</u>	<u>8</u>

1. For this presentation, net par outstanding is based on values as of September 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on September 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 REO, divided by net par outstanding.

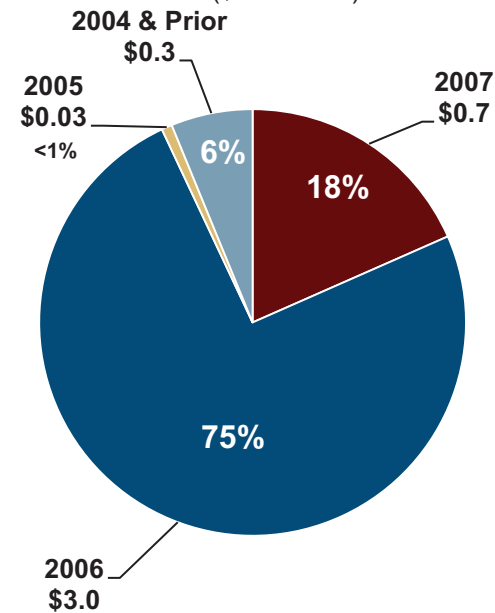
AGC U.S. RMBS Exposure Subprime First Lien



- **Despite the recent economic environment, the majority of AGC's subprime first lien portfolio is investment grade**
 - 20% rated triple-A
 - Of the \$4.0 billion portfolio, only 16% 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 direct subprime first lien transactions, totaling \$4.0 billion, only 4 exposures are rated BIG**

Subprime First Lien by Year Insured

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



\$4.0 billion net par outstanding

AGC U.S. RMBS Performance

Subprime First Lien



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 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	\$ 32	20.9%	82.1%	10.5%	58.9%	1
2006	2,989	25.6%	61.7%	13.2%	40.7%	2
2007	737	37.8%	28.9%	19.1%	47.4%	4
2008	-	-	-	-	-	-
	<u>\$ 3,757</u>	<u>27.9%</u>	<u>55.4%</u>	<u>14.3%</u>	<u>42.2%</u>	<u>7</u>

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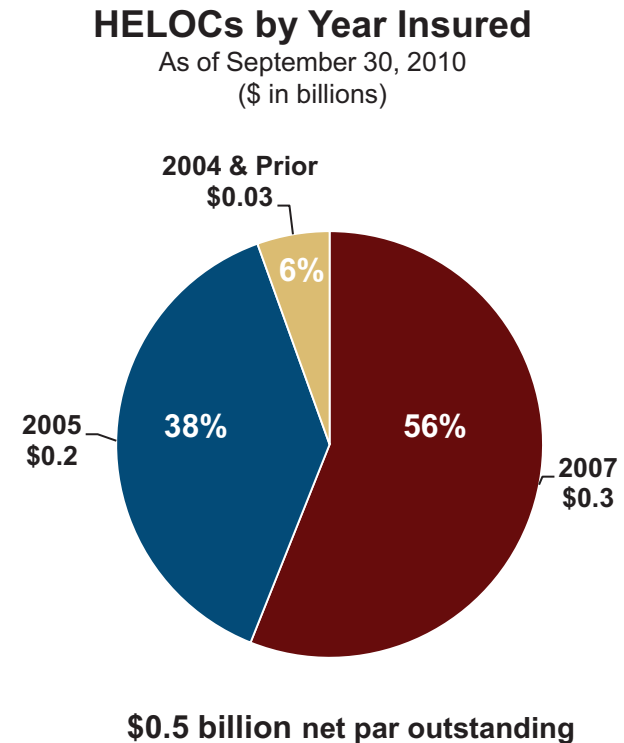
4. Cumulative losses are defined as net charge-offs on the underlying loan collateral divided by the original pool balance.

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

AGC U.S. RMBS Exposure HELOC



- **AGC's HELOC book consists principally of two Countrywide deals underwritten in 2005 and 2007**
 - \$32 million of HELOCs were insured in 2004 and prior years in AGC's reinsurance segment
- **Net par insured of \$548 million for all HELOCs**



AGC U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Financial Guaranty Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 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	\$ 210	21.7%	0.0%	18.1%	14.9%	2
2006	-	-	-	-	-	-
2007	306	40.6%	0.0%	34.9%	8.9%	2
2008	-	-	-	-	-	-
	<u>\$ 515</u>	<u>32.9%</u>	<u>0.0%</u>	<u>28.1%</u>	<u>11.3%</u>	<u>4</u>

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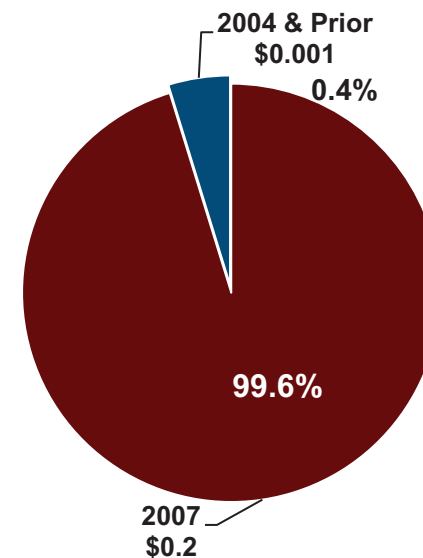
AGC U.S. RMBS Exposure Closed-End Second Lien



- **Limited exposure to CES**
 - \$226 million in total exposure
 - Less than \$1.5 million is in AGC's reinsurance segment
- **5 direct transactions totaling \$225 million**
 - 4 deals for \$195 million rated BIG
 - 1 deal is rated AA
 - All five are 2007 vintage

Closed-End Second Liens by Year Insured

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



\$0.2 billion net par outstanding

AGC Direct U.S. RMBS Performance

Closed-End Second Lien



(\$ in millions)

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

U.S. CES

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	-	-	-	-	-	-
2007	225	33.6%	3.3%	54.7%	10.4%	5
2008	-	-	-	-	-	-
	<u>\$ 225</u>	<u>33.6%</u>	<u>3.3%</u>	<u>54.7%</u>	<u>10.4%</u>	<u>5</u>

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AGC Non-RMBS Exposure

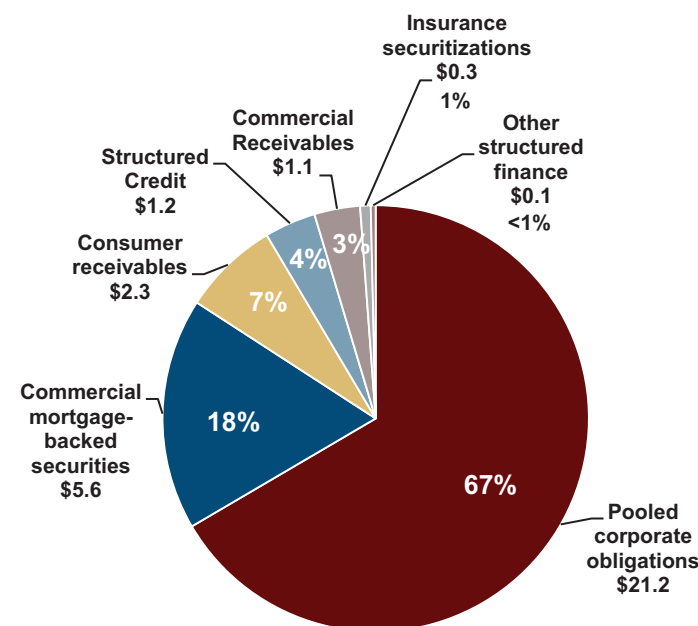
U.S. Structured Finance



- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
 - Pooled corporate obligations
 - CMBS
 - Consumer receivables
- **AGC's non-RMBS U.S. structured finance credit experience has been generally strong, although downgrades increased during 2009**
 - 71% rated super senior or AAA
 - 8% rated BIG

U.S. Non-RMBS Structured Finance

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



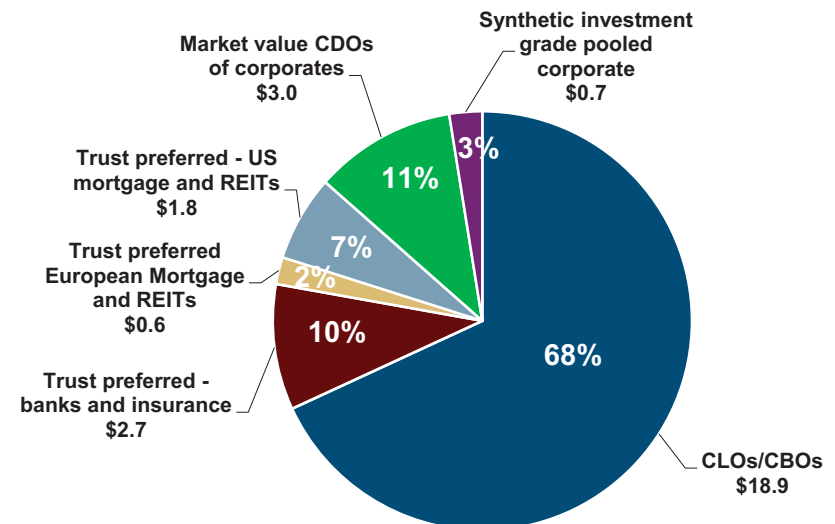
\$31.8 billion net par outstanding

AGC Global Pooled Corporate Obligations

- **Our pooled corporate exposure is highly rated and protected by overcollateralization. In AGC’s direct portfolio:**
 - Average current credit enhancement of 33.1%
 - 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, real estate investment trust (“REIT”) and CMBS)**
 - Includes more than 1,400 issuers
 - All our exposure at the CDO level is to the senior-most debt tranche
 - 84% of US bank and insurance TruPS CDOs, 100% of European TruPS CDOs and 100% of US mortgage and REIT TruPS CDOs were originated at super senior attachment points
- **The \$1.8 billion of TruPS CDOs backed by U.S. mortgage and REITs is the lowest average rated pooled corporate subsector**
 - BB average rating

Financial Guaranty Direct Pooled Corporate Obligations¹ By Asset Class

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



\$27.7 billion net par outstanding

1. AGC also reinsures \$407 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 September 30, 2010

Asset class:	Net Par		Avg. Initial Credit	Avg. Current Credit	Internal
	Outstanding	% of Total	Enhancement	Enhancement	Rating
CBOs/CLOs ¹	\$ 18,888	68.1%	35.3%	32.0%	AAA
Market value CDOs ² of corporate	3,037	11.0%	42.8%	39.3%	AAA
Trust preferred - banks and insurance	2,691	9.7%	46.8%	30.9%	BBB-
Trust preferred - US Mortgage and REITs ³	1,834	6.6%	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	577	2.1%	37.3%	32.5%	BBB-
Total exposures	<u>\$ 27,729</u>	<u>100.0%</u>	<u>38.1%</u>	<u>33.1%</u>	<u>AA+</u>

1. CBOs (collateralized bond obligations)/CLOs (collateralized loan obligations) are largely non-investment grade/high yield collateral.
2. CDOs are collateralized debt obligations.
3. REITs are real estate investment trusts.

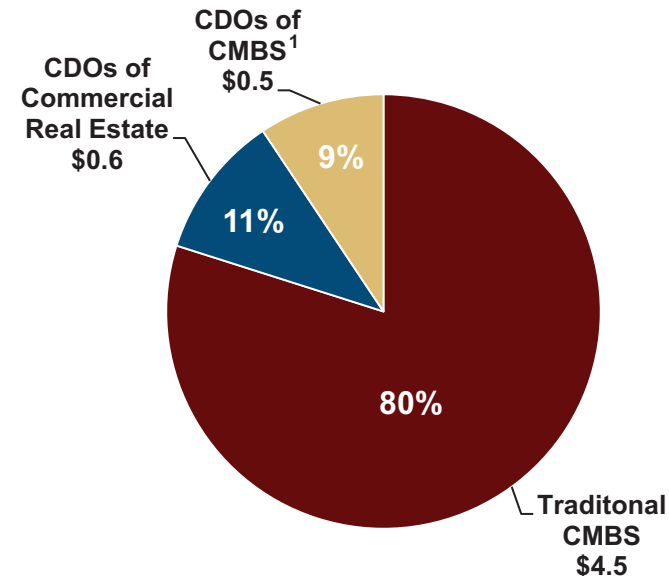
AGC U.S. CMBS Exposure Overview



- **AGC's CMBS-related exposures were underwritten at high attachment points**
 - All deals except one were written at triple-A ratings at inception
 - One deal was written with a single-A rating at inception
- **AGC's portfolio is highly rated**
 - AAA average rating
 - 80% of traditional CMBS rated Super Senior or AAA as of September 30, 2010
- **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 September 30, 2010
(\$ in billions)



\$5.6 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 – 80% is super senior or triple-A, 16% is double-A and 4% is single-A (as of September 30, 2010)**

(\$ in millions)

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

U.S. CMBS

Rating:	Net Par Outstanding	Pool Factor²	Subordination³	Cumulative Losses⁴	60+ Day Delinquencies⁵	Number of Transactions
Super senior	\$ 3,352	89.6%	33.8%	0.5%	7.7%	185
AAA	194	85.7%	28.0%	0.3%	10.2%	7
AA	712	87.8%	18.8%	0.6%	7.3%	39
A	194	64.4%	11.9%	0.9%	8.1%	1
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
	<u>\$ 4,452</u>	<u>88.1%</u>	<u>30.2%</u>	<u>0.5%</u>	<u>7.8%</u>	<u>232</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.

AGC CDOs of Commercial Real Estate



- **AGC underwrote three commercial real estate CDO transactions totaling \$597 million net par¹ as of September 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 48.3%**
 - Average initial credit enhancement was 49.4%

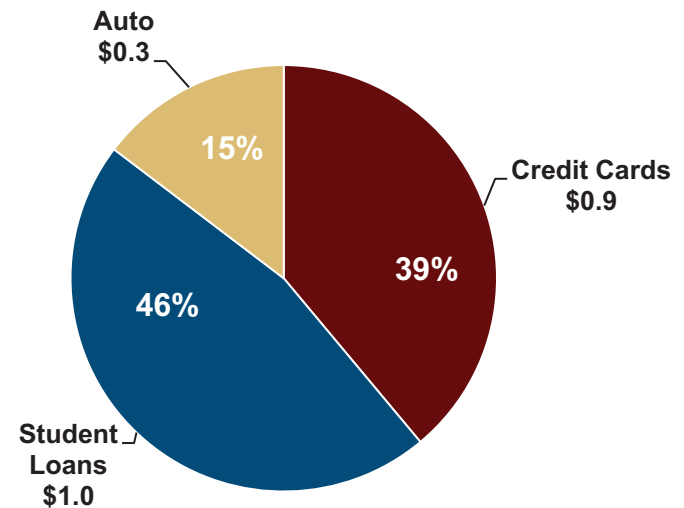
1. May change due to deals with revolvers.

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
 - 85% rated super senior or AAA
 - None rated BIG
- 51% of the current net 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 September 30, 2010
(\$ in billions)



\$2.2 billion net par outstanding

1. AGC also reinsures \$111 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 Rating¹ as of September 30, 2010

Rating:	Credit Cards	Student Loans	Auto	Total Net Par Outstanding
Super senior	\$ 863	-	-	\$ 863
AAA	-	1,029	-	1,029
AA	-	-	-	-
A	-	-	271	271
BBB	-	-	54	54
BIG	-	-	-	-
Total exposures	<u>\$ 863</u>	<u>\$ 1,029</u>	<u>\$ 325</u>	<u>\$ 2,217</u>
Average rating	Super Senior	AAA	A	AAA
Avg. initial credit enhancement ¹	53.7%	7.1%	19.9%	27.1%
Avg. current credit enhancement ¹	56.7%	8.3%	27.3%	29.9%

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 September 30, 2010

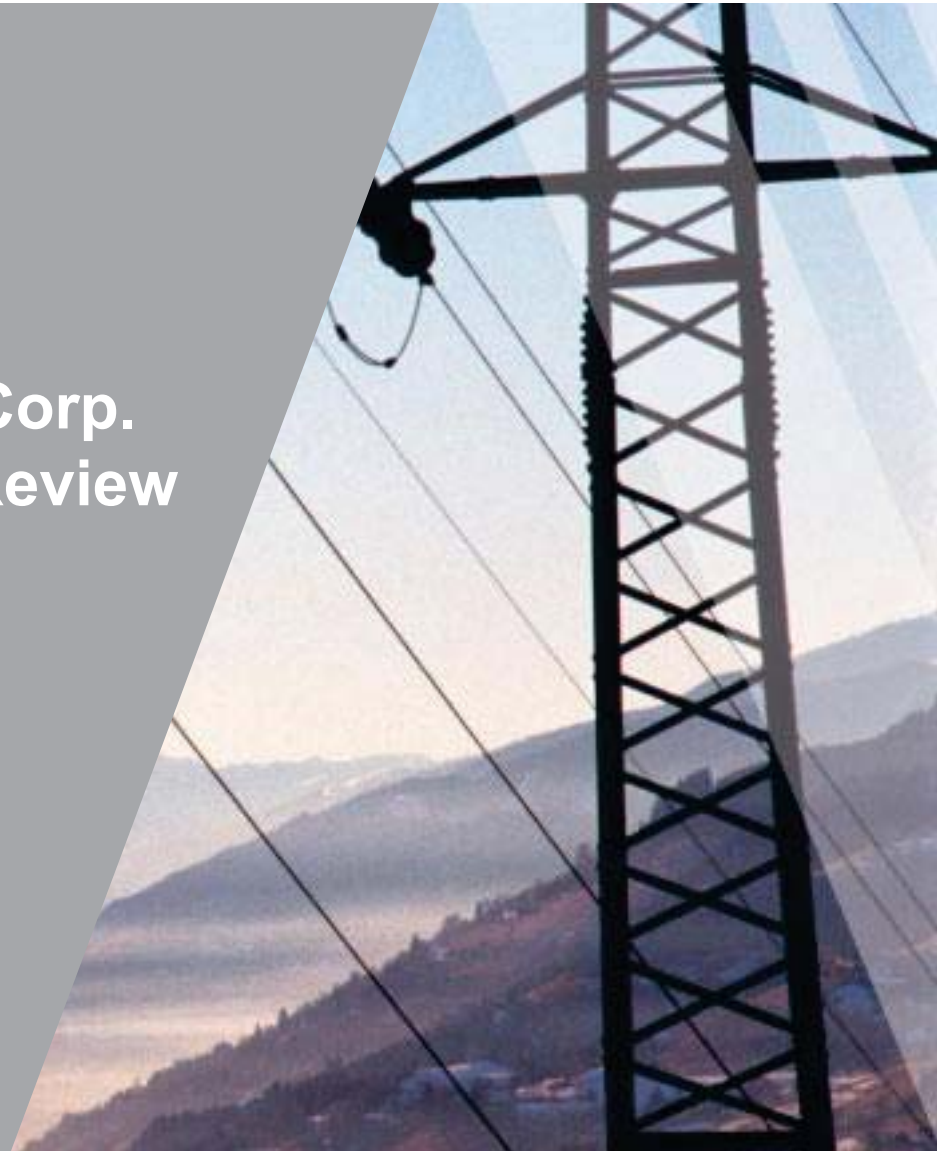


(\$ in millions)

Financial Guaranty Insurance Contracts and Credit Derivatives	Total Net Par Outstanding for BIG Transactions	3Q-10 Incurred Losses	3Q-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	\$ 512.3	\$ 0.3	\$ -	\$ 0.4	\$ -	\$ -
Alt-A First Lien	2,547.3	5.9	-	122.6	-	1.5
Alt-A Option ARMs	804.8	7.4	0.1	123.1	0.3	0.8
Subprime First Lien	633.9	0.2	0.4	39.8	-	3.0
Total First Lien	4,498.3	13.8	0.5	285.9	0.3	5.3
Second Lien:						
CES	195.3	3.2	15.1	3.4	17.8	4.2
HELOC	519.4	1.0	11.3	29.2	137.5	0.1
Total Second Lien	714.7	4.2	26.4	32.6	155.3	4.3
Total U.S. RMBS	5,213.0	18.0	26.9	318.5	155.6	9.6
Other structured finance	3,044.1	9.2	(8.1)	111.0	0.7	5.2
Public finance	940.2	-	1.1	30.1	10.3	3.8
Total Financial Guaranty Direct and Reinsurance	\$ 9,197.3	\$ 27.2	\$ 19.9	\$ 459.6	\$ 166.6	\$ 18.6
Effect of consolidating VIEs	-	(0.3)	(7.7)	-	(11.6)	-
Total excluding consolidated VIE amounts	\$ 9,197.3	\$ 26.9	\$ 12.2	\$ 459.6	\$ 155.0	\$ 18.6

1. Includes credit impairment on credit derivative transactions.

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



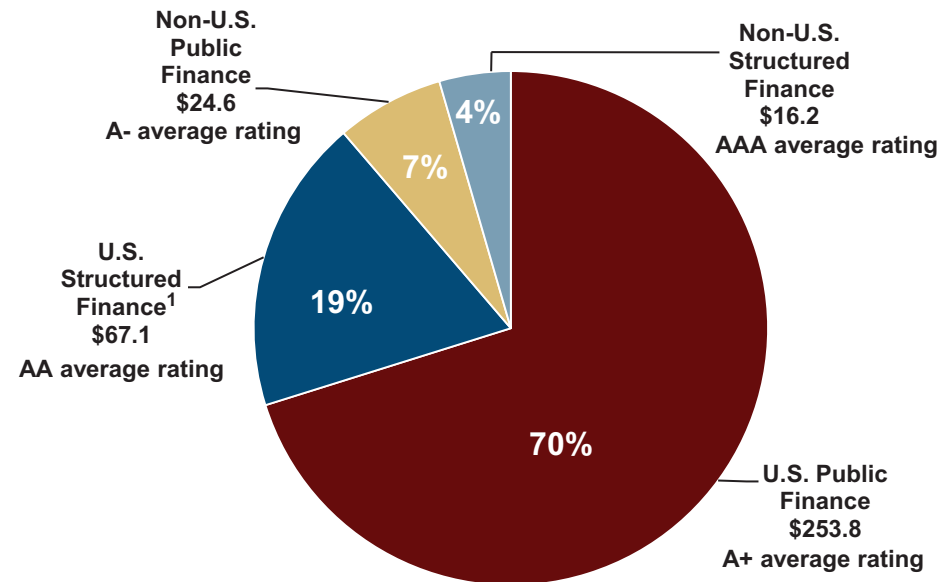
AGM Net Par Outstanding By Market Sector



- **AGM's portfolio is well diversified by asset class**
 - 70% U.S. public finance
 - 19% U.S. structured finance
 - 7% 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 78% of the below investment grade exposures.**

Consolidated Net Par Outstanding

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



\$361.8 billion, A+ average rating

1. Includes \$7.7 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

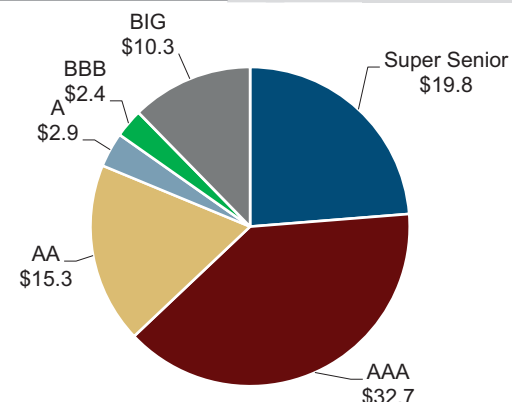
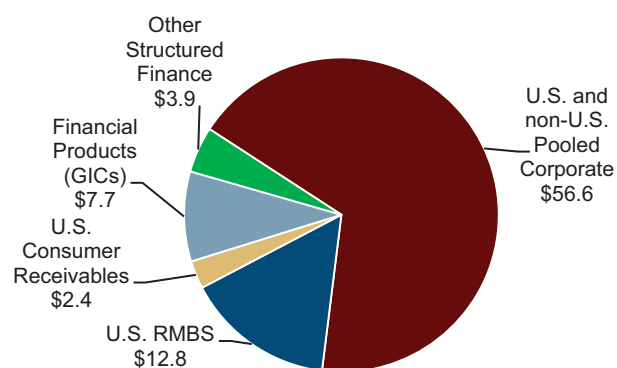


As of September 30, 2010; \$ in millions

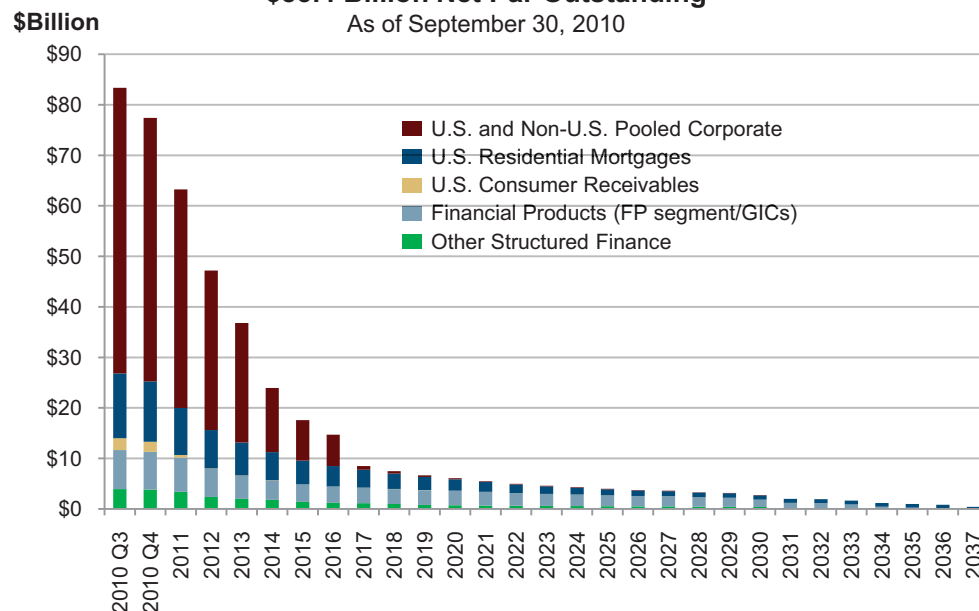
	<u>Net Par Outstanding</u>	<u>Avg. Rating</u>		<u>Net Par Outstanding</u>	<u>Avg. Rating</u>
U.S. Public Finance:			U.S. Structured Finance:		
General obligation	\$ 112,142	A+	Pooled corporate obligations	\$ 43,101	AAA
Tax backed	50,141	A+	RMBS	12,811	BB-
Municipal utilities	46,136	A+	Financial products ¹	7,712	AA-
Transportation	19,985	A	Consumer receivables	2,357	A+
Healthcare	10,063	A	Insurance securitization	369	AA
Higher education	6,962	A+	Commercial receivables	90	BBB-
Housing	5,476	AA-	Structured credit	80	BBB-
Infrastructure finance	1,144	BBB	Other structured finance	623	A
Investor-owned utilities	46	A-	Total U.S. structured finance	67,143	AA
Other public finance	1,742	A	Non-U.S. Structured Finance:		
Total U.S. public finance	253,837	A+	Pooled corporate obligations	13,457	AAA
Non-U.S. Public Finance:			RMBS	1,626	AA
Infrastructure finance	11,129	BBB	Structured credit	515	BBB+
Regulated utilities	6,987	BBB+	Commercial receivables	233	A
Other public finance	6,441	AA-	Insurance securitizations	38	A+
Total non-U.S. public finance	24,557	A-	Other structured finance	361	AAA
Total public finance	\$ 278,394	A+	Total non-U.S. structured finance	16,230	AAA
			Total structured finance	\$ 83,373	AA
			Total net par outstanding	\$ 361,767	A+

1. 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



\$83.4 Billion Net Par Outstanding
As of September 30, 2010



- We expect AGM's legacy global structured finance insured portfolio (\$83.4 billion as of September 30, 2010 versus \$127.3 billion as of September 30, 2008) to run off rapidly — 7% by year-end 2010, 43% by year-end 2012, and 79% by year-end 2015.¹
 - \$56.6 billion in global pooled corporate obligations expected to be reduced by 44% by year-end 2012 and by 86% by year-end 2015
 - \$12.8 billion in U.S. RMBS expected to be reduced by 41% by year-end 2012 and by 63% by year-end 2015
 - \$2.4 billion in U.S. consumer receivable obligations expected to be reduced by 16% by year-end 2010 and 96% by year-end 2012
 - \$3.9 billion in other structured finance (excluding FP) expected to be reduced by 40% by year-end 2012 and by 65% 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.
 - \$7.7 billion in GICs expected to be reduced by 28% by year-end 2012 and by 56% by year-end 2015

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

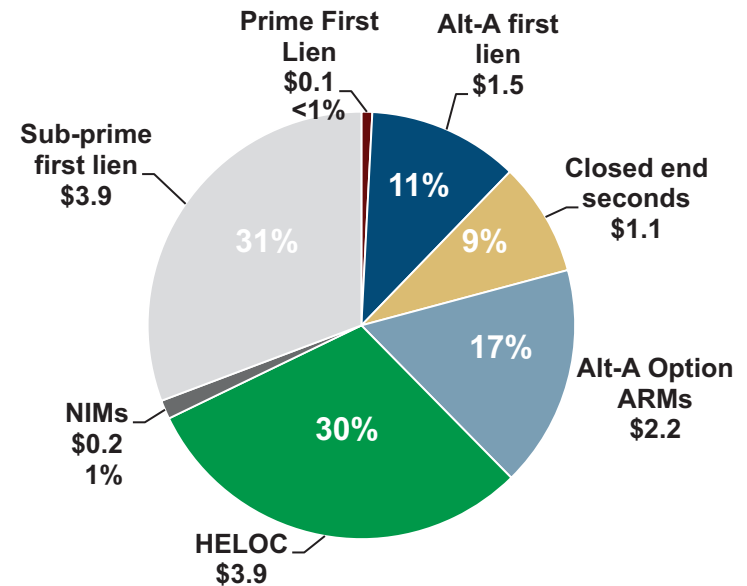
AGM U.S. RMBS



- **AGM's \$12.8 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
 - Average rating of BB- at September 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**
 - 3.5% of total net par outstanding versus 4.0% at year-end 2008
 - \$12.8 billion net par outstanding versus \$17.1 billion at year-end 2008, a decrease of 25%

U.S. RMBS by Exposure Type

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



\$12.8 billion, 3.5% of net par outstanding

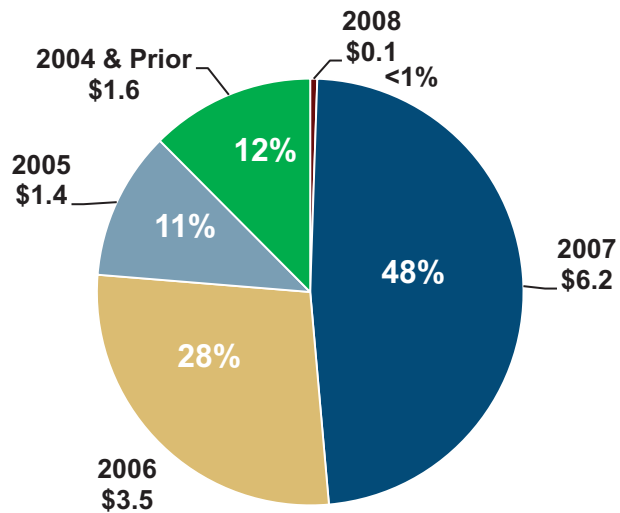
AGM U.S. RMBS

By Vintage and Rating



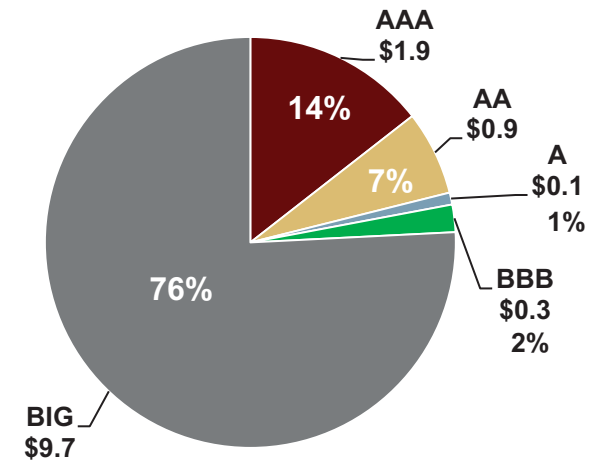
U.S. RMBS by Year Insured

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



U.S. RMBS by Rating

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



**Total U.S. RMBS = \$12.8 billion net par outstanding
BB- average rating**

AGM U.S. RMBS Exposure

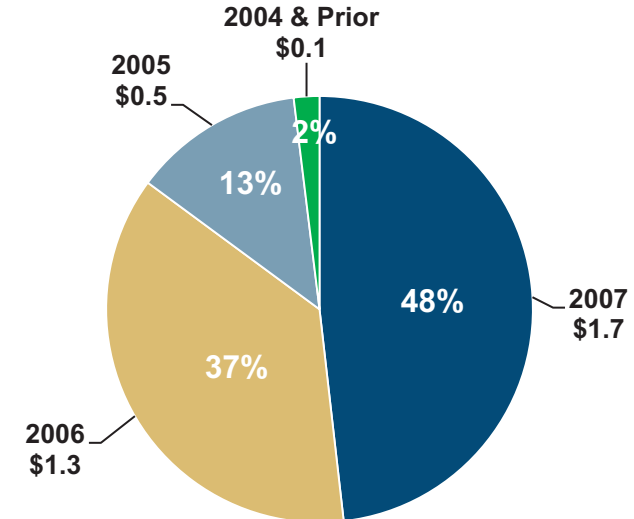
Alt-A First Lien and Alt-A Option ARMs



- **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**
 - 5% rated AAA
 - 93% rated BIG

Alt-A¹ Exposure by Year Insured

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



\$3.6 billion net par outstanding

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 September 30, 2010 ¹

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ 354	38.6%	12.2%	6.1%	23.7%	8
2006	501	50.2%	1.2%	12.3%	39.7%	7
2007	537	62.8%	0.4%	12.7%	44.6%	4
2008	-	-	-	-	-	-
	<u>\$ 1,392</u>	<u>52.1%</u>	<u>3.7%</u>	<u>10.9%</u>	<u>37.5%</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	\$ 114	32.3%	5.0%	8.5%	41.7%	3
2006	834	58.1%	5.2%	10.4%	52.3%	6
2007	1,204	62.5%	3.3%	12.5%	46.5%	6
2008	-	-	-	-	-	-
	<u>\$ 2,152</u>	<u>59.2%</u>	<u>4.1%</u>	<u>11.5%</u>	<u>48.5%</u>	<u>15</u>

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

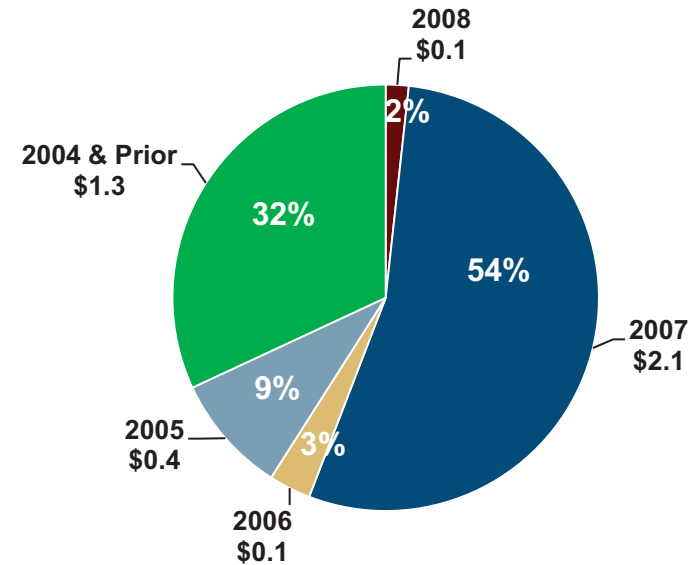
AGM U.S. RMBS Exposure Subprime First Lien



- **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 \$601 million net par outstanding

Subprime First Lien by Year Insured

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



\$3.9 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 September 30, 2010 ¹

U.S. Subprime First Lien

Year insured:	Net Par Outstanding	Pool Factor²	Subordination³	Cumulative Losses⁴	60+ Day Delinquencies⁵	Number of Transactions
2005	\$ 357	38.0%	45.4%	4.3%	38.9%	6
2006	126	40.8%	43.5%	11.1%	39.8%	2
2007	2,130	69.1%	26.3%	10.0%	49.1%	9
2008	68	72.4%	33.6%	6.3%	32.8%	1
	<u>\$ 2,681</u>	<u>63.7%</u>	<u>29.8%</u>	<u>9.2%</u>	<u>46.9%</u>	<u>18</u>

1. For this presentation, net par outstanding is based on values as of September 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on September 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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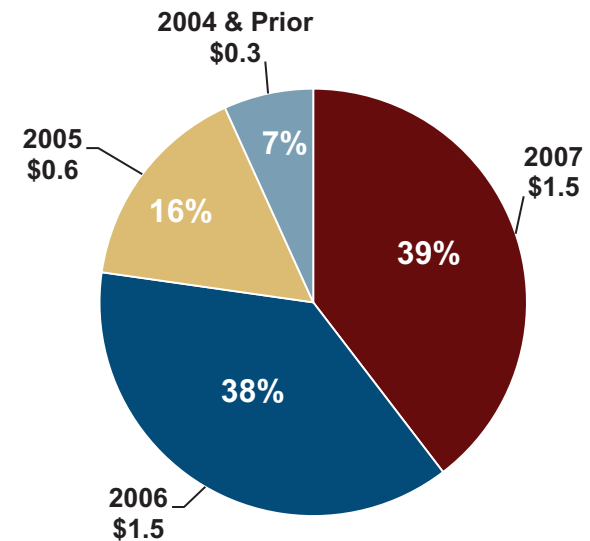
AGM U.S. RMBS Exposure HELOC



- **Outstanding net par insured of \$3.9 billion**
- **Average rating of BIG**
 - \$3.2 billion of HELOCs are BIG
 - \$0.7 billion of HELOCs remain investment grade

HELOCs by Year Insured

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



\$3.9 billion net par outstanding

AGM U.S. RMBS Performance HELOC



(\$ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 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	\$ 618	21.8%	4.1%	8.9%	9.5%	4
2006	1,457	36.2%	2.0%	27.7%	11.3%	7
2007	1,532	53.7%	4.2%	22.6%	6.3%	7
2008	-	-	-	-	-	-
	<u>\$ 3,607</u>	<u>41.2%</u>	<u>3.3%</u>	<u>22.3%</u>	<u>8.9%</u>	<u>18</u>

1. For this presentation, net par outstanding is based on values as of September 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on September 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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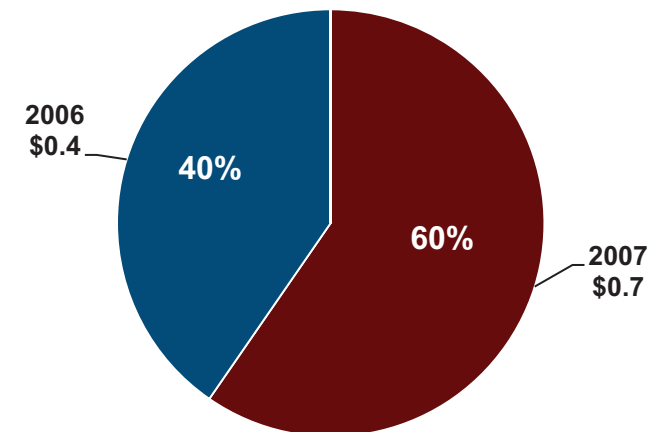
AGM U.S. RMBS Exposure Closed-End Second Lien



- **Limited exposure to CES**
 - All transactions are in the 2006 and 2007 vintages
- **11 transactions totaling \$1.1 billion**
 - 7 deals rated BIG
 - 4 deals rated AA (total \$208 million)

CES by Year Insured

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



\$1.1 billion net par outstanding



AGM U.S. RMBS Performance

Closed-End Second Lien

(\$ in millions)

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

U.S. CES

Year insured:	Net Par Outstanding	Pool Factor ²	Subordination ³	Cumulative Losses ⁴	60+ Day Delinquencies ⁵	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	445	22.5%	-	54.5%	17.1%	2
2007	657	26.3%	-	60.3%	11.8%	9
2008	-	-	-	-	-	-
	<u>\$ 1,102</u>	<u>24.8%</u>	<u>-</u>	<u>58.0%</u>	<u>13.9%</u>	<u>11</u>

1. For this presentation, net par outstanding is based on values as of September 2010. All performance information such as pool factor, subordination, cumulative losses and delinquency is based on September 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. Many of the CES transactions insured by the Company have unique structures whereby the collateral may be written down for losses without a corresponding write-down of the obligations insured by the Company. Many of these transactions are currently under-collateralized, with the principal amount of collateral being less than the principal amount of the obligation insured by the Company. The Company is not required to pay principal shortfalls until legal maturity (rather than making timely principal payments), and takes the under-collateralization into account when estimating expected losses for these transactions.
4. Cumulative losses are defined as net charge-offs on the underlying loan collateral divided by the original pool balance.
5. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO, divided by net par outstanding.

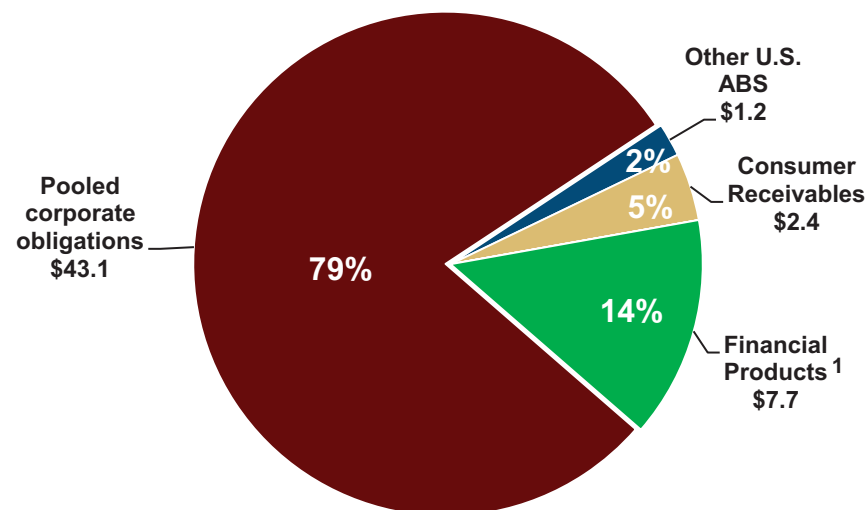
AGM Non-RMBS U.S. Structured Finance Exposure



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

U.S. Non-RMBS Structured Finance

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



\$54.3 billion net par outstanding

1. Includes \$7.7 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**

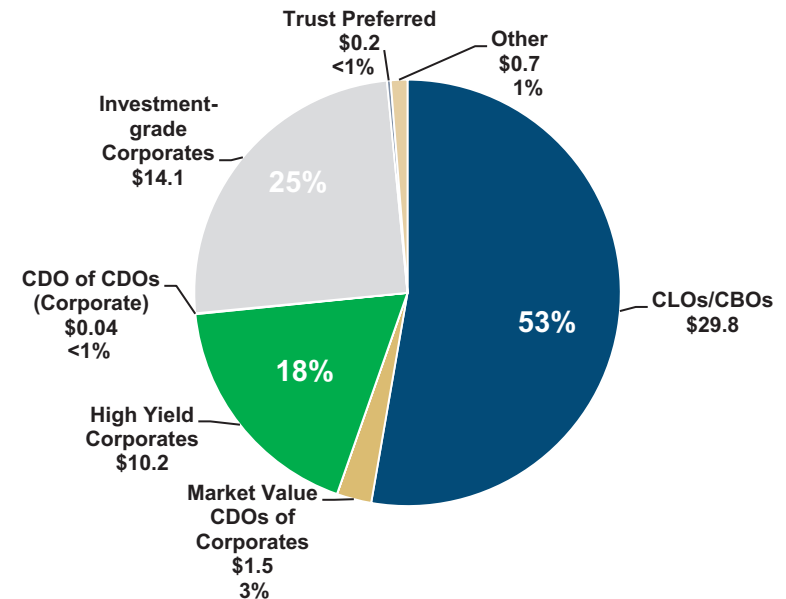
- Average current credit enhancement of 24.9%
- 88% rated super senior or AAA
- AAA average rating
- Less than 0.4% rated BIG

- **\$160 million of TruPS (bank and insurance company only)**

- Single-A average rating
- Average current credit enhancement remains strong at 43.5%

Pooled Corporate Obligations By Asset Class

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



\$56.6 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 September 30, 2010

Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement ¹	Avg. Current Credit Enhancement ¹	Avg. Rating
CBOs/CLOs ²	\$ 29,822	52.7%	26.4%	25.9%	AAA
Synthetic investment grade pooled corporates	14,134	25.0%	18.6%	16.9%	AAA
Synthetic high yield pooled corporates	10,202	18.0%	38.0%	33.2%	AAA
Market Value CDOs of corporates	1,492	2.6%	17.0%	32.9%	AAA
Trust preferred - banks and insurance	160	0.3%	47.5%	43.5%	A
CDO of CDOs (corporate) ³	35	0.1%	24.1%	30.3%	A-
Other pooled corporates	713	1.3%	0.0%	0.0%	A-
Total	<u>\$ 56,558</u>	<u>100.0%</u>	<u>26.0%</u>	<u>24.9%</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.

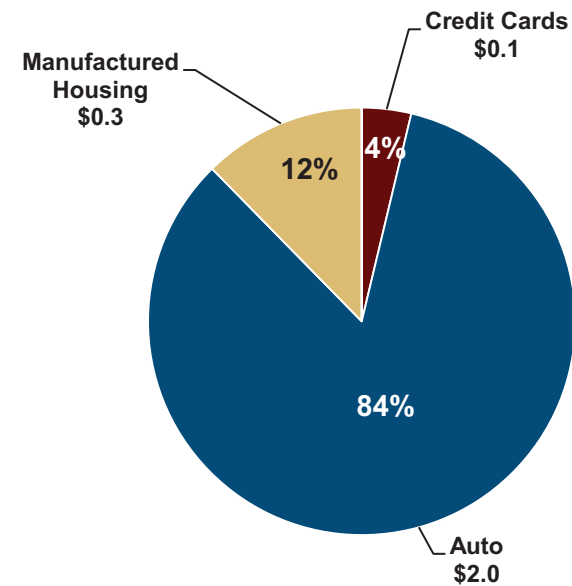
AGM U.S. Consumer Receivables



- **U.S. consumer receivable exposures are well protected**
 - Average rating of A+
 - \$2.0 billion in auto receivable transactions have 30.8% average current credit enhancement
 - \$88 million in credit cards have 13.0% 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 September 30, 2010
(\$ in billions)



\$2.4 billion net par outstanding

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



(\$ in millions)

Distribution of U.S. Consumer Receivables by Rating¹ as of September 30, 2010

Rating:	Credit Cards	Manufactured Housing	Auto	Total Net Par Outstanding
AAA	\$ -	\$ 82	\$ 40	\$ 122
AA	-	45	1,237	1,282
A	-	-	109	109
BBB	88	-	592	680
BIG	-	164	-	164
	\$ 88	\$ 291	\$ 1,978	\$ 2,357
Average rating	BBB	A-	A+	A+
Avg. initial credit enhancement ¹	13.2%	27.6%	11.0%	13.1%
Avg. current credit enhancement ¹	13.0%	26.1%	30.8%	29.6%

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 September 30, 2010

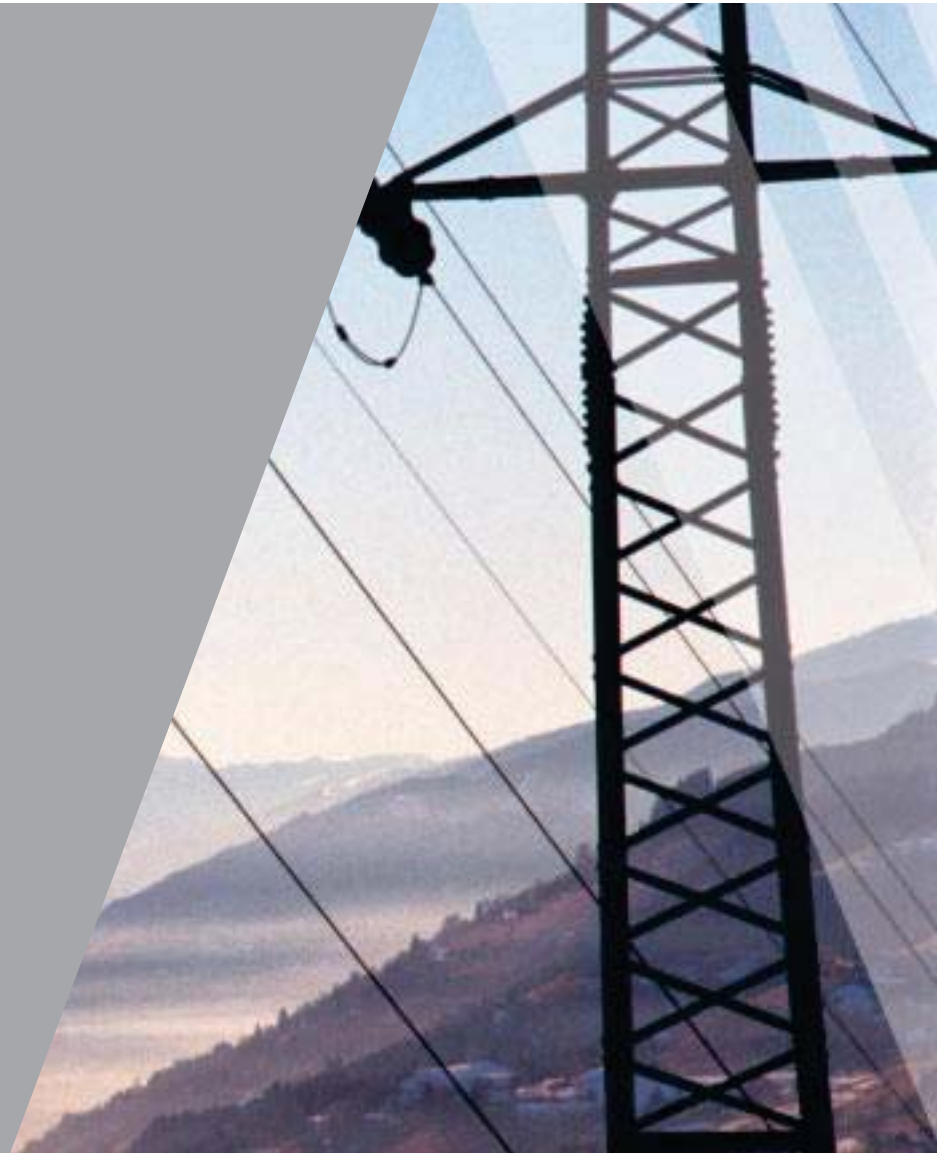


(\$ in millions)

Financial Guaranty Insurance Contracts and Credit Derivatives	Total Net Par Outstanding for BIG Transactions ¹	3Q-10 Incurred Losses	3Q-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	1,336.2	8.1	14.0	2.6	2.2	176.9
Alt-A Option ARMs	2,041.8	58.2	55.1	117.4	33.7	426.2
Subprime First Lien (including NIMs)	2,238.3	9.7	0.4	73.7	-	77.0
Total First Lien	5,616.3	76.0	69.5	193.7	35.9	680.1
Second Lien:						
CES	893.5	5.4	11.7	28.0	35.4	177.6
HELOC	3,200.4	10.2	114.9	0.2	451.8	207.2
Total Second Lien	4,093.9	15.6	126.6	28.2	487.2	384.8
Total U.S. RMBS	9,710.2	91.6	196.1	221.9	523.1	1,064.9
Other structured finance	566.4	1.3	0.9	52.2	-	5.9
Public finance	2,143.3	0.3	18.8	9.7	24.9	28.9
Total	\$ 12,419.9	\$ 93.2	\$ 215.8	\$ 283.8	\$ 548.0	\$ 1,099.7
Effect of consolidating of VIEs	-	(11.2)	(29.3)	(20.6)	(63.3)	(110.0)
Total excluding consolidated VIE amounts	\$ 12,419.9	\$ 82.0	\$ 186.5	\$ 263.2	\$ 484.7	\$ 989.7

1. Includes credit impairment on credit derivative transactions.

**Assured Guaranty Corp.
Financial Information**



AGC Consolidated Statements of Operations



(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues:				
Net earned premiums	\$ 27.7	\$ 13.4	\$ 82.3	\$ 107.8
Net investment income	19.8	19.3	63.2	58.3
Net realized investment gains (losses)	(0.1)	0.6	2.3	6.2
Net change in fair value of credit derivatives:				
Credit derivative revenues	21.2	22.4	62.8	67.4
Losses incurred on credit derivatives	(8.9)	(141.9)	(73.1)	(169.2)
Net unrealized gain (loss), excluding losses incurred	(186.8)	56.8	69.7	(163.9)
Net change in fair value of credit derivatives	(174.5)	(62.7)	59.4	(265.7)
Fair value gains (losses) on committed capital securities	(2.2)	(1.2)	5.1	(42.2)
Financial guaranty VIEs ¹ revenues	16.9	-	71.4	-
Other income	0.8	3.4	(4.3)	4.6
Total revenues	(111.6)	(27.2)	279.4	(131.0)
Expenses:				
Loss and loss adjustment expenses	18.0	77.8	56.2	145.6
Amortization of deferred acquisition costs	4.2	0.1	9.9	2.9
Interest expense	3.8	-	11.3	-
Goodwill impairment	-	85.4	-	85.4
Financial guaranty VIEs ¹ expenses	(7.4)	-	44.0	-
Other operating expenses	18.8	18.1	65.5	66.9
Total expenses	37.4	181.4	186.9	300.8
Income (loss) before income taxes	(149.0)	(208.6)	92.5	(431.8)
Provision (benefit) for income taxes	(55.7)	(38.4)	23.2	(126.3)
Net income (loss)	\$ (93.3)	\$ (170.2)	\$ 69.3	\$ (305.5)
Less after-tax adjustments:				
Realized gains (losses) on investments	(0.1)	0.4	1.5	4.0
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(121.4)	37.0	45.3	(106.5)
Fair value gains (losses) on committed capital securities	(1.4)	(0.8)	3.3	(27.4)
Foreign exchange gains (losses) on revaluation of premiums receivable	1.4	2.4	(1.9)	2.4
Effect of consolidating VIEs ¹	15.7	-	17.3	-
Goodwill impairment	-	(85.4)	-	(85.4)
Operating income (loss)	\$ 12.5	\$ (123.8)	\$ 3.8	\$ (92.6)
Effect of refundings and accelerations, net				
Earned premiums from refundings and accelerations, net	\$ 0.6	\$ 3.2	\$ 4.1	\$ 47.4
Operating income effect	\$ 0.3	\$ 1.2	\$ 2.1	\$ 31.5

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	
	September 30, 2010	December 31, 2009
Assets		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 2,589.0	\$ 2,045.2
Short-term investments, at fair value	269.7	802.6
Total investment portfolio	2,858.7	2,847.8
Cash	11.1	2.5
Premiums receivable, net of ceding commissions payable	329.8	351.4
Ceded unearned premium reserve	417.1	435.3
Deferred acquisition costs	52.9	45.2
Reinsurance recoverable on unpaid losses	62.1	50.7
Credit derivative assets	277.1	252.0
Committed capital securities, at fair value	9.1	4.0
Deferred tax asset, net	245.1	241.8
Salvage and subrogation recoverable	218.2	169.9
Financial guaranty VIE assets ¹	404.4	-
Other assets	99.4	99.2
Total assets	\$ 4,985.0	\$ 4,499.8
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserve	\$ 1,398.8	\$ 1,451.6
Loss and loss adjustment expense reserve	210.7	191.2
Note payable to affiliate	300.0	300.0
Credit derivative liabilities	1,078.0	1,076.7
Reinsurance balances payable, net	150.8	166.0
Financial guaranty VIE liabilities with recourse ¹	414.6	-
Financial guaranty VIE liabilities without recourse ¹	12.1	-
Other liabilities	150.1	88.1
Total liabilities	3,715.1	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	143.1	153.7
Accumulated other comprehensive income	74.7	20.4
Total shareholder's equity	1,269.9	1,226.2
Total liabilities and shareholder's equity	\$ 4,985.0	\$ 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”)



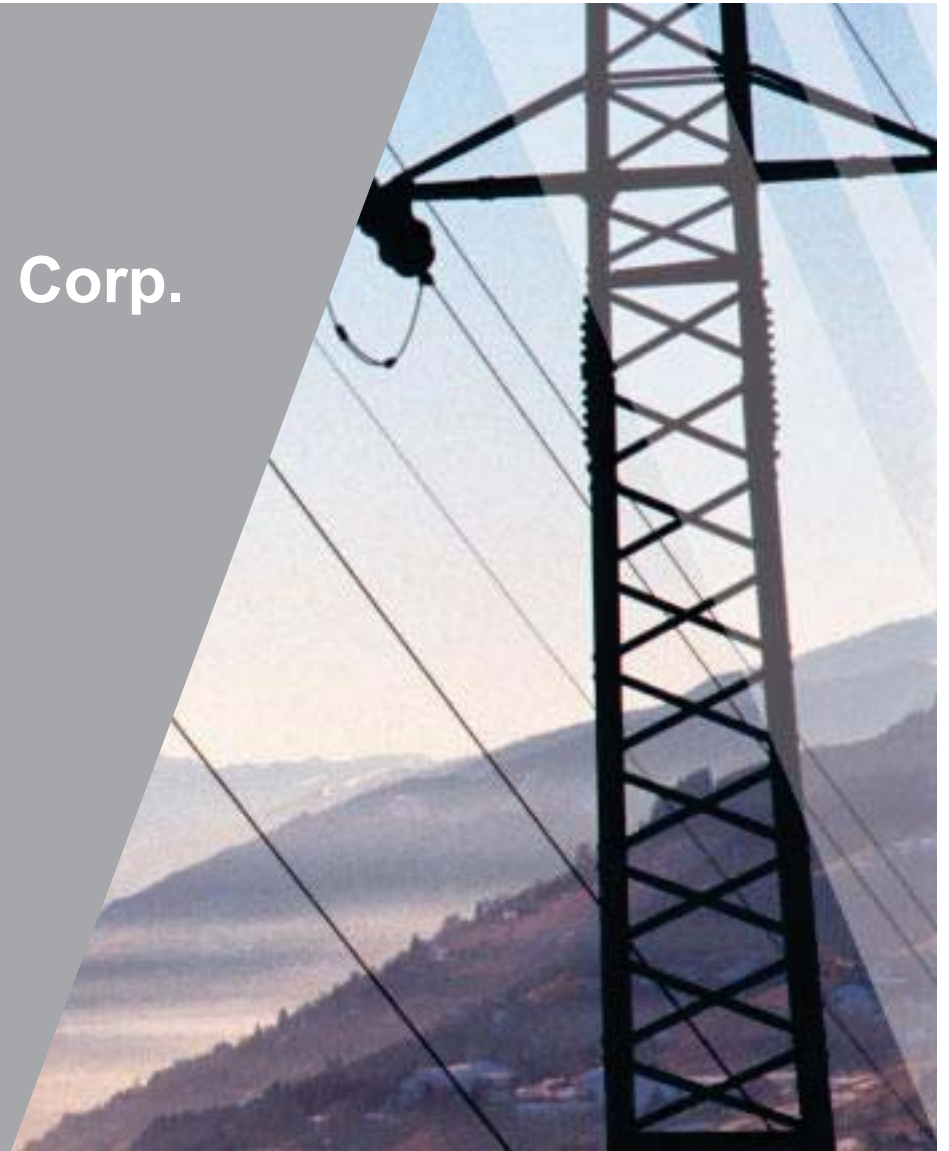
(\$ in millions)

	Three Month Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Consolidated new business production analysis:				
Present value of new business production ("PVP")				
Public finance - U.S.				
Primary markets	\$ 9.8	\$ 138.0	\$ 30.1	\$ 445.0
Secondary markets	0.7	3.9	10.1	42.2
Public finance - non-U.S.				
Primary markets	-	-	-	1.6
Secondary markets	-	-	0.7	0.2
Structured finance - U.S.	2.0	1.9	11.2	16.6
Structured finance - non-U.S.	-	-	-	-
Total PVP	12.5	143.8	52.1	505.6
Less: PVP of credit derivatives	-	-	-	2.4
PVP of financial guaranty insurance	12.5	143.8	52.1	503.2
Less: Financial guaranty installment premium PVP	2.3	(0.2)	12.0	33.3
Total: Financial guaranty upfront gross written premiums ("GWP")	10.2	144.0	40.1	469.9
Plus: Financial guaranty installment adjustment ¹	0.2	(14.3)	22.4	35.8
Total financial guaranty GWP	10.4	129.7	62.5	505.7
Plus: Other segment GWP	-	-	-	-
Total GWP	\$ 10.4	\$ 129.7	\$ 62.5	\$ 505.7

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

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

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



Summary of Impact of GAAP Acquisition Accounting 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 acquisition method of accounting was applied and pushed down to AGM, which affects comparability of 2009 financial results to periods prior to the acquisition.**
- **Under GAAP, acquisition accounting requires that the Company records the identifiable assets acquired and liabilities assumed at fair value on the acquisition date, including 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 September 30,		Nine Months Ended September 30,
	2010	2009	2010
Revenues:			
Net earned premiums	\$ 217.4	\$ 280.5	\$ 690.4
Net investment income	49.1	44.9	145.8
Net realized investment gains (losses)	(3.1)	0.5	(10.3)
Net change in fair value of credit derivatives:			
Credit derivative revenues	23.9	28.8	77.1
Losses incurred on credit derivatives	(4.1)	27.3	(21.3)
Net unrealized gain (loss), excluding losses incurred	(36.6)	(76.9)	(51.7)
Net change in fair value of credit derivatives	(16.8)	(20.8)	4.1
Fair value gains (losses) on committed capital securities	(3.3)	(51.8)	0.7
Financial guaranty VIEs' revenues	59.6	4.9	(9.8)
Other income	25.5	34.3	21.5
Total revenues	328.4	292.5	842.4
Expenses:			
Loss and loss adjustment expenses	77.9	0.9	172.6
Amortization of deferred acquisition costs	(1.6)	-	(5.9)
Interest expense	1.7	2.3	5.2
Gain on bargain purchase	-	(232.6)	-
Financial guaranty VIEs' expenses	(119.3)	10.2	(175.5)
Other operating expenses	21.7	75.9	61.9
Total expenses	(19.6)	(143.3)	58.3
Income (loss) before income taxes	348.0	435.8	784.1
Provision (benefit) for income taxes	44.2	61.2	176.7
Net income (loss)	303.8	374.6	607.4
Less: Noncontrolling interest of variable interest entities	-	(5.3)	-
Net income attributable to Assured Guaranty Municipal Corp.	\$ 303.8	\$ 379.9	\$ 607.4
Less after-tax adjustments:			
Realized gains (losses) on investments	(2.0)	0.3	(6.7)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(23.7)	(50.0)	(28.1)
Fair value gains (losses) on committed capital securities	(2.2)	(33.7)	0.4
Foreign exchange gains (losses) on revaluation of premiums receivable	16.1	3.5	(5.3)
Effect of consolidating VIEs ¹	115.4	-	115.6
Gain on bargain purchase	-	232.6	-
Operating income	\$ 200.2	\$ 227.2	\$ 531.5
Effect of refundings and accelerations, net			
Earned premiums from refundings and accelerations, net	\$ 15.4	\$ 11.5	\$ 36.6
Operating income effect	10.0	7.5	23.8

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	
	September 30, 2010	December 31, 2009
Assets		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 4,871.9	\$ 5,183.6
Short-term investments, at fair value	473.3	542.0
Total investment portfolio	5,345.2	5,725.6
Assets acquired in refinancing transactions	133.2	152.4
Note receivable from affiliate	300.0	300.0
Cash	40.6	23.6
Premiums receivable	734.9	787.4
Ceded unearned premium reserve	1,514.2	1,537.1
Reinsurance recoverable on unpaid losses	19.4	13.7
Credit derivative assets	199.6	227.0
Committed capital securities, at fair value	6.2	5.6
Deferred tax asset, net	694.6	972.4
Salvage and subrogation recoverable	602.9	248.1
Financial guaranty VIE assets ¹	1,892.3	762.3
Other assets	178.4	135.5
Total assets	\$ 11,661.5	\$ 10,890.7
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserve	\$ 5,546.7	\$ 6,468.3
Loss and loss adjustment expense reserve	176.3	55.3
Notes payable	132.1	149.1
Credit derivative liabilities	655.8	625.8
Reinsurance balances payable, net	324.9	259.0
Financial guaranty VIE liabilities with recourse ¹	1,811.0	762.7
Financial guaranty VIE liabilities without recourse ¹	224.9	-
Other liabilities	239.0	496.4
Total liabilities	9,110.7	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	1,184.2	743.4
Accumulated other comprehensive income	134.8	74.3
Total shareholder's equity attributable to Assured Guaranty Municipal Corp.	2,550.8	2,074.5
Noncontrolling interest of financial guaranty VIEs ¹	-	(0.4)
Total shareholder's equity	2,550.8	2,074.1
Total liabilities and shareholder's equity	\$ 11,661.5	\$ 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)

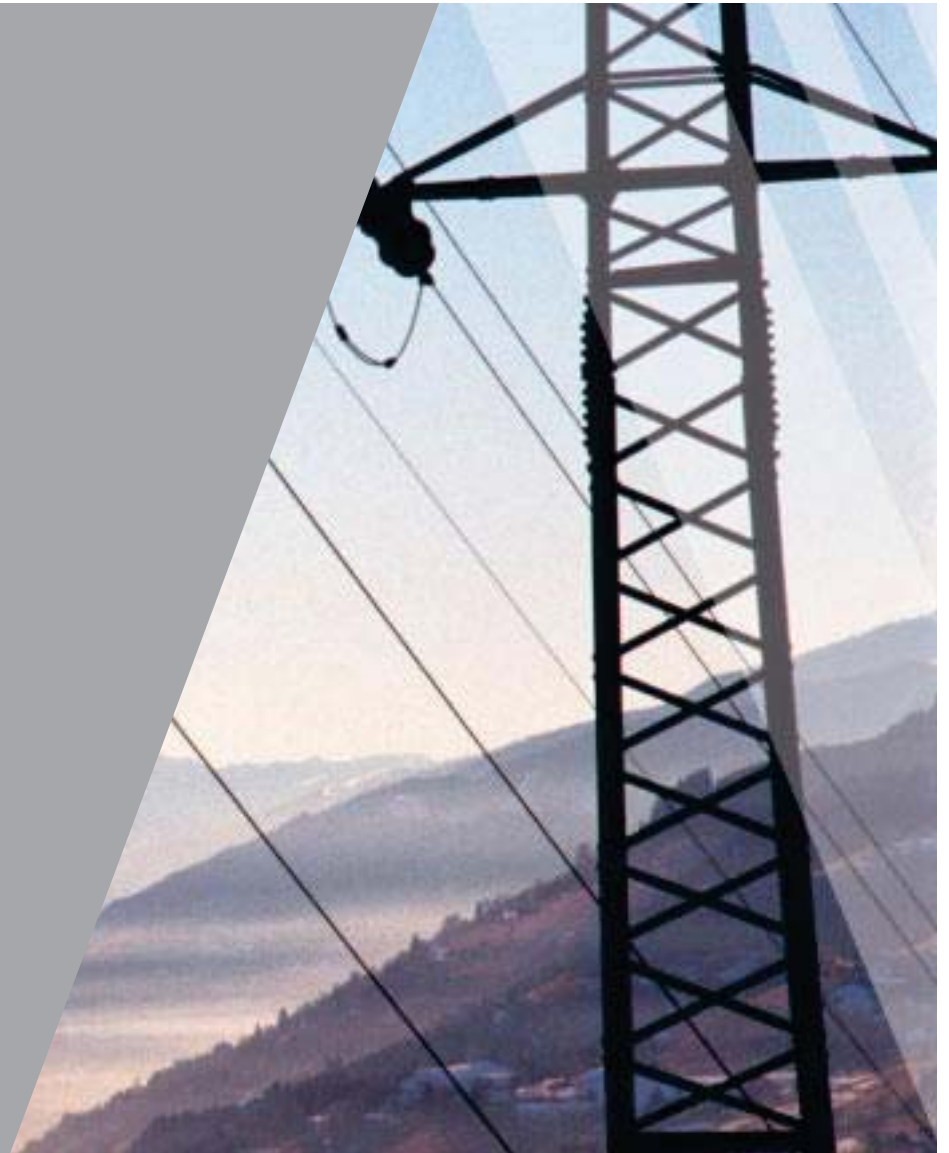
	Three Months Ended		Nine Months Ended
	September 30,		September 30,
	2010	2009	2010
Consolidated new business production analysis:			
Present value of new business production ("PVP")			
Public finance - U.S.			
Primary markets	\$ 64.9	\$ 12.6	\$ 177.7
Secondary markets	9.1	0.4	22.3
Public finance - non-U.S.			
Primary markets	-	-	-
Secondary markets	-	-	-
Structured finance - U.S. ¹	1.7	0.4	2.6
Structured finance - non-U.S. ¹	0.7	0.9	2.8
Total PVP	76.4	14.3	205.4
Less: PVP of credit derivatives	-	-	-
PVP of financial guaranty insurance	76.4	14.3	205.4
Less: Financial guaranty installment premium PVP	2.7	4.4	4.6
Total: Financial guaranty upfront gross written premiums ("GWP")	73.7	9.9	200.8
Plus: Financial guaranty installment adjustment ²	4.0	(9.2)	20.1
Total GWP	\$ 77.7	\$ 0.7	\$ 220.9

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 September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues:				
Net earned premiums	\$ 288.7	\$ 330.0	\$ 900.4	\$ 557.1
Net investment income	85.6	84.7	260.8	171.6
Net realized investment gains (losses)	(2.4)	(6.1)	(1.4)	(28.1)
Net change in fair value of credit derivatives:				
Credit derivative revenues	50.7	57.3	157.1	114.7
Losses incurred on credit derivatives	(15.4)	(142.2)	(119.9)	(178.4)
Net unrealized gain (loss), excluding incurred losses	(267.8)	(48.7)	82.6	(248.8)
Net change in fair value of credit derivatives	(232.5)	(133.6)	119.8	(312.5)
Fair value gains (losses) on committed capital securities	(5.5)	(53.1)	5.8	(94.0)
Financial guaranty VIEs revenues	76.5	4.9	61.6	4.9
Other income	33.8	57.0	7.4	58.4
Total revenues	244.2	283.8	1,354.4	357.4
Expenses:				
Loss and loss adjustment expenses	109.1	133.3	310.8	251.1
Amortization of deferred acquisition costs	8.0	1.3	23.1	41.3
Assured Guaranty Municipal Holdings Inc. ("AGMH") acquisition-related expenses	-	51.3	6.8	80.2
Interest expense	24.9	25.2	74.9	37.5
Goodwill and settlement of pre-existing relationship	-	23.3	-	23.3
Financial guaranty VIEs expenses	(126.7)	10.2	(131.5)	10.2
Other operating expenses	52.2	67.3	162.2	123.1
Total expenses	67.5	311.9	446.3	566.7
Income (loss) before income taxes	176.7	(28.1)	908.1	(209.3)
Provision (benefit) for income taxes	(4.2)	12.2	201.7	(84.5)
Net income (loss)	180.9	(40.3)	706.4	(124.8)
Less: Noncontrolling interest of variable interest entities	-	(5.3)	-	(5.3)
Net income (loss) attributable to Assured Guaranty Ltd.	\$ 180.9	\$ (35.0)	\$ 706.4	\$ (119.5)
Less after-tax adjustments:				
Realized gains (losses) on investments	(1.3)	(6.0)	1.1	(30.2)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(192.6)	(41.3)	78.8	(165.8)
Fair value gains (losses) on committed capital securities	(3.6)	(34.5)	3.8	(61.1)
Foreign exchange gains (losses) on revaluation of premiums receivable	24.4	23.9	(17.6)	23.9
Effect of consolidating VIEs ¹	131.2	-	132.9	-
Goodwill and settlement of pre-existing relationship	-	(23.3)	-	(23.3)
Operating income	\$ 222.8	\$ 46.2	\$ 507.4	\$ 137.0

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 :	
	September 30, 2010	December 31, 2009
Assets		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 9,775.8	\$ 9,139.9
Short-term investments, at fair value	907.7	1,668.3
Total investment portfolio	10,683.5	10,808.2
Assets acquired in refinancing transactions	133.2	152.4
Cash	87.4	44.1
Premiums receivable, net of ceding commissions payable	1,322.5	1,418.2
Ceded unearned premium reserve	897.2	1,080.5
Deferred acquisition costs	251.2	242.0
Reinsurance recoverable on unpaid losses	18.1	14.1
Credit derivative assets	475.6	492.5
Committed capital securities, at fair value	15.3	9.5
Deferred tax asset, net	842.1	1,158.2
Salvage and subrogation recoverable	824.8	420.3
Financial guaranty VIE assets ¹	2,296.7	762.3
Other assets	523.5	200.4
Total assets	\$ 18,371.1	\$ 16,802.7
Liabilities and shareholders' equity		
Liabilities		
Unearned premium reserve	\$ 7,374.8	\$ 8,400.2
Loss and loss adjustment expense reserve	467.0	289.5
Long-term debt	923.8	917.4
Notes payable	132.1	149.1
Credit derivative liabilities	2,180.7	2,034.6
Reinsurance balances payable, net	259.3	215.2
Financial guaranty VIE liabilities with recourse ¹	2,225.7	762.7
Financial guaranty VIE liabilities without recourse ¹	236.9	-
Other liabilities	381.6	513.9
Total liabilities	14,181.9	13,282.6
Shareholders' equity		
Common stock	1.8	1.8
Additional paid-in capital	2,583.2	2,585.0
Retained earnings ¹	1,264.7	789.9
Accumulated other comprehensive income	337.5	141.8
Deferred equity compensation	2.0	2.0
Total shareholders' equity attributable to Assured Guaranty Ltd.	4,189.2	3,520.5
Noncontrolling interest of financial guaranty VIEs ¹	-	(0.4)
Total shareholders' equity	4,189.2	3,520.1
Total liabilities and shareholders' equity	\$ 18,371.1	\$ 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



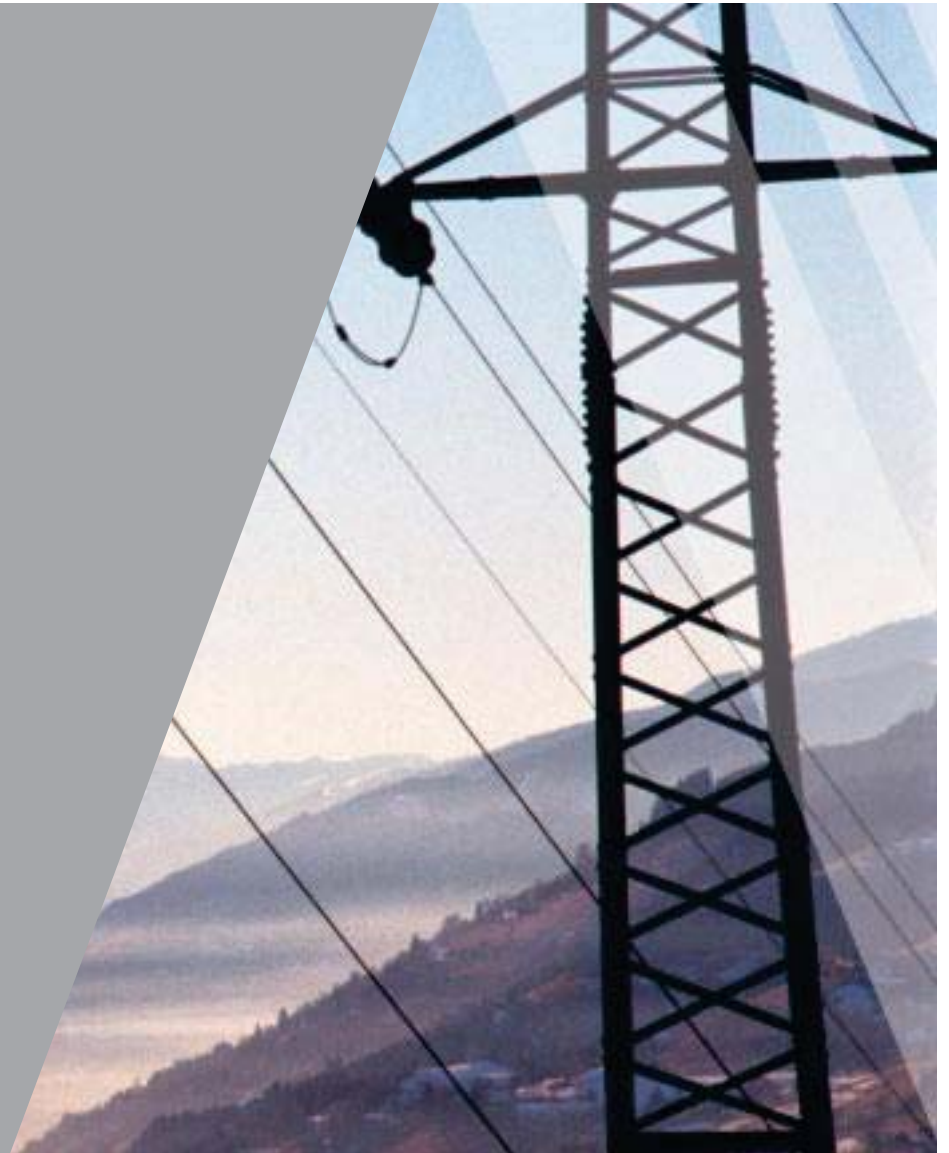
(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Consolidated new business production analysis:				
Present value of new business production ("PVP")				
Public finance - U.S.:				
Primary markets	\$ 74.7	\$ 150.6	\$ 207.8	\$ 457.6
Secondary markets	9.8	4.3	32.4	42.6
Public finance - non-U.S.				
Primary markets	-	-	-	1.6
Secondary markets	-	-	0.7	0.2
Structured finance - U.S.	3.7	2.3	13.9	16.9
Structured finance - non-U.S.	0.7	0.9	2.8	0.9
Total PVP	88.9	158.1	257.6	519.8
Less: PVP of credit derivatives	-	-	-	2.4
PVP of financial guaranty insurance	88.9	158.1	257.6	517.4
Less: Financial guaranty installment premium PVP	4.9	4.2	17.4	28.3
Total: Financial guaranty upfront gross written premiums ("GWP")	84.0	153.9	240.2	489.1
Plus: Financial guaranty installment adjustment ¹	(6.4)	(29.8)	21.2	11.8
Total financial guaranty GWP	77.6	124.1	261.4	500.9
Plus: Other segment GWP	-	0.1	-	(0.9)
Total GWP	\$ 77.6	\$ 124.2	\$ 261.4	\$ 500.0

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.

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 after-tax realized gains (losses) on the Company's investments, including other than temporary impairments, and credit and interest rate related gains and losses from sales of securities. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate related gains or losses, is largely subject to the Company's discretion and influenced by market opportunities, as well as the Company's tax and capital profile. Trends in the underlying profitability of the Company's business can be more clearly identified without the fluctuating effects of these transactions.
2. Elimination of the after-tax non-credit impairment unrealized fair value gains (losses) on credit derivatives, which is the amount in excess of the present value of the expected estimated economic credit losses. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss. Additionally, such adjustments present all financial guaranty contracts on a more consistent basis of accounting, whether or not they are subject to derivative accounting rules.
3. Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities. Such amounts are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.
4. Elimination of the after-tax foreign exchange gains (losses) on revaluation of net premium receivables. Long-dated receivables constitute a significant portion of the net premium receivable balance and represent the present value of future contractual or expected collections. Therefore, the current period's foreign exchange revaluation gains (losses) are not necessarily indicative of the total foreign exchange gains (losses) that the Company will ultimately recognize.
5. Elimination of the effects of consolidating certain financial guaranty variable interest entities (VIEs) in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs and is not liable for such debt obligations.
6. Elimination of goodwill and settlement of pre-existing relationship in order to show the 2009 contribution to operating income of AGMH without the distorting effects of acquisition accounting adjustments recorded on date of closing of the acquisition of AGMH by the Company.

Assured Guaranty Contacts:

Robert Tucker
Managing Director
Fixed Income Investor Relations
Direct: 212.339.0861
rtucker@assuredguaranty.com

Michael Walker
Director
Fixed Income Investor Relations
Direct: 212.261.5575
mwalker@assuredguaranty.com

Ebony Blue
Associate
Fixed Income Investor Relations
Direct: 212.339.0873
eblue@assuredguaranty.com

Fixed Income Investor Presentation Third Quarter 2010

