Fixed Income Investor Presentation

Third Quarter 2011

ASSURED GUARANTY CORP.

ASSURED GUARANTY MUNICIPAL

Revised on 01.18.12

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Safe Harbor Disclosure

- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty" or the "Company") with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from these statements. For example, Assured Guaranty's forward-looking statements could be affected by:
  - 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 AGL or any of its subsidiaries and/or of transactions that AGL's subsidiaries have insured, all of which have occurred in the past;
  - developments in the world's financial and capital markets that adversely affect issuers' payment rates, Assured Guaranty's loss experience, its ability to cede exposure to reinsurers, its access to capital, its unrealized (losses) gains on derivative financial instruments or its investment returns;
  - changes in the credit markets, segments thereof or general economic conditions;
  - more severe or frequent losses implicating the adequacy of Assured Guaranty's expected loss estimates;
  - the impact of market volatility on the mark-to-market of its contracts written in credit default swap form;
  - reduction in the amount of insurance and reinsurance opportunities available to Assured Guaranty;
  - 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;
  - the possibility that the Company will not realize insurance loss recoveries or damages expected from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions
  - increased competition;
  - changes in applicable accounting policies or practices;
  - changes in applicable laws or regulations, including insurance and tax laws;
  - other governmental actions;
  - difficulties with the execution of Assured Guaranty's business strategy;
  - contract cancellations;
  - Assured Guaranty's dependence on customers;
  - loss of key personnel;
  - adverse technological developments;
  - the effects of mergers, acquisitions and divestitures;
  - natural or man-made catastrophes;
  - other risks and uncertainties that have not been identified at this time;
  - management's response to these factors; and
  - other risk factors identified in Assured Guaranty's filings with the Securities and Exchange Commission (the "SEC").
- See Assured Guaranty's SEC filings and latest earnings press release and financial supplement, which are available on its website, for more information on factors that could affect its forward-looking statements. Do not place undue reliance on these forward-looking statements, which are made only as of December 12, 2011. Assured Guaranty does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Conventions and Disclaimer

- Unless otherwise noted, the following conventions are used in this presentation:
  - Ratings on our insured portfolio and on bonds purchased pursuant to loss mitigation or risk management strategies are Assured Guaranty's internal ratings. Although the Company's ratings scale is similar to that used by the nationally recognized statistical rating organizations, the ratings 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 Assured Guaranty in instances where its AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (2) Assured Guaranty's exposure benefitting from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured Guaranty's attachment point to be materially above the AAA attachment point.
  - Exposures rated below investment grade are designated "BIG".
  - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P").
  - Percentages and totals in tables or graphs may not add due to rounding.
- On October 18, 2011, Assured Guaranty issued a press release announcing that it would restate its financial results for the years ended December 31, 2009 and 2010, and each of the previously issued quarters of 2010 and 2011, due to errors in intercompany eliminations for financial guaranty variable interest entities. In addition, the Company was required to correct certain unrelated, immaterial errors as part of the restatement. Restated results were disclosed for third and fourth quarter and full year 2009 as well as full year 2010 in a Form 10-K/A filing with the SEC on October 31, 2011, for the first and second quarters of 2011 and 2010 in Form 10-Q/A filings on November 14, 2011 and for the third quarter of 2010 in the Form 10-Q filing on November 14, 2011. Each of the Form 10-K/A and Form 10-Q/A filings should be read in conjunction with the original Form 10-K and Form 10-Q filing for the applicable period. As of June 30, 2011, the effect of the restatements on consolidated shareholders' equity was less than 1%, the effect on cumulative consolidated net income was $36.1 million, and there was no impact on cumulative operating income, operating shareholders' equity or adjusted book value. Wherever applicable, this document shows only the restated results.
- The materials in this presentation do not constitute advice with respect to any municipal financial products, or the issuance of any municipal securities, including with respect to the structuring, timing or terms of any such financial products or issuances. You should not rely on such material to make any decision with respect to these topics. Neither we nor any of our affiliates is acting as your advisor in connection with any municipal financial product or any issuance of municipal securities. We encourage you to consult your own financial and legal advisors and to make your own independent investigation regarding any municipal financial product and the structure, timing and terms of any issuance of municipal securities. Municipal financial product includes any municipal derivative, guaranteed investment contract, plan or program for the investment of the proceeds of municipal securities, or the recommendation and brokerage of municipal escrow investments.

Non-GAAP Financial Measures and Performance Indicators

- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures not in accordance with GAAP ("non-GAAP financial measures") are defined in the appendix. In each case, the most directly comparable GAAP financial measure, if available, is presented, and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how Assured Guaranty's management, analysts and investors evaluate Assured Guaranty's financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty.
- 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. The following performance measures are used:
  - *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. Data is obtained from third-party sources such as trustee reports and may be subject to misstatement or correction.
  - *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.

Corporate Overview and Update

Corporate Overview and Update

- **Assured Guaranty Ltd. (“AGL” and together with its subsidiaries “Assured Guaranty” or “the Company”) is the leading financial guaranty franchise**
  - We are the only long-standing financial guaranty company writing new business today
  - We have maintained financial strength ratings acceptable to the market
- **Assured Guaranty’s sole focus is financial guaranty**
  - Publicly traded holding company (NYSE: AGO) with extensive quarterly financial disclosures providing transparency to all investors
  - More than 22-year track record in financial guaranty market
  - Two principal financial guaranty direct subsidiaries and one financial guaranty reinsurance subsidiary
- **Strong capital base**
  - Consolidated investment portfolio[2] of $11.3 billion as of September 30, 2011
  - Consolidated claims-paying resources of $13.0 billion as of September 30, 2011
- **On July 1, 2009, Assured Guaranty acquired Financial Security Assurance Inc. (“FSA”), the only other active legacy financial guaranty company, through its acquisition of Financial Security Assurance Holdings Ltd. (“FSAH”) from Dexia SA (“Dexia”).[3] FSAH was subsequently renamed Assured Guaranty Municipal Holdings Inc. (“AGMH”)**

($ in billions)	Assured Guaranty Ltd. (9/30/11)
Net par outstanding[1]	$557.8
Total investment portfolio[2]	$11.3
Claims-paying resources[1]	$13.0

1. Statutory basis
2. Total Investment Portfolio includes $298 million of other invested assets not available for sale and excludes $173 million of cash and $28 million of investments in repurchased insured securities whose issuers were subsequently consolidated as variable interest entities (“VIEs”). See pages 42 and 43 for a breakdown of the available-for-sale portfolio.
3. Assured Guaranty did not acquire FSAH’s Financial Products (“FP”) segment. Assured Guaranty and its subsidiaries are indemnified against exposure to the FP segment by Dexia. As of September 30, 2011, FP guaranteed investment contracts (“GICs”) totaled $5.8 billion, and the market value of assets of the FP companies were approximately $7.5 billion, which exceeded the accreted balance of the GIC liabilities by approximately 30%. As of that date, approximately 64% of such assets consisted of cash or obligations backed by the full faith and credit of the United States.

Assured Guaranty Strategic Priorities

Our long-term strategic goals are virtually unchanged since our initial public offering in April 2004:

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

Assured Guaranty Ltd.
Corporate Structure

Assured Guaranty Ltd.
Hamilton, Bermuda
Publicly traded Holding Company (NYSE: AGO)
A- (stable outlook) / A3 (negative outlook)
senior debt ratings

Assured Guaranty Re Ltd. ("AG Re")
Financial Guaranty Reinsurance
AA- (stable outlook) / A1 (negative outlook)
financial strength ratings

AG Corporate Holdings LLC
Delaware LLC
NR

Assured Guaranty Finance Overseas Ltd.
European Marketing
NR

Assured Guaranty Overseas U.S. Holdings Inc.
U.S. Holding Company
NR

Assured Guaranty Re Overseas Ltd. ("AGRO")
Financial Guaranty Reinsurance
AA- (stable outlook) / A1 (negative outlook)
financial strength ratings

Assured Guaranty Mortgage Insurance Company
Mortgage Guaranty
AA- (stable outlook) / A1 (negative outlook)
financial strength ratings

Assured Guaranty US Holdings Inc. ("AGUS")
U.S. Holding Company
A- / A3 (negative outlook)
senior debt ratings

Assured Guaranty Corp. ("AGC")
Financial Guaranty Direct
AA- (stable outlook) /
Aa3 (negative outlook)
financial strength ratings

AG Financial Products Inc.
Swap Counterparty
NR

Assured Guaranty (UK) Ltd.
Financial Guaranty Direct
AA- (stable outlook) /
Aa3 (negative outlook)
financial strength ratings

Assured Guaranty (Bermuda) Ltd.
Financial Guaranty Direct
and Reinsurance
AA- (stable outlook) /
Aa3 (negative outlook)
financial strength ratings

Assured Guaranty Municipal Holdings Inc. (formerly Financial Security Assurance Holdings Ltd.)
U.S. Holding Company
A- / A3 (negative outlook)
senior debt ratings

Assured Guaranty Municipal Corp. ("AGM") (formerly Financial Security Assurance Inc.)
Financial Guaranty Direct
AA- (stable outlook) / Aa3 (negative outlook)
financial strength ratings

Assured Guaranty Municipal Insurance Company
Financial Guaranty Reinsurance
AA- (stable outlook) / NR
financial strength ratings

Assured Guaranty (Europe) Ltd. (formerly Financial Security Assurance (U.K.) Limited)
Financial Guaranty Direct
AA- (stable outlook) / Aa3 (negative outlook)
financial strength ratings

Ratings and company names as of December 12, 2011.
S&P / Moody's.
NR = Not rated

Assured Guaranty's Operating Platforms

- **Assured Guaranty Corp. ("AGC") and Assured Guaranty Municipal ("AGM") operate as two separate direct financial guaranty platforms with Assured Guaranty Re ("AG Re") operating as a reinsurer**
  - AGC guarantees public finance, global infrastructure and structured finance transactions
  - AGM, formerly FSA, focuses exclusively on public finance and global infrastructure transactions
  - AG Re, as a reinsurer, provides additional capital and flexibility to AGC and AGM
- **AGC and AGM are integrated for risk management, surveillance, credit, financial reporting and systems**
- **Assured Guaranty's financial position and market standing, along with the franchise value of AGC and AGM, are strengthened through this structure**
  - Greater capacity to write business
  - More flexibility in balancing portfolio exposures
  - Enhanced operating efficiencies through common infrastructure

Assured Guaranty's Operating Platforms (Cont'd)

- **Companies distinct for legal and regulatory purposes**
  - Separate insured credit exposures: net par – AGC $108 billion, AGM $330 billion[1]
  - Separate insurance licenses
  - Separate capital bases – claims-paying resources: AGC $3.6 billion,[2] AGM $6.8 billion
  - Separate regulators – AGC is domiciled in Maryland; AGM is domiciled in New York
  - Dividend restrictions – including Maryland and New York insurance law restrictions, and rating agency non-impairment confirmation; also, for three years after closing of acquisition, AGM cannot pay dividends unless rated at least AA-/Aa3 *and* dividends do not exceed 125% of AGMH annual debt service.

1. Includes insured GICs. As of September 30, 2011, FP guaranteed investment obligations ("GICs") totaled $5.8 billion, and the market value of assets of the FP companies were approximately $7.5 billion, which exceeded the accreted balance of the GIC liabilities by approximately 30%. As of that date, approximately 64% of such assets consisted of cash or obligations backed by the full faith and credit of the United States.
2. In 2009, Assured Guaranty Corp. issued a $300.0 million note payable to Assured Guaranty Municipal Corp.

Operating Principles and Investor and Issuer Benefits

- **Underwriting principles designed to protect our franchise**
- **Experienced and disciplined management**
- **Commitment to disclosure and transparency: Committed to providing detailed exposure information to the market**
- **Our guaranty benefits investors and issuers because we provide credit selection, underwriting, surveillance and remediation in addition to timely payment of scheduled principal and interest if underlying transaction defaults**
  - Bond insurance helps homogenize the market's view of insured credits, which typically increases market liquidity
  - Credit enhancement provides protection in an uncertain credit environment

Financial Strength Ratings

- **Assured Guaranty has the highest financial strength ratings of any active financial guaranty insurer today:**
  - On November 30, 2011, S&P changed the financial strength ratings of AGC and AGM to AA- (Stable Outlook) from AA+ (CreditWatch Negative) and AG Re to AA- (Stable Outlook) from AA (CreditWatch Negative). This was based on S&P's new bond insurance rating criteria. Our AA- Stable ratings result in us maintaining some of the highest S&P ratings for a company in the financial sector.
  - Moody's confirmed AGM's and AGC's Aa3 financial strength ratings in fourth quarter 2009 (Moody's review is in process)

Financial Strength Ratings

As of December 12, 2011

	Moody's	S&P
AGC	Aa3 negative outlook	AA- stable outlook
AGM	Aa3 negative outlook	AA- stable outlook
AG Re	A1 negative outlook	AA- stable outlook

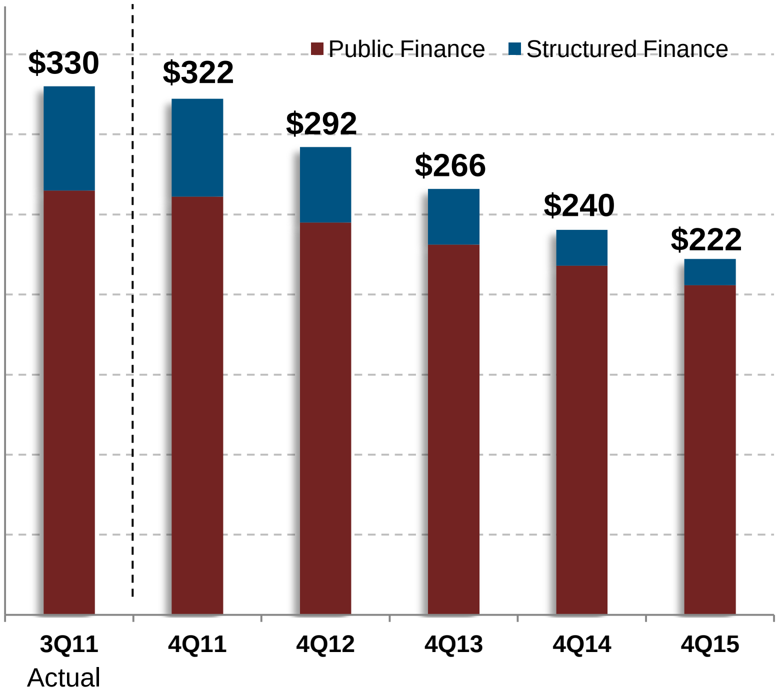
AGM’s Commitment to the Public Finance Market

ASSURED GUARANTY®

- **We are committed to writing only U.S. public finance and global infrastructure transactions in AGM now and in the future.[1]**
- **AGM’s existing insured portfolio is expected to rapidly evolve toward its new public finance focus.**
- **We project that AGM’s legacy global structured finance insured portfolio ($65 billion as of September 30, 2011 vs. $127 billion as of September 30, 2008) will run off rapidly – 47% by year-end 2013 and 75% by year-end 2015.[2]**

AGM Net Par Outstanding Amortization

Current and Projected Year-End Amounts
as of September 30, 2011
($ in billions)

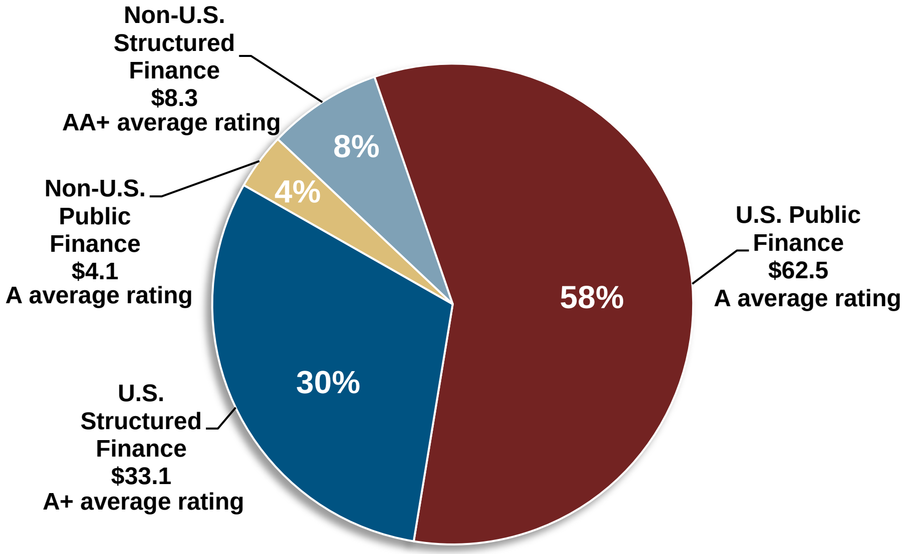


1. AGM stopped writing structured finance transactions in August 2008.
2. Represents the future expected amortization of current net par outstanding as of September 30, 2011. Actual amortization of the existing portfolio will differ from the expected shown here because, for example, (1) some obligors may call, prepay or defease guaranteed obligations (e.g., in the context of U.S. public finance refundings), and (2) the expected amortization of structured finance transactions is based in part on management’s assumptions regarding the performance of the underlying assets while the actual performance of those assets may differ from management’s assumptions. Actual amortization of the U.S. public and global infrastructure finance portfolio and the structured finance portfolio may be faster or slower than expected by management, both portfolios may differ in the same direction and one portfolio may amortize more quickly while the other may amortize more slowly.

AGC's Operating Structure

- **AGC is a diversified insurer writing all classes of financial guaranty business, including: U.S. public finance, global infrastructure and structured finance**
- **Structured finance activities:**
  - Currently restricted to carefully selected asset types (e.g., auto loans and leases, credit card receivables, consumer loans, equipment loans and leases, trade receivables)
  - No U.S. RMBS until product changes fundamentally
  - Conservative limits
  - High attachment points
  - Less complex structures

Net Par Outstanding
As of September 30, 2011
($ in billions)



$108.0 billion, A average rating

AG Re’s Operating Structure

- **AG Re is an insurance company primarily engaged in providing reinsurance to financial guarantors**
- **Reinsurance for AGC and AGM**
- **Portfolio opportunities with existing legacy monolines**

Three Discrete Operating Companies With Separate Capital Bases

Consolidated Claims-Paying Resources and Statutory-Basis Exposures[1]

($ in millions)	Assured Guaranty Municipal Corp.	Assured Guaranty Corp.	Assured Guaranty Re Ltd. [1]	Eliminations [2]	Consolidated
	As of September 30, 2011				
Claims-paying resources					
Policyholders' surplus	$ 1,301	$ 1,112	$ 1,180	$ (300)	$ 3,293
Contingency reserve	1,804	606	-	-	2,410
Qualified statutory capital	**3,105**	**1,718**	**1,180**	**(300)**	**5,703**
Unearned premium reserve	2,207	835	1,027	-	4,069
Loss and loss adjustment expense reserves [3,4]	440	383	246	-	1,069
Total policyholders' surplus and reserves	**5,752**	**2,936**	**2,453**	**(300)**	**10,841**
Present value of installment premium [4]	593	418	252	-	1,263
Standby line of credit/stop loss	498	200	200	-	898
Total claims-paying resources	**$ 6,843**	**$ 3,554**	**$ 2,905**	**$ (300)**	**$ 13,002**
Net par outstanding [5]	$ 319,016	$ 107,972	$ 132,464	$ (1,658)	$ 557,794
Net debt service outstanding [5]	$ 480,990	$ 158,578	$ 214,767	$ (3,795)	$ 850,540
Ratios:					
Net par outstanding to qualified statutory capital	103:1	63:1	112:1		98:1
Capital ratio [6]	155:1	92:1	182:1		149:1
Financial resources ratio [7]	70:1	45:1	74:1		65:1

1. AG Re numbers are the Company's estimate of U.S. statutory, as this company files Bermuda statutory financial statements.
2. In 2009, AGC issued a $300.0 million note payable to AGM. Net par and net debt service outstanding eliminations represent second-to-pay policies under which an Assured Guaranty insurance subsidiary guarantees an obligation already insured by another Assured Guaranty insurance subsidiary.
3. Reserves are reduced by approximately $1.6 billion for benefit related to representation and warranty recoverables.
4. Includes financial guaranty insurance and credit derivatives.
5. 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 eligible 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).
6. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
7. The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.

R&W Putbacks and Settlements

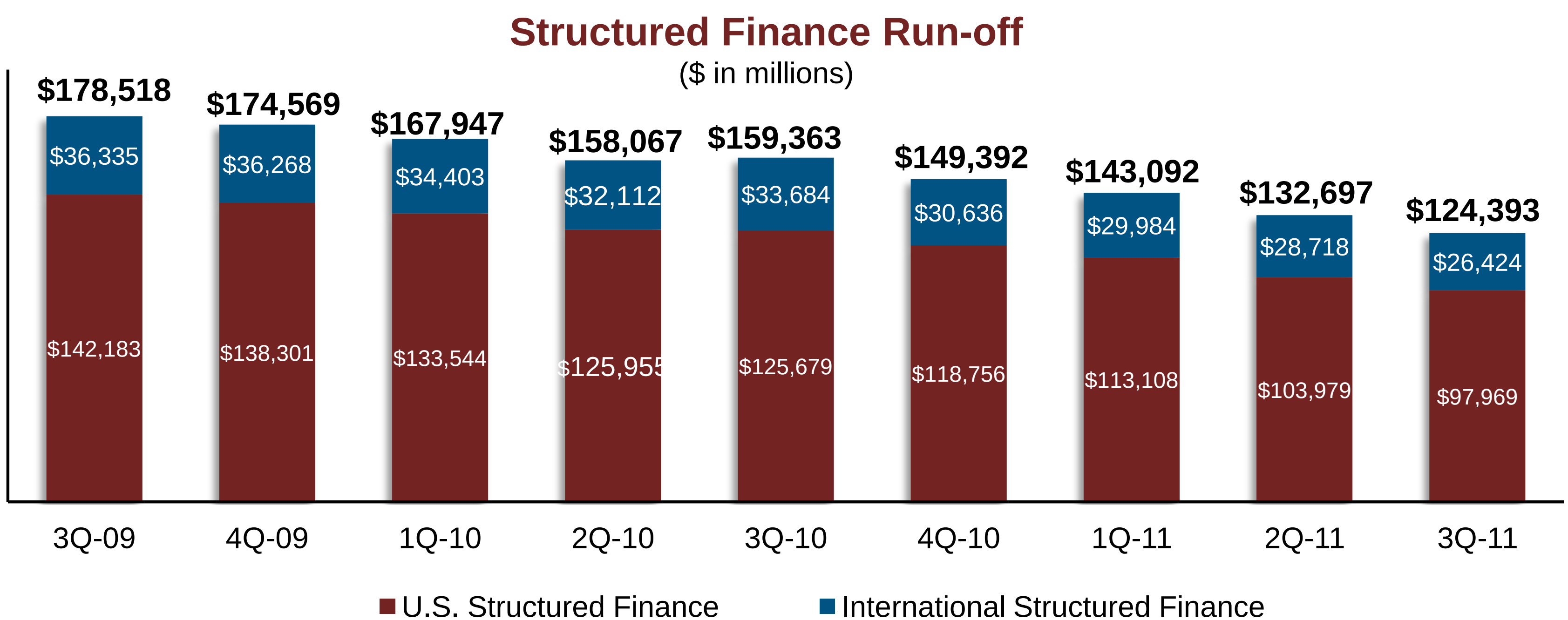
- **Since 2008, we have been pursuing reimbursement for breaches of R&W through mortgage putbacks and related settlements.**
- **In April 2011, we resolved our R&W claims on 29 transactions with Bank of America/Countrywide.**
  - $1.1 billion cash payment to be received by March 31, 2012; $985.4 million was paid by September 30, 2011
  - Reimbursement[1] of 80% of paid losses on 21 first lien transactions until collateral losses in those securitizations equal $6.6 billion; as of September 30, 2011, collateral losses are expected to be $4.9 billion, generating $811.5 million of estimated gross economic loss to Assured Guaranty's tranches, before consideration of R&W benefits
- **As of September 30, 2011, the cumulative total (gross of reinsurance) of (i) settlement receipts and commitments and (ii) R&W putbacks and putback commitments was approximately $2.4 billion.[2] The putbacks flow through the transaction waterfalls and do not necessarily benefit us dollar-for-dollar.**
- **We continue to pursue reimbursement from other R&W providers; Deutsche Bank, UBS and Credit Suisse comprise most of our non-Bank of America future net R&W benefit as of September 30, 2011.**

($ in millions)	Future Net R&W Benefit as of	
	September 30, 2011	**December 31, 2010**
Bank of America/Countrywide	$695.7	$1,049.7
Other R&W providers (11)	1,068.3	621.0
Total	**$1,764.0**	**$1,670.7**

1. As of September 30, 2011, Bank of America had placed approximately $965 million of eligible assets in trust in order to collateralize the reimbursement obligation relating to the first lien transactions. The amount of assets required to be posted may increase or decrease from time to time, as determined by rating agency requirements.
2. Includes approximately $730 million of gross future Bank of America/Countrywide benefit related to our R&W agreement.

Other Capital Creation Initiatives

- **We also have a wrapped bond purchase program, in which we purchase bonds we have insured in order to reduce our losses**
  - Have purchased approximately $1.2 billion of par on insured securities through September 30, 2011 with an initial purchase price of approximately $550 million; $1.1 billion of par remains outstanding
- **We generate excess capital as our RMBS and other structured finance exposures run off**
  - 30% of structured finance portfolio has run off since September 30, 2009
  - About 37% of our remaining structured finance portfolio is expected to run off from 3Q-11 through year-end 2013
  - U.S. RMBS runoff will free up the most capital; expect $5.8 billion to run off in 4Q-11 and 2012

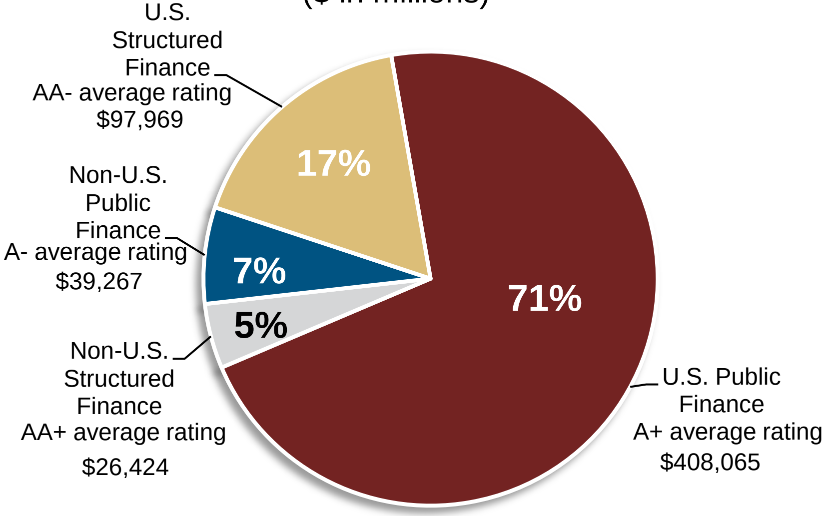


Exercise Underwriting Discipline

- **Our U.S. public finance portfolio, our largest exposure category, has performed well despite increased financial pressure on municipal obligors caused by the recession**
  - We have tightened our public finance underwriting standards
  - Out of approximately 11,000 direct public finance transactions, we expect future losses to be paid, net of recoveries, on less than a dozen, and, in 3Q-11, we made payments on only four.
- **Our principal losses in the last three years have been on U.S. RMBS due to the lack of adherence to underwriting standards by mortgage originators**
  - Neither AGC nor AGM underwrote collateralized debt obligations (“CDOs”) backed by RMBS, protecting us from losses on the scale experienced by our former competitors

Consolidated Net Par Outstanding

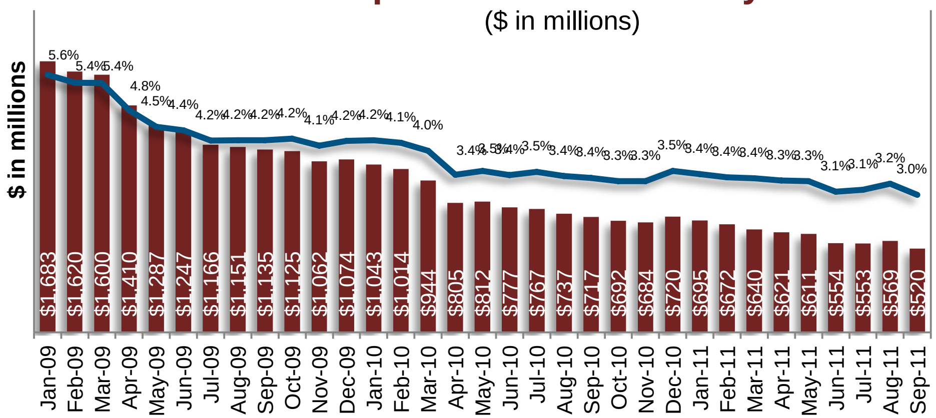
As of September 30, 2011
($ in millions)



$571.7 billion, A+ average rating

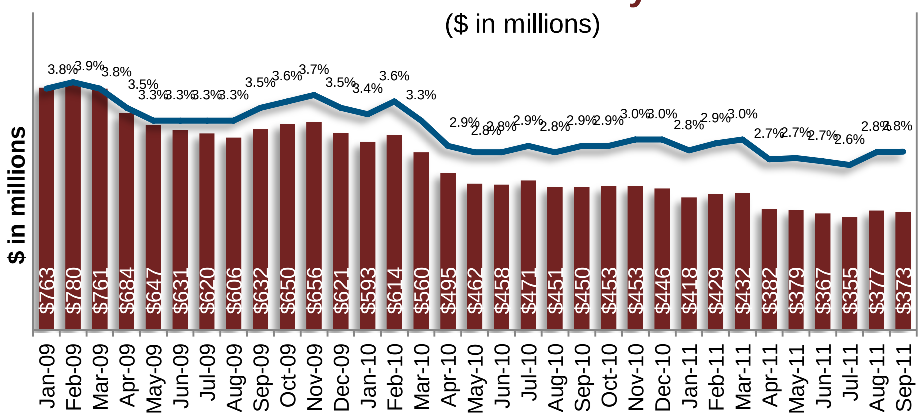
First Lien 30-59 Day Delinquencies
For Financial Guaranty Direct Transactions Originated 2005-2008

Option ARMs 30-59 Days
($ in millions)

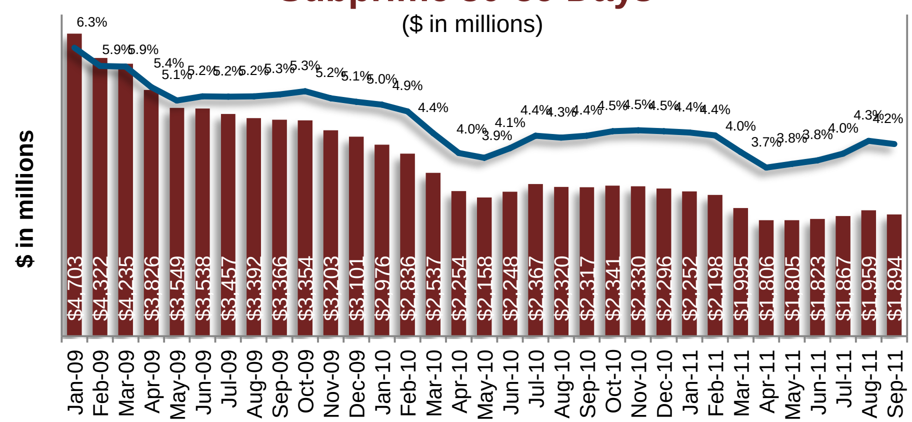


- **First lien 30-59 day delinquencies are down since January 2009 in both percentage terms and dollar amounts in Option ARM, Alt-A and subprime transactions.**

Alt-A 30-59 Days
($ in millions)



Subprime 30-59 Days[1]
($ in millions)



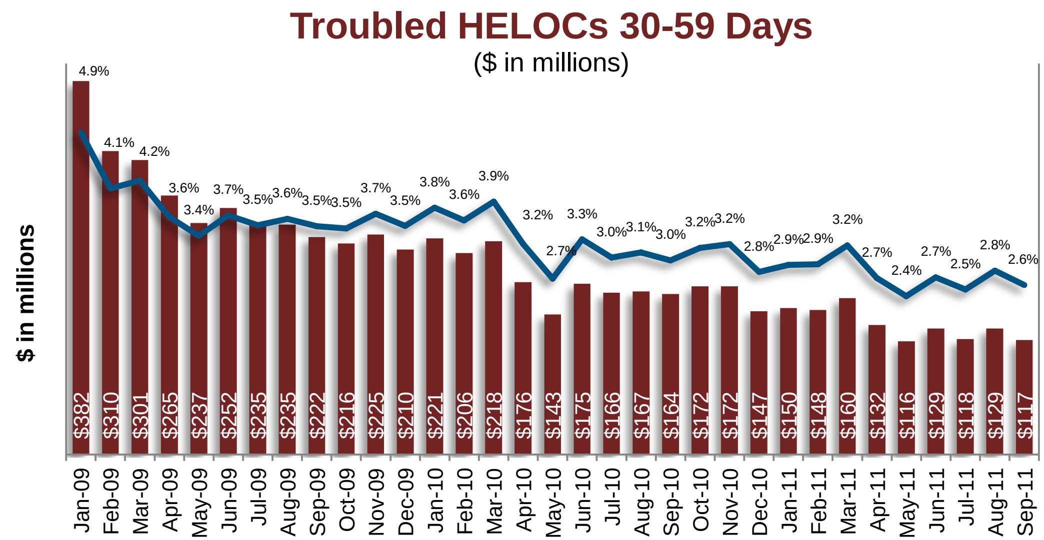
Reflects actual AGC and AGM direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

1. Excludes 1 transaction with approximately $80 million of net par outstanding.

Second Lien Delinquencies

For Financial Guaranty Direct Transactions Originated 2005-2008

- **Second lien 30-59 day delinquencies are down since January 2009 in both percentage terms and dollar amounts for troubled HELOCs.**



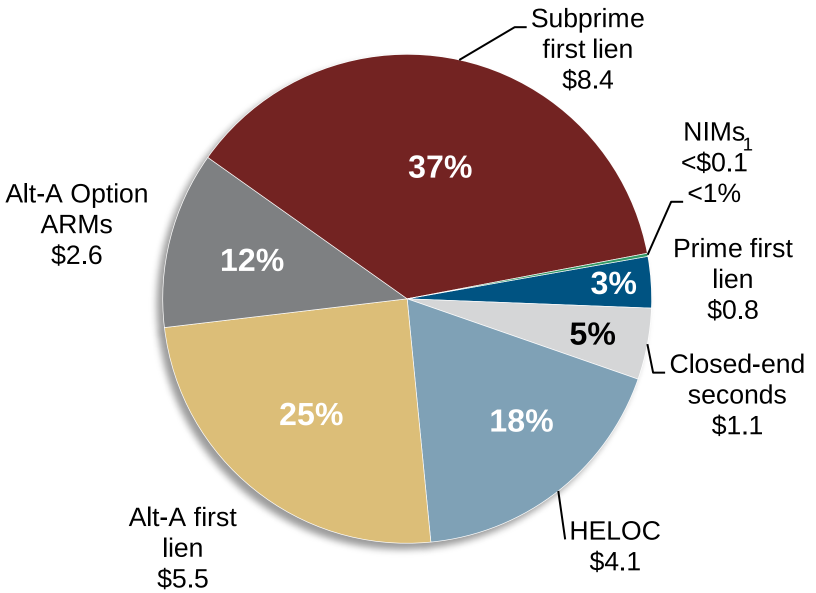
Reflects actual AGC and AGM direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

Consolidated U.S. RMBS

- **Our $22.5 billion U.S. RMBS portfolio is amortizing on an absolute basis and as a percentage of the portfolio**
  - U.S. RMBS represents 3.9% of total net par outstanding at September 30, 2011 versus 8.3% at year-end 2008
  - Total U.S. RMBS has declined from $30.2 billion at September 30, 2009 to $22.5 billion at September 30, 2011, a $7.7 billion or 25% reduction
- **Our loss reserving methodology is driven by our assumptions on several factors with a key variable on new delinquencies:**
  - Conditional default rate
  - Constant prepayment rate
  - Excess spread
  - Loss severity
- **We have several initiatives aimed at reducing ultimate losses**

U.S. RMBS by Exposure Type

As of September 30, 2011
($ in billions)



$22.5 billion
(3.9% of net par outstanding)

1. NIMs= Net Interest Margin securities

Assured Guaranty U.S. RMBS Performance
Option ARMs and Alt-A First Lien

($ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. Option ARMs

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 116	25.8%	7.6%	9.2%	37.2%	4
2006	613	49.5%	2.8%	13.6%	53.7%	7
2007	1,740	53.4%	3.9%	14.9%	41.0%	11
2008	98	56.5%	49.1%	10.2%	38.8%	1
	$ 2,566	51.4%	5.5%	14.1%	43.8%	23

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 644	35.9%	10.2%	5.6%	18.9%	21
2006	436	41.8%	0.0%	16.6%	37.2%	7
2007	2,806	53.3%	5.2%	11.9%	33.1%	12
2008	1,534	49.7%	23.4%	11.8%	30.3%	5
	$ 5,420	49.3%	10.5%	11.5%	31.0%	45

1. See page 4 for descriptions of performance information.

Assured Guaranty U.S. RMBS Performance
Subprime First Lien

($ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. Subprime First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 316	35.4%	43.8%	6.0%	38.2%	6
2006	3,539	23.1%	61.7%	15.7%	37.6%	4
2007	2,848	54.2%	23.6%	17.0%	47.1%	13
2008	81	66.4%	28.9%	11.5%	28.1%	1
	$ 6,783	37.2%	44.5%	15.7%	41.5%	24

1. See page 4 for descriptions of performance information.

Assured Guaranty U.S. RMBS Performance

HELOC

($ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 861	18.3%	2.7%	14.6%	12.2%	6
2006	1,202	29.5%	2.2%	32.8%	9.9%	7
2007	1,632	44.6%	3.3%	28.7%	7.1%	9
2008	-	-	-	-	-	-
	$ 3,695	33.5%	2.8%	26.7%	9.2%	22

1. See page 4 for descriptions of performance information.

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

($ in millions)

Distribution of Direct U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor	Subordination[2]	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ -	-	-	-	-	-
2006	437	16.3%	-	59.8%	10.9%	2
2007	612	19.8%	-	65.3%	10.5%	10
2008	-	-	-	-	-	-
	$ 1,049	18.3%	-	63.0%	10.7%	12

1. See page 4 for descriptions of performance information.
2. Many of the closed-end second lien 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.

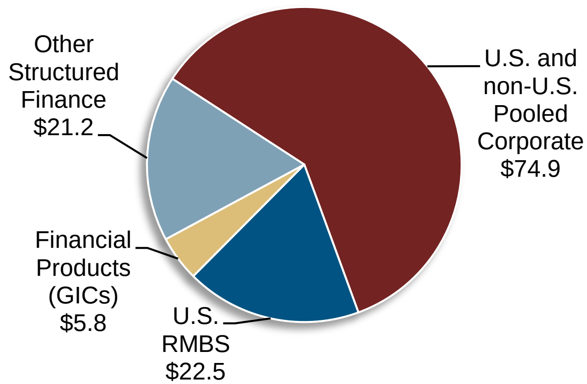
Structured Finance Exposures

Net Par Outstanding

($ in billions)

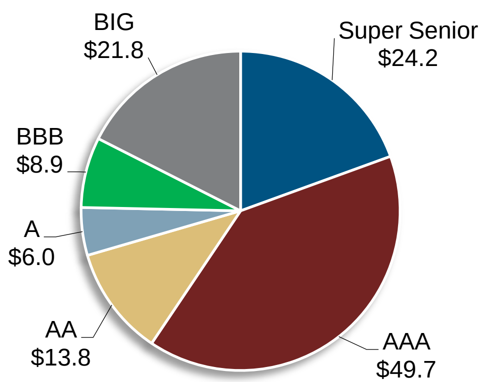
By Type

As of September 30, 2011



$124.4 billion, AA- average rating

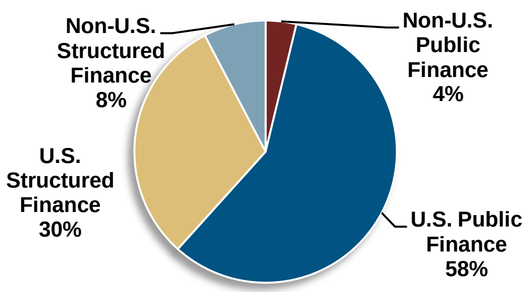
By Internal Rating



- **We expect Assured Guaranty's global structured finance insured portfolio ($124.4 billion as of September 30, 2011) to run off rapidly — 22% by year-end 2012 and 56% by year-end 2014.**
  - $74.9 billion in global pooled corporate obligations expected to be reduced by 20% by year-end 2012 and by 62% by year-end 2014
  - $22.5 billion in U.S. RMBS expected to be reduced by 26% by year-end 2012 and by 51% by year-end 2014
- **Assured Guaranty and AGM's total structured finance exposures of $240.9 billion at December 31, 2007 have declined by $116.5 billion to $124.4 billion through September 30, 2011, a 48% reduction.**

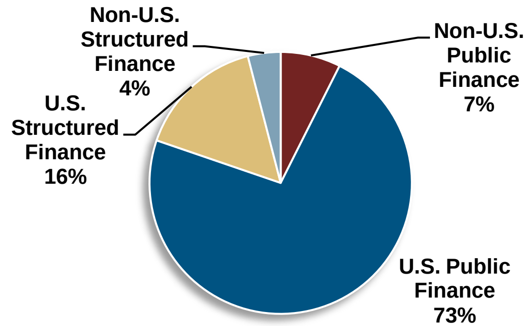
Portfolio Diversification by Sector
Net Par Outstanding (as of September 30, 2011)

AGC



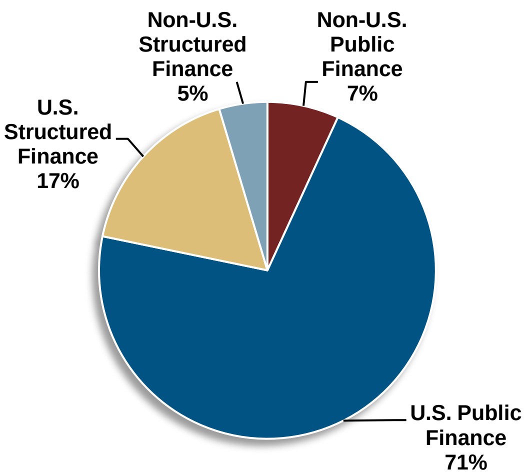
$108.0 billion

AGM



$330.0 billion[1]

Assured Guaranty Ltd. Consolidated

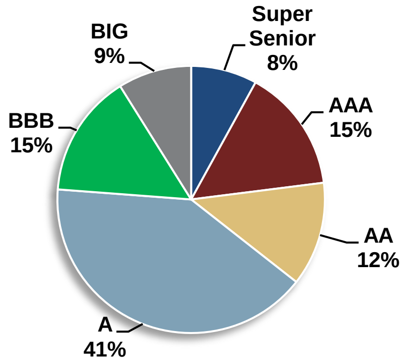


$571.7 billion[1,2]

1. Includes $5.8 billion at 9/30/11 in GICs issued by AGMH's former FP affiliates. See page 6.
2. Consolidated amounts include those of AG Re.

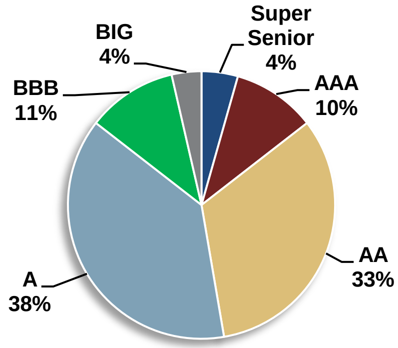
Portfolio Ratings
Net Par Outstanding (as of September 30, 2011)

AGC



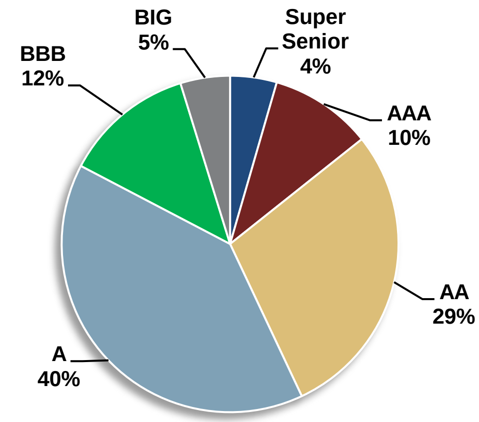
$108.0 billion

AGM



$330.0 billion[1]

Assured Guaranty Ltd. Consolidated

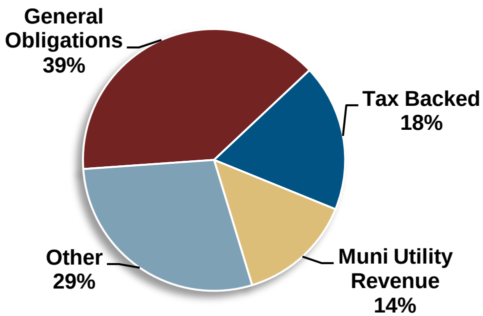


$571.7 billion[1,2]

1. Includes $5.8 billion at 9/30/11 in GICs issued by AGMH's former FP affiliates. See page 6.
2. Consolidated amounts include those of AG Re.

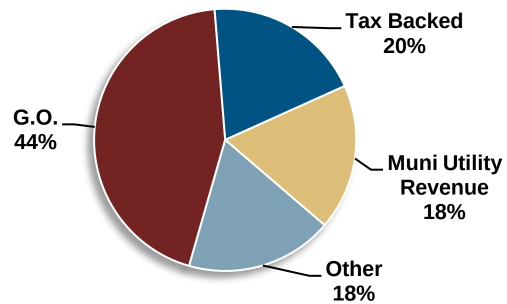
U.S. Public Finance Portfolios
Net Par Outstanding (as of September 30, 2011)

AGC



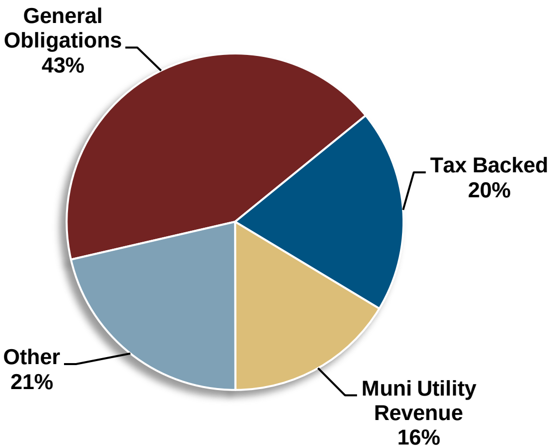
$62.5 billion

AGM



$240.4 billion

Assured Guaranty Ltd. Consolidated



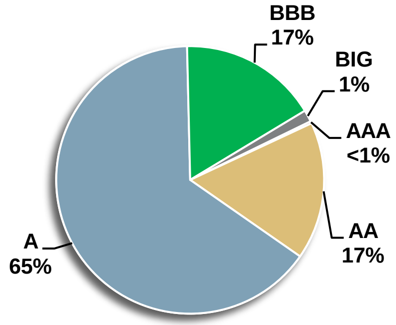
$408.1 billion[1]
(71% of Total Net Par Outstanding)

1. Consolidated amounts include those of AG Re.

Portfolio Ratings - U.S. Public Finance
Net Par Outstanding (as of September 30, 2011)

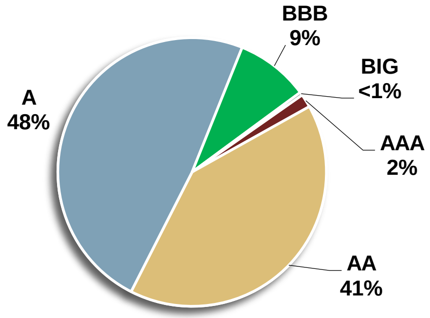
ASSURED GUARANTY

AGC



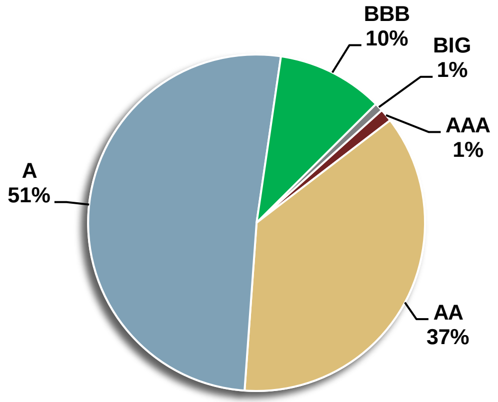
$62.5 billion

AGM



$240.4 billion

Assured Guaranty Ltd. Consolidated

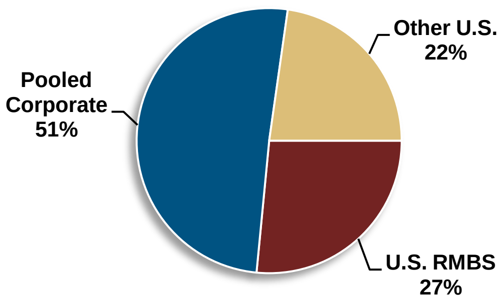


$408.1 billion[1]
(71% of Total Net Par Outstanding)

1. Consolidated amounts include those of AG Re.

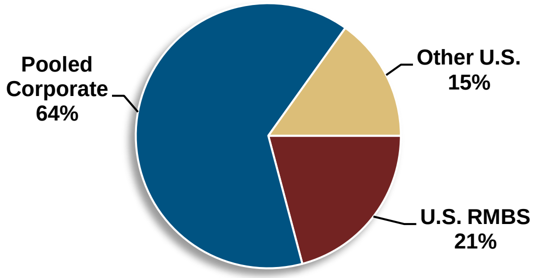
U.S. Structured Finance Portfolios
Net Par Outstanding (as of September 30, 2011)

AGC



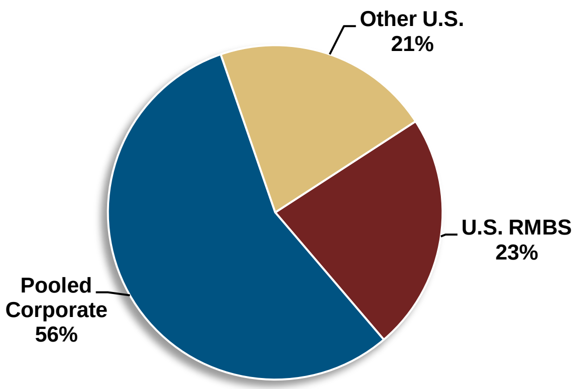
$33.1 billion

AGM



$51.8 billion[1]

Assured Guaranty Ltd. Consolidated

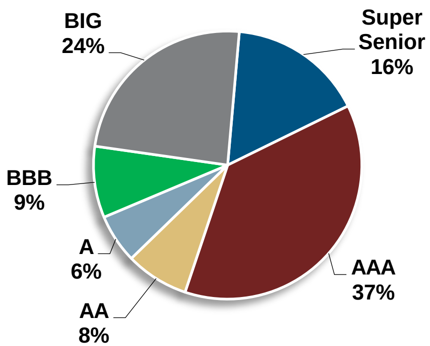


$98.0 billion [1,2]
(17% of Total Net Par Outstanding)

1. Includes $5.8 billion at 9/30/11 in GICs issued by AGMH's former FP affiliates. See page 6.
2. Consolidated amounts include those of AG Re.

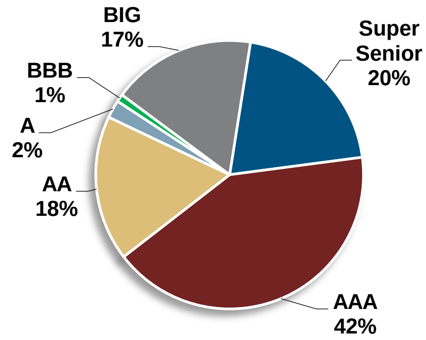
Portfolio Ratings – U.S. Structured Finance
Net Par Outstanding (as of September 30, 2011)

AGC



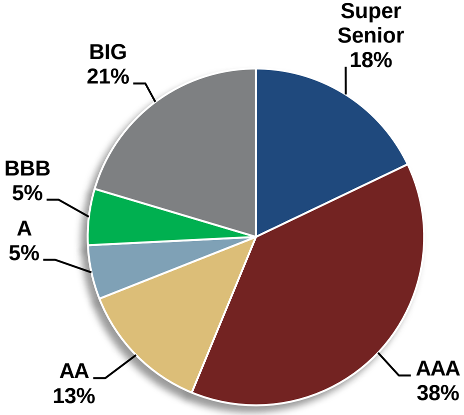
$33.1 billion

AGM



$51.8 billion[1]

Assured Guaranty Ltd. Consolidated



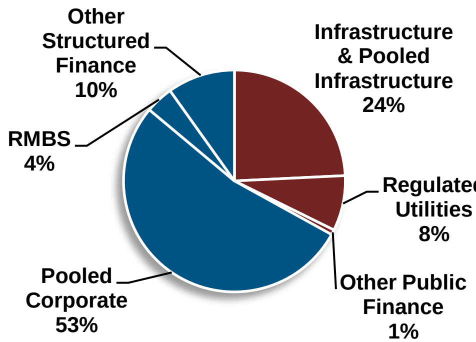
$98.0 billion [1,2]
(17% of Total Net Par Outstanding)

1. Includes $5.8 billion at 9/30/11 in GICs issued by AGMH's former FP affiliates. See page 6.
2. Consolidated amounts include those of AG Re.

Non-U.S. Portfolios
Public Finance and Structured Finance
Net Par Outstanding (as of September 30, 2011)

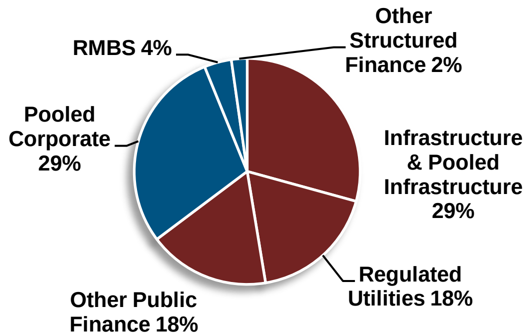
Public Finance
Structured Finance

AGC



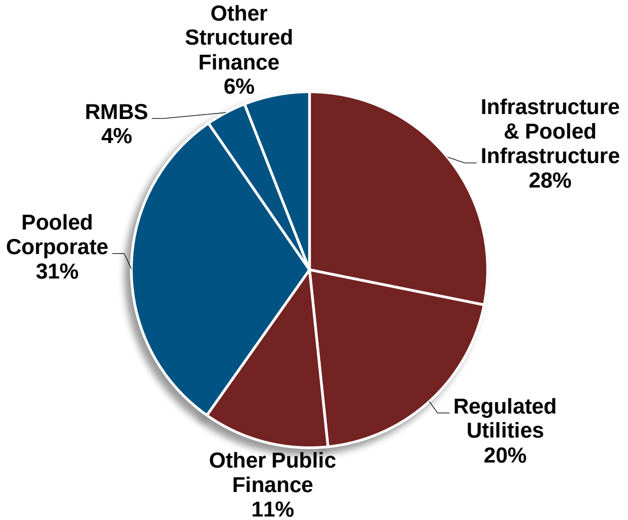
$12.4 billion

AGM



$37.8 billion

Assured Guaranty Ltd. Consolidated

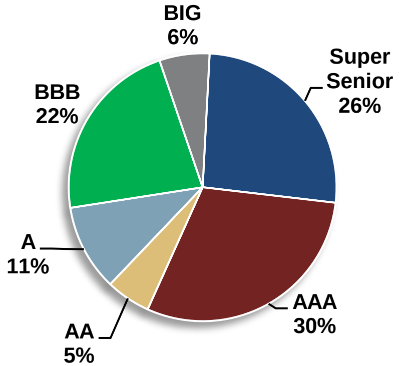


$65.7 billion[1]
(12% of Total Net Par Outstanding)

1. Consolidated amounts include those of AG Re.

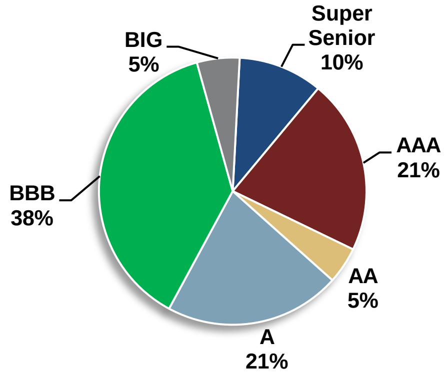
Portfolio Ratings – Non-U.S. Portfolios
Public Finance and Structured Finance
Net Par Outstanding (as of September 30, 2011)

AGC



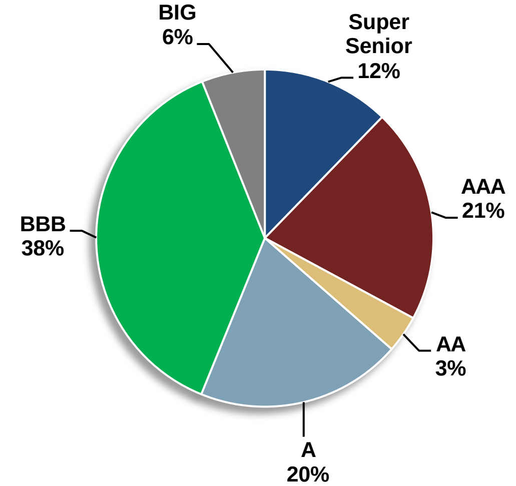
$12.4 billion

AGM



$37.8 billion

Assured Guaranty Ltd. Consolidated



$65.7 billion[1]
(12% of Total Net Par Outstanding)

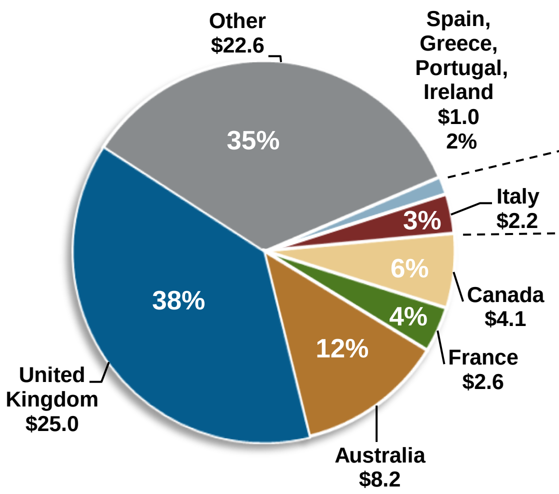
1. Consolidated amounts include those of AG Re.

Consolidated International Finance

International Public and Structured Finance Net Par Outstanding

International Finance

As of September 30, 2011
($ in billions)



$65.7 billion, A+ average rating

Insured Obligations Within Troubled Eurozone Countries[1]

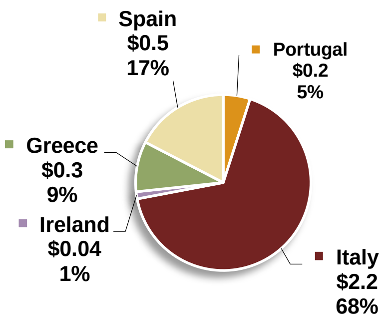
$3.2 billion, A- average rating

- **Exposure to transactions in lower rated countries remains limited**
- **Within those countries, most policies continue to be rated investment grade**

1. Exposure to insured obligations in troubled Eurozone countries refers to the economies of Portugal, Italy, Ireland, Greece and Spain.

Insured Obligations Within Troubled Eurozone Countries

- **Greece net par outstanding is $291 million**
  - Notes due 2037 and 2057
  - Written in FG form, our exposure is principal and interest when due with no acceleration risk
- **Ireland net par outstanding is $41 million among two pooled corporate transactions**
- **Italy exposure consists of 15 transactions with aggregate net par outstanding of $2.2 billion**
  - Only one rated BIG (Rome airport totaling $252 million net par outstanding)
  - Largest transaction is $773 million involving regional debt currently rated A-
- **Portugal exposure remains limited to 5 transactions and $156 million net par outstanding**
  - Two transactions rated BB+, government sponsored public enterprises, totaling $116 million net par outstanding
- **Spain exposure is $547 million net par outstanding amongst 13 transactions**

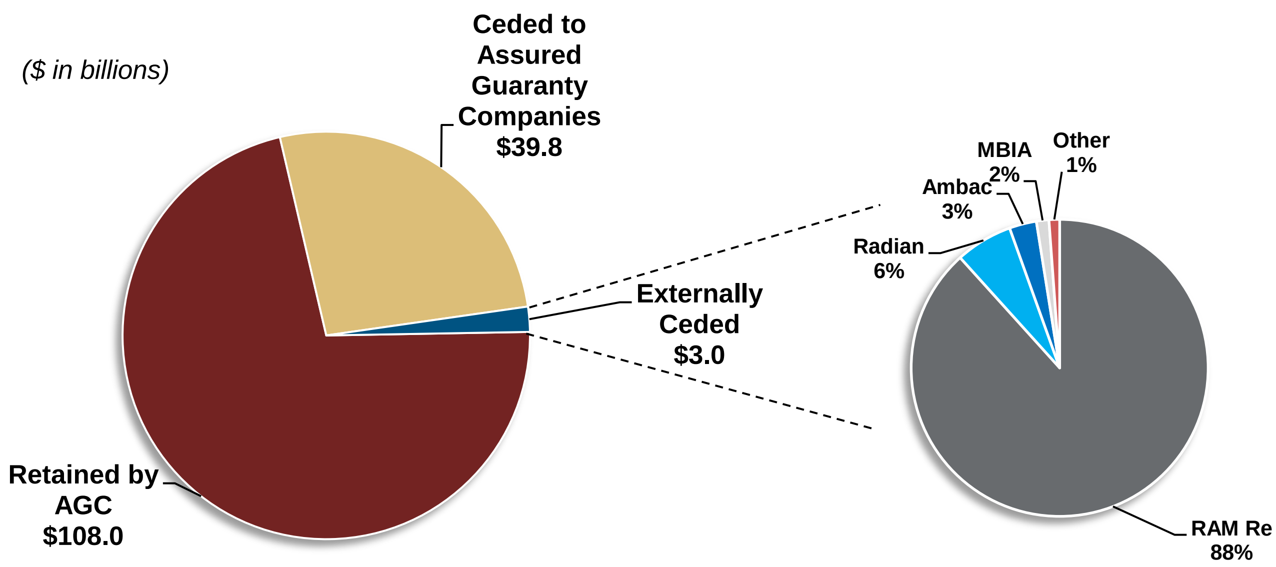


$3.2 billion, A- average rating

Reinsurance: AGC Has Ceded 2% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines

AGC's Total Gross Par Outstanding: $150.8 billion

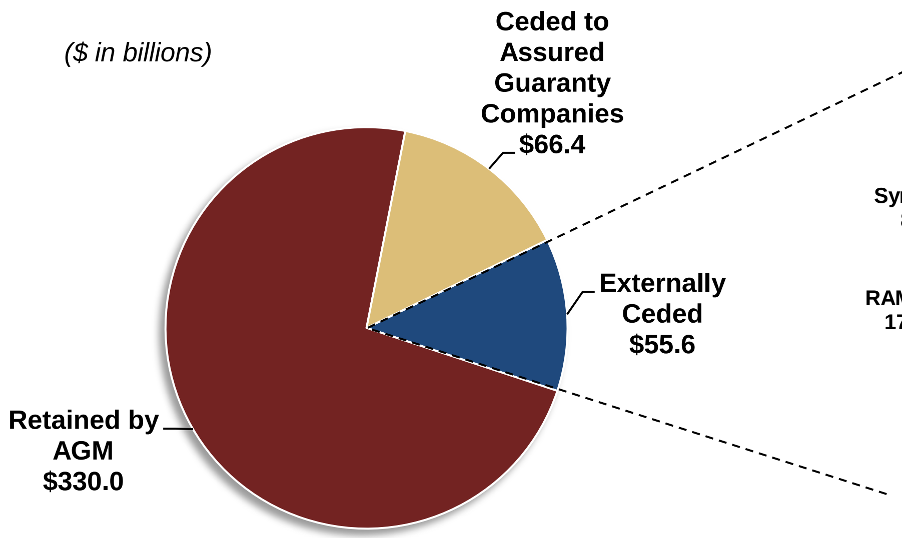
Externally Ceded Par Outstanding: $3.0 billion (2%)



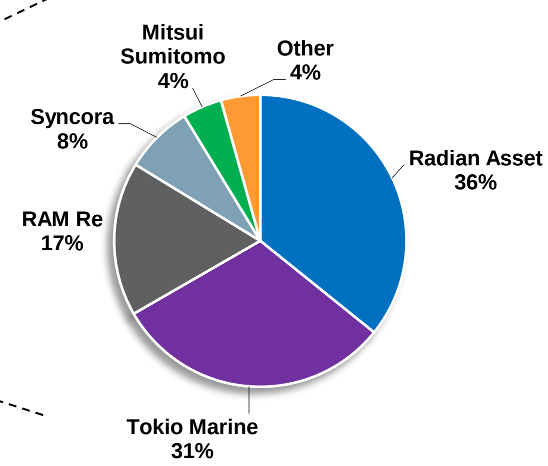
As of September 30, 2011

Reinsurance: AGM Has Ceded 12% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines

AGM's Total Gross Par Outstanding: $452.0 billion



Externally Ceded Par Outstanding: $55.6 billion (12%)



As of September 30, 2011

Municipal Bankruptcy Considerations

- **Municipal budget stress has increased in the last few years, causing investor concern about potential loss development in the municipal market and in our insured portfolio.**
- **Chapter 9 of the Bankruptcy Code provides a financially distressed municipality protection from its creditors while it develops and negotiates a plan for debt adjustment. It is seldom used, with only approximately 600 cases being filed since Chapter 9 was enacted in 1934.**
- **Chapter 9 is expensive, time-consuming and stigmatizing.**
- **Chapter 9 is significantly different from Chapter 11:**
  - 10th Amendment to the U.S. Constitution restricts the power of the bankruptcy court, as a federal court, in Chapter 9 cases
  - No provision for liquidation of municipal assets and distribution
  - Bankruptcy judge not as active as in Chapter 11
- **While we expect some deterioration in municipal finance and credit performance over the next several years, the nature of our exposures and the credit protections embedded in them help protect us from the severe credit stress that we have seen in the structured finance markets.**

Chapter 9 Eligibility

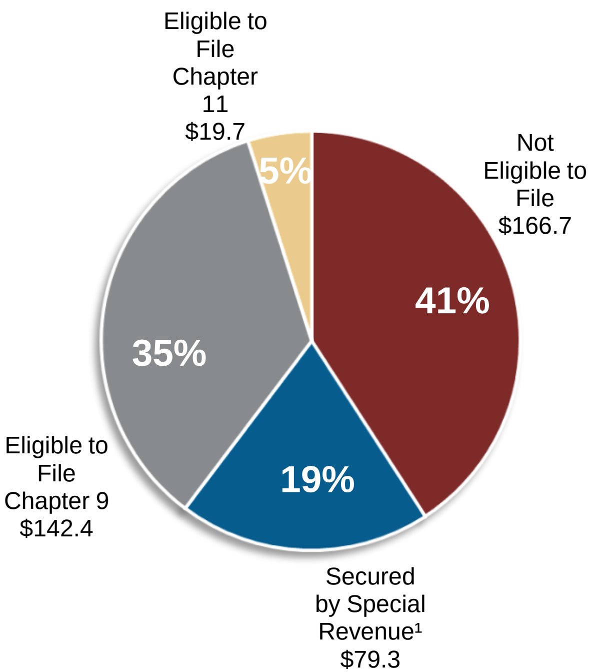
- States cannot file for Chapter 9.
- To qualify for Chapter 9, the debtor must meet the definition of “municipality”:
  - Political subdivision or public agency or instrumentality of a State (includes cities, townships, school districts, public improvement districts, bridge authorities, highway authorities and gas authorities)
- The debtor must also satisfy four additional requirements:
  - Specifically authorized by state statute to be a debtor and to seek Chapter 9 relief (only 27 states specifically authorize Chapter 9 filings)
  - Insolvency – municipality must be insolvent
  - Voluntary – unlike Chapter 11, municipality cannot be put into bankruptcy by involuntary petition
  - Attempt to avoid filing – by working with creditors

ASSURED GUARANTY®

U.S. Public Finance

As of September 30, 2011

($ in billions)



$408.1 billion

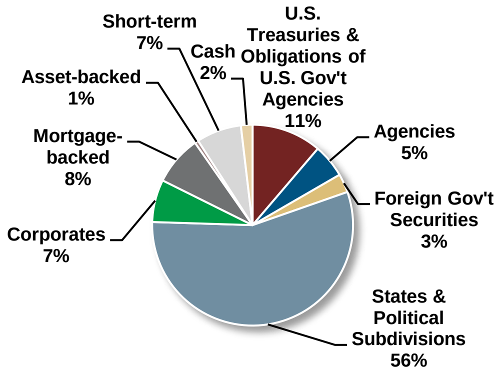
- **As of September 30, 2011 only about 40% of our public finance exposures are eligible to file Chapter 9 or Chapter 11 bankruptcy**
  - 19% secured by special revenue
  - 41% not eligible for Chapter 9 due to lack of enabling state legislation

Disclosure Sector ($ in billions)	Not Eligible for Bankruptcy	Secured By Special Revenue[1]	Eligible to File Chapter 9	Eligible to File Chapter 11	Net Par Outstanding	Weighted Avg. Rating
General obligation	$52.6	$0.0	$121.8	$ -	$174.4	A+
Tax backed	49.6	11.4	18.7	-	79.6	A+
Municipal utilities	20.1	46.6	-	-	66.7	A
Transportation	13.8	21.3	0.4	-	35.5	A
Healthcare	5.3	-	0.1	14.4	19.7	A
Higher education	14.3	-		1.4	15.6	A+
Housing	3.7	-	1.4	1.0	6.0	AA-
Infrastructure finance	2.7	0.01	-	1.5	4.2	BBB
Investor-owned utilities	0.0	-	-	1.1	1.2	A-
Other public finance	4.8	-	-	0.3	5.1	A-
Total U.S. Public Finance:	**$166.7**	**$79.3**	**$142.4**	**$19.7**	**$408.1**	**A+**

1. Special revenue secured bonds are not subject to an automatic stay under Chapter 9 of the Bankruptcy Code.

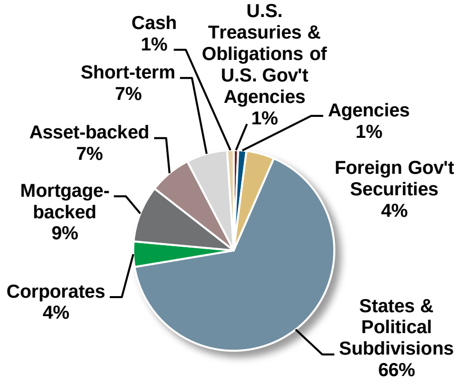
Investments Available for Sale and Cash by Category[1]
Fair Value as of September 30, 2011

AGC



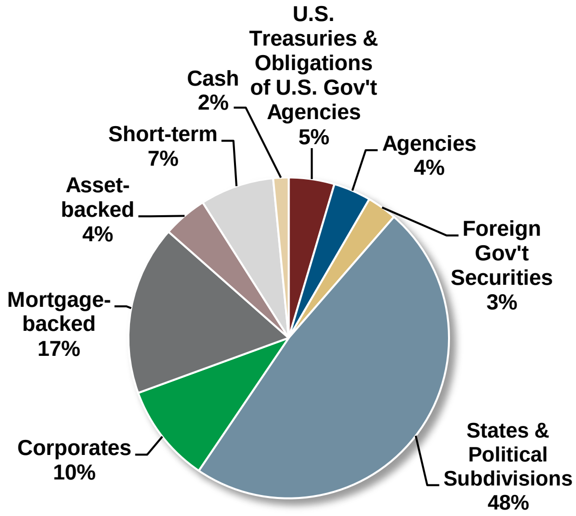
$3.0 billion

AGM



$5.4 billion

Assured Guaranty Ltd. Consolidated

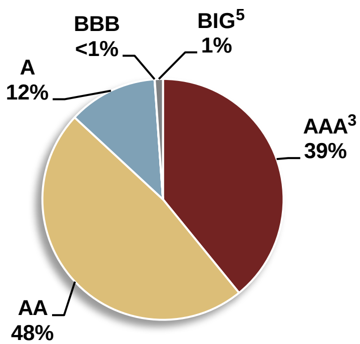


$11.2 billion[2]

1. Includes fixed maturity securities, short-term investments and cash and excludes other invested assets. Also includes investments in repurchased insured securities whose issuers were subsequently consolidated as VIEs and which are therefore eliminated in consolidation on the balance sheet.
2. Consolidated amounts include those of AG Re.

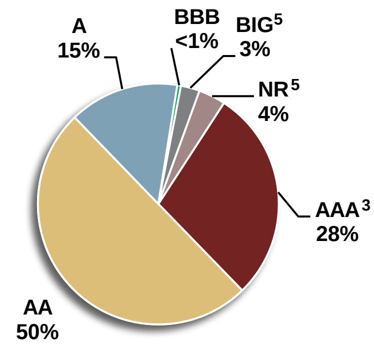
Investments Available for Sale and Cash by Ratings[1,2]
Fair Value as of September 30, 2011

AGC



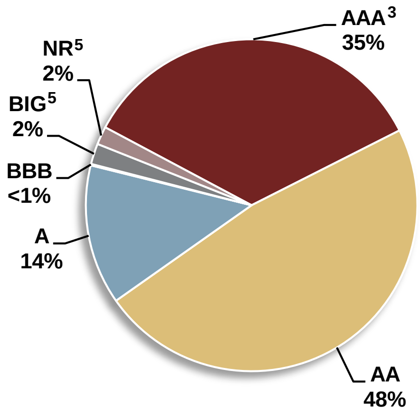
$3.0 billion

AGM



$5.4 billion

Assured Guaranty Ltd. Consolidated



$11.2 billion[4]

1. Includes fixed maturity securities, short-term investments and cash and excludes other invested assets. Also includes investments in repurchased insured securities whose issuers were subsequently consolidated as VIEs and which are therefore eliminated in consolidation on the balance sheet.
2. 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.
3. Includes all short-term securities and cash.
4. Consolidated amounts include those of AG Re.
5. Included in the investment portfolio are securities purchased or obtained as part of loss mitigation or other risk management strategies with carrying values of $33.2 million at AGC, $357.3 million at AGM and $411.1 million consolidated.

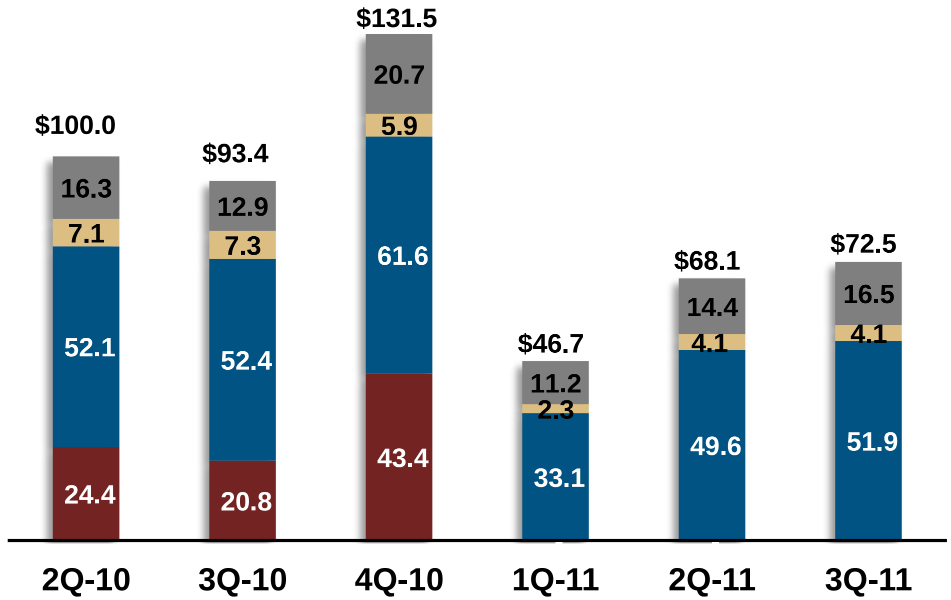
New Business Production

- **We are focused on building demand for our guaranties, which has been challenging in the first nine months of 2011 and full year 2010 for several reasons:**
  - Recalibration of public finance ratings by Moody’s in 2010, which resulted in upgrades to many municipal bonds
  - S&P’s new ratings criteria for bond insurers proposed in 1Q-11 and finalized in 3Q-11
  - October 2010 downgrade to AA+ (stable) by S&P; August 2011 change to negative outlook; September 2011 change to CreditWatch Negative
  - Sharp decline in new-issue volume in 2011 as a result of:
    - Increased issuance under expiring Build America Bonds (“BABs”) program in 2010
    - Issuers’ general reluctance in the current environment to incur additional debt

U.S. New Issue Public Finance Insured Volume

(As of September 30, 2011)

($ in billions)



	2Q-10	3Q-10	4Q-10	1Q-11	2Q-11	3Q-11
Total insured penetration:	**7.0%**	**7.8%**	**4.4%**	**4.9%**	**6.0%**	**5.7%**
Insured penetration of A and BBB market:	**21.0%**	**25.4%**	**13.3%**	**14.2%**	**17.1%**	**17.6%**

- BABs
- AAA, AA, BIG and NR*
- Insured securities
- BBB and A securities uninsured in the primary market

Source: SDC database, adjusted for underlying rating.

*Insured securities include BABs, AA or not rated (“NR”) securities that were insured by the Company.

In 2011, Assured Guaranty Has Insured Approximately One of Every Eight Municipal New Issues Sold

ASSURED GUARANTY®

More Than $13.5 Billion of Insured Par on Over 1,100 Transactions Sold With Our Insurance[1], Including These Selected Issues

Par amount	Issue	Issuer	Sale date
$92,250,000	Sewer Revenue Bonds	Allegheny County Sanitary Authority, Pennsylvania	August 2011
$80,385,000	Port Facilities Refunding Revenue Bonds	Broward County, Florida	November 2011
$69,485,000	Student Tuition and Fee Revenue Capital Improvement and Refunding Bonds	Board of Trustees of Pulaski Technical College, Arkansas	September 2011
$188,390,000	Coastal Account Senior Secured Bonds	Citizens Property Insurance Corporation, Florida	June 2011
$106,560,000	Water and Sewer Refunding Revenue Bonds	City of Cape Coral, Florida	November 2011
$238,080,000	Taxable Airport Revenue Bonds	City of San Jose, California	December 2011
$210,000,000	Public Improvement Refunding Bonds (General Obligation Bonds)	Commonwealth of Puerto Rico	March 2011
$114,995,000	Taxable Pension Obligation Bonds	County of Sacramento, California	September 2011
$109,475,000	Water Revenue Refunding Bonds	Cucamonga Valley Water District, California	August 2011
$122,000,000	School District Revenue Bond Financing Program Revenue Bonds	Dormitory Authority of the State of New York	November 2011
$69,585,000	Hospital Revenue and Refunding Bonds (West Jefferson Medical Center)	Jefferson Parish Hospital District No. 1, Louisiana	September 2011
$156,395,000	Subordinated Revenue Bonds (Pyramid and Pinch District Redevelopment Project)	Memphis Center City Revenue Finance Corporation, Tennessee	September 2011
$81,100,000	Water System Revenue Bonds	North Fort Bend Water Authority, Texas	October 2011
$95,550,000	General Improvement Refunding Bonds	Regional Transportation Authority, Illinois	September 2011
$94,695,000	Hospital Refunding Revenue Bonds (Palmetto Health)	South Carolina Jobs-Economic Development Authority	April 2011

1. Sales from January 1 through December 2, 2011. Amounts are on a sale-date basis and reflect only those series insured by AGM or AGC.

Current U.S. Municipal Operating Environment Remains Favorable

Spreads Remain Wide by Historical Standards

- **U.S. municipal investors continue to focus on underlying issuer credit fundamentals**
- **Despite fluctuations in underlying credit spreads, as well as uncertainty about our ratings throughout the year, Assured Guaranty has continued to offer relatively stable spread savings for “A” rated credits.**

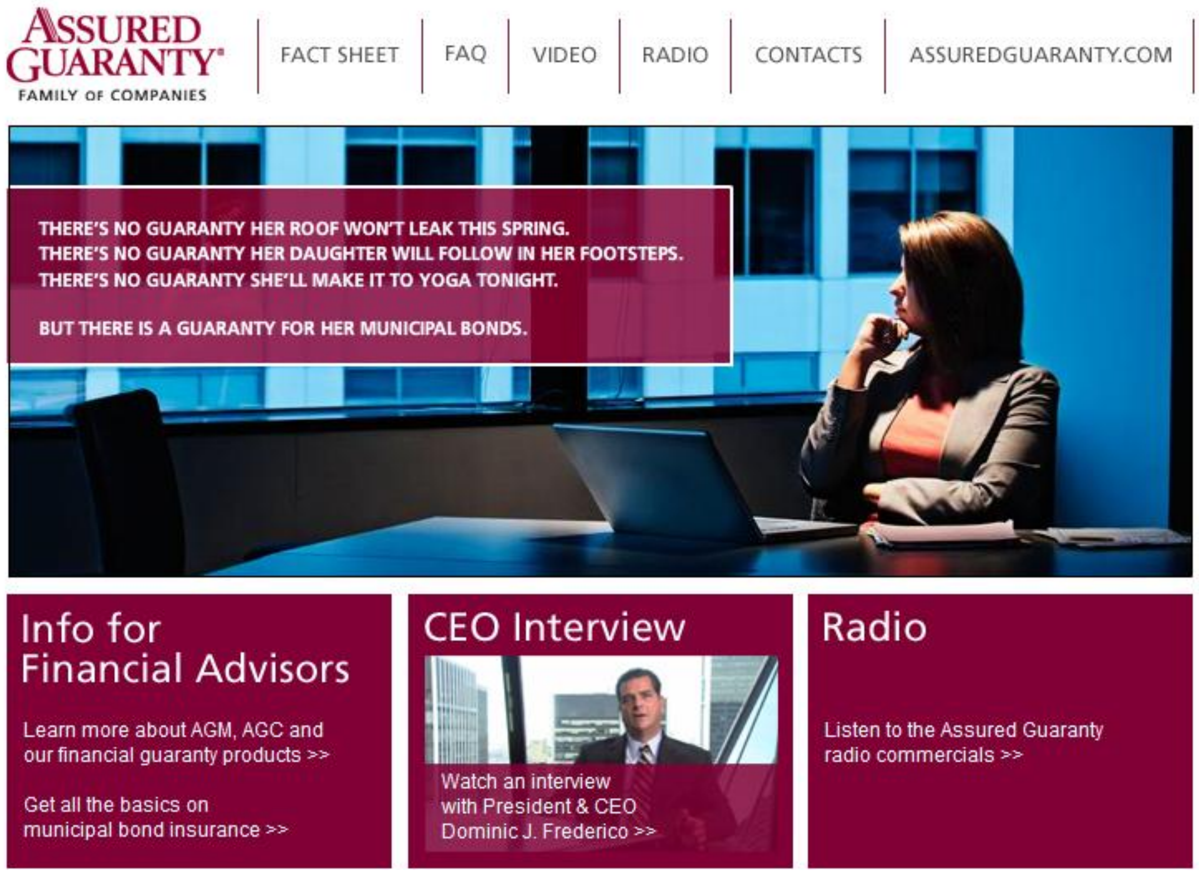
Credit Default Swap Spreads

- **Movements in credit default swap ("CDS") levels for AGC and AGM continue to be significantly affected by technical factors such as supply/demand imbalance and light trading volume**
- **The deterioration in the asset-backed securities market's pricing through first quarter 2009 expanded demand for CDS protection on AGC and AGM by fixed income holders of AGC and AGM insured paper as they sought to hedge exposure, thereby exacerbating the supply/demand imbalance**
- **AGC and AGM's 5-year CDS bid prices peaked in mid-March 2009 at 4961 bps and 3120 bps, respectively**
- **5-year CDS levels for AGC and AGM have rallied considerably since March 2009 as general market fundamentals have improved and as a result of the market's positive reaction to the closing of the AGMH acquisition in July 2009, rating agency announcements, the December 2009 capital raise and the April 2011 Bank of America agreement on 29 RMBS transactions**
- **In January 2012, the 5-year CDS levels for AGC and AGM were at 18 and 20 percent, respectively, of their mid-March 2009 levels. As of January 17, 2012 they were 858 bps and 610 bps, respectively.**

CDS Spreads July 1, 2008 – January 17, 2012

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

Broadening Market Awareness



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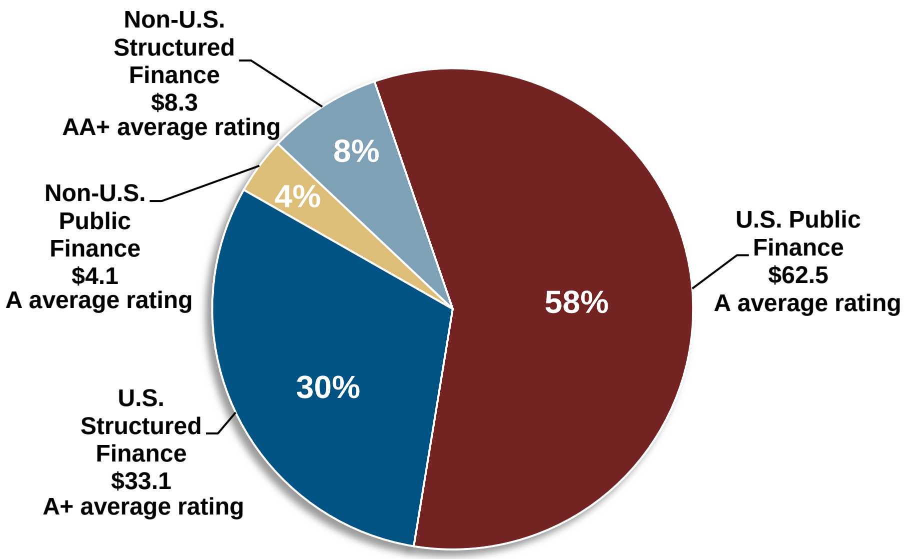
Assured Guaranty Corp.
Financial Guaranty Portfolio Review

AGC Net Par Outstanding By Market Sector

- **AGC's portfolio is well diversified by asset class**
  - 58% U.S. public finance
  - 30% U.S. structured finance
  - 4% Non-U.S. public finance
  - 8% Non-U.S. structured finance
- **Portfolio maintains a high overall credit rating despite downgrades in U.S. RMBS portfolio**
  - A average internal rating
- **U.S. RMBS is the largest source of BIG exposures, at 53% of AGC's BIG exposures.**

Net Par Outstanding
As of September 30, 2011
($ in billions)



$108.0 billion, A average rating

AGC Net Par Outstanding by Exposure Category

As of September 30, 2011; $ in millions

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 24,444	A
Tax backed	11,362	A
Municipal utilities	8,853	A-
Transportation	6,433	A
Healthcare	4,792	A
Higher education	3,363	A
Infrastructure finance	981	BBB
Investor-owned utilities	497	A-
Housing	198	A+
Other public finance	1,608	A
Total U.S. public finance	62,531	A
Non-U.S. public finance:		
Pooled infrastructure	1,821	AA
Infrastructure finance	1,174	BBB
Regulated utilities	996	BBB+
Other public finance	91	AA-
Total non-U.S. public finance	4,082	A
Total public finance	**$ 66,613**	**A**

	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
Pooled corporate obligations	$ 16,807	AA
RMBS	8,789	BB+
CMBS and other commercial real estate related exposures	3,662	AAA
Consumer receivables	2,136	AA
Commercial receivables	983	BBB+
Insurance securitizations	243	A
Structured credit	221	B-
Other structured finance	293	A-
Total U.S. structured finance	33,134	A+
Non-U.S. structured finance:		
Pooled corporate obligations	6,557	AAA
Commercial receivables	506	BBB+
RMBS	501	AAA
Structured credit	295	BBB
Insurance securitizations	279	CCC-
CMBS and other commercial real estate related exposures	137	AAA
Other structured finance	2	A
Total non-U.S. structured finance	8,277	AA+
Total structured finance	**$ 41,411**	**AA-**
Total net par outstanding	**$ 108,024**	**A**

AGC U.S. RMBS

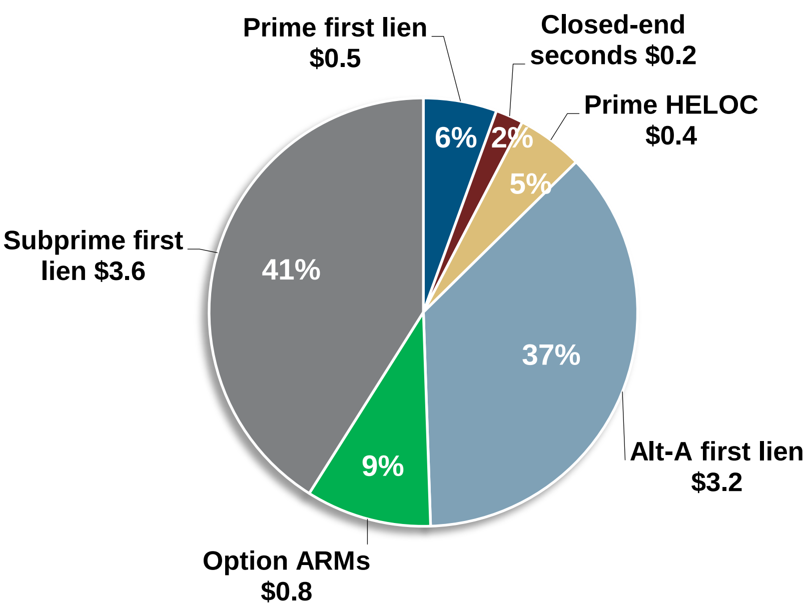
- **AGC's $8.8 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
  - Average rating of BB+ at September 30, 2011 versus AA at year-end 2007
  - All exposures were rated investment grade at the time of underwriting

- **AGC's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - 8.1% of total net par outstanding versus 14.3% at year-end 2007
  - $8.8 billion versus $13.4 billion at year-end 2007, a decrease of 34%

U.S. RMBS by Exposure Type

As of September 30, 2011

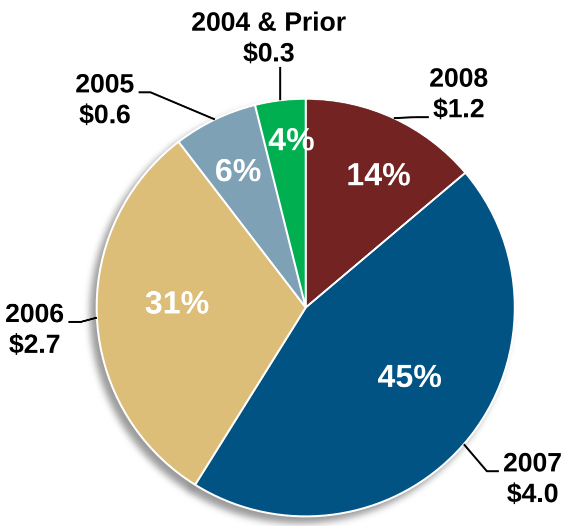
($ in billions)



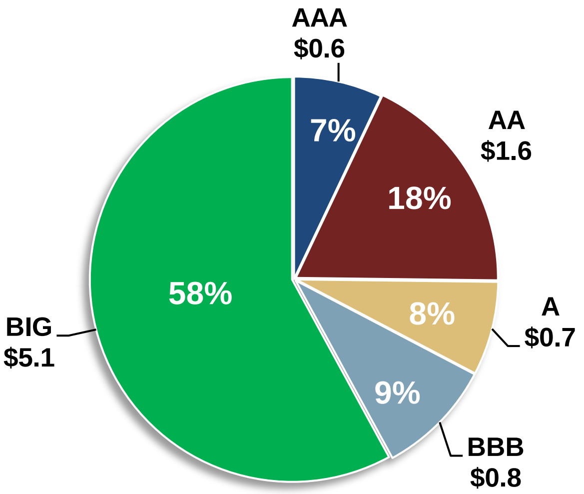
$8.8 billion, 8.1% of net par outstanding

AGC U.S. RMBS
By Vintage and Rating

U.S. RMBS by Year Insured
As of September 30, 2011
($ in billions)



U.S. RMBS by Rating
As of September 30, 2011
($ in billions)



Total U.S. RMBS = $8.8 billion net par outstanding
BB+ average rating

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

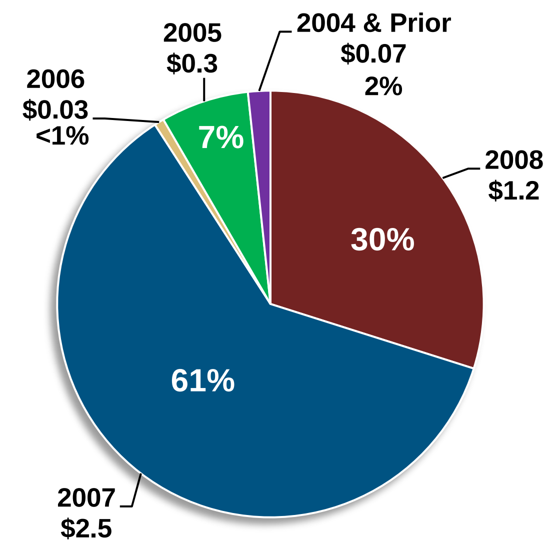
AGC U.S. RMBS Exposure
Alt-A First Lien and Option ARMs[1]

- **More than 91% of AGC's current direct Alt-A and Option ARM exposures were underwritten in 2007 and 2008, using significantly stressed assumptions**
  - Many transactions were underwritten on a secondary basis and had the benefit of some seasoning and additional first loss enhancement
- **Limited exposures to Option ARMs (20% of all Alt-A and Option ARM exposure)**
- **Our Alt-A and Option ARM exposures have an average BIG rating due to significant downgrades in 2009 and 2010**
  - Less than 1% now rated triple-A
  - 84% rated BIG

Alt-A and Option Arm Exposure by Year Insured

As of September 30, 2011

($ in billions)



$4.1 billion net par outstanding

1. Borrowers in Assured Guaranty's Option ARM transactions are generally Alt-A.

AGC U.S. RMBS Performance
Alt-A First Lien and Option ARMs

($ 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 as of September 30, 2011 [1]

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 251	38.4%	11.3%	3.8%	14.5%	13
2006	-	-	-	-	-	-
2007	1,808	52.9%	6.7%	10.6%	32.0%	8
2008	1,143	49.7%	23.4%	11.8%	30.3%	5
	$ 3,202	50.6%	13.0%	10.5%	30.0%	26

U.S. Option ARMs

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 21	20.9%	23.8%	4.7%	20.0%	1
2006	30	33.5%	4.6%	9.9%	24.4%	1
2007	675	54.5%	6.6%	11.6%	33.7%	5
2008	74	56.5%	49.1%	10.2%	38.8%	1
	$ 800	53.1%	10.9%	11.2%	33.4%	8

1. See page 4 for descriptions of performance information.

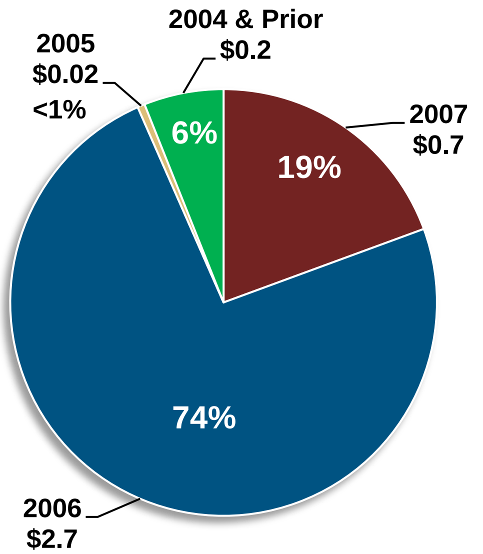
AGC U.S. RMBS Exposure
Subprime First Lien

- **Despite the recent economic environment, the majority of AGC's subprime first lien portfolio is investment grade**
  - 17% rated triple-A
  - Of the $3.6 billion portfolio, only 17% is BIG rated
  - Of the seven transactions written in 2005 or later, for a total net par of $3.4 billion, average subordination is 55%
- **Of 18 total direct subprime first lien transactions, totaling $3.6 billion, only 5 exposures are rated BIG**

Subprime First Lien by Year Insured

As of September 30, 2011

($ in billions)



$3.6 billion net par outstanding

($ 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 as of September 30, 2011 [1]

U.S. Subprime First Lien

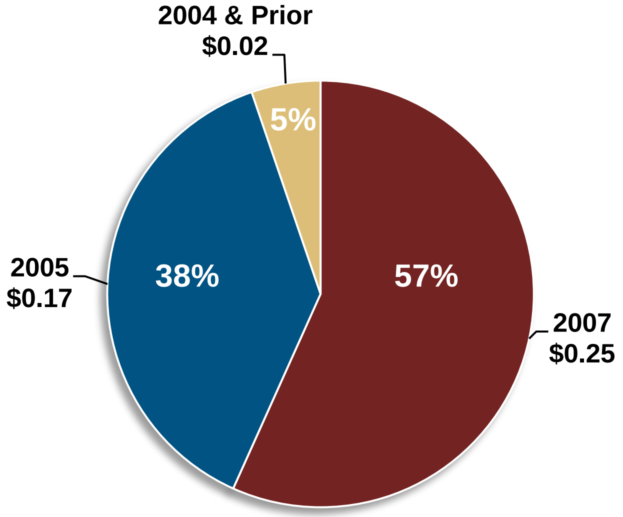
Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 20	18.7%	87.4%	12.0%	60.1%	1
2006	2,670	22.5%	62.3%	15.7%	37.7%	2
2007	700	32.9%	24.0%	22.8%	43.9%	4
2008	-	-	-	-	-	-
	$ 3,390	24.7%	54.5%	17.2%	39.1%	7

1. See page 4 for descriptions of performance information.

AGC U.S. RMBS Exposure
HELOC

- **AGC's HELOC book consists principally of two Countrywide deals underwritten in 2005 and 2007**
- **Net par insured of $439 million for all HELOCs**

HELOCs by Year Insured
As of September 30, 2011
($ in billions)



$0.4 billion net par outstanding

AGC U.S. RMBS Performance
HELOC

($ 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 as of September 30, 2011 [1]

U.S. HELOC

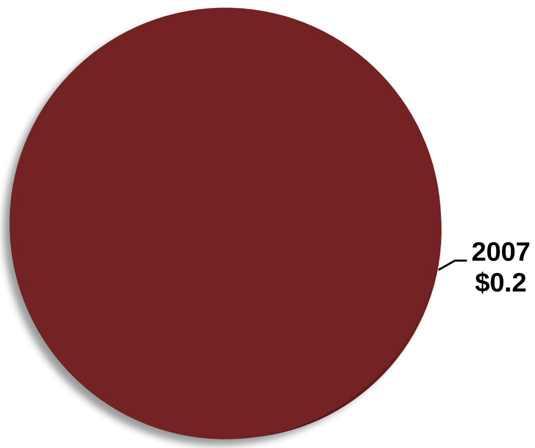
Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 167	17.7%	0.0%	20.8%	15.8%	2
2006	-	-	-	-	-	-
2007	249	33.2%	0.0%	40.8%	8.4%	2
2008	-	-	-	-	-	-
	$ 416	27.0%	0.0%	32.8%	11.3%	4

1. See page 4 for descriptions of performance information.

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

- **Limited exposure to closed-end seconds**
  - $184 million in total net par exposure
- **5 transactions after 2004, all in 2007, total $184 million**
  - 4 deals for $162 million of net par rated BIG
  - 1 deal is rated AA
  - All five are 2007 vintage

Closed-End Second Liens by Year Insured
As of September 30, 2011
($ in billions)



$0.2 billion net par outstanding

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

($ 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 as of September 30, 2011 [1]

U.S. Closed End Seconds

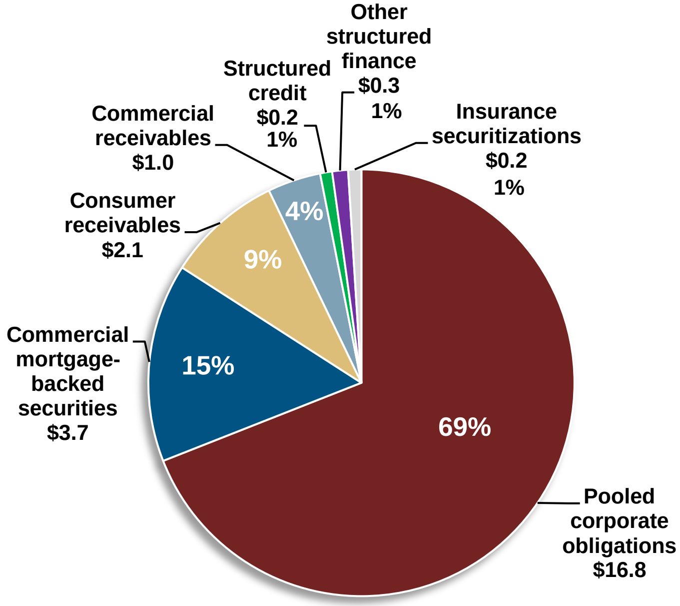
Year insured:	Net Par Outstanding	Pool Factor	Subordination[2]	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ -	-	-	-	-	-
2006	-	-	-	-	-	-
2007	184	25.4%	-	61.5%	8.1%	5
2008	-	-	-	-	-	-
	$ 184	25.4%	-	61.5%	8.1%	5

1. See page 4 for descriptions of performance information.
2. 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.

AGC Non-RMBS Exposure
U.S. Structured Finance

- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
  - Pooled corporate obligations
  - CMBS
  - Consumer receivables
- **AGC's non-RMBS U.S. structured finance credit experience has been generally strong, although downgrades increased during 2009 and some continued in 2010**
  - 71% rated super senior or AAA
  - 12% rated BIG

U.S. Non-RMBS Structured Finance
As of September 30, 2011
($ in billions)



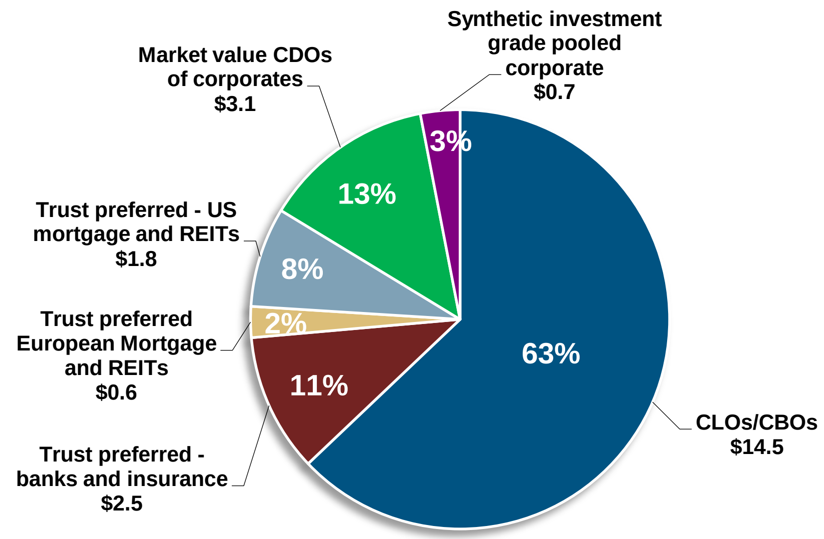
$24.3 billion net par outstanding

AGC Global Pooled Corporate Obligations

- **Our pooled corporate exposure is highly rated and protected by overcollateralization. In AGC's direct portfolio:**
  - Average current credit enhancement of 32.5%
  - 78% rated AAA or super senior, average rating AA+
- **AGC's $4.8 billion Trust Preferred Securities ("TruPS") CDO portfolio is diversified by region (U.S. and European) as well as by collateral type (bank, thrift, insurance company, real estate investment trust ("REIT") and CMBS)**
  - Includes more than 1,400 issuers
  - All our exposure at the CDO level is to the most senior debt tranche
  - 83% of U.S. bank and insurance TruPS CDOs, 100% of European TruPS CDOs and 100% of U.S. mortgage and REIT TruPS CDOs were originated at super senior attachment points
- **The $1.8 billion of TruPS CDOs backed by U.S. mortgage and REITs is the lowest average rated pooled corporate subsector**
  - BB average rating

Financial Guaranty Direct Pooled Corporate Obligations[1] By Asset Class

As of September 30, 2011
($ in billions)



$23.0 billion net par outstanding

1. AGC also assumed $325 million of pooled corporate exposure.

AGC Direct Pooled Corporate Obligations
By Collateral Type

($ in millions)

Distribution of Direct Pooled Corporate Obligations by Asset Class

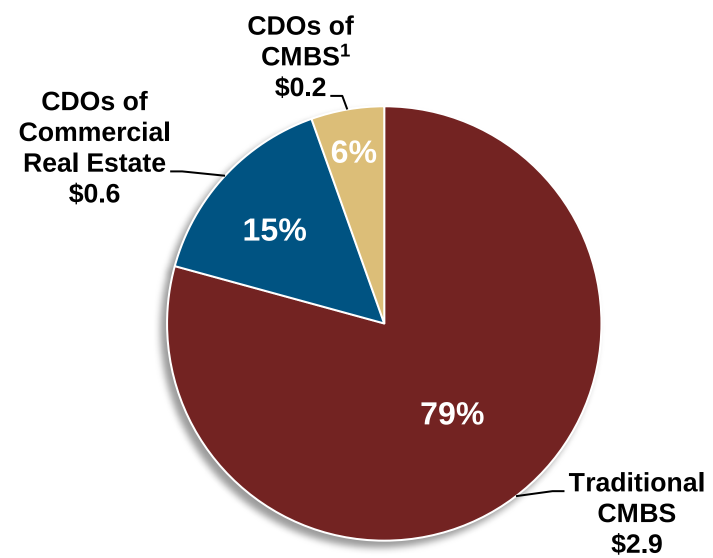
Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement	Avg. Rating
CBOs/CLOs	$ 14,495	62.9%	36.4%	34.7%	AAA
Market value CDOs of corporate	3,056	13.3%	41.5%	22.2%	AAA
Trust preferred [1]					
Banks and insurance	2,463	10.7%	46.5%	31.6%	BBB-
U.S. mortgage and real estate investment trusts	1,774	7.7%	50.1%	33.1%	BB
Synthetic investment grade pooled corporate	702	3.0%	30.0%	30.1%	Super Senior
Trust preferred - European Mortgage and real estate investment trusts	550	2.4%	37.3%	34.7%	BBB-
Total exposures	**$ 23,040**	**100.0%**	**39.0%**	**32.5%**	**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.

AGC U.S. CMBS Exposure
Overview

- **AGC's CMBS-related exposures were underwritten at high attachment points**
  - All deals except one were written at triple-A ratings at inception
  - One deal was written with a single-A rating at inception
- **AGC's portfolio is highly rated**
  - AAA average rating
  - 95% of traditional CMBS rated Super Senior or AAA as of September 30, 2011
- **Beginning in the middle of 2006, AGC concluded that underwriting standards applied to newly originated commercial property loans were deteriorating and adjusted underwriting standards accordingly**
- **Par amount of portfolio declined 30% in 2Q11 due to agreements with counterparties to terminate CDS notional**

CMBS Exposure by Sector
As of September 30, 2011
($ in billions)



$3.7 billion net par outstanding

1. CDOs of CMBS exposures were insured in 2003 and earlier.

AGC U.S. Traditional CMBS

- **Most of the exposure was underwritten in credit derivative form**
- **Most of the exposures were written as “basket trades”; some have additional credit enhancement from first-loss position retained by the investor**
- **The total traditional CMBS portfolio ($2.9 billion) is highly rated; 95% is super senior or triple-A and 5% is single-A (as of September 30, 2011)**

($ 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 as of September 30, 2011[1]

U.S. CMBS

Rating:	**Net Par Outstanding**	**Pool Factor**	**Subordination**	**Cumulative Losses**	**60+ Day Delinquencies**	**Number of Transactions**
Super senior	$ 2,587	82.1%	36.6%	1.3%	7.9%	148
AAA	154	76.4%	26.9%	1.2%	11.2%	11
AA	-	-	-	-	-	-
A	143	49.5%	15.4%	1.4%	6.5%	1
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
Total exposures	**$ 2,884**	**80.1%**	**35.1%**	**1.3%**	**8.0%**	**160**

1. See page 4 for descriptions of performance information.

AGC CDOs of Commercial Real Estate

- **AGC underwrote three commercial real estate CDO transactions totaling $557 million net par[1] as of September 30, 2011**
  - All were underwritten at the super senior attachment level

- **In aggregate, collateral consists of the following:**
  - 80% whole loans
  - 6% CMBS
  - 14% other (includes but not limited to mezzanine and subordinated notes, junior participation interests, preferred securities and currently uninvested cash)

- **Average credit enhancement stands at 51.8%**
  - Average initial credit enhancement was 49.7%

1. May change due to deals with revolvers.

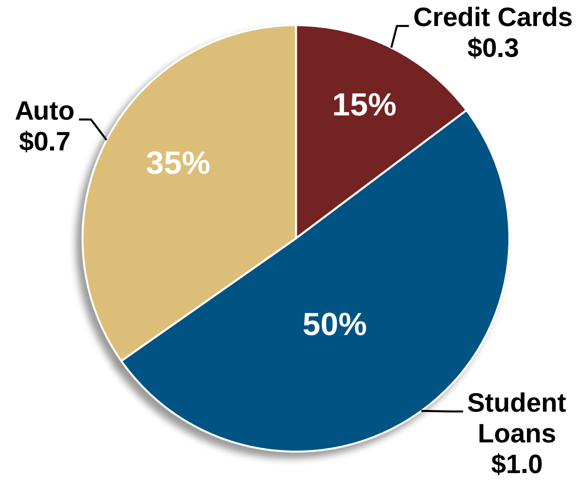
AGC U.S. Consumer Receivables

- **U.S. consumer receivable exposures are well protected. In AGC's direct portfolio:**
  - Average rating of AA
  - For all categories – credit cards, student loans and auto loans – current credit enhancement is equal to or higher than initial credit enhancement
  - 57% rated super senior or AAA
  - None rated BIG

- **49% of the current net par was written in 2010 and later, after the deterioration in consumer credit trends was evident**
  - AGC utilized underwriting criteria that had stress scenario assumptions

Direct U.S. Consumer Receivables by Type[1]

As of September 30, 2011
($ in billions)



$2.0 billion net par outstanding

1. AGC also assumed $101 million of U.S. consumer receivable exposure.

AGC U.S. Direct Consumer Receivables
By Rating and Collateral Type

($ in millions)

Distribution of Direct U.S. Consumer Receivables by Rating[1]

Rating:	Credit Cards	Student Loans	Auto	Total Net Par Outstanding
Super senior	$ 300	$ -	$ 525	$ 825
AAA	-	333	-	333
AA	-	-	182	182
A	-	-	-	-
BBB	-	695	-	695
BIG	-	-	-	-
Total exposures	**$ 300**	**$ 1,028**	**$ 707**	**$ 2,035**
Average rating	Super Senior	A	AAA	AA
Avg. initial credit enhancement	62.2%	7.1%	48.6%	29.6%
Avg. current credit enhancement	62.2%	9.3%	51.8%	31.9%

1. Please refer to page 4 for a description of ratings and average credit enhancement.

AGC Expected Loss and Loss Adjustment Expense ("LAE") to Be Paid
As of September 30, 2011

($ in millions)

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

Financial Guaranty Insurance Contracts and Credit Derivatives	Expected Loss to be Paid as of June 30, 2011	Economic Loss Development During 3Q-11 [1]	(Paid) Recovered Losses During 3Q-11	Expected Loss to be Paid as of September 30, 2011
U.S. RMBS				
First lien:				
Prime first lien	$ 1.4	$ 0.2	$ -	$ 1.6
Alt-A first lien	192.8	(20.5)	(8.7)	163.6
Option ARMs	98.4	(10.6)	(9.8)	78.0
Subprime first lien	119.2	(5.8)	(1.7)	111.7
Total first lien	411.8	(36.7)	(20.2)	354.9
Second lien:				
Closed end seconds	(44.2)	12.0	(5.1)	(37.3)
HELOC	16.5	(3.8)	(2.3)	10.4
Total second lien	(27.7)	8.2	(7.4)	(26.9)
Total U.S. RMBS	384.1	(28.5)	(27.6)	328.0
TruPS	62.5	11.6	(0.1)	74.0
Other structured finance	76.9	34.2	(6.2)	104.9
Public finance	35.3	(12.0)	(0.6)	22.7
Total	**$ 558.8**	**$ 5.3**	**$ (34.5)**	**$ 529.6**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. Under GAAP, however, a reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2010 AGL Form 10-K/A for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts and the effects of acquisition accounting on financial guaranty insurance accounting.

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

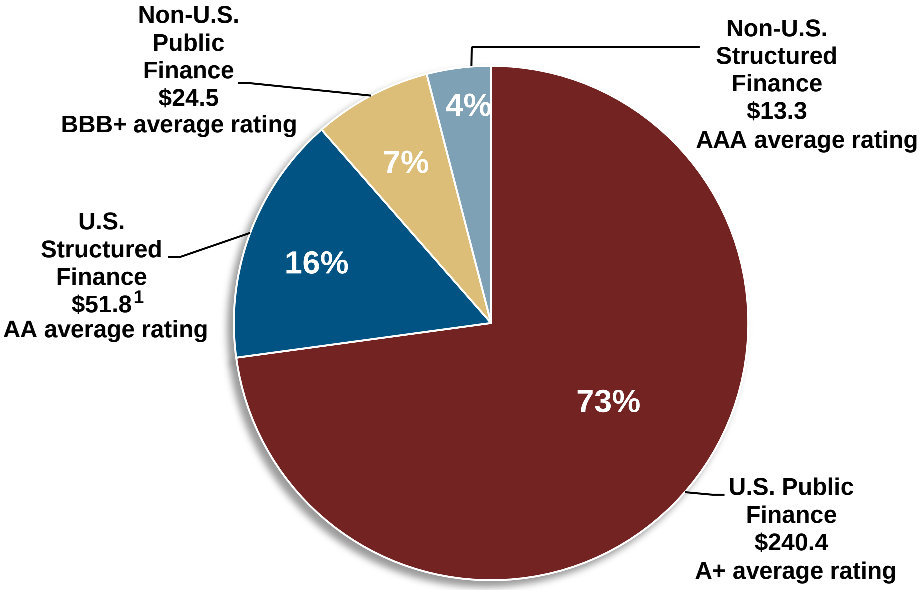
Assured Guaranty Municipal Corp.
Financial Guaranty Portfolio Review

AGM Net Par Outstanding By Market Sector

- **AGM's portfolio is well diversified by asset class**
  - 73% U.S. public finance
  - 16% U.S. structured finance
  - 7% Non-U.S. public finance
  - 4% Non-U.S. structured finance
- **The portfolio maintains a high overall credit rating despite downgrades in our U.S. RMBS portfolio**
  - A+ average internal rating
- **U.S. RMBS is the largest source of BIG exposures, at 70% of the BIG exposures.**

Consolidated Net Par Outstanding

As of September 30, 2011
($ in billions)



$330.0 billion, A+ average rating

1. Includes $5.8 billion in GICs issued by AGMH's former FP affiliates. See page 6.

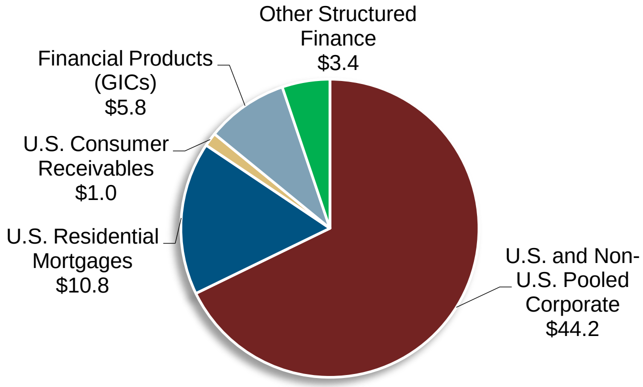
AGM Net Par Outstanding by Exposure Category

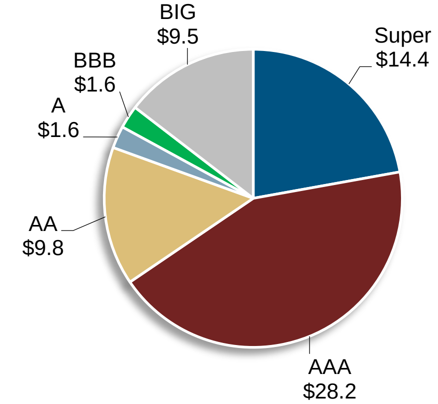
As of September 30, 2011; $ in millions

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 106,396	A+
Tax backed	47,015	A+
Municipal utilities	43,318	A+
Transportation	19,524	A
Healthcare	8,901	A
Higher education	7,293	A+
Housing	4,958	AA-
Infrastructure finance	1,211	BBB
Investor-owned utilities	44	A-
Other public finance	1,720	A+
Total U.S. public finance	240,380	A+
Non-U.S. public finance:		
Infrastructure finance	11,052	BBB
Regulated utilities	6,848	BBB+
Other public finance	6,554	A+
Total non-U.S. public finance	24,454	BBB+
Total public finance	**$ 264,834**	**A+**

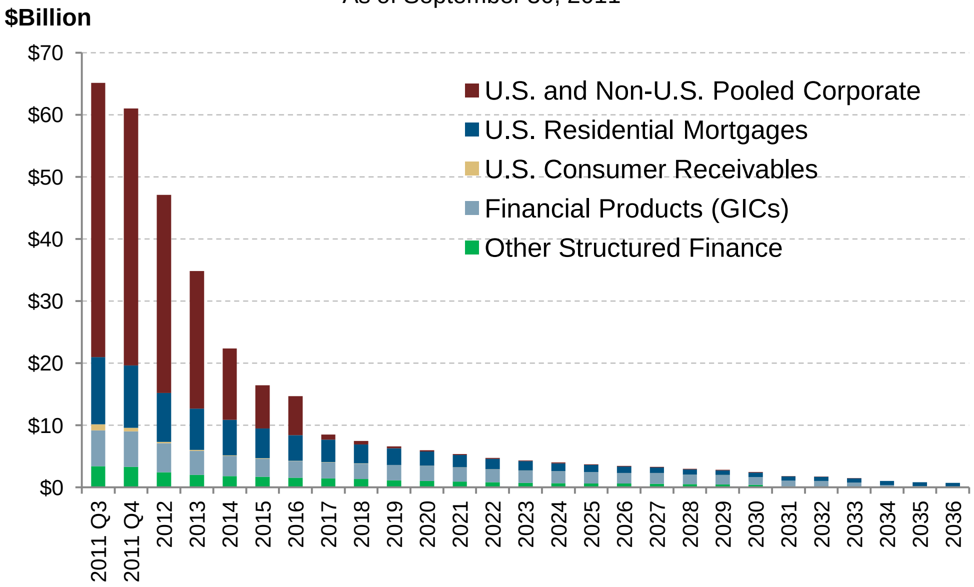
	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
Pooled corporate obligations	$ 33,169	AAA
RMBS	10,815	BB-
Financial products	5,809	AA-
Consumer receivables	975	A+
Insurance securitization	369	AA
Structured credit	79	CCC
Commercial receivables	58	BB
Other structured finance	549	A-
Total U.S. structured finance	51,823	AA
Non-U.S. structured finance:		
Pooled corporate obligations	10,992	AAA
RMBS	1,470	AA-
Structured credit	440	BBB
Insurance securitizations	38	A+
Other structured finance	373	Super Senior
Total non-U.S. structured finance	13,313	AAA
Total structured finance	**$ 65,136**	AA
Total net par outstanding	**$ 329,970**	**A+**

AGM Run-Off of Global Insured Structured Finance Portfolio





$65.1 Billion Net Par Outstanding
As of September 30, 2011



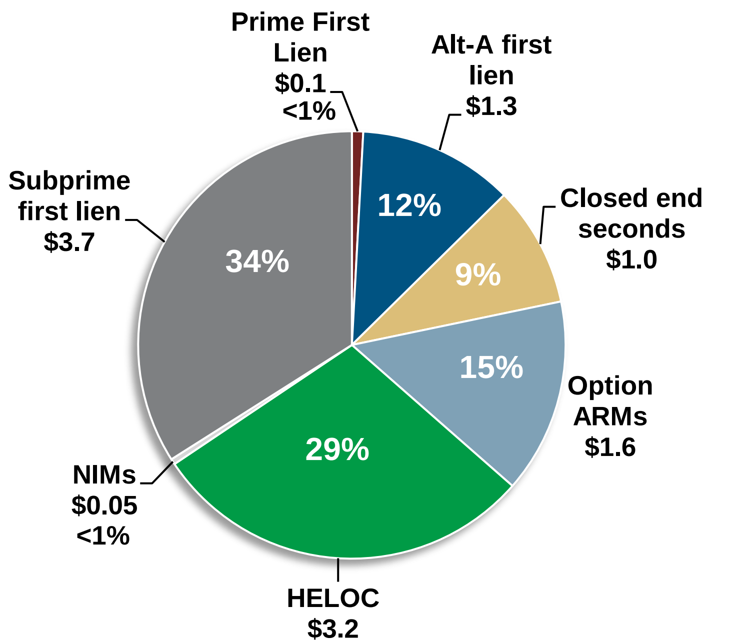
- We expect AGM's legacy global structured finance insured portfolio ($65.1 billion as of September 30, 2011 versus $127.3 billion as of September 30, 2008) to run off rapidly — 47% by year-end 2013 and 75% by year-end 2015.[1]
  - $44.2 billion in global pooled corporate obligations expected to be reduced by 50% by year-end 2013 and by 84% by year-end 2015
  - $10.8 billion in U.S. RMBS expected to be reduced by 39% by year-end 2013 and by 56% by year-end 2015
  - $1.0 billion in U.S. consumer receivable obligations expected to be reduced by 45% by year-end 2011 and 80% by year-end 2012
  - $3.4 billion in other structured finance (excluding FP) expected to be reduced by 40% by year-end 2013 and by 50% by year-end 2015
- Former FP business not part of Assured Guaranty's purchase; we are indemnified against exposure to the FP business by Dexia. In addition, the French and Belgian governments have issued guaranties with respect to the GIC portion of the FP business.
  - $5.8 billion in GICs expected to be reduced by 33% by year-end 2013 and by 50% by year-end 2015

1. Based on net par outstanding at September 30, 2011. See notes on page 13.

AGM U.S. RMBS

- **AGM's $10.8 billion U.S. RMBS portfolio has experienced material downgrades since year-end 2007**
  - Average rating of BB- at September 30, 2011
- **No U.S. RMBS underwritten since January 2008**
- **AGM's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - 3.3% of total net par outstanding versus 4.0% at year-end 2008
  - $10.8 billion net par outstanding versus $17.1 billion at year-end 2008, a decrease of 37%

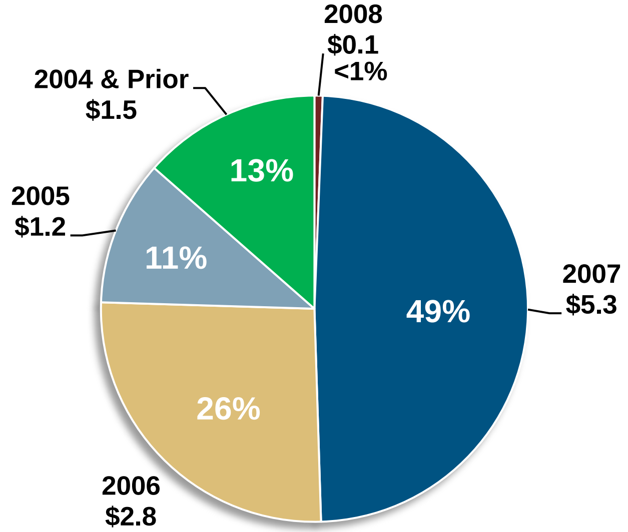
U.S. RMBS by Exposure Type
As of September 30, 2011
($ in billions)



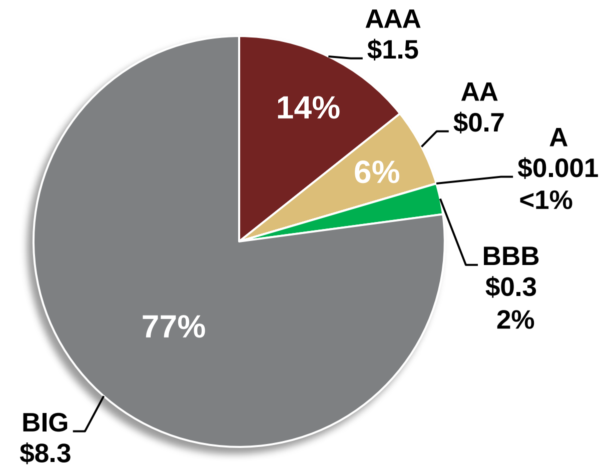
$10.8 billion, 3.3% of net par outstanding

AGM U.S. RMBS
By Vintage and Rating

U.S. RMBS by Year Insured
As of September 30, 2011
($ in billions)



U.S. RMBS by Rating
As of September 30, 2011
($ in billions)



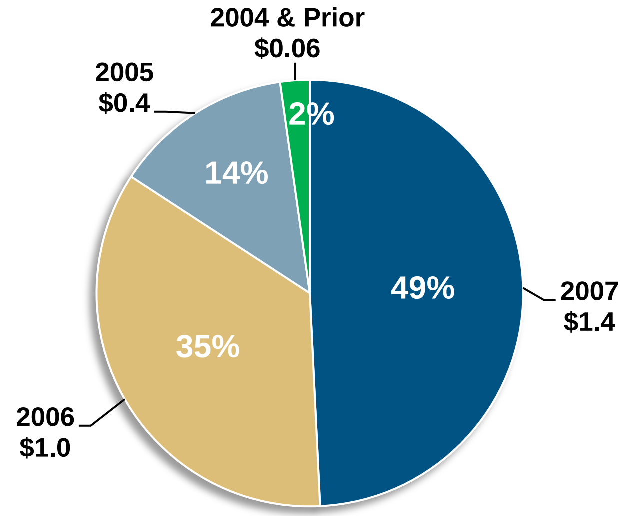
Total U.S. RMBS = $10.8 billion net par outstanding
BB- average rating

AGM U.S. RMBS Exposure
Alt-A First Lien and Option ARMs[1]

- **AGM's Alt-A and Option ARM portfolio was largely underwritten since 2006 and all were rated AAA at closing**

- **AGM's Alt-A and Option ARM exposures have an average rating of BIG due to significant downgrades in 2008 and 2009**
  - 2% rated AAA
  - 96% rated BIG

Alt-A and Option ARM Exposure by Year Insured
As of September 30, 2011
($ in billions)



$2.9 billion net par outstanding

1. Borrowers in Assured Guaranty's Option ARM transactions are generally Alt-A.

AGM U.S. RMBS Performance
Alt-A First Lien and Option ARMs

($ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 303	33.1%	9.1%	7.7%	23.7%	8
2006	432	41.8%	0.0%	16.6%	37.2%	7
2007	474	53.9%	0.3%	17.7%	39.2%	4
2008	-	-	-	-	-	-
	$ 1,209	44.3%	2.4%	14.8%	34.6%	19

U.S. Option ARMs

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 86	27.3%	2.5%	10.6%	42.5%	3
2006	570	50.7%	2.7%	13.9%	55.8%	6
2007	937	52.4%	1.6%	17.6%	47.3%	6
2008	-	-	-	-	-	-
	$ 1,593	50.4%	2.0%	15.9%	50.1%	15

1. See page 4 for descriptions of performance information.

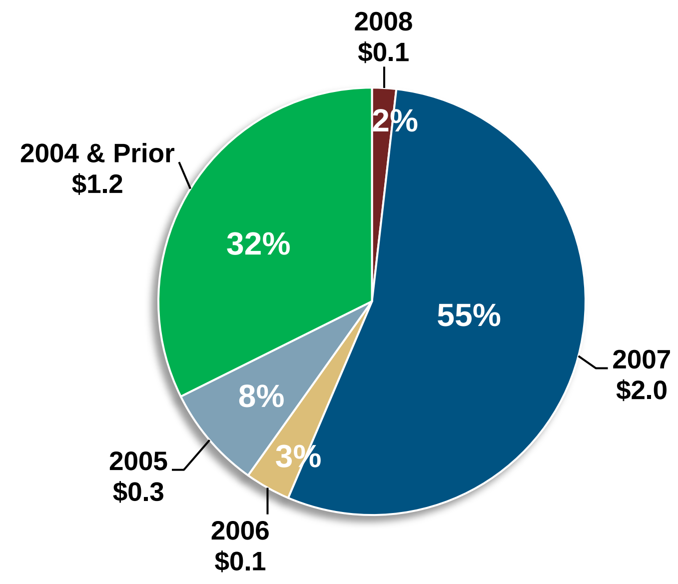
AGM U.S. RMBS Exposure
Subprime First Lien

- **Despite the recent economic environment, AGM's subprime first lien portfolio is 42% investment grade**
  - 31% rated AAA
  - 58% rated BIG
  - Average subordination left is 26.5% on transactions insured after January 1, 2005
- **Of 93 total subprime transactions only 17 exposures are rated BIG**
  - Largest BIG exposure is $560 million net par outstanding

Subprime First Lien by Year Insured

As of September 30, 2011

($ in billions)



$3.7 billion net par outstanding

AGM U.S. RMBS Performance
Subprime First Lien

($ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. Subprime First Lien

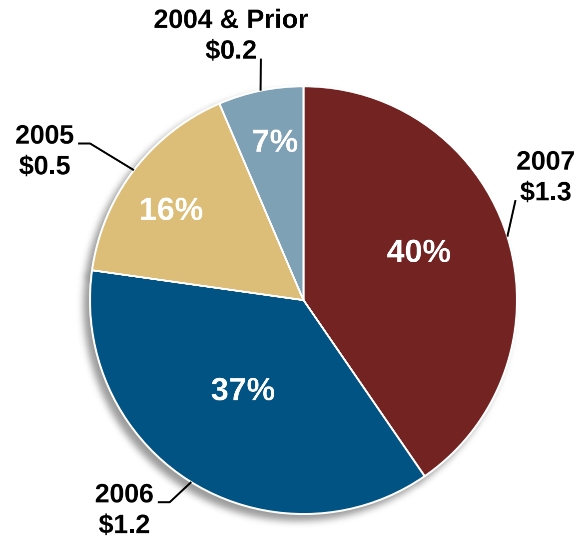
Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 287	36.9%	39.9%	5.5%	36.3%	5
2006	126	37.0%	42.3%	13.8%	36.5%	2
2007	2,007	62.8%	23.5%	14.6%	48.5%	9
2008	67	66.4%	28.9%	11.5%	28.1%	1
	$ 2,487	58.6%	26.5%	13.4%	45.9%	17

1. See page 4 for descriptions of performance information.

AGM U.S. RMBS Exposure
HELOC

- **Outstanding net par insured of $3.2 billion**
- **Average rating of BIG**
  - $2.6 billion of HELOCs are BIG
  - $0.6 billion of HELOCs remain investment grade

HELOCs by Year Insured
As of September 30, 2011
($ in billions)



$3.2 billion net par outstanding

AGM U.S. RMBS Performance
HELOC

($ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. HELOC

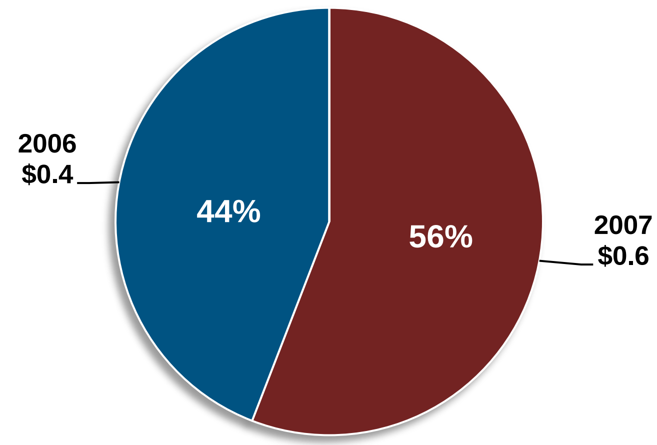
Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ 514	18.5%	4.5%	11.0%	9.7%	4
2006	1,160	29.6%	2.3%	32.6%	9.9%	7
2007	1,272	47.5%	4.5%	25.7%	6.7%	7
2008	-	-	-	-	-	-
	$ 2,947	35.4%	3.6%	25.8%	8.5%	18

1. See page 4 for descriptions of performance information.

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

- **Limited exposure to closed-end seconds**
  - All transactions are in the 2006 and 2007 vintages
- **11 transactions totaling $1.0 billion**
  - 7 deals rated BIG
  - 4 deals rated AA (total $159 million)

Closed-End Seconds by Year Insured
As of September 30, 2011
($ in billions)



$1.0 billion net par outstanding

AGM U.S. RMBS Performance
Closed-End Second Lien

($ in millions)

Distribution of Financial Guaranty U.S. RMBS Insured January 1, 2005 or Later by Exposure Type, Average Pool Factor, Subordination, Cumulative Losses and 60+ Day Delinquencies as of September 30, 2011 [1]

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor	Subordination[2]	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	$ -	-	-	-		-
2006	435	16.3%	-	59.8%	10.9%	2
2007	551	19.6%	-	65.2%	10.5%	9
2008	-	-	-	-		-
	$ 986	18.1%	-	62.8%	10.7%	11

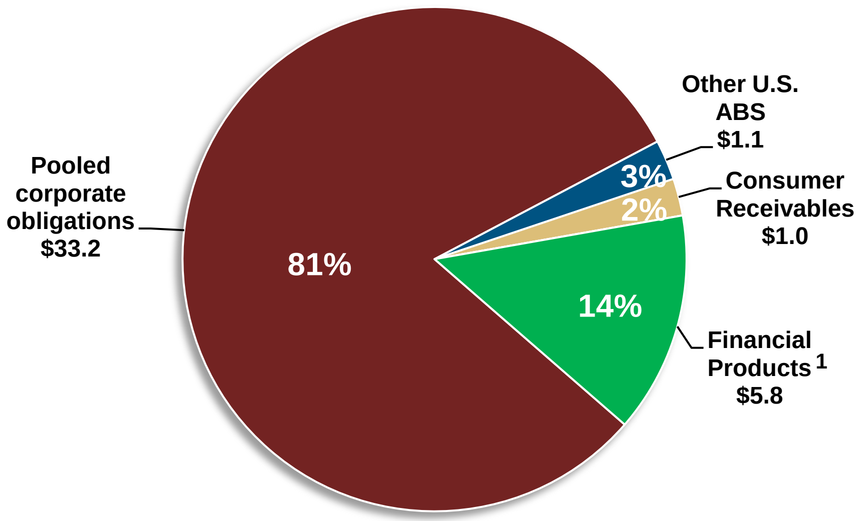
1. See page 4 for descriptions of performance information.
2. Many of the closed-end second lien RMBS transactions insured by the Company have unique structures whereby the collateral may be written down for losses without a corresponding write-down of the obligations insured by the Company. Many of 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.

AGM Non-RMBS
U.S. Structured Finance Exposure

- **AGM's non-RMBS U.S. structured finance exposures consist principally[1] of**
  - Pooled corporate
  - Consumer receivables
- **Non-RMBS U.S. structured finance credit experience has been generally strong given the recent environment**

U.S. Non-RMBS Structured Finance

As of September 30, 2011
($ in billions)



$41.0 billion net par outstanding

1. Includes $5.8 billion in GICs issued by AGMH's former FP affiliates. See page 6.

AGM Global Pooled Corporate Obligations

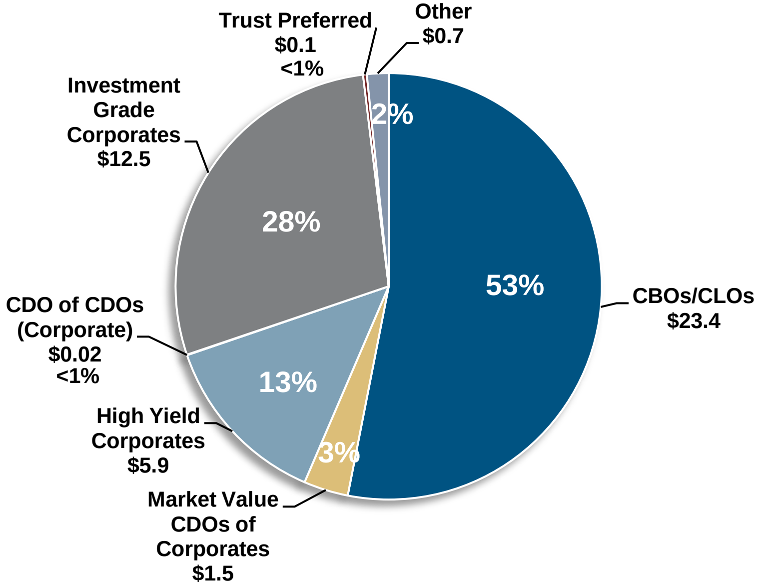
- **AGM's pooled corporate exposure is generally highly rated and well-protected**
  - Average current credit enhancement of 25.6%
  - 91% rated super senior or AAA
  - AAA average rating
  - Less than 2% rated BIG

- **$127 million of TruPS (bank and insurance company only)**
  - A average rating
  - Average current credit enhancement remains strong at 50.1%

Pooled Corporate Obligations By Asset Class

As of September 30, 2011

($ in billions)



$44.2 billion net par outstanding

AGM Global Pooled Corporate Obligations
By Collateral Type

($ in millions)

Distribution of Pooled Corporate Obligations by Asset Class

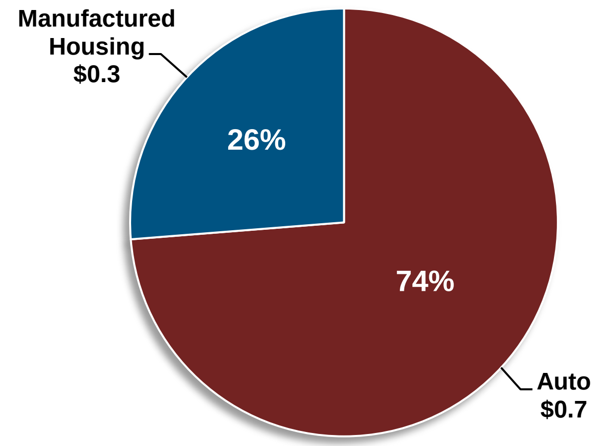
Asset class:	Net Par Outstanding	% of Total	Avg. Initial Credit Enhancement	Avg. Current Credit Enhancement	Avg. Rating
CBOs/CLOs	$ 23,442	53.1%	27.9%	29.0%	AAA
Synthetic investment grade pooled corporates	12,482	28.3%	19.2%	17.7%	AAA
Synthetic high yield pooled corporates	5,876	13.3%	35.6%	30.5%	AAA
Market value CDOs of corporates	1,492	3.4%	17.0%	30.6%	AAA
Trust preferred - banks and insurance [1]	127	0.3%	49.7%	50.1%	A
CDO of CDOs (corporate)	17	0.0%	25.0%	6.8%	BBB+
Other pooled corporates	725	1.6%	0.0%	0.0%	BBB-
Total exposures	**$ 44,161**	**100.0%**	**25.7%**	**25.6%**	**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.

AGM U.S. Consumer Receivables

- **U.S. consumer receivable exposures are well protected**
  - Average rating of A+
  - $719 million in auto receivable transactions, with 41.4% average current credit enhancement
- **Over half of the par was written in 2007 or later, after the deterioration in consumer credit trends was evident**
  - AGM utilized underwriting criteria that had stress scenario assumptions

U.S. Consumer Receivables by Type
As of September 30, 2011
($ in billions)



$1.0 billion net par outstanding

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

($ in millions)

Distribution of U.S. Consumer Receivables by Rating

Rating:	**Manufactured Housing**	**Auto**	**Total Net Par Outstanding**
AAA	$ -	$ -	$ -
AA	68	636	704
A	-	83	83
BBB	41	-	41
BIG	147	-	147
Total exposures	**$ 256**	**$ 719**	**$ 975**
Average rating	BB+	AA	A+
Avg. initial credit enhancement	27.5%	12.3%	16.3%
Avg. current credit enhancement	25.5%	41.4%	37.2%

Note: Please refer to pages 3 and 4 for descriptions of ratings and average credit enhancement.

AGM Expected Loss and LAE to Be Paid
As of September 30, 2011

($ in millions)

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

Financial Guaranty Insurance Contracts and Credit Derivatives	**Expected Loss to be Paid as of June 30, 2011**	**Economic Loss Development During 3Q-11 [1]**	**(Paid) Recovered Losses During 3Q-11**	**Expected Loss to be Paid as of September 30, 2011**
U.S. RMBS				
First lien:				
Alt-A first lien	$ 127.5	$ (12.2)	$ (14.9)	$ 100.4
Option ARMs	233.6	61.8	(74.2)	221.2
Subprime first lien	145.6	34.4	(0.4)	179.6
Total first lien	506.7	84.0	(89.5)	501.2
Second lien:				
Closed end seconds	(47.6)	32.3	2.5	(12.8)
HELOC	(77.2)	(4.3)	(19.5)	(101.0)
Total second lien	(124.8)	28.0	(17.0)	(113.8)
Total U.S. RMBS	381.9	112.0	(106.5)	387.4
Other structured finance	58.9	9.3	-	68.2
Public finance	1.5	7.9	(25.3)	(15.9)
Total	**$ 442.3**	**$ 129.2**	**$ (131.8)**	**$ 439.7**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. Under GAAP, however, a reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. For AGM, unearned premium reserve on the Acquisition Date (July 1, 2009) represented fair value and incorporated all expected losses at that date. See Notes to the financial statements in the 2010 AGL Form 10-K/A for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts and the effects of acquisition accounting on financial guaranty insurance accounting.

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

Assured Guaranty Corp.
Financial Information

AGC Consolidated Statements of Operations

($ in millions)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010
Revenues:		
Net earned premiums	$ 24.6	$ 27.7
Net investment income	23.2	19.8
Net realized investment gains (losses)	(0.7)	(0.1)
Net change in fair value of credit derivatives:		
Realized gains and other settlements	(4.2)	28.4
Net unrealized gains (losses)	868.2	(202.9)
Net change in fair value of credit derivatives	864.0	(174.5)
Fair value gains (losses) on committed capital securities	0.7	(2.2)
Net change in fair value of financial guaranty VIEs	(15.1)	20.2
Other income	8.6	0.8
Total revenues	**905.3**	**(108.3)**
Expenses:		
Loss and loss adjustment expenses	(3.5)	18.8
Amortization of deferred acquisition costs	4.0	4.2
Interest expense	3.8	3.8
Other operating expenses	13.2	18.8
Total expenses	**17.5**	**45.6**
Income (loss) before income taxes	**887.8**	**(153.9)**
Provision (benefit) for income taxes	305.6	(57.4)
Net income (loss)	**$ 582.2**	**$ (96.5)**
Less after-tax adjustments:		
Realized gains (losses) on investments	(0.4)	(0.1)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	549.8	(121.4)
Fair value gains (losses) on committed capital securities	0.4	(1.4)
Foreign exchange gains (losses) on revaluation of premiums receivable	(1.2)	1.4
Effect of consolidating financial guaranty VIEs	(1.0)	12.6
Operating income (loss)	**$ 34.6**	**$ 12.4**

See note under the table on page 70. Please refer to the appendix for an explanation of the non-GAAP financial measures.

AGC Consolidated Balance Sheets

($ in millions)

	As of September 30, 2011	As of December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	$ 2,687.5	$ 2,476.2
Short-term investments, at fair value	215.4	235.7
Other invested assets	12.5	12.5
Total investment portfolio	**2,915.4**	**2,724.4**
Cash	55.6	17.8
Premiums receivable, net of ceding commissions payable	202.4	269.6
Ceded unearned premium reserve	346.3	388.6
Deferred acquisition costs	60.8	57.9
Reinsurance recoverable on unpaid losses	129.5	68.1
Salvage and subrogation recoverable	32.7	184.0
Credit derivative assets	300.5	399.5
Deferred tax asset, net	98.5	344.4
Current income tax receivable	26.0	38.3
Financial guaranty VIE assets, at fair value	800.1	966.0
Other assets	97.9	74.6
Total assets	**$ 5,065.7**	**$ 5,533.2**
Liabilities and shareholder's equity:		
Liabilities:		
Unearned premium reserve	$ 1,178.9	$ 1,323.1
Loss and loss adjustment expense reserve	302.2	231.1
Reinsurance balances payable, net	68.7	121.6
Note payable to affiliate	300.0	300.0
Credit derivative liabilities	690.5	1,357.7
Financial guaranty VIE liabilities with recourse, at fair value	488.7	519.9
Financial guaranty VIE liabilities without recourse, at fair value	384.1	495.7
Other liabilities	136.2	113.4
Total liabilities	**3,549.3**	**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)	385.7	11.8
Accumulated other comprehensive income	78.6	6.8
Total shareholder's equity	**1,516.4**	**1,070.7**
Total liabilities and shareholder's equity	**$ 5,065.7**	**$ 5,533.2**

See note under the table on page 70.

AGC Reconciliation of Present Value of New Business Production ("PVP") to Gross Written Premiums ("GWP")

ASSURED GUARANTY®

($ in millions)

	Three Months Ended September 30,	
	2011	**2010**
Consolidated new business production analysis:		
PVP		
Public finance - U.S.		
Primary markets	$ 0.6	$ 9.8
Secondary markets	0.3	0.7
Public finance - non-U.S.		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S.	-	2.0
Structured finance - non-U.S.	-	-
Total PVP	**$ 0.9**	**$ 12.5**
Total PVP	$ 0.9	$ 12.5
Less: PVP of credit derivatives	-	-
PVP of financial guaranty insurance	0.9	12.5
Less: financial guaranty installment premium PVP	-	2.3
Total: financial guaranty upfront GWP	0.9	10.2
Plus: financial guaranty installment GWP[1]	(4.6)	0.2
Total GWP	**$ (3.7)**	**$ 10.4**

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

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

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

AGM Consolidated Statements of Operations

($ in millions)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010
Revenues:		
Net earned premiums	$ 151.1	$ 217.4
Net investment income	50.5	49.1
Net realized investment gains (losses)	(9.3)	(3.1)
Net change in fair value of credit derivatives:		
Realized gains and other settlements	17.6	17.6
Net unrealized gains (losses)	67.1	(25.9)
Net change in fair value of credit derivatives	84.7	(8.3)
Fair value gains (losses) on committed capital securities	1.8	(3.3)
Net change in fair value of financial guaranty VIEs	(84.1)	151.0
Other income	(14.2)	25.5
Total revenues	**180.5**	**428.3**
Expenses:		
Loss and loss adjustment expenses	150.3	78.8
Amortization of deferred acquisition costs	(1.6)	(1.6)
Interest expense	1.7	1.7
Other operating expenses	21.1	21.7
Total expenses	**171.5**	**100.6**
Income (loss) before income taxes	**9.0**	**327.7**
Provision (benefit) for income taxes	(7.7)	37.0
Net income (loss)	**$ 16.7**	**$ 290.7**
Less after-tax adjustments:		
Realized gains (losses) on investments	(11.2)	(2.0)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	42.7	(18.2)
Fair value gains (losses) on committed capital securities	1.2	(2.2)
Foreign exchange gains (losses) on revaluation of premiums receivable	(11.2)	16.1
Effect of consolidating financial guaranty VIEs	(49.7)	97.0
Operating income	**$ 44.9**	**$ 200.0**

See note under the table on page 90. Please refer to appendix for explanation of non-GAAP financial measures.

AGM Consolidated Balance Sheets

($ in millions)

	As of	
	September 30, 2011	December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	$ 4,960.8	$ 4,678.4
Short-term investments, at fair value	398.0	612.7
Other invested assets	191.9	133.7
Total investment portfolio	5,550.7	5,424.8
Note receivable from affiliate	300.0	300.0
Cash	57.2	43.7
Premiums receivable	659.3	729.2
Ceded unearned premium reserve	1,412.6	1,494.4
Reinsurance recoverable on unpaid losses	53.7	24.6
Salvage and subrogation recoverable	325.6	846.1
Credit derivative assets	152.6	181.8
Deferred tax asset, net	620.3	989.7
Current income tax receivable	174.2	-
Financial guaranty VIE assets, at fair value	2,205.3	2,691.5
Other assets	153.4	107.6
Total assets	**$ 11,664.9**	**$ 12,833.4**
Liabilities and shareholder's equity:		
Liabilities:		
Unearned premium reserve	$ 4,671.7	$ 5,321.3
Loss and loss adjustment expense reserve	271.2	254.4
Reinsurance balances payable, net	248.8	410.2
Notes payable	109.3	127.0
Credit derivative liabilities	452.8	592.8
Current income tax payable	-	183.6
Financial guaranty VIE liabilities with recourse, at fair value	2,086.8	2,511.0
Financial guaranty VIE liabilities without recourse, at fair value	748.9	841.5
Other liabilities	324.0	271.2
Total liabilities	**8,913.5**	**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	1,456.6	1,100.0
Accumulated other comprehensive income	113.0	13.6
Total shareholder's equity	**2,751.4**	**2,320.4**
Total liabilities and shareholder's equity	**$ 11,664.9**	**$ 12,833.4**

See note under the table on page 90.

AGM Reconciliations of PVP to GWP

($ in millions)

Consolidated new business production analysis:	Three Months Ended September 30, 2011	2010
PVP		
Public finance - U.S.		
Primary markets	$ 33.1	$ 64.9
Secondary markets	5.6	9.1
Public finance - non-U.S.		
Primary markets	-	-
Secondary markets	-	-
Structured finance - U.S.	1.1	1.7
Structured finance - non-U.S.	-	0.7
Total PVP	**$ 39.8**	**$ 76.4**
Total PVP	$ 39.8	$ 76.4
Less: PVP of credit derivatives	-	-
PVP of financial guaranty insurance	39.8	76.4
Less: Financial guaranty installment premium PVP	1.3	2.7
Total: Financial guaranty upfront GWP	38.5	73.7
Plus: Financial guaranty installment GWP[1]	(7.1)	4.0
Total GWP	**$ 31.4**	**$ 77.7**

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

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

Assured Guaranty Ltd.
Financial Information

Assured Guaranty Ltd.
Consolidated Statements of Operations

($ in millions)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Revenues:				
Net earned premiums	$ 211.1	$ 288.7	$ 695.1	$ 900.4
Net investment income	93.5	85.6	290.7	260.8
Net realized investment gains (losses)	(11.1)	(2.4)	(13.4)	(1.4)
Net change in fair value of credit derivatives:				
Realized gains and other settlements	0.5	52.4	25.1	117.5
Net unrealized gains (losses)	1,155.4	(276.4)	829.8	10.8
Net change in fair value of credit derivatives	1,155.9	(224.0)	854.9	128.3
Fair value gains (losses) on committed capital securities	2.4	(5.5)	3.5	5.8
Net change in fair value of financial guaranty VIEs	(99.2)	171.3	(153.9)	135.0
Other income	(7.6)	33.8	63.4	7.4
Total revenues	**1,345.0**	**347.5**	**1,740.3**	**1,436.3**
Expenses:				
Loss and loss adjustment expenses	214.9	110.8	313.3	307.4
Amortization of deferred acquisition costs	7.3	8.0	24.2	23.1
Assured Guaranty Municipal Holdings Inc. acquisition-related expenses	-	-	-	6.8
Interest expense	24.9	24.9	74.4	74.9
Other operating expenses	41.9	52.2	147.2	162.2
Total expenses	**289.0**	**195.9**	**559.1**	**574.4**
Income (loss) before income taxes	**1,056.0**	**151.6**	**1,181.2**	**861.9**
Provision (benefit) for income taxes	294.8	(13.0)	322.0	184.7
Net income (loss)	**$ 761.2**	**$ 164.6**	**$ 859.2**	**$ 677.2**
Less after-tax adjustments:				
Realized gains (losses) on investments	(12.6)	(1.3)	(13.5)	1.1
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	800.1	(187.1)	508.8	84.3
Fair value gains (losses) on committed capital securities	1.6	(3.6)	2.3	3.8
Foreign exchange gains (losses) on revaluation of premiums receivable	(15.5)	24.4	(2.5)	(17.6)
Effect of consolidating financial guaranty VIEs	(50.7)	109.6	(66.8)	94.2
Operating income	**$ 38.3**	**$ 222.6**	**$ 430.9**	**$ 511.4**

See note under the table on page 70. Please refer to the appendix for an explanation of the non-GAAP financial measures.

Assured Guaranty Ltd.
Consolidated Balance Sheets

($ in millions)

	As of : September 30, 2011	As of : December 31, 2010
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	$ 10,091.2	$ 9,402.3
Short-term investments, at fair value	873.3	1,055.6
Other invested assets	298.0	283.0
Total investment portfolio	**11,262.5**	**10,740.9**
Cash	173.3	108.4
Premiums receivable, net of ceding commissions payable	987.1	1,167.6
Ceded unearned premium reserve	747.5	821.8
Deferred acquisition costs	231.0	239.8
Reinsurance recoverable on unpaid losses	48.0	22.3
Salvage and subrogation recoverable	360.2	1,032.4
Credit derivative assets	467.2	592.9
Deferred tax asset, net	676.2	1,259.1
Current income tax receivable	203.6	-
Financial guaranty VIE assets, at fair value	3,005.4	3,657.5
Other assets	243.0	199.2
Total assets	**$ 18,405.0**	**$ 19,841.9**
Liabilities and shareholders' equity:		
Liabilities:		
Unearned premium reserve	$ 6,111.8	$ 6,972.9
Loss and loss adjustment expense reserve	670.7	574.4
Reinsurance balances payable, net	173.6	274.4
Long-term debt	1,041.7	1,052.9
Credit derivative liabilities	1,495.3	2,462.8
Current income tax payable	-	93.0
Financial guaranty VIE liabilities with recourse, at fair value	2,575.6	3,030.9
Financial guaranty VIE liabilities without recourse, at fair value	1,133.0	1,337.2
Other liabilities	436.6	309.9
Total liabilities	**13,638.3**	**16,108.4**
Shareholders' equity:		
Common stock	1.8	1.8
Additional paid-in capital	2,567.6	2,585.4
Retained earnings	1,866.7	1,032.5
Accumulated other comprehensive income	327.1	111.8
Deferred equity compensation	3.5	2.0
Total shareholders' equity	**4,766.7**	**3,733.5**
Total liabilities and shareholders' equity	**$ 18,405.0**	**$ 19,841.9**

See note under the table on page 70. Please refer to the appendix for an explanation of the non-GAAP financial measures.

Assured Guaranty Ltd.
Reconciliation of PVP to GWP

ASSURED GUARANTY®

($ in millions)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Consolidated new business production analysis:				
PVP				
Public finance - U.S.:				
Primary markets	$ 33.7	$ 74.7	$ 96.4	$ 207.8
Secondary markets	5.9	9.8	22.0	32.4
Public finance - non-U.S.				
Primary markets	-	-	-	-
Secondary markets	-	-	-	0.7
Structured finance - U.S.	11.2	3.7	29.6	13.9
Structured finance - non-U.S.	-	0.7	7.2	2.8
Total PVP	**$ 50.8**	**$ 88.9**	**$ 155.2**	**$ 257.6**
Total PVP	$ 50.8	$ 88.9	$ 155.2	$ 257.6
Less: PVP of credit derivatives	-	-	-	-
PVP of financial guaranty insurance	50.8	88.9	155.2	257.6
Less: financial guaranty installment premium PVP	11.3	4.9	35.9	17.4
Total: financial guaranty upfront GWP	39.5	84.0	119.3	240.2
Plus: financial guaranty installment GWP [1]	(17.9)	(6.4)	(92.2)	21.2
Total GWP	**$ 21.6**	**$ 77.6**	**$ 27.1**	**$ 261.4**
Consolidated financial guaranty gross par written:				
Public finance - U.S.				
Primary markets	$ 4,078	$ 6,785	$ 9,256	$ 19,138
Secondary markets	264	441	953	1,103
Public finance - non-U.S.				
Primary markets	-	-	-	-
Secondary markets	-	-	-	34
Structured finance - U.S.	266	200	1,091	2,600
Structured finance - non-U.S.	-	-	-	-
Total	**$ 4,608**	**$ 7,426**	**$ 11,300**	**$ 22,875**

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

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

Reconciliation of GAAP Book Value to Adjusted Book Value

ASSURED GUARANTY®

($ in millions, except per share amounts)

	As of :			
	September 30, 2011		December 31, 2010	
	Total	Per share	Total	Per share
Reconciliation of shareholders' equity to adjusted book value:				
Shareholders' equity	**$ 4,766.7**	**$ 26.16**	**$ 3,733.5**	**$ 20.32**
Less after-tax adjustments:				
Effect of consolidating financial guaranty VIEs	(393.4)	(2.16)	(371.4)	(2.02)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(237.1)	(1.30)	(763.0)	(4.15)
Fair value gains (losses) on committed capital securities	14.5	0.08	12.2	0.07
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	271.2	1.49	101.2	0.55
Operating shareholders' equity	**$ 5,111.5**	**$ 28.05**	**$ 4,754.5**	**$ 25.88**
After-tax adjustments:				
Less: Deferred acquisition costs	236.1	1.30	248.4	1.35
Plus: Net present value of estimated net future credit derivative revenue	331.4	1.82	424.8	2.31
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	3,698.1	20.30	4,058.0	22.08
Adjusted book value	**$ 8,904.9**	**$ 48.87**	**$ 8,988.9**	**$ 48.92**

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

Appendix

Appendix
Explanation of Non-GAAP Financial Measures

Endnotes related to non-GAAP financial measures discussed in the presentation:

The Company references financial measures that are not in accordance with 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 presentation. 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 Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1. Elimination of the after-tax realized gains (losses) on the Company's investments, 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.

Appendix (Cont'd)
Explanation of Non-GAAP Financial Measures

Operating Shareholders' 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 shareholders' equity attributable to Assured Guaranty Ltd., 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.

Appendix (Cont'd)
Explanation of Non-GAAP Financial Measures

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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Fixed Income Investor Presentation

Third Quarter 2011