



JUNE 30, 2011 (amended)

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

Financial Supplement

Assured Guaranty Municipal Corp.





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

Table of Contents	Page
Selected Financial Highlights	1
Consolidated Statements of Operations (unaudited)	2
Net Income (Loss) Reconciliation to Operating Income	3-4
Consolidated Balance Sheets (unaudited)	5
Claims Paying Resources	6
New Business Production	7
Financial Guaranty Gross Par Written	8
Available-for-Sale Investment Portfolio and Cash	9
Estimated Net Exposure Amortization and Estimated Future Net Earned Premiums and Credit Derivative Revenues	10
Expected Amortization of Net Par Outstanding	11
Present Value of Financial Guaranty Insurance Net Expected Loss to be Expensed	12
Financial Guaranty Profile	13-15
Pooled Corporate Obligations Profile	16
Consolidated U.S. Residential Mortgage-Backed Securities Profile	17-19
U.S. Consumer Receivables Profile	20
Credit Derivative Net Par Outstanding Profile	21
Below Investment Grade Exposures	22-26
Largest Exposures by Sector	27-30
Rollforward of Net Expected Loss and Loss Adjustment Expense to be Paid	31
Financial Guaranty Insurance and Credit Derivatives U.S. Residential Mortgage-Backed Securities Representations and Warranties Benefit Development	32
Losses Incurred	33
Summary of Statutory Financial and Statistical Data	34
Glossary	35-36
Non-GAAP Financial Measures	37-38

This financial 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 AGM 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 AGM 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 and 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 expected 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 Municipal 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	\$ 113.5	\$ 149.4	\$ 309.8	\$ 331.9
Plus after-tax adjustments:				
Realized gains (losses) on investments	(2.7)	(8.2)	(1.6)	(4.7)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	0.7	27.4	(0.9)	(4.4)
Fair value gains (losses) on committed capital securities	0.2	4.4	0.3	2.6
Foreign exchange gains (losses) on revaluation of premiums receivable	3.2	(8.0)	9.5	(21.4)
Effect of consolidating financial guaranty variable interest entities ("VIEs")	(68.1)	(12.3)	22.7	(16.9)
Net income (loss)	<u>\$ 46.8</u>	<u>\$ 152.7</u>	<u>\$ 339.8</u>	<u>\$ 287.1</u>
Return on equity ("ROE") calculations ¹:				
ROE, excluding unrealized gain (loss) on investment portfolio	7.1%	30.0%	27.3%	28.0%
Operating ROE	15.1%	25.3%	21.2%	29.2%
New Business:				
Gross par written	\$ 3,503	\$ 5,890	\$ 5,625	\$ 10,819
Present value of new business production ("PVP") ²	\$ 45.4	\$ 75.0	\$ 88.4	\$ 129.0
	As of:			
	June 30,	December 31,		
	2011	2010		
Reconciliation of shareholder's equity to adjusted book value:				
Shareholder's equity	\$ 2,688.1	\$ 2,320.4		
Less after-tax adjustments:				
Effect of consolidating financial guaranty VIEs	(269.8)	(336.2)		
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(118.8)	(136.2)		
Fair value gains (losses) on committed capital securities	5.3	4.9		
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	18.5	4.6		
Operating shareholder's equity	<u>\$ 3,052.9</u>	<u>\$ 2,783.3</u>		
After-tax adjustments:				
Less: Deferred acquisition costs	(50.9)	(53.9)		
Plus: Net present value of estimated net future credit derivative revenue	120.9	151.9		
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,027.1	1,928.6		
Adjusted book value	<u>\$ 5,251.8</u>	<u>\$ 4,917.7</u>		
Other information				
Net debt service outstanding	\$ 508,760	\$ 533,840		
Net par outstanding	341,192	358,408		
Claims-paying resources ³	6,929	6,501		

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 Municipal Corp.

Consolidated Statements of Operations (unaudited)

(in millions)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Revenues:				
Net earned premiums	\$ 161.8	\$ 227.5	\$ 350.9	\$ 473.0
Net investment income	55.8	48.9	106.9	96.7
Net realized investment gains (losses)	(4.1)	(12.5)	(2.1)	(7.2)
Net change in fair value of credit derivatives:				
Realized gains and other settlements	19.2	13.6	51.1	41.3
Net unrealized gains (losses)	12.0	25.3	41.7	(20.4)
Net change in fair value of credit derivatives	31.2	38.9	92.8	20.9
Fair value gains (losses) on committed capital securities	0.3	6.7	0.5	4.0
Net change in fair value of financial guaranty VIEs	(105.5)	(18.5)	4.6	(39.3)
Other income	25.1	(2.6)	63.7	(4.0)
Total revenues	164.6	288.4	617.3	544.1
Expenses:				
Loss and loss adjustment expenses	87.2	50.4	83.4	93.9
Amortization of deferred acquisition costs	(1.1)	(3.0)	(3.7)	(4.3)
Interest expense	1.5	1.6	3.0	3.5
Other operating expenses	21.5	20.1	44.8	40.2
Total expenses	109.1	69.1	127.5	133.3
Income (loss) before income taxes	55.5	219.3	489.8	410.8
Provision (benefit) for income taxes	8.7	66.6	150.0	123.7
Net income (loss)	\$ 46.8	\$ 152.7	\$ 339.8	\$ 287.1
Less after-tax adjustments:				
Realized gains (losses) on investments	(2.7)	(8.2)	(1.6)	(4.7)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	0.7	27.4	(0.9)	(4.4)
Fair value gains (losses) on committed capital securities	0.2	4.4	0.3	2.6
Foreign exchange gains (losses) on revaluation of premiums receivable	3.2	(8.0)	9.5	(21.4)
Effect of consolidating financial guaranty VIEs	(68.1)	(12.3)	22.7	(16.9)
Operating income	\$ 113.5	\$ 149.4	\$ 309.8	\$ 331.9
Effect of refundings and accelerations, net				
Earned premiums from refundings and accelerations, net	\$ 9.8	\$ 10.4	\$ 28.2	\$ 21.2
Operating income effect	6.3	6.8	18.3	13.8

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

Assured Guaranty Municipal 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	\$ 161.8	\$ (17.8) (1)	\$ 179.6	\$ 227.5	\$ (10.4) (1)	\$ 237.9
Net investment income	55.8	-	55.8	48.9	-	48.9
Net realized investment gains (losses)	(4.1)	(4.1) (2)	-	(12.5)	(12.5) (2)	-
Net change in fair value of credit derivatives:						
Realized gains and other settlements	19.2	19.2	-	13.6	13.6	-
Net unrealized gains (losses)	12.0	12.0	-	25.3	25.3	-
Credit derivative revenues	-	(24.5)	24.5	-	(25.1)	25.1
Net change in fair value of credit derivatives	31.2	6.7 (3)	24.5	38.9	13.8 (3)	25.1
Fair value gain (loss) on committed capital securities	0.3	0.3 (4)	-	6.7	6.7 (4)	-
Net change in financial guaranty VIEs	(105.5)	(105.5) (1)	-	(18.5)	(18.5) (1)	-
Other income	25.1	5.0 (5)	20.1	(2.6)	(3.8) (5)	1.2
Total revenues	164.6	(115.4)	280.0	288.4	(24.7)	313.1
Expenses:						
Loss expense:						
Financial guaranty insurance	87.2	(18.4) (1)	105.6	50.4	(9.9) (1)	60.3
Credit derivatives	-	5.7 (3)	(5.7)	-	(20.0) (3)	20.0
Amortization of deferred acquisition costs	(1.1)	-	(1.1)	(3.0)	-	(3.0)
Interest expense	1.5	-	1.5	1.6	-	1.6
Other operating expenses	21.5	-	21.5	20.1	-	20.1
Total expenses	109.1	(12.7)	121.8	69.1	(29.9)	99.0
Income (loss) before income taxes	55.5	(102.7)	158.2	219.3	5.2	214.1
Provision (benefit) for income taxes	8.7	(36.0) (6)	44.7	66.6	1.9 (6)	64.7
Net income (loss)	\$ 46.8	\$ (66.7)	\$ 113.5	\$ 152.7	\$ 3.3	\$ 149.4

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 Municipal 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	\$ 350.9	\$ (37.1) (1)	\$ 388.0	\$ 473.0	\$ (20.9) (1)	\$ 493.9
Net investment income	106.9	- (1)	106.9	96.7	- (1)	96.7
Net realized investment gains (losses)	(2.1)	(2.1) (2)	-	(7.2)	(7.2) (2)	-
Net change in fair value of credit derivatives:						
Realized gains and other settlements	51.1	51.1	-	41.3	41.3	-
Net unrealized gains (losses)	41.7	41.7	-	(20.4)	(20.4)	-
Credit derivative revenues	-	(54.9)	54.9	-	(53.2)	53.2
Net change in fair value of credit derivatives	92.8	37.9 (3)	54.9	20.9	(32.3) (3)	53.2
Fair value gain (loss) on committed capital securities	0.5	0.5 (4)	-	4.0	4.0 (4)	-
Net change in financial guaranty VIEs	4.6	4.6 (1)	-	(39.3)	(39.3) (1)	-
Other income	63.7	14.7 (5)	49.0	(4.0)	(24.5) (5)	20.5
Total revenues	617.3	18.5	598.8	544.1	(120.2)	664.3
Expenses:						
Loss expense:						
Financial guaranty insurance	83.4	(66.9) (1)	150.3	93.9	(34.2) (1)	128.1
Credit derivatives	-	39.4 (3)	(39.4)	-	(17.2) (3)	17.2
Amortization of deferred acquisition costs	(3.7)	-	(3.7)	(4.3)	-	(4.3)
Interest expense	3.0	-	3.0	3.5	-	3.5
Other operating expenses	44.8	-	44.8	40.2	-	40.2
Total expenses	127.5	(27.5)	155.0	133.3	(51.4)	184.7
Income (loss) before income taxes	489.8	46.0	443.8	410.8	(68.8)	479.6
Provision (benefit) for income taxes	150.0	16.0 (6)	134.0	123.7	(24.0) (6)	147.7
Net income (loss)	\$ 339.8	\$ 30.0	\$ 309.8	\$ 287.1	\$ (44.8)	\$ 331.9

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 Municipal 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	\$ 4,881.5	\$ 4,678.4
Short-term investments, at fair value	587.7	612.7
Other invested assets	129.8	133.7
Total investment portfolio	5,599.0	5,424.8
Note receivable from affiliate	300.0	300.0
Cash	45.7	43.7
Premiums receivable	708.2	729.2
Ceded unearned premium reserve	1,443.1	1,494.4
Reinsurance recoverable on unpaid losses	27.8	24.6
Salvage and subrogation recoverable	277.0	846.1
Credit derivative assets	162.2	181.8
Deferred tax asset, net	694.8	989.7
Current income tax receivable	117.0	-
Financial guaranty VIE assets, at fair value	2,564.8	2,691.5
Other assets	107.7	107.6
Total assets	\$ 12,047.3	\$ 12,833.4
Liabilities and shareholder's equity:		
Liabilities:		
Unearned premium reserve	\$ 4,826.5	\$ 5,321.3
Loss and loss adjustment expense reserve	170.4	254.4
Reinsurance balances payable, net	251.4	410.2
Notes payable	116.2	127.0
Credit derivative liabilities	530.4	592.8
Current income tax payable	-	183.6
Financial guaranty VIE liabilities with recourse, at fair value	2,293.0	2,511.0
Financial guaranty VIE liabilities without recourse, at fair value	848.3	841.5
Other liabilities	323.0	271.2
Total liabilities	9,359.2	10,513.0
Shareholder's equity:		
Preferred stock	-	-
Common stock	15.0	15.0
Additional paid-in capital	1,166.8	1,191.8
Retained earnings	1,439.8	1,100.0
Accumulated other comprehensive income	66.5	13.6
Total shareholder's equity	2,688.1	2,320.4
Total liabilities and shareholder's equity	\$ 12,047.3	\$ 12,833.4

Assured Guaranty Municipal Corp.

Claims Paying Resources

(dollars in millions)

	As of:	
	June 30, 2011	December 31, 2010
Claims paying resources		
Policyholders' surplus	\$ 1,309	\$ 993
Contingency reserve	1,741	1,585
Qualified statutory capital	3,050	2,578
Unearned premium reserve	2,255	2,298
Loss and loss adjustment expense reserves ^{1,2}	491	436
Total policyholders' surplus and reserves	5,796	5,312
Present value of installment premiums ²	635	691
Standby line of credit/stop loss	498	498
Total claims paying resources	\$ 6,929	\$ 6,501
Net par outstanding ³	\$ 329,605	\$ 343,619
Net debt service outstanding ³	\$ 496,122	\$ 516,080
Ratios:		
Net par outstanding to qualified statutory capital	108:1	133:1
Capital ratio ⁴	163:1	200:1
Financial resources ratio ⁵	72:1	79:1

- Reserves as of June 30, 2011 and December 31, 2010 are reduced by approximately \$1.1 billion for the benefit related to representation and warranty recoverables.
- Includes financial guaranty insurance and credit derivatives.
- 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).
- The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
- The financial resources ratio is calculated by dividing net debt service outstanding by total claims paying resources.

Assured Guaranty Municipal 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	\$ 35.0	\$ 64.5	\$ 61.1	\$ 112.8
Secondary markets	8.6	7.9	15.4	13.2
Public finance - non-U.S.				
Primary markets	-	-	-	-
Secondary markets	-	-	-	-
Structured finance - U.S.	1.8	0.5	4.7	0.9
Structured finance - non-U.S.	-	2.1	7.2	2.1
Total PVP	\$ 45.4	\$ 75.0	\$ 88.4	\$ 129.0
Total PVP	\$ 45.4	\$ 75.0	\$ 88.4	\$ 129.0
Less: PVP of credit derivatives	-	-	-	-
PVP of financial guaranty insurance	45.4	75.0	88.4	129.0
Less: Financial guaranty installment premium PVP	1.8	1.3	12.0	1.9
Total: Financial guaranty upfront gross written premiums	43.6	73.7	76.4	127.1
Plus: Financial guaranty installment adjustment ¹	(2.4)	2.3	3.1	16.1
Total gross written premiums	\$ 41.2	\$ 76.0	\$ 79.5	\$ 143.2
Consolidated financial guaranty gross par written:				
Public finance - U.S.				
Primary markets	\$ 3,163	\$ 5,625	\$ 4,973	\$ 10,410
Secondary markets	340	265	652	409
Public finance - non-U.S.				
Primary markets	-	-	-	-
Secondary markets	-	-	-	-
Structured finance - U.S.	-	-	-	-
Structured finance - non-U.S.	-	-	-	-
Total	\$ 3,503	\$ 5,890	\$ 5,625	\$ 10,819

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 cancellations of assumed reinsurance contracts.

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

Assured Guaranty Municipal 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	\$ 1,899	A	\$ 3,228	A-
Tax backed	508	A	810	A
Municipal utilities	577	A	722	A
Transportation	149	A-	309	A-
Higher education	123	A	298	A
Healthcare	227	A	232	A
Other public finance	20	BBB	26	BBB
Total U.S. public finance	<u>3,503</u>	A	<u>5,625</u>	A
Non-U.S. public finance:				
Total non-U.S. public finance	-	-	-	-
Total public finance	<u>\$ 3,503</u>	A	<u>\$ 5,625</u>	A
U.S. structured finance:				
Total U.S. structured finance	\$ -	-	\$ -	-
Non-U.S. structured finance:				
Total non-U.S. structured finance	-	-	-	-
Total structured finance	<u>\$ -</u>	-	<u>\$ -</u>	-
Total gross par written	<u>\$ 3,503</u>	A	<u>\$ 5,625</u>	A

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

Assured Guaranty Municipal Corp.

Available-for-Sale Investment Portfolio and Cash

As of June 30, 2011

(dollars in millions)

Investment portfolio, available-for-sale:	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income ¹
Fixed maturity securities:					
U.S. Treasury securities and obligations of U.S. government agencies	\$ 35.2	3.14%	2.04%	\$ 36.5	\$ 1.1
Agency obligations	69.9	3.01%	1.96%	72.0	2.1
Obligations of states and political subdivisions	1,966.1	3.89%	3.67%	2,029.4	76.5
Insured obligations of state and political subdivisions ²	1,401.5	4.76%	4.51%	1,449.7	66.7
Corporate securities	218.8	2.97%	1.93%	220.5	6.5
Mortgage-backed securities ("MBS") ³ :					
Residential MBS ("RMBS") ⁴	500.2	6.21%	4.04%	393.8	31.1
Commercial MBS ("CMBS")	101.4	3.19%	2.07%	102.4	3.2
Asset-backed securities ⁵	363.7	6.24%	4.05%	386.1	22.7
Foreign government securities	251.9	2.83%	1.84%	253.7	7.1
Total fixed maturity securities	4,908.7	4.42%	3.74%	4,944.1	217.0
Short-term investments	552.4	0.09%	0.06%	552.4	0.5
Cash ⁶	45.7	-	-	45.7	-
Total	\$ 5,506.8	3.98%	3.36%	\$ 5,542.2	\$ 217.5
Less: financial guaranty VIEs	95.3	8.78%	5.71%	27.3	8.4
Total	\$ 5,411.5	3.84%	3.28%	\$ 5,514.9	\$ 209.1
Ratings ⁷:					
	Fair Value	% of Portfolio			
U.S. Treasury securities and obligations of U.S. government agencies	\$ 36.5	0.7%			
Agency obligations	72.0	1.5%			
AAA/Aaa	1,517.5	30.7%			
AA/Aa	2,126.4	43.0%			
A/A	787.9	15.9%			
BBB	37.9	0.8%			
Below investment grade ("BIG") ⁸	173.2	3.5%			
Not rated ⁸	192.7	3.9%			
Total fixed maturity securities available for sale	\$ 4,944.1	100.0%			
Less: financial guaranty VIEs	62.6				
Total fixed maturity securities available-for-sale	\$ 4,881.5				
Duration of available-for-sale investment portfolio (in years):	5.1				
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 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 other 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 \$1,068.1 million in par with carrying value of \$365.4 million.

Assured Guaranty Municipal 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)		\$ 508,760					
2011 (July 1 - December 31)	24,533	484,227	\$ 254.2	\$ 7.2	\$ 261.4	\$ 35.7	\$ 297.1
2012	43,625	440,602	396.7	13.5	410.2	57.7	467.9
2013	39,044	401,558	316.9	12.6	329.5	40.5	370.0
2014	37,612	363,946	273.7	11.8	285.5	27.2	312.7
2015	29,784	334,162	239.3	11.0	250.3	16.7	267.0
2011-2015	174,598	334,162	1,480.8	56.1	1,536.9	177.8	1,714.7
2016-2020	115,492	218,670	864.3	44.1	908.4	25.4	933.8
2021-2025	86,358	132,312	510.0	29.6	539.6	3.9	543.5
2026-2030	60,216	72,096	293.0	18.6	311.6	3.4	315.0
After 2030	72,096	-	318.8	18.0	336.8	7.6	344.4
Total	\$ 508,760		\$ 3,466.9	\$ 166.4	\$ 3,633.3	\$ 218.1	\$ 3,851.4

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 and because of management's assumptions on structured finance amortization.
2. See page 12 for "Present Value of Financial Guaranty Insurance Net Expected Loss to be Expensed."
3. Excludes \$432.6 million in expected present value of net earned premiums related to VIEs.
4. Excludes contracts with credit impairment.

Assured Guaranty Municipal Corp.

Expected Amortization of Net Par Outstanding

(in millions)

Structured Finance

	Estimated Net Par Amortization					Estimated Ending Net Par Outstanding
	U.S. and Non-U.S. Pooled Corporate	U.S. RMBS	Financial Products ¹	Other Structured Finance	Total	
2011 (as of June 30)						\$ 70,585
2011 (July 1 - December 31)	\$ 6,139	\$ 1,525	\$ 169	\$ 962	\$ 8,795	61,790
2012	9,893	1,903	1,058	1,134	13,988	47,802
2013	10,084	1,183	822	459	12,548	35,254
2014	10,850	922	630	286	12,688	22,566
2015	4,728	905	341	430	6,404	16,162
2011-2015	41,694	6,438	3,020	3,271	54,423	16,162
2016-2020	6,711	2,538	466	700	10,415	5,747
2021-2025	148	1,121	602	285	2,156	3,591
2026-2030	3	406	569	191	1,169	2,422
After 2030	97	744	1,257	324	2,422	-
Total structured finance	\$ 48,653	\$ 11,247	\$ 5,914	\$ 4,771	\$ 70,585	

Public Finance

	Estimated Net Par Amortization	Estimated Ending Net Par Outstanding
2011 (as of June 30, 2011)		\$ 270,607
2011 (July 1 - December 31)	\$ 8,252	262,355
2012	15,819	246,536
2013	13,725	232,811
2014	13,158	219,653
2015	12,443	207,210
2011-2015	63,397	207,210
2016-2020	60,352	146,858
2021-2025	54,075	92,783
2026-2030	40,992	51,791
After 2030	51,791	-
Total public finance	\$ 270,607	

1. See Glossary for description of financial products.

Assured Guaranty Municipal 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)	\$ 57.0	\$ 48.0
2011 (October 1 - December 31)	45.9	37.7
2012	126.0	100.6
2013	80.1	57.8
2014	61.5	41.8
2015	52.5	32.7
2011-2015	423.0	318.6
2016-2020	170.4	106.2
2021-2025	82.1	57.9
2026-2030	55.2	27.9
After 2030	49.7	12.3
Total expected PV of net expected loss to be expensed	780.4	522.9
Discount	129.1	129.6
Total future value	\$ 909.5	\$ 652.5

1. The expected present value of net loss to be expensed is discounted using weighted-average risk free rates ranging from 0.0% 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 Municipal 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	\$ 108,050	A+	\$ 112,213	A+
Tax backed	47,967	A+	50,097	A+
Municipal utilities	44,413	A+	46,164	A+
Transportation	20,014	A	20,665	A
Healthcare	9,313	A	10,057	A
Higher education	7,261	A+	7,353	A+
Housing	5,086	AA-	5,396	AA-
Infrastructure finance	1,211	BBB	1,197	BBB
Investor-owned utilities	46	A-	46	A-
Other public finance	1,642	A+	1,687	A
Total U.S. public finance	245,003	A+	254,875	A+
Non-U.S. public finance:				
Infrastructure finance	11,789	BBB	11,533	BBB
Regulated utilities	7,145	BBB+	7,222	BBB+
Other public finance	6,670	A+	6,396	AA-
Total non-U.S. public finance	25,604	BBB+	25,151	A-
Total public finance	\$ 270,607	A+	\$ 280,026	A+
U.S. structured finance:				
Pooled corporate obligations	\$ 36,339	AAA	\$ 40,273	AAA
RMBS	11,247	BB-	12,319	BB-
Financial products	5,914	AA-	6,831	AA-
Consumer receivables	1,220	A+	1,981	A+
Insurance securitization	369	AA	368	AA
Commercial receivables	62	BB	90	BBB-
Structured credit	46	CCC	80	BB
Other structured finance	562	A-	609	A-
Total U.S. structured finance	55,759	AA	62,551	AA
Non-U.S. structured finance:				
Pooled corporate obligations	12,314	AAA	13,083	AAA
RMBS	1,635	AA-	1,574	AA
Structured credit	466	BBB+	498	BBB+
Insurance securitizations	38	A+	38	A+
Commercial receivables	-	-	229	A
Other structured finance	373	Super Senior	409	Super Senior
Total non-U.S. structured finance	14,826	AAA	15,831	AAA
Total structured finance	\$ 70,585	AA	\$ 78,382	AA
Total net par outstanding	\$ 341,192	A+	\$ 358,408	A+

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

Assured Guaranty Municipal 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%	\$ -	0.0%	\$ 12,542	22.5%	\$ 4,710	31.8%	\$ 17,252	5.1%
AAA	3,949	1.6%	1,311	5.1%	21,119	37.9%	6,852	46.2%	33,231	9.7%
AA	99,505	40.6%	1,005	3.9%	10,874	19.5%	1,008	6.8%	112,392	33.0%
A	119,229	48.7%	7,810	30.5%	1,417	2.6%	641	4.3%	129,097	37.8%
BBB	21,338	8.7%	13,887	54.3%	485	0.9%	1,129	7.6%	36,839	10.8%
BIG	982	0.4%	1,591	6.2%	9,322	16.6%	486	3.3%	12,381	3.6%
Total net par outstanding	\$ 245,003	100.0%	\$ 25,604	100.0%	\$ 55,759	100.0%	\$ 14,826	100.0%	\$ 341,192	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	\$ 66,912	53.6%
Non-affiliated companies:				
Radian Asset Assurance Inc.	Ba1	BB-	20,721	16.6%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Aa2	AA-	18,005	14.4%
RAM Reinsurance Co. Ltd.	WR	WR	9,961	8.0%
Syncora Guarantee Inc.	Ca	WR	4,334	3.5%
Mitsui Sumitomo Insurance Co. Ltd.	Aa3	AA-	2,452	2.0%
ACA Financial Guaranty Corporation	NR	WR	833	0.7%
Swiss Reinsurance Company	A1	A+	513	0.4%
CIFG Assurance North America Inc.	WR	WR	69	0.1%
Other	Various	Various	1,013	0.7%
Non-affiliated companies			57,901	46.4%
Total			\$ 124,813	100.0%

1. Ratings are as of August 12, 2011.

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

Assured Guaranty Municipal Corp.

Financial Guaranty Profile (3 of 3)

As of June 30, 2011

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

U.S.:	Net Par	
	Outstanding	% of Total
Public finance:		
California	\$ 35,904	10.5%
New York	19,929	5.9%
Pennsylvania	19,561	5.7%
Texas	16,469	4.8%
Illinois	15,971	4.7%
Florida	14,474	4.2%
New Jersey	10,947	3.2%
Michigan	10,888	3.2%
Washington	7,785	2.3%
Massachusetts	7,130	2.1%
Other states	85,945	25.2%
Total public finance	245,003	71.8%
Structured finance (multiple states)	55,759	16.4%
Total U.S.	300,762	88.2%
Non-U.S.:		
United Kingdom	12,085	3.5%
Australia	5,574	1.6%
Canada	3,939	1.2%
Italy	2,013	0.6%
France	1,807	0.5%
Other	15,012	4.4%
Total non-U.S.	40,430	11.8%
Total net par outstanding	\$ 341,192	100.0%

Assured Guaranty Municipal Corp.

Pooled Corporate Obligations Profile

As of June 30, 2011

(dollars in millions)

Distribution of Pooled Corporate Obligations by Ratings

Ratings:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement
Super senior	\$ 16,635	34.2%	27.8%	26.7%
AAA	26,165	53.8%	23.7%	26.2%
AA	3,391	7.0%	42.3%	37.6%
A	993	2.0%	0.1%	0.2%
BBB	721	1.5%	13.2%	10.7%
BIG	748	1.5%	11.7%	1.9%
Total exposures	\$ 48,653	100.0%	25.6%	26.0%

Distribution of Pooled Corporate Obligations by Asset Class

Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement	Avg. Rating
CBOs/CLOs	\$ 25,312	52.0%	27.6%	28.7%	AAA
Synthetic investment grade pooled corporates	13,598	27.9%	18.8%	17.3%	AAA
Synthetic high yield pooled corporates	7,379	15.2%	34.7%	30.3%	AA+
Market value CDOs of corporates	1,493	3.1%	17.0%	50.1%	AAA
Trust preferred - banks and insurance ¹	136	0.3%	49.8%	49.9%	A+
CDO of CDOs (corporate)	22	0.0%	24.4%	12.7%	A-
Other pooled corporates	713	1.5%	0.0%	0.0%	BBB-
Total exposures	\$ 48,653	100.0%	25.6%	26.0%	AAA

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 the internal ratings, performance indicators and sectors.

Assured Guaranty Municipal 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	Net Interest Margin	Total Net Par Outstanding
AAA	\$ 3	\$ -	\$ 373	\$ 75	\$ -	\$ 1,161	\$ -	\$ 1,611
AA	2	168	217	-	-	290	0	676
A	1	-	-	39	-	43	-	83
BBB	90	-	-	-	-	96	0	185
BIG	-	841	2,727	1,198	1,732	2,146	46	8,691
Total exposures	<u>\$ 95</u>	<u>\$ 1,009</u>	<u>\$ 3,317</u>	<u>\$ 1,312</u>	<u>\$ 1,732</u>	<u>\$ 3,735</u>	<u>\$ 46</u>	<u>\$ 11,247</u>

Distribution of U.S. RMBS by Year Insured¹ and Type of Exposure

Year insured:	Prime First Lien	Closed End Seconds	HELOC	Alt-A First Lien	Option ARMs	Subprime First Lien	Net Interest Margin	Total Net Par Outstanding
2004 and prior	\$ 6	\$ -	\$ 220	\$ 65	\$ -	\$ 1,207	\$ 0	\$ 1,497
2005	-	-	537	314	90	301	0	1,242
2006	90	438	1,229	448	633	126	0	2,962
2007	-	571	1,331	486	1,009	2,034	46	5,478
2008	-	-	-	-	-	67	-	67
Total exposures	<u>\$ 95</u>	<u>\$ 1,009</u>	<u>\$ 3,317</u>	<u>\$ 1,312</u>	<u>\$ 1,732</u>	<u>\$ 3,735</u>	<u>\$ 46</u>	<u>\$ 11,247</u>

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

Year insured:	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ 1,189	\$ 2	\$ 44	\$ 14	\$ 249	\$ 1,497
2005	114	49	39	46	993	1,242
2006	49	77	-	90	2,747	2,962
2007	260	548	-	36	4,635	5,478
2008	-	-	-	-	67	67
Total exposures	<u>\$ 1,611</u>	<u>\$ 676</u>	<u>\$ 83</u>	<u>\$ 185</u>	<u>\$ 8,691</u>	<u>\$ 11,247</u>
% of total	14.3%	6.0%	0.7%	1.7%	77.3%	100.0%

1. AGM 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 Municipal 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	\$ -	-	-	-	-	-
2006	90	61.5%	8.3%	0.0%	16.2%	1
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
	<u>\$ 90</u>	<u>61.5%</u>	<u>8.3%</u>	<u>0.0%</u>	<u>16.2%</u>	<u>1</u>

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	438	17.4%	-	59.0%	11.1%	2
2007	571	18.1%	-	50.3%	21.8%	9
2008	-	-	-	-	-	-
	<u>\$ 1,009</u>	<u>17.8%</u>	<u>-</u>	<u>54.0%</u>	<u>17.1%</u>	<u>11</u>

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 537	19.2%	4.4%	10.6%	9.5%	4
2006	1,229	31.0%	2.2%	31.7%	10.6%	7
2007	1,331	48.8%	4.3%	25.1%	5.5%	7
2008	-	-	-	-	-	-
	<u>\$ 3,097</u>	<u>36.6%</u>	<u>3.5%</u>	<u>25.2%</u>	<u>8.2%</u>	<u>18</u>

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 314	34.3%	9.7%	7.4%	22.8%	8
2006	448	43.9%	0.0%	15.5%	37.1%	7
2007	486	55.5%	0.3%	16.7%	37.9%	4
2008	-	-	-	-	-	-
	<u>\$ 1,248</u>	<u>46.0%</u>	<u>2.6%</u>	<u>13.9%</u>	<u>33.8%</u>	<u>19</u>

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

Assured Guaranty Municipal 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	Pool Factor	Subordination	Cumulative	60+ Day	Number of
	Outstanding					
2005	\$ 90	28.2%	3.6%	10.0%	43.5%	3
2006	633	52.2%	3.0%	13.0%	55.1%	6
2007	1,009	54.9%	1.8%	16.4%	47.2%	6
2008	-	-	-	-	-	-
	<u>\$ 1,732</u>	<u>52.5%</u>	<u>2.3%</u>	<u>14.8%</u>	<u>49.9%</u>	<u>15</u>

U.S. Subprime First Lien

Year insured:	Net Par	Pool Factor	Subordination	Cumulative	60+ Day	Number of
	Outstanding					
2005	\$ 301	37.3%	41.4%	5.1%	37.6%	6
2006	126	38.1%	42.7%	13.1%	37.0%	2
2007	2,034	64.4%	24.4%	13.3%	48.6%	9
2008	67	67.9%	30.5%	10.1%	25.9%	1
	<u>\$ 2,528</u>	<u>60.0%</u>	<u>27.5%</u>	<u>12.3%</u>	<u>46.1%</u>	<u>18</u>

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

Assured Guaranty Municipal Corp.

U.S. Consumer Receivables Profile

As of June 30, 2011

(dollars in millions)

Distribution of U.S. Consumer Receivables by Rating

Rating:	Manufactured Housing	Auto	Total Net Par Outstanding
AAA	\$ -	\$ 8	\$ 8
AA	71	601	672
A	-	293	293
BBB	42	54	96
BIG	151	-	151
Total exposures	\$ 264	\$ 956	\$ 1,220
Average rating	BBB	AA-	A+
Avg. initial credit enhancement	27.5%	11.8%	15.2%
Avg. current credit enhancement	25.7%	37.3%	34.8%

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

Assured Guaranty Municipal 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	\$ 16,630	33.9%
AAA	24,341	49.5%
AA	3,987	8.1%
A	1,896	3.9%
BBB	1,559	3.2%
BIG	690	1.4%
Total credit derivative net par outstanding	\$ 49,103	100.0%

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

	Net Par Outstanding	Average Internal Rating
Public finance		
U.S. public finance	\$ 780	A
Non-U.S. public finance	2,664	A
Total public finance	\$ 3,444	A
U.S. structured finance:		
Pooled corporate obligations	\$ 33,379	AAA
Insurance securitizations	368	AA
RMBS	266	BBB
Commercial receivables	62	BB
Other structured finance	109	CCC
Total U.S. structured finance	34,184	AAA
Non-U.S. structured finance:		
Pooled corporate obligations	10,916	AAA
RMBS	521	AA-
Insurance securitizations	38	A+
Total non-U.S. structured finance	11,475	AAA
Total structured finance	\$ 45,659	AAA
Total credit derivative net par outstanding	\$ 49,103	AAA

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (1 of 5)

(in millions)

BIG Exposures by Asset Type:

	BIG Net Par Outstanding	
	June 30, 2011	December 31, 2010
U.S. public finance:		
General obligation	\$ 381	\$ 514
Tax backed	203	189
Healthcare	177	187
Municipal utilities	151	161
Higher education	5	5
Housing	-	6
Other public finance	65	66
Total U.S. public finance	982	1,128
Non-U.S. public finance:		
Infrastructure finance	1,276	836
Other public finance	315	194
Total non-U.S. public finance	1,591	1,030
Total public finance	\$ 2,573	\$ 2,158
U.S. structured finance:		
RMBS	\$ 8,691	\$ 9,411
Pooled corporate obligations	263	143
Consumer receivables	151	159
Commercial receivables	62	63
Structured credit	46	80
Other structured finance	109	109
Total U.S. structured finance	9,322	9,965
Non-U.S. structured finance:		
Pooled corporate obligations	486	78
Total non-U.S. structured finance	486	78
Total structured finance	\$ 9,808	\$ 10,043
Total BIG net par outstanding	\$ 12,381	\$ 12,201

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (2 of 5)

(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	\$ 814	\$ 932
Non-U.S. public finance	1,591	1,030
U.S. structured finance	1,137	1,376
Non-U.S. structured finance	409	1
Total Category 1	3,951	3,339
Category 2		
U.S. public finance	-	12
Non-U.S. public finance	-	-
U.S. structured finance	3,376	4,023
Non-U.S. structured finance	2	2
Total Category 2	3,378	4,037
Category 3		
U.S. public finance	168	184
Non-U.S. public finance	-	-
U.S. structured finance	4,809	4,566
Non-U.S. structured finance	75	75
Total Category 3	5,052	4,825
BIG Total	\$ 12,381	\$ 12,201

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 Municipal Corp.

Below Investment Grade Exposures (3 of 5)

As of June 30, 2011

(dollars in millions)

Public Finance BIG Exposures Greater Than \$50 Million

Name or description	<u>Net Par Outstanding</u>	<u>Internal Rating</u>
U.S. public finance:		
Detroit (City of) School District Michigan	\$ 150	BB
Jefferson County Alabama School Sales Tax Limited Obligation	144	BB
Jefferson County Alabama Sewer	135	D
Detroit (City of) Michigan	94	BB+
Harrisburg (City of) Pennsylvania General Obligation	73	B-
Mashantucket Pequot Tribe, Connecticut	65	B
St. Barnabas Health System - New Jersey	57	BB
Total	\$ 718	
Non-U.S. public finance:		
Reliance Rail Finance Pty. Limited	470	BB
M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	390	BB+
Aeroporti Di Roma (ADR) Romulus Finance S.R.L. (Rome Airport)	227	BB
Hellenic Republic	211	B
Cross City Tunnel Motorway Finance Limited	189	BB
Metropolitano de Porto Lease and Sublease of Railroad Equipment	55	BB+
Total	\$ 1,542	
Total	\$ 2,260	

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (4 of 5)

As of June 30, 2011

(dollars in millions)

Structured Finance BIG Exposures Greater Than \$50 Million

Name or description	Net Par	Internal	Current Credit	60+ Day
U.S. structured finance:	<u>Outstanding</u>	<u>Rating</u>	<u>Enhancement</u>	<u>Delinquencies</u>
U.S. RMBS:				
MABS 2007-NCW	\$ 568	B	31.7%	64.8%
Countrywide HELOC 2006-I	451	CCC	0.0%	7.6%
MASTR 2007-3 (NEGAM)	451	CCC	0.0%	54.6%
Countrywide HELOC 2006-F	380	CCC	0.0%	17.9%
Option One 2007-FXD2	379	CCC	16.4%	31.2%
Nomura Asset Accept. Corp. 2007-1	338	CCC	0.0%	37.5%
Harborview 2006-12	302	B	7.2%	59.7%
Countrywide 2007-13	263	B	30.6%	56.2%
Countrywide HELOC 2005-D	254	CCC	0.0%	12.3%
Terwin Mortgage Trust 2006-12SL	247	B	0.0%	12.2%
Countrywide HELOC 2007-A	236	CCC	0.0%	7.8%
MARM 2007-1 (FKA MASTR 2007-OA1)	222	CCC	0.0%	34.0%
CWABS 2007-4	218	B	20.9%	44.9%
GMACM 2004-HE3	213	CCC	0.0%	3.7%
Countrywide HELOC 2007-B	208	CCC	0.0%	6.3%
Terwin Mortgage Trust 2007-1SL	202	B	0.0%	10.5%
FHABS 2007-HE1 HELOC	191	BB	0.0%	3.2%
Terwin Mortgage Trust 2006-10SL	191	CCC	0.0%	9.6%
Soundview 2007-WMC1	190	CCC	7.5%	70.2%
Harborview 2007-1	173	CCC	10.6%	59.8%
Indymac 2007-H1 HELOC	171	CCC	0.0%	8.7%
FHABS 2006-HE2 HELOC	168	BB	0.0%	4.9%
Harborview 2006-1	159	CCC	0.0%	62.3%
New Century 2005-A	158	B	20.5%	33.4%
Renaissance (DELTA) 2007-3	146	CCC	21.2%	33.5%
CSAB 2006-3	133	CCC	0.0%	44.0%
Countrywide HELOC 2005-C	127	CCC	0.0%	11.3%
Flagstar HELOC 2005-1	99	BB	21.2%	4.8%
Flagstar HELOC 2006-2	98	CCC	23.5%	6.6%
American Home Mortgage Assets Trust 2007-4	90	CCC	0.0%	33.7%
Harborview 2006-10	87	CCC	0.0%	27.3%
Deutsche ALT-B 2006-AB1	87	CCC	0.0%	27.3%
CSAB 2006-2	87	CCC	0.0%	37.5%
NAAC 2007-S2	83	CCC	0.0%	12.0%
Countrywide ALTA 2005-22T	75	B	5.8%	27.0%
Private Residential Mortgage Transaction	73	B	24.1%	31.7%
IndyMac IMSC Mortgage Loan Trust 2007-HOA1	73	CCC	0.0%	36.3%
Soundview Home Loan Trust 2008-1	67	BB	30.5%	25.9%
Terwin Mortgage Trust 2005-16HE	65	B	6.2%	25.4%
CSMC 2007-3	65	CCC	0.0%	32.1%
ACE 2007-SL1	61	BB	0.0%	11.7%
Terwin Mortgage Trust 2007-6ALT	54	CCC	0.0%	52.7%
Terwin Mortgage Trust 2005-14HE	51	B	7.0%	21.7%
ACE 2006-GP1	50	CCC	0.0%	19.1%
Total U.S. RMBS	\$ 8,004			

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

Assured Guaranty Municipal Corp.

Below Investment Grade Exposures (5 of 5)

As of June 30, 2011

(dollars in millions)

Structured Finance BIG Exposures Greater Than \$50 Million (continued)

Name or description	Net Par Outstanding	Internal Rating	Current Credit Enhancement
U.S. structured finance:			
Other:			
Gleneagles Funding LTD (1st Issue)	\$ 136	BB	0.0%
Synthetic High Yield Pooled Corporate CDO	113	CCC	7.7%
NRG Peaker	109	CCC	N/A
Conseco Finance Manufactured Housing Series 2001-2	85	BB	16.3%
Greenpoint 2000-4	66	BB	11.3%
America West Airlines EETC	62	BB	N/A
Total other	\$ 571		
Total	\$ 8,575		
Non-U.S. structured finance:			
Gleneagles Funding LTD (1st Issue)	\$ 221	BB	N/A
Private Pooled Corporate Transaction	81	BB	N/A
Synthetic High Yield Pooled Corporate CDO	75	CCC	7.7%
Total	\$ 377		
Total	\$ 8,952		

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

Assured Guaranty Municipal 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>
New Jersey (State of)	\$ 2,686	AA-
Massachusetts (Commonwealth of)	1,954	AA
Chicago (City of) Illinois	1,782	AA-
New York (State of)	1,711	AA-
Massachusetts (Commonwealth of) State Sales Tax	1,504	AA
University of California Board of Regents	1,471	AA
Houston Texas Water and Sewer Authority	1,461	AA-
New York (City of) New York	1,442	AA
Pennsylvania (Commonwealth of)	1,406	AA-
Arizona (State of)	1,380	AA-
Illinois (State of)	1,375	A+
Washington (State of)	1,371	AA
Port Authority of New York and New Jersey	1,350	AA-
California (State of)	1,335	BBB+
Wisconsin (State of)	1,325	A+
New York City Municipal Water Finance Authority	1,320	AA+
Los Angeles California Unified School District	1,285	AA-
Puerto Rico (Commonwealth of)	1,264	BBB-
Atlanta Georgia Water & Sewer System	1,243	BBB+
Broward County Florida School Board	1,115	AA-
New York MTA Transportation Authority	1,110	A
Miami-Dade County Florida Aviation Authority - Miami International Airport	1,059	A+
Massachusetts (Commonwealth of) Water Resources	1,004	AA
Illinois Toll Highway Authority	997	AA
Los Angeles California Department of Water and Power - Electric Revenue Bonds	970	AA-
Chicago-O'Hare International Airport	938	A
New Jersey Turnpike Authority	924	A-
San Diego County, California Water	915	AA
Orlando-Orange County Expressway Authority, Florida	899	A+
Louisiana (State of) Gas and Fuel Tax	866	AA-
Long Island Power Authority	864	A-
Connecticut (State of)	854	AA-
New York MTA Dedicated Tax	853	AA-
Skyway Concession Company LLC	848	BBB-
Michigan (State of)	842	A+
San Diego California Unified School District	821	AA
California State University System Trustee	815	A+
Kentucky (Commonwealth of)	814	AA-
Metro Washington Airport Authority	809	A+
Detroit Michigan Sewer	802	BBB+
Chicago Illinois Public Schools	796	A+
Michigan (State of) Gas & Motor Vehicle Tax	795	AA
Philadelphia, Pennsylvania Water and Wastewater System	785	A-
Detroit, Michigan Water System	745	A-
Hawaii (State of) Department of Hawaiian Home Lands	712	AA
Austin Texas Combined Utility System Revenue Bonds	705	AA-
Puerto Rico Electric Power Authority	704	A-
Miami-Dade County, Florida Water & Sewer (Revenue Stream)	704	A+
Hartfield Atlanta International Airport	701	A+
Garden State Preservation Trust, NJ, Open Space & Farmland Preservation Bonds	685	AA
Total top 50 U.S. public finance exposures	\$ 55,116	

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

Assured Guaranty Municipal 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
Fortress Credit Opportunities I, LP.	\$ 1,268	AA	32.6%
Synthetic Investment Grade Pooled Corporate CDO	1,126	AAA	13.4%
Stone Tower Credit Funding	1,119	AAA	50.1%
Synthetic High Yield Pooled Corporate CDO	973	AA-	41.1%
Synthetic High Yield Pooled Corporate CDO	841	Super Senior	31.4%
Synthetic High Yield Pooled Corporate CDO	813	Super Senior	30.4%
Synthetic Investment Grade Pooled Corporate CDO	800	Super Senior	23.6%
Synthetic Investment Grade Pooled Corporate CDO	762	Super Senior	14.8%
Synthetic Investment Grade Pooled Corporate CDO	754	Super Senior	29.2%
Mizuho II Synthetic CDO	744	A	N/A
Synthetic Investment Grade Pooled Corporate CDO	731	Super Senior	30.3%
Synthetic High Yield Pooled Corporate CDO	730	AA-	40.0%
Synthetic Investment Grade Pooled Corporate CDO	652	AAA	17.2%
MABS 2007-NCW	568	B	31.7%
Synthetic Investment Grade Pooled Corporate CDO	512	Super Senior	14.3%
Synthetic High Yield Pooled Corporate CDO	492	AAA	46.7%
Denali CLO VII, LTD.	484	AAA	20.1%
Eastland CLO, LTD	461	Super Senior	37.4%
Countrywide HELOC 2006-I	451	CCC	0.0%
MASTR 2007-3 (NEGAM)	451	CCC	0.0%
Avenue CLO V	448	AAA	21.3%
Synthetic Investment Grade Pooled Corporate CDO	446	Super Senior	12.0%
Synthetic Investment Grade Pooled Corporate CDO	433	AAA	10.7%
Synthetic High Yield Pooled Corporate CDO	424	Super Senior	35.6%
Synthetic High Yield Pooled Corporate CDO	418	Super Senior	24.5%
Churchill Financial Cayman	412	AAA	35.9%
Synthetic Investment Grade Pooled Corporate CDO	402	Super Senior	14.2%
Stone Tower III	381	AAA	22.0%
Synthetic Investment Grade Pooled Corporate CDO	380	Super Senior	29.2%
Countrywide Heloc 2006-F	380	CCC	0.0%
Option One 2007-FXD2	379	CCC	16.4%
Grayson CLO	376	Super Senior	27.4%
Westchester CLO	371	AAA	38.1%
Synthetic Investment Grade Pooled Corporate CDO	368	Super Senior	10.3%
Synthetic High Yield Pooled Corporate CDO	368	AAA	29.5%
CENT CDO 15 LIMITED	360	Super Senior	17.5%
Stone Tower CLO V	358	Super Senior	28.5%
Synthetic Investment Grade Pooled Corporate CDO	342	AAA	17.5%
MUIR GROVE CLO	340	AAA	21.9%
KKR Financial CLO 2005-1	340	AAA	23.9%
Nomura Asset Accept. Corp. 2007-1	338	CCC	0.0%
Madison Park Funding	332	AAA	26.7%
Synthetic High Yield Pooled Corporate CDO	327	AAA	29.5%
LCM VI LTD.	316	AAA	21.3%
CIFC Funding 2006-1	307	AAA	23.7%
Credit Protection Trust 188	306	AA	N/A
Synthetic Investment Grade Pooled Corporate CDO	304	AAA	10.9%
Harborview 2006-12	302	B	7.2%
Cent CDO 12 Limited	288	AAA	23.4%
ColumbusNova CLO LTD 2006-II	281	AAA	17.9%
Total top 50 U.S. structured finance exposures	\$ 25,559		

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

Assured Guaranty Municipal 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
Quebec Province	\$ 1,898	A
Sydney Airport Finance Company	1,622	BBB
Thames Water Utility Finance PLC	1,333	A-
Channel Link Enterprises Finance PLC	933	BBB
International AAA Sovereign Debt Synthetic CDO	821	AAA
Synthetic Investment Grade Pooled Corporate CDO	728	Super Senior
Campania Region - Healthcare receivable	655	A-
Japan Expressway Holding and Debt Repayment Agency	629	AA
Synthetic Investment Grade Pooled Corporate CDO	597	Super Senior
Artesian Finance II Plc (Southern)	520	A-
Central Nottinghamshire Hospitals PLC	502	BBB
Capital Hospitals (Issuer) PLC	490	BBB-
Reliance Rail Finance Pty. Limited	470	BB
Duchess I CDO	460	BBB-
ETSA Utility Finance Pty. Limited	455	A-
Queen Street CLO I	454	Super Senior
Synthetic Investment Grade Pooled Corporate CDO	416	AAA
The Hospital Company (QAH Portsmouth) Limited	405	BBB
Integrated Accommodation Services PLC	404	BBB+
Verbund - Lease and Sublease of Hydro-Electric equipment	395	AAA
Synthetic Investment Grade Pooled Corporate CDO	395	Super Senior
Brisbane Airport	391	BBB
M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	390	BB+
MPC Funding Limited	389	BBB
NewHospitals (St Helens & Knowsley) Finance PLC	381	BBB
Total top 25 non-U.S. exposures	\$ 16,133	

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

Assured Guaranty Municipal Corp.

Largest Exposures by Sector (4 of 4)

As of June 30, 2011

(dollars in millions)

10 Largest U.S. Residential Mortgage Servicers Exposures

Servicer:	Net Par Outstanding
Bank of America, N.A. ¹	\$ 4,678
Specialized Loan Servicing, LLC.	1,562
American Home Mortgage Servicing, Inc.	1,480
Ocwen Loan Servicing, LLC.	732
Wells Fargo Bank, N.A.	660
GMAC Mortgage, LLC.	477
OneWest Bank Group, LLC.	448
First Tennessee Bank N.A.	359
Select Portfolio Servicing, Inc.	237
JPMorgan Chase Bank	127
Total top 10 U.S. residential mortgage servicers exposures	\$ 10,760

Credit name:	Net Par Outstanding	Internal Rating	State
Asante Health System	\$ 246	A	OR
MultiCare Health System	228	A+	WA
Hospital Sisters Health Services Inc Obligated Group	210	AA-	IL
CHRISTUS Health	202	A+	TX
Carolina HealthCare System	192	AA-	NC
Catholic Health Initiatives	188	AA	CO
Palmetto Health Alliance	175	A-	SC
Columbus Regional Healthcare System Inc.	171	A-	GA
Covenant Health	165	A-	TN
Carilion Health System	148	BBB+	VA
Total top 10 U.S. healthcare exposures	\$ 1,925		

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 Municipal 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:				
Alt-A first lien	\$ 134.3	\$ 11.7	\$ (18.5)	\$ 127.5
Option ARMs	292.8	20.9	(80.1)	233.6
Subprime first lien	146.6	(0.6)	(0.4)	145.6
Total first lien	<u>573.7</u>	<u>32.0</u>	<u>(99.0)</u>	<u>506.7</u>
Second lien:				
Closed end seconds	(40.4)	4.1	(11.3)	(47.6)
HELOC	(609.5)	5.6	526.7	(77.2)
Total second lien	<u>(649.9)</u>	<u>9.7</u>	<u>515.4</u>	<u>(124.8)</u>
Total U.S. RMBS	(76.2)	41.7	416.4	381.9
Other structured finance	66.6	(7.7)	-	58.9
Public finance	4.5	(2.6)	(0.4)	1.5
Total	<u>\$ (5.1)</u>	<u>\$ 31.4</u>	<u>\$ 416.0</u>	<u>\$ 442.3</u>

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:				
Alt-A first lien	\$ 145.0	\$ 20.0	\$ (37.5)	\$ 127.5
Option ARMs	459.9	(60.5)	(165.8)	233.6
Subprime first lien	180.0	(26.0)	(8.4)	145.6
Total first lien	<u>784.9</u>	<u>(66.5)</u>	<u>(211.7)</u>	<u>506.7</u>
Second lien:				
Closed end seconds	92.1	(116.2)	(23.5)	(47.6)
HELOC	(621.0)	59.8	484.0	(77.2)
Total second lien	<u>(528.9)</u>	<u>(56.4)</u>	<u>460.5</u>	<u>(124.8)</u>
Total U.S. RMBS	256.0	(122.9)	248.8	381.9
Other structured finance	71.6	(11.8)	(0.9)	58.9
Public finance	9.4	(1.2)	(6.7)	1.5
Total	<u>\$ 337.0</u>	<u>\$ (135.9)</u>	<u>\$ 241.2</u>	<u>\$ 442.3</u>

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

Assured Guaranty Municipal 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:				
Alt-A first lien	\$ 102.6	\$ 6.8	\$ -	\$ 109.4
Option ARMs	553.6	103.3	(21.6)	635.3
Subprime first lien ¹	80.5	0.4	-	80.9
Closed end seconds	149.8	(11.7)	-	138.1
HELOC	838.7	(0.9)	(592.7)	245.1
Total	\$ 1,725.2	\$ 97.9	\$ (614.3)	\$ 1,208.8

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:				
Alt-A first lien	\$ 68.2	\$ 41.2	\$ -	\$ 109.4
Option ARMs	291.2	367.8	(23.7)	635.3
Subprime first lien ¹	26.6	54.3	-	80.9
Closed end seconds	98.4	39.7	-	138.1
HELOC	738.4	124.5	(617.8)	245.1
Total	\$ 1,222.8	\$ 627.5	\$ (641.5)	\$ 1,208.8

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

	Number of Risks as of		Debt Service as of	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Financial Guaranty Insurance:				
Alt-A first lien	11	11	\$ 1,352.7	\$ 1,441.2
Option ARMs	9	10	1,656.7	1,818.8
Subprime first lien ¹	4	1	976.3	227.0
Closed end seconds	2	2	235.4	258.3
HELOC	12	10	2,339.1	2,190.5
Total	38	34	\$ 6,560.2	\$ 5,935.8

1. Includes net interest margin.

Note: There is no R&W benefit for credit derivatives.

Assured Guaranty Municipal 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
First lien:						
Alt-A first lien	\$ 1,198.4	\$ 15.6	\$ 25.4	\$ 9.8	\$ 5.4	\$ 172.3
Option ARMs	1,732.1	63.1	66.1	94.2	102.7	262.4
Subprime first lien ¹	2,192.2	6.2	(9.1)	74.7	0.1	66.3
Total first lien	5,122.7	84.9	82.4	178.7	108.2	501.0
Second lien:						
Closed end seconds	841.0	1.7	(24.8)	(3.4)	69.7	80.6
HELOC	2,727.1	16.9	57.8	3.7	155.9	166.9
Total second lien	3,568.1	18.6	33.0	0.3	225.6	247.5
Total U.S. RMBS	8,690.8	103.5	115.4	179.0	333.8	748.5
Other structured finance	1,117.3	(3.4)	(5.5)	55.6	-	8.6
Public finance	2,573.0	(0.2)	1.0	10.8	31.2	23.3
Subtotal	\$ 12,381.1	\$ 99.9	\$ 110.9	\$ 245.4	\$ 365.0	\$ 780.4
Effect of consolidating financial guaranty VIEs	-	(18.4)	(66.9)	(46.1)	(133.6)	(257.5)
Total	\$ 12,381.1	\$ 81.5	\$ 44.0	\$ 199.3	\$ 231.4	\$ 522.9

	Insurance reserves	Credit Impairment on Credit Derivative Contracts ²	Reserve and Credit Impairment	Salvage and Subrogation Recoverable	Net
Gross	\$ 170.4	\$ 83.1	\$ 253.5	\$ 277.0	\$ (23.5)
Ceded	27.8	26.4	54.2	45.6 ³	8.6
Net	\$ 142.6	\$ 56.7	\$ 199.3	\$ 231.4	\$ (32.1)

1. Includes net interest margin.

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 Municipal 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)	\$ 539.5	\$ 401.8	\$ 228.2	\$ (1,376.7)	\$ 312.9
Policyholders' surplus	\$ 1,309	\$ 993	\$ 909	\$ 711	\$ 1,609
Contingency reserve	1,741	1,585	1,323	1,282	1,094
Qualified statutory capital	3,050	2,578	2,232	1,993	2,703
Unearned premium reserve	2,255	2,298	2,392	2,520	2,275
Loss and LAE reserves	491	436	1,022	1,688	98
Total policyholders' surplus and reserves	5,796	5,312	5,646	6,201	5,076
Present value of installment premiums	635	691	783	963	1,113
Standby line of credit/stop loss	498	498	498	550	550
Total claims-paying resources	<u>\$ 6,929</u>	<u>\$ 6,501</u>	<u>\$ 6,927</u>	<u>\$ 7,714</u>	<u>\$ 6,739</u>
Statutory Financial Ratios					
Loss and LAE ratio	(101.9)%	47.0%	17.4%	480.2%	16.1%
Expense ratio	<u>35.7%</u>	<u>32.5%</u>	<u>48.1%</u>	<u>9.1%</u>	<u>30.0%</u>
Combined ratio	<u>(66.2)%</u>	<u>79.5%</u>	<u>65.5%</u>	<u>489.3%</u>	<u>46.1%</u>
Other Financial Information (Statutory Basis)					
Net debt service outstanding (end of period)	\$ 496,122	\$ 516,080	\$ 568,594	\$ 631,886	\$ 623,158
Gross debt service outstanding (end of period)	711,916	715,938	755,360	834,426	858,458
Net par outstanding (end of period)	329,605	343,619	381,148	424,393	426,512
Gross par outstanding (end of period)	466,005	464,904	493,798	545,568	564,515
Ceded par to all Assured Guaranty companies	63,962	63,602	32,501	32,927	30,872
Ceded par to other companies	55,499	57,682	79,433	88,248	107,131
Ratios:					
Par insured to statutory capital	108:1	133:1	171:1	213:1	158:1
Capital ratio ¹	163:1	200:1	255:1	317:1	231:1
Financial resources ratio ²	72:1	79:1	82:1	82:1	92:1
Gross debt service written:					
Public finance	\$ 12,199	\$ 43,115	\$ 4,202	\$ 85,666	\$ 133,792
Structured finance	-	-	-	5,193	57,434
Total gross debt service written	<u>\$ 12,199</u>	<u>\$ 43,115</u>	<u>\$ 4,202</u>	<u>\$ 90,859</u>	<u>\$ 191,226</u>

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.

Financial Products is the guaranteed investment contracts ("GICs") portion of the former Financial Products Business of AGMH. AGM has issued financial guaranty insurance policies on the GICs and in respect of the GICs business that cannot be revoked or cancelled. Assured Guaranty is indemnified against exposure to the former financial products business by Dexia SA and certain of its affiliates. In addition, the French and Belgian governments have issued guaranties in respect of the GICs portion of the financial products business. The financial products business is currently being run off.

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.

ASSURED GUARANTY[®]

MUNICIPAL

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019
(212) 974-0100
www.assuredguaranty.com

Contacts:

Equity and Fixed Income Investors:

Robert Tucker
Managing Director, Investor Relations
(212) 339-0861
rtucker@assuredguaranty.com

Ross Aron
Vice President, Investor Relations
(212) 261-5509
aron@assuredguaranty.com

Michael Walker
Director, Fixed Income Investor Relations
(212) 261-5575
mwalker@assuredguaranty.com

Media:

Ashweeta Durani
Vice President, Corporate Communications
(212) 408-6042
adurani@assuredguaranty.com