

ASSURED
GUARANTY®



Financial Supplement

Assured Guaranty Ltd.

June 30, 2012



Assured Guaranty Ltd.
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Financial Supplement

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This financial supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty" or the "Company") with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2011 and its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012 and June 30, 2012.

Some amounts in this financial supplement may not add due to rounding.

Cautionary Statement Regarding Forward Looking Statements:

Any forward looking statements made in this supplement reflect the current views of Assured Guaranty with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Assured Guaranty's forward looking statements could be affected by many events. These events include (1) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of Assured Guaranty or any of its subsidiaries and/or of transactions that Assured Guaranty's subsidiaries have insured, all of which have occurred in the past; (2) developments in the world's financial and capital markets that adversely affect issuers' payment rates, Assured Guaranty's loss experience, its 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 ratings 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 implicating 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) the possibility that Assured Guaranty will not realize insurance loss recoveries or damages expected from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions; (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) Assured Guaranty's dependence on customers; (18) loss of key personnel; (19) adverse technological developments; (20) the effects of mergers, acquisitions and divestitures; (21) natural or man-made catastrophes; (22) other risks and uncertainties that have not been identified at this time; (23) management's response to these factors; and (24) other risk factors identified in Assured Guaranty's filings with the SEC. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the dates on which they are made. Assured Guaranty undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Assured Guaranty Ltd.

Selected Financial Highlights

(dollars in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011 (1)
Operating income reconciliation:				
Operating income	\$ 114.0	\$ 143.4	\$ 185.2	\$ 390.8
Plus after-tax adjustments:				
Realized gains (losses) on investments	(4.8)	(2.8)	(5.5)	(0.9)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	159.4	(73.6)	(357.6)	(291.3)
Fair value gains (losses) on committed capital securities	2.9	0.4	(6.2)	0.7
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and loss adjustment expense ("LAE") reserves	3.7	3.8	10.2	13.0
Effect of consolidating financial guaranty variable interest entities ("FG VIEs")	101.3	(114.3)	67.4	(16.1)
Net income (loss)	\$ 376.5	\$ (43.1)	\$ (106.5)	\$ 96.2
Earnings per diluted share:				
Operating income	\$ 0.61	\$ 0.76	\$ 0.99	\$ 2.09
Plus after-tax adjustments:				
Realized gains (losses) on investments	(0.03)	(0.01)	(0.03)	-
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	0.85	(0.40)	(1.94)	(1.55)
Fair value gains (losses) on committed capital securities	0.01	-	(0.03)	-
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	0.02	0.02	0.06	0.07
Effect of consolidating FG VIEs	0.54	(0.62)	0.37	(0.09)
Net income (loss)	\$ 2.01	\$ (0.23)	\$ (0.58)	\$ (0.51)
Effective tax rate on operating income	29.9%	20.9%	25.7%	25.5%
Effective tax rate on net income	32.0%	52.9%	25.0%	21.1%
Return on equity ("ROE") calculations^{1, 2:}				
ROE, excluding unrealized gain (loss) on investment portfolio	36.9%	(4.7)%	(4.9)%	5.3%
Operating ROE	8.5%	11.5%	6.9%	16.0%
New Business:				
Gross par written	\$ 4,705.0	\$ 4,373.0	\$ 9,586.0	\$ 6,692.0
Present value of new business production ("PVP") ³	\$ 49.6	\$ 51.9	\$ 105.9	\$ 104.4
Other information:			As of	
			June 30,	December 31,
			2012	2011
Net debt service outstanding			\$ 835,088	\$ 845,665
Net par outstanding			552,934	558,048
Claims paying resources ⁴			12,955	12,839

1. Effective January 1, 2012, the Company adopted, and applied retroactively, new guidance on acquisition costs. See page 37 for the effect of that adoption on prior periods' results.

2. Quarterly ROE calculations represent annualized returns.

3. Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

4. See page 7 for additional detail on claims paying resources.

Assured Guaranty Ltd.

Consolidated Statements of Operations

(dollars and shares in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011 (1)	2012	2011 (1)
Revenues:				
Net earned premiums	\$ 219.3	\$ 230.0	\$ 413.0	\$ 484.0
Net investment income	101.6	102.6	199.4	200.0
Net realized investment gains (losses)	(3.1)	(5.1)	(1.8)	(2.3)
Net change in fair value of credit derivatives:				
Realized gains (losses) and other settlements	(22.7)	(10.8)	(79.6)	24.6
Net unrealized gains (losses)	283.4	(54.0)	(350.4)	(325.6)
Net change in fair value of credit derivatives	260.7	(64.8)	(430.0)	(301.0)
Fair value gains (losses) on committed capital securities	4.3	0.6	(9.6)	1.1
Fair value gains (losses) on FG VIEs	172.4	(174.3)	135.8	(54.7)
Other income	4.3	27.3	95.3	68.2
Total revenues	759.5	116.3	402.1	395.3
Expenses:				
Loss and loss adjustment expenses	122.5	123.9	369.3	98.4
Amortization of deferred acquisition costs	4.5	5.8	9.9	9.5
Interest expense	25.4	24.7	50.1	49.5
Other operating expenses	53.5	53.2	114.8	116.0
Total expenses	205.9	207.6	544.1	273.4
Income (loss) before income taxes	553.6	(91.3)	(142.0)	121.9
Provision (benefit) for income taxes	177.1	(48.2)	(35.5)	25.7
Net income (loss)	\$ 376.5	\$ (43.1)	\$ (106.5)	\$ 96.2
Less after-tax adjustments:				
Realized gains (losses) on investments	(4.8)	(2.8)	(5.5)	(0.9)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	159.4	(73.6)	(357.6)	(291.3)
Fair value gains (losses) on committed capital securities	2.9	0.4	(6.2)	0.7
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	3.7	3.8	10.2	13.0
Effect of consolidating FG VIEs	101.3	(114.3)	67.4	(16.1)
Operating income	\$ 114.0	\$ 143.4	\$ 185.2	\$ 390.8
Weighted average shares outstanding				
Basic shares outstanding	186.3	184.2	184.4	184.0
Diluted shares outstanding ²	187.0	184.2	184.4	187.4
Shares outstanding at the end of period ³	194.0	184.2		
Effect of refundings and accelerations, net				
Net earned premiums from refundings and accelerations	\$ 68.2	\$ 21.0	\$ 104.8	\$ 50.6
Operating income effect	45.0	14.3	69.9	34.1
Operating income per diluted share effect	0.24	0.08	0.37	0.18

1. Effective January 1, 2012, the Company adopted, and applied retroactively, new guidance on acquisition costs. See page 37 for the effect of that adoption on prior periods' results.

2. Non-GAAP diluted shares outstanding were 187.0 million and 187.6 million for the three months ended June 30, 2012 and 2011, respectively and 186.6 million and 187.4 million for the six months ended June 30, 2012 and June 30, 2011, respectively.

3. On June 1, 2012, AGL issued 13.4 million common shares in connection with the 3,450,000 equity units it issued in June 2009. Each of the equity units included a forward purchase contract under which the holders were required to purchase such common shares for an aggregate purchase price of \$172.5 million. As a result of the settlement of the forward purchase contracts, the equity units ceased to exist.

Note: Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Ltd.

Net Income (Loss) Reconciliation to Operating Income (1 of 2)

(in millions)

	Three Months Ended June 30, 2012			Three Months Ended June 30, 2011		
	GAAP Income Statement As Reported	Less: Operating Income Adjustments	Non-GAAP Operating Income Results	GAAP Income Statement As Reported (1)	Less: Operating Income Adjustments	Non-GAAP Operating Income Results (1)
Revenues:						
Net earned premiums	\$ 219.3	\$ (15.5) (2)	\$ 234.8	\$ 230.0	\$ (18.3) (2)	\$ 248.3
Net investment income	101.6	3.8 (2)	97.8	102.6	(0.4) (2)	103.0
Net realized investment gains (losses)	(3.1)	(5.4) (3)	2.3	(5.1)	(5.1) (3)	-
Net change in fair value of credit derivatives:						
Realized gains (losses) and other settlements	(22.7)	(22.7)	-	(10.8)	(10.8)	-
Net unrealized gains (losses)	283.4	283.4	-	(54.0)	(54.0)	-
Credit derivative revenues	-	(34.2)	34.2	-	(48.4)	48.4
Net change in fair value of credit derivatives	260.7	226.5 (4)	34.2	(64.8)	(113.2) (4)	48.4
Fair value gain (loss) on committed capital securities	4.3	4.3 (5)	-	0.6	0.6 (5)	-
Fair value gains (losses) on FG VIEs	172.4	172.4 (2)	-	(174.3)	(174.3) (2)	-
Other income	4.3	6.0 (6)	(1.7)	27.3	29.9 (6)	(2.6)
Total revenues	759.5	392.1	367.4	116.3	(280.8)	397.1
Expenses:						
Loss expense:						
Financial guaranty insurance	122.5	0.5 (2)	122.0	123.9	(16.9) (2)	140.8
Credit derivatives	-	0.6 (4)	(0.6)	-	8.5 (4)	(8.5)
Amortization of deferred acquisition costs	4.5	-	4.5	5.8	-	5.8
Interest expense	25.4	-	25.4	24.7	-	24.7
Other operating expenses	53.5	-	53.5	53.2	-	53.2
Total expenses	205.9	1.1	204.8	207.6	(8.4)	216.0
Income (loss) before income taxes	553.6	391.0	162.6	(91.3)	(272.4)	181.1
Provision (benefit) for income taxes	177.1	128.5 (7)	48.6	(48.2)	(85.9) (7)	37.7
Net income (loss)	\$ 376.5	\$ 262.5	\$ 114.0	\$ (43.1)	\$ (186.5)	\$ 143.4

1. Effective January 1, 2012, the Company adopted, and applied retroactively, new guidance on acquisition costs. See page 37 for the effect of that adoption on prior periods' results.
2. Adjustments primarily related to elimination of the effects of consolidating FG VIEs.
3. Adjustments to eliminate realized gains (losses) on available-for-sale investments.
4. Adjustments to eliminate non-economic fair value gains (losses) on credit derivatives and reclassification to revenues and loss expense.
5. Adjustments to eliminate fair value gain (loss) on committed capital securities.
6. Adjustments primarily related to elimination of foreign exchange gains (losses) on revaluation of net premiums receivable and reclassification of termination fees on credit derivative contracts.
7. Tax effect of the above adjustments.

Note: Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Ltd.

Net Income (Loss) Reconciliation to Operating Income (2 of 2)

(in millions)

	Six Months Ended June 30, 2012			Six Months Ended June 30, 2011		
	GAAP Income Statement As Reported	Less: Operating Income Adjustments	Non-GAAP Operating Income Results	GAAP Income Statement As Reported (1)	Less: Operating Income Adjustments	Non-GAAP Operating Income Results (1)
Revenues:						
Net earned premiums	\$ 413.0	\$ (32.5) (2)	\$ 445.5	\$ 484.0	\$ (37.4) (2)	\$ 521.4
Net investment income	199.4	5.7 (2)	193.7	200.0	(0.7) (2)	200.7
Net realized investment gains (losses)	(1.8)	(5.9) (3)	4.1	(2.3)	(2.3) (3)	-
Net change in fair value of credit derivatives:						
Realized gains (losses) and other settlements	(79.6)	(79.6)	-	24.6	24.6	-
Net unrealized gains (losses)	(350.4)	(350.4)	-	(325.6)	(325.6)	-
Credit derivative revenues	-	(63.0)	63.0	-	(109.4)	109.4
Net change in fair value of credit derivatives	(430.0)	(493.0) (4)	63.0	(301.0)	(410.4) (4)	109.4
Fair value gain (loss) on committed capital securities	(9.6)	(9.6) (5)	-	1.1	1.1 (5)	-
Fair value gains (losses) on FG VIEs	135.8	135.8 (2)	-	(54.7)	(54.7) (2)	-
Other income	95.3	8.7 (6)	86.6	68.2	42.8 (6)	25.4
Total revenues	402.1	(390.8)	792.9	395.3	(461.6)	856.9
Expenses:						
Loss expense:						
Financial guaranty insurance	369.3	(1.8) (2)	371.1	98.4	(67.6) (2)	166.0
Credit derivatives	-	2.3 (4)	(2.3)	-	8.4 (4)	(8.4)
Amortization of deferred acquisition costs	9.9	-	9.9	9.5	-	9.5
Interest expense	50.1	-	50.1	49.5	-	49.5
Other operating expenses	114.8	-	114.8	116.0	-	116.0
Total expenses	544.1	0.5	543.6	273.4	(59.2)	332.6
Income (loss) before income taxes	(142.0)	(391.3)	249.3	121.9	(402.4)	524.3
Provision (benefit) for income taxes	(35.5)	(99.6) (7)	64.1	25.7	(107.8) (7)	133.5
Net income (loss)	\$ (106.5)	\$ (291.7)	\$ 185.2	\$ 96.2	\$ (294.6)	\$ 390.8

1. Effective January 1, 2012, the Company adopted, and applied retroactively, new guidance on acquisition costs. See page 37 for the effect of that adoption on prior periods' results.
2. Adjustments primarily related to elimination of the effects of consolidating FG VIEs.
3. Adjustments to eliminate realized gains (losses) on available-for-sale investments.
4. Adjustments to eliminate non-economic fair value gains (losses) on credit derivatives and reclassification to revenues and loss expense.
5. Adjustments to eliminate fair value gain (loss) on committed capital securities.
6. Adjustments primarily related to elimination of foreign exchange gains (losses) on revaluation of net premiums receivable and reclassification of termination fees on credit derivative contracts.
7. Tax effect of the above adjustments.

Note: Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Ltd.

Consolidated Balance Sheets

(in millions)

	As of :	
	June 30, 2012	December 31, 2011 (1)
Assets:		
Investment portfolio:		
Fixed maturity securities, available-for-sale, at fair value	\$ 10,207.5	\$ 10,141.9
Short-term investments, at fair value	919.8	734.0
Other invested assets	194.4	222.9
Total investment portfolio	11,321.7	11,098.8
Cash	175.3	214.5
Premiums receivable, net of ceding commissions payable	964.1	1,002.9
Ceded unearned premium reserve	590.8	708.9
Deferred acquisition costs	126.8	132.4
Reinsurance recoverable on unpaid losses	170.5	69.3
Salvage and subrogation recoverable	376.8	367.7
Credit derivative assets	429.9	468.9
Deferred tax asset, net	815.1	803.5
Current income tax receivable	63.2	76.4
FG VIE assets, at fair value	2,726.0	2,819.1
Other assets	314.3	262.3
Total assets	\$ 18,074.5	\$ 18,024.7
Liabilities and shareholders' equity:		
Liabilities:		
Unearned premium reserve	\$ 5,583.4	\$ 5,962.8
Loss and loss adjustment expense reserve	995.2	679.0
Reinsurance balances payable, net	186.7	171.0
Long-term debt	846.4	1,038.3
Credit derivative liabilities	2,095.9	1,772.8
FG VIE liabilities with recourse, at fair value	2,239.0	2,396.9
FG VIE liabilities without recourse, at fair value	1,042.3	1,061.5
Other liabilities	361.5	290.8
Total liabilities	13,350.4	13,373.1
Shareholders' equity:		
Common stock	1.9	1.8
Additional paid-in capital	2,720.0	2,569.9
Retained earnings	1,568.4	1,708.0
Accumulated other comprehensive income	429.4	367.5
Deferred equity compensation	4.4	4.4
Total shareholders' equity	4,724.1	4,651.6
Total liabilities and shareholders' equity	\$ 18,074.5	\$ 18,024.7

1. Effective January 1, 2012, the Company adopted, and applied retroactively, new guidance on acquisition costs. See page 37 for the effect of that adoption on prior periods' results.

Assured Guaranty Ltd.

Adjusted Book Value

(dollars in millions, except per share amounts)

	As of :			
	June 30, 2012		December 31, 2011 (1)	
	Total	Per share (2)	Total	Per share
Reconciliation of shareholders' equity to adjusted book value:				
Shareholders' equity	\$ 4,724.1	\$ 24.36	\$ 4,651.6	\$ 25.52
Less after-tax adjustments:				
Effect of consolidating FG VIEs	(339.3)	(1.75)	(405.2)	(2.22)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(862.2)	(4.44)	(498.0)	(2.74)
Fair value gains (losses) on committed capital securities	28.8	0.15	35.0	0.19
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	386.2	1.99	318.4	1.75
Operating shareholders' equity	\$ 5,510.6	\$ 28.41	\$ 5,201.4	\$ 28.54
After-tax adjustments:				
Less: Deferred acquisition costs	170.9	0.88	174.1	0.95
Plus: Net present value of estimated net future credit derivative revenue	258.2	1.33	302.3	1.66
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	3,516.1	18.13	3,658.0	20.07
Adjusted book value	\$ 9,114.0	\$ 46.99	\$ 8,987.6	\$ 49.32

1. Effective January 1, 2012, the Company adopted, and applied retroactively, new guidance on acquisition costs. See page 37 for the effect of that adoption on prior periods' results.
2. On June 1, 2012, AGL issued 13.4 million common shares in connection with the 3,450,000 equity units it issued in June 2009. Each of the equity units included a forward purchase contract under which the holders were required to purchase such common shares for an aggregate purchase price of \$172.5 million. As a result of the settlement of the forward purchase contracts, the equity units ceased to exist.

Note: Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Ltd.

Claims Paying Resources
(dollars in millions)

As of June 30, 2012

	Assured Guaranty Municipal Corp.	Assured Guaranty Corp.	Assured Guaranty Re Ltd. ¹	Municipal and Infrastructure Assurance Corporation ²	Eliminations ³	Consolidated
Claims paying resources						
Policyholders' surplus	\$ 1,034	\$ 947	\$ 1,112	\$ 76	\$ (300)	\$ 2,869
Contingency reserve	2,135	766	-	-	-	2,901
Qualified statutory capital	3,169	1,713	1,112	76	(300)	5,770
Unearned premium reserve	2,205	804	1,019	-	-	4,028
Loss and LAE reserves ^{4,5}	333	353	345	-	-	1,031
Total policyholders' surplus and reserves	5,707	2,870	2,476	76	(300)	10,829
Present value of installment premium ⁵	487	375	229	-	-	1,091
Standby line of credit/stop loss	200	200	200	-	-	600
Excess of loss reinsurance facility	435	435	-	-	(435)	435
Total claims paying resources	\$ 6,829	\$ 3,880	\$ 2,905	\$ 76	\$ (735)	\$ 12,955
Net par outstanding ⁶	\$ 306,981	\$ 100,607	\$ 127,962	\$ -	\$ (1,543)	\$ 534,007
Net debt service outstanding ⁶	\$ 464,022	\$ 147,993	\$ 206,225	\$ -	\$ (3,645)	\$ 814,595
Ratios:						
Net par outstanding to qualified statutory capital	97:1	59:1	115:1	N/A		93:1
Capital ratio ⁷	146:1	86:1	185:1	N/A		141:1
Financial resources ratio ⁸	68:1	38:1	71:1	N/A		63:1

- 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.
- Assured Guaranty US Holdings Inc. acquired Municipal and Infrastructure Assurance Corporation ("MIAC") from Radian Asset Assurance Inc. on May 31, 2012. As of June 30, 2012, MIAC has not written any business.
- In 2009, Assured Guaranty Corp. ("AGC") issued a \$300.0 million note payable to Assured Guaranty Municipal Corp. ("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.
- Reserves are reduced by approximately \$1.4 billion for benefit related to representation and warranty recoverables.
- Includes financial guaranty insurance and credit derivatives.
- Net par outstanding and net debt service outstanding are presented on a statutory basis. Under statutory accounting, such amounts would be reduced both when an outstanding issue is legally defeased (i.e., an issuer has legally discharged its obligations with respect to a municipal security by satisfying conditions set forth in defeasance provisions contained in transaction documents and is no longer responsible for the payment of debt service with respect to such obligations) and when such issue is economically defeased (i.e., transaction documents for a municipal security do not contain defeasance provisions but the issuer establishes an escrow account with U.S. government securities in amounts sufficient to pay the refunded bonds when due; the refunded bonds are not considered paid and continue to be outstanding under the transaction documents and the issuer remains responsible to pay debt service when due to the extent monies on deposit in the escrow account are insufficient for such purpose).
- The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
- The financial resources ratio is calculated by dividing net debt service outstanding by total claims paying resources.

Assured Guaranty Ltd.

New Business Production

(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Consolidated new business production analysis:				
PVP				
Public finance - U.S.:				
Assumed from Radian	\$ -	\$ -	\$ 21.9	\$ -
Primary markets	44.2	36.0	71.4	62.7
Secondary markets	2.8	8.8	6.1	16.1
Public finance - non-U.S.:				
Primary markets	1.1	-	1.1	-
Secondary markets	-	-	-	-
Structured finance - U.S.	1.5	7.1	5.4	18.4
Structured finance - non-U.S.	-	-	-	7.2
Total PVP	\$ 49.6	\$ 51.9	\$ 105.9	\$ 104.4
Total PVP	\$ 49.6	\$ 51.9	\$ 105.9	\$ 104.4
Less: PVP of credit derivatives	-	-	-	-
PVP of financial guaranty insurance	49.6	51.9	105.9	104.4
Less: financial guaranty installment premium PVP	2.9	5.9	6.9	24.6
Total: financial guaranty upfront gross written premiums ("GWP")	46.7	46.0	99.0	79.8
Plus: financial guaranty installment GWP ¹	(16.0)	(29.0)	20.1	(74.3)
Total GWP	\$ 30.7	\$ 17.0	\$ 119.1	\$ 5.5
Consolidated financial guaranty gross par written:				
Public finance - U.S.:				
Assumed from Radian	\$ -	\$ -	\$ 1,797	\$ -
Primary markets	4,497	3,292	7,399	5,178
Secondary markets	173	356	317	689
Public finance - non-U.S.:				
Primary markets	35	-	35	-
Secondary markets	-	-	-	-
Structured finance - U.S.	-	725	38	825
Structured finance - non-U.S.	-	-	-	-
Total	\$ 4,705	\$ 4,373	\$ 9,586	\$ 6,692

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 explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Ltd.

Financial Guaranty Gross Par Written
(in millions)

Financial Guaranty Gross Par Written by Asset Type

Sector:	Three Months Ended June 30, 2012		Six Months Ended June 30, 2012	
	Gross Par Written	Avg. Internal Rating	Gross Par Written	Avg. Internal Rating
U.S. public finance:				
General obligation	\$ 2,972	A-	\$ 6,429	A-
Municipal utilities	695	A-	1,049	A-
Tax backed	502	A-	835	A
Higher education	237	A-	523	A-
Healthcare	160	A-	392	A-
Transportation	66	A-	211	A-
Other public finance	38	A	74	A
Total U.S. public finance	<u>4,670</u>	A-	<u>9,513</u>	A-
Non-U.S. public finance:				
Total non-U.S. public finance	<u>35</u>	BBB-	<u>35</u>	BBB-
Total public finance	<u>\$ 4,705</u>	A-	<u>\$ 9,548</u>	A-
U.S. structured finance:				
Other structure finance	\$ -	-	\$ 38	A-
Total U.S. structured finance	<u>-</u>	-	<u>38</u>	A-
Non-U.S. structured finance:				
Total non-U.S. structured finance	<u>-</u>	-	<u>-</u>	
Total structured finance	<u>\$ -</u>	-	<u>\$ 38</u>	A-
Total gross par written	<u>\$ 4,705</u>	A-	<u>\$ 9,586</u>	A-

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

Assured Guaranty Ltd.

New Business Production by Quarter

(in millions)

							Six Months	
	1Q-11	2Q-11	3Q-11	4Q-11	1Q-12	2Q-12	2011	2012
PVP:								
Public finance - U.S.:								
Assumed from Radian	\$ -	\$ -	\$ -	\$ -	\$ 21.9	\$ -	\$ -	\$ 21.9
Primary markets	26.7	36.0	33.7	51.6	27.2	44.2	62.7	71.4
Secondary markets	7.3	8.8	5.9	3.0	3.3	2.8	16.1	6.1
Public finance - non-U.S.:								
Primary markets	-	-	-	2.7	-	1.1	-	1.1
Secondary markets	-	-	-	-	-	-	-	-
Structured finance - U.S.	11.3	7.1	11.2	30.2	3.9	1.5	18.4	5.4
Structured finance - non-U.S.	7.2	-	-	-	-	-	7.2	-
Total PVP	\$ 52.5	\$ 51.9	\$ 50.8	\$ 87.5	\$ 56.3	\$ 49.6	\$ 104.4	\$ 105.9
Total PVP	\$ 52.5	\$ 51.9	\$ 50.8	\$ 87.5	\$ 56.3	\$ 49.6	\$ 104.4	\$ 105.9
Less: PVP of credit derivatives	-	-	-	-	-	-	-	-
PVP of financial guaranty insurance	52.5	51.9	50.8	87.5	56.3	49.6	104.4	105.9
Less: financial guaranty installment premium PVP	18.7	5.9	11.3	32.9	4.0	2.9	24.6	6.9
Total: financial guaranty upfront GWP	33.8	46.0	39.5	54.6	52.3	46.7	79.8	99.0
Plus: financial guaranty installment GWP ¹	(45.3)	(29.0)	(17.9)	45.1	36.1	(16.0)	(74.3)	20.1
Total GWP	\$ (11.5)	\$ 17.0	\$ 21.6	\$ 99.7	\$ 88.4	\$ 30.7	\$ 5.5	\$ 119.1
Consolidated financial guaranty gross par written²:								
Public finance - U.S.:								
Assumed from Radian	\$ -	\$ -	\$ -	\$ -	\$ 1,797	\$ -	\$ -	\$ 1,797
Primary markets	1,886	3,292	4,078	4,759	2,902	4,497	5,178	7,399
Secondary markets	333	356	264	124	144	173	689	317
Public finance - non-U.S.:								
Primary markets	-	-	-	127	-	35	-	35
Secondary markets	-	-	-	-	-	-	-	-
Structured finance - U.S.	100	725	266	582	38	-	825	38
Structured finance - non-U.S.	-	-	-	-	-	-	-	-
Total	\$ 2,319	\$ 4,373	\$ 4,608	\$ 5,592	\$ 4,881	\$ 4,705	\$ 6,692	\$ 9,586

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.

2. Includes committed amount including undrawn revolvers.

Note: Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Assured Guaranty Ltd.
 Available-for-Sale Investment Portfolio and Cash
 As of June 30, 2012
 (dollars in millions)

	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income ¹
Investment portfolio, available-for-sale:					
Fixed maturity securities:					
U.S. Treasury securities and obligations					
of U.S. government agencies	\$ 437.0	2.33%	1.75%	\$ 462.5	\$ 10.2
Agency obligations	324.4	3.79%	3.14%	365.6	12.3
Foreign government securities	287.7	2.97%	1.95%	300.2	8.5
Obligations of states and political subdivisions	3,772.0	3.99%	3.77%	4,073.7	150.5
Insured obligations of state and political subdivisions ²	1,471.4	4.79%	4.53%	1,603.0	70.5
Corporate securities	967.4	3.55%	2.96%	1,032.1	34.3
Mortgage-backed securities ("MBS") ³ :					
Residential MBS ("RMBS") ⁴	1,562.0	4.96%	3.96%	1,477.9	77.5
Commercial MBS ("CMBS")	455.9	4.08%	3.44%	486.5	18.6
Asset-backed securities ⁵	480.9	8.01%	5.57%	488.3	38.5
Total fixed maturity securities	9,758.7	4.31%	3.74%	10,289.8	420.9
Short-term investments	895.4	0.09%	0.06%	896.0	0.8
Cash ⁶	170.5	-	-	170.5	-
Total	\$ 10,824.6	3.96%	3.43%	\$ 11,356.3	\$ 421.7
Less: FG VIEs	111.4	8.93%	5.81%	53.7	9.9
Total	\$ 10,713.2	3.88%	3.40%	\$ 11,302.6	\$ 411.8

	Fair Value	% of Portfolio
Ratings⁷:		
U.S. Treasury securities and obligations		
of U.S. government agencies	\$ 462.5	4.5%
Agency obligations	365.6	3.5%
AAA/Aaa	1,909.5	18.5%
AA/Aa	5,493.9	53.4%
A/A	1,489.4	14.5%
BBB	18.8	0.2%
Below investment grade ("BIG") ⁸	532.3	5.2%
Not rated ⁸	17.8	0.2%
Total fixed maturity securities, available-for-sale	\$ 10,289.8	100.0%
Less: FG VIEs	82.3	
Total fixed maturity securities, available-for-sale	\$ 10,207.5	

Duration of available-for-sale investment portfolio (in years): 4.7

Average ratings of available-for-sale investment portfolio AA

1. Represents annualized investment income based on amortized cost and pre-tax book yields.
2. Reflects obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds, after giving effect to the lower of the rating assigned by Standard & Poor's Ratings Services ("S&P") or Moody's Investors Service, Inc. ("Moody's"), average AA-. Includes \$310.7 million insured by AGC and AGM.
3. Includes \$75.3 million in U.S. subprime RMBS, which has an average rating of BIG.
4. Includes investments purchased for loss mitigation purposes.
5. Contains no collateralized debt obligations ("CDOs") of asset-backed securities ("ABS").
6. Represents operating cash and is not included in yield calculations.
7. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or risk management strategies which use internal ratings classifications.
8. Included in the investment portfolio are securities purchased or obtained as part of loss mitigation or other risk management strategies of \$1,764.1 million in par with carrying value of \$532.4 million.

Assured Guaranty Ltd.

Estimated Net Exposure Amortization ¹ and Estimated Future Net Premium and Credit Derivative Revenues

(in millions)

	Estimated Net Debt Service Amortization	Estimated Ending Net Debt Service Outstanding	Financial Guaranty Insurance ²			Future Credit Derivative Revenues ⁴	Total
			Expected PV Net Earned Premiums ³	Accretion of Discount	Future Net Premiums Earned		
2012 (as of June 30)		\$ 835,088					
2012 Q3	\$ 18,994	816,094	\$ 137.9	\$ 6.4	\$ 144.3	\$ 29.7	\$ 174.0
2012 Q4	16,755	799,339	131.0	6.4	137.4	26.5	163.9
2013	65,043	734,296	472.9	23.8	496.7	92.8	589.5
2014	65,832	668,464	434.7	22.0	456.7	67.1	523.8
2015	55,361	613,103	384.6	20.3	404.9	46.2	451.1
2016	44,053	569,050	349.1	18.9	368.0	36.5	404.5
2012-2016	266,038	569,050	1,910.2	97.8	2,008.0	298.8	2,306.8
2017-2021	186,497	382,553	1,325.7	75.0	1,400.7	99.4	1,500.1
2022-2026	149,568	232,985	834.5	49.6	884.1	53.8	937.9
2027-2031	102,868	130,117	505.6	30.9	536.5	40.4	576.9
After 2031	130,117	-	512.0	26.3	538.3	45.0	583.3
Total	\$ 835,088		\$ 5,088.0	\$ 279.6	\$ 5,367.6	\$ 537.4	\$ 5,905.0

1. Represents the future expected amortization of current debt service outstanding (principal and interest), assuming no advance refundings, as of June 30, 2012. Actual amortization differs from expected maturities because borrowers may have the right to call or prepay guaranteed obligations and because of management's assumptions on structured finance amortization.

2. See page 14 for "Present Value of Financial Guaranty Insurance Net Expected Loss to be Expensed."

3. Excludes \$381.4 million in expected present value of net earned premiums related to FG VIEs.

4. Excludes contracts with credit impairment.

Assured Guaranty Ltd.

Expected Amortization of Net Par Outstanding

(in millions)

Structured Finance

	Estimated Net Par Amortization					Estimated Ending Net Par Outstanding
	U.S. and Non-U.S. Pooled Corporate	U.S. RMBS	Financial Products ¹	Other Structured Finance	Total	
2012 (as of June 30)						\$ 104,288
2012 Q3	\$ 3,805	\$ 1,353	\$ 260	\$ 453	\$ 5,871	98,417
2012 Q4	2,105	1,183	111	815	4,214	94,203
2013	12,648	3,585	678	2,079	18,990	75,213
2014	18,273	2,420	519	1,860	23,072	52,141
2015	9,658	1,992	281	2,975	14,906	37,235
2016	3,750	1,754	164	1,271	6,939	30,296
2012-2016	50,239	12,287	2,013	9,453	73,992	30,296
2017-2021	8,878	4,307	320	2,816	16,321	13,975
2022-2026	562	1,812	471	1,831	4,676	9,299
2027-2031	430	693	673	777	2,573	6,726
After 2031	2,770	793	757	2,406	6,726	-
Total structured finance	\$ 62,879	\$ 19,892	\$ 4,234	\$ 17,283	\$ 104,288	

Public Finance

	Estimated Net Par Amortization	Estimated Ending Net Par Outstanding
2012 (as of June 30)		\$ 448,646
2012 Q3	\$ 7,315	441,331
2012 Q4	6,700	434,631
2013	24,039	410,592
2014	22,254	388,338
2015	21,273	367,065
2016	19,079	347,986
2012-2016	100,660	347,986
2017-2021	94,784	253,202
2022-2026	92,360	160,842
2027-2031	67,907	92,935
After 2031	92,935	-
Total public finance	\$ 448,646	

Net par outstanding (end of period):

	1Q-11	2Q-11	3Q-11	4Q-11	1Q-12	2Q-12
Public finance - U.S.	\$ 417,367	\$ 413,274	\$ 408,065	\$ 403,073	\$ 416,499	\$ 409,877
Public finance - non-U.S.	41,828	41,226	39,267	39,046	39,913	38,769
Structured finance - U.S.	113,108	103,978	97,969	92,234	87,784	83,430
Structured finance - non-U.S.	29,984	28,718	26,424	23,695	22,902	20,858
Total	\$ 602,287	\$ 587,196	\$ 571,725	\$ 558,048	\$ 567,098	\$ 552,934

1. See Glossary for description of financial products.

Assured Guaranty Ltd.

Present Value ("PV") of Financial Guaranty Insurance Net Expected Loss to be Expensed
As of June 30, 2012
(in millions)

	Net Expected Loss to be Expensed ¹	
	Operating ²	GAAP ²
2012 Q3	\$ 18.4	\$ 16.2
2012 Q4	18.7	14.9
2013	75.3	61.0
2014	66.2	48.6
2015	54.6	38.0
2016	48.7	33.7
2012-2016	281.9	212.4
2017-2021	191.6	142.1
2022-2026	100.1	78.5
2027-2031	64.5	39.5
After 2031	61.9	30.7
Total expected PV of net expected loss to be expensed	700.0	503.2
Discount	303.1	275.6
Total future value	\$ 1,003.1	\$ 778.8

1. The expected present value of net loss to be expensed is discounted by weighted-average risk free rates ranging from 0.0% to 3.04% for U.S. dollar denominated obligations.
2. Operating income includes net expected loss to be expensed on consolidated FG VIEs. Losses on consolidated FG VIEs are eliminated for GAAP.

Assured Guaranty Ltd.

Financial Guaranty Profile (1 of 4)

(in millions)

Net Par Outstanding and Average Rating by Asset Type

	June 30, 2012		December 31, 2011	
	Net Par Outstanding	Avg. Internal Rating	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:				
General obligation	\$ 176,644	A+	\$ 173,061	A+
Tax backed	79,234	A+	78,006	A+
Municipal utilities	64,867	A	65,204	A
Transportation	37,091	A	35,396	A
Healthcare	19,934	A	19,495	A
Higher education	16,076	A+	15,677	A+
Housing	5,593	AA-	5,696	AA-
Infrastructure finance	4,228	BBB	4,110	BBB
Investor-owned utilities	1,109	A-	1,124	A-
Other public finance	5,101	A	5,304	A-
Total U.S. public finance	409,877	A+	403,073	A+
Non-U.S. public finance:				
Infrastructure finance	15,363	BBB	15,405	BBB
Regulated utilities	12,922	BBB+	13,260	BBB+
Pooled infrastructure	3,114	AA-	3,130	AA-
Other public finance	7,370	A	7,251	A+
Total non-U.S. public finance	38,769	BBB+	39,046	BBB+
Total public finance	\$ 448,646	A	\$ 442,119	A
U.S. structured finance:				
Pooled corporate obligations	\$ 47,217	AAA	\$ 51,520	AAA
RMBS	19,892	BB+	21,567	BB+
CMBS and other commercial real estate related exposures	4,470	AAA	4,774	AAA
Financial products	4,234	AA-	5,217	AA-
Consumer receivables	3,316	A+	4,326	AA-
Insurance securitizations	1,790	A+	1,893	A+
Commercial receivables	964	BBB	1,214	BBB
Structured credit	315	CCC+	424	B-
Other structured finance	1,232	BBB+	1,299	A-
Total U.S. structured finance	83,430	AA-	92,234	AA-
Non-U.S. structured finance:				
Pooled corporate obligations	15,662	AAA	17,731	AAA
Commercial receivables	1,588	A-	1,865	A-
RMBS	1,425	AA	1,598	AA
Insurance securitizations	923	CCC-	964	CCC-
Structured credit	786	BBB	979	BBB
CMBS and other commercial real estate related exposures	97	AAA	180	AAA
Other structured finance	377	Super Senior	378	Super Senior
Total non-U.S. structured finance	20,858	AA	23,695	AA
Total structured finance	\$ 104,288	AA-	\$ 115,929	AA-
Total net par outstanding	\$ 552,934	A+	\$ 558,048	A+

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

Assured Guaranty Ltd.

Financial Guaranty Profile (2 of 4)

As of June 30, 2012

(dollars in millions)

Distribution by Ratings of Financial Guaranty Portfolio

Ratings:	Public Finance - U.S.		Public Finance - Non-U.S.		Structured Finance - U.S.		Structured Finance - Non-U.S.		Consolidated	
	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding ¹	%	Net Par Outstanding	%	Net Par Outstanding	%
Super senior	\$ -	0.0%	\$ 1,109	2.8%	\$ 15,157	18.2%	\$ 4,777	22.9%	\$ 21,043	3.8%
AAA	4,771	1.2%	1,388	3.6%	32,947	39.5%	9,225	44.2%	48,331	8.7%
AA	136,709	33.3%	998	2.6%	10,416	12.5%	889	4.3%	149,012	27.0%
A	220,154	53.7%	10,657	27.5%	4,692	5.6%	1,352	6.5%	236,855	42.8%
BBB	43,836	10.7%	22,102	57.0%	4,201	5.0%	2,740	13.1%	72,879	13.2%
BIG	4,407	1.1%	2,515	6.5%	16,017	19.2%	1,875	9.0%	24,814	4.5%
Total net par outstanding	\$ 409,877	100.0%	\$ 38,769	100.0%	\$ 83,430	100.0%	\$ 20,858	100.0%	\$ 552,934	100.0%

1. As of March 31, 2012, the Company reclassified as AA 80% of the net par outstanding of those first lien transactions that are covered by the Bank of America Agreement and that the Company otherwise internally rated below AA. The Company reclassified those amounts as AA exposure due to the eligible assets that Bank of America has placed in trust in order to collateralize its reimbursement obligation relating to such first lien transactions.

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

Assured Guaranty Ltd.

Financial Guaranty Profile (3 of 4)

As of June 30, 2012

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio

U.S.:	Net Par	
	Outstanding	% of Total
Public finance:		
California	\$ 59,200	10.7%
New York	34,442	6.2%
Pennsylvania	31,665	5.7%
Texas	31,110	5.6%
Illinois	26,457	4.8%
Florida	26,074	4.7%
New Jersey	17,160	3.1%
Michigan	15,869	2.9%
Massachusetts	11,805	2.1%
Washington	10,309	1.9%
Other states	145,786	26.4%
Total public finance	409,877	74.1%
Structured finance (multiple states)	83,430	15.1%
Total U.S.	493,307	89.2%
Non-U.S.:		
United Kingdom	23,477	4.2%
Australia	8,146	1.5%
Canada	4,357	0.8%
France	3,659	0.7%
Italy	2,263	0.4%
Other	17,725	3.2%
Total non-U.S.	59,627	10.8%
Total net par outstanding	\$ 552,934	100.0%

Assured Guaranty Ltd.

Financial Guaranty Profile (4 of 4)

As of June 30, 2012

(dollars in millions)

Net Economic Exposure to Selected European Countries

	Greece	Hungary	Ireland	Italy	Portugal	Spain	Total
Sovereign and sub-sovereign exposure:							
Public finance	\$ 276	\$ -	\$ -	\$ 977	\$ 110	\$ 257	\$ 1,620
Infrastructure finance	-	430	23	322	99	165	1,039
Total sovereign and sub-sovereign exposure	276	430	23	1,299	209	422	2,659
Non-sovereign exposure:							
Regulated utilities	-	-	-	222	-	12	234
RMBS	-	215	133	489	-	-	837
Commercial receivables	-	1	19	26	14	18	78
Pooled corporate obligations	31	-	208	227	14	492	972
Total non-sovereign exposure	31	216	360	964	28	522	2,121
Total	\$ 307	\$ 646	\$ 383	\$ 2,263	\$ 237	\$ 944	\$ 4,780
Total BIG	\$ 276	\$ 516	\$ 8	\$ 238	\$ 127	\$ 391	\$ 1,556

Note: While the Company's exposures are shown in U.S. dollars, the obligations the Company insures are in various currencies, including U.S. dollars, Euros and British pounds sterling. Included in the tables above is \$133 million of reinsurance assumed on a 2004 - 2006 pool of Irish residential mortgages that is part of the Company's remaining legacy mortgage reinsurance business. One of the residential mortgage-backed securities included in the table above includes residential mortgages in both Italy and Germany, and only the portion of the transaction equal to the portion of the original mortgage pool in Italian mortgages is shown in the table.

Assured Guaranty Ltd.
Direct Pooled Corporate Obligations Profile
As of June 30, 2012
(dollars in millions)

Distribution of Direct Pooled Corporate Obligations by Ratings

Ratings:	Net Par		Avg. Initial	Avg. Current
	Outstanding	% of Total	Credit Enhancement	Credit Enhancement
Super Senior	\$ 15,488	25.2%	31.9%	31.0%
AAA	37,627	61.2%	30.5%	29.3%
AA	2,060	3.4%	40.4%	37.1%
A	493	0.8%	45.7%	44.6%
BBB	2,242	3.6%	35.7%	27.9%
BIG	3,566	5.8%	39.2%	21.3%
Total exposures	\$ 61,476	100.0%	32.0%	29.6%

Distribution of Direct Pooled Corporate Obligations by Asset Class

Asset class:	Net Par		Avg. Initial	Avg. Current	Avg. Rating
	Outstanding	% of Total	Credit Enhancement	Credit Enhancement	
CBOs/CLOs	\$ 36,190	58.9%	32.0%	31.8%	AAA
Synthetic investment grade pooled corporates	10,453	17.0%	20.9%	19.0%	AAA
Market value CDOs of corporates	4,156	6.8%	33.3%	28.5%	AAA
Synthetic high yield pooled corporates	3,961	6.4%	43.7%	37.5%	AAA
Trust preferred					
Banks and insurance	3,106	5.1%	46.6%	33.3%	BBB-
U.S. mortgage and real estate investment trusts	2,063	3.3%	49.9%	34.1%	BB-
European mortgage and real estate investment trusts	837	1.4%	36.7%	33.7%	BBB-
Other pooled corporates	710	1.1%	0.6%	0.3%	BBB-
Total exposures	\$ 61,476	100.0%	32.0%	29.6%	AAA

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

Assured Guaranty Ltd.

Consolidated U.S. RMBS Profile

As of June 30, 2012

(dollars in millions)

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

Ratings:	Prime First Lien ¹	Closed End Seconds	HELOC	Alt-A First Lien ¹	Option ARMs ¹	Subprime First Lien ¹	Total Net Par Outstanding
AAA	\$ 6	\$ 0	\$ 87	\$ 275	\$ -	\$ 2,357	\$ 2,725
AA	124	128	169	507	482	1,627	3,036
A	2	0	261	10	36	874	1,183
BBB	49	-	23	297	115	538	1,022
BIG	510	869	2,981	3,850	1,359	2,358	11,925
Total exposures	<u>\$ 690</u>	<u>\$ 997</u>	<u>\$ 3,520</u>	<u>\$ 4,939</u>	<u>\$ 1,991</u>	<u>\$ 7,754</u>	<u>\$ 19,892</u>

Distribution of U.S. RMBS by Year Insured² and Type of Exposure

Year insured:	Prime First Lien	Closed End Seconds	HELOC	Alt-A First Lien	Option ARMs	Subprime First Lien	Total Net Par Outstanding
2004 and prior	\$ 38	\$ 1	\$ 266	\$ 109	\$ 41	\$ 1,447	\$ 1,901
2005	172	-	796	607	89	226	1,892
2006	113	442	1,038	401	383	3,262	5,638
2007	367	555	1,421	2,462	1,396	2,724	8,925
2008	-	-	-	1,360	82	95	1,537
Total exposures	<u>\$ 690</u>	<u>\$ 997</u>	<u>\$ 3,520</u>	<u>\$ 4,939</u>	<u>\$ 1,991</u>	<u>\$ 7,754</u>	<u>\$ 19,892</u>

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

Year insured:	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ 1,226	\$ 83	\$ 59	\$ 192	\$ 341	\$ 1,901
2005	159	228	-	74	1,430	1,892
2006	1,203	1,423	830	196	1,986	5,638
2007	6	1,302	294	478	6,845	8,925
2008	132	-	-	82	1,323	1,537
Total exposures	<u>\$ 2,725</u>	<u>\$ 3,036</u>	<u>\$ 1,183</u>	<u>\$ 1,022</u>	<u>\$ 11,925</u>	<u>\$ 19,892</u>
% of total	13.7%	15.3%	5.9%	5.1%	60.0%	100.0%

1. As of March 31, 2012, the Company reclassified as AA 80% of the net par outstanding of those first lien transactions that are covered by the Bank of America Agreement and that the Company otherwise internally rated below AA. The Company reclassified those amounts as AA exposure due to the eligible assets that Bank of America has placed into trust in order to collateralize its reimbursement obligation relating to such first lien transactions.

2. Assured Guaranty has not insured any U.S. RMBS transactions since 2008.

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

Assured Guaranty Ltd.

Direct U.S. RMBS Profile (1 of 2)

As of June 30, 2012

(dollars 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

U.S. Prime First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 169	35.2%	4.9%	1.8%	12.5%	6
2006	113	54.9%	8.6%	0.2%	17.8%	1
2007	367	47.6%	7.1%	4.8%	19.5%	1
2008	-	-	-	-	-	-
	<u>\$ 649</u>	<u>45.6%</u>	<u>6.8%</u>	<u>3.2%</u>	<u>17.4%</u>	<u>8</u>

U.S. Closed End Seconds

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ -	-	-	-	-	-
2006	432	13.7%	-	61.9%	9.9%	2
2007	555	16.2%	-	68.0%	8.7%	10
2008	-	-	-	-	-	-
	<u>\$ 986</u>	<u>15.1%</u>	<u>-</u>	<u>65.3%</u>	<u>9.2%</u>	<u>12</u>

U.S. HELOC

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 747	16.0%	2.9%	16.0%	11.4%	6
2006	1,017	25.5%	3.0%	35.2%	8.8%	7
2007	1,421	40.6%	3.1%	30.6%	6.6%	9
2008	-	-	-	-	-	-
	<u>\$ 3,184</u>	<u>30.0%</u>	<u>3.0%</u>	<u>28.7%</u>	<u>8.4%</u>	<u>22</u>

U.S. Alt-A First Lien

Year insured:	Net Par Outstanding	Pool Factor	Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
2005	\$ 605	31.6%	9.1%	6.5%	19.6%	21
2006	401	37.3%	0.0%	18.6%	39.6%	7
2007	2,462	47.3%	3.6%	14.2%	33.2%	12
2008	1,360	44.1%	20.8%	14.1%	29.5%	5
	<u>\$ 4,828</u>	<u>43.6%</u>	<u>8.8%</u>	<u>13.6%</u>	<u>31.0%</u>	<u>45</u>

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

Assured Guaranty Ltd.

Direct U.S. RMBS Profile (2 of 2)

As of June 30, 2012

(dollars 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

U.S. Option ARMs

Year insured:	Net Par		Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
	Outstanding	Pool Factor				
2005	\$ 81	21.4%	6.7%	10.8%	32.3%	3
2006	377	43.6%	0.1%	17.7%	50.1%	6
2007	1,396	47.1%	1.9%	18.3%	40.2%	11
2008	82	48.7%	13.9%	13.7%	32.5%	1
	<u>\$ 1,936</u>	<u>45.4%</u>	<u>2.3%</u>	<u>17.7%</u>	<u>41.5%</u>	<u>21</u>

U.S. Subprime First Lien

Year insured:	Net Par		Subordination	Cumulative Losses	60+ Day Delinquencies	Number of Transactions
	Outstanding	Pool Factor				
2005	\$ 215	38.9%	26.3%	6.3%	34.2%	4
2006	3,255	21.0%	61.9%	17.5%	36.0%	4
2007	2,724	48.6%	18.8%	21.2%	45.5%	13
2008	79	60.6%	24.2%	15.9%	31.2%	1
	<u>\$ 6,274</u>	<u>34.1%</u>	<u>41.5%</u>	<u>18.7%</u>	<u>40.0%</u>	<u>22</u>

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

Assured Guaranty Ltd.

Direct U.S. Commercial Real Estate Profile

As of June 30, 2012

(dollars in millions)

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

U.S. CMBS

Rating:	Net Par	Pool Factor	Subordination	Cumulative	60+ Day	Number of
	Outstanding			Losses	Delinquencies	
Super senior	\$ 3,176	75.3%	38.5%	1.9%	8.9%	145
AAA	239	73.9%	28.0%	2.6%	12.4%	14
AA	-	-	-	-	-	-
A	109	34.3%	21.5%	2.0%	15.9%	1
BBB	-	-	-	-	-	-
BIG	-	-	-	-	-	-
Total exposures	\$ 3,524	74.0%	37.3%	2.0%	9.3%	160

CDOs of U.S. Commercial Real Estate and CMBS¹

	Net Par	% of Total	Avg. Initial Credit	Avg. Current
	Outstanding		Enhancement	Enhancement
CDOs of commercial real estate	\$ 603	90.0%	49.9%	53.8%
CDOs of CMBS ²	67	10.0%	32.7%	74.9%
Total exposures	\$ 670	100.0%	48.2%	55.9%

1. Represents other U.S. Commercial Real Estate not included in the table above.

2. Relates to vintages 2003 and prior.

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

Assured Guaranty Ltd.

Direct U.S. Consumer Receivables Profile

As of June 30, 2012

(dollars in millions)

Distribution of Direct U.S. Consumer Receivables by Rating

Rating:	Credit Cards	Student Loans	Manufactured Housing	Auto	Total Net Par Outstanding
Super senior	\$ 0	-	-	\$ 700	\$ 700
AAA	-	392	-	303	695
AA	-	-	60	67	127
A	-	-	-	-	-
BBB	-	869	38	-	907
BIG	-	-	137	-	137
Total exposures	\$ 0	\$ 1,261	\$ 235	\$ 1,070	\$ 2,566
Average rating	Super Senior	A	BB	AAA	AA-
Avg. initial credit enhancement	N/A	7.2%	27.5%	44.7%	24.7%
Avg. current credit enhancement	N/A	10.2%	25.4%	50.9%	28.6%

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

Assured Guaranty Ltd.
Below Investment Grade Exposures (1 of 5)
(in millions)

BIG Exposures by Asset Exposure Type

	BIG Net Par Outstanding ¹	
	June 30, 2012	December 31, 2011 ²
U.S. public finance:		
Infrastructure finance	\$ 1,344	\$ 1,335
General obligation	1,056	966
Municipal utilities	661	672
Tax backed	497	459
Transportation	241	246
Healthcare	80	134
Higher education	18	20
Housing	0	0
Other public finance	510	675
Total U.S. public finance	4,407	4,507
Non-U.S. public finance:		
Infrastructure finance	1,883	1,924
Regulated utilities	0	9
Other public finance	632	395
Total non-U.S. public finance	2,515	2,328
Total public finance	\$ 6,922	\$ 6,835
U.S. structured finance:		
RMBS	\$ 11,925	\$ 13,203
Pooled corporate obligations	3,050	3,628
Consumer receivables	385	466
Structured credit	315	361
Commercial receivables	195	202
Other structured finance	147	148
Total U.S. structured finance	16,017	18,008
Non-U.S. structured finance:		
Insurance securitizations	923	923
Pooled corporate obligations	813	980
RMBS	123	-
Commercial receivables	16	16
Total non-U.S. structured finance	1,875	1,919
Total structured finance	\$ 17,892	\$ 19,927
Total BIG net par outstanding	\$ 24,814	\$ 26,762

- Securities purchased for loss mitigation purposes represented \$1,498.7 million and \$1,293.0 million of gross par outstanding as of June 30, 2012 and December 31, 2011, respectively. In addition, under the terms of certain credit derivative contracts, the Company has obtained the obligations referenced in such contracts and recorded it in invested assets in the consolidated balance sheets. Such amounts totaled \$220.5 million and \$222.4 million in gross par outstanding as of June 30, 2012 and December 31, 2011, respectively.
- As of March 31, 2012, the Company reclassified as AA 80% of the net par outstanding of those first lien transactions that are covered by the Bank of America Agreement and that the Company otherwise internally rated below AA. The Company reclassified those amounts as AA exposure due to the eligible assets that Bank of America has placed into trust in order to collateralize its reimbursement obligation relating to such first lien transactions. This reclassification resulted in a decrease in BIG net par outstanding as of December 31, 2011 by \$1,452 million from that previously reported.

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

Assured Guaranty Ltd.

Below Investment Grade Exposures (2 of 5)

(in millions)

Net Par Outstanding by BIG Category ¹

	Financial Guaranty Insurance and Credit Derivatives Surveillance Categories ²	
	June 30, 2012	December 31, 2011 ³
Category 1		
U.S. public finance	\$ 3,285	\$ 3,395
Non-U.S. public finance	2,239	2,046
U.S. structured finance	3,610	5,882
Non-U.S. structured finance	907	927
Total Category 1	10,041	12,250
Category 2		
U.S. public finance	407	274
Non-U.S. public finance	276	282
U.S. structured finance	5,084	4,383
Non-U.S. structured finance	41	42
Total Category 2	5,808	4,981
Category 3		
U.S. public finance	715	838
Non-U.S. public finance	-	-
U.S. structured finance	7,323	7,743
Non-U.S. structured finance	927	950
Total Category 3	8,965	9,531
BIG Total	\$ 24,814	\$ 26,762

1. Assured Guaranty's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of BIG credits. BIG Category 1: Below investment grade transactions showing sufficient deterioration to make lifetime losses possible, but for which none are currently expected. Transactions on which claims have been paid but are expected to be fully reimbursed (other than investment grade transactions on which only liquidity claims have been paid) are in this category. BIG Category 2: Below investment grade transactions for which lifetime losses are expected but for which no claims (other than liquidity claims) have yet been paid. BIG Category 3: Below investment grade transactions for which lifetime losses are expected and on which claims (other than liquidity claims) have been paid. Transactions remain in this category when claims have been paid and only a recoverable remains.
2. Securities purchased for loss mitigation purposes represented \$1,498.7 million and \$1,293.0 million of gross par outstanding as of June 30, 2012 and December 31, 2011, respectively. In addition, under the terms of certain credit derivative contracts, the Company has obtained the underlying collateral of transactions and recorded it in invested assets in the consolidated balance sheets. Such amounts totaled \$220.5 million and \$222.4 million in gross par outstanding as of June 30, 2012 and December 31, 2011, respectively.
3. As of March 31, 2012, the Company reclassified as AA 80% of the net par outstanding of those first lien transactions that are covered by the Bank of America Agreement and that the Company otherwise internally rated below AA. The Company reclassified those amounts as AA exposure due to the eligible assets that Bank of America has placed into trust in order to collateralize its reimbursement obligation relating to such first lien transactions. This reclassification resulted in a decrease in BIG net par outstanding as of December 31, 2011 by \$1,452 million from that previously reported.

Assured Guaranty Ltd.

Below Investment Grade Exposures (3 of 5)

As of June 30, 2012

(dollars in millions)

Public Finance BIG Exposures Greater Than \$50 Million

Name or description	Net Par Outstanding	Internal Rating
U.S. public finance:		
Skyway Concession Company LLC	\$ 1,102	BB
Jefferson County Alabama Sewer	479	D
Detroit (City of) Michigan	355	BB
San Joaquin Hills California Transportation	241	BB-
GMAC Military Housing Trust XVIII (Hickam Air Force Base)	216	BB
Lackawanna County, Pennsylvania	184	BB-
Jefferson County Alabama School Sales Tax	174	BB
Stockton City, California	161	BB-
Woonsocket (City of), Rhode Island	154	BB
Guaranteed Student Loan Transaction	149	B
Guaranteed Student Loan Transaction	130	B
Orlando Tourist Development Tax - Florida	118	BB+
Harrisburg (City of) Pennsylvania General Obligation	95	B-
Puerto Rico Public Finance Corporation - Commonwealth Appropriation	87	BB+
Xenia Rural Water District, Iowa	81	B
Mashantucket Pequot Tribe, Connecticut	60	B
Bessemer City, Alabama - Water Revenue	58	BB+
Guaranteed Student Loan Transaction	57	B
Total	\$ 3,901	
Non-U.S. public finance:		
Reliance Rail Finance Pty. Limited	\$ 685	BB
M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	393	BB
Cross City Tunnel Motorway Finance Limited	313	BB
Hellenic Republic	276	D
Valencia Fair	246	BB-
Aeroporto Di Roma (ADR) Romulus Finance S.R.L. (Rome Airport)	238	BB
Autovia de la Mancha, S.A.	138	BB-
Alte Liebe I Limited (Wind Farm)	87	BB
Metropolitano de Porto Lease and Sublease of Railroad Equipment	56	B+
Total	\$ 2,432	
Total	\$ 6,333	

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

Assured Guaranty Ltd.

Below Investment Grade Exposures (4 of 5)

As of June 30, 2012

(dollars in millions)

Structured Finance BIG Exposures Greater Than \$50 Million

Name or description	Net Par Outstanding	Internal Rating	Current Credit Enhancement	60+ Day Delinquencies
U.S. structured finance:				
U.S. RMBS:				
Deutsche Alt-A Securities Mortgage Loan 2007-2	\$ 713	CCC	0.0%	31.5%
MABS 2007-NCW	526	B	25.2%	62.5%
Countrywide HELOC 2006-I	389	CCC	0.0%	6.0%
Private Residential Mortgage Transaction	386	B	12.1%	29.7%
Private Residential Mortgage Transaction	378	BB	17.3%	30.3%
MortgageIT Securities Corp. Mortgage Loan 2007-2	367	B	7.1%	19.5%
Option One 2007-FXD2	361	CCC	12.7%	27.4%
Deutsche Alt-A Securities Mortgage Loan 2007-3	349	B	2.6%	24.2%
Private Residential Mortgage Transaction	345	CCC	10.3%	29.5%
Countrywide HELOC 2006-F (includes \$97.1 million purchased, 26% owned) ¹	319	CCC	0.0%	16.6%
Private Residential Mortgage Transaction	313	CCC	7.7%	31.6%
Private Residential Mortgage Transaction	303	BB	17.0%	28.4%
Nomura Asset Accept. Corp. 2007-1 (includes \$0.7 million purchased, 0.2% owned) ¹	300	CCC	0.0%	41.2%
MASTR 2007-3 (NEGAM)	288	CCC	0.0%	50.8%
AAA Trust 2007-2 (includes \$103.1 million purchased, 36% owned) ¹	288	CCC	18.6%	41.1%
Countrywide Home Equity Loan Trust 2005-J	246	CCC	0.0%	15.4%
Countrywide Home Equity Loan Trust 2007-D	244	CCC	0.0%	7.0%
Terwin Mortgage Trust 2006-12SL (100% owned) ¹	244	B	-	11.1%
Countrywide HELOC 2005-D	239	CCC	0.0%	12.1%
Countrywide HELOC 2007-A (includes \$18.9 million purchased, 8% owned) ¹	205	CCC	0.0%	6.9%
Terwin Mortgage Trust 2007-1SL (100% owned) ¹	200	B	-	8.2%
Terwin Mortgage Trust 2006-10SL (includes \$144.1 million purchased, 74% owned) ¹	188	CCC	-	8.3%
GMACM 2004-HE3	188	B	0.0%	3.1%
Countrywide HELOC 2007-B	187	CCC	0.0%	4.7%
Soundview 2007-WMC1	181	CCC	-	67.6%
Private Residential Mortgage Transaction	178	BB	27.5%	31.6%
FHABS 2007-HE1 HELOC	158	BB	0.0%	3.2%
New Century 2005-A	155	CCC	19.0%	32.7%
Renaissance (DELTA) 2007-3 (includes \$132.7 million purchased, 88% owned) ¹	146	CCC	10.8%	31.5%
IndyMac 2007-H1 HELOC	146	CCC	0.0%	7.3%
FHABS 2006-HE2 HELOC	134	BB	0.0%	3.6%
MARM 2007-1 (FKA MASTR 2007-OA1) (includes \$1.0 million purchased, 0.7% owned) ¹	132	CCC	0.0%	36.4%
CSAB 2006-3	122	CCC	0.0%	47.4%
Countrywide HELOC 2005-C	115	CCC	0.0%	10.8%
Lehman Excess Trust 2007-16N	103	CCC	0.0%	48.8%
Taylor Bean & Whitaker 2007-2 (includes \$24.9 million purchased, 28% owned) ¹	89	CCC	0.0%	21.5%
FlagStar HELOC 2005-1	81	BB	23.8%	4.1%
FlagStar HELOC 2006-2	80	CCC	25.9%	4.4%
CSAB 2006-2 (includes \$12.0 million purchased, 14% owned) ¹	79	CCC	0.0%	41.9%
Soundview Home Loan Trust 2008-1	79	BB	24.2%	31.2%
MASTR Asset-Backed Securities Trust 2005-NC2	77	CCC	-	29.7%
American Home Mortgage Assets Trust 2007-4	77	CCC	0.0%	37.6%
NAAC 2007-S2 (includes \$1.9 million purchased, 3% owned) ¹	63	CCC	0.0%	8.6%
CSMC 2007-3	62	CCC	0.0%	31.0%
Terwin Mortgage Trust 2005-16HE	62	CCC	0.9%	25.6%
CWALT Alternative Loan Trust 2007-HY9	59	B	2.5%	50.3%
Terwin Mortgage Trust 2007-6ALT (includes \$50.0 million purchased, 60% owned) ¹	57	CCC	0.0%	46.7%
Countrywide HELOC 2006-H (includes \$20.6 million purchased, 22% owned) ¹	54	CCC	-	17.2%
CSAB Mortgage-Backed Trust 2007-1 (includes \$10.3 million purchased, 20% owned) ¹	52	CCC	0.0%	35.1%
Total U.S. RMBS	\$ 10,107			

1. Represents amounts of gross par which were purchased or obtained as part of loss mitigation strategies and recorded as part of the investment portfolio.

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

Assured Guaranty Ltd.
Below Investment Grade Exposures (5 of 5)
As of June 30, 2012
(dollars in millions)

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

Name or description	Net Par Outstanding	Internal Rating	Current Credit Enhancement
U.S. structured finance:			
Other:			
Taberna Preferred Funding IV, LTD.	\$ 292	CCC	24.0%
Taberna Preferred Funding III, LTD.	287	CCC	16.0%
Alesco Preferred Funding XVI, LTD.	255	B+	5.6%
Taberna Preferred Funding II, LTD.	220	CCC	22.6%
Alesco Preferred Funding XVII, LTD.	202	B+	15.3%
Attentus CDO I Limited	197	BB	34.8%
Trapeza CDO XI	167	BB-	31.9%
Taberna Preferred Funding VI, LTD.	152	CCC	18.3%
Preferred Term Securities XIX, LTD.	144	BB+	30.8%
US Capital Funding IV, LTD.	143	B-	15.0%
Alesco Preferred Funding VI	143	BB+	30.8%
Weinstein Film Securitization	142	CCC	N/A
Trapeza CDO X, LTD.	133	BB-	34.1%
Alesco Preferred Funding VII	131	BB+	32.2%
NRG Peaker (100% owned) ^{1 2}	130	CCC	N/A
Taberna Preferred Funding VIII, LTD.	117	BB	45.8%
Preferred Term Securities XVI, LTD.	117	B	23.3%
Taberna Preferred Funding VIII, LTD.	112	BB	45.8%
Private Other Non-Municipal Transaction (100% owned) ¹	111	CCC	N/A
America West Airlines Series 2000-1 G-1	83	BB	N/A
National Collegiate Trust Series 2007-4	81	CCC	N/A
Conseco Finance Manufactured Housing Series 2001-2	77	B	15.8%
National Collegiate Trust Series 2007-3	69	CCC	N/A
CAPCO - Excess SIPC Excess of Loss Reinsurance	63	BB	N/A
GreenPoint 2000-4	60	CCC	8.3%
Preferred Term Securities XVIII, LTD.	57	BB	33.8%
Preferred Term Securities XX, LTD.	52	BB	27.2%
Total other	\$ 3,737		
Total	\$ 13,844		
Non-U.S. structured finance:			
Ballantyne Re Plc (includes \$169.0 million purchased, 34% owned) ¹	\$ 500	CC	
Orkney Re II, Plc	423	CCC	
Gleneagles Funding LTD.	230	BB	
FHB 8.95% 2016	123	BB+	
Augusta Funding Limited 07 Perpetual Note Issue	81	BB	
Augusta Funding Limited 05 Perpetual Note Issue	81	BB	
Private Pooled Corporate Transaction	81	BB	
Private Pooled Corporate Transaction	64	BB	
Private Pooled Corporate Transaction	56	BB	
Total	\$ 1,639		
Total	\$ 15,483		

1. Represents amounts of gross par which were purchased or obtained as part of loss mitigation strategies and recorded as part of the investment portfolio.

2. Net par shown is net of \$80.2 million of ceded par. The Company owns 100% of the collateral in the insured transaction.

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

Assured Guaranty Ltd.

Largest Exposures by Sector (1 of 4)

As of June 30, 2012

(in millions)

50 Largest U.S. Public Finance Exposures

Credit name:	Net Par Outstanding	Internal Rating
New Jersey (State of)	\$ 4,335	A+
California (State of)	3,416	BBB+
New York (City of) New York	3,338	AA
Massachusetts (Commonwealth of)	2,984	AA
Chicago (City of) Illinois	2,770	A+
New York (State of)	2,619	AA-
Port Authority of New York and New Jersey	2,489	AA-
Miami-Dade County Florida Aviation Authority - Miami International Airport	2,444	A
New York MTA Transportation Authority	2,444	A
Los Angeles California Unified School District	2,353	AA-
Puerto Rico Public Finance Corporation - Commonwealth Appropriation	2,272	BBB-
Massachusetts (Commonwealth of) State Sales Tax	2,173	AA
Houston Texas Water and Sewer Authority	2,129	AA+
Wisconsin (State of)	2,116	AA-
Illinois (State of)	1,979	BBB
Washington (State of)	1,940	AA-
University of California Board of Regents	1,935	AA-
Philadelphia (City of) Pennsylvania	1,868	BBB-
Pennsylvania (Commonwealth of)	1,841	AA
Long Island Power Authority	1,714	A-
Michigan (State of)	1,693	A+
New York City Municipal Water Finance Authority	1,692	AA+
Los Angeles California Department of Water & Power - Electric Revenue Bonds	1,654	AA-
Chicago-O'Hare International Airport	1,626	A
Illinois Toll Highway Authority	1,571	AA
Miami-Dade County Florida School Board	1,546	A-
Massachusetts (Commonwealth of) Water Resources	1,533	AA
Arizona (State of)	1,530	A+
Chicago Illinois Public Schools	1,432	A+
Atlanta Georgia Water & Sewer System	1,422	BBB+
New Jersey Turnpike Authority	1,414	A-
Metro Washington Airport Authority	1,405	A+
Philadelphia Pennsylvania School District	1,310	A
Puerto Rico Highway and Transportation Authority	1,288	BBB
Kentucky (Commonwealth of)	1,224	A+
Detroit Michigan Sewer	1,190	BBB+
Orlando-Orange County Expressway Authority, Florida	1,188	A+
Puerto Rico Electric Power Authority	1,176	A-
Georgia Board of Regents Revenue Stream	1,169	A
California State University System Trustee	1,152	A+
Connecticut (State of)	1,147	AA+
District of Columbia	1,136	A+
Broward County Florida School Board	1,122	A+
Skyway Concession Company LLC	1,102	BB
Pennsylvania Turnpike Commission	1,101	A
North Texas Tollway Authority	1,079	A
New York State Thruway - Highway Trust Fund	1,044	AA-
Hawaii (State of) Department of Hawaiian Home Lands	1,032	AA
New York State Thruway Authority	1,021	A
Louisiana (State of) Gas and Fuel Tax	1,010	AA
Total top 50 U.S. public finance exposures	\$ 88,168	

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

Assured Guaranty Ltd.

Largest Exposures by Sector (2 of 4)

As of June 30, 2012

(dollars in millions)

50 Largest U.S. Structured Finance Exposures

Credit name:	<u>Net Par Outstanding</u>	<u>Internal Rating</u>	<u>Credit Enhancement</u>
Fortress Credit Opportunities I, LP.	\$ 1,328	AA	32.3%
Stone Tower Credit Funding	1,254	AAA	32.0%
Synthetic Investment Grade Pooled Corporate CDO	1,189	AAA	13.3%
Synthetic High Yield Pooled Corporate CDO	978	AAA	40.1%
Synthetic Investment Grade Pooled Corporate CDO	768	Super Senior	14.8%
Synthetic Investment Grade Pooled Corporate CDO	763	Super Senior	29.0%
Synthetic Investment Grade Pooled Corporate CDO	745	Super Senior	28.0%
Synthetic High Yield Pooled Corporate CDO	734	AAA	37.4%
Mizuho II Synthetic CDO	718	A	N/A
Deutsche Alt-A Securities Mortgage Loan 2007-2	713	CCC	0.0%
Private Consumer Receivable Transaction	700	Super Senior	53.4%
Synthetic Investment Grade Pooled Corporate CDO	697	Super Senior	22.5%
280 Funding I	660	AAA	38.1%
Synthetic Investment Grade Pooled Corporate CDO	655	AAA	15.8%
ARES Enhanced Credit Opportunities Fund	559	AAA	32.1%
Eastland CLO, LTD.	532	Super Senior	39.9%
MABS 2007-NCW	526	B	25.2%
Synthetic Investment Grade Pooled Corporate CDO	516	Super Senior	14.3%
Denali CLO VII, LTD.	497	AAA	19.7%
Synthetic High Yield Pooled Corporate CDO	496	AAA	46.7%
Shenandoah Trust Capital I Term Securities	484	A+	N/A
Churchill Financial Cayman	467	AAA	35.1%
Phoenix CLO II	452	AAA	21.5%
SLM Private Credit Student Trust 2007-A	450	BBB	13.2%
Synthetic High Yield Pooled Corporate CDO	432	AAA	28.9%
LIICA Holdings, LLC	428	AA	N/A
KKR Financial CLO 2007-1	409	AAA	51.6%
Grayson CLO	399	Super Senior	30.5%
SLM Private Credit Student Loan Trust 2007-6	392	AAA	3.9%
Countrywide HELOC 2006-I	389	CCC	0.0%
Private Residential Mortgage Transaction	386	B	12.1%
Synthetic High Yield Pooled Corporate CDO	384	AAA	29.3%
Synthetic Investment Grade Pooled Corporate CDO	380	Super Senior	29.2%
Private Residential Mortgage Transaction	378	BB	17.3%
Synthetic High Yield Pooled Corporate CDO	374	Super Senior	34.6%
ARES Enhanced Credit Opportunities Fund	369	AAA	32.1%
MortgageIT Securities Corp. Mortgage Loan 2007-2	367	B	7.1%
Symphony Credit Opportunities Fund	364	AAA	25.3%
Stone Tower CLO V	362	Super Senior	28.9%
Option One 2007-FXD2	361	CCC	12.7%
Southfork CLO LTD. Series 2005-A1	359	AAA	31.1%
SLM Private Credit Student Loan Trust 2006-C	356	BBB	12.2%
Synthetic Investment Grade Pooled Corporate CDO	355	Super Senior	14.2%
Deutsche Alt-A Securities Mortgage Loan 2007-3	349	B	2.6%
MUIR GROVE CLO	345	AAA	21.7%
Private Residential Mortgage Transaction	345	CCC	10.3%
Synthetic Investment Grade Pooled Corporate CDO	343	AAA	16.3%
CIFC Funding 2006-1	342	AAA	23.9%
CENTURION CDO 9	340	AAA	22.7%
Private Other Structured Finance Transaction	334	A-	N/A
Total top 50 U.S. structured finance exposures	<u>\$ 26,523</u>		

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

Assured Guaranty Ltd.

Largest Exposures by Sector (3 of 4)

As of June 30, 2012

(in millions)

25 Largest Non-U.S. Exposures

Credit name:	Net Par Outstanding	Internal Rating
Quebec Province	\$ 2,425	A+
Sydney Airport Finance Company	1,553	BBB
Thames Water Utility Finance PLC	1,487	A-
Fortress Credit Investments I	1,042	AAA
Channel Link Enterprises Finance PLC	919	BBB
Southern Gas Networks PLC	834	BBB
International AAA Sovereign Debt Synthetic CDO	821	AAA
Capital Hospitals (Issuer) PLC	736	BBB-
Campania Region - Healthcare receivable	716	BBB+
Japan Expressway Holding and Debt Repayment Agency	695	AA
Essential Public Infrastructure Capital II	687	Super Senior
Reliance Rail Finance Pty. Limited	685	BB
Southern Water Services Limited	678	A-
International Infrastructure Pool	669	A-
International Infrastructure Pool	668	A-
International Infrastructure Pool	668	A-
Societe des Autoroutes du Nord et de l'est de France S.A.	659	BBB+
ETSA Utility Finance Pty. Limited	577	A-
Envestra Limited	549	BBB-
Central Nottinghamshire Hospitals PLC	547	BBB
Powercor Australia LLC	532	A-
Synthetic Investment Grade Pooled Corporate CDO	520	Super Senior
Ballantyne Re Plc (includes \$169.0 million purchased, 34% owned)	500	CC
NewHospitals (St Helens & Knowsley) Finance PLC	499	AA-
Integrated Accomodation Services PLC	489	BBB+
Total top 25 non-U.S. exposures	\$ 20,155	

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

Assured Guaranty Ltd.

Largest Exposures by Sector (4 of 4)
As of June 30, 2012
(in millions)

10 Largest U.S. Residential Mortgage Servicers Exposures

Servicer:	Net Par Outstanding
Bank of America, N.A. ¹	\$ 5,992
Wells Fargo Bank N.A.	2,405
Homeward Residential Inc.	2,174
Ally Financial, Inc. ²	1,695
Specialized Loan Servicing LLC	1,461
Ocwen Loan Servicing, LLC	1,352
JPMorgan Chase Bank	1,187
Select Portfolio Servicing, Inc.	947
OneWest Bank Group LLC	513
Carrington Mortgage Services, LLC	327
Total top 10 U.S. residential mortgage servicers exposures	\$ 18,053

10 Largest U.S. Healthcare Exposures

Credit name:	Net Par Outstanding	Internal Rating	State
CHRISTUS Health	\$ 467	A+	TX
MultiCare Health System	446	A+	WA
Methodist Healthcare, TN	375	A	TN
Hospital Sisters Health Services Inc Obligated Group	345	AA-	IL
Catholic Health System (fka Mercy Health System) Ohio Revenue Stream	336	A+	OH
Iowa Health System	321	A+	IA
Carolina HealthCare System	319	AA-	NC
Bon Secours Health System Obligated Group	318	A-	MD
Virtua Health - New Jersey	315	A	NJ
Lehigh Valley Health Network	311	A+	PA
Total top 10 U.S. healthcare exposures	\$ 3,553		

1. Includes Countrywide Home Loans Servicing LP.

2. Includes GMAC Mortgage LLC, Residential Funding Corp and Homecomings Financial Network, Inc.

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

Assured Guaranty Ltd.

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

Rollforward of Net Expected Loss and LAE to be Paid for the Three Months Ended June 30, 2012

Financial Guaranty Insurance Contracts and Credit Derivatives	Net Expected Loss to be Paid as of March 31, 2012	Economic Loss Development During 2Q-12 ¹	(Paid) Recovered Losses During 2Q-12	Net Expected Loss to be Paid as of June 30, 2012
U.S. RMBS				
First lien:				
Prime first lien	\$ 2.2	\$ 2.0	\$ -	\$ 4.2
Alt-A first lien	268.2	14.4	38.5	321.1
Option ARMs	118.9	10.9	(127.4)	2.4
Subprime first lien	247.8	10.1	(21.8)	236.1
Total first lien	637.1	37.4	(110.7)	563.8
Second lien:				
Closed end seconds	(101.2)	(1.6)	73.3	(29.5)
HELOC	(42.5)	14.8	(36.0)	(63.7)
Total second lien	(143.7)	13.2	37.3	(93.2)
Total U.S. RMBS	493.4	50.6	(73.4)	470.6
TruPS	58.2	(6.4)	(1.7)	50.1
Other structured finance	295.3	31.8	(7.2)	319.9
U.S. public finance	32.7	35.5	(9.8)	58.4
Non-U.S. public finance	303.4	(16.3)	15.7	302.8
Subtotal	1,183.0	95.2	(76.4)	1,201.8
Other	1.9	(6.0)	-	(4.1)
Total	\$ 1,184.9	\$ 89.2	\$ (76.4)	\$ 1,197.7

Rollforward of Net Expected Loss and LAE to be Paid for the Six Months Ended June 30, 2012

Financial Guaranty Insurance Contracts and Credit Derivatives	Net Expected Loss to be Paid as of December 31, 2011	Economic Loss Development During 2012 ¹	(Paid) Recovered Losses During 2012	Net Expected Loss to be Paid as of June 30, 2012
U.S. RMBS				
First lien:				
Prime first lien	\$ 1.8	\$ 2.4	\$ -	\$ 4.2
Alt-A first lien	294.5	13.1	13.5	321.1
Option ARMs	210.4	8.7	(216.7)	2.4
Subprime first lien	241.3	25.7	(30.9)	236.1
Total first lien	748.0	49.9	(234.1)	563.8
Second lien:				
Closed end seconds	(86.1)	(4.5)	61.1	(29.5)
HELOC	(31.1)	22.4	(55.0)	(63.7)
Total second lien	(117.2)	17.9	6.1	(93.2)
Total U.S. RMBS	630.8	67.8	(228.0)	470.6
TruPS	64.2	(10.8)	(3.3)	50.1
Other structured finance	342.1	9.4	(31.6)	319.9
U.S. public finance	15.8	58.3	(15.7)	58.4
Non-U.S. public finance	51.1	182.3	69.4	302.8
Subtotal	1,104.0	307.0	(209.2)	1,201.8
Other	1.9	(6.0)	-	(4.1)
Total	\$ 1,105.9	\$ 301.0	\$ (209.2)	\$ 1,197.7

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

Assured Guaranty Ltd.

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

Financial Guaranty Insurance and Credit Derivatives U.S. RMBS R&W Benefit Development for the Three Months Ended June 30, 2012

	Future Net R&W Benefit at March 31, 2012	R&W Economic Loss Development During 2Q-12	R&W Recovered During 2Q-12	Future Net R&W Benefit at June 30, 2012
Financial guaranty insurance:				
Prime first lien	\$ 3.6	\$ 0.4	\$ -	\$ 4.0
Alt-A first lien	211.1	11.6	(63.2)	159.5
Option ARMs	723.8	31.5	(58.2)	697.1
Subprime first lien	96.4	(3.0)	(0.1)	93.3
Closed end seconds	221.6	0.2	(84.9)	136.9
HELOC	141.1	(2.4)	(16.6)	122.1
Subtotal	\$ 1,397.6	\$ 38.3	\$ (223.0)	\$ 1,212.9
Credit derivatives	\$ 233.4	\$ 7.3	\$ -	\$ 240.7
Total	\$ 1,631.0	\$ 45.6	\$ (223.0)	\$ 1,453.6

Financial Guaranty Insurance and Credit Derivatives U.S. RMBS R&W Benefit Development for the Six Months Ended June 30, 2012

	Future Net R&W Benefit at December 31, 2011	R&W Economic Loss Development During 2012	R&W Recovered During 2012	Future Net R&W Benefit at June 30, 2012
Financial guaranty insurance:				
Prime first lien	\$ 3.0	\$ 1.0	\$ -	\$ 4.0
Alt-A first lien	202.7	21.0	(64.2)	159.5
Option ARMs	713.9	59.0	(75.8)	697.1
Subprime first lien	101.5	(8.1)	(0.1)	93.3
Closed end seconds	223.8	(2.0)	(84.9)	136.9
HELOC	189.9	(0.2)	(67.6)	122.1
Subtotal	\$ 1,434.8	\$ 70.7	\$ (292.6)	\$ 1,212.9
Credit derivatives	\$ 215.0	\$ 25.7	\$ -	\$ 240.7
Total	\$ 1,649.8	\$ 96.4	\$ (292.6)	\$ 1,453.6

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

	Number of Risks as of		Debt Service as of	
	June 30, 2012	December 31, 2011	June 30, 2012	December 31, 2011
Financial guaranty insurance:				
Prime first lien	1	1	\$ 39.3	\$ 41.9
Alt-A first lien	19	22	1,492.9	1,732.6
Option ARMs	10	12	1,129.4	1,459.7
Subprime first lien	5	5	842.0	905.8
Closed end seconds	4	4	245.3	361.4
HELOC	6	15	543.6	2,978.5
Subtotal	45	59	\$ 4,292.5	\$ 7,479.9
Credit derivatives	8	8	\$ 3,308.1	\$ 3,322.0
Total	53	67	\$ 7,600.6	\$ 10,801.9

Assured Guaranty Ltd.

Losses Incurred
As of June 30, 2012
(in millions)

Financial Guaranty Insurance Contracts and Credit Derivatives	Total Net Par Outstanding for BIG Transactions ¹	2Q-12 Losses Incurred	2012 Losses Incurred	Net Reserve and Credit Impairment	Net Salvage and Subrogation Assets	Net Expected Loss to be Expensed
U.S. RMBS						
First lien:						
Prime first lien	\$ 509.8	\$ 0.5	\$ 0.9	\$ 2.1	\$ -	\$ 0.6
Alt-A first lien	3,849.5	21.5	19.1	180.0	-	129.3
Option ARMs	1,358.7	26.0	77.6	123.1	189.8	126.2
Subprime first lien	2,357.7	16.7	30.1	144.3	0.3	79.2
Total first lien	8,075.7	64.7	127.7	449.5	190.1	335.3
Second lien:						
Closed end seconds	868.9	3.6	0.9	0.9	67.1	93.1
HELOC	2,980.7	4.1	19.2	45.4	194.3	169.2
Total second lien	3,849.6	7.7	20.1	46.3	261.4	262.3
Total U.S. RMBS	11,925.3	72.4	147.8	495.8	451.5	597.6
TruPS	3,022.4	(5.3)	(37.2)	37.8	-	1.9
Other structured finance	2,944.2	29.8	24.9	288.3	6.6	49.0
U.S. public finance	4,406.7	24.9	44.6	108.2	75.2	32.4
Non-U.S. public finance	2,514.9	5.6	194.7	280.5	-	19.1
Subtotal	24,813.5	127.4	374.8	1,210.6	533.3	700.0
Effect of consolidating FG VIEs	-	0.5	(1.8)	(66.1)	(202.8)	(196.8)
Total	24,813.5	127.9	373.0	1,144.5	330.5	503.2
Other	-	(6.0)	(6.0)	1.9	6.0	-
Total	\$ 24,813.5	\$ 121.9	\$ 367.0	\$ 1,146.4	\$ 336.5	\$ 503.2

	Insurance Reserves	Credit Impairment on Credit Derivative Contracts ²	Reserve and Credit Impairment	Salvage and Subrogation Recoverable	Net
Gross	\$ 995.2	\$ 332.6	\$ 1,327.8	\$ 376.8	\$ 951.0
Ceded	170.5	10.9	181.4	40.3 ³	141.1
Net	\$ 824.7	\$ 321.7	\$ 1,146.4	\$ 336.5	\$ 809.9

- As of June 30, 2012, securities purchased for loss mitigation purposes represented \$1,498.7 million of gross par outstanding. In addition, under the terms of certain credit derivative contracts, the Company has obtained the underlying collateral of transactions and recorded it in invested assets in the consolidated balance sheets. Such amounts totaled \$220.5 million in gross par outstanding.
- Credit derivative assets and liabilities recorded on the balance sheet considers estimates of expected losses.
- Recorded in "reinsurance balances payable, net" on the consolidated balance sheets.

Assured Guaranty Ltd.

Effect of Adoption of New Accounting Guidance on Acquisition Costs

(in millions, except per share amounts)

	As of and for Six Months Ended June 30, 2011	Year Ended December 31,			
		2011	2010	2009	2008
GAAP Income Statement Data					
Amortization of deferred acquisition costs	\$ (7.4)	\$ (13.7)	\$ (11.8)	\$ (9.7)	\$ (7.5)
Other operating expenses	10.7	18.7	26.5	17.2	21.8
Total expenses	3.3	5.0	14.7	7.5	14.3
Income (loss) before income taxes	(3.3)	(5.0)	(14.7)	(7.5)	(14.3)
Net income (loss) attributable to Assured Guaranty Ltd.	(1.8)	(2.9)	(9.2)	(4.5)	(9.2)
Net income (loss) attributable to Assured Guaranty Ltd. per diluted share	(0.01)	(0.02)	(0.05)	(0.03)	(0.10)
GAAP Balance Sheet Data					
Deferred acquisition costs	(97.7)	(99.5)	(94.4)	(79.7)	(72.2)
Shareholders' equity attributable to Assured Guaranty Ltd.	(65.9)	(66.8)	(64.0)	(54.8)	(50.3)
Book value attributable to Assured per share	(0.36)	(0.37)	(0.35)	(0.30)	(0.56)
Non-GAAP Financial Measures ¹					
Operating income	(1.8)	(2.9)	(9.2)	(4.5)	(9.2)
Operating income per diluted share	(0.01)	(0.02)	(0.05)	(0.03)	(0.11)
Operating shareholders' equity	(65.9)	(66.8)	(64.0)	(54.8)	(50.3)
Operating shareholders' equity per share	(0.36)	(0.37)	(0.35)	(0.30)	(0.56)

1. The adoption of new accounting guidance on acquisition costs had no effect on adjusted book value and adjusted book value per share.

Assured Guaranty Ltd.

Summary Financial and Statistical Data

(dollars in millions, except per share amounts)

	As of and for Six Months Ended June 30, 2012	Year Ended December 31,			
		2011	2010	2009	2008
GAAP Summary Income Statement Data					
Net earned premiums	\$ 413.0	\$ 920.1	\$ 1,186.7	\$ 930.4	\$ 261.4
Net investment income	199.4	396.1	361.4	262.4	162.6
Realized gains and other settlements on credit derivatives	(79.6)	6.0	153.5	163.6	117.6
Total expenses	544.1	789.9	778.9	807.7	455.2
Income (loss) before income taxes	(142.0)	1,029.4	534.6	109.4	98.0
Net income (loss) attributable to Assured Guaranty Ltd.	(106.5)	772.7	484.5	81.5	59.7
Net income (loss) attributable to Assured Guaranty Ltd. per diluted share	(0.58)	4.16	2.56	0.63	0.67
GAAP Summary Balance Sheet Data					
Total investments and cash	\$ 11,497.0	\$ 11,313.3	\$ 10,849.3	\$ 11,012.5	\$ 3,643.6
Total assets	18,074.5	18,024.7	19,777.9	16,724.6	4,505.4
Unearned premium reserve	5,583.4	5,962.8	6,972.9	8,381.0	1,233.7
Loss and LAE reserve	995.2	679.0	574.4	299.7	196.8
Long-term debt	846.4	1,038.3	1,052.9	1,066.5	347.2
Shareholders' equity attributable to Assured Guaranty Ltd.	4,724.1	4,651.6	3,669.5	3,454.5	1,875.9
Book value attributable to Assured per share	24.36	25.52	19.97	18.76	20.62
Non-GAAP Financial Measures					
Operating income	\$ 185.2	\$ 601.5	\$ 654.9	\$ 277.7	\$ 65.3
Operating income per diluted share	0.99	3.24	3.46	2.15	0.73
Adjusted book value	9,114.0	8,987.6	8,988.9	8,886.9	3,817.8
PVP	105.9	242.7	362.7	640.2	823.0
Other Financial Information (GAAP Basis)					
Net debt service outstanding (end of period)	\$ 835,088	\$ 845,665	\$ 927,143	\$ 958,265	\$ 348,816
Gross debt service outstanding (end of period)	890,592	936,132	1,029,982	1,095,037	354,858
Net par outstanding (end of period)	552,934	558,048	617,131	640,422	222,722
Gross par outstanding (end of period)	586,924	614,342	681,248	726,929	227,164
Other Financial Information (Statutory Basis)¹					
Net debt service outstanding (end of period)	\$ 814,595	\$ 829,545	\$ 905,131	\$ 942,193	\$ 348,816
Gross debt service outstanding (end of period)	868,873	917,719	1,004,096	1,076,039	354,858
Net par outstanding (end of period)	534,007	543,100	598,843	626,274	222,722
Gross par outstanding (end of period)	566,893	597,290	659,765	709,786	227,164
Consolidated qualified statutory capital	5,770	5,688	4,915	4,841	2,310
Consolidated policyholders' surplus and reserves	10,829	10,626	10,247	10,409	3,652
Ratios:					
Par insured to statutory capital	93:1	95:1	122:1	129:1	96:1
Capital ratio ²	141:1	146:1	184:1	195:1	151:1
Financial resources ratio ³	63:1	65:1	72:1	72:1	70:1
Gross debt service written:					
Public finance - U.S.	\$ 14,676	\$ 26,630	\$ 48,990	\$ 87,940	\$ 68,265
Public finance - non-U.S.	40	208	51	894	3,350
Structured finance - U.S.	38	1,731	2,962	2,501	13,972
Structured finance - non-U.S.	-	-	-	-	5,490
Total gross debt service written	<u>\$ 14,754</u>	<u>\$ 28,569</u>	<u>\$ 52,003</u>	<u>\$ 91,335</u>	<u>\$ 91,077</u>
Net debt service written	\$ 14,754	\$ 28,569	\$ 52,003	\$ 91,335	\$ 89,871
Net par written	9,586	16,892	30,759	49,759	55,418
Gross par written	9,586	16,892	30,759	49,921	56,140

1. Statutory amounts prepared on a consolidated basis. The NAIC Annual Statements for U.S. Domiciled Insurance Subsidiaries are prepared on a stand-alone basis.
2. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
3. The financial resources ratio is calculated by dividing net debt service outstanding by total claims paying resources.

Note: Please refer to the explanation of Non-GAAP Financial Measures set forth at the end of this Financial Supplement.

Glossary

Net Par Outstanding and Internal Ratings

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

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

Performance Indicators

The performance information described below is obtained from third parties and/or provided by the trustee and may be subject to restatement or correction:

60+ Day Delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or real estate owned divided by current collateral balance.

Average Credit Enhancement is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured Guaranty's exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes.

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

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

Subordination represents the sum of subordinate tranches and overcollateralization, expressed as a percentage of total transaction size, and does not include any benefit from excess spread collections that may be used to absorb losses. Many of the closed-end second lien RMBS transactions insured by the Company have unique structures whereby the collateral may be written down for losses without a corresponding write-down of the obligations insured by the Company. Many of these transactions are currently undercollateralized, with the principal amount of collateral being less than the principal amount of the obligation insured by the Company. The Company is not required to pay principal shortfalls until legal maturity (rather than making timely principal payments), and takes the undercollateralization into account when estimating expected losses for these transactions.

Sectors

Below are brief descriptions of selected types of public and structured finance obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s Annual Report on Form 10-K for December 31, 2011.

Public Finance:

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

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

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

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

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

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

Glossary (continued)

Sectors (continued)

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

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

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

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

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

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

Structured Finance:

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

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

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

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures

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

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

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

Operating Income: Management believes that operating income is a useful measure because it clarifies the understanding of the underwriting results of the Company's financial guaranty insurance business, and also includes financing costs and net investment income, and enables investors and analysts to evaluate the Company's financial results as compared with the consensus analyst estimates distributed publicly by financial databases. Operating income is defined as net income (loss) attributable to 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.

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.

Non-GAAP Financial Measures (continued)

Adjusted Book Value: Management believes that adjusted book value is a useful measure because it enables an evaluation of the net present value of the Company's in-force premiums and revenues in addition to operating shareholders' equity. The premiums and revenues included in adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current adjusted book value due to changes in foreign exchange rates, 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. 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%. 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.



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