

Third Quarter 2009
Assured Guaranty Re Ltd.
Presentation



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

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Revised on 12.24.09

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 - Rating agency action, including a ratings downgrade at any time of Assured Guaranty Ltd. or any of its subsidiaries and/or of transactions insured by the Company or its subsidiaries, both of which have occurred in the past;
 - Developments in the world's financial and capital markets that adversely affect issuers' payment rates, Assured Guaranty's loss experience, its ability to cede exposure to reinsurers, its access to capital, its unrealized (losses) gains on derivative financial instruments or its investment returns;
 - Changes in the credit markets, segments thereof or general economic conditions;
 - More severe or frequent losses affecting the adequacy of Assured Guaranty's loss reserve;
 - The impact of market volatility on the mark-to-market of its contracts written in credit default swap form;
 - Reduction in the amount of reinsurance facultative cessions or portfolio opportunities available to Assured Guaranty;
 - Decreased demand or increased competition;
 - Changes in applicable accounting policies or practices;
 - Changes in applicable laws or regulation, 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
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- This presentation references non-GAAP financial measures. These non-GAAP financial measures are defined in the appendix of this presentation. In each case, if available, the most directly comparable GAAP financial measure is presented and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how our management, analysts and investors evaluate our financial results and is comparable to estimates published by analysts in their research reports on us. Each of the non-GAAP financial measures is identified in this presentation as such.

Executive Summary



- **Assured Guaranty Re Ltd. (“AG Re”) is the industry’s leading financial guaranty reinsurance company, with a diversified book of business from both independent and affiliated ceding companies. AG Re:**
 - Is a wholly owned subsidiary of publicly traded (NYSE ticker symbol: AGO) Assured Guaranty Ltd. (“AGL” and, together with its subsidiaries, “Assured Guaranty”)
 - Has a separate and distinct balance sheet and capital base from its sister companies Assured Guaranty Corp. (“AGC”) and Assured Guaranty Municipal Corp. (“AGM”), formerly known as Financial Security Assurance Inc. (“FSA”)
 - Provides ongoing reinsurance capacity to both AGC and AGM on a quota share basis and also to previously triple-A rated financial guaranty insurers on a facultative basis only
 - Is rated AA (stable) by S&P, A1 (negative outlook) by Moody’s and AA- (negative outlook) by Fitch as of December 24, 2009
 - Supported by approximately \$1.1 billion of Bermuda statutory capital and surplus (as of December 31, 2008) and \$2.6 billion in claims-paying resources (as of September 30, 2009), separate from AGC and AGM
 - Over 61% of outstanding exposure was ceded by companies other than AGC
 - Significant potential future earnings capacity provided by \$1.3 billion unearned premium reserve under U.S. Generally Accepted Accounting Principles (“GAAP”), as of September 30, 2009
 - Regulated by the Bermuda Monetary Authority as a Class 3b insurer

Executive Summary

Recent Developments at AG Re



- **Limited current third-party reinsurance activity due to decline in credit quality of non-affiliated, formerly triple-A rated financial guaranty companies**
 - The only treaties that are currently active are with AGC and AGM
 - No ongoing reinsurance expected from entities not affiliated with Assured Guaranty
 - Third-party reinsurance opportunities limited to legacy portfolio acquisitions from non-affiliated companies
 - Focus is on the U.S. municipal sector
 - New potential entrants (MIAC, Everspan, National) unlikely to generate meaningful new business in the near term
- **Shift in 2007 to facultative portfolio acquisitions of seasoned books of business has produced attractive returns**
 - Since November 2007, AG Re has acquired \$50 billion of par exposure from non-affiliated companies representing \$480 million in present value of new business production ("PVP"), a non-GAAP financial measure¹
 - Able to negotiate highly profitable returns via ceding commission adjustments or business mix
 - Opportunity to review each credit
- **Currently exploring opportunities to guaranty credit derivatives directly written by Bermuda affiliate**
 - All transactions must meet existing underwriting guidelines, must be approved by AG Re Credit Committee, and for non-AGC and non-AGM transactions by AG Re Board of Directors
 - Transactions will be structured like financial guaranty policies (no acceleration, no requirements to post collateral, no additional termination events)

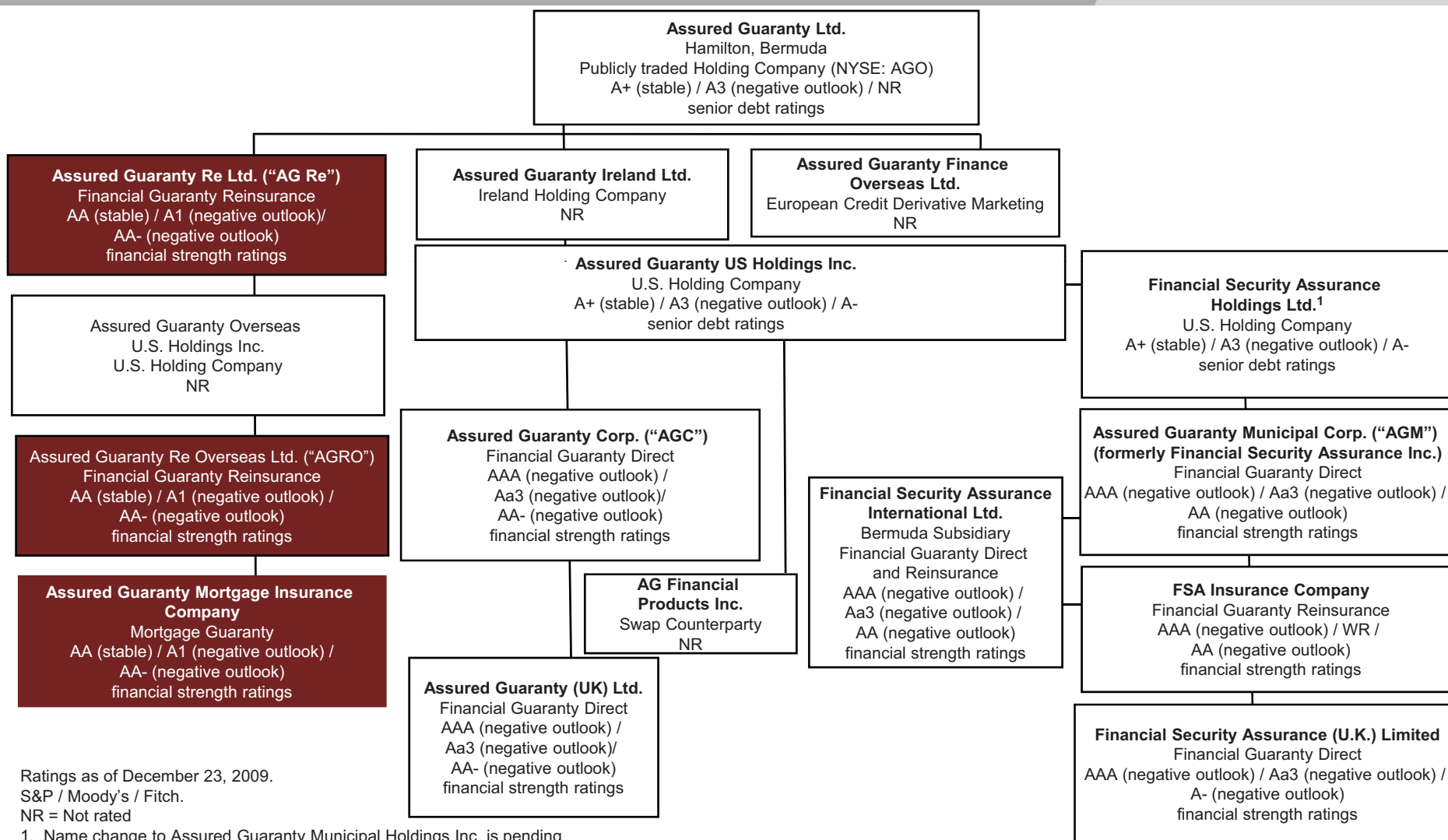
Executive Summary

AG Re's Financial Strength



- **As of December 31, 2008, AG Re's Bermuda Statutory Capital and Surplus was \$1.1 billion**
- **As of September 30, 2009, AG Re's claims-paying resources were \$2.6 billion**
- **Significant potential future earnings capacity and stability provided by \$1.3 billion GAAP unearned premium reserve as of September 30, 2009**
- **High-quality insured portfolio, with \$118.1 billion net par outstanding ("NPO") carrying an average rating of A based on Assured Guaranty's internal rating scale, as of September 30, 2009**
 - Only 3.8% below investment grade ("BIG") as of September 30, 2009
- **High-quality investment portfolio of \$2.1 billion, with an average rating¹ of AA+ and an average duration of 3.2 years, as of September 30, 2009**

AG Re within the Assured Guaranty Ltd. Corporate Structure



Ratings as of December 23, 2009.
S&P / Moody's / Fitch.
NR = Not rated

1. Name change to Assured Guaranty Municipal Holdings Inc. is pending

Financial Guaranty Reinsurance



Financial Guaranty Reinsurance

Changing Industry Relationships



- **The successful buildup of AG Re’s facultative reinsurance franchise created strong relationships with all primary insurers**
 - Kept AG Re in the mix regarding portfolio transactions
 - Allowed for better insights into relative portfolio quality
 - Provided competitive advantage for portfolio opportunities

- **New entrants have yet to gain traction**
 - National Public Finance Guarantee remains a work in progress
 - Everspan launch has been postponed
 - MIAC status is uncertain

- **Portfolio opportunities still remain**
 - Syncora has a substantial public finance book that remains a potential opportunity
 - Further MBIA rating downgrade could free up FGIC portfolio for transfer to AG Re
 - Ambac and MBIA solvency is still questionable
 - AGM, formerly known as FSA, has a number of portfolios that could be reassumed from downgraded reinsurers and ceded to AG Re
 - RAM Re and Radian Asset Assurance are in run-off and could present portfolio opportunities

U.S. Public Finance Portfolios

As of September 30, 2009 unless otherwise specified

(\$ in billions)

	NPO
National	\$546.8
Ambac	230.4
Syncora¹	52.4
RAM Re²	13.8
Radian Asset	42.7

1. As of December 30, 2008

2. As of June 30, 2009

Financial Guaranty Reinsurance

AGC and AGM Relationship



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

Financial Guaranty Reinsurance Underwriting



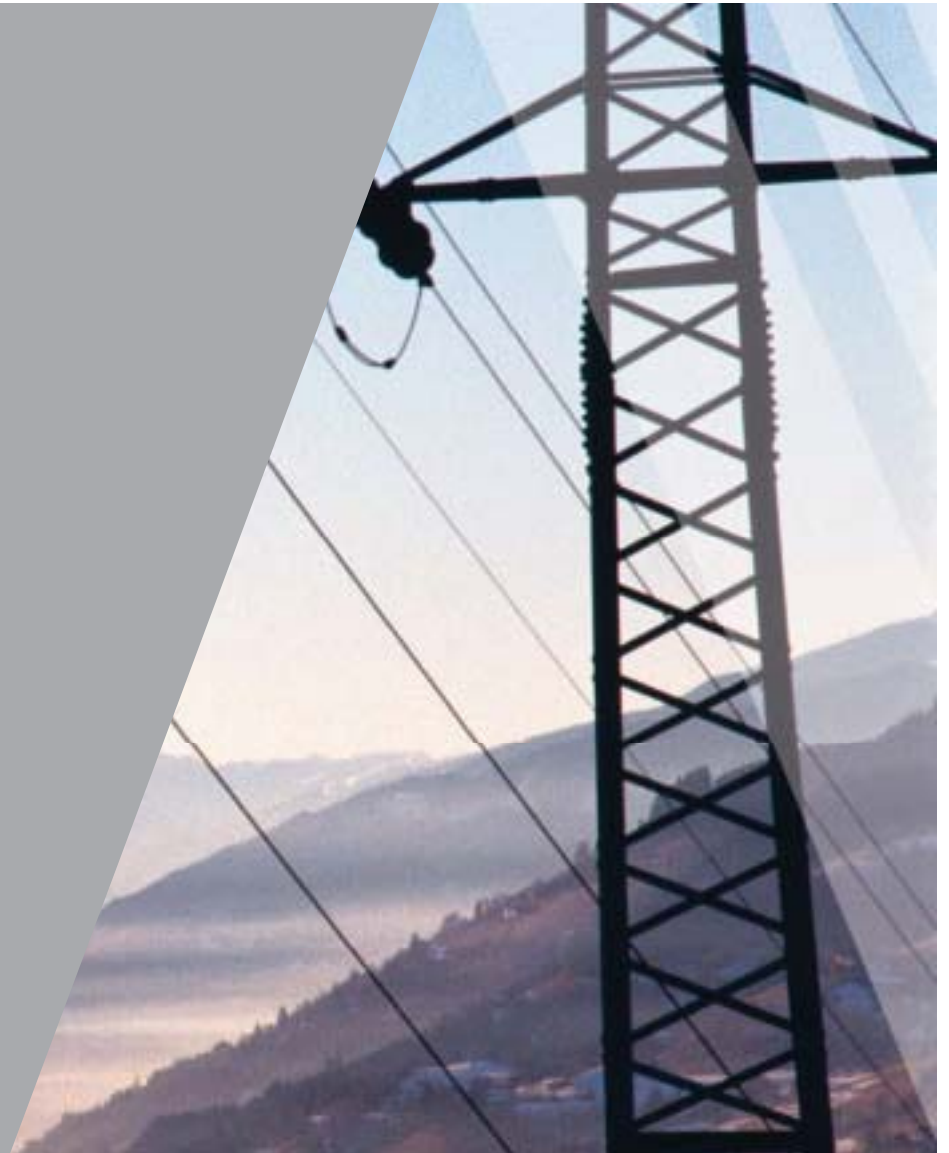
- **All facultative transactions are approved by a committee underwriting process**
 - All non-AGC and non-AGM transactions require AG Re Credit Committee and AG Re board approval
- **Enterprise risk management across Assured Guaranty family of companies**
 - Single risk limits established at the AGL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

Financial Guaranty Reinsurance Competitive Position



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

Risk Management



Financial Guaranty Reinsurance Risk Management



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

Financial Guaranty Reinsurance Surveillance



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

Portfolio Risk Management



As of September 30, 2009:

- **\$118.1 billion NPO with average credit quality of A, based on Assured Guaranty's internal ratings**
- **77% of portfolio consists of public finance and infrastructure credits**
 - The remaining 23% consists of structured finance credits
- **Only 39% of portfolio was ceded by AGC, with the remaining exposure ceded by AGM (29%) and third parties (32%)**
- **41% of net par rated AA- or better, based on Assured Guaranty's internal ratings**
- **BIG exposure of \$4.5 billion, or 3.8% of net par outstanding**

Portfolio Risk Management

AG Re Portfolio Composition

as of September 30, 2009



\$ in millions

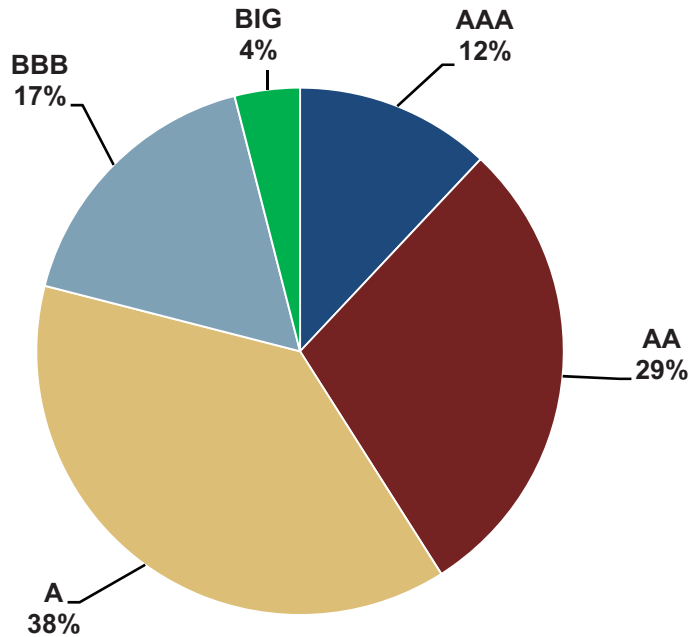
Sector	Par AGC Cessions	AGM Cessions	Other Cessions	Total Par In-force	
Public Finance					
General Obligation	\$ 9,706	\$ 9,082	\$ 7,557	\$ 26,345	22.3%
Tax-supported	3,882	6,168	7,013	17,063	14.5%
Municipal Utility Revenue	3,013	4,560	3,145	10,719	9.1%
Transportation Revenue	2,066	2,973	3,294	8,333	7.1%
Health Care Revenue	2,561	2,313	765	5,639	4.8%
Regulated Utilities	1,199	2,794	1,642	5,635	4.8%
Infrastructure Finance	1,008	2,168	1,801	4,977	4.2%
Other Public Finance	969	812	2,075	3,856	3.3%
Education/University	1,240	445	2,004	3,689	3.1%
Pooled Infrastructure	1,878	-	-	1,878	1.6%
Housing Revenue	102	496	915	1,513	1.3%
Investor Owned Utilities	58	1	975	1,034	0.9%
Total Public Finance :	27,683	31,813	31,185	90,682	76.8%
Structured Finance					
Pooled Corporate Obligations	8,470	1,366	532	10,368	8.8%
Residential Mortgages	4,144	472	370	4,986	4.2%
Consumer Receivables	608	303	1,584	2,495	2.1%
Commercial Receivables	668	1	2,052	2,721	2.3%
Commercial Mortgage-Backed Securities	1,398	-	645	2,043	1.7%
Insurance Securitization	1,434	12	561	2,008	1.7%
Structured Credit	1,155	46	1,021	2,221	1.9%
Other Structured Finance	82	159	289	531	0.4%
Total Structured Finance :	17,960	2,359	7,053	27,372	23.2%
Grand Total :	\$ 45,643	\$ 34,173	\$ 38,238	\$ 118,053	100.0%
	38.7%	28.9%	32.4%	100.0%	

Portfolio Risk Management

Portfolio Credit Quality¹

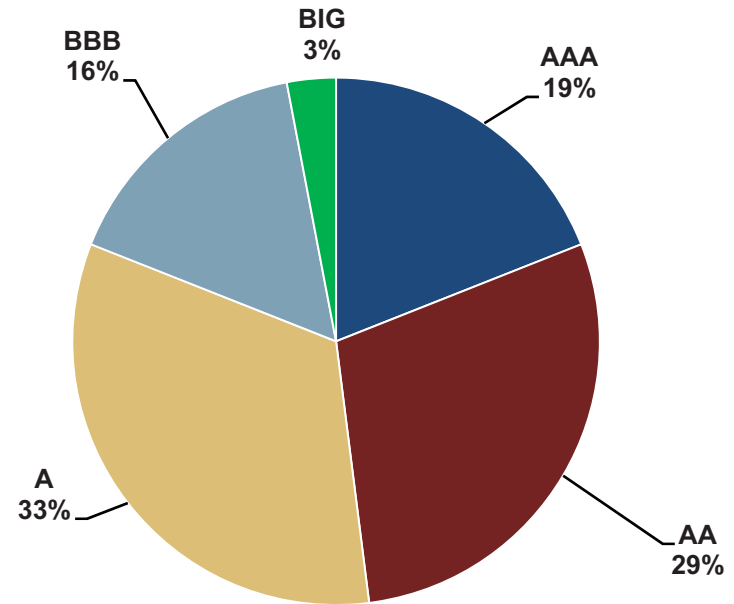


September 30, 2009



\$118.1 billion net par outstanding

December 31, 2008



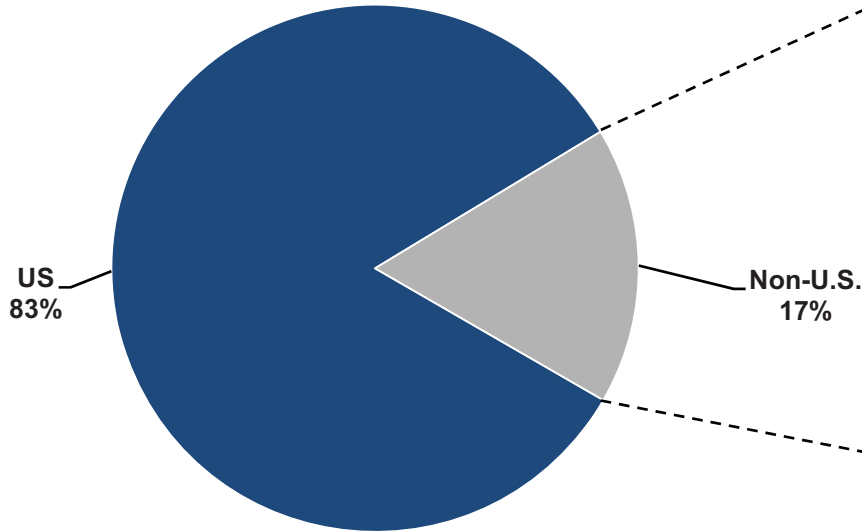
\$111.7 billion net par outstanding

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

Portfolio Risk Management Geographic Distribution

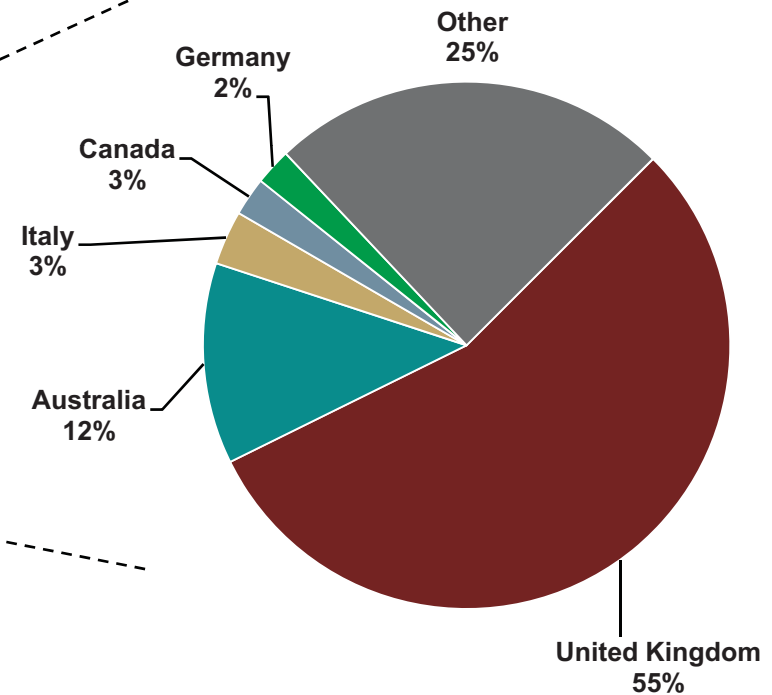


Total Net Par Outstanding
As of September 30, 2009



\$118.1 billion net par outstanding

International Net Par Outstanding
As of September 30, 2009



\$20.0 billion net par outstanding

Portfolio Risk Management

Below Investment Grade Exposures¹



- **BIG exposure \$4.5 billion, 3.8% of NPO**
- **BIG exposure is concentrated in a small number of transactions**
 - 5 largest have NPO of \$1,406.1 million or 31.1% of the total
 - 10 largest have NPO of \$2,074.2 million or 45.8% of the total

\$ in millions

Credit Name	Net Par Outstanding	Percent of Total BIG	Percent of Total NPO
Ballantyne Re Plc Class A-2 Floating Rate Notes	\$ 370.0	8.2%	0.3%
Deutsche Alt-A Securities Mortgage Loan 2007-2	364.4	8.0%	0.3%
Orkney Re II, Plc Series A-2 Floating Rate Notes	274.4	6.1%	0.2%
City of Detroit, Michigan	217.8	4.8%	0.2%
Jefferson County Alabama Sewer	179.5	4.0%	0.2%
National Collegiate Trust Series 2007-3	155.0	3.4%	0.1%
Access to Loans for Learning Student Loan Corp	152.0	3.4%	0.1%
Texas Turnpike Authority Revenue Bonds	128.3	2.8%	0.1%
National Collegiate Trust Series 2007-4	125.0	2.8%	0.1%
Countrywide Home Equity Loan Trust 2005-J	107.8	2.4%	0.1%
	\$ 2,074.2	45.8%	1.8%

1. Data as of September 30, 2009. Based on Assured Guaranty's internal ratings. Please see page 20, footnote 1, for more information..

Portfolio Risk Management

Below Investment Grade Exposures



\$ in millions

Sector	Net Par Outstanding	Percent of Total NPO
Public Finance		
General Obligation	\$ 244.4	5.4%
Tax-supported	129.8	2.9%
Municipal Utility Revenue	231.4	5.1%
Health Care Revenue	56.0	1.2%
Transportation Revenue	128.3	2.8%
Education/University	0.0	0.0%
Infrastructure Finance	51.6	1.1%
Other Public Finance	306.7	6.8%
Total US Public Finance :	\$ 1,148.2	25.4%
Structured Finance		
Residential Mortgages	1,886.5	41.7%
Consumer Receivables	282.8	6.2%
Commercial Receivables	105.9	2.3%
Pooled Corporate Obligations	395.1	8.7%
Insurance Securitization	644.4	14.2%
Structured Credit	9.5	0.2%
Other Structured Finance	54.7	1.2%
Total US Structured Finance :	\$ 3,378.8	74.6%
Grand Total :	\$ 4,527.0	100.0%

1. Data as of September 30, 2009. Based on Assured Guaranty's internal ratings. Please see page 20, footnote 1, for more information.

Financial Review



Financial Review

First Nine Months of 2009



- **Largest claims paying resources and strongest earnings amongst monoline reinsurers**
 - AG Re's claims paying resources were \$2.6 billion as of September 30, 2009
- **As of December 31, 2008, AG Re's Bermuda Statutory Capital and Surplus was \$1.1 billion**
- **Significant potential future earnings capacity and stability provided by \$1.3 billion U.S. GAAP unearned premium reserve as of September 30, 2009**
- **High-quality insured portfolio, with \$118.1 billion NPO carrying an average rating of A based on Assured Guaranty's internal rating scale, as of September 30, 2009**
- **High-quality investment portfolio of \$2.1 billion, with an average rating¹ of AA+ and an average duration of 3.2 years, as of September 30, 2009**
- **Unaudited net income for the nine months ended September 2009 was \$29.1 million**

Financial Review

Summary GAAP Income Statements



<i>\$ in millions</i>	Unaudited 9 Months Ended September 30, 2009	Year Ended December 31	
		<u>2008</u>	<u>2007</u>
Net earned premiums	\$144.1	\$169.4	\$100.5
Net investment income	68.3	88.4	64.4
Net realized investment gains (losses)	(35.1)	(55.1)	(0.9)
Net change in fair value of derivatives	(30.0)	(64.0)	(136.8)
Other income	<u>30.8</u>	<u>0.0</u>	<u>0.0</u>
Total revenues	178.0	138.6	27.3
Losses incurred	93.9	116.3	21.2
Profit commission	6.9	0.9	6.4
Amortization of DAC	35.6	42.7	28.7
Other u/w expenses	<u>13.7</u>	<u>13.3</u>	<u>12.5</u>
Total expenses	150.1	173.2	68.7
Income (loss) before taxes	27.9	(34.6)	(41.4)
Taxes	<u>(1.2)</u>	<u>0.6</u>	<u>(5.9)</u>
Net income (loss)	<u>\$29.1</u>	<u>(\$35.2)</u>	<u>(\$35.5)</u>
Note: 2009 Balances reflect the impact of FAS 163			

Financial Review

Summary GAAP Balance Sheets



<i>\$ in millions</i>	September 30, 2009	December 31, 2008
Assets:		
Invested assets	\$2,081.6	\$1,989.6
Other assets	<u>1,044.4</u>	<u>328.1</u>
Total assets	<u>3,126.0</u>	<u>2,317.7</u>
Liabilities and Shareholder's Equity:		
Unearned premium reserves	1,337.0	713.9
Loss and loss adjustment expense reserves	105.8	90.8
Other liabilities	<u>392.7</u>	<u>319.8</u>
Total liabilities	<u>1,835.5</u>	<u>1,124.5</u>
Shareholder's equity	1,290.5	1,193.2
Total liabilities and shareholder's equity	<u>\$ 3,126.0</u>	<u>\$ 2,317.7</u>

- **\$2.1 billion investment portfolio as of September 30, 2009 has 3.2 year duration and contains \$210.6 million in short-term investments and \$11.0 million in cash**
- **US Treasuries and agency obligations account for 22.6% of the total fixed maturity portfolio, while triple-A rated securities account for an additional 57.8% of the total fixed maturity portfolio**
- **Operating cash flow for nine months to September 30, 2009 was \$72 million**
- **AG Re participates in \$300 million third-party liquidity facility for Assured Guaranty**
 - \$100 million available to AG Re

Financial Review

Summary of Invested Assets as of September 30, 2009



(\$ in millions)

Investment Category	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income
Fixed maturity securities available for sale:					
U.S. Treasury securities and obligations					
of U.S. government agencies	\$ 121.6	4.3%	4.1%	\$ 132.5	\$ 5.2
Agency obligations	274.2	4.3%	4.2%	289.3	11.8
Foreign government securities	3.9	6.9%	6.5%	4.4	0.3
Obligations of states and political subdivisions	69.9	4.9%	4.7%	74.2	3.4
Insured obligations of state and political subdivisions	27.2	4.5%	4.2%	27.5	1.2
Corporate securities	274.8	4.4%	4.3%	284.6	12.1
Mortgage-backed securities:					
Pass-thrus	971.9	5.4%	5.3%	985.0	52.7
PACs	19.2	4.8%	4.7%	19.5	0.9
Asset-backed securities	68.7	5.1%	5.1%	54.0	3.5
Total fixed maturity securities available for sale	\$ 1,831.4	5.0%	4.8%	\$ 1,871.0	\$ 91.1
Short-term investments	210.6	0.2%	0.2%	210.6	0.4
Total investments	\$ 2,042.0	4.5%	4.3%	\$ 2,081.6	\$ 91.5

Financial Review

Investment Portfolio Rating¹ Distribution



Investment Portfolio	9/30/2009		12/31/2008	
	Fair Value (\$ in millions)	%	Fair Value (\$ in millions)	%
Ratings¹ Quality Distribution:				
Treasury and government obligations	\$ 132.5	7.1%	\$ 145.3	8.8%
Agency obligations	289.3	15.5%	257.3	15.7%
AAA/Aaa	1,080.9	57.8%	988.5	60.2%
AA/Aa	155.1	8.3%	95.8	5.8%
A/A	153.8	8.2%	149.8	9.1%
BBB	11.4	0.6%	5.3	0.3%
Below Investment Grade	48.0	2.6%	0.8	0.0%
Total	\$ 1,871.0	100.0%	\$ 1,642.8	100.0%
Average Ratings ¹	AA+/Aa1		AAA/Aaa	
Duration of investment portfolio (in years):	3.2		3.3	

Financial Review

Investment Portfolio Guidelines



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

Appendix



AG Re

Top 25 Public Finance Exposures

as of September 30, 2009



\$ in millions

Credit Name	Internal Rating ¹	Sector	Net Par Outstanding
New Jersey (State of)	AA-	State GO & Lease	\$ 1,318.0
New York City, New York	AA-	City & Town General Obligation	1,204.7
California (State of)	A	State General Obligation & Lease	1,172.4
Massachusetts (Commonwealth of)	AA	State General Obligation & Lease	1,095.1
New York State	AA-	State General Obligation & Lease	1,065.7
Washington (State of)	AA	State General Obligation & Lease	909.5
Los Angeles Unified School District	AA	Sch Dist GO-Elem & Secondary-Bonds	835.0
Wisconsin (State of)	AA-	State General Obligation & Lease	832.9
Port Authority Of New York And New Jersey	AA-	Airport-Revenue Secured	739.0
Puerto Rico	BBB-	State General Obligation & Lease	735.2
Chicago, Illinois	A+	City & Town General Obligation-Bond	656.6
District Of Columbia	A+	City & Town General Obligation-Bond	643.1
Long Island Power Authority	A-	Gas & Electric-Revenue Secured	636.0
MTA Transportation Authority	A	Mass Transit Fare Box	623.3
Florida (State of)	AA+	State General Obligation & Lease	618.6
New York State Thruway Highway Trust Fund	AA-	Gas & Motor Vehicle Reg Tax (State)	607.1
Miami International Airport Miami-Dade County	A+	Airport-Revenue Secured	576.0
Philadelphia, Pa	BBB	City Lease Obligation	568.1
Hawaii (State Of)	AA	State General Obligation-Bond	532.5
Michigan (State of)	A+	State Lease Obligation	523.9
New York City Municipal Water Finance Authority	AA+	Water/Sewer/Water & Sewer-Revenue Secured	489.4
Ma (Commonwealth of) State Sales Tax	AA	Sales Tax Supported Debt (State)	476.7
California Department of Water	A-	Gas & Electric-Revenue Secured	460.7
Pennsylvania Turnpike Commission	A+	Toll Road-5 Years Operating History	460.2
United Utilities Water Plc	A	Water Utility - UK	452.7

1. Based on Assured Guaranty's internal ratings. Please see page 20, footnote 1, for more information.

AG Re

Top 25 Structured Finance Exposures as of September 30, 2009



\$ in millions

Credit Name	Internal Rating ¹	Sector	Net Par Outstanding
LIICA Holdings, Llc	AA	Insurance Securitization	\$ 405.0
Shenandoah Trust Capital I Term Securities	A+	Insurance Securitization	394.0
Ballantyne Re Plc Class A-2 Floating Rate Notes	BIG	Insurance Securitization	370.0
Deutsche Alt-A Securities Mortgage Loan 2007-2	CCC	Alt-A First Lien	364.4
Paragon Mortgages (No.13) Plc	AAA	International MBS - Prime	348.2
PB Domicile 2006-1	AAA	International MBS - Prime	331.1
Taberna Europe Cdo li Plc	BBB-	Trust Preferred - REIT & Mortgage	305.4
Hertz Vehicle Financing, Llc Series 2005-2 & 3	BBB	Auto Fleet Financing	289.5
Discover Card Master Trust I Series 2005-A	AAA	Credit Card Receivable - Prime	280.0
Orkney Re II, Plc Series A-2 Floating Rate Notes	BIG	Insurance Securitization	274.4
Harbourmaster Clo I B.V.	AAA	CLO - Investment Grade Cash Flow	262.9
Db Master Finance Llc, Series 2006-1 Class A-2	BBB-	Whole Business Securitization	234.1
Spirit Issuer Plc Class A1 Debenture Bonds	BBB	Whole Business Securitization	233.9
Applebees Enterprises Llc Project Antelope	BBB-	Whole Business Securitization	232.7
Sandelman Finance 2006-1 Limited Class A-1-A	AA	CLO - High Yield Cash Flow	225.0
Timberlake Financial, Llc Floating Insured Notes	A	Insurance Securitization	221.0
Telereal Securitisation Plc (British Telecom) A1	BBB+	CMBS/Commercial Real Estate	220.8
Jupiter Securitization Company	AAA	Program-wide credit enhancement	213.8
ACS 2007-1 Pass Through Trust	A	Aircraft Leases	203.1
Genesis Funding Limited	A-	Misc. Other Asset Backed - Contractual	200.0
Prudential Closed Block Reinsurance Treaty	A+	Insurance Securitization	200.0
Project Blossom	BBB+	Whole Business Securitization	200.0
Spirit Master Funding, Llc 2005-1	A-	CMBS/Commercial Real Estate	188.0
Ford Credit Floorplan Master Owner Trust 2006-6	A	Prime Autos (US)	187.5
International Aaa Cash Flow Clo	AAA	CDOs - Market Value	179.0

1. Based on Assured Guaranty's internal ratings. Please see page 20, footnote 1, for more information.

Non-GAAP Financial Measures



- **PVP, or present value of new business production:** PVP is a non-GAAP financial measure defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, on insurance and credit derivative contracts written in the current period, discounted at 6% for September 30, 2009 and 6% for December 31, 2008. Management believes that PVP is a useful measure for management, investors and analysts because it permits the evaluation of the value of new business production for Assured Guaranty by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period, whether in insurance or credit derivative contract form, which GAAP gross premiums written and 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. For purposes of the PVP calculation, management discounts estimated future installment premiums on insurance contracts at the approximate taxable equivalent yield per year on the Company’s general investment portfolio, while under ASC 944-20, “Financial Services – Insurance,” these amounts are discounted at a risk free rate. Additionally, under ASC 944-20 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 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, prepayments, amortizations, refundings, contract terminations or defaults that may or may not result from changes in market interest rates, foreign exchange rates, refinancing or refundings, prepayment speeds, policy changes or terminations, credit defaults or other factors that management cannot control or predict. PVP should not be viewed as a substitute for gross written premiums determined in accordance with GAAP.

AG Re Contacts:

Kevin Pearson
President
Direct: 441 279 5710
kpearson@assuredguaranty.bm

Gary Burnet
Managing Director
Chief Credit Officer
Direct: 441 279 5712
gburnet@assuredguaranty.bm

Assured Guaranty Ltd. Contacts:

Sabra Purtill
Managing Director
Investor Relations
Direct: 212 408 6040
spurtill@assuredguaranty.com

**Assured Guaranty Re Ltd.
Third Quarter 2009**

