



QUARTERLY STATEMENT

AS OF JUNE 30, 2016  
OF THE CONDITION AND AFFAIRS OF THE  
ASSURED GUARANTY CORP.

NAIC Group Code	0194	0194	NAIC Company Code	30180	Employer's ID Number	52-1533088
	(Current Period)	(Prior Period)				
Organized under the Laws of	Maryland		State of Domicile or Port of Entry	Maryland		
Country of Domicile	United States					
Incorporated/Organized	10/25/1985		Commenced Business	01/28/1988		
Statutory Home Office	31 W 52nd Street		New York, NY, US 10019			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	31 W 52nd Street		New York, NY, US 10019		212-974-0100	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	31 W 52nd Street		New York, NY, US 10019			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	31 W 52nd Street		New York, NY, US 10019		212-974-0100	
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.assuredguaranty.com					
Statutory Statement Contact	John Mahlon Ringler		212-974-0100			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	jringler@assuredguaranty.com		212-581-3268			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	Name	Title
Dominic John Frederico	President & Chief Executive Officer	James Michael Michener	Executive Vice President & Secretary
Donald Hal Paston	Treasurer		

OTHER OFFICERS

Howard Wayne Albert	Chief Risk Officer	Robert Adam Bailenson	Chief Financial Officer
Laura Ann Bielng	Controller	Russell Brown Brewer II	Chief Surveillance Officer
Gon Ling Chow	U.S. General Counsel & Asst. Secretary	Stephen Donnaruma	Chief Credit Officer
John Mahlon Ringler	Vice President Regulatory Reporting	Benjamin Gad Rosenblum	Chief Actuary
Bruce Elliot Stern	Executive Officer		

DIRECTORS OR TRUSTEES

Howard Wayne Albert	Robert Adam Bailenson	Russell Brown Brewer II	Gon Ling Chow
Stephen Donnarumma	Dominic John Frederico	James Michael Michener	Donald Hal Paston
Benjamin Gad Rosenblum	Bruce Elliot Stern		

State of .....New York.....

County of .....New York.....ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dominic John Frederico President & Chief Executive Officer	James Michael Michener Executive Vice President & Secretary	Donald Hal Paston Treasurer
a. Is this an original filing? Yes [X] No [ ]		
b. If no:		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		
Subscribed and sworn to before me this _____ day of _____, _____		
_____		

STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	1,833,855,412		1,833,855,412	2,333,569,632
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	267,092,534	(13,845,799)	280,938,333	392,082,644
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	2,192,127	2,192,127	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	29,142,040		29,142,040	29,776,415
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....131,699,515 ), cash equivalents (\$ .....45,220,116 ) and short-term investments (\$ .....5,888,562 ) .....	182,808,193		182,808,193	87,500,613
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....	11,383,785		11,383,785	31,773,073
8. Other invested assets .....	4,705,711		4,705,711	2,837,677
9. Receivables for securities .....	13,510,486		13,510,486	1,153,071
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	2,344,690,288	(11,653,672)	2,356,343,960	2,878,693,125
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	17,384,013		17,384,013	21,913,697
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	15,280,348	3,055,680	12,224,668	8,823,905
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	(93,308)		(93,308)	(19,957,779)
16.2 Funds held by or deposited with reinsured companies .....	24,253,403		24,253,403	24,957,389
16.3 Other amounts receivable under reinsurance contracts .....	(2,345)		(2,345)	4,289
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	136,727,170	54,326,207	82,400,963	66,263,568
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....	531,361	39,424	491,937	333,184
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	376,026	376,026	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	36,706,139	717,350	35,988,789	48,497,896
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other-than-invested assets .....	497,483,425	3,720,441	493,762,984	37,393,186
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,073,336,520	50,581,456	3,022,755,064	3,066,922,460
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	3,073,336,520	50,581,456	3,022,755,064	3,066,922,460
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Funds restricted for CIFG acquisition .....	450,618,089		450,618,089	0
2502. Miscellaneous Receivable .....	1,045,603	88,100	957,503	699,357
2503. Prepaid expenses .....	1,984,948	1,984,948	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	43,834,785	1,647,393	42,187,392	36,693,829
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	497,483,425	3,720,441	493,762,984	37,393,186

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....3,449,210 ) .....	161,448,839	204,897,343
2. Reinsurance payable on paid losses and loss adjustment expenses .....	2,019,303	1,597,977
3. Loss adjustment expenses .....	3,032,326	4,918,477
4. Commissions payable, contingent commissions and other similar charges .....	2,906	4,293
5. Other expenses (excluding taxes, licenses and fees) .....	40,101,647	64,471,693
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	(934,650)	(30,879)
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	44,703,115	20,385,274
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....319,510,134 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	416,205,701	469,100,468
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	6,710,463	6,152,793
13. Funds held by company under reinsurance treaties .....	6,840,817	8,905,338
14. Amounts withheld or retained by company for account of others .....	(93,925)	(53,364)
15. Remittances and items not allocated .....		0
16. Provision for reinsurance (including \$ ..... certified) .....	610,703	23,690,199
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	30,649,737	23,912,911
20. Derivatives .....	0	0
21. Payable for securities .....		0
22. Payable for securities lending .....		0
23. Liability for amounts held under uninsured plans .....		0
24. Capital notes \$ ..... and interest thereon \$ .....		0
25. Aggregate write-ins for liabilities .....	876,398,000	873,682,312
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	1,587,694,982	1,701,634,836
27. Protected cell liabilities .....		0
28. Total liabilities (Lines 26 and 27) .....	1,587,694,982	1,701,634,836
29. Aggregate write-ins for special surplus funds .....	0	0
30. Common capital stock .....	15,000,480	15,000,480
31. Preferred capital stock .....		0
32. Aggregate write-ins for other than special surplus funds .....	0	0
33. Surplus notes .....	300,000,000	300,000,000
34. Gross paid in and contributed surplus .....	923,534,126	924,198,345
35. Unassigned funds (surplus) .....	196,525,476	126,088,800
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) .....	1,435,060,082	1,365,287,625
38. Totals (Page 2, Line 28, Col. 3)	3,022,755,064	3,066,922,461
DETAILS OF WRITE-INS		
2501. Contingency reserve.....	795,514,196	795,017,704
2502. Supplemental Executive Retirement Plan.....	39,932,279	34,966,837
2503. Payable for Purchase of CIFG NA.....		0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	40,951,525	43,697,771
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	876,398,000	873,682,312
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 29,047,719 )	127,170,995	102,842,538	232,204,614
1.2 Assumed (written \$ 2,873,200 )	9,879,644	14,330,325	32,670,741
1.3 Ceded (written \$ 11,012,739 )	64,860,626	46,069,144	104,168,941
1.4 Net (written \$ 20,908,180 )	72,190,013	71,103,719	160,706,414
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 3,420,257 ):			
2.1 Direct	13,831,183	62,683,315	136,271,583
2.2 Assumed	(18,019,164)	25,906,464	109,002,123
2.3 Ceded	(12,303,973)	35,797,398	100,823,947
2.4 Net	8,115,992	52,792,381	144,449,759
3. Loss adjustment expenses incurred	331,460	2,872,114	5,262,985
4. Other underwriting expenses incurred	36,635,758	48,114,052	75,628,509
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	45,083,210	103,778,547	225,341,253
7. Net income of protected cells		0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	27,106,803	(32,674,828)	(64,634,839)
INVESTMENT INCOME			
9. Net investment income earned	44,959,795	42,720,741	78,695,142
10. Net realized capital gains (losses) less capital gains tax of \$ 4,376,876	1,592,186	12,788,799	13,801,988
11. Net investment gain (loss) (Lines 9 + 10)	46,551,981	55,509,540	92,497,130
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	13,068,838	143,865	(107,001,585)
15. Total other income (Lines 12 through 14)	13,068,838	143,865	(107,001,585)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	86,727,622	22,978,577	(79,139,294)
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	86,727,622	22,978,577	(79,139,294)
19. Federal and foreign income taxes incurred	19,649,746	7,725,448	12,504,132
20. Net income (Line 18 minus Line 19)(to Line 22)	67,077,876	15,253,129	(91,643,426)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	1,365,287,625	1,421,933,749	1,421,933,749
22. Net income (from Line 20)	67,077,876	15,253,129	(91,643,426)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(14,644,803)	17,487,233	51,204,424
25. Change in net unrealized foreign exchange capital gain (loss)	1,612,933	(1,155,467)	188,344
26. Change in net deferred income tax	(1,862,449)	5,599,881	52,464,110
27. Change in nonadmitted assets	18,670,114	(14,887,481)	(27,365,494)
28. Change in provision for reinsurance	23,079,497	(1,120,466)	(23,686,703)
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in	(664,219)	54,277	34,203
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders	(23,000,000)	(35,000,000)	(89,800,000)
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(496,492)	(15,371,700)	71,958,418
38. Change in surplus as regards policyholders (Lines 22 through 37)	69,772,457	(29,140,594)	(56,646,124)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,435,060,082	1,392,793,155	1,365,287,625
DETAILS OF WRITE-INS			
0501.		0	0
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Interest income		143,865	0
1402. Miscellaneous income	13,068,838	0	0
1403. Loss on foreign exchange		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	(107,001,585)
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	13,068,838	143,865	(107,001,585)
3701. Merger with Radian Asset Assurance		(8,544,646)	(8,544,646)
3702. Change in Contingency Reserve	(496,492)	(6,827,054)	79,829,023
3703. Other		0	674,041
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(496,492)	(15,371,700)	71,958,418

CASH FLOW

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	To Date	To Date	December 31
Cash from Operations			
1. Premiums collected net of reinsurance	16,231,658	22,734,453	45,955,692
2. Net investment income	44,647,408	51,227,382	77,910,848
3. Miscellaneous income	13,779,458	2,640,370	(101,783,271)
4. Total (Lines 1 to 3)	74,658,524	76,602,205	22,083,269
5. Benefit and loss related payments	71,007,641	1,695,308	(38,854,359)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	49,884,561	55,214,052	74,252,254
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	373,000	(2,209,374)	59,733,011
10. Total (Lines 5 through 9)	121,265,203	54,699,986	95,130,906
11. Net cash from operations (Line 4 minus Line 10)	(46,606,679)	21,902,219	(73,047,637)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	605,563,029	895,602,638	1,473,584,193
12.2 Stocks	117,900,000	20,015,456	20,015,456
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	7,613,644	24,404,138
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1,450	1,093	1,149
12.7 Miscellaneous proceeds	1,620,249	0	362,147
12.8 Total investment proceeds (Lines 12.1 to 12.7)	725,084,728	923,232,831	1,518,367,083
13. Cost of investments acquired (long-term only):			
13.1 Bonds	107,349,513	402,788,041	1,008,517,015
13.2 Stocks	0	0	192,088
13.3 Mortgage loans	0	0	0
13.4 Real estate	202,866	0	0
13.5 Other invested assets	2,000,000	0	614,784
13.6 Miscellaneous applications	450,618,089	805,485,705	804,454,971
13.7 Total investments acquired (Lines 13.1 to 13.6)	560,170,468	1,208,273,746	1,813,778,858
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	164,914,260	(285,040,915)	(295,411,775)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	54,277	34,203
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	23,000,000	35,000,000	89,800,000
16.6 Other cash provided (applied)	0	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(23,000,000)	(34,945,723)	(89,765,797)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	95,307,581	(298,084,419)	(458,225,209)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	87,500,613	545,725,822	545,725,822
19.2 End of period (Line 18 plus Line 19.1)	182,808,194	247,641,403	87,500,613

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Real estate received as settlement of bond			29,776,415
20.0002. Transfer of asset from other invested assets to real estate		30,000,109	
20.0003.			
20.0004.			
20.0005.			

STATEMENT AS OF JUNE 30, 2016 OF ASSURED GUARANTY CORP.

1. Summary of Significant Accounting Policies

- A. Accounting Practices
- The financial statements of Assured Guaranty Corp. (the “Company” or “AGC”) are presented on the basis of accounting practices prescribed or permitted by the Maryland Insurance Administration ("MIA"). The MIA recognizes only statutory accounting practices prescribed or permitted by the state of Maryland for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Maryland Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Maryland. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.
- A reconciliation of the Company’s net income and capital and surplus between practices prescribed and permitted by the Maryland Insurance Commissioner and NAIC SAP is shown below:

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
Net Income (Loss), Maryland Basis	\$ 67,077,876	\$ (91,643,426)
Net Income (Loss), NAIC SAP	67,077,876	(91,643,426)
Statutory Surplus, Maryland Basis	1,435,060,082	1,365,287,625
Statutory Surplus, NAIC SAP	1,435,060,082	1,365,287,625

- B. Use of Estimates in the Preparation of the Financial Statements
- There has been no significant change since the 2015 Annual Statement in the estimates inherent in the preparation of the financial statements.
- C. Accounting Policies
- There has been no significant change since the 2015 Annual Statement.

2. Accounting Changes and Corrections of Errors

There have been no accounting changes or corrections of errors since the 2015 Annual Statement.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method. There have been no statutory purchases since the 2015 Annual Statement.
- B. Statutory Merger. There have been no statutory mergers since the 2015 Annual Statement. See Note 22, Events Subsequent, for a description of AGC's acquisition of CIFG Assurance North America, Inc. on July 1, 2016 and of the subsequent merger of CIFG Assurance North America, Inc. with and into AGC effective July 5, 2016.
- C. Impairment Loss. There have been no impairment losses since the 2015 Annual Statement.

4. Discontinued Operations

There have been no discontinued operations since the 2015 Annual Statement.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - The Company did not hold investments in mortgage loans at June 30, 2016.
- B. Debt Restructuring - The Company has no investments in restructured debt in which the Company is a creditor at June 30, 2016.
- C. Reverse Mortgages - The Company did not hold reverse mortgages as investments at June 30, 2016.
- D. Loan-Backed Securities
- Prepayment assumptions for loan backed and structured securities were obtained from publicly available sources and internal models.
  - The following table summarizes by quarter other-than-temporary-impairments ("OTTI") for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain for the time sufficient to recover the amortized cost as cited in the table:

	(1)	(2)	(3)
Description	Amortized cost Before OTTI	OTTI Recognized	Fair Value 1 - 2
OTTI Recognized 1st Quarter			
a. Intent To Sell	\$ —	\$ —	\$ —
b. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
c. Total 1st Quarter	\$ —	\$ —	\$ —
OTTI Recognized 2nd Quarter			
d. Intent To Sell	\$ —	\$ —	\$ —
e. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
f. Total 2nd Quarter	\$ —	\$ —	\$ —
OTTI Recognized 3rd Quarter			
g. Intent To Sell	\$ —	\$ —	\$ —
h. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
i. Total 3rd Quarter	\$ —	\$ —	\$ —
OTTI Recognized 4th Quarter			
j. Intent To Sell	\$ —	\$ —	\$ —
k. Inability or Lack of Intent to Retain the investment in the security for a period of time sufficient to recover the amortized cost basis	—	—	—
l. Total 4th Quarter	\$ —	\$ —	\$ —
m. Annual Aggregate Total		\$ —	

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3. The following table summarizes other-than-temporary-impairments recorded for loan-backed securities which the Company still owns at the end of the respective quarters recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

CUSIP	Amortized Cost Before Other-Than-Temporary Impairment	Present Value of Projected Cash Flows	Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
000759-DG-2	\$ 1,365,634	\$ 1,285,456	\$ 11,095	\$ 1,354,540	\$ 1,354,540	03/31/2016
872227-AH-6	1,690,385	1,551,138	30,647	1,659,738	1,659,738	03/31/2016
68401N-AE-1	3,867,882	3,772,353	95,529	3,772,353	3,755,948	03/31/2016
000292-AB-8	51,345	48,538	508	50,837	50,837	06/30/2016
68401N-AE-1	3,687,650	3,657,397	7,015	3,680,635	3,680,635	06/30/2016
			\$ 144,794			

The Company also had loan-backed and structured securities whose carrying value was written to market value as they had an NAIC designation of 3 through 6. The amount that was written down was approximately \$6.4 million.

4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.

- a. The aggregate amount of unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ (2,737,406)	\$ (618,652)
Other loan backed & structured securities	(1,190,966)	—
Total	1. \$ (3,928,372)	2. \$ (618,652)

- b. The aggregate related fair value of securities with unrealized losses:

	Less than 12 months	12 Months or More
Residential mortgage-backed securities	\$ 4,173,922	\$ 6,098,833
Other loan backed & structured securities	243,153,284	—
Total	1. \$ 247,327,206	2. \$ 6,098,833

5. All loan-backed securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position at June 30, 2016, the Company has not made a decision to sell any such securities and does not intend to sell such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. This unrealized loss is primarily attributable to an increase in interest rates since acquisition, market illiquidity and volatility in the U.S. economy and not specific to individual issuer credit.

- E. Repurchase Agreements - The Company did not enter into repurchase agreements at June 30, 2016.
- F. Real Estate - At June 30, 2016, the Company did not have any real estate held for sale. The Company has one investment in real estate, which is an office building at 400 Main Street in Stockton, California. During the six months ended June 30, 2016, the Company did not purchase investments in real estate, recognize any real estate impairments, or engage in any retail land sales.
- G. Low Income Housing Tax Credits (LIHTC) - The Company did not hold investments in LIHTC at June 30, 2016.
- H. Restricted Assets
- (1) Restricted assets (including pledged) summarized by restricted asset category

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Restricted Asset Category		Gross Restricted							8	Percentage	
		Current Year					6	7		9	10
		1	2	3	4	5					
		Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricte d Assets	Protected Cell Acct. Assets Support G/A Activity (b)	Total (1 plus 3)					
(a)	Subj to contractual oblig by which liability is not shown	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—%	—%
(b)	Collateral held under sec. lending arrangements					—		—		—%	—%
(c)	Subject to repurchase agreements					—		—		—%	—%
(d)	Subject to reverse repurchase agreements					—		—		—%	—%
(e)	Subject to dollar repurchase agreement					—		—		—%	—%
(f)	Subject to dollar reverse repurchase agreement					—		—		—%	—%
(g)	Placed under option contracts					—		—		—%	—%
(h)	Letter stock or securities restricted as to sale - excl. FHLB capital stock					—		—		—%	—%
(i)	FHLB capital stock					—		—		—%	—%
(j)	On deposit with state	8,703,357				8,703,357	8,857,042	(153,685)	8,703,357	0.3%	0.3%
(k)	On deposit with other regulatory bodies					—		—		—%	—%
(l)	Pledged as collateral to FHLB (incl. assets backing funding agreement)					—		—		—%	—%
(m)	Pledged as collateral not captured in other categories	330,260,415				330,260,415	422,606,958	(92,346,543)	330,260,415	10.7%	10.9%
(n)	Other restricted assets	450,618,089				450,618,089	—	450,618,089	450,618,089	14.7%	14.9%
(o)	Total restricted assets	\$789,581,861	\$ —	\$ —	\$ —	\$ 789,581,861	\$ 431,464,000	\$ 358,117,861	\$ 789,581,861	25.7%	26.1%

- (a) Subset of Column 1  
(b) Subset of Column 3

On July 13, 2016, in order to comply with a requirement of the Prudential Regulation Authority of the Bank of England, AGC secured its reinsurance obligations to its wholly owned subsidiary, AG (UK) Ltd., by depositing in trust assets with a total market value of approximately \$178.8 million.

(2) Detail of assets pledged as collateral not captured in other categories (reported on line m above)

Collateral Agreement	Gross Restricted							8	Percentage	
	Current Year								9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/A Activity (b)	Total (1 plus 3)					
Collateral Pledged Under Certain Derivative Contracts	\$ 200,710,197	\$ —	\$ —	\$ —	\$ 200,710,197	\$ 291,174,670	\$ (90,464,473)	\$ 200,710,197	6.5%	6.6%
Collateral Pledged for Reinsurance	129,550,218				129,550,218	131,432,287	(1,882,069)	129,550,218	4.2%	4.3%
Total	\$ 330,260,415	\$ —	\$ —	\$ —	\$ 330,260,415	\$ 422,606,957	\$ (92,346,542)	\$ 330,260,415	10.7%	10.9%

- (a) Subset of Column 1  
(b) Subset of Column 3

Under certain derivative contracts, the Company is required to post eligible securities as collateral. The need to post collateral under these transactions is generally based on fair value assessments in excess of contractual thresholds. The fair value of the Company's pledged securities totaled \$356 million as of June 30, 2016, with corresponding book/adjusted carrying value of \$330 million.

(3) Detail of other restricted assets (reported on line n above)

Other Restricted Assets	Gross Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Acct Activity (a)	Total Protected Cell Acct. Restricted Assets	Protected Cell Acct. Assets Support G/A Activity (b)	Total (1 plus 3)					
Funds Restricted for CIFG Acquisition	\$ 450,618,089	\$ —	\$ —	\$ —	\$ 450,618,089	\$ —	\$ 450,618,089	\$ 450,618,089	14.7%	14.9%
					—		—		—%	—%
Total	\$ 450,618,089	\$ —	\$ —	\$ —	\$ 450,618,089	\$ —	\$ 450,618,089	\$ 450,618,089	14.7%	14.9%

- (a) Subset of Column 1  
(b) Subset of Column 3



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- I. Working Capital Finance Investments ("WCFI")– The Company did not hold investments for WCFI at June 30, 2016.
- J. Offsetting and Netting of Assets and Liabilities - The Company has no derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets and liabilities that are offset and reported net in accordance to SSAP No. 64 at June 30, 2016.
- K. Structured Notes - The following table separately identifies structured notes on a cusip basis, with information by cusip for actual cost, fair value, book/adjusted carrying value, and whether the structured note is a mortgage referenced security:

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage Referenced Security (YES/NO)
	\$ —	\$ —	\$ —	
	—	N O N E	—	
	—	—	—	
Total	\$ —	\$ —	\$ —	

6. **Joint Ventures, Partnerships and Limited Liability Companies**

There has been no change since the 2015 Annual Statement.

7. **Investment Income**

- A. Accrued Investment Income  
Accrued investment income was \$17,384,013 and \$21,913,697 as of June 30, 2016 and December 31, 2015, respectively. There are no amounts due and accrued over 90 days included in these balances.
- B. The Company does not admit investment income due and accrued if amounts are over 90 days past due.

8. **Derivative Instruments**

The derivatives held by the Company are recorded at their aggregate fair value of \$11,383,785 as of June 30, 2016. There were unrealized losses of \$20,389,288 recognized in surplus during the six months ended June 30, 2016.

9. **Income Taxes**

There has been no significant change since the 2015 Annual Statement.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

A, C through H, J through L. There has been no significant change since the 2015 Annual Statement.

B. Transactions with Affiliates

The Company engaged in the following non-insurance transactions (generally representing greater than 0.5% of admitted assets) with affiliates:

- The Company made dividend payments of \$23 million in the first six months of 2016 to Assured Guaranty US Holdings Inc. (the "Parent" or "AGUS").
- On December 18, 2009, the Company sold a surplus note of \$300 million to an affiliate, Assured Guaranty Municipal Corp. ("AGM"), a New York domiciled insurance company, which surplus note was outstanding at June 30, 2016. This note was interest bearing at a rate of 5% per annum through December 31, 2015. In April 2016, the Company executed an amendment to change the interest rate to 3.5% per annum, effective January 1, 2016. The amendment was approved by the Maryland Insurance Administration and received non-disapproval by the NYSDFS.
- On June 30, 2016, MAC obtained approval from the NYSDFS to repay its \$300 million surplus note to Municipal Assurance Holdings Inc. ("MAC Holdings") and its \$100 million surplus note (plus accrued interest) to AGM. Accordingly, on June 30, 2016, MAC transferred cash and marketable securities to (i) MAC Holdings in an aggregate amount equal to \$300 million, and (ii) AGM in an aggregate amount of \$102.5 million. MAC Holdings, upon receipt of such \$300 million from MAC, distributed cash and marketable securities in an aggregate amount of \$300 million to its shareholders, AGM and AGC, in proportion to their respective 60.7% and 39.3% ownership interests such that AGM received \$182.1 million and AGC received \$117.9 million.

- I. Detail of Investments in Affiliates greater than 10% of Admitted Assets  
The Company's investment in its subsidiary MAC Holdings, recorded at its statutory equity value of \$140,999,471, represents 4.7% of the Company's admitted assets as of June 30, 2016.

11. **Debt**

There has been no change since the 2015 Annual Statement.

12. **Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans**

There has been no change since the 2015 Annual Statement.

13. **Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

1 through 4, 6 through 9, 12 and 13. There has been no significant change since the 2015 Annual Statement.

5. Under Maryland's insurance law, AGC may, with prior notice to the Maryland Insurance Commissioner, pay an ordinary dividend that, together with all dividends paid in the prior 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the prior December 31) or 100% of its adjusted net investment income during that period. The maximum amount available during 2016 for AGC to distribute as ordinary dividends is approximately \$79 million, of which approximately \$16 million is available for distribution in the third quarter of 2016.

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10. The portion of unassigned funds (surplus) represented by cumulative unrealized losses is \$6,767,010.
11. On December 18, 2009, the Company borrowed \$300 million from an affiliate, AGM, a New York domiciled insurance company, in exchange for \$300 million of surplus notes, all of which were outstanding at June 30, 2016. These notes were interest bearing at a rate of 5% per annum through December 31, 2015. In April 2016, the Company executed an amendment to change the interest rate to 3.5% per annum, effective January 1, 2016. The amendment was approved by the MIA and received non-disapproval by the New York State Department of Financial Services.

### 14. Liabilities, Contingencies and Assessments

A through F. There has been no change since the 2015 Annual Statement.

G. All Other Contingencies:

#### *Uncollected Premiums*

As of June 30, 2016, the Company had uncollected premiums of \$15,280,348. Uncollected premiums more than 90 days past due were \$3,055,680.

#### *Legal Proceedings*

Lawsuits arise in the ordinary course of the Company's business. It is the opinion of the Company's management, based upon the information available, that the expected outcome of litigation against the Company, individually or in the aggregate, will not have a material adverse effect on the Company's financial position or liquidity, although an adverse resolution of litigation against the Company in a fiscal quarter or year could have a material adverse effect on the Company's results of operations in a particular quarter or year.

In addition, in the ordinary course of its business, the Company asserts claims in legal proceedings against third parties to recover losses paid in prior periods or prevent losses in the future. For example, as described in the "Recovery Litigation" section below, in January 2016, the Company commenced an action for declaratory judgment and injunctive relief in the U.S. District Court for the District of Puerto Rico to invalidate executive orders issued by the Governor of Puerto Rico directing the retention or transfer of certain taxes and revenues pledged to secure the payment of certain bonds insured by the Company. In July 2016, the Company filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico seeking relief from the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") stay in order to file a complaint to protect its interest in certain pledged Puerto Rico Highways and Transportation Authority ("PRHTA") toll revenues. The amounts, if any, the Company will recover in these and other proceedings to recover losses are uncertain, and recoveries, or failure to obtain recoveries, in any one or more of these proceedings during any quarter or year could be material to the Company's results of operations in that particular quarter or year.

The Company receives subpoenas *duces tecum* and interrogatories from regulators from time to time.

There have been no significant changes since the 2015 Annual Statement, except for the following:

On November 28, 2011, Lehman Brothers International (Europe) (in administration) ("LBIE") sued AGFP, an affiliate of AGC which in the past had provided credit protection to counterparties under credit default swaps. AGC acts as the credit support provider of AGFP under these credit default swaps. LBIE's complaint, which was filed in the Supreme Court of the State of New York, alleged that AGFP improperly terminated nine credit derivative transactions between LBIE and AGFP and improperly calculated the termination payment in connection with the termination of 28 other credit derivative transactions between LBIE and AGFP. Following defaults by LBIE, AGFP properly terminated the transactions in question in compliance with the agreement between AGFP and LBIE, and calculated the termination payment properly. AGFP calculated that LBIE owes AGFP approximately \$29 million in connection with the termination of the credit derivative transactions, whereas LBIE asserted in the complaint that AGFP owes LBIE a termination payment of approximately \$1.4 billion. On February 3, 2012, AGFP filed a motion to dismiss certain of the counts in the complaint, and on March 15, 2013, the court granted AGFP's motion to dismiss the count relating to improper termination of the nine credit derivative transactions and denied AGFP's motion to dismiss the counts relating to the remaining transactions. On February 22, 2016, AGFP filed a motion for summary judgment on the remaining causes of action asserted by LBIE and on AGFP's counterclaims. Oral argument on AGFP's motion took place on July 21, 2016. LBIE's administrators disclosed in an April 10, 2015 report to LBIE's unsecured creditors that LBIE's valuation expert has calculated LBIE's damages in aggregate for the 28 transactions to range between a minimum of approximately \$200 million and a maximum of approximately \$500 million, depending on what adjustment, if any, is made for AGFP's credit risk and excluding any applicable interest. Notwithstanding the range calculated by LBIE's valuation expert, the Company cannot reasonably estimate the possible loss, if any, that may arise from this lawsuit.

#### **Recovery Litigation**

##### ***Public Finance Transactions***

On January 7, 2016, AGM, AGC and Ambac Assurance Corporation ("Ambac") commenced an action for declaratory judgment and injunctive relief in the U.S. District Court for the District of Puerto Rico to invalidate the executive orders issued by the Governor on November 30, 2015 and December 8, 2015 directing that the Secretary of the Treasury of the Commonwealth of Puerto Rico and the Puerto Rico Tourism Company retain or transfer (in other words, "claw back") certain taxes and revenues pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority, the Puerto Rico Convention Center District Authority and the Puerto Rico Infrastructure Financing Authority. The action is still in its early stages.

On July 21, 2016, AGC and AGM filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico seeking relief from the stay provided by the PROMESA. Upon a grant of relief from the PROMESA stay, the lawsuit further seeks a declaration that the Moratorium Act is preempted by Federal bankruptcy law and that certain gubernatorial executive orders diverting PRHTA pledged toll revenues (which are not subject to the Clawback) are preempted by PROMESA and violate the U.S. Constitution. Additionally, it seeks damages for the value of the PRHTA toll revenues diverted and injunctive relief prohibiting the defendants from taking any further action under these executive orders.

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On November 1, 2013, Radian Asset commenced a declaratory judgment action in the U.S. District Court for the Southern District of Mississippi against Madison County, Mississippi (the "County") and the Parkway East Public Improvement District (the "District") to establish its rights under a contribution agreement from the County supporting the District's Special Assessment Bonds, Series 2005, insured by Radian Asset (now AGC). As of June 30, 2016, \$20 million of such bonds were outstanding. The County maintained that its payment obligation is limited to two years of annual debt service, while AGC contended the County's obligations under the contribution agreement continue so long as the bonds remain outstanding. On April 27, 2016, the Court granted AGC's motion for summary judgment, agreeing with AGC's interpretation of the County's obligations. On May 11, 2016, the County filed a notice of appeal of that ruling to the United States Court for the Fifth Circuit.

### ***RMBS Transactions***

As a result of the CIFG acquisition discussed in Note 22, Events Subsequent, AGC has acquired the following actions:

On February 5, 2009, U.S. Bank National Association, as indenture trustee ("U.S. Bank"), CIFG, as insurer of the Class Ac Notes, and Syncora Guarantee Inc. ("Syncora"), as insurer of the Class Ax Notes, filed a complaint in the Supreme Court of the State of New York against GreenPoint Mortgage Funding, Inc. ("GreenPoint") alleging GreenPoint breached its representations and warranties with respect to the underlying mortgage loans in the GreenPoint Mortgage Funding Trust 2006-HE1 transaction. On March 3, 2010, the court dismissed CIFG's and Syncora's causes of action on standing grounds. On December 16, 2013, GreenPoint moved to dismiss the remaining claims of U.S. Bank on the grounds that it too lacked standing. U.S. Bank cross-moved for partial summary judgment striking GreenPoint's defense that U.S. Bank lacked standing to directly pursue claims against GreenPoint. On January 28, 2016, the court denied GreenPoint's motion for summary judgment and granted U.S. Bank's cross-motion for partial summary judgment, finding that as a matter of law U.S. Bank has standing to directly assert claims against GreenPoint. On February 26, 2016, GreenPoint filed a notice of appeal of that decision but to date has not perfected its appeal.

On November 26, 2012, CIFG filed a complaint in the Supreme Court of the State of New York against JP Morgan Securities LLC ("JP Morgan") for material misrepresentation in the inducement of insurance and common law fraud, alleging that JP Morgan fraudulently induced CIFG to insure \$400 million of securities issued by ACA ABS CDO 2006-2 Ltd. and \$325 million of securities issued by Libertas Preferred Funding II, Ltd. On June 26, 2015, the Court dismissed with prejudice CIFG's material misrepresentation in the inducement of insurance claim and dismissed without prejudice CIFG's common law fraud claim. On September 24, 2015, the court denied CIFG's motion to amend but allowed CIFG to re-plead a cause of action for common law fraud. On November 20, 2015, CIFG filed a motion for leave to amend its complaint to re-plead common law fraud. On April 29, 2016, CIFG filed an appeal to reverse the court's decision dismissing CIFG's material misrepresentation in the inducement of insurance claim.

On January 15, 2013, CIFG filed a complaint in the Supreme Court of the State of New York against Goldman, Sachs & Co. ("Goldman") for material misrepresentation in the inducement of insurance and common law fraud, alleging that Goldman fraudulently induced CIFG to insure \$325 million of Class A-1 Notes (the "Class A-1 Notes") and to purchase \$10 million of Class A-2 Notes (the "Class A-2 Notes") issued by Fortius II Funding, Ltd. CDO. CIFG and Goldman agreed to separately arbitrate the issue of liability with respect to CIFG's purchase of the Class A-2 Notes, and on February 4, 2015, an arbitration panel awarded CIFG \$2.5 million in damages. On September 11, 2015, CIFG filed an amended complaint to allege that the arbitration award collaterally estopped Goldman from disputing its liability for fraudulent inducement in respect of the Class A-1 Notes. On July 7, 2016, the Court heard oral argument on (i) the motion of AGC (as successor to CIFG) for partial summary judgment on the issue of Goldman's liability for material misrepresentation in the inducement of insurance and fraud with respect to the Class A-1 Notes policy and (ii) Goldman's motion to dismiss AGC's amended complaint.

### **15. Leases**

There has been no change since the 2015 Annual Statement.

### **16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

The Company provides insurance for public finance and structured finance obligations. Total net principal and interest exposure at June 30, 2016 was \$56.3 billion (\$44.7 billion for public finance and \$11.6 billion for structured finance exposures).

### **17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. The Company has not sold or transferred any receivables during the first six months of 2016.
- B. The Company has not transferred or serviced any financial assets during the first six months of 2016.
- C. The Company did not engage in any wash sale transactions during the first six months of 2016.

### **18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

There has been no change since the 2015 Annual Statement.

### **19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

There has been no change since the 2015 Annual Statement.

### **20. Fair Value**

#### **A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value**

##### **1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3**

The Company categorizes its assets and liabilities that are reported on the balance sheet at fair value into the three-level hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

- Level 1 – Quoted prices for identical instruments in active markets. The Company generally defines an active market as a market in which trading occurs at significant volumes. Active markets generally are more liquid and have a lower bid-ask spread than an inactive market.

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- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and observable inputs other than quoted prices, such as interest rates or yield curves and other inputs derived from or corroborated by observable market inputs.
- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

An asset or liability’s categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. Bonds are generally recorded at amortized cost. Stocks, excluding those for investments in subsidiaries, are reported at fair value on a recurring basis. The following fair value hierarchy table presents information about the Company's assets measured at fair value as of June 30, 2016.

Description for each class of asset or liability	Level 1	Level 2	Level 3	TOTAL
a. Assets at fair value				
Bonds				
US Governments	\$ —	\$ —	\$ —	\$ —
Industrial & Miscellaneous	—	—	84,962,992	84,962,992
Total Bonds	—	—	84,962,992	84,962,992
Derivative instruments				
Credit default swap	—	—	11,383,785	11,383,785
Total Derivative Instruments	—	—	11,383,785	11,383,785
Total Assets at Fair Value	\$ —	\$ —	\$ 96,346,777	\$ 96,346,777

Cash and Short-Term Investments

The carrying amounts reported in the statement of admitted assets, liabilities and surplus for these instruments are at amortized cost.

Bonds

Bonds with an NAIC designation of 1 and 2 are carried at amortized cost while bonds with an NAIC designation of 3 through 6 are carried at the lower of cost or fair value. The fair value of bonds in the investment portfolio is generally based on prices received from third party pricing services or alternative pricing sources with reasonable levels of price transparency. The pricing services prepare estimates of fair value measurements using their pricing models, which include available relevant market information, benchmark curves, benchmarking of like securities, and sector groupings. Additional valuation factors that can be taken into account are nominal spreads and liquidity adjustments. The pricing services evaluate each asset class based on relevant market and credit information, perceived market movements, and sector news. The market inputs used in the pricing evaluation include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. Benchmark yields have in many cases taken priority over reported trades for securities that trade less frequently or those that are distressed trades, and therefore may not be indicative of the market. The extent of the use of each input is dependent on the asset class and the market conditions. Given the asset class, the priority of the use of inputs may change or some market inputs may not be relevant. Additionally, the valuation of fixed-maturity investments is more subjective when markets are less liquid due to the lack of market based inputs, which may increase the potential that the estimated fair value of an investment is not reflective of the price at which an actual transaction would occur.

Stocks

The Company’s stocks are comprised of investments in subsidiaries. Investments in subsidiaries are carried on the equity basis, to the extent admissible.

2. Rollforward of Level 3 Items
- For fair value measurements categorized within Level 3 of the fair value hierarchy, the following table is a reconciliation from the opening balance to the closing balance disclosing changes year-to-date:

Description:	Beg. Balance at January 1, 2016	Transfers Into Level 3	Transfers Out of Level 3	Total Gains & Losses incl in Net Income	Total Gains & Loss incl in Surplus	Purchase	Issuance	Sales	Settle-ment	Ending Balance at June 30, 2016
Residential mortgage backed securities	\$ 44,518,074	\$46,054,854	\$ —	\$(4,932,584)	\$ —	\$ —	\$ —	\$ —	\$ 677,352	\$ 84,962,992
Cash equivalents and short-term investments	149,995	—	—	—	—	—	—	—	149,995	—
Derivatives	31,773,073	—	—	—	(20,389,288)	—	—	—	—	11,383,785
TOTAL	\$ 76,441,142	\$46,054,854	\$ —	\$(4,932,584)	\$(20,389,288)	\$ —	\$ —	\$ —	\$ 827,347	\$ 96,346,777

3. Policy on Transfers Into and Out of Level 3
- Transfers in and out of Level 3 are recognized at the end of the quarter when the Company evaluates whether securities with unobservable inputs need to be carried at fair value.
- During the first six months of 2016, one short-term municipal security that was carried at fair value at December 31, 2015 in Level 3 of the fair value hierarchy matured.
  - During the first six months of 2016, the Company transferred five additional lots of an existing December 31, 2015 Level 3 fair valued RMBS security and one additional RMBS security into Level 3 of the fair value hierarchy.
4. Inputs and Techniques Used for Level 3 Fair Values
- The level 3 securities were priced with the assistance of an independent third party. The pricing is based on a discounted cash flow approach using the third party's proprietary pricing models. The models use, as applicable, inputs such as projected prepayment speeds; severity assumptions; recovery lag assumptions; estimated default rates (determined on the basis of an analysis of collateral attributes, historical collateral performance, borrower profiles and other features relevant to the evaluation

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of collateral credit quality); house price depreciation/appreciation rates based on macroeconomic forecasts and recent trading activity. The yield used to discount the projected cash flows is determined by reviewing various attributes of the bond, including collateral type, weighted average life, sensitivity to losses, vintage and convexity, in conjunction with market data on comparable securities. Significant changes to any of these inputs could materially change the expected timing of cash flows within these securities which is a significant factor in determining the fair value of the securities.

5. Derivative Fair Values  
Derivatives were fair valued using Bloomberg L.P.'s CDSW pricing model at June 30, 2016.

- B. Other Fair Value Disclosures  
The fair value of the Company’s financial guaranty contracts accounted for as insurance was approximately \$3.2 billion at June 30, 2016 and was based on management’s estimate of what a similarly rated financial guaranty insurance company would demand to acquire the Company’s in-force book of financial guaranty insurance business. This amount was based on the pricing assumptions management has observed for portfolio transfers and acquisitions that have occurred in the financial guaranty market and included adjustments to the carrying value of unearned premium reserve for stressed losses, ceding commissions and return on capital. The significant inputs were not readily observable. The Company accordingly classified this fair value measurement as Level 3.
- C. Fair Values for All Financial Instruments by Levels 1, 2 and 3  
The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 1,975,167,695	\$ 1,833,855,412	\$ —	\$ 1,599,042,141	\$ 376,125,554	\$ —
Cash, cash equivalents and short-term investments	182,808,256	182,808,193	181,581,320	1,226,936	—	—
Derivative instruments	11,383,785	11,383,785	—	—	11,383,785	—
Total assets	\$ 2,169,359,736	\$ 2,028,047,390	\$ 181,581,320	\$ 1,600,269,077	\$ 387,509,339	\$ —

- D. Financial Instruments for Which it is Not Practical to Estimate Fair Values  
Not applicable

21. Other Items  
A, B, C, D, E. There has been no change since the 2015 Annual Statement.  
F. Subprime Mortgage-Related Risk Exposure  
(1) through (3)

The Company purchased securities with subprime mortgage related exposures that it has insured, and for which it has loss reserves, in order to mitigate the economic effect of insured losses ("loss mitigation bonds"). These securities were purchased at a discount and are accounted for excluding the effects of the Company's insurance on the securities. Securities rated lower than A-/A3 by S&P or Moody's are not eligible to be purchased for the Company's portfolio unless acquired for loss mitigation or risk management strategies.

As of June 30, 2016	Actual Cost	Book Value	Fair Value	OTTI Losses Recognized
Residential Mortgage Backed Securities	\$ 7,612,611	\$ 7,684,311	\$ 7,762,146	\$ 174,589
Total	\$ 7,612,611	\$ 7,684,311	\$ 7,762,146	\$ 174,589

(4) Underwriting Exposure

Selected U.S. Public Finance Transactions

The Company has insured exposure to general obligation bonds of the Commonwealth of Puerto Rico ("Puerto Rico" or the "Commonwealth") and various obligations of its related authorities and public corporations aggregating \$1.7 billion net par as of June 30, 2016, all of which is rated below investment grade ("BIG").

Puerto Rico has experienced significant general fund budget deficits in recent years. In addition to high debt levels, Puerto Rico faces a challenging economic environment; the economy has declined nearly every year since 2007, while the population has shrunk every year since 2006 as residents have emigrated.

On June 28, 2015, Governor García Padilla of Puerto Rico (the "Governor") publicly stated that the Commonwealth’s public debt, considering the current level of economic activity, was unpayable and that a comprehensive debt restructuring might be necessary.

On November 30, 2015, and December 8, 2015, the Governor issued executive orders (“Clawback Orders”) directing the Puerto Rico Department of Treasury and the Puerto Rico Tourism Company to retain or transfer certain taxes pledged to secure the payment of bonds issued by the Puerto Rico Highways and Transportation Authority ("PRHTA"), Puerto Rico Infrastructure Financing Authority ("PRIFA"), and Puerto Rico Convention Center District Authority ("PRCCDA"). On January 7, 2016, the Company sued various Puerto Rico governmental officials in the United States District Court, District of Puerto Rico asserting that this attempt to “claw back” pledged taxes is unconstitutional, and demanding declaratory and injunctive relief.

On January 1, 2016, PRIFA defaulted on payment of a portion of the interest due on its bonds on that date, resulting in a claim on the Company for those PRIFA bonds the Company insures. There have been additional payment defaults on this and other Puerto Rico credits since then, including, on July 1, 2016, a default on the payment of the Commonwealth’s general obligation bonds. The Company has now paid claims on several Puerto Rico credits.

On April 6, 2016, the Governor signed into law the Puerto Rico Emergency Moratorium & Financial Rehabilitation Act (the “Moratorium Act”). The Moratorium Act purportedly empowers the Governor to declare, entity by entity, states of emergencies and moratoriums on debt service payments on obligations of the Commonwealth and its related authorities and public corporations, as well as instituting a stay against related litigation, among other things. The Governor has used the authority of the Moratorium Act to take a number of actions related to issuers of obligations the Company insures. National Public Finance Guarantee Corp. (another financial guarantor), holders of the Commonwealth general obligation bonds and certain

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Puerto Rico residents have filed suits to invalidate the Moratorium Act, and on July 21, 2016, the Company filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico seeking relief from the PROMESA stay to seek a declaration that the Moratorium Act is preempted by Federal bankruptcy law.

On June 13, 2016, the Supreme Court of the United States affirmed rulings of lower courts finding that the Puerto Rico Public Corporation Debt Enforcement and Recovery Act, which was enacted by Puerto Rico in June 2014 in order to provide a legislative framework for certain public corporations experiencing severe financial stress to restructure their debt, was preempted by the U.S. Bankruptcy Code and therefore void.

On June 30, 2016, the PROMESA was signed into law by the President of the United States. PROMESA establishes a seven-member federal financial oversight board (“Oversight Board”) with authority to require that balanced budgets and fiscal plans be adopted and implemented by Puerto Rico. PROMESA provides a legal framework under which the debt of the Commonwealth and its related authorities and public corporations may be voluntarily restructured, and grants the Oversight Board the sole authority to file restructuring petitions in a federal court to restructure the debt of the Commonwealth and its related authorities and public corporations if voluntary negotiations fail, provided that any such restructuring must be in accordance with an Oversight Board approved fiscal plan that respects the liens and priorities provided under Puerto Rico law. PROMESA also appears to preempt at least portions of the Moratorium Act and appears to stay debt-related litigation, possibly including the Company’s litigation regarding the Clawback Orders. Members of the Oversight Board have yet to be named.

The final shape, timing and validity of responses to Puerto Rico’s distress eventually enacted or implemented under the auspices of PROMESA and the Oversight Board or otherwise, and the impact of any such responses on obligations insured by the Company, is uncertain.

The Company groups its Puerto Rico exposure into three categories:

- *Constitutionally Guaranteed.* The Company includes in this category public debt benefiting from Article VI of the Constitution of the Commonwealth, which expressly provides that interest and principal payments on the public debt are to be paid before other disbursements are made.
- *Public Corporations - Certain Revenues Potentially Subject to Clawback.* The Company includes in this category the debt of public corporations for which applicable law permits the Commonwealth to claw back, subject to certain conditions and for the payment of public debt, at least a portion of the revenues supporting the bonds the Company insures. As a Constitutional condition to clawback, available Commonwealth revenues for any fiscal year must be insufficient to pay Commonwealth debt service before the payment of any appropriations for that year. The Company believes that this condition has not been satisfied to date, and accordingly that the Commonwealth has not to date been entitled to clawback revenues supporting debt insured by the Company. As noted above, the Company sued various Puerto Rico governmental officials in the United States District Court, District of Puerto Rico asserting that Puerto Rico's recent attempt to “claw back” pledged taxes is unconstitutional, and demanding declaratory and injunctive relief.
- *Other Public Corporations.* The Company includes in this category the debt of public corporations that are supported by revenues it does not believe are subject to clawback.

### Constitutionally Guaranteed

*General Obligation.* As of June 30, 2016, the Company had \$415 million insured net par outstanding of the general obligations of Puerto Rico, which are supported by the good faith, credit and taxing power of the Commonwealth. On July 1, 2016, despite the requirements of Article VI of its Constitution but pursuant to an executive order issued by the Governor under the Moratorium Act, the Commonwealth defaulted on most of the debt service payment due that day, and the Company made its first claim payments on these bonds.

*Puerto Rico Public Buildings Authority (“PBA”).* As of June 30, 2016, the Company had \$137 million insured net par outstanding of PBA bonds, which are supported by a pledge of the rents due under leases of government facilities to departments, agencies, instrumentalities and municipalities of the Commonwealth, and that benefit from a Commonwealth guaranty supported by a pledge of the Commonwealth’s good faith, credit and taxing power. On July 1, 2016, despite the requirements of Article VI of its Constitution but pursuant to an executive order issued by the Governor under the Moratorium Act, the PBA defaulted on most of the debt service payment due that day, and the Company made its first claim payments on these bonds.

### Public Corporations - Certain Revenues Potentially Subject to Clawback

*PRHTA.* As of June 30, 2016, the Company had \$476 million insured net par outstanding of PRHTA (Transportation revenue) bonds and \$100 million insured net par of PRHTA (Highways revenue) bonds. The transportation revenue bonds are secured by a subordinate gross pledge of gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls, plus a first lien on up to \$120 million annually of taxes on crude oil, unfinished oil and derivative products. The highways revenue bonds are secured by a gross pledge of gasoline and gas oil and diesel oil taxes, motor vehicle license fees and certain tolls. The Clawback Orders cover Commonwealth-derived taxes that are allocated to PRHTA. The Company believes that such sources represented a substantial majority of PRHTA’s revenues in 2015. The PRHTA bonds are subject to executive orders issued pursuant to the Moratorium Act. As noted above, the Company filed a motion and form of complaint in the U.S. District Court for the District of Puerto Rico seeking relief from the PROMESA stay to seek a declaration that the Moratorium Act is preempted by Federal bankruptcy law and that certain gubernatorial executive orders diverting PRHTA pledged toll revenues (which are not subject to the Clawback Orders) are preempted by PROMESA and violate the U.S. Constitution, and also seeking damages and injunctive relief. There were sufficient funds in the PRHTA bond accounts to make the July 1, 2016, PRHTA debt service payments guaranteed by the Company, and those payments were made in full.

*PRCCDA.* As of June 30, 2016, the Company had \$82 million insured net par outstanding of PRCCDA bonds, which are secured by certain hotel tax revenues. These revenues are sensitive to the level of economic activity in the area and are subject to the Clawback Orders, and the bonds are subject to an executive order issued pursuant to the Moratorium Act. There were sufficient funds in the PRCCDA bond accounts to make the July 1, 2016 PRCCDA bond payments guaranteed by the Company, and those payments were made in full.



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*PRIFA.* As of June 30, 2016, the Company had \$10 million insured net par outstanding of PRIFA bonds, which are secured primarily by the return to Puerto Rico of federal excise taxes paid on rum. These revenues are subject to the Clawback Orders and the bonds are subject to an executive order issued pursuant to the Moratorium Act. The Company made its first claim payment on PRIFA bonds in January 2016, and has continued to make claim payments on PRIFA bonds.

### **Other Public Corporations**

*Puerto Rico Electric Power Authority ("PREPA").* As of June 30, 2016, the Company had \$73 million insured net par outstanding of PREPA obligations, which are payable from a pledge of net revenues of the electric system.

On December 24, 2015, AGM and AGC entered into a Restructuring Support Agreement ("RSA") with PREPA, an ad hoc group of uninsured bondholders and a group of fuel-line lenders that would, subject to certain conditions, result in, among other things, modernization of the utility and a restructuring of current debt. Upon finalization of the contemplated restructuring transaction, insured PREPA revenue bonds (with no reduction to par or stated interest rate or extension of maturity) will be supported by securitization bonds issued by a special purpose corporation and secured by a transition charge assessed on ratepayers. To facilitate the securitization transaction and in exchange for a market premium, Assured Guaranty will issue surety insurance policies in an aggregate amount not expected to exceed \$113 million (\$14 million for AGC and \$99 million for AGM) to support a portion of the reserve fund for the securitization bonds. Certain of the creditors also agreed, subject to certain conditions, to participate in a bridge financing, which was closed in two tranches on May 19, 2016, and June 22, 2016. AGM's and AGC's share of the bridge financing was approximately \$15 million (\$2 million for AGC and \$13 million for AGM). Legislation meeting the requirements of the RSA was enacted on February 16, 2016, and a transition charge to be paid by PREPA rate payers for debt service on the securitization bonds as contemplated by the RSA was approved by the Puerto Rico Energy Commission on June 20, 2016. The closing of the restructuring transaction and the issuance of the surety bonds are subject to certain conditions, including execution of acceptable documentation and legal opinions.

On July 1, 2016, PREPA made full payment of the \$41 million of principal and interest due on PREPA revenue bonds insured by AGM and AGC. That payment was funded in part by AGM's purchase of \$26 million of PREPA bonds maturing in 2020. Upon finalization of the RSA, these new PREPA revenue bonds will be supported by securitization bonds contemplated by the RSA. In early 2016, PREPA repaid in full the \$74 million in aggregate principal amount of PREPA revenue bonds purchased by AGM and AGC in July 2015 to replenish some of the operating funds PREPA used to make the July 2015 payments on the PREPA revenue bonds insured by AGM and AGC.

There can be no assurance that the conditions in the RSA will be met or that, if the conditions are met, the RSA's other provisions, including those related to the insured PREPA revenue bonds, will be implemented. In addition, the impact of PROMESA and the Moratorium Act or any attempt to exercise the power purportedly granted by the Moratorium Act on the implementation of the RSA is uncertain. PREPA, during the pendency of the agreements, has suspended deposits into its debt service fund.

*Puerto Rico Aqueduct and Sewer Authority ("PRASA").* As of June 30, 2016, the Company had \$296 million of insured net par outstanding to PRASA bonds, which are secured by the gross revenues of the water and sewer system. On September 15, 2015, PRASA entered into a settlement with the U.S. Department of Justice and the U.S. Environmental Protection Agency that requires it to spend \$1.6 billion to upgrade and improve its sewer system island-wide. According to a material event notice PRASA filed on March 4, 2016, PRASA owed its contractors \$140 million. The PRASA Revitalization Act, which establishes a securitization mechanism that could facilitate debt issuance, was signed into law on July 13, 2016. While certain bonds benefiting from a guarantee by the Commonwealth are subject to an executive order issued under the Moratorium Act, bonds insured by the Company are not subject to that order. There were sufficient funds in the PRASA bond accounts to make the July 1, 2016, PRASA bond payments guaranteed by the Company, and those payments were made in full.

*Municipal Finance Agency ("MFA").* As of June 30, 2016, the Company had \$65 million net par outstanding of bonds issued by MFA secured by a pledge of local property tax revenues. There were sufficient funds in the MFA bond accounts to make the July 1, 2016 MFA bond payments guaranteed by the Company, and those payments were made in full.

### **Other U.S. Public Finance Transactions**

The Company has approximately \$20 million of net par exposure as of June 30, 2016 to bonds issued by Parkway East Public Improvement District, which is located in Madison County, Mississippi. The bonds, which are rated BIG, are payable from special assessments on properties within the District, as well as amounts paid under a contribution agreement with the County in which the County covenants that it will provide funds in the event special assessments are not sufficient to make a debt service payment. The special assessments have not been sufficient to pay debt service in full. In earlier years, the County provided funding to cover the balance of the debt service requirement, but the County now claims that the District's failure to reimburse it within the two years stipulated in the contribution agreement means that the County is not required to provide funding until it is reimbursed. On April 27, 2016, the court granted the Company's motion for summary judgment in a declaratory judgment action, agreeing with the Company's interpretation of the County's obligations under the contribution agreement.

### **U.S. Public Finance Loss and LAE**

The Company has loss and LAE reserves across its troubled Puerto Rico and other U.S. public finance credits, which incorporated the likelihood of the various outcomes, as of June 30, 2016 of \$253.3 million compared to \$245.5 million as of December 31, 2015. The higher loss reserves are primarily attributable to Puerto Rico exposures.

### **Second Quarter 2016 U.S. RMBS Loss Projections**

Based on its observation during the period of the performance of its insured transactions (including early stage delinquencies, late stage delinquencies and loss severity) as well as the residential property market and economy in general, the Company chose to use the same general assumptions to project RMBS losses as of June 30, 2016 as it used as of December 31, 2015, but increased severities for specific vintages of Alt-A first lien and Option ARM transactions, decreased liquidation rates for certain vintages of subprime and increased liquidation rates for second lien transactions based on observed data.

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U.S. First Lien RMBS Loss Projections: Alt-A First Lien, Option ARM, Subprime and Prime

The majority of projected losses in first lien RMBS transactions are expected to come from non-performing mortgage loans (those that are or in the past twelve months have been two or more payments behind, have been modified, are in foreclosure, or have been foreclosed upon). Changes in the amount of non-performing loans from the amount projected in the previous period are one of the primary drivers of loss development in this portfolio. In order to determine the number of defaults resulting from these delinquent and foreclosed loans, the Company applies a liquidation rate assumption to loans in each of various non-performing categories. The Company arrived at its liquidation rates based on data purchased from a third party provider and assumptions about how delays in the foreclosure process and loan modifications may ultimately affect the rate at which loans are liquidated. Each quarter the Company reviews the most recent twelve months of this data and (if necessary) adjusts its liquidation rates based on its observations. The following table shows liquidation assumptions for various non-performing categories.

First Lien Liquidation Rates

	June 30, 2016	December 31, 2015
Current Loans Modified in the Previous 12 Months	25%	25%
Current Loans Delinquent in the Previous 12 Months	25	25
30 - 59 Days Delinquent		
Alt-A and Prime	35	35
Option ARM	40	40
Subprime	45	45
60 - 89 Days Delinquent		
Alt-A and Prime	45	45
Option ARM	50	50
Subprime	50	55
90+ Days Delinquent		
Alt-A and Prime	55	55
Option ARM	60	60
Subprime	55	60
Bankruptcy		
Alt-A and Prime	45	45
Option ARM	50	50
Subprime	40	40
Foreclosure		
Alt-A and Prime	65	65
Option ARM	70	70
Subprime	65	70
Real Estate Owned		
All	100	100

While the Company uses liquidation rates as described above to project defaults of non-performing loans (including current loans modified or delinquent within the last 12 months), it projects defaults on presently current loans by applying a conditional default rate ("CDR") trend. The start of that CDR trend is based on the defaults the Company projects will emerge from currently nonperforming, recently nonperforming and modified loans. The total amount of expected defaults from the non-performing loans is translated into a constant CDR (i.e., the CDR plateau), which, if applied for each of the next 36 months, would be sufficient to produce approximately the amount of defaults that were calculated to emerge from the various delinquency categories. The CDR thus calculated individually on the delinquent collateral pool for each RMBS is then used as the starting point for the CDR curve used to project defaults of the presently performing loans.

In the base case, after the initial 36-month CDR plateau period, each transaction’s CDR is projected to improve over 12 months to an intermediate CDR (calculated as 20% of its CDR plateau); that intermediate CDR is held constant for 36 months and then trails off in steps to a final CDR of 5% of the CDR plateau. In the base case, the Company assumes the final CDR will be reached 7 years after the initial 36-month CDR plateau period. Under the Company’s methodology, defaults projected to occur in the first 36 months represent defaults that can be attributed to loans that were modified or delinquent in the last 12 months or that are currently delinquent or in foreclosure, while the defaults projected to occur using the projected CDR trend after the first 36-month period represent defaults attributable to borrowers that are currently performing or are projected to re-perform.

Another important driver of loss projections is loss severity, which is the amount of loss the transaction incurs on a loan after the application of net proceeds from the disposal of the underlying property. Loss severities experienced in first lien transactions have reached historically high levels, and the Company is assuming in the base case that these high levels generally will continue for another 18 months. The Company determines its initial loss severity based on actual recent experience. As a result, as of June 30, 2016, the Company updated severities for certain vintages of Alt-A first lien and subprime transactions, as well as Option ARM. The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning after the initial 18 month period, declining to 40% in the base case over 2.5 years.

The following table shows the range as well as the average, weighted by outstanding net insured par, for key assumptions used in the calculation of loss reserves for individual transactions for direct vintage 2004 - 2008 first lien U.S. RMBS.



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Key Assumptions in Base Case Loss Reserve Estimates  
First Lien RMBS (1)

	As of June 30, 2016		As of December 31, 2015	
	Range	Weighted Average	Range	Weighted Average
<b>Alt-A First Lien</b>				
Plateau CDR	0.9% - 27.0%	5.9%	1.7% - 26.4%	5.8%
Intermediate CDR	0.2% - 5.4%	1.2%	0.3% - 5.3%	1.2%
Period until intermediate CDR	48 months		48 months	
Final CDR	0.0% - 1.3%	0.3%	0.1% - 1.3%	0.3%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	80.0%		70.0%	
2007	70.0%		65.0%	
Initial conditional prepayment rate ("CPR")	5.2% - 29.3%	11.0%	4.6% - 32.5%	11.5%
Final CPR (2)	15.0%		15.0%	
<b>Option ARM</b>				
Plateau CDR	4.1% - 7.9%	6.8%	4.8% - 9.3%	7.5%
Intermediate CDR	0.8% - 1.6%	1.4%	1.0% - 1.9%	1.5%
Period until intermediate CDR	48 months		48 months	
Final CDR	0.2% - 0.4%	0.3%	0.2% - 0.5%	0.4%
Initial loss severity:				
2005 and prior	60.0%		60.0%	
2006	70.0%		70.0%	
2007	75.0%		65.0%	
Initial CPR	3.5% - 13.2%	5.7%	3.0% - 10.9%	5.1%
Final CPR (2)	15.0%		15.0%	
<b>Subprime</b>				
Plateau CDR	4.4% - 12.7%	7.9%	4.7% - 12.7%	8.2%
Intermediate CDR	0.9% - 2.5%	1.6%	0.9% - 2.5%	1.6%
Period until intermediate CDR	48 months		48 months	
Final CDR	0.2% - 0.6%	0.4%	0.2% - 0.6%	0.4%
Initial loss severity:				
2005 and prior	80.0%		75.0%	
2006	90.0%		90.0%	
2007	90.0%		90.0%	
Initial CPR	2.3% - 11.3%	4.9%	0.0% - 10.1%	3.6%
Final CPR (2)	15.0%		15.0%	

- (1) Represents variables for most heavily weighted scenario (the “base case”).
- (2) For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used.

The rate at which the principal amount of loans is voluntarily prepaid may impact both the amount of losses projected (since that amount is a function of the CDR, the loss severity and the loan balance over time) as well as the amount of excess spread (the amount by which the interest paid by the borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations). The assumption for the voluntary CPR follows a similar pattern to that of the CDR. The current level of voluntary prepayments is assumed to continue for the plateau period before gradually increasing over 12 months to the final CPR, which is assumed to be 15% in the base case. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. These CPR assumptions are the same as those the Company used for December 31, 2015.

In estimating loss reserves, the Company modeled and probability weighted sensitivities for first lien transactions by varying its assumptions of how fast a recovery is expected to occur. One of the variables used to model sensitivities was how quickly the CDR returned to its modeled equilibrium, which was defined as 5% of the initial CDR. The Company also stressed CPR and the speed of recovery of loss severity rates. The Company probability weighted a total of five scenarios as of June 30, 2016. The Company used a similar approach to establish its pessimistic and optimistic scenarios as of June 30, 2016 as it used as of December 31, 2015, increasing and decreasing the periods of stress from those used in the base case.

In a somewhat more stressful environment than that of the base case, where the CDR plateau was extended six months (to be 42 months long) before the same more gradual CDR recovery and loss severities were assumed to recover over 4.5 rather than 2.5 years (and subprime loss severities were assumed to recover only to 60% and Option ARM and Alt A loss severities to only 45%), expected loss to be paid would increase from current projections by approximately \$1.8 million for Alt-A first liens, \$0.1 million for Option ARM, \$5.0 million for subprime and \$0.1 million for prime transactions.

In an even more stressful scenario where loss severities were assumed to rise and then recover over nine years and the initial ramp-down of the CDR was assumed to occur over 15 months and other assumptions were the same as the other stress scenario, loss reserves would increase from current projections by approximately \$4.8 million for Alt-A first liens, \$0.2 million for Option ARM, \$6.7 million for subprime and \$0.2 million for prime transactions.

In a scenario with a somewhat less stressful environment than the base case, where CDR recovery was somewhat less gradual, loss reserves would decrease from current projections by approximately \$0.5 million for Alt-A first lien, \$2.5 million for Option ARM, would increase by \$0.4 million for subprime and would decrease \$9.8 thousand for prime transactions.

In an even less stressful scenario where the CDR plateau was six months shorter (30 months, effectively assuming that liquidation rates would improve) and the CDR recovery was more pronounced, (including an initial ramp-down of the CDR over nine

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months), loss reserves would decrease from current projections by approximately \$2.2 million for Alt-A first liens, \$3.5 million for Option ARM, \$1.5 million for subprime and \$0.1 million for prime transactions.

### *U.S. Second Lien RMBS Loss Projections*

Second lien RMBS transactions include both home equity lines of credit ("HELOC") and closed end second lien transactions. The Company believes the primary variable affecting its loss reserves in second lien RMBS transactions is the amount and timing of future losses in the collateral pool supporting the transactions. Loss reserves are also a function of the structure of the transaction; the voluntary prepayment rate (typically also referred to as CPR of the collateral); the interest rate environment; and assumptions about the draw rate and loss severity.

In second lien transactions the projection of near-term defaults from currently delinquent loans is relatively straightforward because loans in second lien transactions are generally "charged off" (treated as defaulted) by the securitization's servicer once the loan is 180 days past due. The Company estimates the amount of loans that will default over the next six months by calculating current representative liquidation rates. A liquidation rate is the percent of loans in a given cohort (in this instance, delinquency category) that ultimately default. Similar to first liens, the Company then calculates a CDR for six months, which is the period over which the currently delinquent collateral is expected to be liquidated. That CDR is then used as the basis for the plateau CDR period that follows the embedded five months of losses. Liquidation rates assumed as of June 30, 2016, were from 25% to 100%. Liquidation rates assumed as of December 31, 2015, were from 10% to 100%.

For the base case scenario, the CDR (the "plateau CDR") was held constant for six months. Once the plateau period has ended, the CDR is assumed to gradually trend down in uniform increments to its final long-term steady state CDR. (The long-term steady state CDR is calculated as the constant CDR that would have yielded the amount of losses originally expected at underwriting.) In the base case scenario, the time over which the CDR trends down to its final CDR is 28 months. Therefore, the total stress period for second lien transactions is 34 months, comprising five months of delinquent data, a one month plateau period and 28 months of decrease to the steady state CDR the same as of December 31, 2015.

HELOC loans generally permit the borrower to pay only interest for an initial period (often ten years) and, after that period, require the borrower to make both the monthly interest payment and a monthly principal payment, and so increase the borrower's aggregate monthly payment. Some of the HELOC loans underlying the Company's insured HELOC transactions have reached their principal amortization period. The Company has observed that the increase in monthly payments occurring when a loan reaches its principal amortization period, even if mitigated by borrower relief offered by the servicer, is associated with increased borrower defaults. Thus, most of the Company's HELOC projections incorporate an assumption that a percentage of loans reaching their amortization periods will default around the time of the payment increase. These projected defaults are in addition to those generated using the CDR curve as described above. This assumption is similar to the one used at December 31, 2015. For June 30, 2016, the Company used the same general approach it used as of December 31, 2015.

When a second lien loan defaults, there is generally a very low recovery. The Company had assumed as of June 30, 2016 that it will generally recover only 2% of the collateral defaulting in the future and declining additional amounts of post-default receipts on previously defaulted collateral. This is the same assumption used as of December 31, 2015.

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected as well as the amount of excess spread. In the base case, an average CPR (based on experience of the past year) is assumed to continue until the end of the plateau before gradually increasing to the final CPR over the same period the CDR decreases. The final CPR is assumed to be 15% for second lien transactions, which is lower than the historical average but reflects the Company's continued uncertainty about the projected performance of the borrowers in these transactions. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used. This pattern is generally consistent with how the Company modeled the CPR as of December 31, 2015. To the extent that prepayments differ from projected levels it could materially change the Company's projected excess spread and losses.

The Company uses a number of other variables in its second lien loss projections, including the spread between relevant interest rate indices. These variables have been relatively stable and in the relevant ranges have less impact on the projection results than the variables discussed above. However, in a number of HELOC transactions the servicers have been modifying poorly performing loans from floating to fixed rates, and, as a result, rising interest rates would negatively impact the excess spread available from these modified loans to support the transactions. The Company incorporated these modifications in its assumptions.

In estimating loss reserves, the Company modeled and probability weighted five possible CDR curves applicable to the period preceding the return to the long-term steady state CDR. The Company used five scenarios at June 30, 2016 and December 31, 2015. The Company believes that the level of the elevated CDR and the length of time it will persist, the ultimate prepayment rate, and the amount of additional defaults because of the expiry of the interest only period, are the primary drivers behind the likely amount of losses the collateral will suffer. The Company continues to evaluate the assumptions affecting its modeling results.

Most of the Company's projected second lien RMBS losses are from HELOC transactions. The following table shows the range as well as the average, weighted by outstanding net insured par, for key assumptions for the calculation of expected loss to be paid for individual transactions for direct vintage 2004 - 2008 HELOCs.

STATEMENT AS OF JUNE 30, 2016 OF ASSURED GUARANTY CORP.

Key Assumptions in Base Case Loss Reserve Estimates  
HELOCs <sup>(1)</sup>

	As of June 30, 2016		As of December 31, 2015	
	Range	Weighted Average	Range	Weighted Average
Plateau CDR	8.1% - 17.0%	12.6%	7.0% - 13.0%	7.6%
Final CDR trended down to	0.5% - 2.2%	1.4%	0.5% - 2.2%	1.3%
Period until final CDR	34 months		34 months	
Initial CPR	11.0%		10.9%	
Final CPR (2)	10.0% - 15.0%	13.3%	10.0% - 15.0%	13.3%
Loss severity	98.0%		98.0%	

- (1) Represents variables for most heavily weighted scenario (the “base case”).
- (2) For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant and the final CPR is not used.

The Company’s base case assumed a six month CDR plateau and a 28 month ramp-down (for a total stress period of 34 months). The Company also modeled a scenario with a longer period of elevated defaults and another with a shorter period of elevated defaults. Increasing the CDR plateau to eight months and increasing the ramp-down by three months to 31 months (for a total stress period of 39 months), and doubling the defaults relating to the end of the interest only period would increase the loss reserves by approximately \$9.0 million for HELOC transactions. On the other hand, reducing the CDR plateau to four months and decreasing the length of the CDR ramp-down to 25 months (for a total stress period of 29 months), and lowering the ultimate prepayment rate to 10% would decrease the loss reserves by approximately \$3.3 million for HELOC transactions.

*Breaches of Representations and Warranties*

The Company entered into agreements with R&W providers under which those providers made payments to the Company, agreed to make payments to the Company in the future, and / or repurchased loans from the transactions, all in return for releases of related liability by the Company.

As of June 30, 2016, the Company had a net R&W payable of \$1.2 million to R&W counterparties, compared to an R&W recoverable of \$11.8 million as of December 31, 2015. The decrease represents improvements in underlying collateral performance and the termination of the Deutsche Bank agreement described below. The Company’s agreements with providers of R&W generally provide for reimbursement to the Company as claim payments are made and, to the extent the Company later receives reimbursements of such claims from excess spread or other sources, for the Company to provide reimbursement to the R&W providers. When the Company projects receiving more reimbursements in the future than it projects to pay in claims on transactions covered by R&W settlement agreements, the Company will have a net R&W payable. Most of the amount projected to be received pursuant to agreements with R&W providers benefits from eligible assets placed in trusts to collateralize the R&W provider’s future reimbursement obligation, with the amount of such collateral subject to increase or decrease from time to time as determined by rating agency requirements. Currently the Company has an agreement with one counterparty where a future reimbursement obligation is collateralized by eligible assets held in trust:

- **Bank of America.** Under Assured Guaranty's agreement with Bank of America Corporation and certain of its subsidiaries (“Bank of America”), Bank of America agreed to reimburse Assured Guaranty for 80% of claims on the first lien transactions covered by the agreement that Assured Guaranty pays in the future, until the aggregate lifetime collateral losses (not insurance losses or claims) on those transactions reach \$6.6 billion. As of June 30, 2016, aggregate lifetime collateral losses on those transactions was \$4.4 billion (\$4.1 billion for AGM and \$0.3 billion for AGC), and Assured Guaranty was projecting in its base case that such collateral losses would eventually reach \$5.2 billion (\$4.8 billion for AGM and \$0.4 billion for AGC). Bank of America's reimbursement obligation is secured by \$80 million of collateral held in trust for the Company's benefit and \$353 million of collateral held in trust that is available for either AGC or AGM.

Under the Company's previous agreement with Deutsche Bank AG and certain of its affiliates (collectively, “Deutsche Bank”), Deutsche Bank agreed to reimburse the Company for certain claims it pays in the future on eight first and second lien transactions, including 80% of claims it pays on those transactions until the aggregate lifetime claims (before reimbursement) reach \$319 million. In May 2016, Deutsche Bank's reimbursement obligations under the May 2012 agreement were terminated in return for cash payments to the Company.

The Company uses the same RMBS projection scenarios and weightings to project its future R&W benefit as it uses to project RMBS losses on its portfolio. To the extent the Company increases its loss projections, the R&W benefit generally will also increase, subject to the agreement limits and thresholds described above. Similarly, to the extent the Company decreases its loss projections, the R&W benefit generally will also decrease, subject to the agreement limits and thresholds described above.

STATEMENT AS OF JUNE 30, 2016 OF ASSURED GUARANTY CORP.

Triple-X Life Insurance Transactions

The Company had \$616 million of net par exposure to Triple-X life insurance transactions as of June 30, 2016. Two of these transactions, with \$208 million of net par outstanding, are rated BIG. The Triple-X life insurance transactions are based on discrete blocks of individual life insurance business. In older vintage Triple-X life insurance transactions, which include the two BIG-rated transactions, the amounts raised by the sale of the bonds insured by the Company were used to capitalize a special purpose vehicle that provides reinsurance to a life insurer or reinsurer. The amounts are invested at inception in accounts managed by third-party investment managers. In the case of the two BIG-rated transactions, material amounts of their assets were invested in U.S. RMBS. Based on its analysis of the information currently available, including estimates of future investment performance, and projected credit impairments on the invested assets and performance of the blocks of life insurance business at June 30, 2016, the Company’s loss and LAE recoveries are \$23.6 million.

TruPS and other structured finance

The Company insures \$7.3 billion net par of TruPS and other structured finance transactions, of which \$0.7 billion is rated BIG. As of June 30, 2016, the Company has loss and LAE reserves of \$(92.8) million for TruPS and other structured finance transactions, including transactions backed by manufactured housing loans, compared to \$(79.1) million as of December 31, 2015.

Underwriting exposure to subprime mortgage risk through Financial Guaranty insurance coverage

The following table summarizes U.S. subprime loss (benefit) activity at June 30, 2016:

	Losses Paid in the Current Year	Losses Incurred (Recovered) in the Current Year	Case Reserves at the End of Current Period	IBNR Reserves at the End of Current Period
a. Mortgage Guaranty coverage	\$ —		\$ —	\$ —
b. Financial Guaranty coverage	3,011,985	(4,446,769)	19,946,035	—
c. Other lines (specify):	—	—	—	—
d. Total	\$ 3,011,985	\$ (4,446,769)	\$ 19,946,035	\$ —

22. Events Subsequent

On July 1, 2016, AGC caused a wholly owned subsidiary to merge with and into CIFG Holding Inc. (“CIFG Holding”), the parent of financial guaranty insurer CIFG Assurance North America, Inc. ("CIFG"), and thereby acquired all of the issued and outstanding capital stock of CIFG Holding in accordance with the agreement announced on April 13, 2016 (the "CIFG Acquisition"). AGC transferred \$450.6 million in cash to a paying agent on June 30, 2016 in anticipation of the closing of the transaction, and recorded this transaction as funds restricted for the CIFG acquisition on the balance sheet as of June 30, 2016. After the CIFG Acquisition was consummated, AGC caused CIFG Holding to dividend its shares of CIFG to AGC and merged CIFG with and into AGC, with AGC as the surviving company, on July 5, 2016. The CIFG Acquisition added \$4.4 billion of net par on July 1, 2016.

Subsequent events have been considered through August 11, 2016 for these statutory financial statements which are to be issued on August 11, 2016. There were no material events occurring subsequent to June 30, 2016 that have not already been disclosed in these financial statements.

23. Reinsurance

- A. The Company has no unsecured reinsurance recoverable at June 30, 2016.
- B. The Company has no reinsurance recoverable in dispute at June 30, 2016.
- C. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at June 30, 2016:

	Assumed Reinsurance		Ceded Reinsurance		NET	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. AFFILIATES	\$ 37,672,890	\$ 10,352,438	\$ 314,400,301	\$ 45,646,191	\$ (276,727,411)	\$ (35,293,753)
b. ALL OTHER	39,531,726	10,079,756	5,109,833	1,149,952	34,421,893	8,929,804
c. TOTAL	\$ 77,204,616	\$ 20,432,194	\$ 319,510,134	\$ 46,796,143	\$ (242,305,518)	\$ (26,363,949)
d. Direct Unearned Premium Reserve			\$ 658,511,219			

- D. The Company has no uncollectible reinsurance at June 30, 2016.
- E. The Company has no commutations and reassumptions of ceded business during the first six months of 2016.
- F. The Company has no retroactive reinsurance in effect at June 30, 2016.
- G. The Company does not utilize the deposit method to account for any of its reinsurance transactions.
- H. The Company has no run-off agreements at June 30, 2016.
- I. The Company has no certified reinsurance downgraded or status subject to revocation at June 30, 2016.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There has been no change since the 2015 Annual Statement.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss expenses attributable to insured events of prior years were \$4,997,195 for the first six months of 2016. The current year adjustment is a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

STATEMENT AS OF JUNE 30, 2016 OF ASSURED GUARANTY CORP.

26. Intercompany Pooling Arrangements

There has been no change since the 2015 Annual Statement.

27. Structured Settlements

There has been no change since the 2015 Annual Statement.

28. Health Care Receivables

There has been no change since the 2015 Annual Statement.

29. Participating Policies

There has been no change since the 2015 Annual Statement.

30. Premium Deficiency Reserves

There has been no change since the 2015 Annual Statement.

31. High Deductibles

There has been no change since the 2015 Annual Statement.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

The net loss and LAE reserves of \$164,481,165 are discounted at a rate of 4.0%, the approximate taxable equivalent yield on the Company's investment portfolio, amounting to a total discount of \$159,685,213.

Nontabular Discount:	Case	IBNR	Defense & Cost Containment Expense	Adjusting & Other Expense
Financial Guaranty	\$ 159,685,213	\$ —	\$ —	\$ —

33. Asbestos and Environmental Reserves

There has been no change since the 2015 Annual Statement.

34. Subscriber Savings Accounts

There has been no change since the 2015 Annual Statement.

35. Multiple Peril Crop Insurance

There has been no change since the 2015 Annual Statement.

36. Financial Guaranty Insurance

A. There has been no significant change since the 2015 Annual Statement.

B. Schedule of BIG insured financial obligations as of June 30, 2016:

	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
	(Dollars in Thousands)			
1. Number of risks	172	66	105	343
2. Remaining weighted-average contract period (in yrs)	8.5	14.4	11.4	11.2
Insured contractual payments outstanding:				
3a. Principal	\$ 3,066,996	\$ 2,515,062	\$ 1,554,024	\$ 7,136,082
3b. Interest	1,151,035	1,709,995	207,337	3,068,367
3c. Total	\$ 4,218,031	\$ 4,225,057	\$ 1,761,361	\$ 10,204,449
4. Gross claim liability	\$ 52,866	\$ 757,068	\$ 418,596	\$ 1,228,530
Less:				
5a1. Gross potential recoveries - subrogation	245,748	120,355	50,706	416,809
5a2. Ceded claim liability	(14,744)	168,285	334,930	488,471
5a. Total gross potential recoveries	\$ 231,004	\$ 288,640	\$ 385,636	\$ 905,280
5b. Discount, net	(21,957)	188,077	(6,435)	159,685
6. Net claim liability	\$ (156,181)	\$ 280,351	\$ 39,395	\$ 163,565
7. Unearned premium revenue	\$ 41,212	\$ 33,125	\$ 704	\$ 75,041
8. Reinsurance recoverables	\$ (829)	\$ 1,261	\$ (662)	\$ (230)

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☐ NA ☒
- If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/21/2013
- 6.4

By what department or departments?

Maryland Insurance Administration
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes [X] No [ ]

9.11

If the response to 9.1 is No, please explain:  
.....

9.2

Has the code of ethics for senior managers been amended? .....

Yes [X] No [ ]

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).  
The Code of Conduct was updated to make ordinary course updates.....

9.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ ] No [X]

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).  
.....

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [X] No [ ]

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....213,649

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes [ ] No [X]

11.2

If yes, give full and complete information relating thereto:  
.....

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....

13.

Amount of real estate and mortgages held in short-term investments: .....\$ .....

14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes [X] No [ ]

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....377,352,488	\$ .....265,328,833
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....377,352,488	\$ .....265,328,833
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes [X] No [ ]

15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes [X] No [ ]

If no, attach a description with this statement.

GENERAL INTERROGATORIES

- 16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....
- 16.3 Total payable for securities lending reported on the liability page

\$ .....

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

- 17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon.....	One Wall Street, New York, NY 10286.....
Wilmington Trust.....	1800 Washington Blvd. Baltimore, Md 21230.....
The Northern Trust Company.....	50 South Lasalle Street, Chicago, IL 60675.....

- 17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? .....

Yes [ ] No [X]

- 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
107-105.....	Blackrock Financial Management Inc.....	40 East 52nd St., New York, NY 10022.....
105-900.....	General Re-New England Asset Managment Inc.....	76 Batterson Ave., Farmington, CT 06032.....
106-595.....	Wellington Management Company LLP.....	75 State St., Boston, MA 02109.....
107-738.....	Goldman Sachs Asset Management, L.P.....	200 West Street, 37th Floor, New York, NY 10282.....

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? .....

Yes [X] No [ ]

- 18.2 If no, list exceptions:  
.....



GENERAL INTERROGATORIES  
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [ ] NA [X]  
If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]  
If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? ..... Yes [X] No [ ]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
Financial Guaranty.....		4.000	159,685,213			159,685,213	(9,229,771)			(9,229,771)
TOTAL			159,685,213	0	0	159,685,213	(9,229,771)	0	0	(9,229,771)

5. Operating Percentages:  
5.1 A&H loss percent ..... %  
5.2 A&H cost containment percent ..... %  
5.3 A&H expense percent excluding cost containment expenses..... %

6.1 Do you act as a custodian for health savings accounts?..... Yes [ ] No [X]  
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$  
6.3 Do you act as an administrator for health savings accounts?..... Yes [ ] No [X]  
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$

## SCHEDULE F - CEDED REINSURANCE

[illegible]

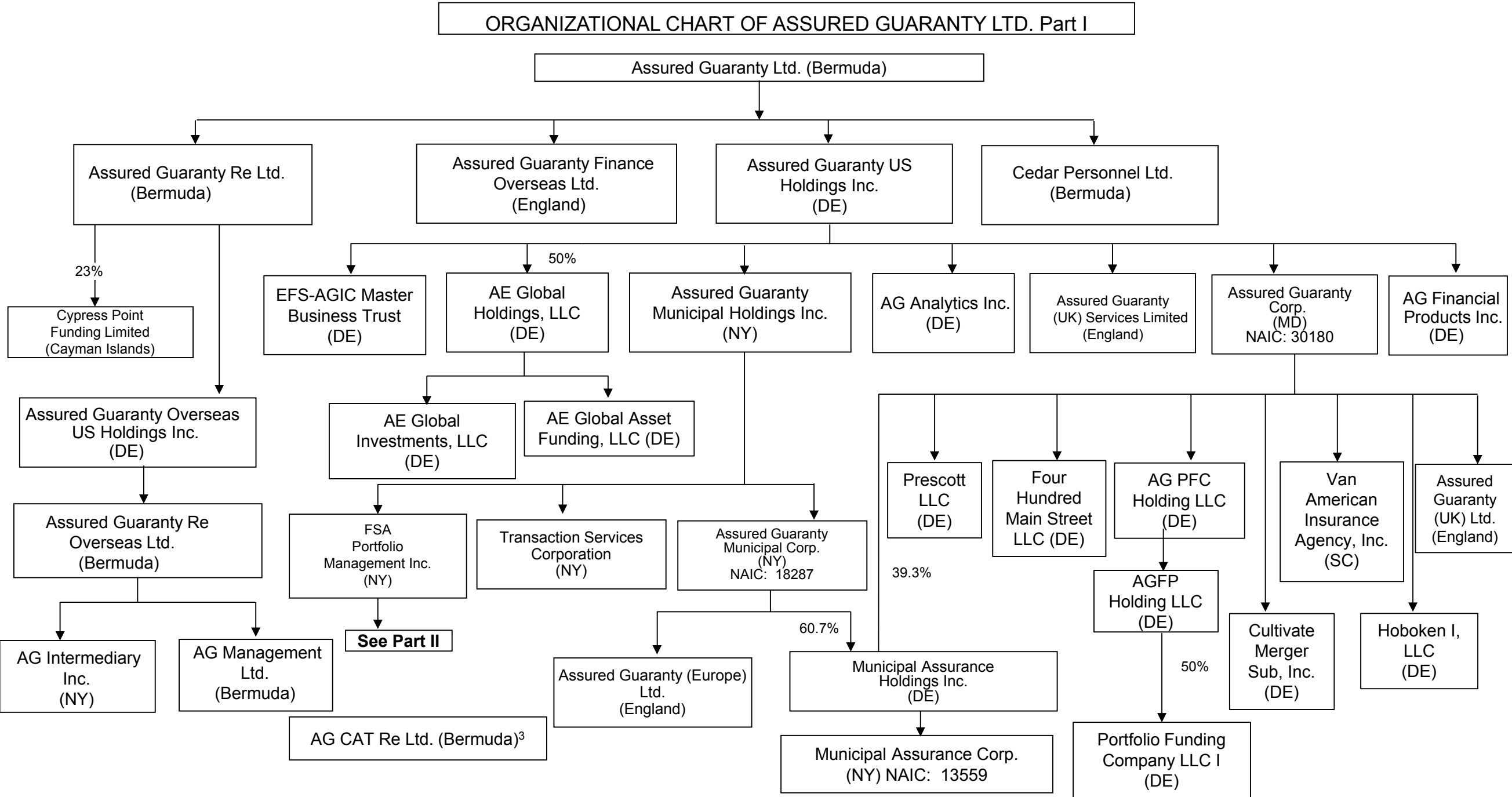
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories							
States, etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L		.0		.0		.0
2. Alaska	AK L		.0		.0		.0
3. Arizona	AZ L		.0		.0		.0
4. Arkansas	AR L	184,002	310,795	(2,062,356)	(12,694)	5,786,430	2,067,610
5. California	CA L	17,890	18,432	149,680	32,293	4,327,400	2,846,433
6. Colorado	CO L		.0		.0		.0
7. Connecticut	CT L	106,225	109,025		89,938		.0
8. Delaware	DE L	4,030,543	3,712,360	(4,594,758)	22,161	8,303,407	4,393,572
9. Dist. Columbia	DC L		.0		.0		.0
10. Florida	FL L		.0		.0	1,362,953	68,384
11. Georgia	GA L		.0		.0		.0
12. Hawaii	HI L		.0		.0		.0
13. Idaho	ID L		.0		.0		.0
14. Illinois	IL L	188,222	605,000	100,160	86,158	764,164	854,505
15. Indiana	IN L		.0		.0		.0
16. Iowa	IA L		.0		.0		.0
17. Kansas	KS L		.0		.0		.0
18. Kentucky	KY L		250		.0	6,340,968	6,812,300
19. Louisiana	LA L		.0		.0		.0
20. Maine	ME L	142,624	149,998		.0		.0
21. Maryland	MD L	597,719	658,830	4,140	(37,811)	574,434	180,817
22. Massachusetts	MA L	68,009	152,641	626,293	(47,261)	6,107,236	4,739,873
23. Michigan	MI L		.0	1,245,289	1,939,340	9,470,399	10,288,226
24. Minnesota	MN L	439,450	520,742		.0		.0
25. Mississippi	MS L		.0	1,028,426	690,000	2,701,187	10,238,067
26. Missouri	MO L	2,500,000	2,050,000		.0		.0
27. Montana	MT L		.0		.0		.0
28. Nebraska	NE L		.0		.0		.0
29. Nevada	NV L		.0		.0		.0
30. New Hampshire	NH L		.0		.0		.0
31. New Jersey	NJ L	113,009	655,252		.0		.0
32. New Mexico	NM L		.0		.0		.0
33. New York	NY L	18,801,567	20,195,647	42,595,792	5,511,222	27,279,620	33,358,615
34. No. Carolina	NC L		39,619		.0		.0
35. No. Dakota	ND L		.0		.0		.0
36. Ohio	OH L		.0		.0		.0
37. Oklahoma	OK L		.0		.0		.0
38. Oregon	OR L		.0		.0		.0
39. Pennsylvania	PA L		.0		.0	2,587,906	1,051,058
40. Rhode Island	RI L		.0		(183,261)		.0
41. So. Carolina	SC L		.0		.0		.0
42. So. Dakota	SD L		.0		.0		.0
43. Tennessee	TN L		.0		.0		.0
44. Texas	TX L	90,609	117,685		.0		.0
45. Utah	UT L		.0		.0		.0
46. Vermont	VT L	509,833	509,833		.0		.0
47. Virginia	VA L		.0		.0		.0
48. Washington	WA L		.0		.0		.0
49. West Virginia	WV L		.0		.0	150,000	.0
50. Wisconsin	WI L		.0		.0		.0
51. Wyoming	WY L		.0		.0		.0
52. American Samoa	AS N		.0		.0		.0
53. Guam	GU N		.0		.0		.0
54. Puerto Rico	PR L		.0		.0	138,834,644	44,064,878
55. U.S. Virgin Islands	VI N		.0		.0		.0
56. Northern Mariana Islands	MP N		.0		.0		.0
57. Canada	CAN N		.0		.0		.0
58. Aggregate Other Alien	OT XXX	1,258,017	1,392,089	.0	.0	.0	.0
59. Totals	(a) 52	29,047,719	31,198,198	39,092,666	8,090,085	214,590,746	120,964,338
DETAILS OF WRITE-INS							
58001. CYM Cayman Islands	XXX	1,258,017	1,392,089		.0		.0
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.	XXX	.0	.0	.0	.0	.0	.0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	1,258,017	1,392,089	0	0	0	0

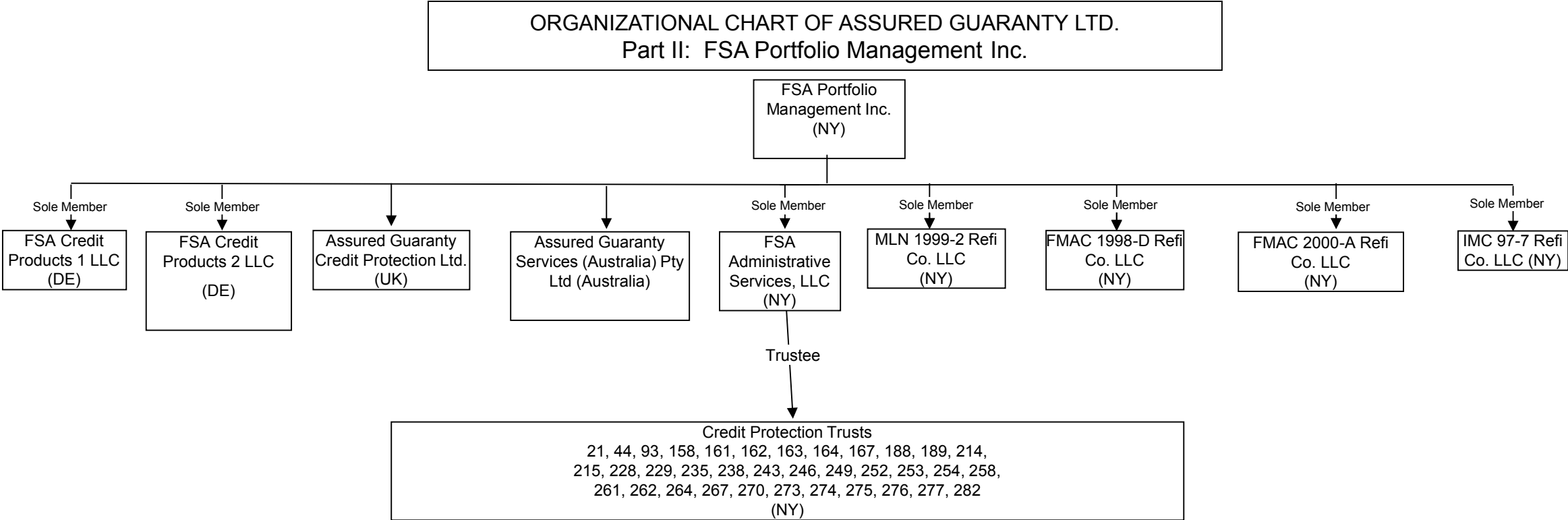
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

STATEMENT as of JUNE 30, 2016 of the ASSURED GUARANTY CORP.  
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



STATEMENT as of JUNE 30, 2016 of the ASSURED GUARANTY CORP.  
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP



Notes:

1. Unless otherwise indicated by percentage ownership or other relationship, the ownership interest is 100%. Percentages shown represent voting control, except that percentages in parentheses represent economic interest where voting control and economic interest are different..
2. All companies listed are corporations, except for limited liability companies (designated as LLCs) and the Credit Protection Trusts (which are New York grantor trusts).
3. AG CAT Re Ltd. is wholly owned by Codan Trust Company Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The insurance manager of AG CAT Re Ltd. is AG Management Ltd.

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00194.....	Assured Guaranty Ltd.....	00000.....	98-0429991.....	.....	0001573813.....	NYSE.....	Assured Guaranty Ltd.....	BMU.....	UIP.....	.....	.....	0.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	20-1082002.....	.....	0001289244.....	.....	Assured Guaranty US Holdings Inc.....	DE.....	UDP.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	13-3261323.....	.....	1111913357.....	.....	Assured Guaranty Municipal Holdings Inc.....	NY.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	18287.....	13-3250292.....	.....	.....	.....	Assured Guaranty Municipal Corp.....	NY.....	IA.....	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	13-3693815.....	.....	.....	.....	FSA Portfolio Management Inc.....	NY.....	NIA.....	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	13-3866939.....	.....	.....	.....	Transaction Services Corporation.....	NY.....	NIA.....	Assured Guaranty Municipal Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	46-3047895.....	.....	.....	.....	Municipal Assurance Holdings Inc.....	DE.....	DS.....	Assured Guaranty Municipal Corp.....	Ownership.....	60.7	Assured Guaranty Ltd.....	.....(1)
00194.....	Assured Guaranty Ltd.....	00000.....	13-3896538.....	.....	.....	.....	Assured Guaranty (Europe) Ltd.....	GBR.....	IA.....	Assured Guaranty Municipal Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	.....	.....	.....	.....	Cypress Point Funding Ltd.....	CYM.....	NIA.....	Assured Guaranty Re Ltd.....	Ownership.....	23.0	Assured Guaranty Ltd.....	.....0
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.0	.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	98-0203985.....	.....	.....	.....	Assured Guaranty Re Ltd.....	BMU.....	IA.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	.....	.....	.....	.....	Assured Guaranty Finance Overseas Ltd.....	GBR.....	NIA.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	.....	.....	.....	.....	Cedar Personnel Ltd.....	BMU.....	NIA.....	Assured Guaranty Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	52-2221232.....	.....	.....	.....	Assured Guaranty Overseas US Holdings Inc.....	DE.....	NIA.....	Assured Guaranty Re Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	98-0319240.....	.....	.....	.....	Assured Guaranty Re Overseas Ltd.....	BMU.....	IA.....	Assured Guaranty Overseas US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	.....	.....	.....	.....	AG Management Ltd.....	BMU.....	NIA.....	Assured Guaranty Re Overseas Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	13-3339307.....	.....	.....	.....	AG Intermediary Inc.....	NY.....	NIA.....	Assured Guaranty Re Overseas Ltd.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	13559.....	26-2999764.....	.....	.....	.....	Municipal Assurance Corp.....	NY.....	DS.....	Municipal Assurance Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	27-1251323.....	.....	.....	.....	AG Analytics Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	.....	.....	.....	.....	Assured Guaranty (UK) Services Limited.....	GBR.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	30180.....	52-1533088.....	.....	.....	.....	Assured Guaranty Corp.....	MD.....	RE.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	13-4031196.....	.....	.....	.....	AG Financial Products Inc.....	DE.....	NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	.....	.....	.....	.....	Prescott LLC.....	DE.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	52-1533088.....	.....	.....	.....	AG PFC Holding LLC.....	DE.....	DS.....	Assured Guaranty Corp.....	Ownership.....	100.0	Assured Guaranty Ltd.....	.....0

STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty (UK) Ltd.....	.GBR.....	.DS.....	Assured Guaranty Corp.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	27-3047677.....				AGFP Holding LLC.....	.DE.....	.DS.....	AG PFC Holding LLC.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					Portfolio Funding Company LLC 1.....	.DE.....	.DS.....	AGFP Holding LLC.....	Ownership.....	.....50.0	Assured Guaranty Ltd.....	.....0
	Codan Trust Company Ltd.....	00000.....					AG CAT Re Ltd.....	.BMU.....	.OTH.....	Codan Trust Company Limited.....	Other.....	.....0.0	Codan Trust Company Limited.....	(2)
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 1 LLC.....	.DE.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Credit Products 2 LLC.....	.DE.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Credit Protection Ltd.....	.GBR.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					Assured Guaranty Services (Australia) Pty Ltd.....	.AUS.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					FSA Administrative Services, LLC.....	.NY.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
												.....0.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					MLN 1992-2 Refi Co. LLC.....	.NY.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 1998-D Refi Co. LLC.....	.NY.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					FMAC 2000-A Refi Co. LLC.....	.NY.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					IMC 97-7 Refi Co. LLC.....	.NY.....	.NIA.....	FSA Portfolio Management Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
												.....0.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					Credit Protection Trusts.....	.NY.....	.NIA.....	FSA Portfolio Management Inc.....	Other.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	13-3333448.....				EFS-AGIC Master Business Trust.....	.DE.....	.NIA.....	Assured Guaranty US Holdings, Inc.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	36-4446928.....				AE Global Holdings, LLC.....	.DE.....	.NIA.....	Assured Guaranty US Holdings Inc.....	Ownership.....	.....50.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					AE Global Investments, LLC.....	.DE.....	.NIA.....	AE Global Holdings, LLC.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					AE Global Asset Funding, LLC.....	.DE.....	.NIA.....	AE Global Holdings, LLC.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					Four Hundred Main Street, LLC.....	.DE.....	.DS.....	Assured Guaranty Corp.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....	20-3759337.....				Van American Insurance Agency, Inc.....	.SC.....	.DS.....	Assured Guaranty Corp.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0
00194.....	Assured Guaranty Ltd.....	00000.....					Hoboken I, LLC.....	.DE.....	.DS.....	Assured Guaranty Corp.....	Ownership.....	.....100.0	Assured Guaranty Ltd.....	.....0

Asterisk	Explanation
	(1) The remaining 39.3% of Municipal Assurance Holdings Inc. is directly owned by Assured Guaranty Corp.....
	(2) AG CAT Re Ltd. is wholly owned by Codan Trust Company Limited, an entity that is not owned or controlled by Assured Guaranty Ltd. The insurance manager of AG CAT Re Ltd. is AG Management Ltd.....

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1.	Fire .....			0.0	0.0
2.	Allied lines .....			0.0	0.0
3.	Farmowners multiple peril .....			0.0	0.0
4.	Homeowners multiple peril .....			0.0	0.0
5.	Commercial multiple peril .....			0.0	0.0
6.	Mortgage guaranty .....			0.0	0.0
8.	Ocean marine .....			0.0	0.0
9.	Inland marine .....			0.0	0.0
10.	Financial guaranty .....	127,170,995	13,831,183	10.9	61.0
11.1	Medical professional liability -occurrence .....			0.0	0.0
11.2	Medical professional liability -claims made .....			0.0	0.0
12.	Earthquake .....			0.0	0.0
13.	Group accident and health .....			0.0	0.0
14.	Credit accident and health .....			0.0	0.0
15.	Other accident and health .....			0.0	0.0
16.	Workers' compensation .....			0.0	0.0
17.1	Other liability occurrence .....			0.0	0.0
17.2	Other liability-claims made .....			0.0	0.0
17.3	Excess Workers' Compensation .....			0.0	0.0
18.1	Products liability-occurrence .....			0.0	0.0
18.2	Products liability-claims made .....			0.0	0.0
19.1,19.2	Private passenger auto liability .....			0.0	0.0
19.3,19.4	Commercial auto liability .....			0.0	0.0
21.	Auto physical damage .....			0.0	0.0
22.	Aircraft (all perils) .....			0.0	0.0
23.	Fidelity .....			0.0	0.0
24.	Surety .....			0.0	0.0
26.	Burglary and theft .....			0.0	0.0
27.	Boiler and machinery .....			0.0	0.0
28.	Credit .....			0.0	0.0
29.	International .....			0.0	0.0
30.	Warranty .....			0.0	0.0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....	0	0	0.0	0.0
35.	TOTALS .....	127,170,995	13,831,183	10.9	61.0
DETAILS OF WRITE-INS					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0.0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34) .....	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire .....	0		0
2.	Allied lines .....	0		0
3.	Farmowners multiple peril .....	0		0
4.	Homeowners multiple peril .....	0		0
5.	Commercial multiple peril .....	0		0
6.	Mortgage guaranty .....	0		0
8.	Ocean marine .....	0		0
9.	Inland marine .....	0		0
10.	Financial guaranty .....	17,389,123	29,047,719	31,197,949
11.1	Medical professional liability-occurrence .....	0		0
11.2	Medical professional liability-claims made .....	0		0
12.	Earthquake .....	0		0
13.	Group accident and health .....	0		0
14.	Credit accident and health .....	0		0
15.	Other accident and health .....	0		0
16.	Workers' compensation .....	0		0
17.1	Other liability occurrence .....	0		0
17.2	Other liability-claims made .....	0		0
17.3	Excess Workers' Compensation .....	0		0
18.1	Products liability-occurrence .....	0		0
18.2	Products liability-claims made .....	0		0
19.1,19.2	Private passenger auto liability .....	0		0
19.3,19.4	Commercial auto liability .....	0		0
21.	Auto physical damage .....	0		0
22.	Aircraft (all perils) .....	0		0
23.	Fidelity .....	0		0
24.	Surety .....	0		250
26.	Burglary and theft .....	0		0
27.	Boiler and machinery .....	0		0
28.	Credit .....	0		0
29.	International .....	0		0
30.	Warranty .....	0		0
31.	Reinsurance - Nonproportional Assumed Property .....	XXX	XXX	XXX
32.	Reinsurance - Nonproportional Assumed Liability .....	XXX	XXX	XXX
33.	Reinsurance - Nonproportional Assumed Financial Lines .....	XXX	XXX	XXX
34.	Aggregate write-ins for other lines of business .....	0	0	0
35.	TOTALS .....	17,389,123	29,047,719	31,198,199
DETAILS OF WRITE-INS				
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Sum. of remaining write-ins for Line 34 from overflow page .....	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34) .....	0	0	0



PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2013 + Prior .....	191,486	300	191,786	52,846		52,846	140,129		300	140,429	1,489	0	1,489
2. 2014 .....	(2,380)		(2,380)	978		978	(1,870)			(1,870)	1,487	0	1,487
3. Subtotals 2014 + prior .....	189,106	300	189,406	53,824	0	53,824	138,258	0	300	138,558	2,976	0	2,976
4. 2015 .....	20,410		20,410	(43)		(43)	22,474			22,474	2,021	0	2,021
5. Subtotals 2015 + prior .....	209,516	300	209,816	53,781	0	53,781	160,732	0	300	161,032	4,997	0	4,997
6. 2016 .....	XXX	XXX	XXX	XXX	1	1	XXX	3,449		3,449	XXX	XXX	XXX
7. Totals .....	209,516	300	209,816	53,781	1	53,782	160,732	3,449	300	164,481	4,997	0	4,997
8. Prior Year-End Surplus As Regards Policy-holders	1,365,288										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 2.4	2. 0.0	3. 2.4
											Col. 13, Line 7 Line 8		
											4. 0.4		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.


	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	.....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.


Bar Code:

1.




301802016490000002

2.




301802016455000002

3.



301802016365000002

4.



301802016505000002

OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 25.  
\*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2504. Supplemental Executive Retirement Fund.....	11,697,733		11,697,733	12,753,623
2505. COLI Assets.....	26,879,546		26,879,546	21,348,863
2506. Other Assets.....	5,257,506	1,647,393	3,610,113	2,591,343
2507. ....			0	0
2508. ....			0	0
2597. Summary of remaining write-ins for Line 25 from Page 02	43,834,785	1,647,393	42,187,392	36,693,829

PQ003 Additional Aggregate Lines for Page 03 Line 25.  
\*LIAB

	1	2
	Current Statement Date	December 31, Prior Year
2504. Deferred Investment Gain.....	35,479,250	37,014,835
2505. Miscellaneous Liability.....	5,472,275	6,682,936
2506. ....		0
2597. Summary of remaining write-ins for Line 25 from Page 03	40,951,525	43,697,771

PQ004 Additional Aggregate Lines for Page 04 Line 14.  
\*STMTINCOME

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1404. Service Fee.....		0	0
1405. Other Income.....		0	(107,001,585)
1497. Summary of remaining write-ins for Line 14 from Page 04	0	0	(107,001,585)

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	32,029,255	2,374,265
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		29,776,415
2.2 Additional investment made after acquisition .....	202,866	.0
3. Current year change in encumbrances .....		.0
4. Total gain (loss) on disposals .....		.0
5. Deduct amounts received on disposals .....		.0
6. Total foreign exchange change in book/adjusted carrying value .....		.0
7. Deduct current year's other-than-temporary impairment recognized .....		.0
8. Deduct current year's depreciation .....	897,954	121,425
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	31,334,167	32,029,255
10. Deduct total nonadmitted amounts .....	2,192,127	2,252,840
11. Statement value at end of current period (Line 9 minus Line 10) .....	29,142,040	29,776,415

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	.0	.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		.0
2.2 Additional investment made after acquisition .....		.0
3. Capitalized deferred interest and other .....		.0
4. Accrual of discount .....		.0
5. Unrealized valuation increase (decrease) .....		.0
6. Total gain (loss) on disposals .....		.0
7. Deduct amounts received on disposals .....		.0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		.0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		.0
10. Deduct current year's other-than-temporary impairment recognized .....		.0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	.0	.0
12. Total valuation allowance .....		.0
13. Subtotal (Line 11 plus Line 12) .....	.0	.0
14. Deduct total nonadmitted amounts .....	.0	.0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	2,837,677	27,278,198
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	2,000,000	30,000,008
2.2 Additional investment made after acquisition .....		614,776
3. Capitalized deferred interest and other .....		.0
4. Accrual of discount .....		.0
5. Unrealized valuation increase (decrease) .....	(124,650)	(3,163,158)
6. Total gain (loss) on disposals .....		2,511,990
7. Deduct amounts received on disposals .....	7,316	54,404,137
8. Deduct amortization of premium and depreciation .....		.0
9. Total foreign exchange change in book/adjusted carrying value .....		.0
10. Deduct current year's other-than-temporary impairment recognized .....		.0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	4,705,711	2,837,677
12. Deduct total nonadmitted amounts .....	.0	.0
13. Statement value at end of current period (Line 11 minus Line 12) .....	4,705,711	2,837,677

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	2,712,693,035	3,091,797,948
2. Cost of bonds and stocks acquired .....	107,349,513	1,079,947,032
3. Accrual of discount .....	13,381,259	23,805,521
4. Unrealized valuation increase (decrease) .....	5,869,135	39,225,012
5. Total gain (loss) on disposals .....	12,503,910	27,564,178
6. Deduct consideration for bonds and stocks disposed of .....	735,820,444	1,524,529,135
7. Deduct amortization of premium .....	8,492,164	19,349,833
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other-than-temporary impairment recognized .....	6,536,297	5,767,688
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	2,100,947,947	2,712,693,035
11. Deduct total nonadmitted amounts .....	(13,845,799)	(12,959,242)
12. Statement value at end of current period (Line 10 minus Line 11) .....	2,114,793,746	2,725,652,277

STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	2,147,366,658	228,146,614	634,598,259	(4,066,427)	2,147,366,658	1,736,848,586	0	2,224,761,532
2. NAIC 2 (a).....	34,608,484		24,026,532	(46,073)	34,608,484	10,535,879	0	34,698,098
3. NAIC 3 (a).....	87,111		9,761	1,351,965	87,111	1,429,315	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	137,465,333	1,899,475	597,010	(2,617,488)	137,465,333	136,150,310	0	140,360,312
7. Total Bonds	2,319,527,586	230,046,089	659,231,562	(5,378,023)	2,319,527,586	1,884,964,090	0	2,399,819,942
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	0				0	0	0	0
9. NAIC 2 .....	0				0	0	0	0
10. NAIC 3 .....	0				0	0	0	0
11. NAIC 4 .....	0				0	0	0	0
12. NAIC 5 .....	0				0	0	0	0
13. NAIC 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	2,319,527,586	230,046,089	659,231,562	(5,378,023)	2,319,527,586	1,884,964,090	0	2,399,819,942

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....45,833,956 ; NAIC 2 \$ ..... ;

NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	5,888,562	XXX	5,886,962		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	853,831	189,937,166
2. Cost of short-term investments acquired .....	69,178,656	430,410,301
3. Accrual of discount .....	1,600	74,125
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....	(212)	0
6. Deduct consideration received on disposals .....	64,145,313	619,459,468
7. Deduct amortization of premium.....		96,650
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		11,643
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	5,888,562	853,831
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	5,888,562	853,831

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards	
1. Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)	31,773,073
2. Cost Paid/(Consideration Received) on additions	
3. Unrealized Valuation increase/(decrease)	(20,389,288)
4. Total gain (loss) on termination recognized	
5. Considerations received/(paid) on terminations	
6. Amortization	
7. Adjustment to the Book/Adjusted Carrying Value of hedged item	
8. Total foreign exchange change in Book/Adjusted Carrying Value	
9. Book/Adjusted Carrying Value at End of Current Period (Lines 1+2+3+4-5+6+7+8)	11,383,785
10. Deduct nonadmitted assets	
11. Statement value at end of current period (Line 9 minus Line 10)	11,383,785

SCHEDULE DB - PART B - VERIFICATION

Futures Contracts	
1. Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)	0
2. Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote – Cumulative Cash Change column)	0
3.1 Add:	
Change in variation margin on open contracts – Highly Effective Hedges	
3.11 Section 1, Column 15, current year to date minus	0
3.12 Section 1, Column 15, prior year	0
Change in variation margin on open contracts – All Other	
3.13 Section 1, Column 18, current year to date minus	0
3.14 Section 1, Column 18, prior year	0
3.2 Add:	
Change in adjustment to basis of hedged item	
3.21 Section 1, Column 17, current year to date minus	0
3.22 Section 1, Column 17, prior year	0
Change in amount recognized	
3.23 Section 1, Column 19, current year to date minus	0
3.24 Section 1, Column 19, prior year	0
3.3 Subtotal (Line 3.1 minus Line 3.2)	0
4.1 Cumulative variation margin on terminated contracts during the year	
4.2 Less:	
4.21 Amount used to adjust basis of hedged item	
4.22 Amount recognized	0
4.3 Subtotal (Line 4.1 minus Line 4.2)	0
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Total gain (loss) recognized for terminations in prior year	
5.2 Total gain (loss) adjusted into the hedged item(s) for terminations in prior year	
6. Book/Adjusted carrying value at end of current period (Lines 1+2+3.3-4.3-5.1-5.2)	0
7. Deduct total nonadmitted amounts	
8. Statement value at end of current period (Line 6 minus Line 7)	0

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE



SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check
1.	Part A, Section 1, Column 14.....	11,383,785
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote – Total Ending Cash Balance.....	0
3.	Total (Line 1 plus Line 2).....	11,383,785
4.	Part D, Section 1, Column 5.....	11,383,785
5.	Part D, Section 1, Column 6.....	0
6.	Total (Line 3 minus Line 4 minus Line 5).....	0
		Fair Value Check
7.	Part A, Section 1, Column 16.....	11,383,785
8.	Part B, Section 1, Column 13.....	0
9.	Total (Line 7 plus Line 8).....	11,383,785
10.	Part D, Section 1, Column 8.....	11,383,785
11.	Part D, Section 1, Column 9.....	0
12.	Total (Line 9 minus Line 10 minus Line 11).....	0
		Potential Exposure Check
13.	Part A, Section 1, Column 21.....	0
14.	Part B, Section 1, Column 20.....	0
15.	Part D, Section 1, Column 11.....	0
16.	Total (Line 13 plus Line 14 minus Line 15).....	0

SCHEDULE E - VERIFICATION  
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	65,396,475	332,548,940
2. Cost of cash equivalents acquired .....	232,757,246	1,111,810,389
3. Accrual of discount .....	17,940	28,092
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals.....	1,662	1,148
6. Deduct consideration received on disposals .....	252,950,233	1,378,992,094
7. Deduct amortization of premium .....	2,974	0
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other than temporary impairment recognized .....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	45,220,116	65,396,475
11. Deduct total nonadmitted amounts .....		0
12. Statement value at end of current period (Line 10 minus Line 11)	45,220,116	65,396,475

## EO1

# NONE

[illegible]

# NONE

[illegible]

## E02

NONE

[illegible]

NONE

[illegible]

EO3

EO3

EO3

EO3

EO3

EO3

EO3

## E04

## E04

E04

E04

E04

STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments																					
36202F-SE-7...	G2 5017.....		06/20/2016	PRINCIPAL RECEIPT.....		365,451	365,451	406,108	407,758		(42,306)		(42,306)		365,451			.0	6,980	04/20/2041.....	1.....
36295N-NT-0...	GNMA PASST 675502.....		06/15/2016	PRINCIPAL RECEIPT.....		7,782	7,782	8,191	8,164		(382)		(382)		7,782			.0	134	06/15/2023.....	1.....
36296U-3B-4...	GNMA PASST 701994.....		06/20/2016	VARIOUS.....		27,449	26,428	27,815	27,565		(474)		(474)		27,092		357	357	525	01/15/2024.....	1.....
3620A5-MN-6...	GNMA PASST 719565.....		06/15/2016	PRINCIPAL RECEIPT.....		2,690	2,690	2,832	2,802		(112)		(112)		2,690			.0	51	09/15/2024.....	1.....
36202E-Q2-8...	GNMA PASSTHRU 004073.....		06/20/2016	PRINCIPAL RECEIPT.....		3,086	3,086	3,384	3,384		(299)		(299)		3,086			.0	75	01/20/2038.....	1.....
36202E-RE-1...	GNMA PASSTHRU 004085.....		06/20/2016	PRINCIPAL RECEIPT.....		5,980	5,980	6,557	6,568		(588)		(588)		5,980			.0	149	02/20/2038.....	1.....
36202E-TA-7...	GNMA PASSTHRU 004145.....		06/20/2016	PRINCIPAL RECEIPT.....		4,930	4,930	5,406	5,404		(474)		(474)		4,930			.0	123	05/20/2038.....	1.....
36202E-WE-5...	GNMA PASSTHRU 004245.....		06/20/2016	PRINCIPAL RECEIPT.....		3,180	3,180	3,486	3,496		(316)		(316)		3,180			.0	79	09/20/2038.....	1.....
36202F-VG-8...	GNMA PASSTHRU 005115.....		06/20/2016	VARIOUS.....		6,490,525	5,971,240	6,624,344	6,621,838		(48,438)		(48,438)		6,573,401		(82,876)	(82,876)	149,219	07/20/2041.....	1.....
36295B-SR-0...	GNMA PASSTHRU 666056.....		06/15/2016	PRINCIPAL RECEIPT.....		4,464	4,464	4,699	4,673		(209)		(209)		4,464			.0	84	03/15/2023.....	1.....
36296A-WC-4...	GNMA PASSTHRU 685643.....		06/15/2016	PRINCIPAL RECEIPT.....		8,801	8,801	9,263	9,139		(338)		(338)		8,801			.0	165	04/15/2023.....	1.....
36296F-JW-4...	GNMA PASSTHRU 689777.....		06/15/2016	PRINCIPAL RECEIPT.....		1,295	1,295	1,363	1,352		(57)		(57)		1,295			.0	24	07/15/2023.....	1.....
36296J-M3-6...	GNMA PASSTHRU 692578.....		06/15/2016	PRINCIPAL RECEIPT.....		13,377	13,377	14,627	14,781		(1,405)		(1,405)		13,377			.0	250	05/15/2039.....	1.....
36296K-P4-8...	GNMA PASSTHRU 693543.....		06/15/2016	PRINCIPAL RECEIPT.....		28,784	28,784	30,295	29,979		(1,196)		(1,196)		28,784			.0	539	07/15/2023.....	1.....
36296N-ZS-8...	GNMA PASSTHRU 696553.....		06/15/2016	PRINCIPAL RECEIPT.....		267	267	281	277		(10)		(10)		267			.0	5	08/15/2023.....	1.....
36296O-BP-3...	GNMA PASSTHRU 697646.....		06/20/2016	VARIOUS.....		22,772	20,550	22,318	22,229		(208)		(208)		22,021		751	751	608	10/15/2038.....	1.....
36296U-S7-6...	GNMA PASSTHRU 701742.....		06/20/2016	VARIOUS.....		87,200	77,306	84,560	84,053		(720)		(720)		84,772		2,428	2,428	2,359	03/15/2039.....	1.....
36296U-ZS-2...	GNMA PASSTHRU 701953.....		06/15/2016	PRINCIPAL RECEIPT.....		388	388	408	404		(16)		(16)		388			.0	7	06/15/2024.....	1.....
36296X-K9-0...	GNMA PASSTHRU 704604.....		06/15/2016	PRINCIPAL RECEIPT.....		5,031	5,031	5,295	5,207		(176)		(176)		5,031			.0	95	07/15/2024.....	1.....
3620A2-EJ-1...	GNMA PASSTHRU 716637.....		06/15/2016	PRINCIPAL RECEIPT.....		6,574	6,574	6,920	6,780		(207)		(207)		6,574			.0	123	08/15/2024.....	1.....
3620A3-SN-5...	GNMA PASSTHRU 717925.....		06/15/2016	PRINCIPAL RECEIPT.....		7,589	7,589	7,988	7,589						7,589			.0	153	09/15/2024.....	1.....
3620A3-XL-3...	GNMA PASSTHRU 718083.....		06/15/2016	PRINCIPAL RECEIPT.....		9,833	9,833	10,350	10,129		(296)		(296)		9,833			.0	185	12/15/2024.....	1.....
3620A4-WJ-7...	GNMA PASSTHRU 718949.....		06/15/2016	PRINCIPAL RECEIPT.....		4,347	4,347	4,576	4,522		(175)		(175)		4,347			.0	82	10/15/2024.....	1.....
3620A9-WU-2...	GNMA PASSTHRU 723171.....		06/20/2016	VARIOUS.....		374,918	349,688	368,047	362,910		(966)		(966)		361,944		12,974	12,974	8,611	10/15/2024.....	1.....
3620AA-R6-7...	GNMA PASSTHRU 724209.....		06/15/2016	PRINCIPAL RECEIPT.....		2,393	2,393	2,519	2,470		(77)		(77)		2,393			.0	49	08/15/2024.....	1.....
3620AC-U9-3...	GNMA PASSTHRU 726108.....		06/15/2016	PRINCIPAL RECEIPT.....		12,902	12,902	13,579	13,261		(359)		(359)		12,902			.0	209	12/15/2024.....	1.....
3620AC-Z0-6...	GNMA PASSTHRU 726283.....		06/15/2016	PRINCIPAL RECEIPT.....		2,738	2,738	2,882	2,870		(132)		(132)		2,738			.0	56	09/15/2024.....	1.....
3620AD-AL-6...	GNMA PASSTHRU 726411.....		06/15/2016	PRINCIPAL RECEIPT.....		10,493	10,493	11,044	10,822		(329)		(329)		10,493			.0	192	10/15/2024.....	1.....
3620AF-Y3-5...	GNMA PASSTHRU 728930.....		06/15/2016	PRINCIPAL RECEIPT.....		1,411	1,411	1,485	1,450		(39)		(39)		1,411			.0	26	12/15/2024.....	1.....
3620AJ-ZA-0...	GNMA PASSTHRU 731637.....		06/20/2016	VARIOUS.....		18,146	16,476	17,933	17,673		(194)		(194)		17,480		666	666	478	03/15/2040.....	1.....
36176X-KT-5...	GNMA PASSTHRU 779106.....		06/20/2016	VARIOUS.....		7,440,946	7,048,896	7,629,879	7,601,565		(27,280)		(27,280)		7,574,285		(133,339)	(133,339)	134,826	04/15/2042.....	1.....
36178C-6M-0...	GNMA PASSTHRU AA5376.....		05/18/2016	VARIOUS.....		11,005,267	10,453,063	11,345,253	11,368,518		(49,652)		(49,652)		11,318,867		(313,600)	(313,600)	173,213	06/15/2042.....	1.....
36179M-E4-8...	GNMA PASSTHRU MA0155.....		06/20/2016	PRINCIPAL RECEIPT.....		696,697	696,697	767,264	734,886		(38,190)		(38,190)		696,697			.0	11,759	06/20/2042.....	1.....
912828-C8-1...	TREASURY NOTE.....		05/02/2016	MATURITY.....		10,000,000	10,000,000	9,988,705	9,988,136		1,864		1,864		10,000,000			.0	18,750	04/30/2016.....	1.....
912828-HA-1...	TREASURY NOTE.....		06/20/2016	BNP PARIBAS SEC CORP. NOMURA SECURITIES INT'L INC.....		471,216	450,000	450,793	450,458		(129)		(129)		450,329		20,887	20,887	18,145	08/15/2017.....	1.....
912828-TS-9...	TREASURY NOTE.....		06/20/2016	INC.....		16,792,097	16,800,000	16,588,716	16,678,935		32,177		32,177		16,711,111		80,985	80,985	76,025	09/30/2017.....	1.....
912828-WH-9...	TREASURY NOTE.....		06/20/2016	JP MORGAN SECURITIES.....		6,015,693	6,000,000	6,012,208	6,005,621		(1,915)		(1,915)		6,003,706		11,987	11,987	31,529	05/15/2017.....	1.....
912828-RR-3...	UNITED STATES TREAS.....		06/20/2016	GOLDMAN SACHS.....		6,779,360	6,525,000	6,860,171	6,748,599		(17,192)		(17,192)		6,731,407		47,953	47,953	78,371	11/15/2021.....	1.....
912828-TC-4...	UNITED STATES TREAS.....		06/20/2016	MORGAN STANLEY CO.....		1,932,742	1,925,000	1,924,549	1,924,770		30		30		1,924,800		7,942	7,942	9,149	06/30/2019.....	1.....
912828-UA-6...	UNITED STATES TREAS.....		06/20/2016	RBC CAPITAL MARKETS.....		299,671	300,000	295,406	297,827		527		527		298,354		1,317	1,317	917	11/30/2017.....	1.....
912828-FQ-8...	UNITED STATES TREAS NTS.....		06/21/2016	VARIOUS.....		2,544,991	2,525,000	2,669,581	2,567,401		(28,987)		(28,987)		2,538,414		6,577	6,577	101,146	08/15/2016.....	1.....
912828-Q4-5...	NOTE.....		06/20/2016	HSBC Securities, Inc.....		30,039,862	29,965,000	29,982,509			(1,215)		(1,215)		29,981,294		58,568	58,568	60,176	03/31/2018.....	1.....
912828-QF-0...	NOTE.....		05/02/2016	MATURITY.....		20,000,000	20,000,000	20,041,353	20,007,243		(7,243)		(7,243)		20,000,000			.0	200,000	04/30/2016.....	1.....
912828-UJ-7...	NOTE.....		06/20/2016	BARCLAYS CAPITAL.....		3,663,852	3,655,000	3,665,284	3,662,865		(1,760)		(1,760)		3,661,104		2,748	2,748	28,467	01/31/2018.....	1.....
912828-SV-3...	US Treasury N/B.....		06/20/2016	BARCLAYS CAPITAL.....		1,698,517	1,660,000	1,656,952	1,657,997		140		140		1,658,137		40,381	40,381	17,446	05/15/2022.....	1.....
0599999 - Bonds - U.S. Governments						126,915,707	124,979,130	127,58													

STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
014393-VG-4...	ALDINE TEXAS INDEPENDENT SCHOOL DI...		06/22/2016...	JP MORGAN SECURITIES		3,797,250	3,000,000	3,761,430			(32,306)		(32,306)		3,729,124		68,126	68,126	60,833	02/15/2026...	1FE...
208418-ZB-2...	CONROE TEXAS INDEPENDENT SCHOOL DI...		06/22/2016...	JP MORGAN SECURITIES		2,795,321	2,160,000	2,749,745			(23,085)		(23,085)		2,726,660		68,661	68,661	43,800	02/15/2026...	1FE...
248866-B7-9...	DENTON TEXAS (COUNTY OF) 15 Feb 20...		06/20/2016...	MESIROW FINANCIAL INC.		2,996,640	2,400,000	2,879,184	2,850,225		(23,670)		(23,670)		2,826,555		170,085	170,085	122,333	02/15/2024...	1FE...
248866-B8-7...	DENTON TEXAS (COUNTY OF) 15 Feb 20...		06/20/2016...	MESIROW FINANCIAL INC.		3,081,375	2,425,000	2,930,952	2,904,023		(22,027)		(22,027)		2,881,996		199,379	199,379	123,608	02/15/2025...	1FE...
346604-JN-2...	FORSYTH CNTY GA SCH DIST REF 5.000...		06/22/2016...	JEFFERIES		3,032,605	2,350,000	2,965,089			(23,059)		(23,059)		2,942,030		90,574	90,574	44,389	02/01/2028...	1FE...
49474F-LH-1...	KING CNTY WA...		06/21/2016...	BARCLAYS CAPITAL		3,732,862	3,105,000	3,679,456	3,655,188		(41,776)		(41,776)		3,613,412		119,450	108,244	108,244	12/01/2021...	1FE...
566897-VF-8...	MARICOPA COUNTY ARIZONA SCHOOL DIS...		06/21/2016...	US BANCORP PIPER JAFFRAY		3,456,342	3,180,000	3,395,880	3,385,472		(16,870)		(16,870)		3,368,602		87,740	87,740	102,555	07/01/2021...	1FE...
591852-YU-6...	MET COUNCIL MINNEAPOLIS-SAINTPAUL...		06/21/2016...	GOLDMAN SACHS		1,861,875	1,500,000	1,813,440	1,797,666		(18,323)		(18,323)		1,779,343		82,532	82,532	66,250	03/01/2023...	1FE...
613681-3F-0...	MONTGOMERY, TEXAS (COUNTY OF) RFDG...		06/23/2016...	WELLS FARGO BROK SER LLC		1,623,020	1,265,000	1,603,767			(13,388)		(13,388)		1,590,379		32,641	32,641	30,922	03/01/2026...	1FE...
930863-Z5-7...	NC Wake Co GO NC S11		06/28/2016...	JEFFERIES		3,391,700	3,150,000	3,672,832	3,339,527		(40,594)		(40,594)		3,298,934		92,766	92,766	118,125	04/01/2018...	1FE...
64966L-S7-7...	NEW YORK N Y FOR PREVIOUS ISSUES S...		06/29/2016...	CITIGROUP GLOBAL MARKETS		13,659,350	11,000,000	13,071,410	12,937,825		(113,852)		(113,852)		12,823,973		835,377	835,377	500,278	08/01/2023...	1FE...
763665-YW-0...	RICHLAND CNTY SC SCH DIST #1...		06/21/2016...	SUNTRUST CAPITAL MARKETS INC.		1,899,795	1,500,000	1,849,365	1,816,058		(15,650)		(15,650)		1,800,408		99,387	99,387	61,042	03/01/2025...	1FE...
779240-KA-7...	ROUND ROCK TEXAS INDEPENDENT SCHOO...		06/23/2016...	RBC CAPITAL MARKETS		1,478,250	1,155,000	1,465,175			(13,008)		(13,008)		1,452,168		26,082	26,082	21,817	08/01/2025...	1FE...
830354-MW-3...	SKAGIT CNTY WASH SCH DIST NO 103 A...		06/20/2016...	FIRST TENNESSEE		1,271,539	1,035,000	1,237,694	1,226,807		(12,160)		(12,160)		1,214,648		56,891	56,891	45,713	12/01/2022...	1FE...
969887-W6-1...	WILLIAMSON, TEXAS (COUNTY OF) CTFS...		06/22/2016...	MESIROW FINANCIAL INC.		1,888,709	1,490,000	1,864,765			(16,705)		(16,705)		1,848,060		40,649	40,649	80,501	02/15/2026...	1FE...
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						51,326,900	41,830,000	50,268,093	35,232,401	0	(440,348)	0	(440,348)	0	49,202,027	0	2,124,872	2,124,872	1,570,674	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
047856-EX-3...	ATLANTA GA URBAN RESIDENTIAL		06/01/2016...	CALLED @ 100.0000000...		15,000	15,000	15,735	15,212		(49)		(49)		15,163		(163)	(163)	346	03/01/2041...	1FE...
059231-ZM-5...	BALTIMORE MARYLAND (CITY OF) RFDG...		06/21/2016...	STIFEL NICOLAUS & CO INC.		5,011,080	4,000,000	4,819,680	4,811,150		(38,235)		(38,235)		4,772,915		238,165	238,165	196,111	07/01/2027...	1FE...
161045-MG-1...	CHARLOTTE N C WTR & SWR SYS RE...		06/21/2016...	BNY CAPITAL MARKETS		2,388,660	2,000,000	2,371,780	2,348,783		(28,704)		(28,704)		2,320,078		68,582	68,582	82,500	07/01/2021...	1FE...
254845-MF-4...	DISTRICT COLUMBIA WATER & SEWER AU...		06/20/2016...	MESIROW FINANCIAL INC.		3,183,025	2,500,000	3,102,800			(21,687)		(21,687)		3,081,113		101,912	101,912	41,319	10/01/2029...	1...
31320P-Y9-9...	FEDERAL HOME LN MTG CORP #033435...		06/21/2016...	VARIOUS		5,170,351	4,898,445	5,097,444	5,088,907		(23,731)		(23,731)		5,065,177		105,174	105,174	96,351	05/01/2045...	1...
31320Q-TT-9...	FEDERAL HOME LN MTG CORP #034161...		06/21/2016...	VARIOUS		15,187,498	14,402,678	14,895,519	14,889,670		(49,343)		(49,343)		14,840,327		347,171	347,171	282,127	06/01/2045...	1...
3138EP-RJ-5...	FEDERAL NATIONAL MTG ASSOC #AL6788...		06/25/2016...	VARIOUS		3,315,560	3,129,715	3,276,910	3,272,658		(17,700)		(17,700)		3,254,958		60,602	60,602	61,547	05/01/2045...	1...
3138WE-C5-6...	FEDERAL NATIONAL MTG ASSOC #AS4591...		06/25/2016...	VARIOUS		19,938,579	18,477,032	19,854,149	19,835,935		(140,001)		(140,001)		19,695,934		242,645	242,645	414,307	03/01/2045...	1...
3138WE-J5-9...	FEDERAL NATIONAL MTG ASSOC #AS4783...		06/25/2016...	VARIOUS		4,999,945	4,731,146	4,955,136	4,950,115		(26,008)		(26,008)		4,924,107		75,838	75,838	92,782	04/01/2045...	1...
3138WE-UD-9...	FEDERAL NATIONAL MTG ASSOC #AS5079...		06/25/2016...	VARIOUS		6,899,280	6,524,959	6,843,560	6,832,796		(36,967)		(36,967)		6,795,829		103,451	103,451	128,250	06/01/2045...	1...
3138WE-VX-4...	FEDERAL NATIONAL MTG ASSOC #AS5129...		06/25/2016...	VARIOUS		14,905,821	14,178,028	14,860,345	14,853,487		(25,647)		(25,647)		14,827,840		77,981	77,981	264,056	06/01/2045...	1...
3138YN-Q2-8...	FEDERAL NATIONAL MTG ASSOC #AY7672...		06/25/2016...	VARIOUS		5,109,109	4,864,861	5,061,736	5,054,554		(23,164)		(23,164)		5,031,390		77,719	77,719	95,907	04/01/2045...	1...
3128PU-HG-0...	FG J14731...		06/22/2016...	VARIOUS		2,682,059	2,545,500	2,533,315	2,533,767		176		176		2,533,944		148,115	148,115	50,371	03/01/2026...	1...
3132HN-KN-8...	FHLMC GOLD 30YR		06/20/2016...	VARIOUS		6,631,097	6,425,188	6,512,531	6,513,617		(7,212)		(7,212)		6,506,404		124,692	124,692	106,239	10/01/2042...	1...
31320P-X5-8...	FHLMC GOLD 30YR		06/15/2016...	PRINCIPAL RECEIPT		64,551	64,551	64,492	64,492		59		59		64,551		0	0	906	05/01/2045...	1...
31320P-X8-2...	FHLMC GOLD 30YR		06/15/2016...	PRINCIPAL RECEIPT		58,487	58,487	58,378	58,380		108		108		58,487		0	0	779	05/01/2045...	1...
31320P-Y5-7...	FHLMC GOLD 30YR		06/15/2016...	PRINCIPAL RECEIPT		44,948	44,948	46,865	46,826		(1,879)		(1,879)		44,948		0	0	641	05/01/2045...	1...
3137EA-CW-7...	FHLMC REFER...		06/20/2016...	BARCLAYS CAPITAL		501,386	500,000	527,051	504,780		(3,450)		(3,450)		501,330		55	55	8,278	08/25/2016...	1...
3137BL-UR-7...	FHMS.K720...		06/21/2016...	BARCLAYS CAPITAL		6,900,775	6,580,000	6,777,295	6,771,622		(13,879)		(13,879)		6,757,743		143,032	143,032	100,774	06/25/2022...	1...
3136AN-HV-2...	FNMA.15-19...		06/27/2016...	VARIOUS		11,150,549	10,583,808	11,120,138	11,111,396		(59,796)		(59,796)		11,051,600		98,949	98,949	205,825	12/25/2041...	1...
3137BC-BE-7...	FREDDIE MAC -4366 GA		06/21/2016...	VARIOUS		3,383,377	3,275,981	3,331,263	3,326,038		(6,188)		(6,188)		3,319,851		63,527	63,527	54,964	03/15/2040...	1...
3137BC-TN-8...	FREDDIE MAC -4376 HA		06/21/2016...	VARIOUS		1,736,078	1,680,036	1,707,862	1,705,092		(3,148)		(3,148)		1,701,944		34,134	34,134	28,218	04/15/2040...	1...
44244C-CF-2...	HOUSTON TEX UTIL SYS REV FOR ISSUE		06/21/2016...	BARCLAYS CAPITAL		6,416,550	5,000,000	6,042,250	5,995,594		(41,882)		(41,882)		5,953,711		462,839	462,839	152,083	11/15/2025...	1FE...



STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
44244C-6J-0...	HOUSTON TEX UTIL SYS REV FOR ISSUE		06/22/2016	RAMIREZ		3,236,950	2,500,000	3,232,225			(22,499)		(22,499)		3,209,726		27,224	27,224	37,847	11/15/2026	1FE
485424-QB-4...	KANSAS ST DEPT TRANSN HWY REV		06/21/2016	DA DAVIDSON & COMPANY		2,507,240	2,000,000	2,438,380	2,423,803		(24,269)		(24,269)		2,399,534		107,706	107,706	77,222	09/01/2023	1FE
41422E-FH-1...	METROPOLITAN TRANSIT AUTHORITY OF		06/23/2016	PRINCERIDGE GROUP LLC		2,820,210	2,225,000	2,787,391			(21,965)		(21,965)		2,765,426		54,784	54,784	72,931	11/01/2026	1FE
59447P-2V-2...	MICHIGAN FIN AUTH REV 5.0 01APR16		04/01/2016	MATURITY		57,720	57,720	60,825	58,316		(596)		(596)		57,720				1,443	04/01/2016	1FE
59447P-3N-9...	MICHIGAN FIN AUTH REV 5.0 01APR16		04/01/2016	MATURITY		58,200	58,200	61,331	58,801		(601)		(601)		58,200				1,455	04/01/2016	1FE
59447P-4E-8...	MICHIGAN FIN AUTH REV 5.0 01APR16		04/01/2016	MATURITY		72,360	72,360	76,252	73,108		(748)		(748)		72,360				1,809	04/01/2016	1FE
59447P-4U-2...	MICHIGAN FIN AUTH REV 5.0 01APR16		04/01/2016	MATURITY		82,560	82,560	87,001	83,413		(853)		(853)		82,560				2,064	04/01/2016	1FE
59447P-V8-1...	5.25 01APR16		04/01/2016	MATURITY		24,124	24,124	24,207	24,124						24,124				633	04/01/2016	1FE
60636X-8E-6...	MO HSG SF PAC		06/01/2016	CALLED @ 100.0000000		105,000		113,090	105,000						105,000				1,685	11/01/2027	1FE
605356-AX-0...	MS HSG PAC		06/01/2016	CALLED @ 100.0000000		90,000	90,000	96,934	93,559		(264)		(264)		93,294		(3,294)	(3,294)	157	12/01/2031	1FE
915115-6G-9...	PERMANENT UNIVERSITY FUND SER B 5		06/22/2016	CITIGROUP GLOBAL MARKETS		3,046,425	2,500,000	2,976,050	2,947,706		(30,743)		(30,743)		2,916,963		129,462	129,462	104,861	07/01/2022	1FE
735389-VE-5...	PORT OF SEATTLE RFDG-INTER LIEN-SE		06/29/2016	JANNEY MONTGOMERY SCOTT LLC		1,204,080	1,000,000	1,167,710	1,157,290		(11,824)		(11,824)		1,145,466		58,614	58,614	45,139	03/01/2022	1FE
796253-3V-2...	SAN ANTONIO TEXAS (ELECTRIC & GAS		06/21/2016	CITIGROUP GLOBAL MARKETS		4,817,800	4,000,000	4,735,120	4,686,447		(50,363)		(50,363)		4,636,085		181,715	181,715	172,778	02/01/2022	1FE
79765A-H3-3...	SAN FRANCISCO CALIF CITY & CNT SEC		05/01/2016	CALLED @ 100.0000000		5,000,000	5,000,000	5,399,400	5,016,925		(16,925)		(16,925)		5,000,000				125,694	05/01/2023	1FE
89602N-SF-7...	TRIBOROUGH BRIDGE AND TUNNEL AUTHO		06/21/2016	LOOP CAPITAL MARKETS, LLC		5,164,640	4,000,000	5,014,240			(36,398)		(36,398)		4,977,842		186,798	186,798	81,111	11/15/2028	1FE
982674-KN-2...	WYANDOTTE CNTY KANS CITY		06/22/2016	US BANCORP PIPER JAFFRAY		1,247,620	1,000,000	1,227,530			(9,261)		(9,261)		1,218,269		29,351	29,351	18,889	09/01/2026	1FE
985900-CR-8...	KANS UNV		06/21/2016	R.W.BAIRD		2,603,420	2,255,000	2,541,160	2,416,607		(14,944)		(14,944)		2,401,663		201,757	201,757	82,370	10/01/2020	1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						157,832,114	143,450,326	155,915,078	139,729,970	0	(810,580)	0	(810,580)	0	154,283,576	0	3,548,537	3,548,537	3,292,769	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
014491-AA-1...	ALESCO PREF FDG IX	F	06/23/2016	PRINCIPAL RECEIPT		22	22	12	13		9		9		22			0		06/23/2036	2FE
01449C-AB-6...	ALESCO PREF FDG VIII	F	06/23/2016	PRINCIPAL RECEIPT		1,135	1,135	637	630		505		505		1,135			0	6	12/23/2035	2FE
01450D-AB-0...	ALESCO PREF FDG VII	F	04/16/2016	PRINCIPAL RECEIPT		4,112	4,112	2,307	2,407		1,704		1,704		4,112			0	24	07/15/2037	2FE
36164N-FF-7...	GE CAPITAL INTL FUNDING		06/20/2016	JEFFERIES		4,755,336	4,637,000	4,553,474	4,556,251		7,326		7,326		4,563,576		191,760	191,760	71,494	11/15/2020	1FE
89708B-AB-9...	TROPIC CDO CORP																				
000292-AB-8...	OTHE		04/15/2016	PRINCIPAL RECEIPT		9,761	9,761	5,368	5,380		4,381		4,381		9,761			0	39	07/15/2036	3FE
000759-DG-2...	AAA 2007-2 A2		06/25/2016	PRINCIPAL RECEIPT		511	511	184	335		176		176		511			0		01/27/2046	1FM
000759-DG-2...	ABFS 2003-1 M		06/15/2016	PRINCIPAL RECEIPT		19,308	19,308	15,702	15,606		3,830	129	3,701		19,308			0		08/15/2033	1FM
000759-DM-9...	ABFS MORTGAGE LOAN TRUST 2003-2		06/25/2016	PRINCIPAL RECEIPT		86,289	86,289	71,926	72,706		13,582		13,582		86,289			0		04/25/2034	1FM
60159X-AA-7...	ALESCO PREFERRED FUNDING LTD		06/23/2016	PRINCIPAL RECEIPT		9,045	9,045	5,076	5,202		3,843		3,843		9,045			0	39	12/23/2037	1AM
03076C-AE-6...	AMERIPRISE FINL INC		06/20/2016	STIFEL NICOLAUS & CO INC		510,196	455,000	544,153	508,348		(5,697)		(5,697)		502,652		7,544	7,544	18,622	03/15/2020	1FE
040555-CQ-5...	ARIZONA PUBLIC SERVICE		06/21/2016	DEUTSCH BANK		4,259,000	4,000,000	4,083,239	4,083,239		(4,107)		(4,107)		4,079,132		179,868	179,868	70,350	06/15/2024	1FE
053015-AE-3...	AUTOMATIC DATA PROCESSNG		06/21/2016	BARCLAYS CAPITAL		5,684,833	5,300,000	5,336,100	5,335,284		(1,471)		(1,471)		5,333,813		351,020	351,020	138,628	09/15/2025	1FE
058521-AC-9...	BALLANTYNE RE PLC 2006-1A																				
058521-AC-9...	A2B		06/02/2016	PRINCIPAL RECEIPT		597,010	597,010	447,795	473,077		136,497	12,564	123,933		597,010			0		05/02/2036	6AM
07274E-AG-8...	Bayer Us Finance Llc Sr Unsec 144A		06/20/2016	CITIGROUP GLOBAL MARKETS		837,802	820,000	811,890	812,744		335		335		813,079		24,723	24,723	19,603	10/08/2024	1FE
073902-PR-3...	BEAR STEARNS COS INC		06/20/2016	GOLDMAN SACHS		3,718,680	3,500,000	4,175,395	3,739,244		(63,075)		(63,075)		3,676,169		42,511	42,511	162,400	10/02/2017	1FE
12624B-AC-0...	COMM MTG TR 2012-CCRE1		06/20/2016	GOLDMAN SACHS		3,021,205	2,825,000	2,990,527	2,952,144		(14,983)		(14,983)		2,937,161		84,044	84,044	53,752	05/17/2045	1FM
12623S-AE-0...	COMM MTG TR 2012-CCRES		06/21/2016	DEUTSCH BANK		822,949	795,000	814,814	811,546		(1,055)		(1,055)		810,491		12,458	12,458	12,422	12/12/2045	1FM
02149D-AE-0...	CWALT INC 2007 0A10		06/25/2016	PRINCIPAL RECEIPT		161,775	161,775	65,669	74,458		87,317		87,317		161,775			0		09/25/2047	1FM
369626-4Y-7...	GENERAL ELEC CAP COR		06/20/2016	WELLS FARGO BROK SER LLC		1,847,060	1,637,000	1,840,215	1,767,462		(11,432)		(11,432)		1,756,029		91,031	91,031	72,767	01/07/2021	1FE
373298-CF-3...	GEORGIA PAC CORP		06/22/2016	BARCLAYS CAPITAL		3,077,579	2,325,000	3,286,085	3,056,018		(37,771)		(37,771)		3,018,248		59,332	59,332	176,700	01/15/2024	2FE
375558-BC-6...	GILEAD SCIENCES INC		06/21/2016	CREDIT SUISSE FIRST BOSTN		5,281,150	5,000,000	4,992,950	4,993,232		431		431		4,993,663		287,487	287,487	126,389	09/01/2022	1FE
36192P-AJ-9...	GS MTG SECS TR 2012-CGJ9		06/20/2016	GOLDMAN SACHS		3,526,039	3,400,000	3,484,928	3,470,608		(4,637)		(4,637)		3,465,971		60,068	60,068	52,903	11/13/2045	1FM
44918L-AD-4...	HART-15-C: A3		06/21/2016	MERRILL LYNCH, PIERCE, FENNER		3,019,102	3,000,000	2,999,492	2,999,499		72		72		2,999,570		19,531	19,531	22,995	02/18/2020	1FE
63946B-AE-0...	NBCUNIVERSAL MEDIA L		06/20/2016	BARCLAYS CAPITAL		4,195,800	3,750,000	4,167,188	4,016,589		(22,229)		(22,229)		3,994,364		201,436	201,436	119,401	04/01/2021	1FE
68401N-AE-1...	OPTION ONE COWLT 2004-1 M		06/25/2016	PRINCIPAL RECEIPT		153,191		114,373	116,412		39,675	2,896	36,779		153,191			0		02/25/2034	1FM

## SCHEDULE D - PART 4

## SCHEDULE D - PART 4

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)	
693304-AI-4	PECO ENERGY CO. Precision Castparts Sr Unsec.		06/21/2016	DEUTSCH BANK		7,915,425	7,500,000	7,469,250	7,469,921		1,247		1,247		7,471,167		444,258	444,258	169,969	10/15/2025	1FE	
740189-AG-0	ROCHE HOLDINGS INC.		06/21/2016	MITSUBISHI UFJ SECURITIES.		1,164,989	1,140,000	1,133,445	1,135,254		292		292		1,135,547		29,442	29,442	26,838	01/15/2023	1FE	
771196-BJ-0	TBW MTG BKD TR 2007-2		06/20/2016	MITSUBISHI SECURITIES USA.		692,683	660,000	655,090	655,158		199		199		655,357		37,326	37,326	12,265	11/10/2025	1FE	
872227-AH-6	TERWIN MORTGAGE TRUST 07-09 SL		06/25/2016	PRINCIPAL RECEIPT		447,947	447,947	275,337	301,934		146,952	938	146,014		447,947					07/25/2037	1FW	
88158A-AJ-1	TERWIN MTG TR 2007-SL9		06/25/2016	PRINCIPAL RECEIPT		172,425	172,425	102,107	109,370		63,055		63,055		172,425					06/25/2038	1FW	
88158A-AA-0	US CAPITAL FUNDING LTD.		06/25/2016	PRINCIPAL RECEIPT		42,233	42,233	33,125	37,519		4,714		4,714		42,233					06/25/2038	1FW	
69301N-AA-7	WELLS FARGO CO MTN B		04/10/2016	PRINCIPAL RECEIPT		92	92	50	52		40		40		92					10/10/2040	1AM	
94974B-FC-9	ZOHAR II 2005-1 A2 LT 0.00 20JAN17		06/20/2016	WELLS FARGO BROK SER LLC.		5,925,680	5,550,000	5,808,020	5,725,238		(12,215)		(12,215)		5,713,023		212,657	212,657	153,781	03/08/2022	1FE	
98977E-AB-8	ZOHAR II 2005-1 A3 LT 0.00 20JAN17		04/20/2016	PRINCIPAL RECEIPT		1,672,581	1,672,581	1,657,504	1,661,309		11,272		11,272		1,672,581					01/20/2017	1AM	
98977E-AC-6			04/20/2016	PRINCIPAL RECEIPT		1,338,065	1,338,065	1,326,004	1,329,048		9,017		9,017		1,338,065					01/20/2017	1AM	
8399999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						64,971,010	61,009,501	63,271,752	62,293,237	0	357,803	16,527	341,276	0	62,634,514	0	2,336,496	2,336,496	1,489,876	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4						454,756,062	416,908,956	450,146,422	379,687,047	0	(1,511,135)	16,527	(1,527,662)	0	444,778,713	0	9,977,346	9,977,346	9,357,132	XXX	XXX	
8399999 - Subtotals - Bonds						454,756,062	416,908,956	450,146,422	379,687,047	0	(1,511,135)	16,527	(1,527,662)	0	444,778,713	0	9,977,346	9,977,346	9,357,132	XXX	XXX	
Common Stocks - Parent, Subsidiaries, and Affiliates																						
000000-00-0	MUNICIPAL ASSURANCE HOLDINGS INC.		06/30/2016	RETURN OF CAPITAL		117,900,000	XXX	117,900,000	117,900,000	0	0	0	0	0	117,900,000	0	0	0	0	XXX	XXX	
9199999 - Common Stocks - Parent, Subsidiaries and Affiliates						117,900,000	XXX	117,900,000	117,900,000	0	0	0	0	0	117,900,000	0	0	0	0	0	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4						117,900,000	XXX	117,900,000	117,900,000	0	0	0	0	0	117,900,000	0	0	0	0	0	XXX	XXX
9799999 - Subtotals - Common Stocks						117,900,000	XXX	117,900,000	117,900,000	0	0	0	0	0	117,900,000	0	0	0	0	0	XXX	XXX
9899999 - Subtotals - Preferred and Common Stocks						117,900,000	XXX	117,900,000	117,900,000	0	0	0	0	0	117,900,000	0	0	0	0	0	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

## E06

[illegible]

(a)	Code	Description of Hedged Risk(s)

(b)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

## SCHEDULE DB - PART B - SECTION 1

NONE

(a)	Code	Description of Hedged Risk(s)

(b)	Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period

STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book/Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts With Book/Adjusted Carrying Value >0	Contracts With Book/Adjusted Carrying Value <0	Exposure Net of Collateral	Contracts With Fair Value >0	Contracts With Fair Value <0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
NAIC 1 Designation											
Citibank N.A., NY- E570DZWZ7FF32TWEFA76	Y	N		5,691,893		5,691,893	5,691,893		5,691,893		
JPMorgan Chase Bank- 7H6GLXDRUGGFU57RNE97	Y	N		5,691,892		5,691,892	5,691,892		5,691,892		
0299999 - Total NAIC 1 Designation			0	11,383,785	0	11,383,785	11,383,785	0	11,383,785	0	0
0999999 Gross Totals			0	11,383,785	0	11,383,785	11,383,785	0	11,383,785	0	0
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64					11,383,785						

Schedule DB - Part D - Section 2

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**

**STATEMENT AS OF JUNE 30, 2016 OF THE ASSURED GUARANTY CORP.**

## SCHEDULE E - PART 1 - CASH

[illegible]

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

E13