Equity Investor Presentation

September 30, 2013

ASSURED GUARANTY®

Forward-Looking Statements and Safe Harbor Disclosure

- This presentation contains information that includes or is based upon forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give the expectations or forecasts of future events of Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty" or the "Company"). These statements can be identified by the fact that they do not relate strictly to historical or current facts and relate to future operating or financial performance. Any or all of Assured Guaranty's forward looking statements herein are based on current expectations and the current economic environment and may turn out to be incorrect. Assured Guaranty's actual results may vary materially. Among factors that could cause actual results to differ materially are (1) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of Assured Guaranty or any of its subsidiaries and/or of transactions that Assured Guaranty's subsidiaries have insured; (2) developments in the world's financial and capital markets, including changes in interest and foreign exchange rates, that adversely affect the demand for the Company's insurance, issuers' payment rates, Assured Guaranty's loss experience, its exposure to refinancing risk in transactions (which could result in substantial liquidity claims on its guaranties), its access to capital, its unrealized (losses) gains on derivative financial instruments or its investment returns; (3) changes in the world's credit markets, segments thereof or general economic conditions; (4) the impact of rating agency action with respect to sovereign debt and the resulting effect on the value of securities in the Company's investment portfolio and collateral posted by and to the Company; (5) more severe or frequent losses impacting the adequacy of Assured Guaranty's expected loss estimates; (6) the impact of market volatility on the mark-to-market of Assured Guaranty's contracts written in credit default swap form; (7) reduction in the amount of insurance opportunities available to Assured Guaranty; (8) deterioration in the financial condition of Assured Guaranty's reinsurers, the amount and timing of reinsurance recoverables actually received and the risk that reinsurers may dispute amounts owed to Assured Guaranty under its reinsurance agreements; (9) failure of Assured Guaranty to realize insurance loss recoveries or damages expected from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions through loan putbacks, settlement negotiations or litigation; (10) the possibility that budget shortfalls or other factors will result in credit losses or impairments on obligations of state and local governments that the Company insures or reinsures; (11) increased competition, including from new entrants into the financial guaranty industry; (12) changes in applicable accounting policies or practices; (13) changes in applicable laws or regulations, including insurance and tax laws; (14) other governmental actions; (15) difficulties with the execution of Assured Guaranty's business strategy; (16) contract cancellations; (17) loss of key personnel; (18) adverse technological developments; (19) the effects of mergers, acquisitions and divestitures; (20) natural or man-made catastrophes; (21) other risks and uncertainties that have not been identified at this time; (22) management's response to these factors; and (23) other risk factors identified in Assured Guaranty's filings with the U.S. Securities and Exchange Commission (the "SEC").
- The foregoing review of important factors should not be construed as exhaustive, and should be read in conjunction with the other cautionary statements that are included in the Company's Form 10-K and 10-Q filings. The Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company's periodic reports filed with the SEC.
- If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may vary materially from what the Company projected. Any forward looking statements in the presentation reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity.
- For these statements, the Company claims the protection of the safe harbor for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Conventions and Non-GAAP Financial Measures

- 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. Internal credit ratings are expressed on a ratings scale similar to that used by the rating agencies and are generally reflective of an approach similar to that employed by the rating agencies, except that, beginning this quarter, the Company's internal credit ratings focus on future performance, rather than lifetime performance.
  - The Company reclassifies those portions of risks benefitting from collateralized reimbursement obligations as the higher of AA or their current rating. The Company applies this policy to certain exposures covered by the settlements with Bank of America, Deutsche Bank and UBS; the policy for the Bank of America agreement (agreed in April 2011) was implemented in first quarter 2012 and for the other two agreements was implemented when they were agreed (second quarter 2012 and first quarter 2013, respectively). The Bank of America reclassification in first quarter 2012 resulted in a decrease in BIG net par outstanding during that quarter of $1,452 million from December 31, 2011. The Deutsche Bank reclassification in second quarter 2012 resulted in a decrease in BIG net par outstanding during that quarter of $330 million from first quarter 2012. The UBS reclassification in first quarter 2013 resulted in a decrease in BIG net par outstanding during that quarter of $202 million from December 31, 2012. Exposures rated below investment grade are designated "BIG".
  - In third quarter 2013, the Company changed the manner in which it presents par outstanding and debt service in two ways. First, the Company had included securities purchased for loss mitigation purposes both in its invested assets portfolio and its financial guaranty insured portfolio. Beginning with third quarter 2013, the Company will be excluding such loss mitigation securities from its disclosure about its financial guaranty insured portfolio (unless otherwise indicated) because it manages such securities as investments and not insurance exposure. It has taken this approach as of both September 30, 2013 and December 31, 2012. This reduces its BIG net par as of September 30, 2013 by $1,211 million from what it would have been without the change. Second, the Company refined its approach to its internal credit ratings and surveillance categories, which resulted in the upgrade of $264 million from BIG to investment grade. Please refer to "Refinement of Approach to Internal Credit Ratings and Surveillance Categories" in note 3, Outstanding Exposure, of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013 for additional information. Under the old approach, a transaction with a projected lifetime loss, no matter how strong on a prospective basis, was required to be rated BIG. Under its revised approach, a transaction may be rated investment grade if it (a) has turned generally cash-flow positive and (b) is projected to have net future reimbursements with a sufficient cushion to warrant an investment grade rating even if it is projected to have ending lifetime insurance claim payments.
  - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P").
  - Percentages and totals in tables or graphs may not add due to rounding.
- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures not in accordance with GAAP ("non-GAAP financial measures") are defined in the Appendix. In each case, the most directly comparable GAAP financial measure, if available, is presented, and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how Assured Guaranty's management, analysts and investors evaluate Assured Guaranty's financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty.

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Introduction

Changes and adjustments made to the 3Q-13 presentation:

- **Updated tax residence within corporate structure on page 9**
- **Included more detail on AG & Company on page 26**
- **Added a comprehensive Puerto Rico exposure slide on page 36**
- **Reflected changed approach to internal ratings and surveillance categories on page 46**
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Assured Guaranty Overview

Assured Guaranty Overview

Assured Guaranty Ltd.

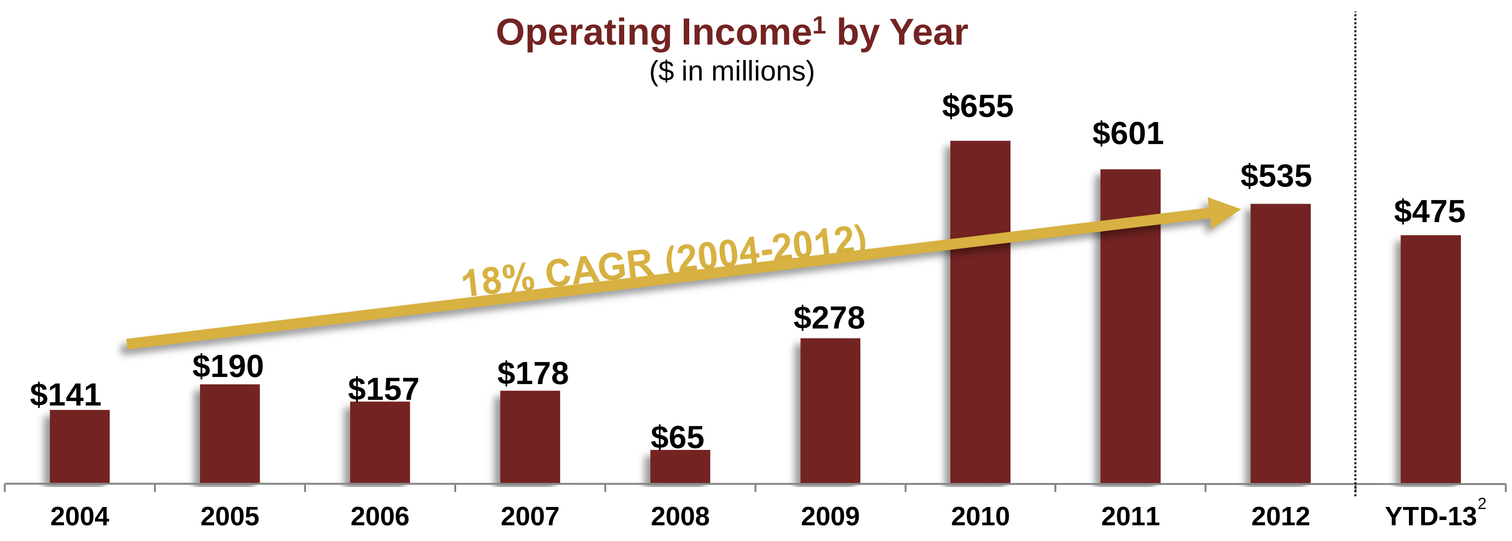
($ in billions)	September 30, 2013	January 1, 2008 (pro-forma)[1]
Net par outstanding	$473.4	$626.6
U.S. public finance	$361.2	$337.3
U.S. structured finance	$62.6	$185.8
International	$49.6	$103.5
Total investment portfolio + cash	$10.9	$8.7
Total assets[2]	$16.4	$15.3
Net unearned premium reserve[3]	$4.2	$6.5
Claims paying resources	$12.0	$11.2
Ratio of Net Par Outstanding / Claims paying resources	**39.4**	**55.9**

- **We are the leading financial guaranty franchise, with over a quarter century of experience in the municipal and structured finance markets**
- **We serve the bond insurance market through three platforms:**
  - Assured Guaranty Municipal Corp. (AGM), rated AA- (stable) by S&P and A2 (stable) by Moody's, focuses on larger public finance and infrastructure transactions
  - Municipal Assurance Corp. (MAC), rated AA+ (stable) by Kroll and AA- (stable) by S&P, focuses on smaller public finance transactions
  - Assured Guaranty Corp. (AGC), rated AA- (stable) by S&P and A3 (stable) by Moody's, guarantees public finance, global infrastructure and structured finance transactions
- **Our insured portfolio has an average internal rating of A**

1. 1/1/08 pro-forma includes FSAH fair values as of 7/1/09
2. 09/30/13 includes $2.5 billion in financial guaranty variable interest entities (FG VIEs) assets.
3. Unearned premium reserve net of ceded unearned premium reserve.

Assured Guaranty Overview
Track Record of Creating Shareholder Value

- **Since our initial public offering in 2004, we have grown our operating income[1] from $141 million in 2004 to $535 million in 2012, an 18% compounded annual growth rate (CAGR)**
- **Operating income[1] has grown through acquisitions (acquired AGM on July 1, 2009), new business production and other strategic activities**
  - Recapture of previously ceded business
  - Accelerated premiums through terminations or refundings



1. Operating income is a non-GAAP financial measure which is defined in the Appendix.
2. As of September 30, 2013

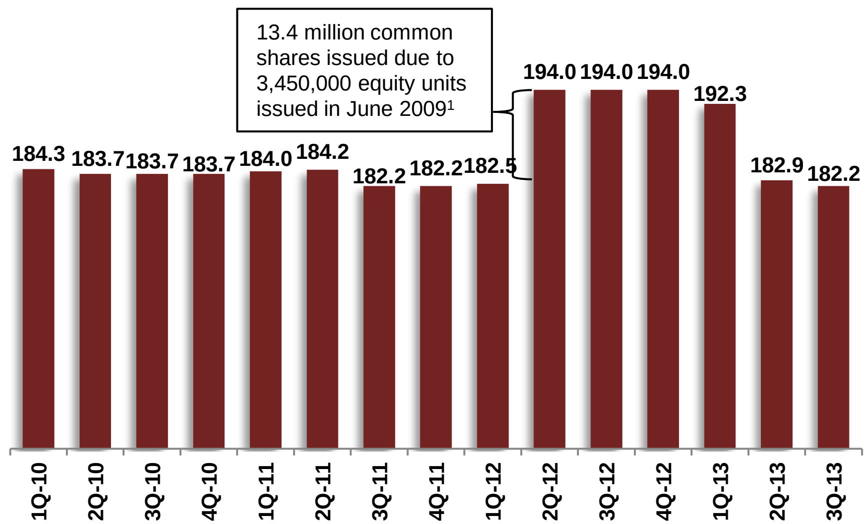
Creating Value

Track Record of Creating Shareholder Value

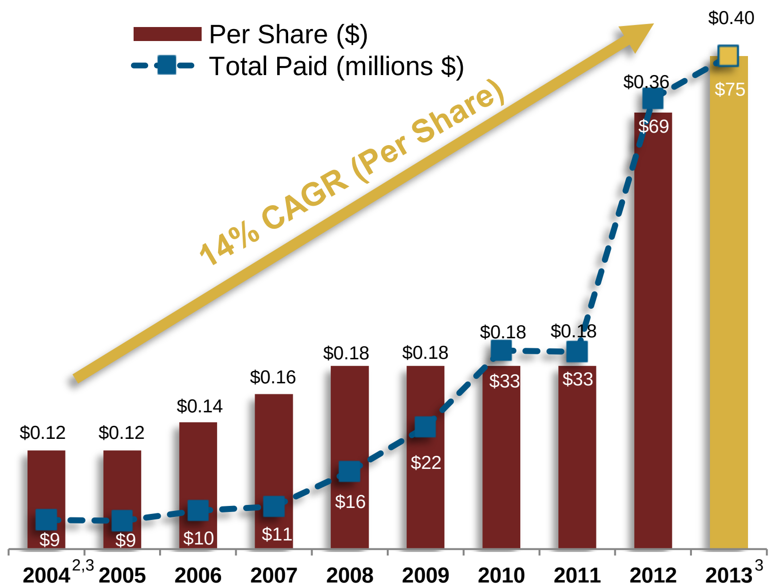
- **In addition, we have returned excess capital to shareholders by distributing dividends and opportunistically repurchasing our common shares**
  - Since the 2004 IPO, we have more than tripled our quarterly dividend to $0.10 per share, or $0.40 per share per year
  - Pursuant to share repurchase authorizations approved in January 2013 ($200 million) and May 2013 ($115 million), the Company repurchased 12.5 million shares for approximately $264 million at an average price of $21.12 per share from March 5, 2013 through November 11, 2013. On November 11, 2013, a new share repurchase authorization of $400 million replaced the previous authorization.

Ending Share Count by Quarter

($ in millions)



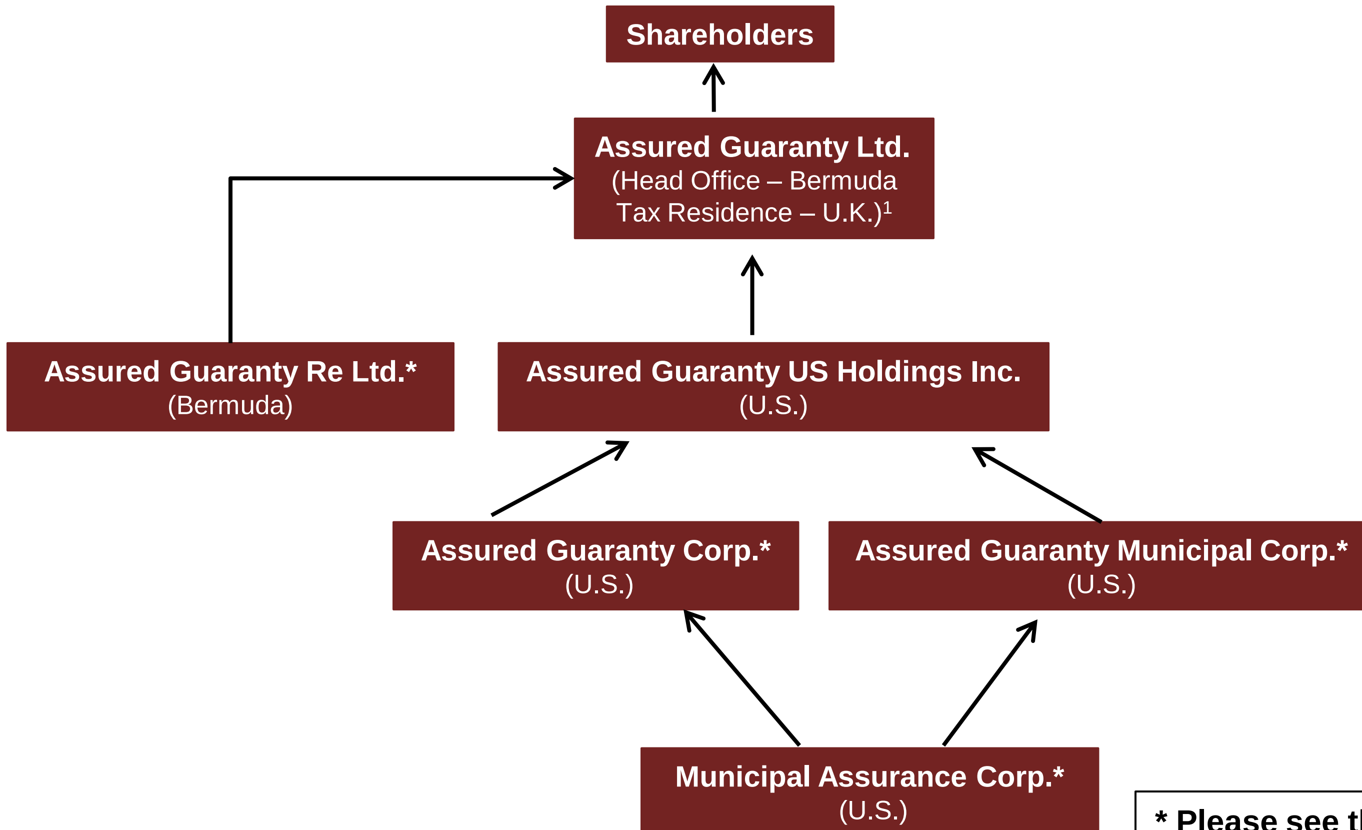
Dividends



1. Equity units are no longer outstanding.
2. In 2004, dividends were paid following our April IPO.
3. The amount shown is the quarterly dividend, annualized.

Creating Value
Simplified Corporate Structure[1]

Current Corporate Structure



*** Please see the next page for the operating subsidiaries' insurance regulatory dividend limitations**

1. In November 2013, AGL became tax resident in the United Kingdom. As a U.K. tax resident, AGL does not expect any material change in the Assured Guaranty group's overall tax charge. Dividends from Assured Guaranty US Holdings Inc. to AGL will be subject to a reduced withholding tax of 0% to 5% under the U.S.-U.K. double tax treaty.

Creating Value
Dividend Limitations[1]

Assured Guaranty Re Ltd.
(Bermuda)

Dividend Limitations[1]
Based on regulatory capital requirements AG Re currently has $600 million of excess capital and surplus. However, dividends shall not exceed outstanding statutory surplus or $440 million. In addition, dividends on annual basis shall not exceed 25% of its total statutory capital and surplus, $321 million. **Also, as of September 30, 2013, AG Re had unencumbered assets of approximately $255 million.**

Assured Guaranty Corp.
(U.S.)

Dividend Limitations[1]
Under Maryland insurance law, AGC may, with prior notice to the Maryland Insurance Commissioner, pay an ordinary dividend that, together with all dividends paid in the prior 12 months, does not exceed 10% of its policyholders' surplus (as of the prior December 31) or 100% of its adjusted net investment income during that period. **As of September 30, 2013, approximately $49 million was available for distribution of dividends, after giving effect to dividends paid in the prior 12 months of $42 million.**

Assured Guaranty Municipal Corp.
(U.S.)

Dividend Limitations[1]
Under New York insurance law, AGM may pay dividends only out of "earned surplus", which is the portion of a company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets. AGM may pay an ordinary dividend that, together with all dividends paid in the prior 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the last annual or quarterly statement filed) or 100% of its adjusted net investment income during that period. **As of September 30, 2013, approximately $78 million was available for distribution of dividends, after giving effect to dividends paid in the prior 12 months of $98 million.**

Municipal Assurance Corp.
(U.S.)

Dividend Limitations[1]
The Company does not currently anticipate MAC distributing dividends.

Other Considerations:

- **Standard & Poor's: AGL is $450-$500 million above the AAA capital level[2] as of June 12, 2013**
- **Moody's: Has not provided the Company a capital adequacy model, but rates AGM and AGC as having strong capital adequacy at the high Aa and A levels, respectively[3]**

1. Represents dividend capacity as of September 30, 2013. Please see our Form 10-K for the year ended December 31, 2012 for a discussion of the dividend limitations to which we are subject under applicable U.S. and Bermuda law, including the New York Insurance Law and the Code of Maryland Regulations.
2. S&P's "Assured Guaranty Ltd. Operating Companies" released June 12, 2013
3. Moody's "Credit Opinion: Assured Guaranty Municipal Corp." & "Credit Opinion: Assured Guaranty Corp." released January 23, 2013

Underlying Value
Selected Company Assets and Liabilities

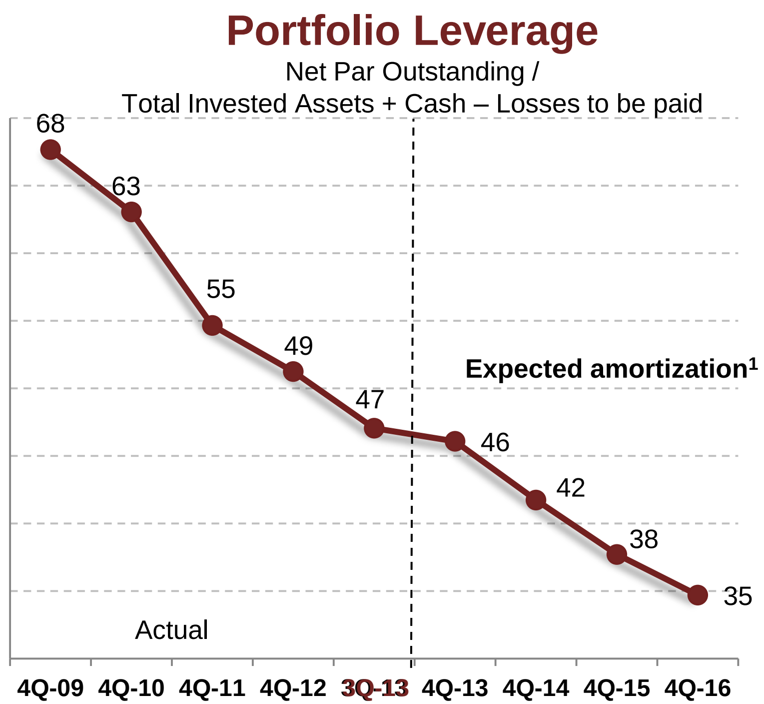
Selected Company Assets and Liabilities
As of September 30, 2013
($ in millions, except per share)

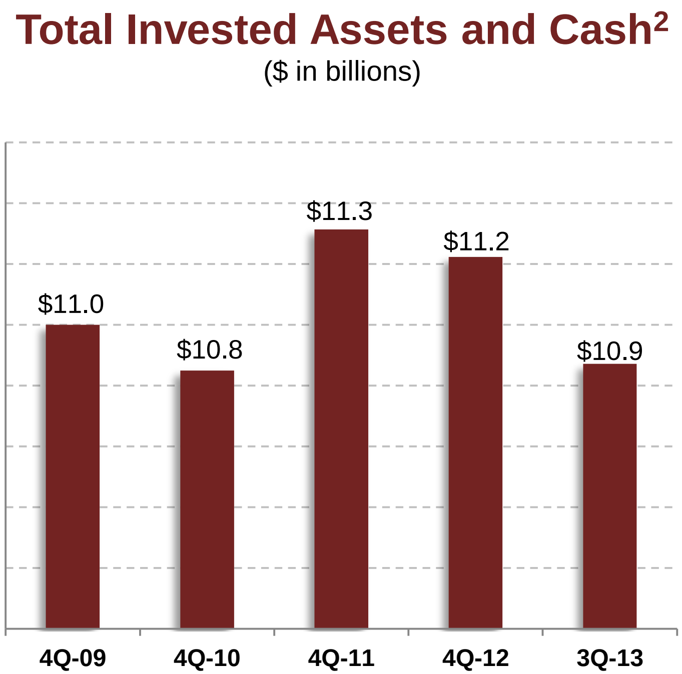
Total investment portfolio	$10,760
Cash	106
Premiums receivable, net of ceding commissions payable	906
Salvage and subrogation recoverable	275
Ceded unearned premium reserve	480
Unearned premium reserve	4,676
Expected loss to be paid, net of expected recoveries to be collected	806
Debt	819
Reinsurance payable	160
Total investment portfolio and cash, per share	**$59.64**
Expected loss to be paid, net of expected recoveries, per share	**$4.42**
Debt, per share	**$4.49**

- **Investment portfolio comprises 66% of our total assets, of which 92% is invested in fixed income securities**
  - Highly rated, with 72% of fixed maturity and short-term investments rated AA or higher; average rating of AA-
  - Very liquid with approximately $1 billion invested in short-term investments and cash
  - Overall duration of portfolio is 5.0 years
- **Deferred revenue comprises 41% of our total liabilities**
  - Liability diminishes over time as the portfolio amortizes

Underlying Value
Deleveraging While Maintaining Total Invested Assets

- **Our net par outstanding to total invested assets and cash net of losses to be paid has declined from 68:1 in 4Q-09 to 47:1 as of 3Q-13, putting us in a stronger capital position**
  - Deleveraging should continue in the near term as new business is not expected to replace the amortization of the structured finance portfolio
- **Deleveraging has occurred while year-end total invested assets and cash has remained comparable to those of prior years**





1. Assumes no new business production and calculates estimated amortization divided by current total invested assets and cash, less current losses to be paid.
2. As reported on the balance sheet

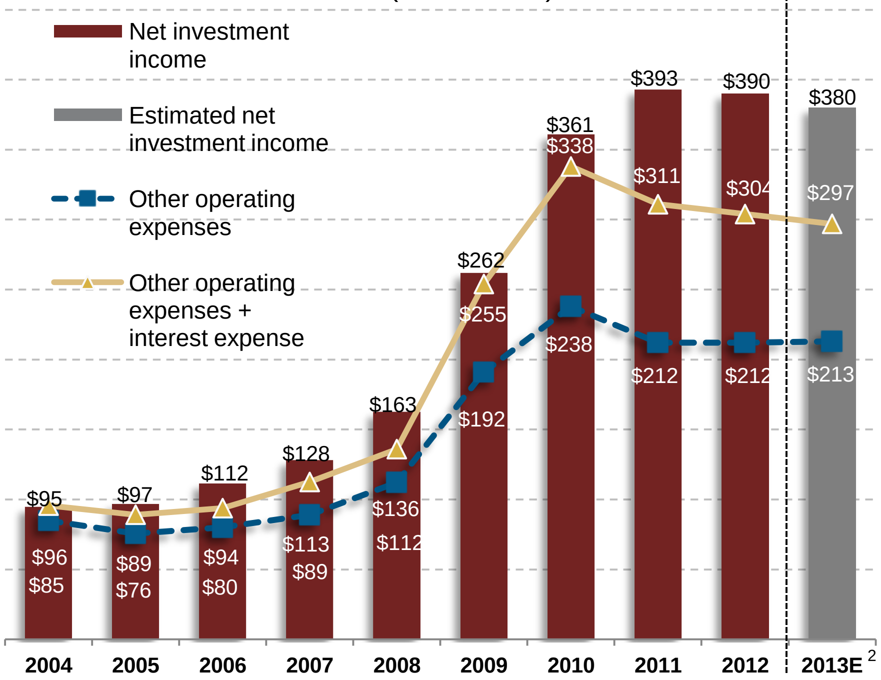
Underlying Value

Investment Income Generates Capital

- **Investment income[1] is higher than the combination of operating and interest expenses, a spread that fosters capital growth**
- **Other operating expenses plus interest expenses have consistently declined since 2010**

Investment Income[1]

($ in millions)



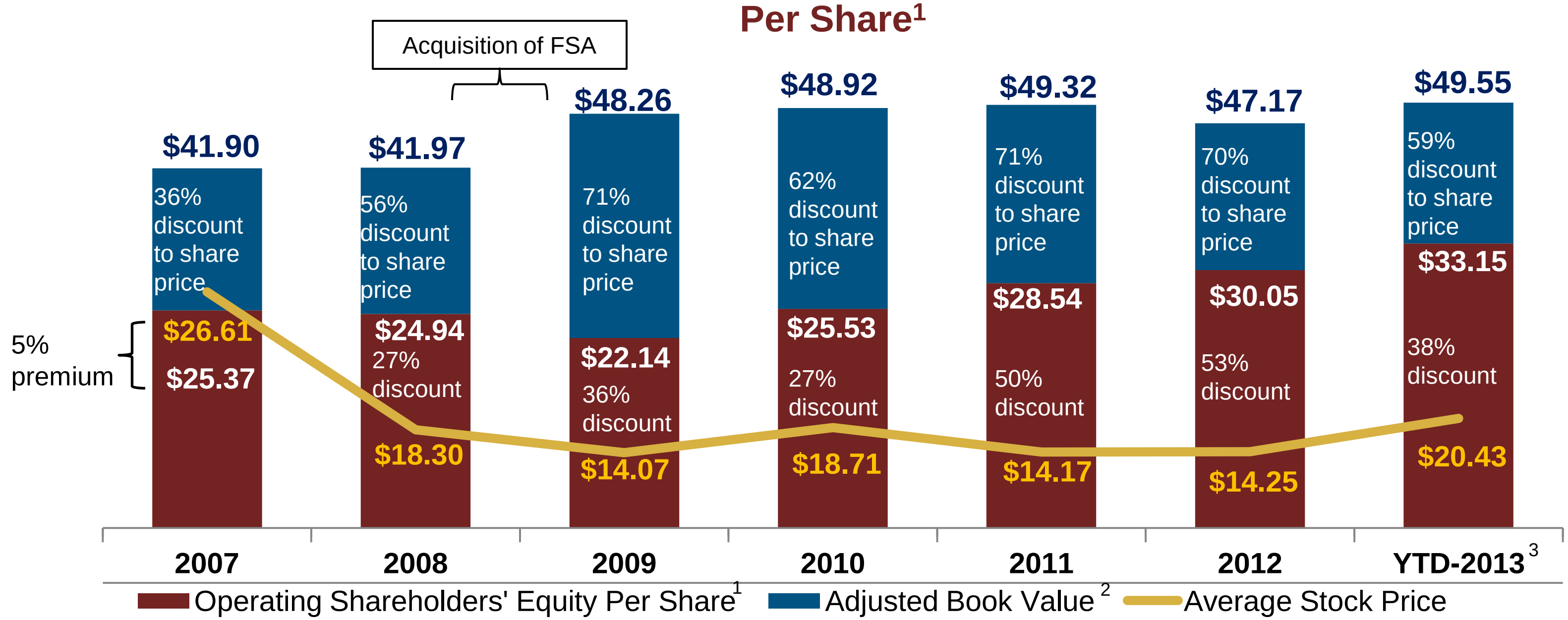
1. Investment income used in calculating operating income, a non-GAAP financial measure. For an explanation of operating income, please refer to the Appendix.
2. The amounts shown are the YTD-2013 amounts annualized, after adjusting for $6.3 million of other operating expenses for retirement eligible employees absorbed in first quarter costs.

Underlying Value

Share Price Trades at a Discount

- **Operating book value[1] is GAAP book value adjusted to remove fair value (mark-to-market) movements and the effect of consolidating FG VIEs**
- **Despite the financial crisis that began in 2007, operating shareholders' equity per share[1] has increased 31% and grown at a 5% CAGR during this period**
- **Even without considering the value of future net earned premiums on our books, share price still trades at a discount to intrinsic value**

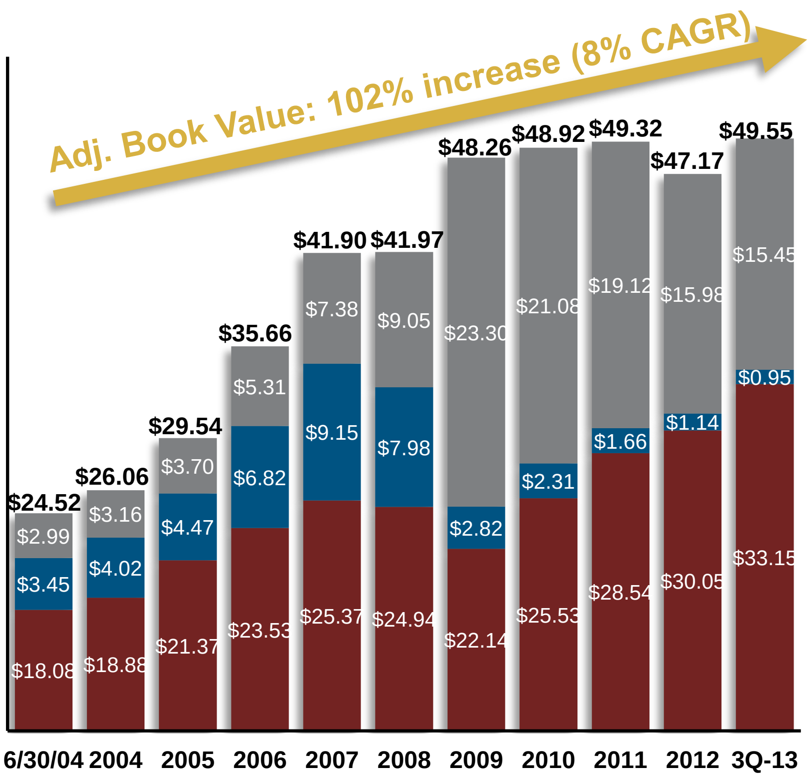
Share Price is Currently Below Adjusted Book Value[2] and Operating Shareholders' Equity Per Share[1]



1. Operating shareholders' equity is a non-GAAP financial measure. For a definition of operating shareholders' equity, please review the Appendix.
2. Adjusted book value is a non-GAAP financial measure. For a definition of adjusted book value, please review the Appendix.
3. YTD-2013 is average closing share price through September 30, 2013.

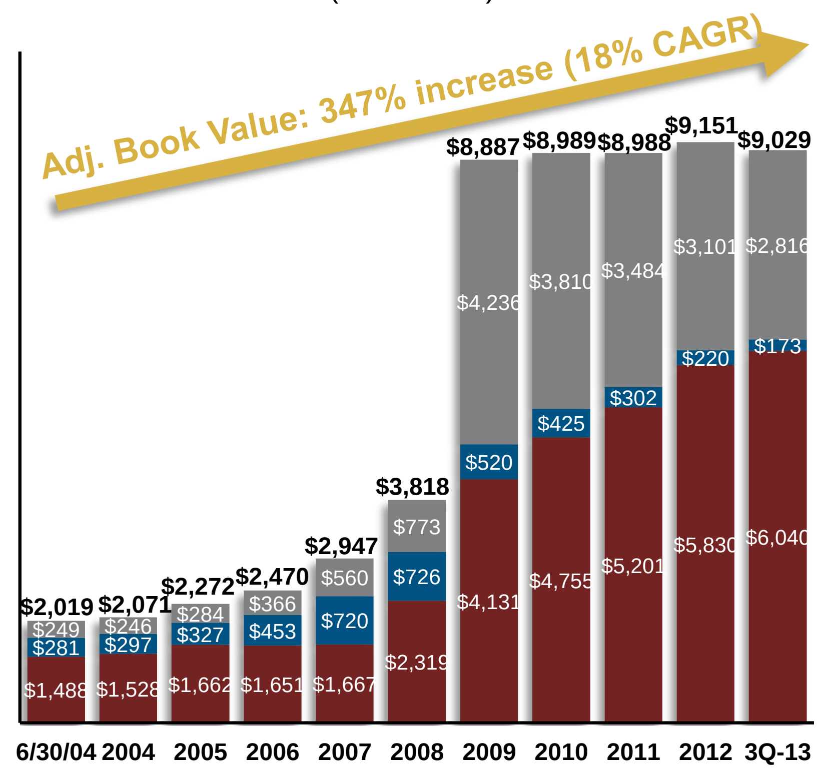
Underlying Value
Historical Growth

Adjusted Book Value[1] per Share



Adjusted Book Value[1]

($ in millions)



- Operating shareholders' equity per share
- Net present value of estimated net future credit derivative revenue in force and net unearned revenue on credit derivatives, after tax
- Net unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed less deferred acquisition costs, after tax

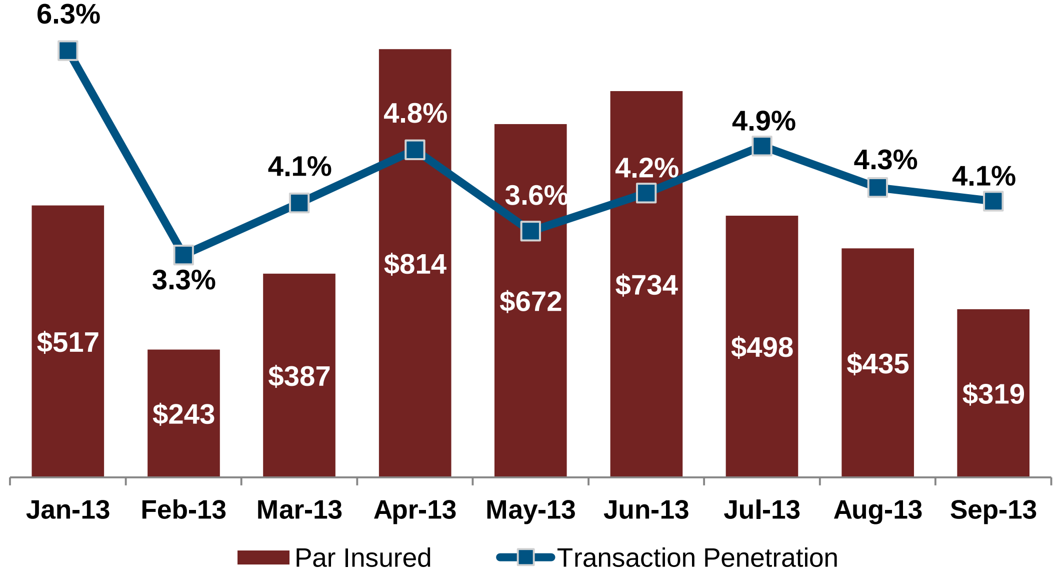
1. For explanations of adjusted book value and net present value of estimated net future credit derivative revenue and operating shareholders' equity, which are non-GAAP financial measures, please refer to the Appendix. Effective January 1, 2012, the Company adopted new guidance on acquisition costs with retroactive application. This affected operating shareholders' equity per share and deferred acquisition cost per share, but had no effect on adjusted book value per share. Effective January 1, 2010, GAAP accounting required the consolidation of financial guaranty variable interest entities (FG VIEs) where the Company is determined to be the control party through rights under our financial guaranty insurance contracts. For those FG VIEs that the Company consolidates, it records all of the activities of the VIEs and eliminates the related insurance accounting. Operating shareholders' equity reverses the financial effect of consolidating these entities and accounts for them as financial guaranty insurance contracts in order to present the Company's insured obligations on a consistent basis.

Creating Value

Creating Value
New Business Production
Penetration in the U.S. Public Finance Market

- **We are focused on building demand for our guaranties, both in the primary and the secondary markets**
  - Secondary market policies totaled 517 in 3Q-13
- **Lower market issuance and a challenging market environment have put pressure on market penetration**
  - Moody's downgrade in January 2013
  - Industry penetration was 31.6% of A-rated transactions in 3Q-13, up from 30.1% in 2Q-13
  - Industry par penetration for all transactions with underlying A ratings decreased to 9.7% in 3Q-13, down from 14.0% in 2Q-13
- **Industry penetration for smaller deals remains strong at 10.4% of all transactions under $25 million in 3Q-13**

Assured Guaranty New Issue U.S. Public Finance Par and Transaction Penetration[1]
($ in millions)



Total Par Issued ($ in billions)	$26.4	$23.3	$31.2	$36.1	$28.4	$24.6	$28.4	$21.3	$18.6
Total Transactions Issued	872	974	937	1,136	1,264	952	776	747	637

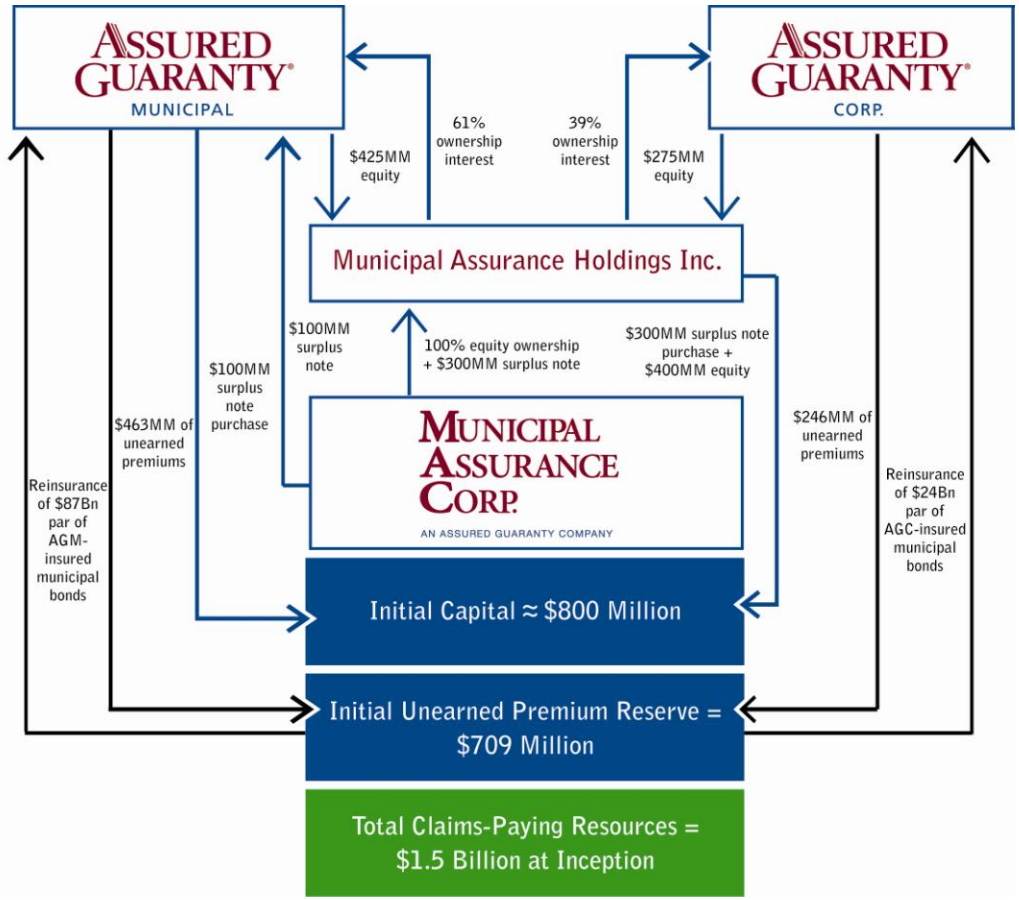
1. Source: SDC database. As of September 30, 2013.

Creating Value
New Business Production
Municipal Assurance Corp.

- **New U.S. municipal-only bond insurance company**
  - MAC is licensed in 41 states and the District of Columbia
- **$1.5 billion in claims paying resources**
- **AGM ceded $87 billion in par and AGC ceded $24 billion in par to MAC**
- **MAC has written policies in Texas, New Jersey, New York and other states**

Municipal Assurance Corp.[1] **($ in billions)**	**As of July 22, 2013**
Net par outstanding	$111
Total investment portfolio	$1.5
Total assets	$1.5
Unearned premium reserve	$0.7
Claims paying resources	$1.5

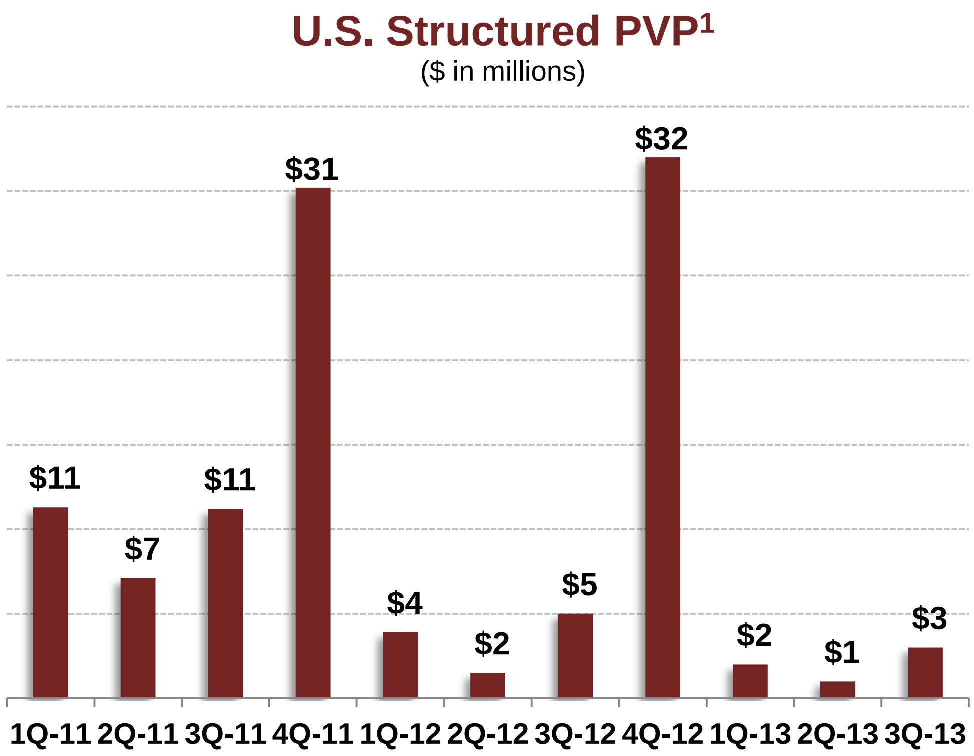
Capitalization of MAC[1]



1. All numbers are presented on a statutory basis except for par amounts, which are presented on a GAAP basis. Initial capital contributions are pretax.

Creating Value
New Business Production
U.S. Structured Finance Business Activity

- **Guaranteed an equipment lease transaction in 3Q-13, increasing U.S. structured finance PVP[1] to $3 million**
- **New business production tends to fluctuate as large, complex transactions require a long time frame**
- **U.S. structured issuance has not returned to 2006 and 2007 levels, which has diminished potential insurable market**

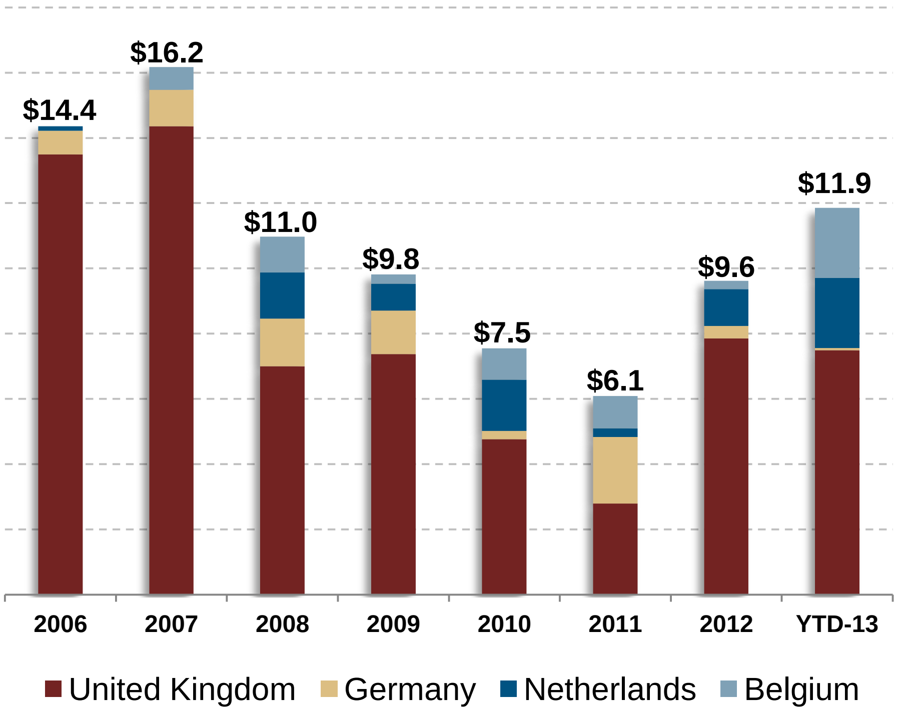


1. New business production, or "PVP", is a non-GAAP financial measure. Please see the Appendix for a reconciliation of new business production to gross written premiums.

Creating Value
New Business Production
International Business Activity

- **During 3Q-13, wrapped the first and second new issue guaranteed bond issues for U.K. PPP infrastructure financings since 2008:**
  - £102 million bond issued by the Sustainable Communities for Leeds (sc4l) consortium to finance the redevelopment of the Little London, Beeston Hill and Holbeck areas in Leeds
  - £63 million bond issued by Holyrood Student Accommodation PLC to finance the construction of accommodation and associated facilities for the University of Edinburgh
- **Our future pipeline should benefit from increased issuance, as well as new regulations, such as Basel III, that may limit the lending ability of banks**

International Market Issuance[1]
($ in billions)



1. Source: www.infra-deals.com. Includes social infrastructure and transportation sectors.

Creating Value
New Business Production
Underwriting and Pricing Discipline

- **Our focus on underwriting discipline and pricing has continued throughout the financial crisis as our average rating for new business remains relatively unchanged**

- **New business written reflects the current economic environment**
  - Lower market issuance
  - Tighter credit spreads in the bond market

Gross Par Written for 3Q-13 and 3Q-12

	Quarter Ended September 30, 2013		Quarter Ended September 30, 2012	
Sector:	**Gross Par Written**	**Avg. Rating[1]**	**Gross Par Written**	**Avg. Rating[1]**
U.S. public finance	$2,072	A-	$3,007	A
Non-U.S. public finance	270	BBB-	-	-
Total public finance	**$2,342**	**A-**	**$3,007**	**A**
U.S. structured finance	273	AA	$182	AA
Non-U.S. structured finance	-	-	-	-
Total structured finance	**$273**	**AA**	**$182**	**AA**
Total gross par written	**$2,615**	**A-**	**$3,189**	**A**

1. Internal average rating

Creating Value
New Business Production
Reinsurance Platform

- **Reassumption of previously ceded business has increased the unearned premium reserve and adjusted book value[1]**
  - Reassumed $2.9 billion of par in 2009
  - Reassumed $15.5 billion of par in 2010
  - Reassumed $0.3 billion of par in 2011
  - Reassumed $19.2 billion of par in 2012
- **High-quality portfolios from inactive companies are of interest**
  - Public finance as well as high-quality structured finance business, such as performing pooled corporate and commercial receivables

Ceded Par Outstanding by Reinsurer[2]
As of September 30, 2013

($ in millions)	Net Par Outstanding
American Overseas Re (formerly RAM Re)	$8,695
Tokio Marine	7,420
Radian	4,781
Syncora	4,119
Mitsui	2,160
Others	2,303
Total	$29,478

1. Please see the Appendix for an explanation of this non-GAAP financial measure and a reconciliation to GAAP book value
2. Includes financial guaranty contracts and contracts written in credit derivative form.

Creating Value
R&W Activity

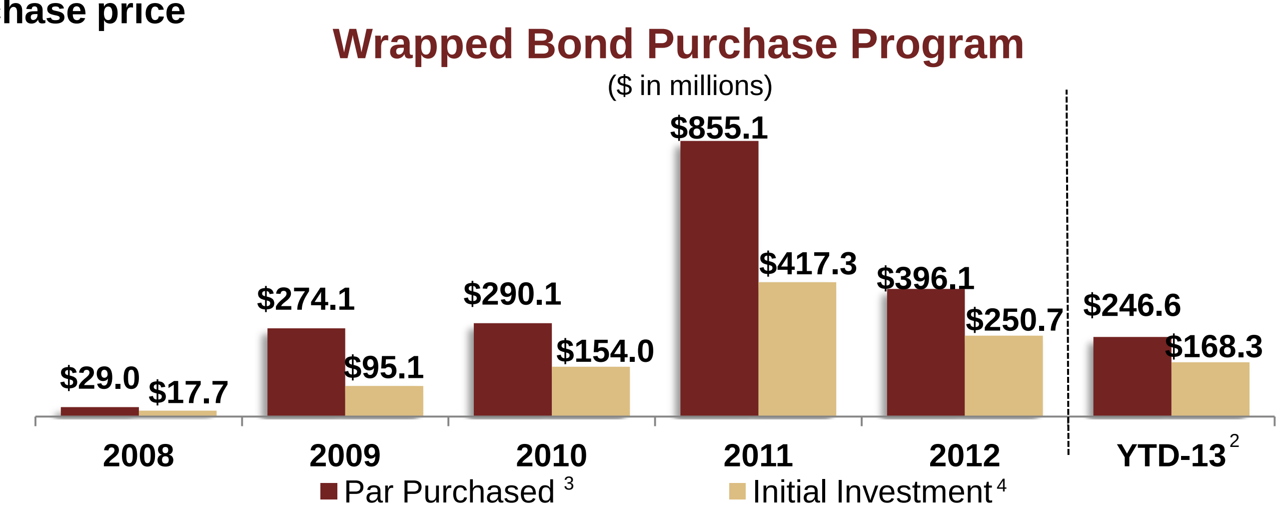
- **The cumulative total (gross of reinsurance) of settlement receipts and commitments and R&W putback receipts was approximately $3.5 billion.[1] The putbacks flow through the transaction waterfalls and do not necessarily benefit us dollar-for-dollar.**
- **Favorable ruling in Flagstar trial is a positive development for ongoing and future R&W litigation**
- **Our largest agreement was with Bank of America / Countrywide, which was signed in April 2011. We have also signed agreements with Deutsche Bank in May 2012, with UBS in May 2013, and with Flagstar in June 2013.**
- **We are currently in litigation with Deutsche Bank and Credit Suisse / DLJ Mortgage Capital**

($ in millions)	Future Net R&W Benefit as of			
	September 30, 2013	**December 31, 2012**	**December 31, 2011**	**December 31, 2010**
Bank of America / Countrywide[2]	$230	$367	$598	$1,050
Deutsche Bank included in agreement[3, 4]	105	160	-	-
UBS[5]	92	-	-	-
Other R&W[6]	468	843	1,052	621
Total	**$895**	**$1,370**	**$1,650**	**$1,671**

1. As of September 30. 2013. Includes future benefits covered under our agreements with Bank of America/Countrywide, Deutsche Bank and UBS.
2. As of September 30, 2013, Bank of America had placed approximately $615 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.
3. As of September 30, 2013, Deutsche Bank AG had placed approximately $240 million of eligible assets in trust in order to collateralize the obligations of a reinsurance affiliate under the loss-sharing arrangements. The Deutsche Bank reinsurance affiliate may post additional collateral in the future to satisfy rating agency requirements. On October 10, 2013, the Company and Deutsche Bank terminated one below investment grade transaction under which the Company had provided credit protection to Deutsche Bank through a CDS. The transaction had a net par outstanding of $294 million at the time of termination. In connection with the termination, Assured Guaranty agreed to release to Deutsche Bank $60 million of assets held in trust that was in excess of the amount of assets required to be held in trust for regulatory and rating agency capital relief.
4. Includes only R&W assets in the agreement dated May 9, 2012.
5. Includes R&W assets in the agreement dated May 6, 2013.
6. Includes other non-public agreements.

Creating Value
Bond Purchases

- **We have a program to purchase securities we have insured in order to reduce our losses and potentially relieve rating agency capital charges, enhance yield and increase future investment income**
  - We have purchased approximately $2.1 billion of par on insured securities through September 30, 2013 with an initial purchase price of approximately $1.1 billion; $1.7 billion of par remains outstanding
- **Targeted purchases are BIG securities on which claims are expected to be paid**
  - 77% of all purchases are for RMBS securities
  - Since the start of the program, 70% of purchased insured par has benefited AGM, 30% has benefited AGC
- **Purchasing wrapped bonds has increased adjusted book value[1] because the amount of reserves released and the ongoing principal and interest from the bonds are expected to be greater than the purchase price**



1. Please see the Appendix for an explanation of this non-GAAP financial measure and a reconciliation to GAAP book value
2. As of September 30, 2013.
3. Par at the time of purchase.
4. Cost of purchase.

Creating Value
Agreements to Terminate Guaranties

- **Actively pursue termination of contracts**
  - At beneficiary's request: keep all economics, possibly more
  - At our request: share economics with beneficiary
  - To eliminate high capital charges: share or possibly give up some economics
- **Since January 1, 2011, we have agreed with beneficiaries of our policies to terminate insurance coverage on approximately $22 billion of net par outstanding to reduce our leverage and potentially relieve rating agency capital charges**
- **Targeted terminations are investment grade securities for which claims are not expected but which carry a disproportionate rating agency capital charge**

Completed[1] Terminations Since January 1, 2011

($ in millions)

	# of Policies	Net Par	Estimated Rating Agencies Model Benefit
Pooled Corporates	104	$13,469	$10-$60
Infrastructure	33	3,163	100-200
RMBS	33	1,359	0-20
Muni	6	99	0-2
Other	44	4,018	200-500
Totals	**220**	**$22,108**	**$300-$700**

1. Through September 30, 2013

Creating Value
AG & Company

- **Management consulting arm established in 2013 to fill a need for better servicing of residential mortgage-backed securities**

- **Develops strategies designed to lower losses, increase the quality of loan modifications, accelerate resolution timelines and generate recourse opportunities**
  - Servicing transfers
  - Special servicing arrangements
  - Servicer audits and monitoring
  - Performance improvement strategies
  - Remediation and recovery strategies
  - Mortgage insurance coverage optimization
  - Cash flow and remittance integrity analysis
  - Identification of representation and warranty breaches
  - Uncovering of prior servicers' errors and omissions
  - Equivalent services for non-mortgage asset pools

Financial Results

September 30, 2013

Third Quarter 2013 Operating Results
(Excluding Consolidation of VIEs)

($ in millions, except per share data)	Quarter Ended September 30, 2013	Quarter Ended September 30, 2012	% Change vs. 3Q-12
Net earned premiums and credit derivative revenues[1]	$198	$272	(27)%
Net investment income[2]	97	98	(1)%
Total revenues included in operating income	297	387	(23)%
Loss & LAE and incurred losses on credit derivatives[3]	56	100	(44)%
Total expenses included in operating income	135	173	(22)%
Operating income	117	166	(30)%
Operating income per diluted share	**0.64**	**0.85**	**(25)%**
Operating ROE[4]	**7.8%**	**11.8%**	**(4.0) pp**
After-tax gain (loss) on derivatives	$233	$(37)	NM
Net income (loss)	384	142	170%
Net income (loss) per diluted share	**2.09**	**0.73**	**186%**

NM = Not meaningful pp = percentage points

1. Included $14 million and $17 million of adjustments to GAAP reported amounts that was related primarily to consolidation of FG VIEs that was eliminated during the quarter ended September 30, 2013 and 2012, respectively
2. Included $(2) million and $(4) million of adjustments to GAAP reported amounts that was related primarily to consolidation of FG VIEs that was eliminated during the quarter ended September 30, 2013 and 2012, respectively.
3. Included $1 million and $14 million of adjustments to GAAP reported amounts that was related primarily to consolidation of FG VIEs and non-economic fair value gains (losses) on credit derivatives and reclassification to revenues and loss expense that were eliminated during the quarters ended September 30, 2013 and 2012, respectively.
4. ROE calculations represent annualized returns.

Loss Expense Accounting[1] and Economic Loss Development

- **Loss expense included in operating income[1] does not necessarily represent the Company's economic loss development in a period**
  - All losses must be calculated on a transaction by transaction basis, and each transaction's expected loss estimate, net of R&W estimated recoveries, is compared with the deferred premium reserve of that transaction. When the expected loss exceeds the deferred premium revenue, a loss is recognized in operating income for the amount of such excess
  - A portion of loss expense is the recognition of previous economic loss development that had not previously breached unearned premium reserve
- **Management uses economic loss development to evaluate credit impairments or improvements**
  - Economic loss development calculates the expected change in future losses due to change in delinquencies, interest rates, loss severities and loss mitigation and other factors that affect ultimate loss experience, excluding the effects of deferred premium revenue

($ in millions, except per share data)	3Q-13	3Q-12
Loss expense (benefit) on FG and CDS included in operating income:		
Before tax	$56	$100
After tax	49	66
Per diluted share	0.27	0.34
Economic loss development unfavorable (favorable)		
Before tax	$(22)	$64
After tax	(7)	41
Per diluted share	(0.04)	0.21

1. Please see the Appendix for an explanation of operating income, a non-GAAP financial measure that includes loss expense accounting, and a reconciliation to net income.

Portfolio Overview

September 30, 2013

Four Discrete Operating Companies with Separate Capital Bases

Consolidated Claims Paying Resources and Statutory-Basis Exposures

($ in millions)	AGM	AGC	MAC[2]	AG Re[3]	Eliminations[4]	Consolidated
	As of September 30, 2013					
Claims paying resources						
Policyholders' surplus	$ 1,741	$ 708	$ 491	$ 1,039	$ (791)	$ 3,188
Contingency reserve[1, 2]	1,717	1,110	308	–	(308)	2,827
Qualified statutory capital	**3,458**	**1,818**	**799**	**1,039**	**(1,099)**	**6,015**
Unearned premium reserve[1, 2]	1,902	740	691	938	(691)	3,580
Loss and loss adjustment expense reserves[5, 6]	220	184	–	289	–	693
Total policyholders' surplus and reserves	**5,580**	**2,742**	**1,490**	**2,266**	**(1,790)**	**10,288**
Present value of installment premium[1,6]	409	282	6	209	(6)	900
Standby line of credit/stop loss	200	200	–	–	–	400
Excess of loss reinsurance facility	435	435	–	–	(435)	435
Total claims paying resources (including MAC adjustment for AGM and AGC)	**$ 6,624**	**$ 3,659**	**$ 1,496**	**$ 2,475**	**$ (2,231)**	**$ 12,023**
Adjustment for MAC	908	588	–	–	(1,496)	–
Total claims paying resources (excluding MAC adjustment for AGM and AGC)	**$ 5,716**	**$ 3,071**	**$ 1,496**	**$ 2,475**	**$ (735)**	**$ 12,023**
Statutory net par outstanding[7]	$170,138	$61,260	$99,521	$113,910	$4,966	$449,795
Equity method adjustment[8]	60,409	39,112	–	–	(99,521)	–
Adjusted statutory net par outstanding[7]	$230,547	$100,372	$99,521	$113,910	$(94,555)	$449,795
Net debt service outstanding[7]	$256,802	$87,141	$149,849	$180,623	$9,825	$684,240
Equity method adjustment[8]	90,958	58,891	–	–	(149,849)	–
Adjusted net debt service outstanding[7]	$347,760	$146,032	$149,849	$180,623	$(140,024)	$684,240
Ratios:						
Adjusted net par outstanding to qualified statutory capital	67:1	55:1	125:1	110:1	N/A	75:1
Capital ratio[9]	101:1	80:1	188:1	174:1	N/A	114:1
Financial resources ratio[10]	53:1	40:1	100:1	73:1	N/A	57:1

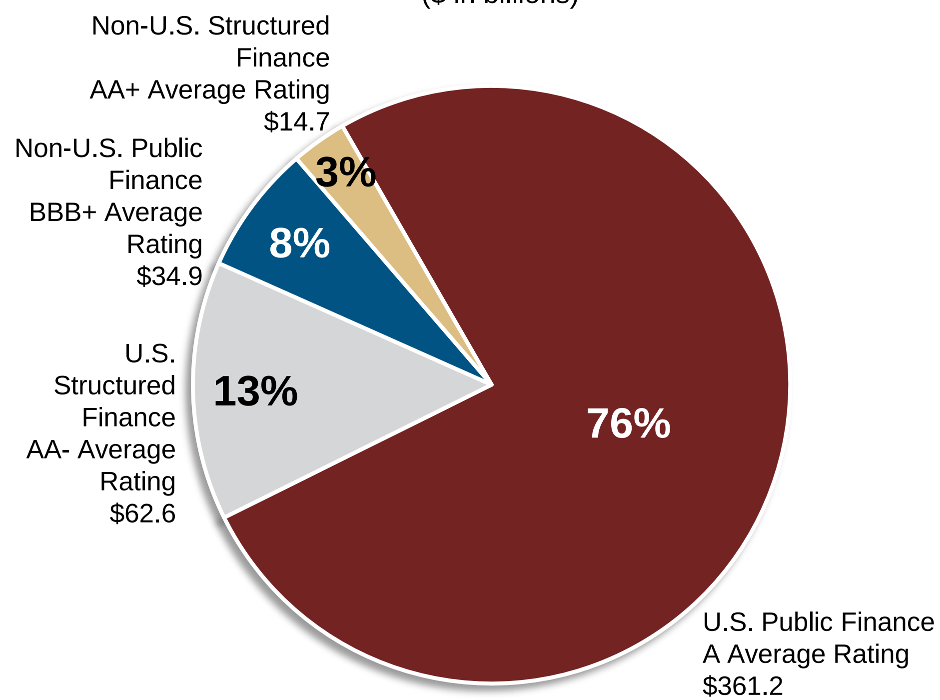
1. The numbers shown for AGM and AGC have been adjusted to include their indirect share of MAC of 60.7% and 39.3% respectively.
2. Assured Guaranty US Holdings Inc. acquired Municipal and Infrastructure Assurance Corporation, which it has renamed MAC, from Radian Asset Assurance Inc. (Radian) in May 2012. In July 2013, Municipal Assurance Holdings Inc. (MAC Holdings) was formed to own 100% of MAC's outstanding stock. AGM and AGC subscribed for 60.7% and 39.3% of the MAC Holdings outstanding stock. In July 2013, MAC was launched as a new US municipal only bond insurance company with $1.5 billion in claims-paying resources and capitalized to approximately $800 million through cash and securities.
3. Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimate of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities.
4. In 2009, AGC issued a $300 million note payable to AGM. Net par and net debt service outstanding eliminations relate to second-to-pay policies under which an Assured Guaranty insurance subsidiary guarantees an obligation already insured by another Assured Guaranty insurance subsidiary, and net par related to intercompany cessions from AGM and AGC to MAC.
5. Reserves are reduced by approximately $0.8 billion for benefit related to representation and warranty recoverables.
6. Includes financial guaranty insurance and credit derivatives.
7. Net par outstanding and net debt service outstanding are presented on a separate company statutory basis. Under statutory accounting, such amounts would be reduced both when an outstanding issue is legally defeased (i.e., an issuer has legally discharged its obligations with respect to a municipal security by satisfying conditions set forth in defeasance provisions contained in transaction documents and is no longer responsible for the payment of debt service with respect to such obligations) and when such issue is economically defeased (i.e., transaction documents for a municipal security do not contain defeasance provisions but the issuer establishes an escrow account with U.S. government securities in amounts sufficient to pay the refunded bonds when due; the refunded bonds are not considered paid and continue to be outstanding under the transaction documents and the issuer remains responsible to pay debt service when due to the extent monies on deposit in the escrow account are insufficient for such purpose).
8. Equity method adjustment is an adjustment made to reflect AGM's and AGC's net exposure to MAC, as determined by their indirect equity ownership.
9. The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
10. The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims paying resources (including MAC adjustment for AGM and AGC).

Net Par Outstanding By Sector

- **Assured Guaranty's portfolio is largely concentrated in U.S. public finance**
  - 76% U.S. public finance
  - 13% U.S. structured finance
  - 11% International
- **Our portfolio has an A average internal credit rating**
  - 3.9% below investment grade
- **U.S. RMBS is our largest BIG exposure**
  - $7.9 billion (43% of total BIG) is U.S. RMBS (excludes $755 million purchased for loss mitigation)
  - Plus $623 million of triple-X life securitization transactions with assets invested in RMBS (excludes $300 million purchased for loss mitigation)

Consolidated Net Par Outstanding

As of September 30, 2013
($ in billions)



$473.4 billion, A average rating

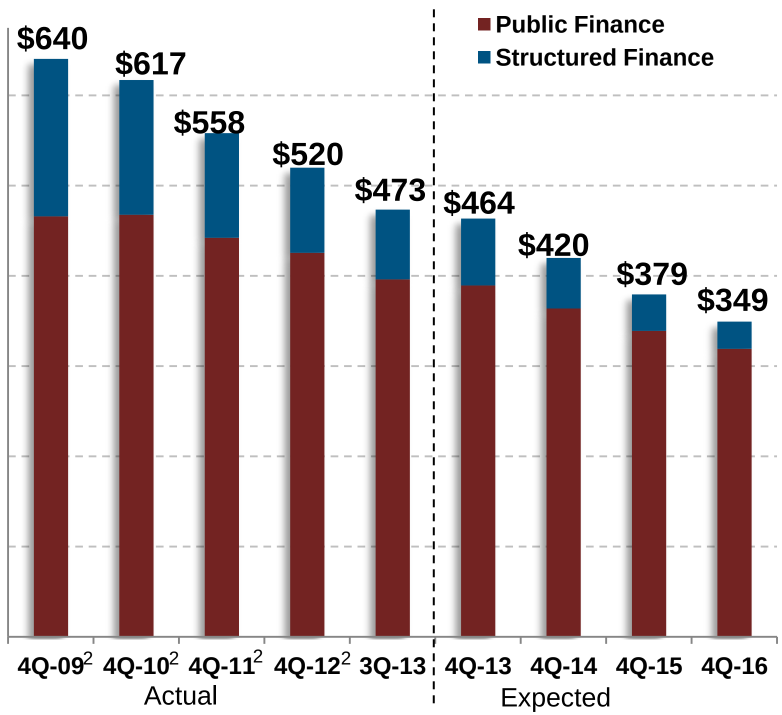
Net Par Outstanding Amortization

- **Amortization of the portfolio reduces rating agency capital charges, but also embedded future earned premiums**
- **Public finance exposure amortizes at a steady rate**
  - $396 billion outstanding
  - 2% expected to amortize by the end of 2013; 8% by the end of 2014; 19% by the end of 2016
- **Structured finance exposure amortizes quickly**
  - $77 billion outstanding
  - 4% expected to amortize by the end of 2013; 28% by the end of 2014; 61% by the end of 2016
- **New business originations, either through direct, reinsurance or reassumption, will increase future premiums**

Consolidated Net Par Outstanding Amortization[1]

As of September 30, 2013

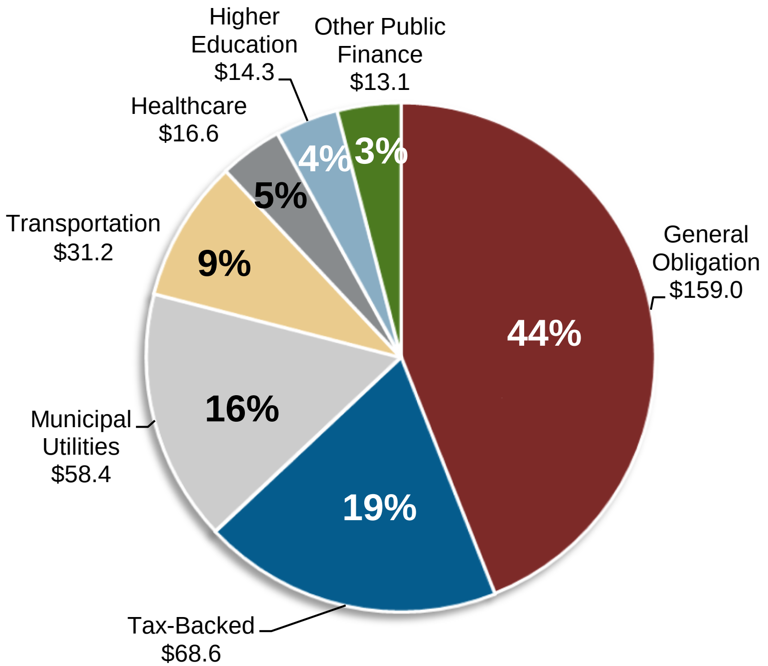
($ in billions)



1. Represents the future expected amortization of current net par outstanding as of September 30, 2013. 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.
2. Gross of wrapped bond purchases made primarily for loss mitigation.

U.S. Public Finance
Net Par Outstanding

U.S. Public Finance
As of September 30, 2013
($ in billions)



$361.2 billion, A average rating

- **U.S. public finance net par outstanding is $361.2 billion, which is 76% of our total as of September 30, 2013**
- **Our U.S. public finance portfolio has performed well despite increased financial pressure on municipal obligors caused by the recession**
  - Out of approximately 10,000 direct U.S. public finance obligors, we expect future losses to be paid, net of recoveries, on less than a dozen. In 3Q-13, we made payments on only four.
- **General obligation, tax-backed and municipal utilities represent 79% of U.S. public finance net par outstanding**
  - 60% of total net par outstanding

Details of Assured Guaranty's Exposure to Detroit

As of September 30, 2013
($ in millions)

Municipal Utilities

Exposure	Net Par Outstanding	Internal Rating
Water	$ 784	BBB
Sewer	$ 1,020	BBB
Total	**$ 1,804**	

General Obligation / General Fund

Exposure	Net Par Outstanding	Internal Rating
General Obligation Unlimited Tax	$ 146	CCC
Certificates of Participation	$ 175	D
Total	**$ 321**	

- **Municipal utilities exposure is $784 million of water revenue bonds and $1,020 million of sewer revenue bonds. Both the water and sewer systems provide services to areas that extend significantly beyond the city limits. These obligations are secured by a lien on "special revenues"**
  - The principal of and interest on the water revenue bonds are secured by a lien on the net revenues of the water supply system. In fiscal year 2012, net revenues covered debt service on first and second lien bonds 1.18 times.
  - The principal of and interest on the sewer revenue bonds are secured by a lien on the net revenues of the sewage disposal system. In fiscal year 2012, net revenues covered debt service on first and second lien bonds 1.36 times.
- **The average annual debt service of Assured Guaranty's Detroit general obligation unlimited tax exposure during the next 10 years is $15.3 million; for the general fund certificates of participation, the average annual debt service is $12.4 million**

Public Finance
Puerto Rico Exposure

Exposure to Puerto Rico
As of September 30, 2013
($ in millions)

Exposure	Net Par Outstanding
Commonwealth General Obligation Bonds	1,885
Puerto Rico Highway and Transportation Authority (Transportation Revenue Bonds)	928
Puerto Rico Electric Power Authority	860
Puerto Rico Municipal Finance Agency	450
Puerto Rico Aqueduct and Sewer Authority	384
Puerto Rico Highway and Transportation Authority (Highway Revenue Bonds)	303
Puerto Rico Sales Tax Finance Corp. (COFINA)	267
Puerto Rico Convention Center District Authority	185
Puerto Rico Public Buildings Authority[1]	139
Puerto Rico Public Finance Corporation	44
Government Development Bank for Puerto Rico[1]	33
Puerto Rico Infrastructure Financing Authority	18
University of Puerto Rico	1
Total	**$5,497**

- **92% of Assured Guaranty's exposure is rated investment grade internally and by both Moody's and S&P**
  - Other 8%, substantially all of the balance, is no more than one notch below investment grade
- **Puerto Rico's Constitution provides that general obligation bonds and notes of the Commonwealth and payments required to be made under its guarantees of bonds and notes issued by its public instrumentalities constitute a first claim on available Commonwealth resources**
- **First quarter 2013 financial results reflect a positive trend, with revenues for the quarter ahead of budget and prior year collections**
- **Commonwealth officials have adopted substantive pension reform, increased rates for various revenue streams, including a 60% average rate increase for the Puerto Rico Aqueduct and Sewer Authority implemented in July 2013, and plan to triple the excise tax on petroleum products**
- **The GDB also indicated that, in the event market access is limited in the short term, it still expects to have sufficient liquidity through fiscal 2014**

1. Further secured by guarantee of Commonwealth

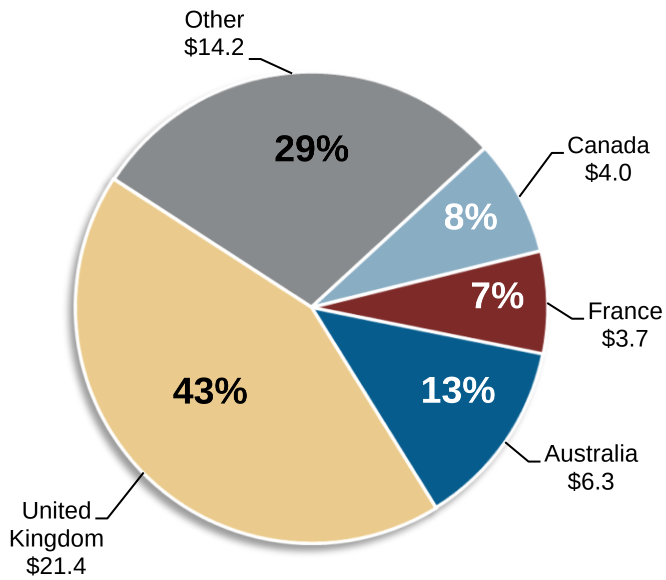
Update on Certain Defaulted U.S. Municipal Exposures

Exposure	Net Par Outstanding	
Jefferson County Sewer	$464 million	Jefferson County filed its Chapter 9 plan of adjustment with the bankruptcy court in July 2013 and the disclosure statement and related solicitation procedures were approved in August 2013. Jefferson County completed the solicitation process in October and filed a revised plan on November 6, 2013. If the revised plan is confirmed, Assured Guaranty's losses relating to its insured obligations would continue to be within current Jefferson County reserves. Plan confirmation is expected to be completed by year-end 2013.
Stockton	$119 million	On October 3, 2013, a tentative settlement was reached between Assured Guaranty and the City. Assured Guaranty will receive title to the office building securing the Lease Revenue Bonds and will be provided the opportunity for full recovery on a nominal basis for all claims paid on the Pension Obligation Bonds. Plan confirmation is expected to be completed mid-2014.
Harrisburg	$92 million[1]	The Harrisburg receiver filed a fiscal recovery plan with the state court on August 27, 2013. The plan provides for full payment of the insured bonds through proceeds of asset sales and contributions by Assured Guaranty, Dauphin County, Pennsylvania and other creditors. The plan is expected to be implemented December 2013.

1. BIG exposure. Total exposure to Harrisburg is $155 million

Consolidated International Finance
International Public and Structured Finance

International Finance
As of September 30, 2013
($ in billions)



$50.0 billion, A average rating

- **International exposure is 70% public finance and 30% structured finance**
- **Approximately 79% of international structured exposure is to pooled corporates**
  - 84% are rated A or higher
- **Direct sovereign debt is limited to:**
  - Poland $245 million

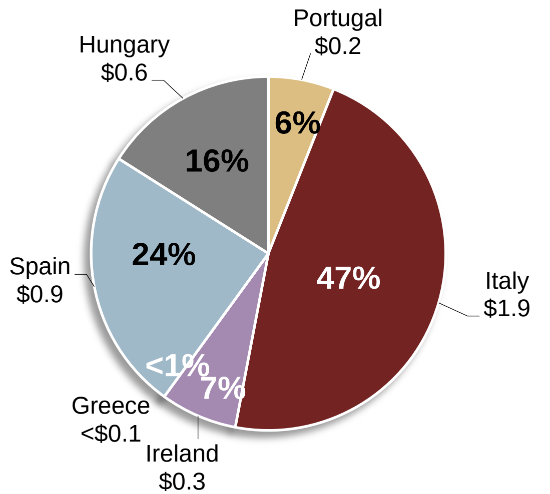
Insured Obligations Within Troubled Eurozone Countries[1]

- **Approximately 39%, or $1.6 billion, of net par outstanding of exposure to troubled Eurozone countries is to structured finance transactions**
- **M6 Toll Road is a 58km dual carriage motorway from Budapest south towards the Croatian border**
  - 100% availability paid by the Minister of Economy and Transport, representing the Hungarian government
- **Spanish exposures are linked to the regional governments of Valencia, Castile La Mancha, and Catalunya**

Insured Obligations Within Troubled Eurozone Countries[1]

As of September 30, 2013

($ in billions)



$4.0 billion, BBB+ average rating

BIG Exposures to Troubled Eurozone Countries

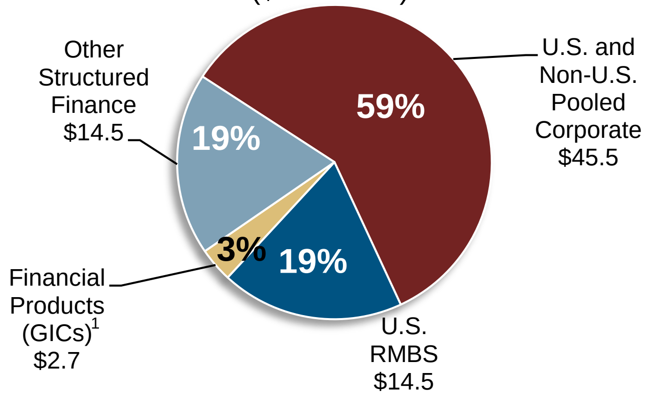
($ in millions)

Name or Description	Country	Internal Rating	Expected Maturity	Net Par Outstanding
M6 (Hungary) - Refinancing – Senior	Hungary	BB	2025	379
Valencia Fair	Spain	BB-	2026, 2027	259
Autovia de la Mancha, S.A.	Spain	BB-	2031, 2033	146
FHB 9.75% 2016	Hungary	BB	2016, 2019	127
OTP 9.48% 2012	Hungary	BB+	2019	88
Metro de Porto, Portugal	Portugal	B+	2028, 2030	56
Metro Lisboa Rail Equip Lease	Portugal	B+	2025	24
Metropolitano De Lisboa	Portugal	B+	2016	21
Caminhos de Ferro Portugueses, EP	Portugal	B+	2014, 2015	12
Catalunya, Generalitat De (Spain)	Spain	BB-	2015	11
Gleneagles Funding Limited	Ireland	BB	2037	7
Universidades De Generalidad De Valencia[2]	Spain	BB-	2013, 2017, 2020, 2022	6
OTP Mortgage Bank Ltd.	Hungary	BB+	2019	5
CACSA	Spain	BB-	2019, 2021, 2025	3
Rome Airport - Aeroporti Di Roma	Italy	BB+	2015	1
FHB Land Credit and Mortgage Bank	Hungary	BB	2013	<1
Total				**$1,145**

1. Exposure to insured obligations in troubled Eurozone countries refers to the economies of Portugal, Italy, Ireland, Greece, Spain and Hungary.
2. On December 15, 2013, $1.6 million (28% of the deal's total NPO) is expected to mature.

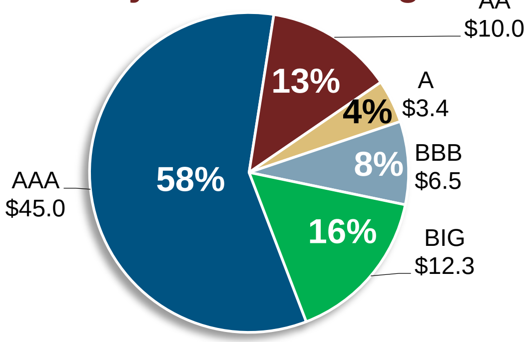
Structured Finance Exposures
Net Par Outstanding

By Type
As of September 30, 2013
($ in billions)



$77.3 billion, AA- average rating

By Internal Rating



- **We expect Assured Guaranty's global structured finance insured portfolio ($77.3 billion as of September 30, 2013) to amortize rapidly – 28% by year-end 2014 and 61% by year-end 2016**
  - $45.5 billion in global pooled corporate obligations expected to be reduced by 34% by year-end 2014 and by 72% by year-end 2016
  - $14.5 billion in U.S. RMBS expected to be reduced by 23% by year-end 2014 and by 54% by year-end 2016
- **Assured Guaranty and AGM's total structured finance exposures of $240.9 billion at December 31, 2007 have declined by $163.6 billion to $77.3 billion through September 30, 2013, a 68% reduction, or approximately $28 billion per year**

1. 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, 2013, the aggregate accreted balance of the guaranteed investment contracts (GICs) was approximately $2.7 billion. As of the same date, with respect to the assets supporting the GIC business, the aggregate accreted principal balance was approximately $4.2 billion, the aggregate market value was approximately $4.0 billion and the aggregate market value after agreed reductions was approximately $2.9 billion. Cash and net derivative value constituted another $0.3 billion of assets.

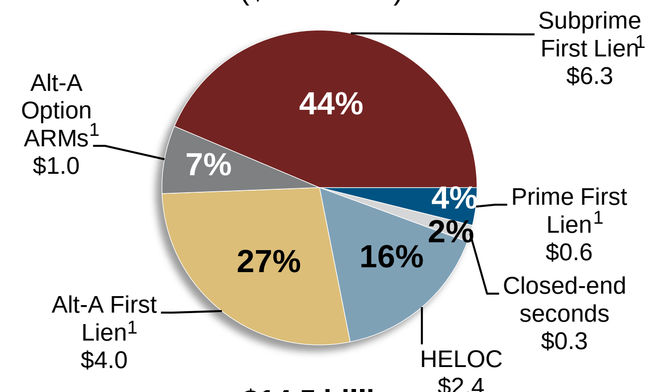
Consolidated U.S. RMBS

- **Our $14.5 billion U.S. RMBS portfolio is amortizing on a dollar basis and as a percentage of the portfolio**
  - Total U.S. RMBS has declined from $29.2 billion at December 31, 2009 to $14.5 billion at September 30, 2013, a $14.7 billion or 50% reduction
- **Our loss reserving methodology is driven by our assumptions on several factors with a key variable on new delinquencies:**
  - Conditional default rate
  - Conditional prepayment rate
  - Loss severity
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations

U.S. RMBS by Exposure Type

As of September 30, 2013

($ in billions)

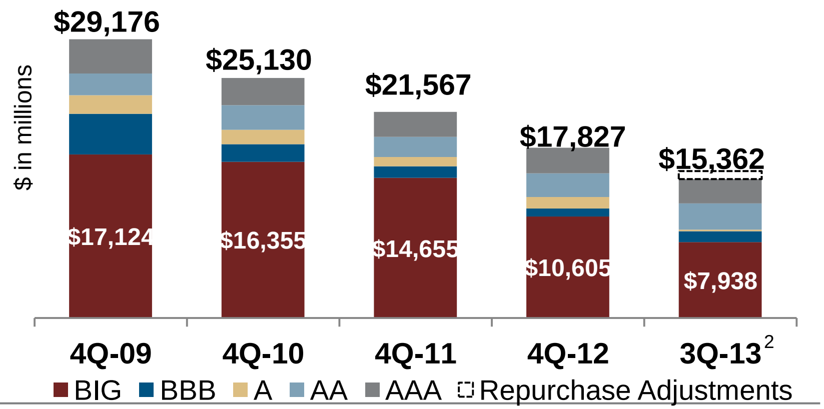


$14.5 billion

(3.1% of net par outstanding)

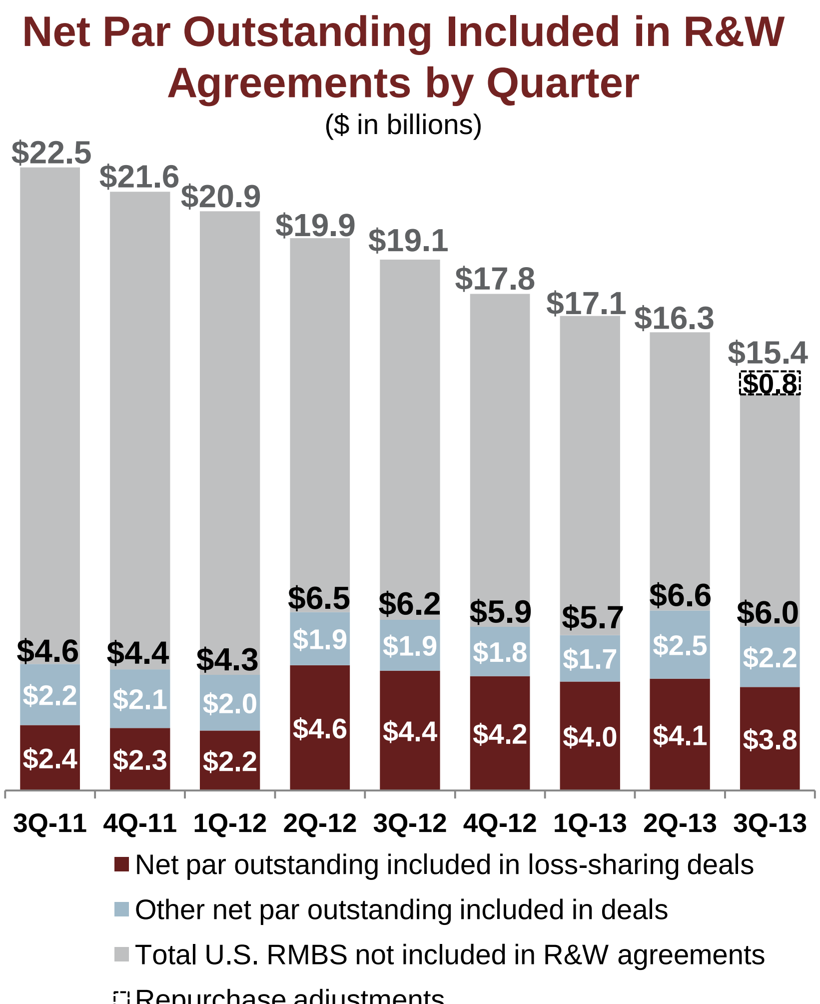
By Internal Rating

Net Par Outstanding from December 31, 2009 to September 30, 2013



1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to reinsurance agreements or arrangements.
2. Repurchase adjustments were $842 million in wrapped bond purchases primarily for loss mitigation.

U.S. RMBS Exposure
Loss-Sharing Arrangements



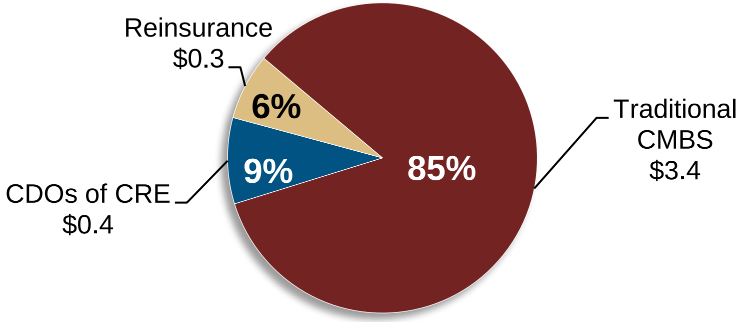
- **41% of total U.S. RMBS is included in R&W agreements**
- **26% of total U.S. RMBS is included in loss-share arrangements**
- **Counterparties include Bank of America, Deutsche Bank, UBS, Flagstar, as well as other confidential agreements**
  - Bank of America agreed to reimburse 80% of paid losses on first lien transactions up to a lifetime collateral loss cap of $6.6 billion
  - Deutsche Bank agreed to reimburse 0% - 85% of losses on financial guaranty contracts and increase the equivalent of a first loss provision for certain CDS in an amount ranging from 0% - 100% of losses on certain securities, with certain corridors of unreimbursed losses
  - UBS agreed to reimburse 85% of future claims with no ceiling
  - Flagstar agreed to reimburse 100% of future losses

U.S. CMBS Exposure

- **We have three types of U.S. commercial mortgage-backed securities (CMBS) transactions**
  - Traditional CMBS - $3.4 billion
  - Collateralized debt obligations (CDOs) of commercial real estate (CRE) - $361 million
  - We also have assumed par of $252 million
- **We have maintained a conservative underwriting stance on CMBS**
  - Low levels of CMBS historically
  - Focus on senior exposures and whole loans
  - AGM did not underwrite CMBS
- **Our portfolio was largely triple-A at underwriting and remains highly rated as of September 30, 2013**
  - Most deals written with triple-A rating at inception with high attachment points
  - One deal was single-A at underwriting
  - Approximately 99% of traditional direct U.S. CMBS exposure had internal rating of AAA as of September 30, 2013

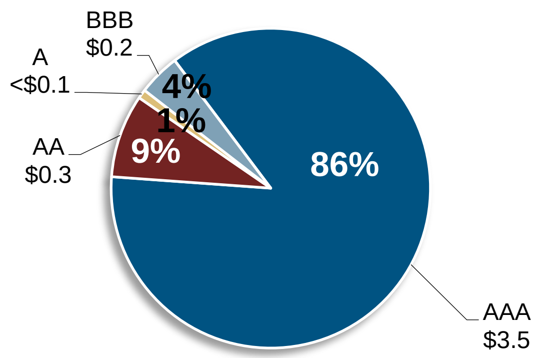
U.S. CMBS by Exposure Type

As of September 30, 2013
($ in billions)



$4.0 billion
(0.8% of total net par outstanding)

By Internal Rating



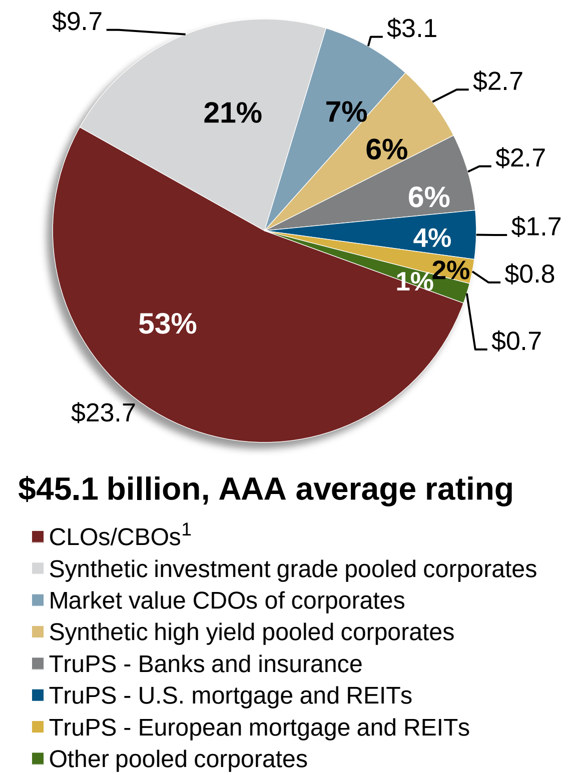
Direct Pooled Corporate Obligations

- **Our direct pooled corporate exposure is highly rated and well protected**
  - 83.7% rated AAA
  - Average credit enhancement (CE) of 30.5%,
- **4% expected to amortize by the end of 2013; 34% by the end of 2014; 72% by the end of 2016**
- **Within our direct pooled corporate exposure, our $5.2 billion of Trust Preferred Securities (TruPS) CDO is diversified by region and collateral type**
  - Includes more than 1,400 underlying issuers
  - All our exposure at the CDO level is to the most senior debt tranche
  - Weighted average rating of BBB-, weighted average adjusted CE[2] of 36.5%

Direct Pooled Corporate Obligations By Asset Class

As of September 30, 2013

($ in billions)



1. CLOs are collateralized loan obligations. CBOs are collateralized bond obligations.
2. Adjusted CE (Credit Enhancement) is the amount of collateral par above senior liabilities (and shown as a percentage of total collateral) with adjustments made for restructured collateral (to reflect expected reduced cashflow) and for non-performing collateral; U.S. Mortgage & Real Estate TruPS CDOs also include an adjustment to reflect overhedging and outstanding hedge termination payments obligations.

Below Investment Grade Exposures

Net Par Outstanding by BIG Category[1]

- **The majority of our BIG exposures in categories 2 and 3 are in structured finance – specifically RMBS**
- **Category 1 BIG are transactions that show sufficient deterioration to make future losses possible but none are currently expected, totaled $9.0 billion at September 30, 2013**
- **Two reporting changes in 3Q-13 decreased BIG net par by $1,475 million; eliminated net par of purchased loss mitigation securities of $1,211 million and revised ratings approach of $264 million**

Financial Guaranty Insurance and Credit Derivatives Surveillance Categories[2]

($ in millions)	September 30, 2013	December 31, 2012
Category 1		
U.S. public finance	$3,154	$3,290
Non-U.S. public finance	1,001	2,293
U.S. structured finance	3,884	2,687
Non-U.S. structured finance	948	984
Total Category 1	8,987	9,254
Category 2		
U.S. public finance	629	500
Non-U.S. public finance	625	-
U.S. structured finance	3,502	4,550
Non-U.S. structured finance	49	57
Total Category 2	4,805	5,107
Category 3		
U.S. public finance	845	814
Non-U.S. public finance	-	-
U.S. structured finance	3,921	8,218
Non-U.S. structured finance	-	-
Total Category 3	4,766	9,032
BIG Total	**$18,557**	**$23,393**

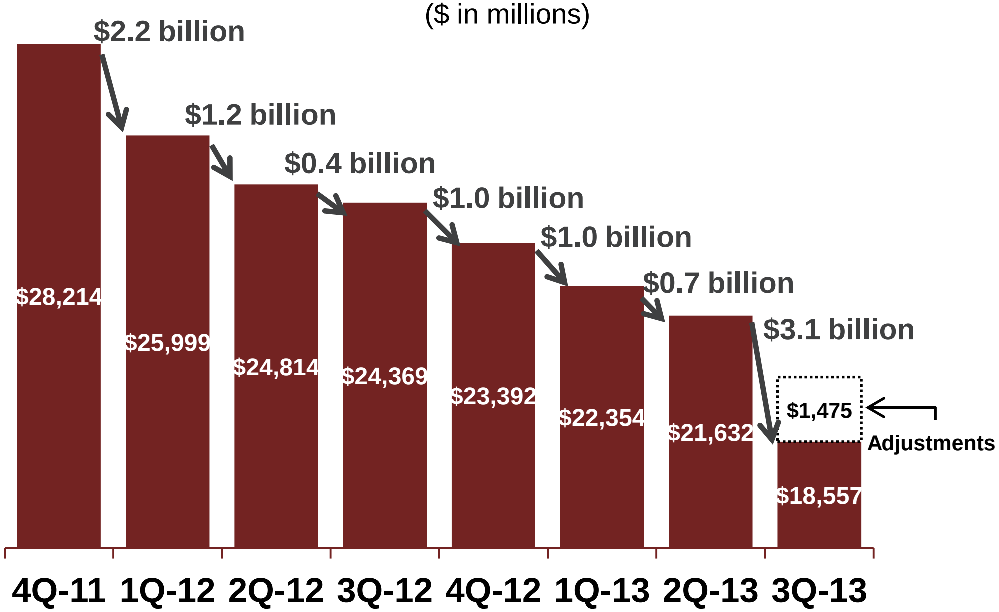
1. Assured Guaranty's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of BIG credits. Beginning third quarter 2013, the Company refined the definitions of its BIG surveillance categories to be consistent with its approach to assigning internal credit ratings. BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make future losses possible, but for which none are currently expected. BIG Category 2: Below-investment-grade transactions for which future losses are expected but for which no claims (other than liquidity claims which is a claim that the Company expects to be reimbursed within one year) have yet been paid. BIG Category 3: Below-investment-grade transactions for which future losses are expected and on which claims (other than liquidity claims) have been paid.
2. Under the terms of certain credit derivative contracts, the referenced obligations in such contracts have been delivered to the Company and recorded in other invested assets in the consolidated balance sheets. Such amounts totaled $218 million and $220 million in gross par outstanding as of September 30, 2013 and December 31, 2012, respectively.

BIG Exposure Decline

- **Since 4Q-11, BIG net par outstanding has declined by $9.7 billion**
- **R&W agreements help decrease our BIG net par outstanding by reinsuring poorly performing transactions with collateralized trust accounts, thereby enabling Assured Guaranty to reclassify large percentages into AA rated policies**
- **Two reporting changes in 3Q-13 decreased BIG net par by $1,475 million; eliminated net par of purchased loss mitigation securities of $1,211 million and revised ratings approach of $264 million**

BIG Net Par Outstanding

($ in millions)



Changes in BIG Net Par Outstanding

($ in millions)	Full Year 2012	1Q-13	2Q-13	3Q-13
Beginning BIG par	**$28,214**	**$23,392**	**$22,354**	**$21,632**
Amortization / Paid	(4,049)	(864)	(693)	(566)
R&W RMBS Settlement Reclassifications	(1,782)	(202)	-	(294)
FX Change	+48	(37)	(104)	52
Terminations	-	-	(135)	(284)
Removals / Upgrades	(711)	(68)	(224)	(572)
Additions / Downgrades	+1,672	+133	434	64
3Q-13 Adjustments	-	-	-	(1,475)
Total Decrease	**(4,822)**	**(1,038)**	**(722)**	**(3,075)**
Ending BIG par	**$23,392**	**$22,354**	**$21,632**	**$18,557**

BIG Exposures > $250 Million

($ in millions)

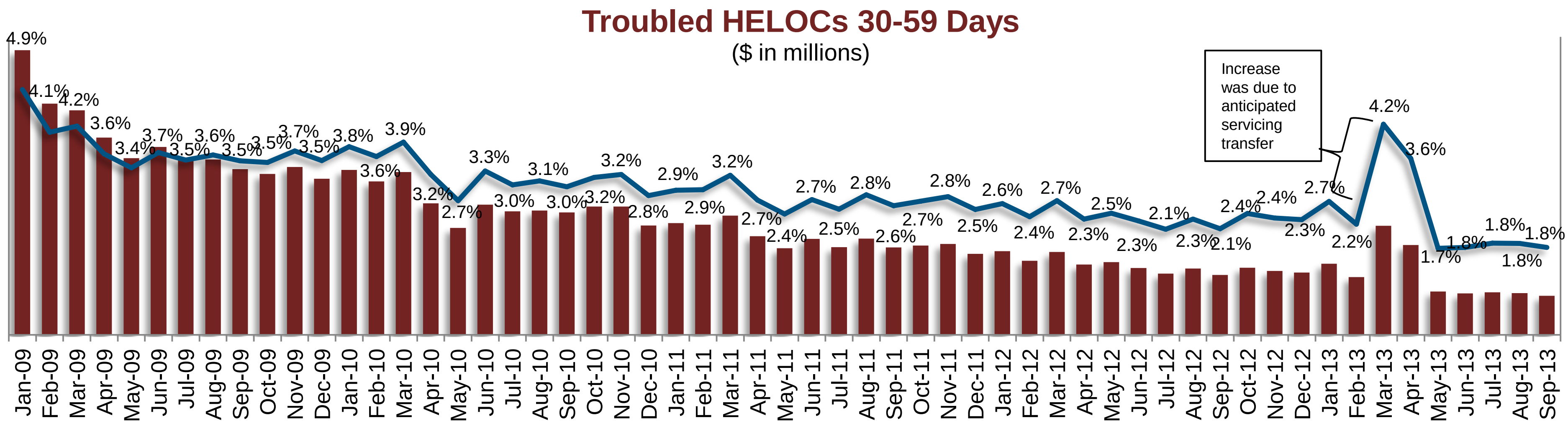
BIG Exposures Greater Than $250 Million as of September 30, 2013

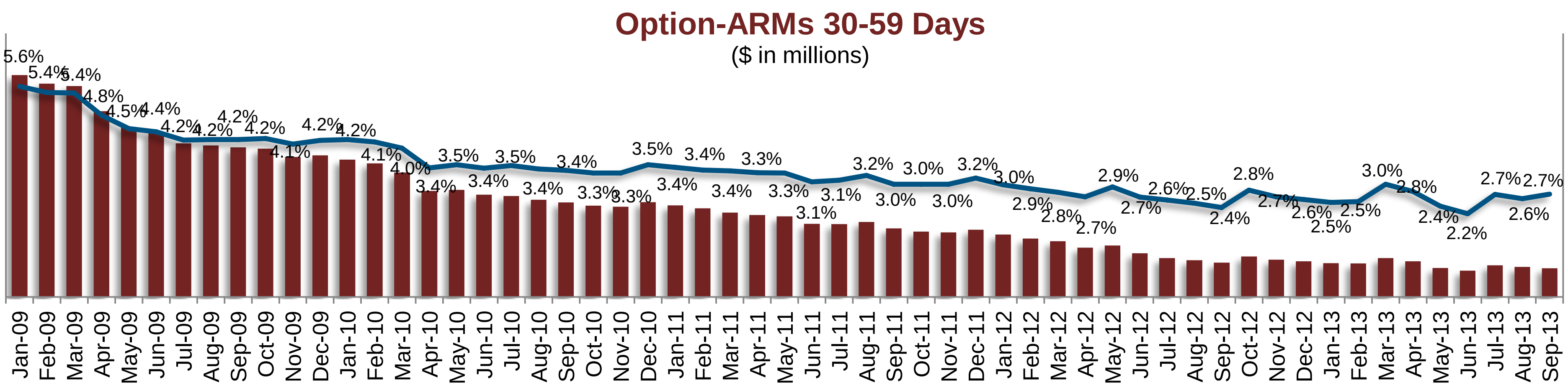
Type[1]	Name or Description	Net Par Outstanding (excluding loss mitigation bonds)	Internal Rating	Current Credit Enhancement	60+ Day Delinquencies[2]
PF	Skyway Concession Company LLC	$ 1,134	BB	-	-
PF	Reliance Rail Finance Pty. Limited	623	BB	-	-
SF	Deutsche Alt-A Securities Mortgage Loan 2007-2	568	CCC	0.0%	24.9%
PF	Jefferson County Alabama Sewer	464	D	-	-
SF	MABS 2007-NCW	442	CCC	15.3%	53.2%
SF	Orkney Re II, Plc	423	CCC	N/A	-
PF	Puerto Rico Aqueduct & Sewer Authority	384	BB+	-	-
PF	M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	379	BB	-	-
SF	Option One 2007-FXD2	340	CCC	3.6%	29.2%
PF	Louisville Arena Authority Inc.	337	BB	-	-
SF	Private Residential Mortgage Transaction	332	CCC	2.9%	25.7%
PF	Detroit (City of) Michigan	321	C+	-	-
SF	Countrywide HELOC 2006-I	311	CCC	0.0%	2.8%
SF	Taberna Preferred Funding IV, LTD	292	B-	22.1%	-
SF	Deutsche Alt-A Securities Mortgage Loan 2007-3	292	B	0.1%	20.5%
SF	Private Residential Mortgage Transaction	290	B	13.7%	24.9%
SF	MortgageIT Securities Corp. Mortgage Loan 2007-2	278	B	3.2%	19.1%
SF	Private Residential Mortgage Transaction	278	CCC	-	29.2%
SF	Taberna Preferred Funding III, LTD	268	CCC	16.8%	-
PF	Valencia Fair	259	BB-	-	-
	Total	**$8,015**			

1. "PF" signifies a public finance transaction and "SF" signifies a structured finance transaction.
2. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.
3. N/A stands for not applicable

Appendix

HELOC and Option-ARM Delinquencies For Financial Guaranty Direct Transactions Originated 2005-2008[1,2]



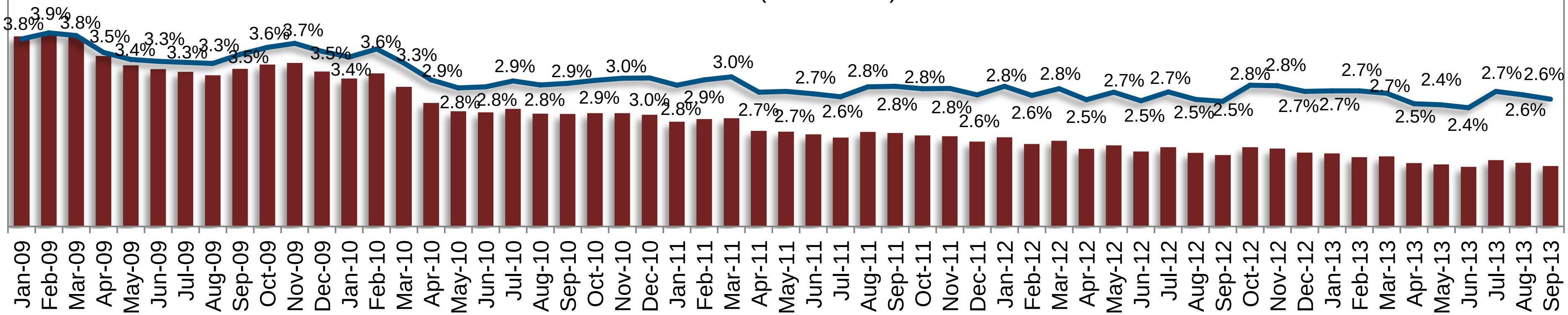


1. Assured Guaranty has not insured any U.S. RMBS since 2008.
2. Reflects actual AGC and AGM direct data.

Alt-A and Subprime 30-59 Day Delinquencies For Financial Guaranty Direct Transactions Originated 2005-2008[1]

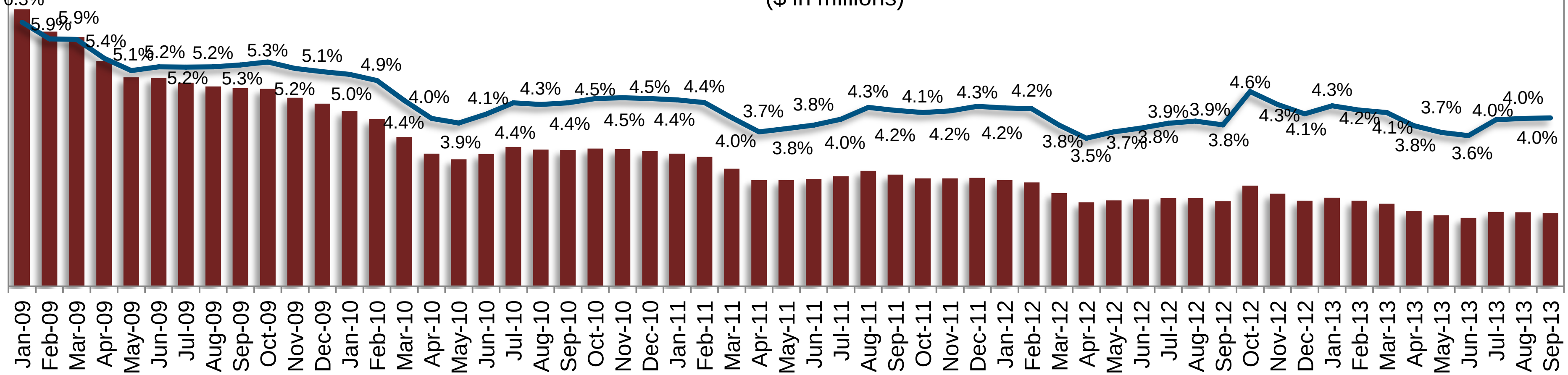
Alt-A 30-59 Days

($ in millions)



Subprime 30-59 Days[2]

($ in millions)



1. Reflects actual AGC and AGM direct data.
2. Excludes one transaction with approximately $80 million of net par outstanding.

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 remeasurement of net premium receivables and loss and LAE reserves. 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 remeasurement 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 FG 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 FG 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 remeasurement). 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 should not recognize an economic gain or 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, 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, net. 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, which 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%. 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 financial guaranty 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%. 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, prepayment speeds, terminations, credit defaults, or other factors that affect par outstanding or the ultimate maturity of an obligation.

Reconciliation of PVP[1] to Gross Written Premiums (GWP) & Operating Income[1] to Net Income (Loss)

($ in millions, except per share data)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	% Change versus 3Q-12
Consolidated new business production analysis:			
Present value of new business production (PVP)			
Public finance - U.S.:	$24	$30	(20)%
Public finance - non-U.S.	13	-	NM
Structured finance - U.S.	3	5	(40)%
Structured finance - non-U.S.	-	-	-
Total PVP	**$40**	**$35**	**14%**
PVP of financial guaranty insurance	40	35	14%
Less: Financial guaranty installment premium PVP	18	5	260%
Total: Financial guaranty upfront gross written premiums (GWP)	22	30	(27)%
Plus: Financial guaranty installment GWP [2]	4	(5)	NM
Total GWP	**$26**	**$25**	**4%**

Reconciliation of Consolidated Operating Income to Net Income (Loss)

	3Q-13	3Q-12
Operating income	**$117**	**$166**
Plus after-tax adjustments:		
Realized gains (losses) on investments	(3)	0
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	233	(37)
Fair value gains (losses) on committed capital securities	5	(2)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	10	4
Effect of consolidating FG VIEs	22	11
Net income (loss)	**$384**	**$142**

Per Diluted Share

	3Q-13	3Q-12
Operating income	**$0.64**	**$0.85**
Plus after-tax adjustments:		
Realized gains (losses) on investments	(0.01)	0.00
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	1.26	(0.19)
Fair value gains (losses) on committed capital securities	0.03	(0.01)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	0.06	0.02
Effect of consolidating FG VIEs	0.11	0.06
Net income (loss)	**$2.09**	**$0.73**

NM = Not meaningful

1. For an explanation of PVP and operating income, non-GAAP financial measures, please refer to the preceding pages of the Appendix.
2. 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

Appendix
Reconciliation of GAAP Book Value to Adjusted Book Value[1]

Reconciliation of Shareholders' Equity (GAAP Book Value) to Adjusted Book Value[1]
($ in millions, except per share amounts)

	As of :			
	September 30, 2013		December 31, 2012	
	Total	Per share	Total	Per share
Shareholders' equity	**$ 4,834**	**$ 26.53**	**$ 4,994**	**$ 25.74**
Less after-tax adjustments:				
Effect of consolidating FG VIEs	(209)	(1.14)	(348)	(1.79)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(1,192)	(6.55)	(988)	(5.09)
Fair value gains (losses) on committed capital securities	20	0.11	23	0.12
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	175	0.96	477	2.45
Operating shareholders' equity	**$ 6,040**	**$ 33.15**	**$ 5,830**	**$ 30.05**
After-tax adjustments:				
Less: Deferred acquisition costs	162	0.89	165	0.85
Plus: Net present value of estimated net future credit derivative revenue	173	0.95	220	1.14
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,978	16.34	3,266	16.83
Adjusted book value[1]	**$ 9,029**	**$ 49.55**	**$ 9,151**	**$ 47.17**

1. For an explanation of adjusted book value, a non-GAAP financial measure, please refer to the preceding pages of the Appendix.

Assured Guaranty Contacts:
Robert Tucker
Managing Director, Investor Relations and Corporate Communications
Direct: 212.339.0861
rtucker@assuredguaranty.com

Ross Aron
Vice President, Equity Investor Relations
Direct: 212.261.5509
raron@assuredguaranty.com

Equity Presentation
September 30, 2013

ASSURED GUARANTY®