



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2012
OF THE CONDITION AND AFFAIRS OF THE

ASSURED GUARANTY MUNICIPAL CORP.

NAIC Group Code 0194 (Current Period) , 00194 (Prior Period) NAIC Company Code 18287 Employer's ID Number 13-3250292

Organized under the Laws of New York , State of Domicile or Port of Entry New York

Country of Domicile United States

Incorporated/Organized 03/16/1984 Commenced Business 09/23/1985

Statutory Home Office 31 West 52nd St. , New York, NY 10019
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 31 West 52nd St. New York, NY 10019 212-826-0100
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 31 West 52nd St. , New York, NY 10019
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 31 West 52nd St. New York, NY 10019 212-826-0100
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.assuredguaranty.com

Statutory Statement Contact John Mahlon Ringler 212-974-0100
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OFFICERS

Name	Title	Name	Title
<u>Dominic John Frederico</u>	<u>President and Chief Executive Officer</u>	<u>James Michael Michener</u>	<u>Secretary and General Counsel</u>
<u>Donald Hal Paston</u>	<u>Treasurer</u>		

OTHER OFFICERS

<u>Howard Wayne Albert</u>	<u>Chief Risk Officer</u>	<u>Robert Adam Bailenson</u>	<u>Chief Financial Officer</u>
<u>Laura Ann Bieling</u>	<u>Controller</u>	<u>Russell Brown Brewer II</u>	<u>Chief Surveillance Officer</u>
<u>Stephen Donnarumma</u>	<u>Chief Credit Officer</u>	<u>Robert Bruce Mills</u>	<u>Chief Operating Officer</u>
<u>John Mahlon Ringler</u>	<u>Assistant Vice President Regulatory Reporting</u>	<u>Benjamin Gad Rosenblum</u>	<u>Chief Actuary</u>

DIRECTORS OR TRUSTEES

<u>Howard Wayne Albert</u>	<u>Robert Adam Bailenson</u>	<u>Richard John Bauerfeld</u>	<u>Russell Brown Brewer II</u>
<u>Gon Ling Chow</u>	<u>Stephen Donnarumma</u>	<u>Dominic John Frederico</u>	<u>Philip Richard Kastlelec</u>
<u>James Michael Michener</u>	<u>Robert Bruce Mills</u>	<u>Donald Hal Paston</u>	<u>Andrew Hoyt Pickering</u>
<u>Bruce Elliot Stern</u>			

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

JAMES MICHAEL MICHENER
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 SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	2,858,774,705		2,858,774,705	2,778,465,903
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	822,886,498		822,886,498	626,259,355
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)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$21,465,712), cash equivalents (\$144,424,868) and short-term investments (\$ 86,610,561)	252,501,141		252,501,141	319,756,872
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	337,082,440		337,082,440	337,082,440
9. Receivables for securities	11,998,626		11,998,626	3,917,525
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)	4,283,243,410	0	4,283,243,410	4,065,482,095
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	31,625,696		31,625,696	32,204,912
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	23,345,086	3,172,984	20,172,102	24,376,471
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			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	76,161,196		76,161,196	80,859,470
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	18,004,732		18,004,732	123,015,209
18.2 Net deferred tax asset	121,622,049	45,215,751	76,406,298	52,438,034
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	6,188	6,188	0	3,634
21. Furniture and equipment, including health care delivery assets (\$)	15,732,165	15,732,165	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	14,016,449	83,010	13,933,439	1,738,135
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	7,300,517	3,817,859	3,482,658	5,505,746
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,591,057,488	68,027,957	4,523,029,531	4,385,623,706
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	4,591,057,488	68,027,957	4,523,029,531	4,385,623,706
DETAILS OF WRITE-INS				
1101.				
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. Miscellaneous Receivables	2,650,015	278,616	2,371,399	4,603,042
2502. Prepaid Expenses	2,878,592	2,878,592	0	0
2503. Other Assets	1,771,910	660,651	1,111,259	902,704
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,300,517	3,817,859	3,482,658	5,505,746

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 6,634,789)	(1,388,016)	198,617,696
2. Reinsurance payable on paid losses and loss adjustment expenses	14,688	0
3. Loss adjustment expenses	10,253,319	13,423,865
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	19,359,240	19,051,620
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,747,912	3,606,569
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 1,512,732,686 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)	1,386,341,193	1,398,563,863
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	16,537,288	33,206,349
13. Funds held by company under reinsurance treaties	146,681,512	103,089,601
14. Amounts withheld or retained by company for account of others	11,624	11,624
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	4,350,000	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	39,970,564	16,763,797
20. Derivatives	0	0
21. Payable for securities	32,635,525	8,110,296
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	1,086,318,182	1,381,874,444
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,743,833,031	3,176,319,724
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	2,743,833,031	3,176,319,724
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	15,000,000	15,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	125,000,000	175,000,000
34. Gross paid in and contributed surplus	776,884,430	776,884,430
35. Unassigned funds (surplus)	862,312,070	242,419,552
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	1,779,196,500	1,209,303,982
38. Totals (Page 2, Line 28, Col. 3)	4,523,029,531	4,385,623,706
DETAILS OF WRITE-INS		
2501. Contingency Reserve	952,224,046	1,238,030,526
2502. Miscellaneous Liability	134,094,136	143,843,918
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,086,318,182	1,381,874,444
2901.	0	0
2902.	0	0
2903.	0	0
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.	0	0
3202.	0	0
3203.	0	0
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 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 177,775,381)	340,595,883	340,610,829	455,884,282
1.2 Assumed (written \$ 17,728,467)	50,796,085	31,538,044	39,461,737
1.3 Ceded (written \$ 29,401,624)	205,868,551	195,424,691	261,749,000
1.4 Net (written \$ 166,102,224)	185,523,417	176,724,182	233,597,019
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 8,780,678):			
2.1 Direct	70,239,881	(113,483,488)	(146,355,255)
2.2 Assumed	175,715,152	0	24,472,078
2.3 Ceded	124,095,083	(26,213,034)	(24,868,190)
2.4 Net	121,859,950	(87,270,454)	(97,014,987)
3. Loss adjustment expenses incurred	12,890,989	15,073,203	28,500,590
4. Other underwriting expenses incurred	43,908,396	41,745,792	53,003,750
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	178,659,335	(30,451,459)	(15,510,647)
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	6,864,082	207,175,641	249,107,666
INVESTMENT INCOME			
9. Net investment income earned	120,480,490	101,829,599	152,504,681
10. Net realized capital gains (losses) less capital gains tax of \$ 3,164,603	(7,629,861)	(32,258,328)	(49,295,212)
11. Net investment gain (loss) (Lines 9 + 10)	112,850,629	69,571,271	103,209,469
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	47,212,595	(32,151,795)	(84,182,344)
15. Total other income (Lines 12 through 14)	47,212,595	(32,151,795)	(84,182,344)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	166,927,306	244,595,117	268,134,791
17. Dividends to policyholders	0	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)	166,927,306	244,595,117	268,134,791
19. Federal and foreign income taxes incurred	19,550,331	(147,753,386)	(130,402,819)
20. Net income (Line 18 minus Line 19)(to Line 22)	147,376,975	392,348,503	398,537,610
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	1,209,303,982	927,039,157	927,039,158
22. Net income (from Line 20)	147,376,975	392,348,503	398,537,610
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	197,122,830	188,270,055	170,505,677
25. Change in net unrealized foreign exchange capital gain (loss)	(2,139,949)	279,867	364,258
26. Change in net deferred income tax	(19,600,551)	(196,530,063)	(186,963,162)
27. Change in nonadmitted assets	3,105,463	159,309,492	154,312,731
28. Change in provision for reinsurance	(4,350,000)	0	0
29. Change in surplus notes	(50,000,000)	(25,000,000)	(50,000,000)
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	(30,000,000)	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	328,377,750	(151,010,799)	(204,492,290)
38. Change in surplus as regards policyholders (Lines 22 through 37)	569,892,518	367,667,055	282,264,824
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,779,196,500	1,294,706,212	1,209,303,982
DETAILS OF WRITE-INS			
0501.			
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. Miscellaneous Income	47,212,595	(32,151,795)	(84,182,344)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	47,212,595	(32,151,795)	(84,182,344)
3701. Change in Contingency Reserve	285,806,483	(151,034,646)	(203,793,851)
3702. Change in net unrealized on other assets	(474,679)	23,847	(722,285)
3703. Change in Accounting SAP 101 (Taxes)	43,191,710	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	(145,764)	0	23,846
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	328,377,750	(151,010,799)	(204,492,290)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	170,035,347	86,224,740	131,226,475
2. Net investment income	84,904,983	87,060,958	130,776,247
3. Miscellaneous income	47,212,595	(32,151,795)	(84,182,344)
4. Total (Lines 1 to 3)	302,152,925	141,133,903	177,820,378
5. Benefit and loss related payments	317,152,700	(101,415,410)	(3,873,305)
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	60,292,259	59,230,222	73,912,160
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(82,295,543)	107,118,400	107,118,400
10. Total (Lines 5 through 9)	295,149,416	64,933,212	177,157,255
11. Net cash from operations (Line 4 minus Line 10)	7,003,509	76,200,691	663,123
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	904,349,472	653,572,830	1,027,948,345
12.2 Stocks	78,010	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(31,405)	21,895	29,366
12.7 Miscellaneous proceeds	16,481,604	72,314,882	4,889,396
12.8 Total investment proceeds (Lines 12.1 to 12.7)	920,877,681	725,909,607	1,032,867,107
13. Cost of investments acquired (long-term only):			
13.1 Bonds	952,776,684	922,614,487	1,162,679,312
13.2 Stocks	9,227	198,654	200,629
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	19,054,183	19,054,183
13.6 Miscellaneous applications	2,139,950	32,232,691	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	954,925,861	974,100,015	1,181,934,124
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)	(34,048,180)	(248,190,408)	(149,067,017)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	(50,000,000)	(25,000,000)	(50,000,000)
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
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	30,000,000	0	0
16.6 Other cash provided (applied).....	39,788,939	(32,916,624)	(35,572,598)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(40,211,061)	(57,916,624)	(85,572,598)
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)	(67,255,732)	(229,906,341)	(233,976,492)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	319,756,873	553,733,365	553,733,365
19.2 End of period (Line 18 plus Line 19.1)	252,501,141	323,827,024	319,756,873

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Assured Guaranty Municipal Corp., (the "Company" or "AGM") are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services ("NYSDFS"). The Company is a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("AGMH" or the "Parent"), an indirect wholly-owned subsidiary of Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty"). The NYSDFS recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the New York Insurance Law ("NYIL"). 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 New York. 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 New York Insurance Commissioner and NAIC SAP is shown below:

	Nine Months Ended September 30, 2012
Net Income (Loss), New York Basis.....	<u>\$ 147,376,975</u>
Net Income (Loss), NAIC SAP.....	<u>\$ 147,376,975</u>
Statutory Surplus, New York Basis.....	\$1,779,196,500
Effect of New York prescribed limitation under NYIL 1408 recorded as change in unrealized on investment in subsidiaries.....	-0-
Statutory Surplus, NAIC SAP.....	<u>\$1,779,196,500</u>

B. Use of Estimates in the Preparation of the Financial Statements.

There has been no change since the 2011 Annual Statement.

C. Accounting Policies

There has been no significant change since the 2011 Annual Statement except for the adoption of SSAP No. 101. See Note 2.

2. Accounting Changes and Corrections of Errors

On November 6, 2011, the NAIC adopted SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, effective for reporting periods beginning on or after January 1, 2012. SSAP No. 101 provides for a three year realization period for financial guaranty companies if certain adjusted surplus limits are met which expands the one year realization period under SSAP No. 10. SSAP No. 101 also modified the applicable guidance for contingent tax liabilities as per SSAP No. 5R by applying a more likely than not threshold. The impact of adopting SSAP No. 101 on January 1, 2012, was to increase admitted deferred tax assets by \$51.2 million, tax liabilities by \$8.0 million and surplus to policyholders by \$43.2 million.

3. Business Combinations and Goodwill

There has been no change since the 2011 Annual Statement.

4. Discontinued Operations

There has been no change since the 2011 Annual Statement.

5. Investments

A, B, C, E, F, G - Not applicable

D. Loan-Backed and Structured Securities

1. Prepayment assumptions for loan backed and structured securities were obtained from publicly available sources and internal models.
2. The following table summarizes by quarter other-than-temporary-impairments ("OTTI") for loan-backed securities recording during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

Description	Amortized Cost Before OTTI	OTTI	Fair Value
OTTI Recognized 1st Quarter			
a. Intent To Sell	\$ -	\$ -	\$ -
b. Lack of Intent to retain security	5,516,258	4,420,563	1,095,696
c. Total 1st Quarter	\$5,516,258	\$4,420,563	\$1,095,696
OTTI Recognized 2nd Quarter			
d. Intent To Sell	-	-	-
e. Lack of Intent to retain security	-	-	-
f. Total 2nd Quarter	-	-	-
OTTI Recognized 3rd Quarter			
g. Intent To Sell	-	-	-
h. Lack of Intent to retain security	-	-	-
i. Total 3rd Quarter	-	-	-
OTTI Recognized 3rd Quarter			
j. Total Year to Date	\$5,516,258	\$4,420,563	\$1,095,696

NOTES TO FINANCIAL STATEMENTS

3. The following table summarizes current year other-than-temporary-impairments recorded for loan-backed securities which the Company still owns at the end of the quarter 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 OTTI	Present Value of Projected Cash Flows	OTTI	Amortized Cost After OTTI	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
126682AA1	12,097,466	11,891,063	206,403	11,891,063	4,083,176	3/31/2012
126686AH7	13,096,288	12,754,851	341,437	12,754,851	7,070,506	3/31/2012
23242LAB9	55,495,589	53,905,407	1,590,182	53,905,407	39,272,190	3/31/2012
576431AC4	338,970	212,686	126,284	212,686	147,267	3/31/2012
53957DAC7	26,259,626	26,246,113	13,513	26,246,113	26,301,713	3/31/2012
88156VAA6	11,178,377	10,506,412	671,965	10,506,412	6,538,335	3/31/2012
88157GAA8	27,802,294	27,662,709	139,585	27,662,709	8,136,973	3/31/2012
88156VAB4	415,733	372,324	43,409	372,324	223,893	3/31/2012
88157DAB3	4,089,555	3,620,164	469,392	3,620,164	2,654,596	3/31/2012
126682AA1	11,393,728	11,274,777	118,951	11,274,777	3,936,611	6/30/2012
576431AC4	190,747	128,753	61,995	128,753	120,826	6/30/2012
88156VAA6	11,699,545	11,220,678	478,866	11,220,678	7,208,197	6/30/2012
88156VAB4	354,813	341,656	13,158	341,656	222,153	6/30/2012
88157DAA5	28,524,211	27,003,499	1,520,712	27,003,499	13,761,898	6/30/2012
88157DAB3	2,664,103	2,653,334	10,770	2,653,334	2,000,513	6/30/2012
12638PAH2	5,378,839	5,261,259	117,580	5,261,259	3,677,417	9/30/2012
23242LAB9	37,769,577	37,428,327	341,250	37,428,327	30,193,467	9/30/2012
88157DAB3	2,628,756	2,464,135	164,621	2,464,135	2,285,768	9/30/2012
88157GAA8	28,200,740	28,018,884	181,856	28,018,884	8,989,450	9/30/2012
88157GAB6	2,590,449	2,403,174	187,275	2,403,174	1,183,192	9/30/2012
Total	\$282,169,408	\$275,370,205	\$6,799,204	\$275,370,205	\$168,008,139	

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.

	Less than 12 months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Residential Mortgage Backed Securities	\$52,717,228	\$(18,848,030)	\$152,917,124	\$(84,455,871)	\$205,634,352	\$(103,303,901)
Total	\$52,717,228	\$(18,848,030)	\$152,917,124	\$(84,455,871)	\$205,634,352	\$(103,303,901)

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 as of September 30, 2012, the Company has not made a decision to sell any 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 the market illiquidity and volatility in the U.S. economy and not specific to individual issuer credit.

6. Joint Ventures, Partnerships and Limited Liability Companies

There has been no change since the 2011 Annual Statement.

7. Investment Income

There has been no change since the 2011 Annual Statement.

8. Derivative Instruments

There has been no change since the 2011 Annual Statement.

9. Income Taxes

On November 6, 2011, the NAIC adopted SSAP No. 101, Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10, effective for reporting periods beginning on or after January 1, 2012. SSAP No. 101 provides for a three year realization period for financial guaranty companies if certain adjusted surplus limits are met which expands the one year realization period under SSAP No. 10. SSAP No. 101 also modified the applicable guidance for contingent tax liabilities as per SSAP No. 5R by applying a more likely than not threshold. The impact of adopting SSAP No. 101 on January 1, 2012, was to increase admitted deferred tax assets by \$51.2 million, tax liabilities by \$8.0 million and surplus to policyholders by \$43.2 million.

10. Information Concerning Parent, Subsidiaries and Affiliates

There has been no significant change since the 2011 Annual Statement.

11. Debt

There has been no change since the 2011 Annual Statement.

NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

There has been no change since the 2011 Annual Statement.

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

A, B, C, F through I, L. There has been no significant change since the 2011 Annual Statement.

D. The Company declared and paid dividends of \$30.0 million in the first nine months of 2012.

E. As of July 1, 2012, the Company was no longer restricted by the operating and financial constraints under the Purchase Agreement as described in the 2011 Annual Statement.

J. The portion of unassigned funds (surplus) represented by cumulative unrealized losses was \$59,074,125 as of September 30, 2012.

K. The Company repaid \$50.0 million of surplus notes to its parent in the first nine months of 2012.

14. Contingencies

There have been no changes since the 2011 Annual Statement except as follows:

Proceedings Relating to the Company's Financial Guaranty Business

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

With respect to the complaints filed against AGM, its affiliate AGC and various other financial guarantors in the Superior Court for the State of California, City and County of San Francisco and the anti-SLAPP ("Strategic Lawsuit Against Public Participation") motion to strike such complaints under California's Code of Civil Procedure, on May 1, 2012, the court ruled in favor of the Company, AGC and the other bond insurer defendants on the first stage of the anti-SLAPP motion as to the causes of action arising from the alleged conspiracy, but denied the motion as to those causes of action based on transaction specific representations and omissions about the bond insurer defendants' credit ratings and financial health. The court has scheduled a hearing on the second stage of the anti-SLAPP motion for March 6, 2013.

With respect to the interpleader complaint filed by Wells Fargo Bank, N.A., as trust administrator, against AGM, AGM appealed the order of the court that AGM repay to the MARM 2006-OA2 trust the approximately \$7 million that had been credited to it by Wells Fargo. In July 2012, the judge granted AGM's motion that the judgment be stayed pending the appeal. AGM has paid approximately \$146 million in claims on the MASTR Adjustable Rate Mortgages Trust 2006-OA2, Mortgage Pass-Through Certificates, Series 2006-OA2 transaction and estimates that, as a result of this adverse decision, if and to the extent it is not modified, such amount will not be reimbursed. Such amount does not include the repayment of the \$7 million credit.

Proceedings Relating to AGMH's Former Financial Products Business

Governmental Investigations into Former Financial Products Business

In July 2010, a former employee of AGM who had been involved in AGMH's former Financial Products Business was indicted along with two other persons with whom he had worked at Financial Guaranty Insurance Company. Such former employee and the other two persons were convicted of wire fraud and conspiracy to commit fraud.

Recovery Litigation

RMBS Transactions

As of the date of this filing, AGM has lawsuits pending against a number of providers of representations and warranties in U.S. RMBS transactions insured by it, seeking damages, including indemnity or reimbursement for losses. In the lawsuits, AGM has alleged breaches of R&W both in respect of the underlying loans in the transactions and the accuracy of the information provided to AGM, and failure to cure or repurchase defective loans identified by AGM to such persons:

- **Flagstar:** AGM has sued Flagstar Bank, FSB, Flagstar Capital Markets Corporation and Flagstar ABS, LLC on the Flagstar Home Equity Loan Trust, Series 2005-1 and Series 2006-2 second lien transactions. The trial in the United States District Court for the Southern District of New York began in October 2012.
- **Deutsche Bank:** AGM has sued Deutsche Bank AG affiliates DB Structured Products, Inc. and ACE Securities Corp. on the ACE Securities Corp. Home Equity Loan Trust, Series 2006-GP1 second lien transaction.
- **ResCap:** AGM has sued GMAC Mortgage, LLC (formerly GMAC Mortgage Corporation; Residential Asset Mortgage Products, Inc.; Ally Bank (formerly GMAC Bank); Residential Funding Company, LLC (formerly Residential Funding Corporation); Residential Capital, LLC (formerly Residential Capital Corporation, "ResCap"); Ally Financial (formerly GMAC, LLC); and Residential Funding Mortgage Securities II, Inc. on the GMAC RFC Home Equity Loan-Backed Notes, Series 2006-HSA3 and GMAC Home Equity Loan-Backed Notes, Series 2004-HE3 second lien transactions. On May 14, 2012, ResCap and several of its affiliates (the "Debtors") filed for Chapter 11 protection with the U.S. Bankruptcy Court. The automatic stay of Bankruptcy Code Section 362 (a) stays lawsuits (such as the suit brought by AGM) against the Debtors and AGM, the Debtors and the non-Debtor affiliates have filed a stipulation with the court agreeing to extend the stay to the non-Debtor affiliates until January 31, 2013.

In addition, AGM and its affiliate AGC have brought actions against providers of R&W in U.S. RMBS transactions insured by them, alleging breaches of R&W in respect of the underlying loans in the transactions, breaches of contract in procuring falsely inflated shadow ratings (a condition to the issuance by AGM and AGC of its policies) by providing false and misleading information to the rating agencies, and failure to cure or repurchase defective loans identified by AGM and AGC:

Credit Suisse: AGM and AGC have sued DLJ Mortgage Capital, Inc. ("DLJ") and Credit Suisse Securities (USA) LLC ("Credit Suisse") on first lien U.S. RMBS transactions insured by them. The ones insured by AGM are: CSAB Mortgage-Backed Pass Through Certificates, Series 2006-2; CSAB Mortgage-Backed Pass Through Certificates, Series 2006-3; CSAB Mortgage-Backed Pass Through Certificates, Series 2006-4; and CMSC Mortgage-Backed Pass Through Certificates, Series 2007-3. On December 6, 2011, DLJ and Credit Suisse filed a motion to dismiss the cause of action asserting breach of the document containing the condition precedent regarding the rating of the securities and claims for rescissory damages and other relief in the complaint, and on October 11, 2012, the Supreme Court of the State of New York granted the motion to dismiss. AGM and AGC intend to appeal the dismissal of certain of its claims. The causes of action against DLJ for breach of R&W and breach of its repurchase obligations remain.

UBS: AGM has sued UBS Real Estate Securities Inc. on the MASTR Adjustable Rate Mortgages Trust 2006-OA2, MASTR Adjustable Rate Mortgages Trust 2007-1 and MASTR Adjustable Rate Mortgages Trust 2007-3 first lien transactions. In April 2012, UBS filed a motion to dismiss the complaint and on August 15, 2012, the United States District Court for the Southern District of New York rejected the motion to dismiss as to AGM's claims of breach of R&W and for rescissory damages. It also upheld AGM's breach of warranty claim related to the shadow ratings issued with respect to the transactions. The motion to dismiss was granted against AGM's claims for breach of the repurchase obligation, which the court held could only be enforced by the trustee of the applicable trusts, and for declaratory judgments that UBS failed to cure breaches and for reimbursement of all insurance payments made to UBS. On September 28, 2012, at the direction of AGM, the trustee of the trusts filed a breach of contract complaint against UBS on behalf of the applicable trusts.

NOTES TO FINANCIAL STATEMENTS

With respect to (i) the IndyMac IMSC Mortgage Loan Trust, Series 2007-HOA-1a first lien transaction, as to which AGM has filed a lawsuit against UBS Securities LLC, as underwriter, as well as several named and unnamed control persons of IndyMac Bank, FSB and related IndyMac entities, and (ii) the IndyMac Home Equity Mortgage Loan Asset-Backed Trust, Series 2007-H1 second lien transaction, as to which AGM had withdrawn its lawsuit against Deutsche Bank Securities, Inc., as underwriter, in connection with the Deutsche Bank settlement, on August 9, 2012, AGM filed suit against OneWest Bank, FSB (OneWest), as servicer, in the Superior Court of the State of California, County of Los Angeles, Central District. In this lawsuit, AGM seeks damages, specific performance and declaratory relief in connection with OneWest's failure to properly service the mortgage loans, its refusal to permit AGM to conduct an examination of the servicing of the transactions and its refusal to continue funding HELOC draws, all in violation of the related agreements.

Public Finance Transactions

With respect to the complaint that AGM, together with TD Bank, National Association and Manufacturers and Traders Trust Company, as trustees, had filed against The Harrisburg Authority, The City of Harrisburg, Pennsylvania, and the Treasurer of the City in connection with certain Resource Recovery Facility bonds and notes issued by The Harrisburg Authority, in March 2012, the Court of Common Pleas of Dauphin County, Pennsylvania issued an order granting the motion for the appointment of a receiver for the resource recovery facility, which order has been appealed by The Harrisburg Authority.

15. Leases

There has been no change since the 2011 Annual Statement.

16. Information about Financial Instruments with Off-Balance Sheet Risk, Financial Instruments with Concentrations of Credit

There has been no significant change since the 2011 Annual Statement.

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

There has been no change since the 2011 Annual Statement.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

There has been no change since the 2011 Annual Statement.

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

There has been no change since the 2011 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 has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level hierarchy as reflected in the table below. 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.
- 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.

The following table presents information about the financial instruments carried at fair value and indicates the level of the fair value measurement on the levels of the inputs used. 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 asset measured at fair value as of September 30, 2012.

As of September 30, 2012	Level 1	Level 2	Level 3	TOTAL
Bonds	-	-	\$21,791,012	\$21,791,012
Stocks	-	-	-	-
TOTAL	-	-	\$21,791,012	\$21,791,012

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 the quoted market prices received from the 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 applications, which include available relevant market information, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. 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, listed in the approximate order of priority include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data and industry and economic events. 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. The vast majority of fixed maturities are classified as Level 2.

Stocks

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

NOTES TO FINANCIAL STATEMENTS

2. 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 during the current quarter:

Description:	Ending Balance as of Prior Qtr End	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	Settlement	Ending Balance for Current Quarter
Residential Mortgage	-	-	-	-	-	\$21,791,012	-	-	-	\$21,791,012
TOTAL	-	-	-	-	-	\$21,791,012	-	-	-	\$21,791,012

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. One Level 3 security with no NAIC rating was carried at Fair Value at September 30, 2012.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

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 sources and proprietary pricing models. The models use 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 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

The Company does not own derivatives at September 30, 2012.

- B. Other Fair Value Disclosures

Not applicable

- 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.

(in thousands of dollars)

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3
Bonds	\$3,002,552	\$2,858,775	\$ -	\$2,489,747	\$512,805
Common stocks	-	-	-	-	-
Cash equivalents and short-term investments	252,521	252,501	112,273	140,248	-
Other invested assets	<u>337,082</u>	<u>337,082</u>	<u>37,082</u>	<u>-</u>	<u>300,000</u>
Total assets	<u>\$3,592,155</u>	<u>\$3,448,358</u>	<u>\$149,355</u>	<u>\$2,629,994</u>	<u>\$812,805</u>

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

Not applicable

21. Other Items

A, B, C, E, F. There has been no change since the 2011 Annual Statement.

- D. As of September 30, 2012, the Company had uncollected premiums of \$23,345,086. Uncollected premiums more than 90 days past due were \$3,172,984.

- G. Subprime Mortgage-Related Exposure

(1) through (3) Not applicable.

(4) Underwriting Exposure

Third Quarter-End 2012 U.S. RMBS Loss Projections

The Company's RMBS loss projection methodology assumes that the housing and mortgage markets will eventually improve. Each quarter the Company makes a judgment as to whether to change its assumptions used to make RMBS loss projections based on its observation during the quarter of the performance of its insured transactions (including early stage delinquencies, late stage delinquencies and, for first liens, loss severity) as well as the residential property market and economy in general, and, to the extent it observes changes, it makes a judgment as to whether those changes are normal fluctuations or part of a trend. Based on such observations, the Company chose to use essentially the same methodology and scenarios to project RMBS loss as of September 30, 2012 as it used as of June 30, 2012. The methodology and scenarios used as of September 30, 2012 were also essentially the same as those it used as of December 31, 2011, except that as compared to December 31, 2011 (i) in its most optimistic scenario, it reduced by three months the period it assumed it would take the mortgage market to recover and (ii) in its most pessimistic scenario, it increased by three months the period it assumed it would take the mortgage market to recover. The methodology the Company uses to project RMBS losses and the scenarios it employs are described in more detail below under "— U.S. Second Lien RMBS Loss Projections: Home Equity Lines of Credit ("HELOCs") and Closed-End Second Lien" and "— U. S. First Lien RMBS Loss Projections: Alt A First Lien, Option ARM, Subprime and Prime."

NOTES TO FINANCIAL STATEMENTS

U.S. Second Lien RMBS Loss Projections: Home Equity Lines of Credit ("HELOCs") and Closed-End Second Lien

The Company insures two types of second lien RMBS: those secured by HELOCs and those secured by closed end second lien mortgages. HELOCs are revolving lines of credit generally secured by a second lien on a one to four family home. A mortgage for a fixed amount secured by a second lien on a one to four family home is generally referred to as a closed end second lien. Second lien RMBS sometimes include a portion of loan collateral with a different priority than the majority of the collateral. The Company has material exposure to second lien mortgage loans originated and serviced by a number of parties, but the Company's most significant second lien exposure is to HELOCs originated and serviced by Countrywide, a subsidiary of Bank of America. See "—Breaches of Representations and Warranties."

The delinquency performance of HELOC and closed end second lien exposures included in transactions insured by the Company began to deteriorate in 2007, and such transactions, continue to perform below the Company's original underwriting expectations. While insured securities benefit from structural protections within the transactions designed to absorb collateral losses in excess of previous historically high levels, in many second lien RMBS projected losses now exceed those structural protections.

The Company believes the primary variables affecting its loss reserves in second lien RMBS transactions are the amount and timing of future losses in the collateral pool supporting the transactions and the amount of loans repurchased for breaches of R&W (or agreements with R&W providers related to such obligations). Loss reserves are also a function of the structure of the transaction; the voluntary prepayment rate (typically also referred to as conditional prepayment rate ("CPR") of the collateral); the interest rate environment; and assumptions about the draw rate and loss severity. These variables are interrelated, difficult to predict and subject to considerable volatility. If actual experience differs from the Company's assumptions, the losses incurred could be materially different from the estimate. The Company continues to update its evaluation of these exposures as new information becomes available.

The following table shows the range of key assumptions for the calculation of loss reserves for individual transactions for direct vintage 2004 - 2008 second lien U.S. RMBS.

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

HELOC key assumptions	As of September 30, 2012	As of December 31, 2011
Plateau CDR.....	2.2 – 12.9%	4.0 – 27.4%
Final CDR trended down to.....	0.4 – 3.2%	0.4 – 3.2%
Expected period until final CDR.....	36 months	36 months
Initial CPR.....	3.7 – 17.5%	1.4 – 25.8%
Final CPR.....	10%	10%
Loss severity.....	98%	98%
Initial draw rate.....	0.0 – 3.5%	0.0 – 15.3%

Closed-end second lien key assumptions	As of September 30, 2012	As of December 31, 2011
Plateau CDR.....	11.0 – 21.9%	16.9 – 29.5%
Final CDR trended down to.....	3.3 – 8.6%	3.3 – 8.6%
Expected period until final CDR.....	36 months	36 months
Initial CPR.....	2.0 – 5.2%	1.6 – 5.1%
Final CPR.....	10%	10%
Loss severity.....	98%	98%

(1) Represents variables for most heavily weighted scenario (the "base case").

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. Most second lien transactions report the amount of loans in five monthly delinquency categories (i.e., 30-59 days past due, 60-89 days past due, 90-119 days past due, 120-149 days past due and 150-179 days past due). The Company estimates the amount of loans that will default over the next five months by calculating current representative liquidation rates (the percent of loans in a given delinquency status that are assumed to ultimately default) from selected representative transactions and then applying an average of the preceding twelve months' liquidation rates to the amount of loans in the delinquency categories. The amount of loans projected to default in the first through fifth months is expressed as a CDR. The first four months' CDR is calculated by applying the liquidation rates to the current period past due balances (i.e., the 150-179 day balance is liquidated in the first projected month, the 120-149 day balance is liquidated in the second projected month, the 90-119 day balance is liquidated in the third projected month and the 60-89 day balance is liquidated in the fourth projected month). For the fifth month the CDR is calculated using the average 30-59 day past due balances for the prior three months. An average of the third, fourth and fifth month CDR is then used as the basis for the plateau period that follows the embedded five months of losses.

As of September 30, 2012, for the base case scenario, the CDR (the "plateau CDR") was held constant for one month. 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. In the base case scenario, the time over which the CDR trends down to its final CDR is 30 months. Therefore, the total stress period for second lien transactions is 36 months, comprising five months of delinquent data, a one month plateau period and 30 months of decrease to the steady state CDR. This is the same as June 30, 2012 and December 31, 2011. The long-term steady state CDR is calculated as the constant CDR that would have yielded the amount of losses originally expected at underwriting. When a second lien loan defaults, there is generally a very low recovery. Based on current expectations of future performance, the Company assumes that it will only recover 2% of the collateral, the same as June 30, 2012 and December 31, 2011.

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected (which is a function of the CDR and the loan balance over time) as well as the amount of excess spread (which is the excess of the interest paid by the borrowers on the underlying loan over the amount of interest and expenses owed on the insured obligations). In the base case, the current CPR (based on an average of the most recent three months) is assumed to continue until the end of the plateau before gradually increasing to the final CPR over the same period the CDR decreases. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant. The final CPR is assumed to be 10% for both HELOC and closed-end second lien transactions. This level is much higher than current rates for most transactions, but lower than the historical average, which reflects the Company's continued uncertainty about the projected performance of the borrowers in these transactions. This pattern is consistent with how the Company modeled the CPR at June 30, 2012 and December 31, 2011. 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, and HELOC draw rates (the amount of new advances provided on existing HELOCs expressed as a percentage of current outstanding advances). For HELOC transactions, the draw rate is assumed to decline from the current level to a final draw rate over a period of three months. The final draw rates were assumed to range from 0.0% to 1.77%.

NOTES TO FINANCIAL STATEMENTS

In estimating loss reserves, the Company modeled and probability weighted three possible CDR curves applicable to the period preceding the return to the long-term steady state CDR. The Company believes that the level of the elevated CDR and the length of time it will persist is the primary driver behind the likely amount of losses the collateral will suffer (before considering the effects of repurchases of ineligible loans). The Company continues to evaluate the assumptions affecting its modeling results.

As of September 30, 2012, the Company's base case assumed a one month CDR plateau and a 30 month ramp-down (for a total stress period of 36 months), the same as June 30, 2012 and December 31, 2011. The Company also modeled a scenario with a longer period of elevated defaults and another with a shorter period of elevated defaults and weighted them the same as of June 30, 2012 and December 31, 2011. The length of the ramp-downs the Company used as of September 30, 2012 and June 30, 2012 were three months shorter in the optimistic cases and three months longer in the pessimistic cases than the Company used as of December 31, 2011 reflecting both positive and negative developments observed by the Company in the market. Increasing the CDR plateau to four months and increasing the ramp-down by three months to 33-months (rather than 30 months as of December 31, 2011, for a total stress period of 42 months rather than 39 months as of December 31, 2011) would increase the loss reserves by approximately \$27.3 million for HELOC transactions and \$5.3 million for closed-end second lien transactions. On the other hand, keeping the CDR plateau at one month but decreasing the length of the CDR ramp-down to a 21 months (rather than 24 months as of December 31, 2011, for a total stress period of 27 months rather than 30 months as of December 31, 2011) would decrease the loss reserves by approximately \$23.2 million for HELOC transactions and \$1.2 million for closed-end second lien transactions.

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

First lien RMBS are generally categorized in accordance with the characteristics of the first lien mortgage loans on one-to-four family homes supporting the transactions. The collateral supporting "subprime RMBS" transactions consists of first-lien residential mortgage loans made to subprime borrowers. A "subprime borrower" is one considered to be a higher risk credit based on credit scores or other risk characteristics. Another type of RMBS transaction is generally referred to as "Alt-A first lien." The collateral supporting such transactions consists of first-lien residential mortgage loans made to "prime" quality borrowers who lack certain ancillary characteristics that would make them prime. When more than 66% of the loans originally included in the pool are mortgage loans with an option to make a minimum payment that has the potential to amortize the loan negatively (*i.e.*, increase the amount of principal owed), the transaction is referred to as an "Option ARM." Finally, transactions may be composed primarily of loans made to prime borrowers. First lien RMBS sometimes include a portion of loan collateral that differs in priority from the majority of the collateral.

The performance of the Company's first lien RMBS exposures began to deteriorate in 2007 and such transactions, continue to perform below the Company's original underwriting expectations. The Company currently projects first lien collateral losses many times those expected at the time of underwriting. While insured securities benefited from structural protections within the transactions designed to absorb some of the collateral losses, in many first lien RMBS transactions, projected losses exceed those structural protections.

The majority of projected losses in first lien RMBS transactions are expected to come from non-performing mortgage loans (those that are delinquent or in foreclosure or where the loan has been foreclosed and the RMBS issuer owns the underlying real estate). 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 delinquency categories. The Company arrived at its liquidation rates based on data purchased from a third party, and assumptions about how delays in the foreclosure process may ultimately affect the rate at which loans are liquidated. The liquidation rate is a standard industry measure that is used to estimate the number of loans in a given aging category that will default within a specified time period. The Company projects these liquidations to occur over two years. The Company used the same liquidation rates for September 30, 2012 as it did for June 30, 2012 and December 31, 2011. The following table shows liquidation assumptions for various delinquency categories.

First Lien Liquidation Rates

	As of September 30, 2012	As of December 31, 2011
30 – 59 Days Delinquent		
Alt A and Prime.....	35%	35%
Option ARM.....	50	50
Subprime.....	30	30
60 – 89 Days Delinquent		
Alt A and Prime.....	55	55
Option ARM.....	65	65
Subprime.....	45	45
90+ Days Delinquent		
Alt A and Prime.....	65	65
Option ARM.....	75	75
Subprime.....	60	60
Bankruptcy		
Alt A and Prime.....	55	55
Option ARM.....	70	70
Subprime.....	50	50
Foreclosure		
Alt A and Prime.....	85	85
Option ARM.....	85	85
Subprime.....	80	80
Real Estate Owned ("REO")		
All	100	100

While the Company uses liquidation rates as described above to project defaults of non-performing loans, it projects defaults on presently current loans by applying a CDR trend. The start of that CDR trend is based on the defaults the Company projects will emerge from currently nonperforming 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 24 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 24-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. Under the Company's methodology, defaults projected to occur in the first 24 months represent defaults that can be attributed to loans that are currently delinquent or in foreclosure, while the defaults projected to occur using the projected CDR trend after the first 24 month period represent defaults attributable to borrowers that are currently performing.

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 historic high levels, and the Company is assuming that these high levels generally will continue for another year (in the case of subprime loans, the Company

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assumes the unprecedented 90% loss severity rate will continue for six months then drop to 80% for six months before following the ramp described below). The Company determines its initial loss severity based on actual recent experience. The Company's loss severity assumptions for September 30, 2012 were the same as it used for June 30, 2012 and December 31, 2011. The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning in June 2013, and in the base case scenario, decline over two years to 40%.

The following table shows the range of key assumptions used in the calculation of loss reserves for individual transactions for direct vintage 2004 - 2008 first lien U.S. RMBS.

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

	As of September 30, 2012	As of December 31, 2011
Alt-A First Lien		
Plateau CDR.....	6.9% – 23.5%	5.7% – 41.3%
Intermediate CDR.....	1.4% – 4.7%	1.1% – 8.3%
Final CDR.....	0.3% – 1.2%	0.3% – 2.1%
Initial loss severity.....	65%	65%
Initial CPR.....	0.0% – 9.6%	0.0% – 15.2%
Final CPR.....	15%	15%
Option ARM		
Plateau CDR.....	7.6% – 27.7%	11.7% – 31.5%
Intermediate CDR.....	1.5% – 5.5%	2.3% – 6.3%
Final CDR.....	0.4% – 1.4%	0.6% – 1.6%
Initial loss severity.....	65%	65%
Initial CPR.....	0.0% – 4.0%	0.3% – 10.8%
Final CPR.....	15%	15%
Subprime		
Plateau CDR.....	7.5% – 23.2%	10.4% – 29.9%
Intermediate CDR.....	1.5% – 4.6%	2.1% – 6.0%
Final CDR.....	0.5% – 1.4%	0.5% – 1.5%
Initial loss severity.....	90%	90%
Initial CPR.....	0.0% – 7.4%	0.0% – 10.6%
Final CPR.....	15%	15%

(1) Represents variables for most heavily weighted scenario (the "base case").

The rate at which the principal amount of loans is prepaid may impact both the amount of losses projected (since that amount is a function of the conditional default rate, 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 CPR follows a similar pattern to that of the conditional default rate. 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 either 10% or 15% depending on the scenario run. For transactions where the initial CPR is higher than the final CPR, the initial CPR is held constant.

The ultimate performance of the Company's first lien RMBS transactions remains highly uncertain and may be subject to considerable volatility due to the influence of many factors, including the level and timing of loan defaults, changes in housing prices and other variables. The Company will continue to monitor the performance of its RMBS exposures and will adjust the loss projections for those transactions based on actual performance and management's estimates of future performance.

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 conditional default rate returned to its modeled equilibrium, which was defined as 5% of the current conditional default rate. The Company also stressed CPR and the speed of recovery of loss severity rates. The Company probability weighted a total of five scenarios (including its base case) as of September 30, 2012, the same number of scenarios as June 30, 2012 and December 31, 2011. For September 30, 2012 the Company used the same scenarios and weightings as it has for June 30, 2012, which were also the same as it used for December 31, 2011 except that for September 30, 2012 and June 30, 2012 it assumed in the most stressful scenario that the recovery would occur three months more slowly and in the most optimistic scenario that it would occur three months more quickly than it had for December 31, 2011. In a somewhat more stressful environment than that of the base case, where the conditional default rate plateau was extended three months (to be 27 months long) before the same more gradual conditional default rate recovery and loss severities were assumed to recover over four rather than two years (and subprime loss severities were assumed to recover only to 60%), loss reserves would increase from current projections by approximately \$10.1 million for Alt-A first liens, \$9.5 million for Option ARM, \$54.4 million for subprime and \$0.0 million for prime transactions. In an even more stressful scenario where loss severities were assumed to rise and then recover over eight years and the initial ramp-down of the conditional default rate was assumed to occur over 15 months (rather than 12 months as of December 31, 2011) and other assumptions were the same as the other stress scenario, loss reserves would increase from current projections by approximately \$28.8 million for Alt-A first liens, \$21.6 million for Option ARM, \$84.9 million for subprime and \$0.0 million for prime transactions. The Company also considered two scenarios where the recovery was faster than in its base case. In a scenario with a somewhat less stressful environment than the base case, where conditional default rate recovery was somewhat less gradual and the initial subprime loss severity rate was assumed to be 80% for 12 months and was assumed to recover to 40% over two years, loss reserves would decrease from current projections by approximately \$1.9 million for Alt-A first lien, \$12.9 million for Option ARM, \$16.8 million for subprime and \$0 million for prime transactions. In an even less stressful scenario where the conditional default rate plateau was three months shorter (21 months, effectively assuming that liquidation rates would improve) and the conditional default rate recovery was more pronounced, (including an initial ramp-down of the conditional default rate over nine months rather than 12 months as at December 31, 2011), loss reserves would decrease from current projections by approximately \$11.7 million for Alt-A first lien, \$30.6 million for Option ARM, \$29.1 million for subprime and \$0.0 million for prime transactions.

Breaches of Representations and Warranties

The Company is pursuing reimbursements for breaches of R&W regarding loan characteristics. Performance of the collateral underlying certain first and second lien securitizations has substantially differed from the Company's original expectations. The Company has employed several loan file diligence firms and law firms as well as devoted internal resources to review the mortgage files surrounding many of the defaulted loans. The Company's success in these efforts has resulted in three negotiated agreements in respect of the Company's R&W claims, including one on April 14, 2011 with Bank of America and one on May 8, 2012 with Deutsche Bank AG.

The Company has included in its loss reserves as of September 30, 2012 an estimated benefit from loan repurchases related to breaches of R&W of \$578 million, which includes \$226 million from Bank of America and Deutsche Bank under their respective agreements and \$176 million in transactions where the Company does not yet have such an agreement. Proceeds projected to be reimbursed to the Company on transactions where the Company has already paid claims are viewed as a recovery on paid losses. For transactions where the Company has not already paid claims, projected recoveries reduce projected loss estimates. In either case, projected recoveries have no effect on the amount of the Company's exposure. These amounts reflect payments made pursuant to the negotiated transaction agreements and not payments made

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pursuant to legal settlements. See "Recovery Litigation" in Note 14 for a description of the related legal proceedings the Company has commenced.

The Company's success in pursuing breaches of R&W is based upon a detailed review of loan files. The Company reviewed approximately 21,000 second lien and 6,000 first lien loan files (representing approximately \$1,626 million and \$2,044 million, respectively, of loans) in financial guaranty transactions as to which it eventually reached agreements, including the agreements with Bank of America and Deutsche Bank. For the RMBS transactions as to which the Company had not settled its claims for breaches of R&W as of September 30, 2012, the Company had performed a detailed review of approximately 10,100 second lien and 19,200 first lien loan files, representing approximately \$750 million in second lien and \$6,256 million in first lien outstanding par of loans underlying insured transactions. In the majority of its loan file reviews, the Company identified breaches of one or more R&W regarding the characteristics of the loans, such as misrepresentation of income or employment of the borrower, occupancy, undisclosed debt and non-compliance with underwriting guidelines at loan origination.

Through September 30, 2012, the Company has caused entities providing R&Ws to pay or agree to pay approximately \$1.2 billion in respect of their R&W liabilities for transactions in which the Company has provided a financial guaranty. Of this, \$928 million are payments made or to be made directly to the Company pursuant to agreements with R&W providers (e.g. the Bank of America Agreement and Deutsche Bank Agreement) and approximately \$241 million are amounts paid (or committed to be paid) into the relevant RMBS financial guaranty transactions pursuant to the transaction documents.

The \$928 million of payments made or to be made directly to the Company by R&W providers under agreements with the Company includes \$682 million that has already been received by the Company, as well as \$242 million the Company projects receiving in the future pursuant to such currently existing agreements. Because most of that \$242 million is projected to be received through loss-sharing arrangements, the exact amount the Company will receive will depend on actual losses experienced by the covered transactions. This amount is included in the Company's calculated credit for R&W recoveries, described below.

The \$241 million paid, or committed to be paid, by R&W providers are paid into the relevant RMBS transactions in accordance with the priority of payments set out in the relevant transaction documents. Because the Company may insure only a portion of the capital structure of a transaction, such payments will not necessarily directly benefit the Company dollar-for-dollar, especially in first lien transactions. However, such payments do reduce collateral pool losses and so usually reduce the Company's loss reserves.

The calculation of expected recovery from breaches of R&W involved a variety of scenarios which ranged from the Company recovering substantially all of the losses it incurred due to violations of R&W to the Company realizing limited recoveries. These scenarios were probability weighted in order to determine the recovery incorporated into the Company's estimate of loss reserves. This approach was used for both loans that had already defaulted and those assumed to default in the future.

The Company assumes that recoveries on transactions backed by HELOC and closed-end second lien loans that were not subject to the Bank of America Agreement or Deutsche Bank Agreement will occur in two to four years from the balance sheet date depending on the scenarios, and that recoveries on transactions backed by Alt-A first lien, Option ARM and Subprime loans will occur as claims are paid over the life of the transactions. Recoveries on second lien transactions subject to the Bank of America Agreement were paid in full by March 31, 2012.

As of September 30, 2012, cumulative collateral losses on Assured Guaranty's 21 first lien RMBS transactions (of which twelve are insured by AGM) subject to a comprehensive agreement with Bank of America Corporation and its subsidiaries, including Countrywide Financial Corporation and its subsidiaries (collectively, "Bank of America") (the "Bank of America Agreement"), were approximately \$2.6 billion (\$2.4 billion related to AGM). Assured Guaranty estimates that cumulative projected collateral losses for these 21 first lien transactions will be \$5.1 billion (\$4.7 billion related to AGM). The Bank of America Agreement covers cumulative collateral losses up to \$6.6 billion for all these transactions. Bank of America had placed approximately \$1.0 billion of eligible assets in trust in order to collateralize the reimbursement obligation relating to these transactions. The amount of assets required to be posted may increase or decrease from time to time as determined by rating agency requirements. Based on Assured Guaranty's assumptions, Assured Guaranty projects a recovery of approximately \$368.8 million (\$190.7 million from AGM) from Bank of America under the Bank of America Agreement.

On May 8, 2012, Assured Guaranty reached a settlement with Deutsche Bank, resolving claims related to certain RMBS transactions issued, underwritten or sponsored by Deutsche Bank that were insured by Assured Guaranty under financial guaranty insurance policies.

Assured Guaranty received a cash payment of \$166 million from Deutsche Bank upon signing of the Deutsche Bank Agreement, a portion of which partially reimbursed Assured Guaranty for past losses on certain transactions. Assured Guaranty and Deutsche Bank also entered into loss sharing arrangements covering future RMBS related losses, which are described below. Under the Deutsche Bank Agreement, Deutsche Bank AG placed eligible assets in trust in order to collateralize the obligations of a reinsurance affiliate under the loss-sharing arrangements. The Deutsche Bank reinsurance affiliate may be required to post additional collateral in the future to satisfy rating agency requirements. As of September 30, 2012, the balance of the assets held in trust of \$282 million was sufficient to fully collateralize Deutsche Bank's obligations, based on the Company's estimate of loss reserves for the transactions covered under the agreement.

The settlement includes eight RMBS transactions ("Covered Transactions") that Assured Guaranty has insured through financial guaranty insurance policies, of which two are insured by AGC. The Covered Transactions are backed by first lien and second lien mortgage loans. Under the Deutsche Bank Agreement, the Deutsche Bank reinsurance affiliate will reimburse 80% of Assured Guaranty's future losses on the Covered Transactions until Assured Guaranty's aggregate losses (including those to date that are partially reimbursed by the \$166 million cash payment) reach \$319 million. Assured Guaranty currently projects that in the base case, the Covered Transactions will not generate aggregate losses in excess of \$319 million. In the event aggregate losses exceed \$389 million, the Deutsche Bank reinsurance affiliate is required to resume reimbursement at the rate of 85% of Assured Guaranty's losses in excess of \$389 million until such losses reach \$600 million. The Covered Transactions represented \$449 million of the Company's gross par outstanding as of September 30, 2012.

U.S. Public Finance Transactions

U.S. municipalities and related entities have been under increasing pressure over the last few quarters, and a few have filed for protection under the U.S. Bankruptcy Code, entered into state processes designed to help municipalities in fiscal distress or otherwise indicated they may consider not meeting their obligations to make timely payments on their debts. The Company expects that bondholder rights will be enforced. However, due to the early stage of these developments, and the circumstances surrounding each instance, the ultimate outcome cannot be certain. The Company will continue to analyze developments in each of these matters closely. The municipalities whose obligations the Company has insured that have filed for protection under Chapter 9 of the U.S. Bankruptcy Code are: Jefferson County, Alabama and Stockton, California. The City Council of Harrisburg, Pennsylvania had also filed a purported bankruptcy petition, which was later dismissed by the bankruptcy court; a receiver for the City of Harrisburg was appointed by the Commonwealth Court of Pennsylvania on December 2, 2011.

The Company has net exposure to Jefferson County, Alabama of \$186 million as of September 30, 2012. On November 9, 2011, Jefferson County filed for bankruptcy under Chapter 9 of the U.S. Bankruptcy Code. Most of the Company's Jefferson County exposure relates to \$82 million in sewer revenue exposure, all of which are direct exposure. The sewer revenue warrants are secured by a pledge of the net revenues of the sewer system. The bankruptcy court has affirmed that the net revenues constitute a "special revenue" under Chapter 9. Therefore, the lien on net revenues of the sewer system survives the bankruptcy filing and such net revenues are not subject to the automatic stay during the pendency of Jefferson County's bankruptcy case. BNY Mellon, as trustee, had brought a lawsuit regarding the amount of net revenues to which it is entitled. Since its bankruptcy filing, Jefferson County had been withholding estimated bankruptcy-related legal expenses and an amount representing a monthly reserve for future expenditures and depreciation and amortization from the monthly payments it had been making to the trustee from sewer revenues for debt service. On June 29, 2012, the Bankruptcy Court ruled that "Operating Expenses" as determined under the bond indenture do not include (1) a reserve for depreciation, amortization, or future expenditures, or (2) an estimate for professional fees and expenses, such that, after payment of Operating Expenses (as defined in the indenture), monies remaining in the Revenue Account created under the bond indenture must be distributed in accordance with the waterfall set forth in the indenture without withholding any monies for depreciation, amortization, reserves, or estimated expenditures that are the subject of this litigation. Whether sufficient net revenues will be

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available for the payment of regularly scheduled debt service ultimately depends on the bankruptcy court's valuation of the sewer revenue stream. The Company's remaining net exposure of \$105 million to Jefferson County relates to obligations that are secured by, or payable from, certain taxes that may have the benefit of a statutory lien or a lien on "special revenues" or other collateral.

On June 28, 2012, the City of Stockton, California filed for bankruptcy under Chapter 9 of the U.S. Bankruptcy Code. The Company's net exposure to Stockton's general fund is \$42 million, consisting of pension obligation bonds. As of September 30, 2012, the Company had paid \$2.0 million in net claims.

The Company has \$83 million of net par exposure to The City of Harrisburg, Pennsylvania, of which \$48 million is below investment grade ("BIG"). The Company has paid \$5.5 million in net claims as of September 30, 2012, and expects a full recovery.

The Company has \$14 million remaining in net par exposure to bonds secured by the excess free cash flow of the Foxwoods Casino, run by the Mashantucket Pequot Tribe. The Company had paid \$43.5 million in net claims as of September 30, 2012, and expects a full recovery of such amount.

The Company projects that its total loss recoverables from troubled U.S. public finance credits will be \$42.4 million as of September 30, 2012, up from \$11.6 million as of June 30, 2012. This increase was due primarily to the increase in expected recoveries on Foxwoods Casino.

Other Notable Transactions

At June 30, 2012, the Company had €142 million (€93 million on a net basis) of exposure to the sovereign debt of Greece. The Company accelerated claims under its financial guaranties during the quarter, paying off in full its liabilities with respect to the Greek sovereign bonds it guaranteed. At September 30, 2012, the Company had paid \$116 million in net claims and no longer had any direct financial guaranty exposure to Greece.

The Company insures a total of \$146 million net par of securities backed by manufactured housing loans, a total of \$86 million rated BIG. The Company has loss reserves of \$11.2 million as of September 30, 2012 compared to \$10.9 million as of June 30, 2012.

The Company also has outstanding exposures to certain infrastructure transactions in its insured portfolio that may expose it to refinancing risk. These transactions generally involve long-term infrastructure projects that are financed by bonds that mature prior to the expiration of the project concession. While the cash flows from these projects were expected to be sufficient to repay all of the debt over the life of the project concession, in order to pay the principal on the early maturing debt, the Company expected it to be refinanced in the market at or prior to its maturity. Due to market dislocation and increased credit spreads, the Company may have to pay a claim at the maturity of the securities, and then recover its payment from cash flows produced by the project in the future. The Company generally projects that in most scenarios it will be fully reimbursed for such payments.

The following summarizes U.S. subprime loss activity:

- a. The aggregate amount of U.S. subprime related net losses paid in the first nine months of 2012 were \$10,169,386;
- b. The aggregate amount of U.S. subprime related net losses incurred in the first nine months of 2012 was \$12,704,912;
- c. The aggregate amount of U.S. subprime related net case reserves at the end of the current reporting period were \$67,258,941, and
- d. The Company does not establish IBNR reserves.

22. Events Subsequent

Subsequent events have been considered through November 14, 2012 for these statutory financial statements which are to be issued November 14, 2012. There were no material events occurring subsequent to September 30, 2012 that have not already been disclosed in these notes to the financial statements.

23. Reinsurance

A. The Company has no unsecured reinsurance recoverable at September 30, 2012.

B. The Company has no reinsurance recoverable in dispute at September 30, 2012.

C. Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at September 30, 2012.

	Assumed		Ceded		Net	
	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity
Affiliates	\$ 339,968,644	\$101,990,593	\$1,262,776,865	\$ 378,833,060	\$ (922,808,221)	\$ (276,842,467)
Non Affiliates	1,684,918	505,475	249,955,821	74,986,746	(248,270,903)	(74,481,271)
Total	\$ 341,653,562	\$102,496,068	\$1,512,732,686	\$ 453,819,806	\$ (1,171,079,124)	\$ (351,323,738)
Direct Unearned Premium Reserve \$2,557,420,317						

D. The Company has no uncollectible reinsurance at September 30, 2012.

E. The effect of the Company's commutation and reassumption of ceded business for the nine months ended September 30, 2012, is summarized in the table below:

	Radian Asset Assurance Inc.	The Tokio Marine and Fire Ins Co. Ltd.	TOTAL
Ceded Premiums written	86,332,445	53,610,531	139,942,976
Change in UPR	(86,332,445)	(53,610,531)	(139,942,976)
Premiums Earned	-	-	-
Return of Ceding Commission	-	(15,074,908)	(15,074,908)
Other Income	-	65,450,410	65,450,410
Pre-Tax Gain	-	50,375,502	50,375,502

F. The Company has no retroactive reinsurance in effect at September 30, 2012.

G. The Company does not utilize the deposit method to account for any of its reinsurance transactions.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There has been no change since the 2011 Annual Statement.

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25. Changes in Incurred Losses and Loss Adjustment Expenses ("LAE")

Incurred losses and LAE attributable to insured events of prior years were \$124,951,844 for the first nine months of 2012. The current year increase 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.

26. Intercompany Pooling Arrangements

There has been no change since the 2011 Annual Statement.

27. Structured Settlements

There has been no change since the 2011 Annual Statement.

28. Health Care Receivables

There has been no change since the 2011 Annual Statement.

29. Participating Policies

There has been no change since the 2011 Annual Statement.

30. Premium Deficiency Reserves

There has been no change since the 2011 Annual Statement.

31. High Deductibles

There has been no change since the 2011 Annual Statement.

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

The net loss and LAE reserves of \$8,865,303 are discounted at a rate of 5.0%, the approximate taxable equivalent yield on the Company's investment portfolio, amounting to a total discount taken of \$119,083,362. The large disparity between the discounted reserve and the discount taken is because the Company assumes it will make recoveries on losses already paid in the near term, producing a very small discount on the recoverable portion of its reserves, while the transactions with payments to be made are long tailed and have a relatively large discount.

33. Asbestos/Environmental Reserves

There has been no change since the 2011 Annual Statement.

34. Subscriber savings Accounts

There has been no change since the 2011 Annual Statement.

35. Multiple Peril Crop Insurance

There has been no change since the 2011 Annual Statement.

36. Financial Guaranty Insurance

A. There has been no significant change since the 2011 Annual Statement.

B. Schedule of insured financial obligations as of September 30, 2012:

Dollars in thousands

	Surveillance Categories			Total
	BIG 1	BIG 2	BIG 3	
Number of risks	76	26	62	162
Remaining weighted-average contract period (in years)	9.1	9.6	6.0	8.0
Insured contractual payments outstanding:				
Principal	\$5,966,102	\$2,265,679	\$5,264,854	\$13,496,634
Interest	<u>2,397,108</u>	<u>1,258,294</u>	<u>1,451,023</u>	<u>5,106,424</u>
Total	<u>\$8,363,210</u>	<u>\$3,523,973</u>	<u>\$6,715,876</u>	<u>\$18,603,059</u>
Gross claim liability	\$382,956	\$892,457	\$1,964,657	\$3,240,070
Less: Gross potential recoveries - subrogation	531,950	499,918	1,858,797	2,890,665
Ceded claim liability	(82,448)	188,322	115,583	221,457
Discount, net	<u>(7,179)</u>	<u>120,427</u>	<u>5,835</u>	<u>119,083</u>
Net liability reported in the balance sheet	<u>\$ (59,367)</u>	<u>\$ 83,790</u>	<u>\$ (15,558)</u>	<u>\$ 8,865</u>
Reinsurance recoverables	\$17,886	\$226	\$57,740	\$75,852
Unearned premium reserve	\$43,012	\$127	\$6,579	\$49,718

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 [X]
- 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 [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 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 [X]
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. 12/31/2007
- 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). 03/13/2009
- 6.4 By what department or departments?
New York State Department of Financial Services.....
- 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 [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]
- 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 [X]
- 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 [X]
- 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? Yes No
- (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.

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 No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

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 No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

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

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 No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$ 626,210,915	\$ 822,886,491
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).....	\$ 626,210,915	\$ 822,886,491
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 No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. 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 No

16.1 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, 14th Floor, New York, NY 10286.....

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes No

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

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

16.5 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
104518.....	Deutsche Investment Management Americas Inc.....	345 Park Ave., New York, NY 10154.....
105900.....	General Re-New England Asset Mgmt Inc.....	76 Batterson Park Road, Farmington, CT 06032.....
106595.....	Wellington Management LLP.....	75 State Street, Boston, MA 02109.....
107105.....	Blackrock Financial Mgmt Inc.....	40 East 52nd St., New York, NY 10022.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes No

17.2 If no, list exceptions:

.....

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

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	498,207	4,850,388		0	13,871,641
2. Alaska	AK	L		39,378		0	0
3. Arizona	AZ	L	1,060,767	1,033,359		0	0
4. Arkansas	AR	L	1,807,523	1,189,634		0	0
5. California	CA	L	13,329,963	18,582,729	16,269,696	14,408,928	34,693,780
6. Colorado	CO	L	2,107,483	2,020,876	(267,818)	0	0
7. Connecticut	CT	L	2,117,510	593,418	33,048,570	33,042,180	(99,053,692)
8. Delaware	DE	L	9,610,879	20,351,253	60,727,804	(492,759,925)	29,035,378
9. District of Columbia	DC	L	133,834	138,806		0	0
10. Florida	FL	L	2,455,910	8,948,482		0	222,071
11. Georgia	GA	L	1,994,586	2,780,853		1,938,429	35,639,650
12. Hawaii	HI	L	112,081	115,234		0	0
13. Idaho	ID	L		180,649		0	0
14. Illinois	IL	L	3,046,303	3,082,379		0	0
15. Indiana	IN	L	327,407	334,902		0	0
16. Iowa	IA	L	361,000	68,000		0	0
17. Kansas	KS	L	426,624	90,915		0	0
18. Kentucky	KY	L	166,000	81,534		0	0
19. Louisiana	LA	L	2,143,430	2,004,351		0	0
20. Maine	ME	L	33,463	76,200		0	0
21. Maryland	MD	L	771,442	2,106,748	132,021,633	150,388,972	28,420,748
22. Massachusetts	MA	L	462,433	1,339,082	(7,498,608)	(4,340,567)	(26,766,272)
23. Michigan	MI	L	3,206,125	1,273,099		0	0
24. Minnesota	MN	L	265,750	310,405	19,535,869	61,181,147	(92,433,289)
25. Mississippi	MS	L	963,368	1,042,875		0	0
26. Missouri	MO	L	377,876	236,000		0	0
27. Montana	MT	L		580,350		0	0
28. Nebraska	NE	L	23,604	0		0	0
29. Nevada	NV	L	50,000	(618)		0	0
30. New Hampshire	NH	L	290,546	0		0	0
31. New Jersey	NJ	L	9,254,931	7,144,123	24,914,908	3,613,813	25,109,291
32. New Mexico	NM	L	48,000	71,171		0	0
33. New York	NY	L	61,026,436	99,073,182	74,197,457	13,026,217	213,624,667
34. North Carolina	NC	L	92,812	583,412		0	0
35. North Dakota	ND	L		0		0	0
36. Ohio	OH	L	3,696,505	402,465		0	0
37. Oklahoma	OK	L	654,784	135,154		0	0
38. Oregon	OR	L	1,231,273	227,619		0	0
39. Pennsylvania	PA	L	12,594,226	12,243,669	3,432,777	1,414,979	(10,311,752)
40. Rhode Island	RI	L	103,429	755,595		0	0
41. South Carolina	SC	L	813,992	2,363,636		0	0
42. South Dakota	SD	L		141,741		0	0
43. Tennessee	TN	L	117,406	1,208,436		0	0
44. Texas	TX	L	19,230,252	10,265,121		0	0
45. Utah	UT	L	535,014	797,966		0	0
46. Vermont	VT	L	99,533	174,548		0	0
47. Virginia	VA	L	125,255	125,297		360	0
48. Washington	WA	L	313,290	177,398		0	0
49. West Virginia	WV	L		0		0	0
50. Wisconsin	WI	L	1,902,373	250,694		0	0
51. Wyoming	WY	L		0		0	0
52. American Samoa	AS	N		0		0	0
53. Guam	GU	L		0		0	0
54. Puerto Rico	PR	L	7,264,796	9,626,677		0	0
55. U.S. Virgin Islands	VI	L		0		0	0
56. Northern Mariana Islands	MP	N		0		0	0
57. Canada	CN	N	1,107,416	731,542		0	0
58. Aggregate Other Alien	OT	XXX	9,419,544	9,719,737	7,963,792	1,075,692	26,524,015
59. Totals	(a) 54		177,775,381	229,670,464	364,346,080	(217,009,775)	103,955,654
DETAILS OF WRITE-INS							
5801. Australia	XXX		3,388,740	2,283,213		0	26,573,842
5802. Bermuda	XXX			178		0	0
5803. Cayman Island	XXX		3,268,666	4,787,869	7,963,792	1,075,692	(49,827)
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		2,762,138	2,648,477	0	0	0
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		9,419,544	9,719,737	7,963,792	1,075,692	26,524,015

(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.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

There are no substantial changes to the Organizational Chart since the prior quarter.

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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	Federal 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				0001273813	NYSE	Assured Guaranty Ltd	BM	UDP				Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						AG Corporate Holdings LLC	DE	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		20-1082002		0001289244		Assured Guaranty US Holdings Inc	DE	DS	AG Corporate Holdings LLC	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd	01945	13-3261323		0000913357		Assured Guaranty Municipal Holdings Inc	NY	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd	18287	13-3250292				Assured Guaranty Municipal Corp	NY	DS	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FSA Portfolio Management Inc	NY	DS	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Transaction Services Corporation	NY	DS	Assured Guaranty Municipal Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd	10843	13-3954813				Assured Guaranty Municipal Insurance Co	NY	DS	Assured Guaranty Municipal Corp	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		98-0223300				Assured Guaranty (Bermuda) Ltd	BM	DS	Assured Guaranty Municipal Insurance Co	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		AA-2510099				Assured Guaranty (Europe) Ltd	GB	DS	Assured Guaranty Municipal Insurance Co	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Assured Guaranty Credit Protection (Cayman) Ltd. (Cayman Islands)	CI	DS	Assured Guaranty (Europe) Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		AA-3190809				Assured Guaranty Re Ltd	BM	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Assured Guaranty Finance Overseas Ltd	GB	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		52-2221232				Assured Guaranty Overseas US Holdings Inc	DE	DS	Assured Guaranty Re Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		AA-3190538				Assured Guaranty Re Overseas Ltd	BM	DS	Assured Guaranty Re Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		06-1384770				Assured Guaranty Mortgage Insurance Company	NY	DS	Assured Guaranty Re Overseas Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						AG Intermediary Inc	NY	DS	Assured Guaranty Re Overseas Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		AA-1120078				Cedar Personnel Ltd. (Bermuda)	BM	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						AG Corporate Holdings LLC (DE)	DE	DS	Assured Guaranty Ltd	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Assured Guaranty US Holdings Inc	DE	DS	AG Corporate Holdings LLC	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd	13559	26-2999764				Municipal and Infrastructure Assurance Corporation	NY	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						AG Analytics Inc	DE	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Assured Guaranty (UK) Services Limited	GB	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd	30180	52-1533088				Assured Guaranty Corp	MD	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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	Federal 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		13-4031196				AG Financial Products Inc	DE	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Prescott LLC	DE	DS	Assured Guranty Corp	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		AA-1120078				Assured Guaranty (UK) Ltd	GB	DS	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						AG PFC Holding LLC	DE	DS	Assured Guaranty Corp	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd		03-0575850				AGFP Holdings LLC	DE	DS	AG PFC Holding LLC	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Portfolio Funding Company LLC 1	DE	DS	AG PFC Holding LLC	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FSA Services (Japan) Inc	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FSA Credit Products 1 LLC	DE	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FSA Credit Products 2 LLC	DE	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Assured Guaranty Credit Protection Ltd	GB	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Assured Guaranty Services (Australia) Pty Ltd	AU	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FSA Administrative Services, LLC	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FSA Services (Americas) Inc	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						MLN 1992-2 Refi Co. LLC	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FMAC 1998-D Refi Co. LLC	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						FMAC 2000-A Refi Co. LLC	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						IMC 97-7 Refi Co. LLC	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	
00194	Assured Guaranty Ltd						Credit Protection Trusts	NY	DS	FSA Portfolio Management Inc	Ownership	100.0	Assured Guaranty Ltd	

12.1

Asterisk	Explanation
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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	340,595,883	70,239,881	20.6	(33.3)
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	340,595,883	70,239,881	20.6	(33.3)
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	2	3
	Current Quarter	Current Year to Date	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	54,640,233	177,775,381	229,670,464
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		0
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	54,640,233	177,775,381	229,670,464
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

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

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)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 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. 2009 + Prior	206,606		206,606	199,396		199,396	.892			.892	(6,318)	.0	(6,318)
2. 2010	(27,063)		(27,063)	14,707		14,707	(19,512)			(19,512)	22,258	.0	22,258
3. Subtotals 2010 + prior	179,543	.0	179,543	214,103	.0	214,103	(18,620)	.0	.0	(18,620)	15,940	.0	15,940
4. 2011.....	32,499		32,499	116,625		116,625	19,832			19,832	103,958	.0	103,958
5. Subtotals 2011 + prior	212,042	.0	212,042	330,728	.0	330,728	1,212	.0	.0	1,212	119,898	.0	119,898
6. 2012	XXX	XXX	XXX	XXX	2,146	2,146	XXX	7,653		7,653	XXX	XXX	XXX
7. Totals	212,042	0	212,042	330,728	2,146	332,874	1,212	7,653	0	8,865	119,898	0	119,898
8. Prior Year-End Surplus As Regards Policy-holders	1,209,304										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. 56.5	2. 0.0	3. 56.5
													Col. 13, Line 7 Line 8
													4. 9.9

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.

	<u>Response</u>
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 Supplement be filed with the state of domicile and the NAIC with this statement?NO.....

Explanation:

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

Bar Code:

1.	 1 8 2 8 7 2 0 1 2 4 9 0 0 0 0 0 3
2.	 1 8 2 8 7 2 0 1 2 4 5 5 0 0 0 0 3
3.	 1 8 2 8 7 2 0 1 2 3 6 5 0 0 0 0 3
4.	 1 8 2 8 7 2 0 1 2 5 0 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

PQ004 Additional Aggregate Lines for Page 04 Line 37.

*STMTINCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
3704. Other Adjustment.....	(145,764)	0	23,846
3797. Summary of remaining write-ins for Line 37 from Page 04	(145,764)	0	23,846

PQ010 Additional Aggregate Lines for Page 10 Line 58.

*SCT

	1 Active Status	2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
5804. Chile.....	.XXX	1,233,033	1,390,603		0		0
5805. France.....	.XXX	12,304	14,398		0		0
5806. Japan.....	.XXX		19,038		0		0
5807. Jersey Island.....	.XXX	787,500	820,313		0		0
5808. Mexico.....	.XXX		7,189		0		0
5809. New Zealand.....	.XXX	47,309	48,952		0		0
5810. Peru.....	.XXX	278,431			0		0
5811. United Kingdom.....	.XXX	403,561	347,984		0		0
5897. Summary of remaining write-ins for Line 58 from Page 10	.XXX	2,762,138	2,648,477	0	0	0	0

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, 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. 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		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	337,082,440	318,028,257
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		19,054,183
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 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)	337,082,440	337,082,440
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	337,082,440	337,082,440

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	3,404,725,256	3,125,235,931
2. Cost of bonds and stocks acquired	952,785,899	1,162,879,941
3. Accrual of discount	45,908,546	30,047,077
4. Unrealized valuation increase (decrease)	197,134,422	170,508,821
5. Total gain (loss) on disposals	11,463,814	2,969,781
6. Deduct consideration for bonds and stocks disposed of	904,427,438	1,027,948,345
7. Deduct amortization of premium	9,982,560	7,519,620
8. Total foreign exchange change in book/adjusted carrying value	(11,591)	(3,138)
9. Deduct current year's other than temporary impairment recognized	15,935,144	51,445,192
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,681,661,204	3,404,725,256
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	3,681,661,204	3,404,725,256

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 1B

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

	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
BONDS								
1. Class 1 (a).....	2,938,805,157	519,641,938	683,063,220	66,246,983	2,995,022,129	2,938,805,157	2,841,630,858	2,789,150,689
2. Class 2 (a).....	30,518,051	0	9,950,993	(12,576,219)	30,584,556	30,518,051	7,990,839	31,653,302
3. Class 3 (a).....	5,065,577			(5,065,577)	5,070,098	5,065,577	0	33,754,780
4. Class 4 (a).....	46,090,263			(39,828,779)	46,297,319	46,090,263	6,261,484	17,822,676
5. Class 5 (a).....	0				1,095,696	0	0	0
6. Class 6 (a).....	208,006,229	26,446,462	1,884,731	1,358,998	201,768,666	208,006,229	233,926,958	179,975,289
7. Total Bonds	3,228,485,277	546,088,400	694,898,944	10,135,406	3,279,838,464	3,228,485,277	3,089,810,139	3,052,356,736
PREFERRED STOCK								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	3,228,485,277	546,088,400	694,898,944	10,135,406	3,279,838,464	3,228,485,277	3,089,810,139	3,052,356,736

(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 \$90,807,295 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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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	86,610,561	XXX	86,574,376	8	

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.....	132,727,769	80,543,081
2. Cost of short-term investments acquired	231,987,639	260,148,704
3. Accrual of discount	83,204	29,109
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals	(32,097)	361,626
6. Deduct consideration received on disposals	278,139,619	207,895,463
7. Deduct amortization of premium.....	16,335	126,933
8. Total foreign exchange change in book/adjusted carrying value.....		(332,355)
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).....	86,610,561	132,727,769
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	86,610,561	132,727,769

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

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.....	141,163,063	440,348,970
2. Cost of cash equivalents acquired	475,824,423	1,213,209,307
3. Accrual of discount	24,776	51,223
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....	692	95
6. Deduct consideration received on disposals	472,588,085	1,512,446,532
7. Deduct amortization of premium		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)	144,424,869	141,163,063
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	144,424,869	141,163,063

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
01728V-QA-1	ALLEGHENY CNTY PA		09/28/2012	PNC SECURITIES INC		11,252,400	10,000,000		1FE
034451-AP-9	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,477,410	1,500,000	2,573	1FE
034451-AQ-7	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,513,141	1,550,000	2,659	1FE
034451-AR-5	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,570,592	1,600,000	2,850	1FE
034451-AS-3	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,634,544	1,655,000	3,057	1FE
034451-AT-1	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,679,774	1,715,000	3,168	1FE
034451-AU-8	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,258,897	1,275,000	2,439	1FE
034451-AV-6	ANDREWS CNTY TX HOSP DIST		08/24/2012	Added by SunGard		1,311,525	1,340,000	2,564	1FE
255651-HE-4	DIXON CA UNIF SCH DIST		07/25/2012	PIPER JAFFREY INC		983,430	1,000,000		1FE
255651-HF-1	DIXON CA UNIF SCH DIST		07/25/2012	PIPER JAFFREY INC		1,234,788	1,250,000		1FE
255651-HG-9	DIXON CA UNIF SCH DIST		07/25/2012	PIPER JAFFREY INC		2,473,225	2,500,000		1FE
567313-DW-8	MARICOPA CNTY AZ UNIF SCH DIST		07/25/2012	STIFEL NICOLAUS & CO INC		2,254,335	2,030,000		1FE
567313-DX-6	MARICOPA CNTY AZ UNIF SCH DIST		07/25/2012	STIFEL NICOLAUS & CO INC		1,470,008	1,325,000		1FE
645020-H9-2	NEW HAVEN CT		08/03/2012	PIPER JAFFREY INC		8,103,047	7,655,000		1FE
645020-J2-5	NEW HAVEN CT		08/03/2012	PIPER JAFFREY INC		3,535,197	3,370,000		1FE
645020-J3-3	NEW HAVEN CT		08/03/2012	PIPER JAFFREY INC		4,724,584	4,550,000		1FE
645020-J4-1	NEW HAVEN CT		08/03/2012	PIPER JAFFREY INC		2,450,829	2,190,000		1FE
64763F-PJ-2	NEW ORLEANS LA		07/26/2012	CICT IBANK		3,166,818	2,750,000		1FE
64763F-PK-9	NEW ORLEANS LA		07/26/2012	CICT IBANK		4,199,833	3,665,000		1FE
69671T-CW-7	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		373,060	1,000,000		1FE
69671T-CX-5	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		260,772	745,000		1FE
69671T-CY-3	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		163,815	500,000		1FE
69671T-CZ-0	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		152,620	500,000		1FE
69671T-DA-4	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		490,400	1,000,000		1FE
69671T-DB-2	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		246,220	1,000,000		1FE
69671T-DC-0	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		227,850	1,000,000		1FE
69671T-DD-8	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		211,080	1,000,000		1FE
69671T-DE-6	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		147,960	750,000		1FE
69671T-DF-3	PALMDALE CA ELEM SCH DIST SPL		09/12/2012	PIPER JAFFREY INC		184,790	1,000,000		1FE
703023-MK-4	PATCHOGUE-MEDFORD NY UNION FRE		08/23/2012	RAYMOND JAMES & ASSOC		2,486,750	2,500,000		1FE
703023-ML-2	PATCHOGUE-MEDFORD NY UNION FRE		08/23/2012	RAYMOND JAMES & ASSOC		1,483,215	1,500,000		1FE
703023-MM-0	PATCHOGUE-MEDFORD NY UNION FRE		08/23/2012	RAYMOND JAMES & ASSOC		490,585	500,000		1FE
71781L-BN-8	PHILADELPHIA PA AUTH FOR INDL		08/10/2012	VENDOR CODE RAMI NOT IN T		8,104,163	11,255,000		1FE
759815-DK-6	RENO CNTY KS UNIF SCH DIST #31		07/19/2012	PIPER JAFFREY INC		2,785,804	2,665,000		1FE
759815-DL-4	RENO CNTY KS UNIF SCH DIST #31		07/19/2012	PIPER JAFFREY INC		83,144	80,000		1FE
759815-DM-2	RENO CNTY KS UNIF SCH DIST #31		07/19/2012	PIPER JAFFREY INC		1,613,352	1,560,000		1FE
759815-DS-9	RENO CNTY KS UNIF SCH DIST #31		07/19/2012	PIPER JAFFREY INC		2,484,350	2,500,000		1FE
759815-DW-0	RENO CNTY KS UNIF SCH DIST #31		07/23/2012	ASSURED GUARANTY CORP		487,395	500,000		1FE
759815-DX-8	RENO CNTY KS UNIF SCH DIST #31		07/23/2012	ASSURED GUARANTY CORP		985,340	1,000,000		1FE
759815-DY-6	RENO CNTY KS UNIF SCH DIST #31		07/23/2012	ASSURED GUARANTY CORP		871,470	890,000		1FE
759815-EH-2	RENO CNTY KS UNIF SCH DIST #31		09/04/2012	ASSURED GUARANTY CORP		2,915,265	2,805,000	2,182	1FE
777543-UT-4	ROSEMONT IL		09/20/2012	VENDOR CODE MESI NOT IN T		6,000,000	6,000,000		1FE
838536-GE-4	S JERSEY NJ TRANSPRTN AUTH		09/21/2012	CICT IBANK		1,148,380	1,000,000		1FE
889278-SM-0	TOLEDO OH		09/25/2012	ASSURED GUARANTY CORP		486,545	500,000		1FE
889278-SN-8	TOLEDO OH		09/25/2012	ASSURED GUARANTY CORP		485,195	500,000		1FE
889278-SP-3	TOLEDO OH		09/25/2012	ASSURED GUARANTY CORP		488,840	500,000		1FE
889278-SQ-1	TOLEDO OH		09/25/2012	Goldman Sachs		637,657	650,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						92,790,394	98,320,000	21,492	XXX
Bonds - U.S. Special Revenue									
114751-AQ-3	BROOMFIELD CO CITY & CO SWR AC		07/25/2012	BARCLAYS CAPITAL		1,917,709	1,940,000		1FE
114751-AT-7	BROOMFIELD CO CITY & CO SWR AC		07/25/2012	BARCLAYS CAPITAL		2,186,460	2,260,000		1FE
114751-AU-4	BROOMFIELD CO CITY & CO SWR AC		07/25/2012	BARCLAYS CAPITAL		2,281,755	2,345,000		1FE
12008E-AV-8	BUILD NYC RESOURCE CORP NY REV		09/18/2012	ASSURED GUARANTY CORP		1,770,466	1,595,000		1FE
12008E-AW-6	BUILD NYC RESOURCE CORP NY REV		09/18/2012	ASSURED GUARANTY CORP		1,908,363	1,730,000		1FE
12008E-AX-4	BUILD NYC RESOURCE CORP NY REV		09/18/2012	ASSURED GUARANTY CORP		2,371,550	2,160,000		1FE
12008E-AY-2	BUILD NYC RESOURCE CORP NY REV		09/18/2012	ASSURED GUARANTY CORP		2,644,624	2,420,000		1FE
12008E-AZ-9	BUILD NYC RESOURCE CORP NY REV		09/18/2012	ASSURED GUARANTY CORP		3,263,160	3,000,000		1FE
167593-HF-2	CHICAGO IL O'HARE INTERNATIONA		08/09/2012	BARCLAYS CAPITAL		13,601,347	13,760,000		1FE
167593-JA-1	CHICAGO IL O'HARE INTERNATIONA		08/09/2012	BARCLAYS CAPITAL		16,334,467	16,525,000		1FE

E04

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
251440-BB-8	DETROIT WAYNE CNTY MI STADIUM		09/12/2012	CICT IBANK		1,453,205	1,300,000		1FE
251440-BC-6	DETROIT WAYNE CNTY MI STADIUM		09/12/2012	CICT IBANK		1,244,418	1,115,000		1FE
251440-BE-2	DETROIT WAYNE CNTY MI STADIUM		09/12/2012	CICT IBANK		831,735	750,000		1FE
3138M5-W3-9	FNMA 30 YR MBS/POOL		08/22/2012	JP Morgan Securities		9,236,438	8,983,770	8,984	1FE
442348-6H-6	HOUSTON TEX ARPT SYS REV		07/13/2012	Added by SunGard		3,463,172	3,110,000	7,343	1FE
546282-RJ-5	LOUISIANA ST LOCAL GOVT ENVRNM		08/24/2012	RAYMOND JAMES & ASSOC		989,800	1,000,000		1FE
546282-RK-2	LOUISIANA ST LOCAL GOVT ENVRNM		08/24/2012	RAYMOND JAMES & ASSOC		1,014,227	1,025,000		1FE
546282-RL-0	LOUISIANA ST LOCAL GOVT ENVRNM		08/24/2012	RAYMOND JAMES & ASSOC		1,250,762	1,275,000		1FE
546282-RM-8	LOUISIANA ST LOCAL GOVT ENVRNM		08/24/2012	RAYMOND JAMES & ASSOC		984,490	1,000,000		1FE
562334-FF-4	MANCHESTER NH GEN ARPT REVENUE		07/18/2012	THE MUNICENTER		279,915	250,000	764	1FE
59259Y-TJ-8	MET TRANSPRTN AUTH NY REVENUE		09/24/2012	VARIOUS		1,066,740	1,000,000		1FE
59259Y-UX-5	MET TRANSPRTN AUTH NY REVENUE		09/24/2012	ASSURED GUARANTY CORP		30,933,266	29,530,000		1FE
59334P-EL-7	MIAMI-DADE CNTY FLA TRAN		07/20/2012	JP Morgan Securities		2,222,900	2,000,000		1FE
60534T-FR-1	MISSISSIPPI ST DEV BANK SPL OB		08/17/2012	RICE FINANCIAL PRODUCTS		2,848,225	2,500,000		1FE
64579E-EW-2	NEW JERSEY ST HLTHCARE BAYONNE HOS		09/28/2012	BANK OF NEW YORK		340,708	354,817		1FE
64579E-EX-0	NEW JERSEY ST HLTHCARE BAYONNE HOS		09/28/2012	BANK OF NEW YORK		726,500	756,583		1FE
64983S-GV-1	NEW YORK ST DORM AUTH REVENUES		07/16/2012	Goldman Sachs		1,148,524	1,005,000		1FE
64983S-GW-9	NEW YORK ST DORM AUTH REVENUES		07/16/2012	Goldman Sachs		248,426	220,000		1FE
64983S-GX-7	NEW YORK ST DORM AUTH REVENUES		07/16/2012	ASSURED GUARANTY CORP		313,183	280,000		1FE
64983S-GY-5	NEW YORK ST DORM AUTH REVENUES		07/16/2012	ASSURED GUARANTY CORP		382,843	345,000		1FE
64983S-GZ-2	NEW YORK ST DORM AUTH REVENUES		07/16/2012	ASSURED GUARANTY CORP		416,385	380,000		1FE
64983S-HA-6	NEW YORK ST DORM AUTH REVENUES		07/16/2012	Goldman Sachs		195,954	200,000		1FE
64983S-HB-4	NEW YORK ST DORM AUTH REVENUES		07/16/2012	ASSURED GUARANTY CORP		689,688	605,000		1FE
64983S-HC-2	NEW YORK ST DORM AUTH REVENUES		07/16/2012	ASSURED GUARANTY CORP		452,460	410,000		1FE
649906-M5-0	NEW YORK ST DORM AUTH REVENUES		07/13/2012	CICT IBANK		544,000	500,000		1FE
649906-P6-5	NEW YORK ST DORM AUTH REVENUES		07/13/2012	CICT IBANK		485,330	500,000		1FE
681793-8F-5	OMAHA NE PUBLIC PWR DIST		09/25/2012	Added by SunGard		9,465,473	8,250,000		1FE
838536-GF-1	S JERSEY NJ TRANSPRTN AUTH		09/21/2012	CICT IBANK		572,800	500,000		1FE
83789T-AS-8	SOUTH GATE CA UTILITY AUTH WTR		08/16/2012	De LaRosa		1,412,227	1,435,000		1FE
83789T-AT-6	SOUTH GATE CA UTILITY AUTH WTR		08/16/2012	De LaRosa		1,949,560	2,000,000		1FE
83789T-AV-1	SOUTH GATE CA UTILITY AUTH WTR		08/16/2012	De LaRosa		428,836	400,000		1FE
914126-JF-3	UNIVERSITY CALIF REVS		07/27/2012	BARCLAYS CAPITAL		8,685,675	7,500,000		1FE
927676-RK-4	VIRGIN ISLANDS PUBLIC FIN AUTH		09/07/2012	JEFFRIES		2,600,100	2,500,000		1FE
982674-GS-6	WYANDOTTE CNTY/KANSAS CITY KS		08/08/2012	Added by SunGard		3,983,952	3,360,000		1FE
982674-GT-4	WYANDOTTE CNTY/KANSAS CITY KS		08/08/2012	Added by SunGard		3,531,420	3,000,000		1FE
982674-GV-9	WYANDOTTE CNTY/KANSAS CITY KS		08/08/2012	Added by SunGard		1,481,798	1,270,000		1FE
982674-GW-7	WYANDOTTE CNTY/KANSAS CITY KS		08/08/2012	Added by SunGard		4,570,800	4,000,000		1FE
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions						150,725,836	142,345,170	17,091	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
03523T-BP-2	ANHEUSER-BUSCH INBEV WORLWDWIDE INC		07/11/2012	Added by SunGard		4,538,021	4,560,000		1FE
12638P-AH-2	CSMC 2007-3 1A5		07/18/2012	FSA		5,376,167	7,700,665	30,141	1AM
3135G0-PP-2	FNMA BND/AGENCY		09/18/2012	CITIGROUP GLOBAL MARKETS		2,000,000	2,000,000		1FE
576456-AA-5	MABS 2007-NCW A1		09/21/2012	FSA		26,446,462	35,250,207	490	6AM
88157V-AB-3	TMTS 2007-6 ALT A2		08/21/2012	FSA		6,914,799	13,487,907	6,111	1FM
981464-DG-2	WORLD FINANCIAL NETWORK CREDIT		07/13/2012	WELLS FARGO BROK SER LLC		2,998,857	3,000,000		1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						48,274,306	65,998,779	36,742	XXX
8399997 - Subtotals - Bonds - Part 3						291,790,536	306,663,949	75,325	XXX
8399999 - Subtotals - Bonds						291,790,536	306,663,949	75,325	XXX
9999999 Totals						291,790,536	XXX	75,325	XXX

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

E04.1

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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)
Bonds - U.S. States, Territories and Possessions																					
419791-H9-2	HAWAII ST SER DA		07/26/2012	Goldman Sachs		2,071,208	1,965,000	2,018,625	1,975,875		(3,617)		(3,617)		1,972,258		98,950	98,950	94,566	09/01/2022	2FE
419791-J9-0	HAWAII ST SER DA		07/13/2012	Goldman Sachs		3,944,459	3,735,000	3,875,697	3,763,252		(8,796)		(8,796)		3,754,457		190,002	190,002	172,666	09/01/2020	2FE
57582N-02-4	MASSACHUSETTS STATE GO		08/01/2012	MATURITY		415,000	415,000	411,888	414,730		270		270		415,000		0	0	20,750	08/01/2012	1FE
1799999 - Bonds - U.S. States, Territories and Possessions						6,430,667	6,115,000	6,306,210	6,153,857	0	(12,143)	0	(12,143)	0	6,141,715	0	288,952	288,952	287,982		XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
034451-AP-9	ANDREWS CNTY TX HOSP DIST		09/11/2012	VARIOUS		1,493,826	1,500,000	1,477,410			.61		.61		1,477,471		16,354	16,354	2,573	03/15/2026	1FE
034451-A0-7	ANDREWS CNTY TX HOSP DIST		09/11/2012	Merrill Lynch		1,532,315	1,550,000	1,513,141			.91		.91		1,513,232		19,082	19,082	2,659	03/15/2027	1FE
034451-AR-5	ANDREWS CNTY TX HOSP DIST		09/13/2012	VARIOUS		1,590,965	1,600,000	1,570,592			.72		.72		1,570,664		20,301	20,301	2,850	03/15/2028	1FE
034451-AS-3	ANDREWS CNTY TX HOSP DIST		09/26/2012	VARIOUS		1,646,006	1,655,000	1,634,544			.79		.79		1,634,623		11,383	11,383	4,774	03/15/2029	1FE
034451-AT-1	ANDREWS CNTY TX HOSP DIST		09/17/2012	RBC		1,681,558	1,715,000	1,679,774			.91		.91		1,679,865		1,693	1,693	3,168	03/15/2030	1FE
034451-AU-8	ANDREWS CNTY TX HOSP DIST		09/26/2012	Added by SunGard		1,267,721	1,275,000	1,258,897			.53		.53		1,258,949		8,772	8,772	3,799	03/15/2031	1FE
034451-AV-6	ANDREWS CNTY TX HOSP DIST		09/18/2012	VARIOUS		1,321,302	1,340,000	1,311,525			.58		.58		1,311,583		9,719	9,719	2,638	03/15/2032	1FE
255651-HE-4	DIXON CA UNIF SCH DIST		08/06/2012	VARIOUS		980,918	1,000,000	983,430			.27		.27		983,457		(2,539)	(2,539)		08/01/2026	1FE
255651-HF-1	DIXON CA UNIF SCH DIST		09/05/2012	VARIOUS		1,235,667	1,250,000	1,234,788			.38		.38		1,234,826		841	841	287	08/01/2027	1FE
255651-HG-9	DIXON CA UNIF SCH DIST		08/08/2012	VARIOUS		2,472,251	2,500,000	2,473,225			.16		.16		2,473,241		(990)	(990)		08/01/2044	1FE
262615-HT-7	IL CMNTY		09/11/2012	RBC		2,657,226	2,570,000	2,802,071	2,739,286	(131,529)	(18,226)		(149,755)		2,589,532		67,694	67,694	101,015	06/01/2013	1FE
403755-VP-3	WINNETT CNTY GA SCH DIST		09/11/2012	Morgan Stanley Co.		10,182,400	10,000,000	10,714,500	10,144,035		(91,609)		(91,609)		10,052,426		129,974	129,974	559,722	02/01/2013	1FE
423542-LC-1	HEMET CA UNIF SCH DIST		07/03/2012	De LaRosa		1,418,950	1,480,000	1,407,169			.73		.73		1,407,242		11,708	11,708		08/01/2025	1FE
423542-LD-9	HEMET CA UNIF SCH DIST		07/03/2012	De LaRosa		508,138	530,000	504,549			.23		.23		504,572		3,665	3,665		08/01/2026	1FE
567313-DW-8	MARICOPA CNTY AZ UNIF SCH DIST		08/15/2012	VARIOUS		2,256,617	2,030,000	2,254,335			(653)		(653)		2,253,683		2,934	2,934	676	07/01/2021	1FE
567313-DX-6	MARICOPA CNTY AZ UNIF SCH DIST		08/06/2012	VARIOUS		1,470,664	1,325,000	1,470,008			(380)		(380)		1,469,628		1,036	1,036		07/01/2022	1FE
645020-H9-2	NEW HAVEN CT		09/28/2012	VARIOUS		3,171,915	2,995,000	3,170,297			(2,136)		(2,136)		3,168,161		3,753	3,753	6,651	11/01/2019	1FE
645020-J2-5	NEW HAVEN CT		09/24/2012	VARIOUS		3,535,349	3,370,000	3,535,197			(1,646)		(1,646)		3,533,552		1,797	1,797	6,978	11/01/2020	1FE
645020-J3-3	NEW HAVEN CT		09/05/2012	VARIOUS		4,713,750	4,550,000	4,724,584			(1,087)		(1,087)		4,723,497		(9,746)	(9,746)	6,097	11/01/2021	1FE
645020-J4-1	NEW HAVEN CT		09/05/2012	VARIOUS		2,453,874	2,190,000	2,450,829			(1,179)		(1,179)		2,449,650		4,224	4,224	2,849	11/01/2022	1FE
64763F-DG-1	NEW ORLEANS LA		09/04/2012	CALLED @ 100.000000		9,400,000	9,400,000	8,820,020	8,914,023		485,977		485,977		9,400,000		0	0	505,250	09/01/2021	1FE
64763F-PJ-2	NEW ORLEANS LA		08/02/2012	Added by SunGard		3,172,015	2,750,000	3,166,818			(564)		(564)		3,166,254		5,761	5,761		12/01/2028	1FE
64763F-PK-9	NEW ORLEANS LA		08/02/2012	Added by SunGard		4,206,724	3,665,000	4,199,833			(721)		(721)		4,199,112		7,611	7,611		12/01/2029	1FE
64966H-4Y-3	NEW YORK NY		08/01/2012	CALLED @ 100.000000		55,000	55,000	59,021	55,291		(291)		(291)		55,000		0	0	3,163	08/01/2016	1
64966H-5L-0	NEW YORK NY		08/01/2012	CALLED @ 100.000000		2,945,000	2,945,000	3,160,280	2,960,590		(15,590)		(15,590)		2,945,000		0	0	169,338	08/01/2016	1FE
69671T-CW-7	PALMDALE CA ELEM SCH DIST SPL		09/26/2012	VARIOUS		398,296	1,000,000	373,060			788		788		373,848		24,448	24,448		08/01/2029	1FE
69671T-CX-5	PALMDALE CA ELEM SCH DIST SPL		09/26/2012	STIFEL NICOLAUS & CO INC.		277,960	745,000	260,772			592		592		261,364		16,595	16,595		08/01/2030	1FE
69671T-CY-3	PALMDALE CA ELEM SCH DIST SPL		09/26/2012	STIFEL NICOLAUS & CO INC.		174,585	500,000	163,815			374		374		164,189		10,396	10,396		08/01/2031	1FE
69671T-CZ-0	PALMDALE CA ELEM SCH DIST SPL		09/26/2012	STIFEL NICOLAUS & CO INC.		163,190	500,000	152,620			352		352		152,972		10,218	10,218		08/01/2032	1FE
69671T-DA-4	PALMDALE CA ELEM SCH DIST SPL		09/24/2012	CHAPDELAINE		511,280	1,000,000	490,400			899		899		491,299		19,981	19,981		08/01/2034	1FE
69671T-DB-2	PALMDALE CA ELEM SCH DIST SPL		09/27/2012	THE MUNICENTER		268,424	1,000,000	246,220			558		558		246,778		21,646	21,646		08/01/2035	1FE
69671T-DC-0	PALMDALE CA ELEM SCH DIST SPL		09/25/2012	VARIOUS		236,310	950,000	216,458			481		481		216,938		19,371	19,371		08/01/2036	1FE
69671T-DD-8	PALMDALE CA ELEM SCH DIST SPL		09/26/2012	THE MUNICENTER		207,719	900,000	189,972			401		401		190,373		17,346	17,346		08/01/2037	1FE
69671T-DE-6	PALMDALE CA ELEM SCH DIST SPL		09/24/2012	Morgan Stanley Co.		161,805	750,000	147,960			307		307		148,267		13,538	13,538		08/01/2038	1FE
69671T-DF-3	PALMDALE CA ELEM SCH DIST SPL		09/24/2012	VARIOUS		202,272	1,000,000	184,790			365		365		185,155		17,117	17,117		08/01/2039	1FE
703023-MK-4	UNION FRE. PATCHOGUE-MEDFORD NY		09/14/2012	VARIOUS		2,477,798	2,500,000	2,486,750			49		49		2,486,799		(9,001)	(9,001)	1,439	07/01/2025	1FE
703023-ML-2	UNION FRE. PATCHOGUE-MEDFORD NY		09/04/2012	Merrill Lynch		1,505,655	1,500,000	1,483,215			30		30		1,483,245		22,410	22,410		07/01/2026	1FE
703023-MM-0	UNION FRE. PHILADELPHIA PA AUTH FOR		09/04/2012	Merrill Lynch		498,500	500,000	490,585			15		15		490,600		7,900	7,900		07/01/2027	1FE
71781L-BN-8	INDL. RENO CNTY KS UNIF SCH DIST #31		08/15/2012	VENDOR CODE RAMI NOT IN T.		8,159,875	11,255,000	8,104,163			4,829		4,829		8,108,992		50,883	50,883		04/15/2020	1FE
759815-DK-6	RENO CNTY KS UNIF SCH DIST #31		09/13/2012	VARIOUS		2,766,668	2,665,000	2,785,804			(1,452)		(1,452)		2,784,353		(17,685)	(17,685)	4,713	09/01/2030	1FE
759815-DL-4	RENO CNTY KS UNIF SCH DIST #31		09/04/2012	VARIOUS		84,023	80,000	84,023			0		0		84,023		0	0		09/01/2031	1FE

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STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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	For eign	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)
759815-DM-2	RENO CNTY KS UNIF SCH DIST #31		08/17/2012	VARIOUS		1,608,522	1,560,000	1,610,836			(819)		(819)		1,611,655		(3,133)	(3,133)	2,182	09/01/2032	1FE
759815-DS-9	RENO CNTY KS UNIF SCH DIST #31		07/26/2012	VARIOUS		2,531,250	2,500,000	2,484,350			7		7		2,484,357		46,893	46,893		09/01/2037	1FE
759815-DW-0	RENO CNTY KS UNIF SCH DIST #31		09/21/2012	VARIOUS		498,995	500,000	487,395			63		63		487,458		11,537	11,537	395	09/01/2027	1FE
759815-DX-8	RENO CNTY KS UNIF SCH DIST #31		09/25/2012	VARIOUS		1,007,930	1,000,000	985,340			55		55		985,395		22,534	22,534	760	09/01/2029	1FE
759815-DY-6	RENO CNTY KS UNIF SCH DIST #31		09/21/2012	VARIOUS		885,479	890,000	871,470			100		100		871,570		13,909	13,909	1,172	09/01/2028	1FE
759815-EH-2	RENO CNTY KS UNIF SCH DIST #31		09/13/2012	VARIOUS		2,928,184	2,805,000	2,915,265			(215)		(215)		2,915,049		13,134	13,134	5,437	09/01/2031	1FE
838536-GE-4	AUTH WEST HAVEN CT		09/25/2012	CICTIBANK		1,153,630	1,000,000	1,148,380			(129)		(129)		1,148,251		5,379	5,379		11/01/2027	1FE
953140-K7-4	WEST HAVEN CT		07/26/2012	VARIOUS		872,916	755,000	849,420			(1,358)		(1,358)		848,063		24,854	24,854	5,247	08/01/2021	1FE
953140-K9-0	WEST HAVEN CT		07/27/2012	VARIOUS		1,312,544	1,150,000	1,278,216			(1,509)		(1,509)		1,276,706		35,837	35,837	7,409	08/01/2023	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						98,263,961	104,245,000	98,068,116	24,813,225	(131,529)	357,360	0	225,831	0	97,552,919	0	711,034	711,034	1,413,241	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																					
01170P-EW-2	AK HFC SER C		08/01/2012	Sink PMT @ 100.0000000		180,000	180,000	179,483	179,510		490		490		180,000				4,902	12/01/2034	1FE
114751-AQ-3	BROOMFIELD CO CITY & CO SWR AC		08/29/2012	VARIOUS		1,941,911	1,940,000	1,917,709			56		56		1,917,765		24,146	24,146	320	12/01/2026	1FE
114751-AT-7	BROOMFIELD CO CITY & CO SWR AC		07/27/2012	BARCLAYS CAPITAL		2,217,625	2,260,000	2,186,460			17		17		2,186,477		31,148	31,148		12/01/2029	1FE
114751-AU-4	BROOMFIELD CO CITY & CO SWR AC		09/11/2012	VARIOUS		2,291,395	2,345,000	2,281,755			220		220		2,281,976		9,419	9,419	1,423	12/01/2030	1FE
12008E-AX-4	BUILD NYC RESOURCE CORP NY REV		09/28/2012	RBC		2,425,702	2,160,000	2,371,550			(1,484)		(1,484)		2,370,067		55,635	55,635	2,400	07/01/2026	1FE
12008E-AY-2	BUILD NYC RESOURCE CORP NY REV		09/27/2012	Merrill Lynch		223,194	200,000	218,564			(39)		(39)		218,525		4,669	4,669	194	07/01/2027	1FE
12008E-AZ-9	BUILD NYC RESOURCE CORP NY REV		09/28/2012	RBC		1,111,420	1,000,000	1,087,720			(205)		(205)		1,087,515		23,905	23,905	1,111	07/01/2028	1FE
145339-KG-1	CARROLLTON GA PAYROLL DEV AUTH		07/05/2012	UBS Securities		594,000	600,000	589,344			3		3		589,347		4,653	4,653		06/15/2042	1FE
145339-KH-9	CARROLLTON GA PAYROLL DEV AUTH		07/10/2012	VARIOUS		5,426,914	5,025,000	5,394,338			(871)		(871)		5,393,466		33,447	33,447		06/15/2040	1FE
167593-HF-2	CHICAGO IL O'HARE INTERNATIONAL		09/24/2012	VARIOUS		13,475,584	13,760,000	13,601,347			651		651		13,601,998		(126,414)	(126,414)	7,601	01/01/2028	1FE
167593-JA-1	CHICAGO IL O'HARE INTERNATIONAL		09/28/2012	VARIOUS		2,718,437	2,770,000	2,738,062			180		180		2,738,242		(19,805)	(19,805)	4,124	01/01/2028	1FE
167592-WD-2	CHICAGO IL OHARE INTL ARPT REV		09/12/2012	CALLED @ 100.0000000		3,000,000	3,000,000	3,068,670	3,000,000				0		3,000,000				206,521	01/01/2017	1FE
167592-WE-0	CHICAGO IL OHARE INTL ARPT REV		09/12/2012	CALLED @ 100.0000000		3,000,000	3,000,000	3,057,120	3,000,000				0		3,000,000				206,521	01/01/2018	1FE
226706-AA-7	CRISP CNTY GA SOL WST MGMT AUTH		07/05/2012	Sink PMT @ 100.0000000		49,297	49,297	37,694	37,847		11,450		11,450		49,297				111	01/01/2023	1FE
246395-TY-3	DE HSG-SR-SFM-B		09/04/2012	Sink PMT @ 100.0000000		120,000	120,000	120,000	120,000				0		120,000				6,621	07/01/2039	1FE
251237-B8-5	DETROIT MI SWR DISP SYS REVENU		08/07/2012	VARIOUS		2,294,872	2,000,000	2,239,760			(3,294)		(3,294)		2,236,466		58,406	58,406	63,846	07/01/2020	1FE
251250-AK-2	DETROIT MI WTR & SEWERAGE DEPT		08/06/2012	CICTIBANK		5,439,150	5,000,000	5,207,900			(2,044)		(2,044)		5,205,856		233,294	233,294	29,861	07/01/2023	1FE
251250-AN-6	DETROIT MI WTR & SEWERAGE DEPT		07/23/2012	Goldman Sachs		1,087,050	1,000,000	1,041,080			(285)		(285)		1,040,795		46,255	46,255	4,375	07/01/2026	1FE
251250-AR-7	DETROIT MI WTR & SEWERAGE DEPT		07/11/2012	Added by SunGard		5,183,900	5,000,000	4,964,250			36		36		4,964,286		219,614	219,614	14,583	07/01/2039	1FE
251250-AT-3	DETROIT MI WTR & SEWERAGE DEPT		08/07/2012	VARIOUS		5,423,293	4,860,000	5,150,628			(2,583)		(2,583)		5,148,045		275,247	275,247	28,422	07/01/2022	1FE
251440-BE-2	DETROIT WAYNE CNTY MI STADIUM		09/28/2012	THE MUNICENTER		28,280	25,000	27,725			(10)		(10)		27,714		566	566	45	10/01/2022	1FE
29270C-CR-4	ELECT REV		07/02/2012	CALLED @ 100.0000000		6,675,000	6,675,000	7,175,692	6,705,238		(30,238)		(30,238)		6,675,000				383,813	07/01/2016	1FE
3128PU-EW-8	FG J14649		09/17/2012	PRINCIPAL RECEIPT		790,214	790,214	786,387	786,387		3,802		3,802		790,214				18,026	04/01/2026	1FE
3128LO-DE-9	FGOLD 30YR		09/17/2012	PRINCIPAL RECEIPT		22,816	22,816	23,069	23,035		(219)		(219)		22,816				973	11/01/2037	1FE
3128M5-HJ-2	FGOLD 30YR GIANT		09/17/2012	PRINCIPAL RECEIPT		37,899	37,899	38,266	38,339		(440)		(440)		37,899				1,428	06/01/2036	1FE
3128M6-EF-1	FGOLD 30YR GIANT		09/17/2012	PRINCIPAL RECEIPT		66,068	66,068	62,600	61,926		4,142		4,142		66,068				2,212	04/01/2038	1FE
3128M5-ME-7	G03657		09/17/2012	PRINCIPAL RECEIPT		166,826	166,826	172,743	171,845		(5,020)		(5,020)		166,826				7,433	12/01/2037	1FE
34073M-8N-3	FL HSG-4-HOMEOWNER		07/02/2012	Sink PMT @ 100.0000000		150,000	150,000	150,000	150,000				0		150,000				10,711	07/01/2038	1FE
3138A8-SL-1	FN AH6822		09/25/2012	PRINCIPAL RECEIPT		579,934	579,934	584,646	584,520		(4,586)		(4,586)		579,934				13,833	03/01/2026	1FE

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STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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)
31403D-T8-2	FNMA 30YR POOL # 745875		09/25/2012	PRINCIPAL RECEIPT		77,527	77,527	79,514	79,669		(2,142)		(2,142)		77,527			.0	3,348	09/01/2036	1FE
31414U-6M-5	FNMA 30YR POOL # 977076		09/25/2012	PRINCIPAL RECEIPT		99,137	99,137	95,389	93,872		5,466		5,466		99,137			.0	3,246	01/01/2038	1FE
31405R-AK-2	FNMA 30YR POOL #796610		09/25/2012	PRINCIPAL RECEIPT		428,744	428,744	423,653	423,819		4,925		4,925		428,744			.0	14,790	10/01/2034	1FE
31406W-4A-1	FNMA 30YR POOL #814517		09/25/2012	PRINCIPAL RECEIPT		428,654	428,654	423,564	424,168		4,486		4,486		428,654			.0	15,064	03/01/2035	1FE
31385X-09-1	FNMA 30YR POOL#555880		09/25/2012	PRINCIPAL RECEIPT		55,299	55,299	54,958	54,892		407		407		55,299			.0	2,044	11/01/2033	1FE
31402D-P7-9	FNMA 30YR POOL#725946		09/25/2012	PRINCIPAL RECEIPT		341,265	341,265	337,212	336,438		4,827		4,827		341,265			.0	12,629	11/01/2034	1FE
31402D-SZ-5	FNMA 30YR POOL#735036		09/25/2012	PRINCIPAL RECEIPT		386,180	386,180	381,594	380,913		5,267		5,267		386,180			.0	13,690	12/01/2034	1FE
31407N-ZJ-5	FNMA 15 YR MBS/POOL		09/25/2012	PRINCIPAL RECEIPT		72,153	72,153	72,097	72,107		46		46		72,153			.0	2,600	10/01/2020	1FE
31409G-MP-8	FNMA 30 YR POOL		09/25/2012	PRINCIPAL RECEIPT		120,824	120,824	120,866	120,871		(47)		(47)		120,824			.0	4,615	07/01/2036	1FE
31402C-VP-4	FNMA 30YR		09/25/2012	PRINCIPAL RECEIPT		8,212	8,212	8,189	8,187		24		24		8,212			.0	289	02/01/2034	1FE
31402Q-WA-5	FNMA 30YR		09/25/2012	PRINCIPAL RECEIPT		13,155	13,155	12,726	12,702		453		453		13,155			.0	465	01/01/2035	1FE
31410F-T6-2	FNMA 30YR MBS/POOL		09/25/2012	PRINCIPAL RECEIPT		35,175	35,175	34,719	34,818		357		357		35,175			.0	1,252	02/01/2035	1FE
31403D-DX-4	FNMA 30YR MBS/POOL# 13442		09/25/2012	PRINCIPAL RECEIPT		37,174	37,174	35,786	35,536		1,638		1,638		37,174			.0	1,447	04/01/2036	1FE
31410G-AE-3	FNMA 30YR POOL		09/25/2012	PRINCIPAL RECEIPT		84,984	84,984	79,573	78,310		6,674		6,674		84,984			.0	2,848	12/01/2036	1FE
31390Y-2V-9	FNMA POOL 660588		09/25/2012	PRINCIPAL RECEIPT		2,862	2,862	2,882	2,875		(13)		(13)		2,862			.0	102	09/01/2017	1FE
35483L-FC-4	FRANKLIN TWP IND SCH BLDG		07/24/2012	CORPMARI		1,446,471	1,300,000	1,379,859	1,332,008		(4,788)		(4,788)		1,327,220		119,251	119,251	67,167	07/15/2024	2FE
35483L-FD-2	FRANKLIN TWP IND SCH BLDG		07/24/2012	CORPMARI		3,106,768	2,800,000	2,964,976	2,866,180		(9,895)		(9,895)		2,856,286		250,482	250,482	144,667	07/15/2025	2FE
40727T-CT-9	HAMILTON CNTY OH HLTH		07/05/2012	CARE FAC		1,034,351	1,050,000	1,020,999			50		50		1,021,049		13,302	13,302	1,524	06/01/2028	1FE
40727T-CW-2	HAMILTON CNTY OH HLTH		07/05/2012	CARE FAC		4,537,091	4,600,000	4,536,597			81		81		4,536,678		413	413	6,763	06/01/2030	1FE
45129Y-UN-4	IDAHO HSG & FIN ASSN		07/02/2012	FORMERLY IDAH		350,000	350,000	350,000	350,000		.0		.0		350,000			.0	23,871	07/01/2028	1FE
45129Y-U0-7	IDAHO HSG & FIN ASSN		07/02/2012	FORMERLY IDAH		565,000	565,000	565,000	565,000		.0		.0		565,000			.0	39,087	07/01/2039	1FE
45200P-MU-8	ILLINOIS HEALTH FACs AUTH		08/01/2012	REV		10,014,250	9,770,000	9,871,914	9,770,000		244,250		244,250		10,014,250			.0	537,350	08/01/2020	1FE
49130T-FD-3	KENTUCKY HSG CORP HSG REV		09/04/2012	LOUISIANA ST LOCAL GOVT		85,000	85,000	85,000	85,000		.0		.0		85,000			.0	4,753	07/01/2036	1FE
546282-RJ-5	LOUISIANA ST LOCAL GOVT		09/11/2012	ENVRNM		993,750	1,000,000	989,800			36		36		989,836		3,914	3,914	715	10/01/2022	1FE
546282-RK-2	LOUISIANA ST LOCAL GOVT		09/12/2012	ENVRNM		1,017,868	1,025,000	1,014,227			40		40		1,014,267		3,601	3,601	1,116	10/01/2023	1FE
546282-RL-0	LOUISIANA ST LOCAL GOVT		09/11/2012	ENVRNM		1,256,706	1,275,000	1,250,762			74		74		1,250,837		5,870	5,870	1,043	10/01/2024	1FE
546282-RM-8	LOUISIANA ST LOCAL GOVT		09/11/2012	ENVRNM		990,394	1,000,000	984,490			42		42		984,532		5,862	5,862	805	10/01/2025	1FE
56040P-CR-7	MAINE ST EDUCNTL AUTH		07/26/2012	STUDENT		1,922,935	1,805,000	1,805,000			.0		.0		1,805,000		117,935	117,935	10,786	12/01/2024	1FE
562334-FF-4	MANCHESTER NH GEN ARPT		07/20/2012	REVENUE		8,806,156	7,880,000	8,674,594			(7,239)		(7,239)		8,667,355		138,801	138,801	33,159	01/01/2026	1FE
562334-FP-2	MANCHESTER NH GEN ARPT		07/20/2012	REVENUE		2,525,163	2,260,000	2,525,347			(5,167)		(5,167)		2,520,180		4,983	4,983	10,674	01/01/2018	1FE
562334-F0-0	MANCHESTER NH GEN ARPT		07/20/2012	REVENUE		3,236,152	2,885,000	3,223,035			(5,539)		(5,539)		3,217,497		18,655	18,655	13,906	01/01/2019	1FE
562334-FR-8	MANCHESTER NH GEN ARPT		07/20/2012	REVENUE		2,802,450	2,500,000	2,779,550			(3,897)		(3,897)		2,775,653		26,797	26,797	12,214	01/01/2020	1FE
59259Y-UX-5	MET TRANSPRTN AUTH NY		09/25/2012	REVENUE		31,086,080	29,530,000	30,933,266			(1,353)		(1,353)		30,947,632		138,448	138,448		11/15/2030	1FE
592247-M6-4	METROPOLITAN PIER & EXPOSITION AUT.		07/12/2012	CALLED @ 101.0000000		2,020,000	2,000,000	2,121,800	2,020,178		(178)		(178)		2,020,000			.0	66,125	06/15/2023	1FE
592597-W7-9	METROPOLITAN TRANSN AUTH		07/02/2012	CALLED @ 100.0000000		8,000,000	8,000,000	8,440,960	8,027,258		(27,258)		(27,258)		8,000,000			.0	440,000	07/01/2019	1FE
592597-W9-5	METROPOLITAN TRANSN AUTH		07/02/2012	CALLED @ 100.0000000		5,000,000	5,000,000	5,243,150	5,015,083		(15,083)		(15,083)		5,000,000			.0	275,000	07/01/2020	1FE
592597-X4-5	METROPOLITAN TRANSN AUTH		07/02/2012	CALLED @ 100.0000000		11,250,000	11,250,000	11,054,475	11,123,583		126,417		126,417		11,250,000			.0	562,500	07/01/2022	1FE
604114-QN-1	MINNESOTA PUB FACs AUTH		09/11/2012	WTR PO		5,779,150	5,000,000	5,345,000	5,162,824		(25,268)		(25,268)		5,137,556		641,594	641,594	259,028	03/01/2016	1FE
60534T-FR-1	MISSISSIPPI ST DEV BANK		08/20/2012	SPL OB		2,864,025	2,500,000	2,848,225	2,900,000		(248)		(248)		2,847,977		16,048	16,048		09/01/2030	1FE
60636X-XM-0	NEW YORK ST DORM AUTH		09/04/2012	REVENUES		290,000	290,000	303,195	300,791		(10,791)		(10,791)		290,000			.0	17,545	03/01/2037	1FE
64983S-GV-1	NEW YORK ST DORM AUTH		07/23/2012	REVENUES		1,172,825	1,005,000	1,148,524			(268)		(268)		1,148,256		24,569	24,569		07/01/2021	1FE

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STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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)
64983S-GW-9	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VENDOR CODE ROOS NOT IN T		254,628	220,000	248,426			(46)		(46)		248,380		6,248	6,248		07/01/2023	1FE
64983S-GX-7	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VENDOR CODE ROOS NOT IN T		321,479	280,000	313,183			(54)		(54)		313,129		8,350	8,350		07/01/2024	1FE
64983S-GY-5	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VENDOR CODE ROOS NOT IN T		393,203	345,000	382,843			(61)		(61)		382,782		10,421	10,421		07/01/2025	1FE
64983S-GZ-2	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VENDOR CODE ROOS NOT IN T		427,192	380,000	416,385			(58)		(58)		416,327		10,865	10,865		07/01/2027	1FE
64983S-HA-6	NEW YORK ST DORM AUTH REVENUES		07/18/2012	Merrill Lynch		200,348	200,000	195,954			1		1		195,955		4,393	4,393		07/01/2032	1FE
64983S-HB-4	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VARIOUS		703,890	605,000	689,688			(179)		(179)		689,509		14,381	14,381		07/01/2020	1FE
64983S-HC-2	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VENDOR CODE ROOS NOT IN T		464,149	410,000	452,460			(68)		(68)		452,392		11,757	11,757		07/01/2026	1FE
649906-M5-0	NEW YORK ST DORM AUTH REVENUES		07/20/2012	CICTIBANK		547,875	500,000	544,000			(70)		(70)		543,930		3,945	3,945		07/01/2032	1FE
649906-P6-5	NEW YORK ST DORM AUTH REVENUES		07/23/2012	VENDOR CODE ROOS NOT IN T		496,250	500,000	485,330			9		9		485,339		10,911	10,911		07/01/2042	1FE
647200-YP-3	NM MTG-SFM-D2		07/02/2012	Sink PMT @ 100.0000000		395,000	395,000	395,000	395,000				0		395,000				23,563	07/01/2039	1FE
67756Q-LD-7	OHIO ST HSG FIN AGY RESIDENTIAL MT		09/04/2012	Sink PMT @ 100.0000000		30,000	30,000	30,000	30,000				0		30,000				1,650	03/01/2040	1FE
67886M-JG-5	OKLAHOMA HSG FIN AGY SINGLE FAMILY		09/04/2012	Sink PMT @ 100.0000000		45,000	45,000	45,000	45,000				0		45,000				2,408	09/01/2034	1FE
67886M-JJ-9	OKLAHOMA HSG FIN AGY SINGLE FAMILY		09/04/2012	Sink PMT @ 100.0000000		245,000	245,000	245,000	245,000				0		245,000				13,353	03/01/2039	1FE
71883R-ET-6	PHOENIX AR CIVIC IMP WTR SYS		07/02/2012	CALLED @ 100.0000000		295,000	295,000	307,579	295,769		(769)		(769)		295,000				16,225	07/01/2017	1FE
71883R-EX-7	PHOENIX ARIZ CIVIC IMPMT CORP WTR		07/02/2012	CALLED @ 100.0000000		3,000,000	3,000,000	2,932,680	2,995,825		4,175		4,175		3,000,000				150,000	07/01/2022	1FE
838536-GF-1	S JERSEY NJ TRANSPRTN AUTH		09/25/2012	CICTIBANK		574,955	500,000	572,800			(68)		(68)		572,732		2,223	2,223		11/01/2028	1FE
796242-HM-0	SAN ANTONIO TX ARPT SYS REV		07/02/2012	CALLED @ 100.0000000		1,000,000	1,000,000	1,053,040	1,003,252		(3,252)		(3,252)		1,000,000				57,500	07/01/2015	1FE
796242-HN-8	SAN ANTONIO TX ARPT SYS REV		07/02/2012	CALLED @ 100.0000000		1,000,000	1,000,000	1,045,700	1,002,813		(2,813)		(2,813)		1,000,000				57,500	07/01/2016	1FE
796242-HP-3	SAN ANTONIO TX ARPT SYS REV		07/02/2012	CALLED @ 100.0000000		1,000,000	1,000,000	1,039,230	1,002,423		(2,423)		(2,423)		1,000,000				57,500	07/01/2017	1FE
83703F-BG-6	SOUTH CAROLINA JOBS-ECONOMIC DEV A		08/15/2012	MATURITY		5,550,000	5,550,000	5,881,335	5,601,862		(51,862)		(51,862)		5,550,000				277,500	08/15/2012	1FE
83789T-AS-8	SOUTH GATE CA UTILITY AUTH WTR		08/29/2012	VARIOUS		1,458,202	1,435,000	1,412,227			31		31		1,412,257		45,945	45,945	1,507	10/01/2029	1FE
83789T-AT-6	SOUTH GATE CA UTILITY AUTH WTR		08/29/2012	VARIOUS		2,022,521	2,000,000	1,949,560			66		66		1,949,626		72,895	72,895	2,348	10/01/2030	1FE
83789T-AV-1	SOUTH GATE CA UTILITY AUTH WTR		08/28/2012	UBS Securities		439,528	400,000	428,836			(77)		(77)		428,759		10,769	10,769	444	10/01/2032	1FE
880459-GV-9	TENNESSEE HSG DEV AGY		07/02/2012	CALLED @ 100.0000000		55,000	55,000	55,000	55,000				0		55,000				2,895	01/01/2037	1FE
88045R-HR-6	TENNESSEE HSG DEV AGY		07/02/2012	Sink PMT @ 100.0000000		130,000	130,000	130,000	130,000				0		130,000				7,108	07/01/2035	1FE
914059-KG-4	UNIVERSITY ARIZ CTFS PARTN		08/09/2012	CALLED @ 100.0000000		80,000	80,000	79,273	79,554		446		446		80,000				2,824	06/01/2021	1AM
914059-KH-2	UNIVERSITY ARIZONA CTFS PARTN		08/09/2012	CALLED @ 100.0000000		85,000	85,000	83,892	84,287		713		713		85,000				3,001	06/01/2022	1AM
91755N-LU-7	UT ST HSG FIN AGENCY		07/02/2012	Sink PMT @ 100.0000000		20,000	20,000	19,650	19,846		154		154		20,000				1,363	07/01/2020	1FE
927676-RK-4	VIRGIN ISLANDS PUBLIC FIN AUTH		09/25/2012	JEFFRIES		2,687,425	2,500,000	2,600,100			(398)		(398)		2,599,702		87,723	87,723	5,208	10/01/2032	1FE
982674-GS-6	WYANDOTTE CNTY/KANSAS CITY KS		08/17/2012	Added by SunGard		3,945,648	3,360,000	3,983,952			(1,328)		(1,328)		3,982,624		(36,976)	(36,976)		09/01/2025	1FE
982674-GT-4	WYANDOTTE CNTY/KANSAS CITY KS		08/17/2012	Added by SunGard		3,497,520	3,000,000	3,531,420			(1,126)		(1,126)		3,530,295		(32,775)	(32,775)		09/01/2026	1FE
982674-GV-9	WYANDOTTE CNTY/KANSAS CITY KS		08/17/2012	Added by SunGard		1,468,780	1,270,000	1,481,798			(446)		(446)		1,481,352		(12,572)	(12,572)		09/01/2028	1FE
982674-GW-7	WYANDOTTE CNTY/KANSAS CITY KS		08/09/2012	Added by SunGard		4,574,480	4,000,000	4,570,800			(132)		(132)		4,570,668		3,812	3,812		09/01/2032	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						218,472,784	208,534,400	217,699,170	76,621,185	0	196,480	0	196,480	0	215,845,758	0	2,627,025	2,627,025	4,313,534	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					

E053

STATEMENT AS OF SEPTEMBER 30, 2012 OF THE ASSURED GUARANTY MUNICIPAL 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	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)	
19035R-AL-3	COAST 2002-1A1 A	08/02/2012	PRINCIPAL RECEIPT		123,417	123,417	47,142	47,142			76,275	76,275		123,417			0	1,327	07/30/2017	6	
07401W-AP-4	BEAR STEARNS SECOND LIEN 2007-1 2A	09/25/2012	PRINCIPAL RECEIPT		5,410,109	5,410,109	747,213	2,478,080		4,908,994	1,976,966	2,932,028		5,410,109			0		08/25/2037	1FM	
12627H-AF-7	CSAB 2006-2 ASA	09/25/2012	PRINCIPAL RECEIPT		400,813	400,813	259,863	232,303		131,560		131,560		400,813			0	101	09/25/2036	1FM	
12628L-AG-5	CSAB 2006-4 A4	09/25/2012	PRINCIPAL RECEIPT		518,095	518,095	339,771	344,687		173,408		173,408		518,095			0		12/25/2036	1FM	
12638P-AH-2	CSMC 2007-3 1A5	09/25/2012	PRINCIPAL RECEIPT		85,289	85,289	59,544			25,745		25,745		85,289			0	334	04/25/2037	1AM	
23242L-AB-9	CWHEL 2006-F 2A1A	09/15/2012	PRINCIPAL RECEIPT		2,283,490	2,283,490	1,611,925	1,619,294		707,978	43,782	664,196		2,283,490			0		07/15/2036	1FE	
126686-AH-7	CWHEL 2006-HW 2A11B	09/15/2012	PRINCIPAL RECEIPT		458,884	458,884	350,747	357,929		110,317	9,361	100,956		458,884			0		11/15/2036	1FM	
126682-AA-1	CWHEL 2007-A A	09/15/2012	PRINCIPAL RECEIPT		512,403	512,403	341,844	347,932		174,149	9,678	164,471		512,403			0		04/15/2037	1FM	
233050-AN-3	DBUBS 11-LC1AA1 144A GEORGE WASHINGTON	09/12/2012	PRINCIPAL RECEIPT		40,772	40,772	41,179	41,086		(314)		(314)		40,772			0	1,012	11/10/2046	2AM	
372546-AR-2	UNIVERSITY	09/11/2012	PIPER JAFFREY INC.		4,314,643	4,250,000	4,250,000					0		4,250,000		64,643	64,643	15,530	09/15/2017	1FE	
53957D-AC-7	LIMAA 2007-1W A2-1	07/23/2012	PRINCIPAL RECEIPT		1,149,048	1,149,048	278,960	244,490		870,929	124	870,805		1,149,048			0	1,264	10/23/2037	6AM	
53957D-AD-5	LIMAA 2007-1W A2-2	07/23/2012	PRINCIPAL RECEIPT		541,440	541,440	127,315			414,125		414,125		541,440			0	3,449	10/23/2037	6AM	
576431-AC-4	MARM 2007-1 12A2	09/25/2012	PRINCIPAL RECEIPT		60,619	60,619	16,412	38,211		44,978	22,570	22,408		60,619			0		01/25/2047	1FM	
57645N-AD-2	MARM 2007-3 12A2	09/25/2012	PRINCIPAL RECEIPT		2,405,486	2,405,486	1,748,432	1,748,432		657,054		657,054		2,405,486			0		05/25/2047	1FE	
65538B-AH-2	NOMURA ASSET ACCEPTANCE 2007-S2W A	09/25/2012	PRINCIPAL RECEIPT		70,826	70,826	23,870	23,870		46,956		46,956		70,826			0		07/25/2037	6AM	
65538P-AD-0	NOMURA ASSET ACCEPTANCE CORP.	09/25/2012	PRINCIPAL RECEIPT		23,257	23,257	18,469	18,490		4,767		4,767		23,257			0		03/25/2047	1FM	
75971F-AW-3	RENAISSANCE HOME EQUITY 07-3W AF4	09/25/2012	PRINCIPAL RECEIPT		219,013	219,013	138,074			80,939		80,939		219,013			0		09/25/2037	5AM	
75971F-AY-9	RENAISSANCE HOME EQUITY 07-3W AF6	09/25/2012	PRINCIPAL RECEIPT		825,215	825,215	546,017			279,198		279,198		825,215			0	95	09/25/2037	5AM	
75971F-AX-1	LOAN TRUST	09/25/2012	PRINCIPAL RECEIPT		733,567	733,567	398,490	425,146		308,422		308,422		733,567			0		09/25/2037	1FE	
88156V-AB-4	TWTS 2006-10SL A2	09/25/2012	PRINCIPAL RECEIPT		396,139	396,139	214,776	221,688		180,040	5,589	174,451		396,139			0		10/25/2037	1FM	
88157D-AA-5	TWTS 2006-12SL A1 35125%	09/25/2012	PRINCIPAL RECEIPT		1,736,739	1,736,739	1,218,797	1,293,158		489,635	46,054	443,581		1,736,739			0		11/25/2037	1FM	
88157D-AB-3	TWTS 2006-12SL A2	09/25/2012	PRINCIPAL RECEIPT		98,327	98,327	76,369	85,426		23,079	10,179	12,900		98,327			0		11/25/2037	1FM	
88157G-AB-6	TWTS 2007-1SL A2	09/25/2012	PRINCIPAL RECEIPT		72,654	72,654	58,995	59,236		13,419		12,900		72,654			0		01/25/2038	1FM	
88157Y-AB-3	TWTS 2007-6 ALT A2	09/25/2012	PRINCIPAL RECEIPT		1,511,273	1,511,273	716,209	626,083		678,015		678,015		1,511,273			0	83	08/25/2038	1FM	
88157Y-AC-1	TWTS 2007-6 ALT A3	09/25/2012	PRINCIPAL RECEIPT		38,635	38,635	22,851	6,543		15,785		15,785		38,635			0	8	08/25/2038	1FM	
88156V-AA-6	TWTS 06-10SL A1	09/25/2012	PRINCIPAL RECEIPT		2,586,782	2,586,782	1,486,605	1,134,284		1,068,734	58,951	1,009,783		2,586,782			0	2,197	10/25/2037	1FM	
88157G-AA-8	TWTS2007-1SLA1	09/25/2012	PRINCIPAL RECEIPT		1,333,946	1,333,946	887,079	894,304		443,496	3,853	439,643		1,333,946			0		01/25/2038	1FE	
000000-00-0	ADVANTAGE CAPITAL I	09/25/2012	USE OF TAX CREDIT		42,321					22,028		22,028		42,321			0		12/01/2020	1FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)					27,993,202	27,886,239	16,026,948	12,287,814	0	11,949,711	2,187,107	9,762,604	0	27,928,559	0	64,643	64,643	25,400	XXX	XXX	
8399997 - Subtotals - Bonds - Part 4					351,160,614	346,780,639	338,100,444	119,876,081	(131,529)	12,491,408	2,187,107	10,172,772	0	347,468,951	0	3,691,654	3,691,654	6,040,157	XXX	XXX	
8399999 - Subtotals - Bonds					351,160,614	346,780,639	338,100,444	119,876,081	(131,529)	12,491,408	2,187,107	10,172,772	0	347,468,951	0	3,691,654	3,691,654	6,040,157	XXX	XXX	
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																					
DEX807-05-0	DEXIA RESTRICTED STOCK	09/25/2012	BANK OF NEW YORK		149,476,000	78,002	XXX	504,911	48,440	456,470	0	456,470	0	504,910	(1,059)	(425,846)	(426,905)	0	XXX	XXX	
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					78,002	XXX	504,911	48,440	456,470	0	0	0	456,470	0	504,910	(1,059)	(425,846)	(426,905)	0	XXX	XXX
9799997 - Subtotals - Common Stocks - Part 4					78,002	XXX	504,911	48,440	456,470	0	0	0	456,470	0	504,910	(1,059)	(425,846)	(426,905)	0	XXX	XXX
9799999 - Subtotals - Common Stocks					78,002	XXX	504,911	48,440	456,470	0	0	0	456,470	0	504,910	(1,059)	(425,846)	(426,905)	0	XXX	XXX
9899999 - Subtotals - Preferred and Common Stocks					78,002	XXX	504,911	48,440	456,470	0	0	0	456,470	0	504,910	(1,059)	(425,846)	(426,905)	0	XXX	XXX
9999999 Totals					351,238,616	XXX	338,605,355	119,924,521	324,941	12,491,408	2,187,107	10,629,242	0	347,973,861	(1,059)	3,265,808	3,264,749	6,040,157	XXX	XXX	

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

E05.4

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

