



JUNE 30, 2011 (amended)

**ASSURED
GUARANTY**[®]
FAMILY OF COMPANIES

Financial Supplement

Assured Guaranty Corp.





**Assured Guaranty Corp.
June 30, 2011
Financial Supplement
(amended)**

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This supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. (together with its subsidiaries, "Assured Guaranty") with the Securities and Exchange Commission ("SEC"), including Assured Guaranty's Annual Report on Form 10-K for the year ended December 31, 2010, as amended, and its Quarterly Reports on Form 10-Q for the periods ended March 31, 2011 and June 30, 2011, each as amended. For the purposes of this financial supplement, all references to the "Company" shall mean Assured Guaranty Corp. ("AGC") and its consolidated entities.

The financial results under accounting principles generally accepted in the United States of America ("GAAP") and non-GAAP financial measures contained in this Financial Supplement reflect the Company's restatement of its previously issued 2010 and 2009 financial statements to correct the elimination of intercompany activity between AGC and its consolidated financial guaranty variable interest entities and other immaterial errors.

Some amounts in this Financial Supplement may not add due to rounding.

Cautionary Statement Regarding Forward-Looking Statements:

Any forward-looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include (1) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of Assured Guaranty or any of its subsidiaries and/or of transactions that Assured Guaranty's subsidiaries have insured, all of which have occurred in the past; (2) 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; (3) changes in the world's credit markets, segments thereof or general economic conditions; (4) more severe or frequent losses implicating the adequacy of Assured Guaranty's expected loss estimates; (5) the impact of market volatility on the mark-to-market of Assured Guaranty's contracts written in credit default swap form; (6) reduction in the amount of insurance or reinsurance opportunities available to Assured Guaranty; (7) deterioration in the financial condition of our reinsurers, the amount and timing of reinsurance recoverables actually received and the risk that reinsurers may dispute amounts owed to us under our reinsurance agreements; (8) the possibility that Assured Guaranty will not realize insurance loss recoveries or damages expensed from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions; (9) increased competition; (10) changes in applicable accounting policies or practices; (11) changes in applicable laws or regulations, including insurance and tax laws; (12) other governmental actions; (13) difficulties with the execution of Assured Guaranty's business strategy; (14) contract cancellations; (15) Assured Guaranty's dependence on customers; (16) loss of key personnel; (17) adverse technological developments; (18) the effects of mergers, acquisitions and divestitures; (19) natural or man-made catastrophes; (20) other risks and uncertainties that have not been identified at this time; (21) management's response to these factors; and (22) other risk factors identified in Assured Guaranty's filings with the SEC. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the dates on which they are made. Assured Guaranty undertakes no obligation 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.

Assured Guaranty Corp.

Selected Financial Highlights

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Operating income reconciliation:				
Operating income (loss)	\$ 8.4	\$ 30.2	\$ 40.3	\$ (6.9)
Plus after-tax adjustments:				
Realized gains (losses) on investments	1.0	(0.3)	1.0	1.6
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(46.8)	6.4	(192.2)	166.7
Fair value gains (losses) on committed capital securities	0.2	3.8	0.4	4.7
Foreign exchange gains (losses) on revaluation of premiums receivable	0.5	(1.6)	1.0	(3.3)
Effect of consolidating financial guaranty variable interest entities ("VIEs")	(46.2)	(5.8)	(38.8)	1.6
Net income (loss)	\$ (82.9)	\$ 32.7	\$ (188.3)	\$ 164.4
Return on equity ("ROE") calculations ¹:				
ROE, excluding unrealized gain (loss) on investment portfolio	(36.7)%	10.2%	(39.3)%	26.5%
Operating ROE	2.3%	7.9%	5.4%	(0.9)%
New Business:				
Gross par written	\$ 869	\$ 2,372	\$ 967	\$ 4,631
Present value of new business production ("PVP") ²	\$ 6.5	\$ 14.8	\$ 7.6	\$ 39.6
As of				
	June 30, 2011	December 31, 2010		
Reconciliation of shareholder's equity to adjusted book value:				
Shareholder's equity	\$ 906.6	\$ 1,070.7		
Less after-tax adjustments:				
Effect of consolidating financial guaranty VIEs	(72.7)	(35.2)		
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(575.6)	(383.3)		
Fair value gains (losses) on committed capital securities	7.6	7.2		
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	45.5	13.5		
Operating shareholder's equity	\$ 1,501.8	\$ 1,468.5		
After-tax adjustments				
Less: Deferred acquisition costs	39.7	37.6		
Plus: Net present value of estimated net future credit derivative revenue	168.5	199.4		
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	551.6	595.6		
Adjusted book value	\$ 2,182.2	\$ 2,225.9		
Other Information				
Net debt service outstanding	\$ 161,520	\$ 171,047		
Net par outstanding	110,705	118,908		
Claims-paying resources ³	3,601	3,621		

1. Quarterly ROE calculations represent annualized returns.

2. Please refer to the explanation within the Non-GAAP Financial Measures.

3. See page 6 for additional detail on claims paying resources.

Assured Guaranty Corp.

Consolidated Statements of Operations (unaudited)

(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Net earned premiums	\$ 24.6	\$ 25.5	\$ 53.3	\$ 54.6
Net investment income	24.6	23.8	49.1	43.4
Net realized investment gains (losses)	0.1	(0.4)	0.1	2.4
Net change in fair value of credit derivatives:				
Realized gains and other settlements	(18.7)	23.9	(8.3)	17.2
Net unrealized gains (losses)	(54.5)	7.2	(289.8)	216.7
Net change in fair value of credit derivatives	(73.2)	31.1	(298.1)	233.9
Fair value gains (losses) on committed capital securities	0.3	5.9	0.6	7.3
Net change in fair value financial guaranty VIEs	(68.8)	(8.8)	(59.3)	3.1
Other income	1.1	(2.9)	2.4	(5.1)
Total revenues	(91.3)	74.2	(251.9)	339.6
Expenses:				
Loss and loss adjustment expenses	18.2	3.6	(0.2)	35.5
Amortization of deferred acquisition costs	4.5	1.6	8.3	5.7
Interest expense	3.7	3.7	7.5	7.5
Other operating expenses	16.2	19.1	33.8	46.7
Total expenses	42.6	28.0	49.4	95.4
Income (loss) before income taxes	(133.9)	46.2	(301.3)	244.2
Provision (benefit) for income taxes	(51.0)	13.5	(113.0)	79.8
Net income (loss)	\$ (82.9)	\$ 32.7	\$ (188.3)	\$ 164.4
Less after-tax adjustments:				
Realized gains (losses) on investments	1.0	(0.3)	1.0	1.6
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(46.8)	6.4	(192.2)	166.7
Fair value gains (losses) on committed capital securities	0.2	3.8	0.4	4.7
Foreign exchange gains (losses) on revaluation of premiums receivable	0.5	(1.6)	1.0	(3.3)
Effect of consolidating financial guaranty VIEs	(46.2)	(5.8)	(38.8)	1.6
Operating income (loss)	\$ 8.4	\$ 30.2	\$ 40.3	\$ (6.9)
Effect of refundings and accelerations, net				
Earned premiums from refundings and accelerations, net	\$ 4.2	\$ 1.4	\$ 11.0	\$ 3.5
Operating income effect	2.2	0.6	6.4	1.8

Note: Please refer to the explanation within the Non-GAAP Financial Measures.

Assured Guaranty Corp.

Net Income (Loss) Reconciliation to Operating Income

(in millions)

	Three Months Ended June 30, 2011			Three Months Ended June 30, 2010		
	GAAP Income Statement As Reported	Less: Operating Income Adjustments	Non-GAAP Operating Income Results	GAAP Income Statement As Reported	Less: Operating Income Adjustments	Non-GAAP Operating Income Results
Revenues:						
Net earned premiums	\$ 24.6	\$ (0.4) ⁽¹⁾	\$ 25.0	\$ 25.5	\$ (0.3) ⁽¹⁾	\$ 25.8
Net investment income	24.6	(0.4) ⁽¹⁾	25.0	23.8	-	23.8
Net realized investment gains (losses)	0.1	0.1 ⁽²⁾	-	(0.4)	(0.4) ⁽²⁾	-
Net change in fair value of credit derivatives:						
Realized gains and other settlements	(18.7)	(18.7)	-	23.9	23.9	-
Net unrealized gains (losses)	(54.5)	(54.5)	-	7.2	7.2	-
Credit derivative revenues	-	(18.8)	18.8	-	(20.9)	20.9
Net change in fair value of credit derivatives	(73.2)	(92.0) ⁽³⁾	18.8	31.1	10.2 ⁽³⁾	20.9
Fair value gain (loss) on committed capital securities	0.3	0.3 ⁽⁴⁾	-	5.9	5.9 ⁽⁴⁾	-
Net change in financial guaranty VIEs	(68.8)	(68.8) ⁽¹⁾	-	(8.8)	(8.8) ⁽¹⁾	-
Other income	1.1	19.6 ⁽⁵⁾	(18.5)	(2.9)	(2.5) ⁽⁵⁾	(0.4)
Total revenues	(91.3)	(141.6)	50.3	74.2	4.1	70.1
Expenses:						
Loss expense:						
Financial guaranty insurance	18.2	1.5 ⁽¹⁾	16.7	3.6	(0.1) ⁽¹⁾	3.7
Credit derivatives	-	(2.6) ⁽³⁾	2.6	-	0.4 ⁽³⁾	(0.4)
Amortization of deferred acquisition costs	4.5	-	4.5	1.6	-	1.6
Interest expense	3.7	-	3.7	3.7	-	3.7
Other operating expenses	16.2	-	16.2	19.1	-	19.1
Total expenses	42.6	(1.1)	43.7	28.0	0.3	27.7
Income (loss) before income taxes	(133.9)	(140.5)	6.6	46.2	3.8	42.4
Provision (benefit) for income taxes	(51.0)	(49.2) ⁽⁶⁾	(1.8)	13.5	1.3 ⁽⁶⁾	12.2
Net income (loss)	\$ (82.9)	\$ (91.3)	\$ 8.4	\$ 32.7	\$ 2.5	\$ 30.2

1. Adjustments to eliminate the effects of consolidating financial guaranty VIEs.
2. Adjustments to eliminate realized gains (losses) on investments.
3. Adjustments to eliminate non-economic fair value gains (losses) on credit derivatives and reclassification to revenues and loss expense.
4. Adjustments to eliminate fair value gain (loss) on committed capital securities.
5. Adjustments to eliminate foreign exchange gains (losses) on revaluation of net premiums receivable, reclasses of termination fees on credit derivative contracts and net realized investment gains (losses) on trading portfolio.
6. Tax effect of the above adjustments.

Note: Please refer to the explanation within the Non-GAAP Financial Measures.

Assured Guaranty Corp.

Net Income (Loss) Reconciliation to Operating Income

(in millions)

	Six Months Ended June 30, 2011			Six Months Ended June 30, 2010		
	GAAP Income Statement As Reported	Less: Operating Income Adjustments	Non-GAAP Operating Income Results	GAAP Income Statement As Reported	Less: Operating Income Adjustments	Non-GAAP Operating Income Results
Revenues:						
Net earned premiums	\$ 53.3	\$ (0.3) ⁽¹⁾	\$ 53.6	\$ 54.6	\$ (0.7) ⁽¹⁾	\$ 55.3
Net investment income	49.1	(0.7) ⁽¹⁾	49.8	43.4	-	43.4
Net realized investment gains (losses)	0.1	0.1 ⁽²⁾	-	2.4	2.4 ⁽²⁾	-
Net change in fair value of credit derivatives:						
Realized gains and other settlements	(8.3)	(8.3)	-	17.2	17.2	-
Net unrealized gains (losses)	(289.8)	(289.8)	-	216.7	216.7	-
Credit derivative revenues	-	(42.1)	42.1	-	(41.6)	41.6
Net change in fair value of credit derivatives	(298.1)	(340.2) ⁽³⁾	42.1	233.9	192.3 ⁽³⁾	41.6
Fair value gain (loss) on committed capital securities	0.6	0.6 ⁽⁴⁾	-	7.3	7.3 ⁽⁴⁾	-
Net change in financial guaranty VIEs	(59.3)	(59.3) ⁽¹⁾	-	3.1	3.1 ⁽¹⁾	-
Other income	2.4	20.3 ⁽⁵⁾	(17.9)	(5.1)	(5.1) ⁽⁵⁾	-
Total revenues	(251.9)	(379.5)	127.6	339.6	199.3	140.3
Expenses:						
Loss expense:						
Financial guaranty insurance	(0.2)	(0.7) ⁽¹⁾	0.5	35.5	-	35.5
Credit derivatives	-	(27.1) ⁽³⁾	27.1	-	(64.2) ⁽³⁾	64.2
Amortization of deferred acquisition costs	8.3	-	8.3	5.7	-	5.7
Interest expense	7.5	-	7.5	7.5	-	7.5
Other operating expenses	33.8	-	33.8	46.7	-	46.7
Total expenses	49.4	(27.8)	77.2	95.4	(64.2)	159.6
Income (loss) before income taxes	(301.3)	(351.7)	50.4	244.2	263.5	(19.3)
Provision (benefit) for income taxes	(113.0)	(123.1) ⁽⁶⁾	10.1	79.8	92.2 ⁽⁶⁾	(12.4)
Net income (loss)	\$ (188.3)	\$ (228.6)	\$ 40.3	\$ 164.4	\$ 171.3	\$ (6.9)

1. Adjustments to eliminate the effects of consolidating financial guaranty VIEs.
2. Adjustments to eliminate realized gains (losses) on investments.
3. Adjustments to eliminate non-economic fair value gains (losses) on credit derivatives and reclassification to revenues and loss expense.
4. Adjustments to eliminate fair value gain (loss) on committed capital securities.
5. Adjustments to eliminate foreign exchange gains (losses) on revaluation of net premiums receivable, reclasses of termination fees on credit derivative contracts and net realized investment gains (losses) on trading portfolio.
6. Tax effect of the above adjustments.

Note: Please refer to the explanation within the Non-GAAP Financial Measures.

Assured Guaranty Corp.

Consolidated Balance Sheets (unaudited)

(in millions)

	As of	
	June 30, 2011	December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 2,624.6	\$ 2,476.2
Short-term investments, at fair value	207.1	235.7
Other invested assets	12.5	12.5
Total investment portfolio	2,844.2	2,724.4
Cash	74.0	17.8
Premiums receivable, net of ceding commissions payable	217.3	269.6
Ceded unearned premium reserve	359.2	388.6
Deferred acquisition costs	61.0	57.9
Reinsurance recoverable on unpaid losses	86.8	68.1
Salvage and subrogation recoverable	28.2	184.0
Credit derivative assets	413.8	399.5
Deferred tax asset, net	415.7	344.4
Current income tax receivable	34.2	38.3
Financial guaranty VIE assets, at fair value	927.4	966.0
Other assets	85.4	74.6
Total assets	\$ 5,547.2	\$ 5,533.2
Liabilities and shareholder's equity:		
Liabilities:		
Unearned premium reserve	\$ 1,217.9	\$ 1,323.1
Loss and loss adjustment expense reserve	266.2	231.1
Reinsurance balances payable, net	76.1	121.6
Note payable to affiliate	300.0	300.0
Credit derivative liabilities	1,670.3	1,357.7
Financial guaranty VIE liabilities with recourse, at fair value	555.9	519.9
Financial guaranty VIE liabilities without recourse, at fair value	434.2	495.7
Other liabilities	120.0	113.4
Total liabilities	4,640.6	4,462.5
Shareholder's equity:		
Preferred stock	-	-
Common stock	15.0	15.0
Additional paid-in capital	1,037.1	1,037.1
Retained earnings (deficit)	(186.5)	11.8
Accumulated other comprehensive income	41.0	6.8
Total shareholder's equity	906.6	1,070.7
Total liabilities and shareholder's equity	\$ 5,547.2	\$ 5,533.2

Assured Guaranty Corp.

Claims Paying Resources

(dollars in millions)

	As of	
	June 30, 2011	December 31, 2010
Claims paying resources		
Policyholders' surplus	\$ 1,066	\$ 854
Contingency reserve	574	703
Qualified statutory capital	1,640	1,557
Unearned premium reserve	848	877
Loss and loss adjustment expense reserve ^{1,2}	482	448
Total policyholders' surplus and reserves	2,970	2,882
Present value of installment premium ²	431	539
Standby line of credit/stop loss	200	200
Total claims paying resources	\$ 3,601	\$ 3,621
Net par outstanding ³	\$ 110,653	\$ 118,898
Net debt service outstanding ³	161,460	171,037
Ratios:		
Net par outstanding to qualified statutory capital	67:1	76:1
Capital ratio ⁴	98:1	110:1
Financial resources ratio ⁵	45:1	47:1

1. Reserves as of June 30, 2011 and December 31, 2010 are reduced by approximately \$0.3 billion for the benefit related to representation and warranty recoverables.
2. Includes financial guaranty insurance and credit derivatives.
3. 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., an issuer has legally discharged its obligations with respect to a municipal security by satisfying conditions set forth in defeasance provisions contained in transaction documents and is no longer responsible for the payment of debt service with respect to such obligations) and when such issue is economically defeased (i.e., transaction documents for a municipal security do not contain defeasance provisions but the issuer establishes an escrow account with U.S. government securities in amounts sufficient to pay the refunded bonds when due; the refunded bonds are not considered paid and continue to be outstanding under the transaction documents and the issuer remains responsible to pay debt service when due to the extent monies on deposit in the escrow account are insufficient for such purpose).
4. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
5. The financial resources ratio is calculated by dividing net debt service outstanding by total claims paying resources.

Assured Guaranty Corp.

New Business Production

(in millions)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Consolidated new business production analysis:				
PVP				
Public finance - U.S.				
Primary markets	\$ 0.9	\$ 8.2	\$ 1.5	\$ 20.3
Secondary markets	0.3	0.7	0.8	9.4
Public finance - non-U.S.				
Primary markets	-	-	-	-
Secondary markets	-	0.7	-	0.7
Structured finance - U.S.	5.3	5.2	5.3	9.2
Structured finance - non-U.S.	-	-	-	-
Total PVP	\$ 6.5	\$ 14.8	\$ 7.6	\$ 39.6
Total PVP	\$ 6.5	\$ 14.8	\$ 7.6	\$ 39.6
Less: PVP of credit derivatives	-	-	-	-
PVP of financial guaranty insurance	6.5	14.8	7.6	39.6
Less: financial guaranty installment premium PVP	4.1	5.7	4.2	9.7
Total: financial guaranty upfront gross written premiums	2.4	9.1	3.4	29.9
Plus: financial guaranty installment adjustment ¹	(16.2)	15.9	(36.0)	22.2
Total gross written premiums	\$ (13.8)	\$ 25.0	\$ (32.6)	\$ 52.1
Consolidated financial guaranty gross par written:				
Public finance - U.S.				
Primary markets	\$ 128	\$ 913	\$ 205	\$ 1,944
Secondary markets	16	25	37	253
Public finance - non-U.S.				
Primary markets	-	-	-	-
Secondary markets	-	34	-	34
Structured finance - U.S.	725	1,400	725	2,400
Structured finance - non-U.S.	-	-	-	-
Total	\$ 869	\$ 2,372	\$ 967	\$ 4,631

1. Represents present value of new business on installment policies plus gross written premiums adjustment on existing installment deals due to changes in assumptions and any cancellations of assumed reinsurance contracts.

Note: Please refer to the explanation within the Non-GAAP Financial Measures.

Assured Guaranty Corp.

Financial Guaranty Gross Par Written

(in millions)

Financial Guaranty Gross Par Written by Asset Type

	Three Months Ended June 30, 2011		Six Months Ended June 30, 2011	
	Gross Par Written	Avg. Internal Rating	Gross Par Written	Avg. Internal Rating
Sector:				
U.S. public finance				
General obligation	\$ 117	A	\$ 178	A
Municipal utilities	12	A	27	A-
Tax backed	12	A-	22	A
Transportation	3	A	15	A
Total U.S. public finance	<u>144</u>	A	<u>242</u>	A
Non-U.S. public finance:				
Total non-U.S. public finance	-	-	-	-
Total public finance	<u>\$ 144</u>	A	<u>\$ 242</u>	A
U.S. structured finance				
Consumer receivables	\$ 700	Super Senior	\$ 700	Super Senior
Other structured finance	25	A-	25	A-
Total U.S. structured finance	<u>725</u>	AAA	<u>725</u>	AAA
Non-U.S. structured finance:				
Total non-U.S. structured finance	-	-	-	-
Total structured finance	<u>\$ 725</u>	AAA	<u>\$ 725</u>	AAA
Total gross par written	<u>\$ 869</u>	AAA	<u>\$ 967</u>	AAA

Note: Please refer to the Glossary for a description of internal ratings and sectors.

Assured Guaranty Corp.

Available-for-Sale Investment Portfolio and Cash

As of June 30, 2011

(dollars in millions)

	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income ¹
Investment portfolio, available-for-sale:					
Fixed maturity securities:					
U.S. Treasury securities and obligations					
of U.S. government agencies	\$ 316.8	2.38%	1.55%	\$ 330.1	\$ 7.6
Agency obligations	160.5	2.85%	1.85%	167.8	4.6
Obligations of states and political subdivisions	1,214.2	4.06%	3.82%	1,236.2	49.3
Insured obligations of state and political subdivisions ²	342.7	4.74%	4.49%	350.3	16.3
Corporate securities	192.8	3.76%	2.44%	201.4	7.3
Mortgage-backed securities ("MBS"): ³					
Residential MBS ("RMBS") ⁴	142.3	4.73%	3.07%	145.0	6.7
Commercial MBS ("CMBS")	83.5	5.11%	3.32%	88.0	4.3
Asset-backed securities ⁵	31.4	2.70%	1.75%	30.7	0.8
Foreign government securities	83.5	3.84%	2.50%	88.7	3.2
Total fixed maturity securities	2,567.7	3.90%	3.28%	2,638.2	100.1
Short-term investments	207.1	0.12%	0.08%	207.1	0.2
Cash ⁶	74.1	-	-	74.1	-
Total	\$ 2,848.9	3.61%	3.04%	\$ 2,919.4	\$ 100.3
Less: financial guaranty VIEs	16.5	8.65%	5.62%	13.6	1.4
Total	\$ 2,832.4	3.58%	3.02%	\$ 2,905.8	\$ 98.9

Ratings ⁷:

	Fair Value	% of Portfolio
Treasury and government obligations		
of U.S. government agencies	\$ 330.1	12.4%
Agency obligations	167.8	6.4%
AAA/Aaa	653.6	24.8%
AA/Aa	1,104.2	41.9%
A/A	341.9	13.0%
BBB	0.7	0.0%
Below investment grade ("BIG") ⁸	39.9	1.5%
Total fixed maturity securities available for sale	\$ 2,638.2	100.0%
Less: financial guaranty VIEs	13.6	
Total fixed maturity securities available-for-sale	\$ 2,624.6	

Duration of available-for-sale investment portfolio (in years): 5.6

Average ratings of available-for-sale investment portfolio AA

1. Represents annualized investment income based on amortized cost and pre-tax book yields.
2. Reflects obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds, after giving effect to the lower of the rating assigned by Standard & Poor's Ratings Services ("S&P") or Moody's Investors Service, Inc. ("Moody's"), average AA-.
3. Contains no U.S. subprime RMBS.
4. Includes investments purchased for loss mitigation purposes.
5. Contains no collateralized debt obligations ("CDOs") of asset-backed securities ("ABS").
6. Represents operating cash and is not included in yield calculations.
7. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or risk management strategies which use internal ratings classifications.
8. Included in the investment portfolio are securities purchased or obtained as part of loss mitigation or other risk management strategies of \$109.0 million in par with carrying value of \$40.8 million.

Assured Guaranty Corp.

Estimated Net Exposure Amortization ¹ and Estimated Future Net Earned Premiums and Credit Derivative Revenues
(in millions)

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance ²			Future Credit Derivative Revenues ⁴	Total
			Expected PV Net Earned Premiums ³	Accretion of Discount	Future Net Earned Premiums		
2011 (as of June 30)		\$ 161,520					
2011 (July 1 - December 31)	\$ 4,475	157,045	\$ 33.9	\$ 2.8	\$ 36.7	\$ 28.6	\$ 65.3
2012	10,806	146,239	68.8	5.2	74.0	51.7	125.7
2013	10,732	135,507	63.6	4.6	68.2	43.2	111.4
2014	13,615	121,892	57.9	4.2	62.1	31.1	93.2
2015	11,641	110,251	54.0	3.8	57.8	22.4	80.2
2011-2015	51,269	110,251	278.2	20.6	298.8	177.0	475.8
2016-2020	34,623	75,628	216.8	14.3	231.1	65.3	296.4
2021-2025	27,365	48,263	152.5	8.9	161.4	38.1	199.5
2026-2030	18,635	29,628	103.1	5.4	108.5	27.5	136.0
After 2030	29,628	-	108.1	2.9	111.0	26.8	137.8
Total	\$ 161,520		\$ 858.7	\$ 52.1	\$ 910.8	\$ 334.7	\$ 1,245.5

1. Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of June 30, 2011. Actual amortization may differ 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.
2. See page 11 for "Present Value of Financial Guaranty Insurance Net Expected Loss to be Expensed."
3. Excludes \$11.9 million in expected present value of net earned premiums related to VIEs.
4. Excludes contracts with credit impairment.

Assured Guaranty Corp.

Present Value ("PV") of Financial Guaranty Insurance Net Expected Loss to be Expensed
As of June 30, 2011
(in millions)

	Net Expected Loss to be Expensed ¹	
	Operating ²	GAAP ²
2011 (July 1 - September 30)	\$ 0.7	\$ 0.6
2011 (October 1 - December 31)	0.7	0.6
2012	2.8	2.4
2013	2.8	2.4
2014	2.3	2.0
2015	2.0	1.8
2011-2015	11.3	9.8
2016-2020	5.3	4.4
2021-2025	2.4	2.1
2026-2030	1.6	1.5
After 2030	1.4	1.3
Total expected PV of net expected loss to be expensed	22.0	19.1
Discount	98.0	80.9
Total future value	\$ 120.0	\$ 100.0

1. The expected present value of net loss to be expensed is discounted using weighted-average risk free rates ranging from 0% to 5.0%.
2. Operating income includes net expected loss to be expensed on consolidated VIEs. Losses on consolidated VIEs are eliminated for GAAP.

Assured Guaranty Corp.

Financial Guaranty Profile (1 of 3)

(in millions)

Net Par Outstanding and Average Rating by Asset Type

	June 30, 2011		December 31, 2010	
	Net Par Outstanding	Avg. Internal Rating	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:				
General obligation	\$ 24,588	A	\$ 25,281	A
Tax backed	11,416	A	11,791	A
Municipal utilities	8,811	A-	9,002	A
Transportation	6,323	A	6,538	A
Healthcare	4,829	A	5,035	A
Higher education	3,388	A	3,447	A
Infrastructure finance	966	BBB	962	BBB
Investor-owned utilities	506	A-	577	A-
Housing	205	AA-	246	AA-
Other public finance	1,628	A	1,701	A
Total U.S. public finance	62,660	A	64,580	A
Non-U.S. public finance:				
Pooled infrastructure	1,935	AA	1,849	AA
Infrastructure finance	1,244	BBB	1,192	BBB
Regulated utilities	1,064	BBB+	1,070	A-
Other public finance	92	AA-	92	AA-
Total non-U.S. public finance	4,335	A	4,203	A
Total public finance	\$ 66,995	A	\$ 68,783	A
U.S. structured finance:				
Pooled corporate obligations	\$ 18,142	AA	\$ 20,871	AA+
RMBS	9,074	BB+	9,710	BB+
CMBS and other commercial real estate related exposures	3,711	AAA	5,467	AAA
Consumer receivables	2,160	AA	2,283	AAA
Commercial receivables	997	BBB+	1,054	BBB+
Insurance securitizations	243	A	243	A
Structured credit	230	B-	916	BBB
Other structured finance	342	A-	117	A-
Total U.S. structured finance	34,899	A+	40,661	AA-
Non-U.S. structured finance:				
Pooled corporate obligations	7,012	AAA	6,830	AAA
Commercial receivables	535	A-	560	A-
RMBS	528	AAA	1,240	AAA
Structured credit	313	BBB	364	BBB
Insurance securitizations	279	CCC-	279	CCC-
CMBS and other commercial real estate related exposures	141	AAA	188	AAA
Other structured finance	3	A	3	A
Total non-U.S. structured finance	8,811	AA+	9,464	AA+
Total structured finance	\$ 43,710	AA-	\$ 50,125	AA-
Total net par outstanding	\$ 110,705	A+	\$ 118,908	A+

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Financial Guaranty Profile (2 of 3)

As of June 30, 2011

(dollars in millions)

Distribution by Ratings of Financial Guaranty Portfolio

Ratings:	Public Finance - U.S.		Public Finance - non-U.S.		Structured Finance - U.S.		Structured Finance - non-U.S.		Consolidated	
	Net Par		Net Par		Net Par		Net Par		Net Par	
	Outstanding	%	Outstanding	%	Outstanding	%	Outstanding	%	Outstanding	%
Super senior	\$ -	0.0%	\$ 1,019	23.5%	\$ 5,750	16.5%	\$ 2,414	27.4%	\$ 9,183	8.3%
AAA	102	0.2%	6	0.1%	13,255	38.0%	3,959	44.9%	17,322	15.6%
AA	10,136	16.2%	269	6.2%	2,456	7.0%	430	4.9%	13,291	12.0%
A	41,145	65.7%	1,351	31.2%	2,450	7.0%	272	3.1%	45,218	40.8%
BBB	10,515	16.7%	1,474	34.0%	2,746	7.9%	1,182	13.4%	15,917	14.5%
BIG	762	1.2%	216	5.0%	8,242	23.6%	554	6.3%	9,774	8.8%
Total net par outstanding	\$ 62,660	100.0%	\$ 4,335	100.0%	\$ 34,899	100.0%	\$ 8,811	100.0%	\$ 110,705	100.0%

Ceded Par Outstanding by Reinsurer and Insurer Financial Strength Rating

Reinsurer	Moody's Rating ¹	S&P Rating ¹	Ceded Par Outstanding	% of Total
Affiliated companies	A1	AA	\$ 40,747	92.9%
Non-affiliated companies:				
RAM Reinsurance Co. Ltd.	WR	WR	2,750	6.3%
Radian Asset Assurance Inc.	Ba1	BB-	184	0.4%
Ambac Assurance Corporation	WR	WR	87	0.2%
MBIA Insurance Corporation	B3	B	45	0.1%
Other	Various	Various	34	0.1%
Non-affiliated companies			3,100	7.1%
Total			\$ 43,847	100.0%

1. Ratings are as of August 12, 2011

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Financial Guaranty Profile (3 of 3)

As of June 30, 2011

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

	<u>Net Par Outstanding</u>	<u>% of Total</u>
U.S.:		
Public finance:		
California	\$ 7,507	6.8%
Texas	6,506	5.9%
New York	4,741	4.3%
Pennsylvania	4,668	4.2%
Florida	4,561	4.1%
Illinois	3,479	3.1%
New Jersey	2,561	2.3%
Alabama	1,915	1.7%
Puerto Rico	1,812	1.6%
Other states	24,910	22.6%
Total U.S. public finance	<u>62,660</u>	<u>56.6%</u>
Structured finance (multiple states)	<u>34,899</u>	<u>31.5%</u>
Total U.S.	<u>97,559</u>	<u>88.1%</u>
Non-U.S.:		
United Kingdom	5,446	4.9%
Australia	1,090	1.0%
Cayman Islands	785	0.7%
Turkey	179	0.2%
Other	5,646	5.1%
Total non-U.S.	<u>13,146</u>	<u>11.9%</u>
Total net par outstanding	<u>\$ 110,705</u>	<u>100.0%</u>

Assured Guaranty Corp.
Direct Pooled Corporate Obligations Profile
As of June 30, 2011
(dollars in millions)

Distribution of Direct Pooled Corporate Obligations by Ratings

Ratings:	Net Par		Avg. Initial Credit	Avg. Current Credit
	Outstanding	% of Total	Enhancement	Enhancement
Super Senior	\$ 4,706	19.0%	40.7%	38.7%
AAA	14,714	59.3%	34.7%	32.8%
AA	975	3.9%	46.8%	43.7%
A	408	1.6%	52.8%	45.1%
BBB	1,464	5.9%	44.6%	36.2%
BIG	2,557	10.3%	46.0%	23.7%
Total exposures	\$ 24,824	100.0%	38.4%	33.8%

Distribution of Direct Pooled Corporate Obligations by Asset Class

Asset class:	Net Par		Avg. Initial Credit	Avg. Current Credit	Avg. Internal
	Outstanding	% of Total	Enhancement	Enhancement	Rating
CBOs/CLOs	\$ 16,296	65.6%	35.8%	33.8%	AAA
Market value CDOs of corporate	2,861	11.5%	40.4%	38.0%	AAA
Trust preferred ¹					
Banks and insurance	2,553	10.3%	46.6%	31.2%	BBB-
U.S. mortgage and real estate investment trusts	1,812	7.3%	50.1%	32.3%	BB
Synthetic investment grade pooled corporate	702	2.8%	30.0%	30.1%	Super Senior
Trust preferred - european mortgage and real estate investment trusts ¹	600	2.5%	37.3%	34.5%	BBB-
Total exposures	\$ 24,824	100.0%	38.4%	33.8%	AA+

1. Prior to fourth quarter 2010, the ratio of average current credit enhancement for Trust Preferred Pooled Corporate Obligations was based on the value of the collateral as reported by the trustees, which for non-performing or low-rated collateral varied by transaction in accordance with the individual transaction documents. Beginning fourth quarter 2010, Assured Guaranty has made the measure consistent across transactions, assigning a value of 100% of the par to all performing securities, applying a standard haircut for restructured performing collateral, assigning recovery assumptions for defaulted collateral by collateral type, and making additional negative adjustments for transactions where the notional amount of interest rate hedges materially exceeds the amount of performing collateral requiring hedges.

Note: Please refer to the Glossary for an explanation of internal ratings, performance indicators and sectors.

Assured Guaranty Corp.

Consolidated U.S. RMBS Profile (1 of 3)

As of June 30, 2011

(dollars in millions)

Distribution of U.S. RMBS by Rating and Type of Exposure

Ratings:	Prime First Lien	Closed End Seconds	HELOC	Alt-A First Lien	Option ARMs	Subprime First Lien	Total Net Par Outstanding
AAA	\$ 2	\$ 0	\$ 10	\$ 9	\$ -	\$ 632	\$ 653
AA	20	23	4	198	19	1,264	1,529
A	10	0	-	-	83	840	934
BBB	1	-	6	269	87	321	684
BIG	472	170	440	2,873	679	640	5,274
Total exposures	<u>\$ 505</u>	<u>\$ 194</u>	<u>\$ 460</u>	<u>\$ 3,349</u>	<u>\$ 869</u>	<u>\$ 3,697</u>	<u>\$ 9,074</u>

Distribution of U.S. RMBS by Year Insured ¹ and Type of Exposure

Year insured ¹ :	Prime First Lien	Closed End Seconds	HELOC	Alt-A First Lien	Option ARMs	Subprime First Lien	Total Net Par Outstanding
2004 and prior	\$ 33	\$ 0	\$ 24	\$ 36	\$ 35	\$ 225	\$ 354
2005	114	-	175	254	21	22	587
2006	-	-	-	-	31	2,733	2,763
2007	358	193	261	1,868	706	717	4,103
2008	-	-	-	1,191	76	-	1,267
Total exposures	<u>\$ 505</u>	<u>\$ 194</u>	<u>\$ 460</u>	<u>\$ 3,349</u>	<u>\$ 869</u>	<u>\$ 3,697</u>	<u>\$ 9,074</u>

Distribution of U.S. RMBS by Rating and Year Insured ¹

Year insured:	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ 85	\$ 77	\$ 22	\$ 121	\$ 49	\$ 354
2005	22	75	-	33	456	587
2006	539	1,242	804	79	99	2,763
2007	6	24	32	450	3,591	4,103
2008	-	111	76	-	1,080	1,267
Total exposures	<u>\$ 653</u>	<u>\$ 1,529</u>	<u>\$ 934</u>	<u>\$ 684</u>	<u>\$ 5,274</u>	<u>\$ 9,074</u>
% of total	7.2%	16.9%	10.3%	7.5%	58.1%	100.0%

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

Note: Please refer to the Glossary for a description of performance indicators and sectors.

Assured Guaranty Corp.

Consolidated U.S. RMBS Profile (2 of 3)

As of June 30, 2011

(dollars in millions)

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

U.S. Prime First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 114	44.6%	5.1%	1.0%	8.7%	6
2006	-	-	-	-	-	-
2007	358	57.1%	9.5%	3.2%	15.4%	1
2008	-	-	-	-	-	-
	<u>\$ 471</u>	<u>54.1%</u>	<u>8.4%</u>	<u>2.7%</u>	<u>13.8%</u>	<u>7</u>

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	-	-	-	-	-	-
2007	193	26.9%	-	60.3%	8.0%	5
2008	-	-	-	-	-	-
	<u>\$ 193</u>	<u>26.9%</u>	<u>-</u>	<u>60.3%</u>	<u>8.0%</u>	<u>5</u>

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 175	18.5%	0.0%	20.4%	15.6%	2
2006	-	-	-	-	-	-
2007	261	34.8%	0.0%	39.6%	8.3%	2
2008	-	-	-	-	-	-
	<u>\$ 437</u>	<u>28.2%</u>	<u>0.0%</u>	<u>31.9%</u>	<u>11.2%</u>	<u>4</u>

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 254	39.8%	11.5%	3.6%	14.7%	13
2006	-	-	-	-	-	-
2007	1,868	55.0%	7.4%	9.9%	31.8%	8
2008	1,191	51.7%	24.3%	11.0%	30.5%	5
	<u>\$ 3,313</u>	<u>52.6%</u>	<u>13.8%</u>	<u>9.8%</u>	<u>30.0%</u>	<u>26</u>

Note: Please refer to the Glossary for a description of performance indicators and sectors.

Assured Guaranty Corp.

Consolidated U.S. RMBS Profile (3 of 3)

As of June 30, 2011

(dollars in millions)

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

U.S. Option ARMs

Year insured:	Net Par		Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
	Outstanding	Pool Factor				
2005	\$ 21	21.7%	24.3%	4.4%	21.7%	1
2006	31	34.9%	6.3%	9.2%	23.9%	1
2007	706	56.1%	7.1%	10.8%	33.0%	5
2008	76	58.0%	49.3%	9.5%	37.6%	1
	<u>\$ 834</u>	<u>54.6%</u>	<u>11.4%</u>	<u>10.5%</u>	<u>32.8%</u>	<u>8</u>

U.S. Subprime First Lien

Year insured:	Net Par		Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
	Outstanding	Pool Factor				
2005	\$ 22	19.2%	86.1%	11.7%	61.5%	1
2006	2,733	23.3%	62.1%	15.1%	38.6%	2
2007	717	34.2%	25.4%	21.9%	44.2%	4
2008	-	-	-	-	-	-
	<u>\$ 3,472</u>	<u>25.6%</u>	<u>54.7%</u>	<u>16.5%</u>	<u>39.9%</u>	<u>7</u>

Note: Please refer to the Glossary for a description of performance indicators and sectors.

Assured Guaranty Corp.
 Consolidated U.S. Commercial Real Estate Profile
 As of June 30, 2011
 (dollars in millions)

Distribution of U.S. CMBS Insured January 1, 2005 or Later by Exposure Type, Internal Rating, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies

U.S. CMBS

Rating:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
Super senior	\$ 2,594	84.5%	35.6%	1.2%	7.8%	149
AAA	147	76.6%	26.4%	1.0%	10.9%	10
AA	-	-	-	-	-	-
A	162	55.0%	13.7%	1.4%	4.6%	1
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
Total exposures	\$ 2,904	82.5%	33.9%	1.2%	7.7%	160

CDOs of U.S. Commercial Real Estate and CMBS¹

	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement
CDOs of commercial real estate	\$ 557	71.1%	49.7%	51.6%
CDO of CMBS ²	226	28.9%	31.6%	59.0%
Total exposures	\$ 783	100.0%	44.5%	53.7%

1. Represents U.S. other CMBS not included in the table above.

2. Relates to vintages 2003 and prior.

Note: Please refer to the Glossary for a description of performance indicators and sectors.

Assured Guaranty Corp.

Direct U.S. Consumer Receivables Profile

As of June 30, 2011

(dollars in millions)

Distribution of Direct U.S. Consumer Receivables by Rating

Rating:	Credit Cards	Student Loans	Auto	Total Net Par Outstanding
Super senior	\$ 300	\$ -	\$ 525	\$ 825
AAA	-	333	-	333
AA	-	-	94	94
A	-	-	109	109
BBB	-	695	-	695
BIG	-	-	-	-
Total exposures	\$ 300	\$ 1,028	\$ 728	\$ 2,056
Average rating	Super Senior	A	AAA	AA
Avg. initial credit enhancement	62.2%	7.1%	47.7%	29.5%
Avg. current credit enhancement	62.2%	10.3%	51.4%	32.4%

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Credit Derivative Net Par Outstanding Profile

As of June 30, 2011

(dollars in millions)

Distribution of Credit Derivative Net Par Outstanding by Rating

Ratings:	Net Par Outstanding	% of Total
Super senior	\$ 8,359	22.7%
AAA	15,139	41.1%
AA	2,321	6.3%
A	2,612	7.1%
BBB	2,476	6.7%
BIG	5,947	16.1%
Total credit derivative net par outstanding	\$ 36,854	100.0%

Distribution of Credit Derivative Net Par Outstanding by Sector and Average Rating

	Net Par Outstanding	Average Rating
Public finance		
U.S. public finance	\$ 3	A
Non-U.S. public finance	2,955	A+
Total public finance	\$ 2,958	A+
U.S. structured finance:		
Pooled corporate obligations	\$ 15,247	AA+
RMBS	6,994	BBB-
CMBS	3,540	AAA
Commercial receivables	534	BBB+
Consumer receivables	461	AA+
Structured credit	176	CCC
Insurance securitizations	75	BBB
Other structured finance	95	AA-
Total U.S. structured finance	27,122	AA-
Non-U.S. structured finance:		
Pooled corporate obligations	6,370	AAA
RMBS	181	AAA
CMBS	141	AAA
Structured credit	52	BBB
Insurance securitizations	30	CCC
Total non-U.S. structured finance	6,774	AAA
Total structured finance	\$ 33,896	AA
Total credit derivative net par outstanding	\$ 36,854	AA

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Below Investment Grade Exposures (1 of 3)

(in millions)

BIG Exposures by Asset Type

	BIG Net Par Outstanding	
	June 30, 2011	December 31, 2010
U.S. public finance:		
Municipal utilities	\$ 229	\$ 193
Transportation	159	162
Tax backed	114	113
General obligation	105	111
Healthcare	57	98
Infrastructure finance	26	26
Higher education	12	12
Housing	1	1
Other public finance	59	84
Total U.S. public finance	<u>762</u>	<u>800</u>
Non-U.S. public finance:		
Infrastructure finance	207	201
Regulated utilities	9	-
Total non-U.S. public finance	<u>216</u>	<u>201</u>
Total public finance	<u>\$ 978</u>	<u>\$ 1,001</u>
U.S. structured finance:		
RMBS	\$ 5,274	\$ 5,111
Pooled corporate obligations	2,562	2,224
Structured credit	230	245
Consumer receivables	95	13
Commercial receivables	61	67
Other structured finance	20	20
Total U.S. structured finance	<u>8,242</u>	<u>7,680</u>
Non-U.S. structured finance:		
Insurance securitizations	279	279
Pooled corporate obligations	275	276
Total non-U.S. structured finance	<u>554</u>	<u>555</u>
Total structured finance	<u>\$ 8,796</u>	<u>\$ 8,235</u>
Total BIG net par outstanding	<u><u>\$ 9,774</u></u>	<u><u>\$ 9,236</u></u>

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Below Investment Grade Exposures (2 of 3)

(in millions)

Net Par Outstanding by BIG Category ¹

	Financial Guaranty Insurance and Credit Derivatives	
	Surveillance Categories	
	June 30, 2011	December 31, 2010
Category 1		
U.S. public finance	\$ 493	\$ 502
Non-U.S. public finance	216	200
U.S. structured finance	2,969	2,434
Non-U.S. structured finance	275	276
Total Category 1	3,953	3,412
Category 2		
U.S. public finance	48	47
Non-U.S. public finance	-	1
U.S. structured finance	3,207	3,641
Non-U.S. structured finance	-	-
Total Category 2	3,255	3,689
Category 3		
U.S. public finance	221	251
Non-U.S. public finance	-	-
U.S. structured finance	2,066	1,605
Non-U.S. structured finance	279	279
Total Category 3	2,566	2,135
BIG Total	\$ 9,774	\$ 9,236

1. Assured Guaranty's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of BIG credits. During the fourth quarter of 2010 the Company revised the definitions of the three BIG surveillance categories to more closely track Risk Management personnel's view of whether a transaction is expected to experience a loss, without regard to whether the probability weighted expected loss exceeded the unearned premium reserve. While the revisions resulted in a number of transactions moving between BIG categories, the Company estimates that the revisions had a relatively small impact on the totals in each category. BIG Category 1: Below investment grade transactions showing sufficient deterioration to make lifetime losses possible, but for which none are currently expected. Transactions on which claims have been paid but are expected to be fully reimbursed (other than investment grade transactions on which only liquidity claims have been paid) are in this category. BIG Category 2: Below investment grade transactions for which lifetime losses are expected but for which no claims (other than liquidity claims) have yet been paid. BIG Category 3: Below investment grade transactions for which lifetime losses are expected and on which claims (other than liquidity claims) have been paid. Transactions remain in this category when claims have been paid and only a recoverable remains.

Assured Guaranty Corp.

Below Investment Grade Exposures (3 of 3)

As of June 30, 2011

(dollars in millions)

BIG Exposures Greater Than \$50 Million

Name or description	Net Par Outstanding	Internal Rating	Current Credit Enhancement	60+ Day Delinquencies
U.S. public finance:				
Jefferson County Alabama Sewer	\$ 187	D	N/A	N/A
San Joaquin Hills California Transportation	160	BB	N/A	N/A
Detroit (City of) Michigan	80	BB+	N/A	N/A
Orlando Tourist Development Tax - Florida	57	BB+	N/A	N/A
Total	\$ 484			
Non-U.S. public finance:				
Reliance Rail Finance Pty. Limited	\$ 123	BB	N/A	N/A
Alte Liebe I Limited (Wind Farm)	59	BB	N/A	N/A
Total	\$ 182			
U.S. structured finance:				
U.S. RMBS:				
Deutsche ALT-A Securities Mortgage Loan 2007-2	\$ 546	CCC	0.0%	29.3%
Mortgage IT Securities Corp. Mortgage Loan 2007-2	358	B	9.5%	15.4%
Private Residential Mortgage Transaction	326	CCC	21.6%	32.3%
Deutsche ALT-A Securities Mortgage Loan 2007-3	324	B	4.9%	22.7%
Private Residential Mortgage Transaction	320	B	18.8%	30.7%
Private Residential Mortgage Transaction	318	BB	20.3%	29.4%
CWALT Alternative Loan Trust 2007-HY9	295	B	4.9%	46.4%
Private Residential Mortgage Transaction	293	CCC	11.2%	35.0%
Private Residential Mortgage Transaction	279	BB	19.8%	27.4%
AAA Trust 2007-2	263	CCC	30.1%	43.8%
Countrywide Home Equity Loan Trust 2007-D	249	CCC	0.0%	8.3%
Private Residential Mortgage Transaction	163	BB	28.5%	35.0%
Countrywide Home Equity Loan Trust 2005-J	148	CCC	0.0%	17.0%
CWALT 2007-OA10	106	CCC	10.5%	51.2%
Lehman Excess Trust 2007-16N	100	CCC	5.9%	44.6%
Taylor Bean & Whitaker 2007-2	87	CCC	0.0%	27.2%
ACE Home Equity Loan Trust 2007-SL3	78	BB	0.0%	7.8%
MASTR Asset Backed Securities Trust 2005-NC2	67	CCC	10.7%	34.4%
Total U.S. RMBS	\$ 4,320			
Other:				
Taberna Preferred Funding IV, LTD.	\$ 219	CCC	24.5%	N/A
Taberna Preferred Funding III, LTD.	215	CCC	15.4%	N/A
Alesco Preferred Funding XVI, LTD.	214	B	7.3%	N/A
Trapeza CDO XI	185	BB-	28.3%	N/A
Taberna Preferred Funding II, LTD.	176	CCC	21.6%	N/A
Weinstein Film Securitization	176	CCC	N/A	N/A
Alesco Preferred Funding XVII, LTD.	171	B	16.2%	N/A
Attentus CDO I Limited	170	BB	31.8%	N/A
Attentus CDO II Limited	142	BB	28.1%	N/A
Trapeza CDO X, LTD.	124	BB-	29.0%	N/A
Preferred Term Securities XIX, LTD.	123	BB+	32.7%	N/A
Alesco Preferred Funding VI	115	BB+	30.1%	N/A
Taberna Preferred Funding VI, LTD.	114	CCC	21.8%	N/A
US Capital Funding IV, LTD.	110	B-	17.0%	N/A
Alesco Preferred Funding V	103	BB+	34.2%	N/A
Preferred Term Securities XVI, LTD.	100	B	20.6%	N/A
Capco - Excess SIPC Excess of Loss Reinsurance	54	BB	N/A	N/A
Preferred Term Securities XVIII, LTD.	51	BB	33.9%	N/A
Total other	\$ 2,562			
Total	\$ 6,882			
Non-U.S. structured finance:				
Orkney Re II, PLC	\$ 149	CCC	N/A	N/A
Ballantyne Re PLC	130	CC	N/A	N/A
Private Pooled Corporate Transaction	82	BB	N/A	N/A
Private Pooled Corporate Transaction	77	BB	N/A	N/A
Total	\$ 438			
Total	\$ 7,986			

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (1 of 4)

As of June 30, 2011

(in millions)

50 Largest U.S Public Finance Exposures

Credit name:	<u>Net Par Outstanding</u>	<u>Internal Rating</u>
California (State of)	\$ 1,012	A-
North Texas Tollway Authority	763	A
Puerto Rico (Commonwealth of)	737	BBB-
Miami-Dade County Florida Aviation Authority - Miami International Airport	683	A+
Miami-Dade County Florida School Board	652	A-
Philadelphia (City of) Pennsylvania	631	BBB+
Georgia Board of Regents Revenue Stream	589	A
Pennsylvania Turnpike Commission	582	A+
New Jersey (State of)	507	AA-
Puerto Rico Highway and Transportation Authority	497	BBB
Houston Texas Water and Sewer Authority	482	A+
New York (City of) New York	460	AA
Dade County, Florida General Obligation	396	AA-
Michigan (State of)	360	A+
San Francisco Airports Commission	358	A
Denver (City and County of) Colorado Airport Revenue Bonds	354	A+
Chicago-O'Hare International Airport	353	A
New York (State of)	315	AA
Dormitory Authority of the State of New York School District	314	A
The Indianapolis Local Public Improvement Bond Bank, Indiana	305	A+
Metro Wash Airports Authority Dulles Toll Road	292	BBB+
New York MTA Transportation Authority	290	A
Puerto Rico Aqueduct & Sewer Authority	288	BBB-
Chicago Illinois Public Schools	271	A+
American Municipal Power-Ohio, Inc. - Prairie State	269	A
Kentucky (Commonwealth of)	263	AA-
New Jersey Higher Education Student Assistance 2008-A	248	A
Louisville Arena Authority Inc.	248	BBB-
Chicago Transit Authority Capital Grant Receipts	247	A
Dallas (City of) Texas Civic Center Convention Complex	243	A
Long Island Power Authority	241	A-
North Carolina Eastern Municipal Power Agency	236	BBB
Florida (State of) Department of Environmental Protection	222	A+
Virtua Health - New Jersey	221	A
Oakland (City of) California General Obligation	219	A
Orange County Schools, Florida	218	A+
Louisiana (State of)	216	AA-
Piedmont Municipal Power Authority - South Carolina	209	A-
Nassau County, New York	208	A
Yankee Stadium LLC (New York City Industrial Development Authority)	207	BBB-
North Carolina Turnpike Authority - Triangle Expressway	206	BBB-
District of Columbia Water and Sewer Authority Public Utility Bonds	206	A+
Massachusetts (Commonwealth of)	194	AA
Orlando Tourist Development Tax - Florida	194	A
Iowa Health System	192	A+
Port Authority of New York and New Jersey	190	AA-
Jefferson County Alabama Sewer	187	D
Matanuska-Sustina Borough, AK	180	A+
Indianapolis Gas Utility Revenue Stream	167	A
CHRISTUS Health	167	A+
Total top 50 U.S. public finance exposures	\$ 17,089	

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (2 of 4)

As of June 30, 2011

(dollars in millions)

50 Largest U.S Structured Finance Exposures

Credit name:	Net Par Outstanding	Internal Rating	Current Credit Enhancement
Deutsche ALT-A Securities Mortgage Loan 2007-2	\$ 546	CCC	0.0%
Private Consumer Receivable transaction	525	Super Senior	58.7%
ARES Enhanced Credit Opportunities Fund	506	AAA	46.2%
280 FUNDING I	495	AAA	40.4%
SLM Private Credit Student Trust 2007-A	375	BBB	15.9%
MortgageIT Securities Corp. Mortgage Loan 2007-2	358	B	9.5%
KKR Financial CLO 2007-1	341	AAA	51.4%
SLM Student Loan Trust 2007 -6	333	AAA	3.5%
Private Residential Mortgage Transaction	326	CCC	21.6%
Deutsche ALT-A Securities Mortgage Loan 2007-3	324	B	4.9%
Private Residential Mortgage Transaction	320	B	18.8%
Private Residential Mortgage Transaction	318	BB	20.3%
Symphony Credit Opportunities Fund	309	AAA	42.8%
ARES Enhanced Credit Opportunities Fund	308	AAA	46.2%
Private Consumer Receivable Transaction	300	Super Senior	62.2%
CWALT Alternative Loan Trust 2007-HY9	295	B	4.9%
Private Residential Mortgage Transaction	293	CCC	11.2%
Fortress Credit Funding III	281	AAA	50.6%
Private Residential Mortgage Transaction	279	BB	19.8%
Wasatch CLO, LTD.	273	AAA	23.2%
CDX.NA.IG.8 5-YR 30-100%	272	Super Senior	30.3%
Cent CDO XI Limited	270	AAA	22.1%
SLM Private Credit Student Loan Trust 2006-C	267	BBB	10.8%
Southfork CLO LTD. Series 2005-A1	265	AAA	30.1%
AAA Trust 2007-2	263	CCC	30.1%
Alesco Preferred Funding XIV	253	BBB-	29.1%
Countrywide Home Equity Loan Trust 2007-D	249	CCC	0.0%
Newstar Credit Opportunities Funding II LTD	231	AAA	32.6%
Blue Mountain CLO LTD. 2005-1	227	Super Senior	34.6%
Kodiak CDO II	227	AA	47.2%
CDX.NA.IG.4 7-YR 30-100%	225	Super Senior	29.7%
Kingsland IV	224	AAA	21.6%
Baker Street CLO II	224	AAA	22.5%
RAIT Preferred Funding II, LTD.	223	AAA	48.9%
Babcock & Brown Air Funding I Ltd. Series 2007-1	223	A-	N/A
Taberna Preferred Funding IV, LTD.	219	CCC	24.5%
Kingsland V	219	AAA	25.4%
Franklin CLO V Limited	219	AAA	26.7%
Foothill CLO I, LTD.	217	AAA	28.0%
Taberna Preferred Funding III, LTD.	215	CCC	15.4%
Alesco Preferred Funding XVI, LTD.	214	B	7.3%
US CLO	213	Super Senior	34.0%
Goldentree Credit Opportunities Second Financing	208	AAA	79.2%
HSAM Long/Short 2007-3	206	AAA	27.3%
CDX.NA.IG.8 7-YR 30-100%	205	Super Senior	30.3%
CRATOS CLO I	201	AAA	33.2%
Private Other Structured Finance Transaction	199	A-	N/A
MAC Capital, LTD	193	AAA	38.6%
AVIS Budget Rental Car Securitization	188	BBB+	N/A
Emporia Preferred Funding I, LTD	185	AAA	31.3%
Total top 50 U.S. structured finance exposures	\$ 13,849		

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (3 of 4)

As of June 30, 2011

(in millions)

25 Largest Non-U.S. Exposures

Credit name:	Net Par Outstanding	Internal Rating
Essential Public Infrastructure Capital II	\$ 796	Super Senior
Fortress Credit Investments I	785	AAA
Global Senior Loan Index Fund 1 B.V.	476	Super Senior
Windmill CLO I PLC	447	Super Senior
Harvest CLO III	369	AAA
Broadcast Australia Finance	364	BBB
RMF Euro CDO V PLC	345	AAA
Paragon Mortgages (No.13) PLC	344	AAA
Taberna Europe CDO I PLC	314	BBB-
International Infrastructure Pool	305	A-
International Infrastructure Pool	305	A-
International Infrastructure Pool	305	A-
Neptuno CLO I B.V.	305	AAA
Halcyon Structured Management Europe CLO 2007-I	292	Super Senior
Wood Street CLO V B.V.	289	Super Senior
Taberna Europe CDO II PLC	285	BBB-
Highlander Euro CDO	277	Super Senior
Alpstar CLO 2 PLC	273	Super Senior
Airspeed Limited Series 2007-1 Class G-1	268	BBB+
North Westerly CLO III B.V.	247	AAA
Dalradian European CLO IV B.V.	242	AAA
Stichting Profile Securitisation I	223	Super Senior
RMF Euro CDO IV PLC	218	AAA
Dalradian European CLO II B.V.	206	AA
Harbourmaster CLO 10 B.V.	203	AAA
Total top 25 largest non-U.S. exposures	\$ 8,483	

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Largest Exposures by Sector (4 of 4)

As of June 30, 2011

(in millions)

10 Largest U.S. Residential Mortgage Servicers Exposures

Servicer:	Net Par Outstanding
Bank of America, N.A. ¹	\$ 2,139
Wells Fargo Bank N.A.	1,475
GMAC Mortgage, LLC.	1,166
JPMorgan Chase Bank	998
American Home Mortgage Servicing, Inc.	857
Ocwen Loan Servicing, LLC.	325
Carrington Mortgage Services, LLC.	256
National City Home Loan Services, Inc.	233
Wilshire Credit Corporation	225
OneWest Bank Group LLC	192
Total top 10 U.S. residential mortgage servicers exposures	\$ 7,866

10 Largest U.S. Healthcare Exposures

Credit name:	Net Par Outstanding	Internal Rating	State
Virtua Health - New Jersey	\$ 221	A	NJ
Iowa Health System	192	A+	IA
CHRISTUS Health	167	A+	TX
Children's Hospital - Alabama	162	A+	AL
Integris Health, Inc.	162	AA-	OK
Fairview Health Services	157	A	MN
Spartanburg Regional Medical Center	140	A	SC
Meridian Health System	135	A-	NJ
Methodist Healthcare, TN	135	A	TN
LifeBridge Health, Inc.	129	A	MD
Total top 10 U.S. healthcare exposures	\$ 1,600		

1. Includes Countrywide Home Loans Servicing LP.

Note: Please refer to the Glossary for an explanation of net par outstanding, internal ratings and sectors.

Assured Guaranty Corp.

Rollforward of Net Expected Loss and Loss Adjustment Expenses ("LAE") to be Paid
(in millions)

Rollforward of Net Expected Loss and LAE to be Paid for the Three Months Ended June 30, 2011

Financial Guaranty Insurance Contracts and Credit Derivatives	Expected Loss to be Paid as of March 31, 2011	Economic Loss Development During 2Q-11 ¹	(Paid) Recovered Losses During 2Q-11	Expected Loss to be Paid as of June 30, 2011
U.S. RMBS				
First lien:				
Prime first lien	\$ 0.3	\$ 1.1	\$ -	\$ 1.4
Alt-A first lien	197.2	-	(4.4)	192.8
Option ARMs	97.4	12.6	(11.6)	98.4
Subprime first lien	132.2	(10.5)	(2.5)	119.2
Total first lien	427.1	3.2	(18.5)	411.8
Second lien:				
Closed end seconds	(33.0)	(4.2)	(7.0)	(44.2)
HELOC	(112.1)	6.7	121.9	16.5
Total second lien	(145.1)	2.5	114.9	(27.7)
Total U.S. RMBS	282.0	5.7	96.4	384.1
TruPS	66.8	(2.5)	(1.8)	62.5
Other structured finance	72.0	5.1	(0.2)	76.9
Public finance	38.5	(3.1)	(0.1)	35.3
Total	\$ 459.3	\$ 5.2	\$ 94.3	\$ 558.8

Rollforward of Net Expected Loss and LAE to be Paid for the Six Months Ended June 30, 2011

Financial Guaranty Insurance Contracts and Credit Derivatives	Expected Loss to be Paid as of December 31, 2010	Economic Loss Development During 2011 ¹	(Paid) Recovered Losses During 2011	Expected Loss to be Paid as of June 30, 2011
U.S. RMBS				
First lien:				
Prime first lien	\$ 0.8	\$ 0.6	\$ -	\$ 1.4
Alt-A first lien	195.3	2.3	(4.8)	192.8
Alt-A option ARMs	139.0	(18.0)	(22.6)	98.4
Subprime first lien	99.9	22.9	(3.6)	119.2
Total first lien	435.0	7.8	(31.0)	411.8
Second lien:				
Closed end seconds	(6.3)	(14.3)	(23.6)	(44.2)
HELOC	(118.3)	26.3	108.5	16.5
Total second lien	(124.6)	12.0	84.9	(27.7)
Total U.S. RMBS	310.4	19.8	53.9	384.1
TruPS	67.8	(2.4)	(2.9)	62.5
Other structured finance	67.1	10.3	(0.5)	76.9
Public finance	47.3	(11.8)	(0.2)	35.3
Total	\$ 492.6	\$ 15.9	\$ 50.3	\$ 558.8

1. Includes the effect of changes in the Company's estimate of future recovery on representations and warranties ("R&W").

Assured Guaranty Corp.

Financial Guaranty Insurance and Credit Derivatives U.S. RMBS R&W Benefit Development
(dollars in millions)

Financial Guaranty Insurance and Credit Derivatives U.S. RMBS R&W Benefit Development for the Three Months Ended June 30, 2011

	Future Net R&W Benefit at March 31, 2011	R&W Economic Loss Development During 2Q-11	R&W Recovered During 2Q-11	Future Net R&W Benefit at June 30, 2011
Financial guaranty insurance:				
Prime first lien	\$ 1.2	\$ 0.3	\$ -	\$ 1.5
Alt-A first lien	14.0	-	-	14.0
Option ARMs	52.3	8.7	-	61.0
Subprime first lien	-	-	-	-
Closed end seconds	103.7	(18.4)	-	85.3
HELOC	168.4	9.8	(135.7)	42.5
Total	\$ 339.6	\$ 0.4	\$ (135.7)	\$ 204.3
Credit derivatives	\$ 131.3	\$ 1.3	\$ (3.4)	\$ 129.2

Financial Guaranty Insurance and Credit Derivatives U.S. RMBS R&W Benefit Development for the Six Months Ended June 30, 2011

	Future Net R&W Benefit at December 31, 2010	R&W Economic Loss Development During 2011	R&W Recovered During 2011	Future Net R&W Benefit at June 30, 2011
Financial guaranty insurance:				
Prime first lien	\$ 0.6	\$ 0.9	\$ -	\$ 1.5
Alt-A first lien	10.1	3.9	-	14.0
Option ARMs	14.3	66.7	(20.0)	61.0
Subprime first lien	-	-	-	-
Closed end seconds	67.0	18.3	-	85.3
HELOC	162.5	21.1	(141.1)	42.5
Total	\$ 254.5	\$ 110.9	\$ (161.1)	\$ 204.3
Credit derivatives	\$ 48.8	\$ 83.8	\$ (3.4)	\$ 129.2

Financial Guaranty Insurance and Credit Derivatives U.S. RMBS Debt Services on Policies With R&W Benefit

	Number of Risks as of		Outstanding Principal and Interest as of	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Financial guaranty insurance:				
Prime first lien	1	1	\$ 27.3	\$ 28.6
Alt-A first lien	9	6	376.9	353.3
Option ARMs	2	1	211.7	67.9
Subprime first lien	-	-	-	-
Closed end seconds	2	2	134.9	156.5
HELOC	3	3	527.7	492.3
Total	17	13	\$ 1,278.5	\$ 1,098.6
Credit derivatives	7	6	\$ 2,579.7	\$ 2,626.4

Assured Guaranty Corp.

Losses Incurred
As of June 30, 2011
(in millions)

Financial Guaranty Insurance Contracts and Credit Derivatives	Total Net Par Outstanding for BIG Transactions	2Q-11 Losses Incurred	2011 Losses Incurred	Net Reserve and Credit Impairment	Net Salvage and Subrogation Assets	Net Expected Loss to be Expensed ¹
First lien:						
Prime first lien	\$ 471.6	\$ 0.9	\$ 1.0	\$ 1.2	\$ -	\$ 0.6
Alt-A first lien	2,873.0	4.5	3.4	168.7	-	1.5
Option ARMs	679.4	13.0	(18.7)	96.5	-	1.0
Subprime first lien	640.0	(12.0)	21.5	110.7	-	1.3
Total first lien	4,664.0	6.4	7.2	377.1	-	4.4
Second lien:						
Closed end seconds	170.0	(4.4)	(12.3)	6.1	51.5	1.9
HELOC	440.0	10.9	23.8	32.7	17.6	1.5
Total second lien	610.0	6.5	11.5	38.8	69.1	3.4
Total U.S. RMBS	5,274.0	12.9	18.7	415.9	69.1	7.8
TruPS	2,557.6	(1.9)	(2.7)	47.7	-	1.6
Other structured finance	964.1	6.0	15.4	75.7	2.1	8.8
Public finance	978.1	2.3	(3.8)	39.9	1.3	3.8
Subtotal	\$ 9,773.8	\$ 19.3	\$ 27.6	\$ 579.2	\$ 72.5	\$ 22.0
Effect of consolidating financial guaranty VIEs	-	1.5	(0.7)	(18.7)	(59.3)	(2.9)
Total	\$ 9,773.8	\$ 20.8	\$ 26.9	\$ 560.5	\$ 13.2	\$ 19.1

	Insurance Reserves	Credit Impairment on Credit Derivative Contracts ²	Reserve and Credit Impairment	Salvage and Subrogation Recoverable	Net
Gross	\$ 266.2	\$ 471.8	\$ 738.0	\$ 28.2	\$ 709.8
Ceded	86.8	90.7	177.5	15.0 ³	162.5
Net	\$ 179.4	\$ 381.1	\$ 560.5	\$ 13.2	\$ 547.3

1. Excludes discount, see page 11.

2. Credit derivative assets and liabilities recorded on the balance sheet incorporate estimates of expected losses.

3. Recorded in "reinsurance balances payable, net" on the consolidated balance sheets.

Assured Guaranty Corp.

Summary of Statutory Financial and Statistical Data
(dollars in millions)

	As of and for Six Months Ended June 30, 2011	Year Ended December 31,			
		2010	2009	2008	2007
Statutory Data					
Net income (loss)	\$ 124.6	\$ (182.1)	\$ (243.1)	\$ 27.7	\$ 71.6
Policyholders' surplus	\$ 1,066	\$ 854	\$ 1,224	\$ 378	\$ 400
Contingency reserve	574	703	556	712	582
Qualified statutory capital	1,640	1,557	1,780	1,090	982
Unearned premium reserve	848	877	887	570	302
Loss and LAE reserves	482	448	280	15	12
Total policyholders' surplus and reserves	2,970	2,882	2,947	1,675	1,296
Present value of installment premium	431	539	612	566	554
Standby line of credit / stop loss	200	200	200	200	280
Total claims-paying resources	\$ 3,601	\$ 3,621	\$ 3,759	\$ 2,441	\$ 2,130
Statutory Financial Ratios					
Loss and LAE ratio	(23.3)%	181.8%	243.9%	90.3%	(13.5)%
Expense ratio	106.2%	66.0%	15.4%	11.5%	49.9%
Combined ratio	82.9%	247.8%	259.3%	101.8%	36.4%
Other Financial Information (Statutory Basis)					
Net debt service outstanding (end of period)	\$ 161,460	\$ 171,037	\$ 186,606	\$ 164,283	\$ 128,351
Gross debt service outstanding (end of period)	226,896	238,455	259,867	225,152	172,046
Net par outstanding (end of period)	110,653	118,898	130,468	111,025	94,127
Gross par outstanding (end of period)	154,480	165,227	180,765	152,801	127,743
Ceded par to all Assured Guaranty companies	40,727	42,989	46,411	37,372	29,087
Ratios:					
Par insured to statutory capital	67:1	76:1	73:1	102:1	75:1
Capital ratio ¹	98:1	110:1	105:1	151:1	93:1
Financial resources ratio ²	45:1	47:1	50:1	67:1	43:1
Gross debt service written:					
Public finance - U.S.	\$ 367	\$ 5,876	\$ 78,012	\$ 56,864	\$ 8,142
Public finance - non-U.S.	-	51	522	771	5,202
Structured finance - U.S.	747	2,962	2,480	13,228	35,396
Structured finance - non-U.S.	-	-	-	5,265	10,061
Total gross debt service written	\$ 1,114	\$ 8,889	\$ 81,014	\$ 76,128	\$ 58,801

1. The capital ratio is calculated by dividing net par and interest insured divided by qualified statutory capital.

2. The financial resources ratio is calculated by dividing net par and interest insured by total claims paying resources.

Glossary

Net Par Outstanding and Internal Ratings

Internal Rating for the Company's ratings scale is similar to that used by the nationally recognized statistical rating organizations; however, the ratings in the tables may not be the same as ratings assigned by any such 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 on its internal rating scale has additional credit enhancement due to either (a) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (b) Assured Guaranty's exposure benefiting from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured Guaranty's attachment point to be materially above the AAA attachment point.

Net par outstanding is insured par exposure net of reinsurance cessions.

Performance Indicators

The performance information described below is obtained from sources such as Intex, Bloomberg and/or provided by the trustee and may be subject to restatement or correction:

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 and any non-performing loans divided by current collateral balance.

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 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.

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

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

Subordination represents the sum of subordinate tranches and overcollateralization, expressed as a percentage of total transaction size, and does not include any benefit from excess spread collections that may be used to absorb losses. Many of the closed-end second lien RMBS 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 undercollateralized, 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 undercollateralization into account when estimating expected losses for these transactions.

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for December 31, 2010.

Public Finance:

General Obligation Bonds are full faith and credit bonds that are issued by states, their political subdivisions and other municipal issuers, and are supported by the general obligation of the issuer to pay from available funds and by a pledge of the issuer to levy ad valorem taxes in an amount sufficient to provide for the full payment of the bonds.

Tax-Backed Bonds are obligations that are supported by the issuer from specific and discrete sources of taxation. They include tax-backed revenue bonds, general fund obligations and lease revenue bonds. Tax-backed obligations may be secured by a lien on specific pledged tax revenues, such as a gasoline or excise tax, or incrementally from growth in property tax revenue associated with growth in property values. These obligations also include obligations secured by special assessments levied against property owners and often benefit from issuer covenants to enforce collections of such assessments and to foreclose on delinquent properties. Lease revenue bonds typically are general fund obligations of a municipality or other governmental authority that are subject to annual appropriation or abatement; projects financed and subject to such lease payments ordinarily include real estate or equipment serving an essential public purpose. Bonds in this category also include moral obligations of municipalities or governmental authorities.

Municipal Utility Bonds are obligations of all forms of municipal utilities, including electric, water and sewer utilities and resource recovery revenue bonds. These utilities may be organized in various forms, including municipal enterprise systems, authorities or joint action agencies.

Transportation Bonds include a wide variety of revenue-supported bonds, such as bonds for airports, ports, tunnels, municipal parking facilities, toll roads and toll bridges.

Healthcare Bonds are obligations of healthcare facilities, including community-based hospitals and systems, as well as of health maintenance organizations and long-term care facilities.

Higher Education Bonds are obligations secured by revenue collected by either public or private secondary schools, colleges and universities. Such revenue can encompass all of an institution's revenue, including tuition and fees, or in other cases, can be specifically restricted to certain auxiliary sources of revenue.

Glossary (continued)

Sectors (continued)

Infrastructure Bonds include obligations issued by a variety of entities engaged in the financing of infrastructure projects, such as roads, airports, ports, social infrastructure and other physical assets delivering essential services supported by long-term concession arrangements with a public sector entity.

Investor-Owned Utility Bonds are obligations primarily backed by investor-owned utilities, first mortgage bond obligations of for-profit electric or water utilities providing retail, industrial and commercial service, and also include sale-leaseback obligation bonds supported by such entities.

Housing Revenue Bonds are obligations relating to both single and multi-family housing, issued by states and localities, supported by cash flow and, in some cases, insurance from entities such as the Federal Housing Administration.

Regulated Utilities Obligations are issued by government-regulated providers of essential services and commodities, including electric, water and gas utilities. The majority of the Company's international regulated utility business is conducted in the United Kingdom.

Pooled Infrastructure Obligations are synthetic asset-backed obligations that take the form of CDS obligations or credit-linked notes that reference either infrastructure finance obligations or a pool of such obligations, with a defined deductible to cover credit risks associated with the referenced obligations.

Other Public Finance primarily includes government insured student loans, government-sponsored project finance and structured municipal transactions, which includes excess of loss reinsurance on portfolios of municipal credits.

Structured Finance:

Pooled Corporate Obligations are securities primarily backed by various types of corporate debt obligations, such as secured or unsecured bonds, bank loans or loan participations and trust preferred securities. These securities are often issued in "tranches," with subordinated tranches providing credit support to the more senior tranches. The Company's financial guaranty exposures generally are to the more senior tranches of these issues.

Residential Mortgage-Backed Securities ("RMBS") and Home Equity Securities are obligations backed by closed-end first mortgage loans and closed- and open-end second mortgage loans or home equity loans on one-to-four family residential properties, including condominiums and cooperative apartments. First mortgage loan products in these transactions include fixed rate, adjustable rate ("ARM") and option adjustable-rate ("Option ARM") mortgages. The credit quality of borrowers covers a broad range, including "prime", "subprime" and "Alt-A". A prime borrower is generally defined as one with strong risk characteristics as measured by factors such as payment history, credit score, and debt-to-income ratio. A subprime borrower is a borrower with higher risk characteristics, usually as determined by credit score and/or credit history. An Alt-A borrower is generally defined as a prime quality borrower that lacks certain ancillary characteristics, such as fully documented income.

Additional insured obligations within RMBS include Home Equity Lines of Credit ("HELOCs"), which refers to a type of residential mortgage-backed transaction backed by second-lien loan collateral consisting of home equity lines of credit. U.S. Prime First Lien is a type of residential mortgage-backed securities transaction backed primarily by prime first-lien loan collateral plus an insignificant amount of other miscellaneous RMBS transactions.

CBOs/CLOs (collateralized bond obligations and collateralized loan obligations) are asset-backed securities largely backed by non-investment grade/high yield collateral.

Commercial Mortgage-Backed Securities ("CMBS") are obligations backed by pools of commercial mortgages. The collateral supporting CMBS include office, multifamily, retail, hotel, industrial and other specialized or mixed-use properties.

Consumer Receivables Securities are obligations backed by non-mortgage consumer receivables, such as automobile loans and leases, credit card receivables and other consumer receivables.

Commercial Receivables Securities are obligations backed by equipment loans or leases, fleet auto financings, business loans and trade receivables. Credit support is derived from the cash flows generated by the underlying obligations, as well as property or equipment values as applicable.

Insurance Securitization Securities are obligations secured by the future earnings from pools of various types of insurance/reinsurance policies and income produced by invested assets.

Structured Credit Securities include program-wide credit enhancement for commercial paper conduits in the U.S., and securities issued in whole business securitizations and intellectual property securitizations. Program-wide credit enhancement generally involves insuring against the default of ABS in a bank-sponsored commercial paper conduit. Securities issued in whole business and intellectual property securitizations are backed by revenue-producing assets sold to a limited-purpose company by an operating company, including franchise agreements, lease agreements, intellectual property and real property.

Other Structured Finance Securities are obligations backed by assets not generally described in any of the other described categories. One such type of asset is a tax benefit to be realized by an investor in one of the Federal or state programs that permit such investor to receive a credit against taxes (such as Federal corporate income tax or state insurance premium tax) for making qualified investments in specified enterprises, typically located in designated low-income areas.

Non-GAAP Financial Measures

The Company references financial measures that are not in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Assured Guaranty's management and board of directors utilize non-GAAP measures in evaluating the Company's financial performance and as a basis for determining senior management incentive compensation. By providing these non-GAAP financial measures, investors, analysts and financial news reporters have access to the same information that management reviews internally. In addition, Assured Guaranty's presentation of non-GAAP financial measures is consistent with how analysts calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and with how investors, analysts and the financial news media evaluate Assured Guaranty's financial results.

The following paragraphs define each non-GAAP financial measure and describe why it is useful. A reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure, if available, is presented within this financial supplement. Non-GAAP financial measures should not be viewed as substitutes for their most directly comparable GAAP measures.

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 with the consensus analyst estimates distributed publicly by financial databases. Operating income is defined as net income (loss) attributable to the Company, as reported under GAAP, adjusted for the following:

- 1) Elimination of the after-tax realized gains (losses) on the Company's investments, except for gains and losses on securities classified as trading. The timing of realized gains and losses, which depends largely on market credit cycles, can vary considerably across periods. The timing of sales 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 and non-economic payments. 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 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.

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

- 1) Elimination of the effects of consolidating certain VIEs in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs.
- 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 and non-economic payments. 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.
- 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 unrealized gains (losses) on the Company's investments, that are recorded as a component of accumulated other comprehensive income (AOCI) (excluding foreign exchange revaluation). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore will not recognize an economic loss.

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

Non-GAAP Financial Measures (continued)

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

1) Elimination of after-tax deferred acquisition costs. These amounts represent net deferred expenses that have already been paid or accrued and will be expensed in future accounting periods.

2) Addition of the after-tax net present value of estimated net future credit derivative revenue. See below.

3) Addition of the after-tax value of the unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed, net of reinsurance. This amount represents the expected future net earned premiums, net of expected losses to be expensed. Net expected losses to be expensed are not reflected in GAAP equity.

Net present value of estimated net future credit derivative revenue: Management believes that this amount is a useful measure because it enables an evaluation of the value of future estimated credit derivative revenue. There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from the Company's credit derivative in-force book of business, net of reinsurance, ceding commissions and premium taxes for contracts without expected economic losses, and is discounted at 6% (which represents the Company's tax-equivalent pre-tax investment yield on its investment portfolio). Estimated net future credit derivative revenue may change from period to period due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation.

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.

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CORP.

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