



QUARTERLY STATEMENT

AS OF MARCH 31, 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 212-408-6029
(Name) (Area Code) (Telephone Number) (Extension)

JRingler@assuredguaranty.com 212-339-3589
(E-mail Address) (Fax Number)

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 Kastellec</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

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.

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 _____,

Luz Vivas, Notary Public, State of NY
Oct. 16, 2013

STATEMENT AS OF MARCH 31, 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	2,841,186,977		2,841,186,977	2,778,465,903
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	524,641,824		524,641,824	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 (\$67,851,944), cash equivalents (\$288,459,574) and short-term investments (\$150,191,916)	506,503,434		506,503,434	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	85,132,147		85,132,147	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)	4,294,546,822	0	4,294,546,822	4,065,482,095
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	31,990,330		31,990,330	32,204,912
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	24,757,986	2,244,549	22,513,437	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	68,073,269		68,073,269	80,859,470
16.2 Funds held by or deposited with reinsured companies	44,979,772		44,979,772	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	4,999,403		4,999,403	123,015,209
18.2 Net deferred tax asset	232,615,308	84,421,651	148,193,657	52,438,034
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	30,310	28,039	2,271	3,634
21. Furniture and equipment, including health care delivery assets (\$)	16,325,802	16,325,802	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	20,979,240	633,027	20,346,213	1,738,135
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	4,249,451	3,268,174	981,277	5,505,746
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,743,547,693	106,921,242	4,636,626,451	4,385,623,706
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	4,743,547,693	106,921,242	4,636,626,451	4,385,623,706
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
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	501,050	278,616	222,434	4,603,042
2502. Prepaid Expenses	2,328,907	2,328,907	0	0
2503. Other Assets	1,419,494	660,651	758,843	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)	4,249,451	3,268,174	981,277	5,505,746

STATEMENT AS OF MARCH 31, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 474,443)	271,864,226	198,617,696
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	11,027,541	13,423,865
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	17,440,693	19,051,620
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,142,481	3,606,569
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 1,583,879,489 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)	1,466,382,959	1,398,563,863
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	45,896,579	33,206,349
13. Funds held by company under reinsurance treaties	152,750,292	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
16. Provision for reinsurance		0
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	24,021,356	16,763,797
20. Derivatives		0
21. Payable for securities	138,670,434	8,110,296
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	1,508,590,280	1,381,874,444
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	3,638,798,465	3,176,319,724
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	3,638,798,465	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
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	175,000,000	175,000,000
34. Gross paid in and contributed surplus	776,884,430	776,884,430
35. Unassigned funds (surplus)	30,943,555	242,419,552
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	997,827,985	1,209,303,982
38. Totals (Page 2, Line 28, Col. 3)	4,636,626,450	4,385,623,706
DETAILS OF WRITE-INS		
2501. Contingency Reserve	1,367,607,799	1,238,030,526
2502. Miscellaneous Liability	140,982,481	143,843,918
2503.		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)	1,508,590,280	1,381,874,444
2901.		0
2902.		0
2903.		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
3202.		0
3203.		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 \$ 45,805,166)	87,301,523	109,267,036	455,884,282
1.2 Assumed (written \$ 6,005,267)	6,759,282	12,262,396	39,461,737
1.3 Ceded (written \$ (50,712,565))	53,618,464	63,450,008	261,749,000
1.4 Net (written \$ 102,522,998)	40,442,341	58,079,424	233,597,019
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 474,443):			
2.1 Direct	36,217,622	(233,101,172)	(146,355,255)
2.2 Assumed	157,933,474	0	24,472,078
2.3 Ceded	81,959,761	(79,036,188)	(24,868,190)
2.4 Net	112,191,335	(154,064,984)	(97,014,987)
3. Loss adjustment expenses incurred	2,043,229	5,352,639	28,500,590
4. Other underwriting expenses incurred	19,532,054	14,456,452	53,003,750
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	133,766,618	(134,255,893)	(15,510,647)
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(93,324,277)	192,335,317	249,107,666
INVESTMENT INCOME			
9. Net investment income earned	37,128,501	31,397,500	152,504,681
10. Net realized capital gains (losses) less capital gains tax of \$ 1,742,623	(4,773,912)	(1,333,680)	(49,295,212)
11. Net investment gain (loss) (Lines 9 + 10)	32,354,589	30,063,820	103,209,469
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	51,721,036	(19,723,237)	(84,182,344)
15. Total other income (Lines 12 through 14)	51,721,036	(19,723,237)	(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)	(9,248,652)	202,675,900	268,134,791
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(9,248,652)	202,675,900	268,134,791
19. Federal and foreign income taxes incurred	33,977,442	(129,702,760)	(130,402,819)
20. Net income (Line 18 minus Line 19)(to Line 22)	(43,226,094)	332,378,660	398,537,610
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	1,209,303,982	927,039,158	927,039,158
22. Net income (from Line 20)	(43,226,094)	332,378,660	398,537,610
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(101,626,750)	181,814,397	170,505,677
25. Change in net unrealized foreign exchange capital gain (loss)	(5,738,440)	(6,843,551)	364,258
26. Change in net deferred income tax	91,392,708	(204,125,558)	(186,963,162)
27. Change in nonadmitted assets	(35,787,822)	195,315,763	154,312,731
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	(50,000,000)
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders	(30,000,000)	0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(86,489,599)	(36,411,178)	(204,492,290)
38. Change in surplus as regards policyholders (Lines 22 through 37)	(211,475,997)	462,128,533	282,264,824
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	997,827,985	1,389,167,691	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	51,721,036	(19,723,237)	(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)	51,721,036	(19,723,237)	(84,182,344)
3701. Change in Contingency Reserve	(129,577,271)	(55,465,361)	(203,793,851)
3702. Change in net unrealized on other assets	(104,038)	0	(722,285)
3703. Change in Accounting SAP 101 (Taxes)	43,191,710		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	19,054,183	23,846
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	(86,489,599)	(36,411,178)	(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.....	87,962,656	20,144,510	131,226,475
2. Net investment income	28,091,555	30,603,363	130,776,247
3. Miscellaneous income	51,721,036	(19,723,237)	(84,182,344)
4. Total (Lines 1 to 3)	167,775,247	31,024,636	177,820,378
5. Benefit and loss related payments	26,158,604	114,642,123	(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	26,692,567	24,013,143	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).....	(82,295,741)	53,803,077	107,118,400
10. Total (Lines 5 through 9)	(29,444,570)	192,458,343	177,157,255
11. Net cash from operations (Line 4 minus Line 10)	197,219,817	(161,433,707)	663,123
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	237,732,986	155,452,621	1,027,948,345
12.2 Stocks	0	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	(272)	20,776	29,366
12.7 Miscellaneous proceeds	49,358,036	24,367,448	4,889,396
12.8 Total investment proceeds (Lines 12.1 to 12.7)	287,090,750	179,840,845	1,032,867,107
13. Cost of investments acquired (long-term only):			
13.1 Bonds	294,600,124	227,640,153	1,162,679,312
13.2 Stocks	9,227	272,465	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	5,738,432	25,710,317	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	300,347,783	272,677,118	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)	(13,257,033)	(92,836,273)	(149,067,017)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	(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).....	32,783,777	(1,484,682)	(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).....	2,783,777	(1,484,682)	(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)	186,746,561	(255,754,662)	(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)	506,503,434	297,978,703	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 Insurance Department ("NYID"). 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 New York Insurance Department 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, for determining its solvency under the New York Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of 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:

	Three Months Ended March 31, 2012
Net Income (Loss), New York Basis.....	\$ (43,226,093)
Net Income (Loss), NAIC SAP.....	<u>\$ (43,226,093)</u>
Statutory Surplus, New York Basis.....	\$ 997,827,985
Effect of New York prescribed limitation under NYSID 1408 recorded as change in unrealized on investment in subsidiaries.....	<u>54,250,295</u>
Statutory Surplus, NAIC SAP.....	<u>\$1,052,078,280</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 change since the 2011 Annual Statement.

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 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 Securities

1. Prepayment assumptions for residential/commercial asset backed 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 Other- Than-Temporary- Impairment	Other-Than- Temporary- Impairment	Fair Value
OTTI Recognized 1st Quarter			
a. Intent To Sell	-	-	-
b. Lack of Intent to retain security	-	-	-
c. PV of cash flows less than amortized cost	\$5,516,258	\$4,420,563	\$1,095,696
d. Total 1st Quarter	<u>\$5,516,258</u>	<u>\$4,420,563</u>	<u>\$1,095,696</u>

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

Cusip	Amortized Cost Before OTTI	Present Value of Projected Cash Flow	OTTI	Amortized Cost After OTTI	Fair Value @ Time of OTTI	Date of Financial Statement Where Reported
128682-AA-1	\$12,097,466	\$11,891,063	\$206,403	\$11,891,063	\$4,083,176	3/31/2012
128686-AH-7	13,096,288	12,754,851	341,437	12,754,851	7,070,506	3/31/2012
23242L-AB-8	55,495,589	53,905,407	1,590,182	53,905,407	39,272,190	3/31/2012
576431-AC-4	338,970	212,688	126,284	212,686	147,267	3/31/2012
53957D-AC-7	26,259,626	26,246,113	13,513	26,246,113	26,301,713	3/31/2012
88156V-AA-8	11,178,377	10,506,412	671,965	10,506,412	6,538,335	3/31/2012
88157G-AA-8	27,802,294	27,662,709	139,585	27,662,709	8,136,973	3/31/2012
8815EV-AB-4	415,733	372,324	43,409	372,324	223,893	3/31/2012
88157D-AB-3	4,089,555	3,620,164	469,392	3,620,164	2,654,596	3/31/2012
TOTAL	<u>\$150,773,899</u>	<u>\$147,171,730</u>	<u>\$3,602,170</u>	<u>\$147,171,730</u>	<u>\$94,428,650</u>	3/31/2012

NOTES TO FINANCIAL STATEMENTS

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
Other Loan Backed & Structured Securities	\$-	\$-	\$-	\$-	\$-	\$-
Residential Mortgage Backed Securities	73,700,588	(19,488,688)	88,185,075	(88,258,431)	161,885,664	(107,747,119)
Total	\$73,700,588	\$(19,488,688)	\$88,185,075	\$(88,258,431)	\$161,885,664	\$(107,747,119)

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 March 31, 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 Company estimates that the impact of adopting SSAP No. 101 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.

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

There has been no change since the 2011 Annual Statement.

14. Contingencies

Lawsuits arise in the ordinary course of the Company's business. It is the opinion of the Company's management, based upon the information available, that the expected outcome of litigation against the Company, individually or in the aggregate, will not have a material adverse effect on the Company's financial position or liquidity, although an adverse resolution of litigation against the Company in a fiscal quarter or year could have a material adverse effect on the Company's results of operations in a particular quarter or fiscal year. In addition, in the ordinary course of their respective businesses, certain of the Company's subsidiaries assert claims in legal proceedings against third parties to recover losses paid in prior periods. For example, as described below in "Recovery Litigation – RMBS Transactions," as of the date of this filing, AGM has filed complaints against certain sponsors and underwriters of RMBS securities that AGM had insured, alleging, among other claims, that such persons had breached representations and warranties ("R&W") in the transaction documents, failed to cure or repurchase defective loans and/or violated state securities laws. The amounts, if any, the Company will recover in proceedings to recover losses are uncertain, and recoveries, or failure to obtain recoveries, in any one or more of these proceedings during any quarter or fiscal year could be material to the Company's results of operations in that particular quarter or fiscal year.

Proceedings Relating to the Company's Financial Guaranty Business

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

In August 2008, a number of financial institutions and other parties, including AGM and other bond insurers, were named as defendants in a civil action brought in the circuit court of Jefferson County, Alabama relating to the County's problems meeting its debt obligations on its \$3.2 billion sewer debt: *Charles E. Wilson vs. JPMorgan Chase & Co et al* (filed the Circuit Court of Jefferson County, Alabama), Case No. 01-CV-2008-901907.00, a putative class action. The action was brought on behalf of rate payers, tax payers and citizens residing in Jefferson County, and alleges conspiracy and fraud in connection with the issuance of the County's debt. The complaint in this lawsuit seeks equitable relief, unspecified monetary damages, interest, attorneys' fees and other costs. On January, 13, 2011, the circuit court issued an order denying a motion by the bond insurers and other defendants to dismiss the action. Defendants, including the bond insurers, have petitioned the Alabama Supreme Court for a writ of mandamus to the circuit court vacating such order and directing the dismissal with prejudice of plaintiffs' claims for lack of standing. The Company cannot reasonably estimate the possible loss or range of loss that may arise from this lawsuit.

Beginning in December 2008, AGM and various other financial guarantors were named in complaints filed in the Superior Court, San Francisco County, California. Since that time, plaintiffs' counsel has filed amended complaints against AGM and its affiliate Assured Guaranty Corp. ("AGC") and added additional plaintiffs. As of the date of this filing, the plaintiffs with complaints against AGM and AGC, among other financial guaranty insurers, are: (a) *City of Los Angeles, acting by and through the Department of Water and Power*; (b) *City of Sacramento*; (c) *City of Los Angeles*; (d) *City of Oakland*; (e) *City of Riverside*; (f) *City of Stockton*; (g) *County of Alameda*; (h) *County of Contra Costa*; (i) *County of San Mateo*; (j) *Los Angeles World Airports*; (k) *City of Richmond*; (l) *Redwood City*; (m) *East Bay Municipal Utility District*; (n) *Sacramento Suburban Water District*; (o) *City of San Jose*; (p) *County of Tulare*; (q) *The Regents of the University of California*; (r) *The Redevelopment Agency of the City of Riverside*; (s) *The Public Financing Authority of the City of Riverside*; (t) *The Jewish Community Center of San Francisco*; (u) *The San Jose Redevelopment Agency*; (v) *The Redevelopment Agency of the City of Stockton*; (w) *The Public Financing Authority of the City of Stockton*; and (x) *The Olympic Club*. Complaints filed by the City and County of San Francisco and the Sacramento Municipal Utility District were subsequently dismissed against AGM and AGC. These complaints allege that the financial guaranty insurer defendants (i) participated in a conspiracy in violation of California's antitrust laws to maintain a dual credit rating scale that misstated the credit default risk of municipal bond issuers and created market demand for municipal bond insurance, (ii) participated in risky financial transactions in other lines of business that damaged each insurer's financial condition (thereby undermining the value of each of their guaranties), and (iii) failed to adequately disclose the

NOTES TO FINANCIAL STATEMENTS

impact of those transactions on their financial condition. In addition to their antitrust claims, various plaintiffs in these actions assert claims for breach of the covenant of good faith and fair dealing, fraud, unjust enrichment, negligence, and negligent misrepresentation. At hearings held in July and October 2011 relating to AGM, AGC and the other defendants' motion to dismiss, the court denied the motion to dismiss on the following claims: breach of contract, violation of California's antitrust statute and of its unfair business practices law, and fraud. The remaining claims were dismissed. On December 2, 2011, AGM, AGC and the other bond insurer defendants filed an Anti-SLAPP ("Strategic Lawsuit Against Public Participation") motion to strike the complaints under California's Code of Civil Procedure. On May 1, 2012, the court ruled in favor of the bond insurer defendants on the Anti-SLAPP motion as to the causes of action arising from the alleged conspiracy, but denied the bond insurer defendants' Anti-SLAPP motion for those causes of action based on transaction specific representations and omissions about the bond insurer defendants' credit ratings and financial health. The complaints in these lawsuits generally seek unspecified monetary damages, interest, attorneys' fees, costs and other expenses. The Company cannot reasonably estimate the possible loss or range of loss that may arise from these lawsuits.

In September 2010, AGM, among others, was named as a defendant in an interpleader complaint filed by Wells Fargo Bank, N.A., as trust administrator, in the United States District Court, Southern District of New York. The interpleader complaint relates to the MASTR Adjustable Rate Mortgages Trust 2006-OA2, Mortgage Pass-Through Certificates, Series 2006-OA2 RMBS transaction, in which AGM had insured certain classes of certificates. Certain holders of uninsured certificates have disputed payments made by the trust administrator to reimburse AGM for claims it had paid under its financial guaranty policy, and the trust administrator sought adjudication of the priority of AGM's reimbursements. On March 29, 2011, the court granted a motion for judgment on the pleadings and ruled that, pursuant to the waterfall, AGM is only entitled to receive funds that would otherwise have been distributed to the holders of the classes that AGM insures, and that AGM receive such funds at the respective steps in the waterfall that immediately follow the steps at which such certificate holders would otherwise have received such funds. The court further ordered AGM to repay to the MARM 2006-OA2 trust the approximately \$7.2 million that had been credited to it by Wells Fargo. On December 13, 2011, the court entered judgment substantially in conformance with its March 29, 2011 decision. AGM appealed the judgment and in April 2012, the magistrate judge recommended granting AGM's motion that the judgment be stayed pending the appeal. AGM estimates that as a result of this adverse decision (if and to the extent that the adverse decision is not modified), total unreimbursed claims paid by AGM could be up to approximately \$144 million (on a gross discounted basis, without taking into account the benefit of representation and warranty recoveries, and exclusive of the repayment of the \$7.2 million credit), over the life of the transaction.

Proceedings Related to AGMH's Former Financial Products Business

The following is a description of legal proceedings involving AGMH's former Financial Products Business. Although Assured Guaranty did not acquire AGMH's former Financial Products Business, which included AGMH's former guaranteed investment contract ("GIC") business, medium term notes business and portions of the leveraged lease businesses, certain legal proceedings relating to those businesses are against entities that Assured Guaranty did acquire. While Dexia SA and Dexia Cr dit Local S.A. ("DCL"), jointly and severally, have agreed to indemnify Assured Guaranty against liability arising out of the proceedings described below in this "Proceedings Related to AGMH's Former Financial Products Business" section, such indemnification might not be sufficient to fully hold Assured Guaranty harmless against any injunctive relief or civil or criminal sanction that is imposed against AGMH or its subsidiaries.

Governmental Investigations into Former Financial Products Business

AGMH and/or AGM have received subpoenas *duces tecum* and interrogatories or civil investigative demands from the Attorney General of the States of Connecticut, Florida, Illinois, Massachusetts, Missouri, New York, Texas and West Virginia relating to their investigations of alleged bid rigging of municipal GICs. AGMH is responding to such requests. AGMH may receive additional inquiries from these or other regulators and expects to provide additional information to such regulators regarding their inquiries in the future. In addition,

- AGMH received a subpoena from the Antitrust Division of the Department of Justice in November 2006 issued in connection with an ongoing criminal investigation of bid rigging of awards of municipal GICs and other municipal derivatives;
- AGM received a subpoena from the U.S. Securities and Exchange Commission ("SEC") in November 2006 related to an ongoing industry-wide investigation concerning the bidding of municipal GICs and other municipal derivatives; and
- AGMH received a "Wells Notice" from the staff of the Philadelphia Regional Office of the SEC in February 2008 relating to the investigation concerning the bidding of municipal GICs and other municipal derivatives. The Wells Notice indicates that the SEC staff is considering recommending that the SEC authorize the staff to bring a civil injunctive action and/or institute administrative proceedings against AGMH, alleging violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

Pursuant to the subpoenas, AGMH has furnished to the Department of Justice and SEC records and other information with respect to AGMH's municipal GIC business. The ultimate loss that may arise from these investigations remains uncertain.

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. His trial began on April 16, 2012, and on May 11, 2012, such former employee and the other two persons were convicted of wire fraud and conspiracy to commit fraud. Post-trial motions and sentencing are scheduled for July and October 2012, respectively.

Lawsuits Relating to Former Financial Products Business

During 2008, nine putative class action lawsuits were filed in federal court alleging federal antitrust violations in the municipal derivatives industry, seeking damages and alleging, among other things, a conspiracy to fix the pricing of, and manipulate bids for, municipal derivatives, including GICs. These cases have been coordinated and consolidated for pretrial proceedings in the U.S. District Court for the Southern District of New York as MDL 1950, *In re Municipal Derivatives Antitrust Litigation*, Case No. 1:08-cv-2516 ("MDL 1950").

Five of these cases named both AGMH and AGM: (a) *Hinds County, Mississippi v. Wachovia Bank, N.A.*; (b) *Fairfax County, Virginia v. Wachovia Bank, N.A.*; (c) *Central Bucks School District, Pennsylvania v. Wachovia Bank, N.A.*; (d) *Mayor and City Council of Baltimore, Maryland v. Wachovia Bank, N.A.*; and (e) *Washington County, Tennessee v. Wachovia Bank, N.A.* In April 2009, the MDL 1950 court granted the defendants' motion to dismiss on the federal claims, but granted leave for the plaintiffs to file a second amended complaint. In June 2009, interim lead plaintiffs' counsel filed a Second Consolidated Amended Class Action Complaint; although the Second Consolidated Amended Class Action Complaint currently describes some of AGMH's and AGM's activities, it does not name those entities as defendants. In March 2010, the MDL 1950 court denied the named defendants' motions to dismiss the Second Consolidated Amended Class Action Complaint. The complaints in these lawsuits generally seek unspecified monetary damages, interest, attorneys' fees and other costs. The Company cannot reasonably estimate the possible loss or range of loss that may arise from these lawsuits.

Four of the cases named AGMH (but not AGM) and also alleged that the defendants violated California state antitrust law and common law by engaging in illegal bid-rigging and market allocation, thereby depriving the cities or municipalities of competition in the awarding of GICs and ultimately resulting in the cities paying higher fees for these products: (f) *City of Oakland, California v. AIG Financial Products Corp.*; (g) *County of Alameda, California v. AIG Financial Products Corp.*; (h) *City of Fresno, California v. AIG Financial Products Corp.*; and (i) *Fresno County Financing Authority v. AIG Financial Products Corp.* When the four plaintiffs filed a consolidated complaint in September 2009, the plaintiffs did not name AGMH as a defendant. However, the complaint does describe some of AGMH's and AGM's activities. The consolidated complaint generally seeks unspecified monetary damages, interest, attorneys' fees and other costs. In April 2010, the MDL 1950 court granted in part and denied in part the named defendants' motions to dismiss this consolidated complaint.

In 2008, AGMH and AGM also were named in five non-class action lawsuits originally filed in the California Superior Courts alleging violations of California law related to the municipal derivatives industry: (a) *City of Los Angeles, California v. Bank of America, N.A.*; (b) *City of Stockton, California v. Bank of America, N.A.*; (c) *County of San Diego, California v. Bank of America, N.A.*; (d) *County of San Mateo, California v. Bank of America, N.A.*; and (e) *County of Contra Costa, California v. Bank of America, N.A.* Amended complaints in these actions were filed in

NOTES TO FINANCIAL STATEMENTS

September 2009, adding a federal antitrust claim and naming AGM (but not AGMH) and AGUS, among other defendants. These cases have been transferred to the Southern District of New York and consolidated with MDL 1950 for pretrial proceedings.

In late 2009, AGM and AGUS, among other defendants, were named in six additional non-class action cases filed in federal court, which also have been coordinated and consolidated for pretrial proceedings with MDL 1950: (f) *City of Riverside, California v. Bank of America, N.A.*; (g) *Sacramento Municipal Utility District v. Bank of America, N.A.*; (h) *Los Angeles World Airports v. Bank of America, N.A.*; (i) *Redevelopment Agency of the City of Stockton v. Bank of America, N.A.*; (j) *Sacramento Suburban Water District v. Bank of America, N.A.*; and (k) *County of Tulare, California v. Bank of America, N.A.*

The MDL 1950 court denied AGM and AGUS's motions to dismiss these eleven complaints in April 2010. Amended complaints were filed in May 2010. On October 29, 2010, AGM and AGUS were voluntarily dismissed with prejudice from the *Sacramento Municipal Utility District* case only. The complaints in these lawsuits generally seek or sought unspecified monetary damages, interest, attorneys' fees, costs and other expenses. The Company cannot reasonably estimate the possible loss or range of loss that may arise from the remaining lawsuits.

In May 2010, AGM and AGUS, among other defendants, were named in five additional non-class action cases filed in federal court in California: (a) *City of Richmond, California v. Bank of America, N.A.* (filed on May 18, 2010, N.D. California); (b) *City of Redwood City, California v. Bank of America, N.A.* (filed on May 18, 2010, N.D. California); (c) *Redevelopment Agency of the City and County of San Francisco, California v. Bank of America, N.A.* (filed on May 21, 2010, N.D. California); (d) *East Bay Municipal Utility District, California v. Bank of America, N.A.* (filed on May 18, 2010, N.D. California); and (e) *City of San Jose and the San Jose Redevelopment Agency, California v. Bank of America, N.A.* (filed on May 18, 2010, N.D. California). These cases have also been transferred to the Southern District of New York and consolidated with MDL 1950 for pretrial proceedings. In September 2010, AGM and AGUS, among other defendants, were named in a sixth additional non-class action filed in federal court in New York, but which alleges violation of New York's Donnelly Act in addition to federal antitrust law: *Active Retirement Community, Inc. d/b/a Jefferson's Ferry v. Bank of America, N.A.* (filed on September 21, 2010, E.D. New York), which has also been transferred to the Southern District of New York and consolidated with MDL 1950 for pretrial proceedings. In December 2010, AGM and AGUS, among other defendants, were named in a seventh additional non-class action filed in federal court in the Central District of California, *Los Angeles Unified School District v. Bank of America, N.A.*, and in an eighth additional non-class action filed in federal court in the Southern District of New York, *Kendal on Hudson, Inc. v. Bank of America, N.A.* These cases also have been consolidated with MDL 1950 for pretrial proceedings. The complaints in these lawsuits generally seek unspecified monetary damages, interest, attorneys' fees, costs and other expenses. The Company cannot reasonably estimate the possible loss or range of loss that may arise from these lawsuits.

In January 2011, AGM and AGUS, among other defendants, were named in an additional non-class action case filed in federal court in New York, which alleges violation of New York's Donnelly Act in addition to federal antitrust law: *Peconic Landing at Southold, Inc. v. Bank of America, N.A.* This case has been consolidated with MDL 1950 for pretrial proceedings. The complaint in this lawsuit generally seeks unspecified monetary damages, interest, attorneys' fees, costs and other expenses. The Company cannot reasonably estimate the possible loss or range of loss that may arise from this lawsuit.

In September 2009, the Attorney General of the State of West Virginia filed a lawsuit (Circuit Ct. Mason County, W. Va.) against Bank of America, N.A. alleging West Virginia state antitrust violations in the municipal derivatives industry, seeking damages and alleging, among other things, a conspiracy to fix the pricing of, and manipulate bids for, municipal derivatives, including GICs. An amended complaint in this action was filed in June 2010, adding a federal antitrust claim and naming AGM (but not AGMH) and AGUS, among other defendants. This case has been removed to federal court as well as transferred to the S.D.N.Y. and consolidated with MDL 1950 for pretrial proceedings. The complaint in this lawsuit generally seeks civil penalties, unspecified monetary damages, interest, attorneys' fees, costs and other expenses. The Company cannot reasonably estimate the possible loss or range of loss that may arise from this lawsuit.

Recovery Litigation

RMBS Transactions

As of the date of this filing, AGM has filed lawsuits with regard to the following U.S. RMBS transactions insured by it, alleging 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:

- ACE Securities Corp. Home Equity Loan Trust, Series 2006-GP1 (a second lien transactions in which AGM has sued Deutsche Bank AG affiliates DB Structured Products, Inc. and ACE Securities Corp.);
- the Flagstar Home Equity Loan Trust, Series 2005-1 and Series 2006-2 (both second lien transactions in which AGM has sued Flagstar Bank, FSB, Flagstar Capital Markets Corporation and Flagstar ABS, LLC); and
- GMAC RFC Home Equity Loan-Backed Notes, Series 2006-HSA3 and GMAC Home Equity Loan-Backed Notes, Series 2004-HE3 (both second lien transactions in which 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); Ally Financial (formerly GMAC, LLC); and Residential Funding Mortgage Securities II, Inc.; on May 14, 2012, Residential Capital, LLC filed for Chapter 11 protection with the U.S. Bankruptcy Court).

In these lawsuits, AGM seeks damages, including indemnity or reimbursement for losses.

In September 2010, AGM also filed a lawsuit in the Superior court of the State of California, County of Los Angeles, against UBS Securities LLC and Deutsche Bank Securities, Inc., as underwriters, as well as several named and unnamed control persons of IndyMac Bank, FSB and related IndyMac entities, with regard to two U.S. RMBS transactions that AGM had insured, seeking damages for alleged violations of state securities laws and breach of contract, among other claims:

- IndyMac Home Equity Loan Trust 2007-H-1 (a second lien transaction in which AGM has sued Deutsche Bank Securities Inc.); and
- IndyMac IMSC Mortgage Loan Trust 2007-HOA-1 (a first lien transaction in which AGM has sued UBS Securities LLC).

In October 2011, AGM and its affiliate AGC brought an action in the Supreme Court of the State of New York against DLJ Mortgage Capital, Inc. ("DLJ") and Credit Suisse Securities (USA) LLC ("Credit Suisse") with regard to six first lien U.S. RMBS transactions insured by them. The four 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;
- CMSC Mortgage-Backed Pass Through Certificates, Series 2007-3.

The complaint alleges breaches of R&W by DLJ in respect of the underlying loans in the transactions, breaches of contract by DLJ and Credit Suisse in procuring falsely inflated shadow ratings (a condition to the issuance by AGC and AGM of its policies) by providing false and misleading information to the rating agencies, and failure by DLJ to cure or repurchase defective loans identified by AGM and AGC.

In February 2012, AGM filed a complaint in the Supreme Court of the State of New York against UBS Real Estate Securities Inc. with respect to three first lien U.S. RMBS transactions it had insured:

- MASTR Adjustable Rate Mortgages Trust 2006-OA2;

NOTES TO FINANCIAL STATEMENTS

- MASTR Adjustable Rate Mortgages Trust 2007-1; and
- MASTR Adjustable Rate Mortgages Trust 2007-3.

The complaint alleges breaches of R&W by UBS Real Estate in respect of the underlying loans in the transactions, breaches of UBS Real Estate's repurchase obligations with respect to the defective loans identified by AGM, and breaches of contract by UBS Real Estate in procuring falsely inflated shadow ratings (a condition to the issuance by AGM of its policies) by providing false and misleading information to the ratings agencies concerning the underlying loans in the transactions.

On May 8, 2012, Assured Guaranty reached a settlement with Deutsche Bank AG and certain of its affiliates (collectively "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. As part of the settlement agreement (the "Deutsche Bank Agreement"), AGM will dismiss a lawsuit it has filed against Deutsche Bank involving the following RMBS transaction:

- IndyMac Home Equity Loan Trust 2007-H1

The Deutsche Bank Agreement does not resolve the litigation file by AGM against Deutsche Bank regarding the ACE Securities Corp. Home Equity Loan Trust, Series 2006-GP1 securitization transaction, which involves second lien mortgage loans originated by a third party.

Public Finance Transactions

In June 2010, AGM sued JPMorgan Chase Bank, N.A. and JPMorgan Securities, Inc. (together, "JPMorgan"), the underwriter of debt issued by Jefferson County, in the Supreme Court of the State of New York alleging that JPMorgan induced AGM to issue its insurance policies in respect of such debt through material and fraudulent misrepresentations and omissions, including concealing that it had secured its position as underwriter and swap provider through bribes to Jefferson County commissioners and others. In December 2010, the court denied JPMorgan's motion to dismiss. AGM has filed a motion with the Jefferson County bankruptcy court to confirm that continued prosecution of the lawsuit against JPMorgan will not violate the automatic stay applicable to Jefferson County notwithstanding JPMorgan's interpleading of Jefferson County into the lawsuit. AGM is continuing its risk remediation efforts for this exposure.

In September 2010, AGM, together with TD Bank, National Association and Manufacturers and Traders Trust Company, as trustees, filed a complaint in the Court of Common Pleas of Dauphin County, Pennsylvania 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, alleging, among other claims, breach of contract by both The Harrisburg Authority and The City of Harrisburg, and seeking remedies including an order of mandamus compelling the City to satisfy its obligations on the defaulted bonds and notes and the appointment of a receiver for The Harrisburg Authority. Acting on its own, the City Council of Harrisburg filed a purported bankruptcy petition for the City in October 2011, which petition and a subsequent appeal were dismissed by the bankruptcy judge in November 2011. The City Council has appealed the dismissal of the appeal. As a result of the dismissal, however, the actions brought by AGM and the trustees against The City of Harrisburg and The Harrisburg Authority are no longer stayed. A receiver for The City of Harrisburg (the "City Receiver") was appointed by the Commonwealth Court of Pennsylvania in December 2011. The City Receiver filed a motion to intervene in the mandamus action and action for the appointment of a receiver for the resource recovery facility. 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 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

Effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards ("FAS") 157, "Fair Value Measurements." FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Fair Value Hierarchy

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

FAS 157 specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from an independent source, while unobservable inputs reflect Company estimates of market assumptions. In accordance with FAS 157, the fair value hierarchy model inputs into three broad levels as follows:

- Level 1 – Quoted prices for identical instruments in active markets
- Level 2 – Quoted process 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 our corroborated by observable market inputs
- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are not observable. The hierarchy requires the use of observable market data when available.

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. The following fair value hierarchy table presents information about the Company's asset measured at fair value as of March 31, 2012.

As of March 31, 2012	Level 1	Level 2	Level 3	TOTAL
Bonds	-	-	\$1,095,696	\$1,095,696
Stocks	\$57,839	-	-	\$57,839
TOTAL	\$57,839	-	\$1,095,696	\$1,153,535

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.

NOTES TO FINANCIAL STATEMENTS

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. Such quotes generally consider a variety of factors, including recent trades of the same and similar securities. If quoted market prices are not available, the valuation is based on pricing models that use dealer price quotations, price activity for traded securities with similar attributes and other relevant market factors as inputs, including security type, rating, vintage, tenor and its position in the capital structure of the issuer. The Company considers security prices from pricing services, index providers or broker-dealers to be Level 2 in the fair value hierarchy. Prices determined based upon model processes where at least one significant model assumption or input is unobservable, are considered to be Level 3 in the fair value hierarchy.

Broker-dealer quotations obtained to price securities are generally considered to be indicative and are non-actionable (i.e. non-binding).

The Company did not make any internal adjustments to prices provided by its third party pricing service.

Stocks

The Company's stocks are comprised primarily of investments in subsidiaries. Investments in subsidiaries are recorded in compliance with SSAP97.

- 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 period:

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	\$687,530	\$1,095,696	\$687,530	-	-	-	-	-	-	\$1,095,696
TOTAL	\$687,530	\$1,095,696	\$687,530	-	-	-	-	-	-	\$1,095,696

- 3 Policy on Transfers Into and Out of Level 3

Transfers between Levels 1, 2 and 3 are recognized at the beginning of the period when the transfers occur. The Company reviews the classification between Levels 1, 2 and 3 quarterly, based on the definition provided, whether a transfer is necessary. There were no transfers between Level 1 and Level 2 during the period presented.

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

Prices determined based upon model processes where at least one significant model assumption or input is unobservable are considered to be Level 3 in the fair value hierarchy. Level 3 securities were priced with the assistance of an independent third party. The pricing is based on a discounted cash flow approach using both Intex Solutions Inc. and the third party's 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 March 31, 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	\$2,934,655	\$2,841,187	\$ -	\$2,515,797	\$418,858
Common stocks	58	58	58	-	-
Cash equivalents and short-term investments	438,651	438,651	264,361	174,291	-
Other invested assets	<u>337,082</u>	<u>337,082</u>	<u>37,082</u>	<u>-</u>	<u>300,000</u>
Total assets	<u>\$3,710,446</u>	<u>\$3,616,978</u>	<u>\$301,501</u>	<u>\$2,690,088</u>	<u>\$718,858</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 March 31, 2012, the Company had uncollected premiums of \$24,757,986. Uncollected premiums more than 90 days past due were \$2,244,549.

NOTES TO FINANCIAL STATEMENTS

G. Subprime Mortgage-Related Exposure

(1) – (3) Not applicable.

(4) Underwriting Exposure

First Quarter-End 2011 U.S. Residential Mortgage-Backed Securities (“RMBS”) Loss Projections

The shape of the RMBS loss projection curves used by the Company assume that the housing and mortgage markets will eventually improve. The Company retained the same general shape of the RMBS loss projection curves at March 31, 2012 as December 31, 2011, reflecting the Company’s view, based on its observation of continued elevated levels of early stage delinquencies, that the housing and mortgage market recovery is occurring at a slower than previously expected pace.

The scenarios the Company used to project RMBS collateral losses for second lien RMBS transactions at March 31, 2012 were essentially the same as those it used at December 31, 2011, except that based on its observation of the continued elevated levels of early stage delinquencies, as noted above, the Company retained the same general shape of its RMBS loss projection curves. This had the effect of reflecting a slower recovery in the housing market than had been assumed at December 31, 2011.

The Company used the same general approach to project RMBS collateral losses for first lien RMBS transactions at March 31, 2012 as it did at December 31, 2011, except that, as noted above, based on its observation of the continued elevated levels of early stage delinquencies, the Company retained the same general shape of its RMBS loss projection curves. This had the effect of reflecting a slower recovery in the housing market than had been assumed at December 31, 2011.

The Company also used generally the same methodology to project the credit received for recoveries in R&W at March 31, 2012 as December 31, 2011. The primary differences relate to the refinement of the calculation of benefits due to potential agreements with R&W providers with which it is having discussions.

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

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. Both first lien RMBS and 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, particularly those originated in the period from 2005 through 2007, 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 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 key assumptions used in the calculation of estimated expected loss to be paid for direct vintage 2004 - 2008 second lien U.S. RMBS.

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

<u>HELOC Key Variables</u>	<u>As of March 31, 2012</u>	<u>As of December 31, 2011</u>
Plateau conditional default rate.....	3.3 – 26.3%	4.0 – 27.4%
Final conditional default rate trended down to.....	0.4 – 3.2%	0.4 – 3.2%
Expected period until final conditional default rate.....	36 months	36 months
Initial conditional prepayment rate.....	2.6 – 15.1%	1.4 – 25.8%
Final conditional prepayment rate.....	10%	10%
Loss severity.....	98%	98%
Initial draw rate.....	0.0 – 7.8%	0.0 – 15.3%
	<u>As of March 31, 2012</u>	<u>As of December 31, 2011</u>
<u>Closed end second lien Key Variables</u>		
Plateau conditional default rate.....	15.4 – 25.0%	16.9 – 29.5%
Final conditional default rate trended down to.....	3.3 – 8.6%	3.3 – 8.6%
Expected period until final conditional default rate.....	36 months	36 months
Initial conditional prepayment rate.....	1.3 – 7.4%	1.6 – 5.1%
Final conditional prepayment rate.....	10%	10%
Loss severity.....	98%	98%

(1) Represents assumptions 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 12 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 conditional default rate. The first four months’ conditional default rate is calculated by applying the liquidation rates to the current period past due balances (i.e., the 150-179 day

NOTES TO FINANCIAL STATEMENTS

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 conditional default rate 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 conditional default rates is then used as the basis for the plateau period that follows the embedded five months of losses.

As of March 31, 2012, for the base case scenario, the conditional default rate (the "plateau conditional default rate") was held constant for one month. Once the plateau period has ended, the conditional default rate is assumed to gradually trend down in uniform increments to its final long-term steady state conditional default rate. In the base case scenario, the time over which the conditional default rate trends down to its final conditional default rate 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 conditional default rate. This is the same as December 31, 2011. The long-term steady state conditional default rates are calculated as the constant conditional default rates 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 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 conditional default rate 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 conditional prepayment rate is assumed to continue until the end of the plateau before gradually increasing to the final conditional prepayment rate over the same period the conditional default rate decreases. For transactions where the initial conditional prepayment rate is higher than the final conditional prepayment rate, the initial conditional prepayment rate is held constant. The final conditional prepayment rate 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 conditional prepayment rate at 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 1.5% in all but one instance where the final draw rate was 3.9%.

In estimating loss reserves, the Company modeled and probability weighted three possible conditional default rate curves applicable to the period preceding the return to the long-term steady state conditional default rate, the same three scenarios and weightings as December 31, 2011. Given that draw rates have been reduced to levels below the historical average and that loss severities in these products have been higher than anticipated at inception, the Company believes that the level of the elevated conditional default rate 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.

At March 31, 2012, the Company's base case assumed a one month conditional default rate plateau and a 30 month ramp-down (for a total stress period of 36 months), the same as December 31, 2011. Increasing the conditional default rate plateau to four months and keeping the ramp-down at 30-months (for a total stress period of 39 months) would increase the expected loss by approximately \$25.9 million for HELOC transactions and \$5.8 million for closed end second lien transactions. On the other hand, keeping the conditional default rate plateau at one month but decreasing the length of the conditional default rate ramp-down to a 24 month assumption (for a total stress period of 30 months) would decrease the expected loss by approximately \$20.4 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, particularly those originated in the period from 2005 through 2007 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). An increase in non-performing loans beyond that projected in the previous period is 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 in Loan Performance and assumptions about how delays in the foreclosure process may ultimately affect the rate at which loans are liquidated. The Loan Performance securities databases, provided by CoreLogic, Inc., are said to be the industry's largest and most comprehensive and include loan-level data on more than \$2.2 trillion in mortgage-backed and asset-backed securities (more than 90% of the market) as well as analytical tools designed to help evaluate that data. 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 March 31, 2012 as it did for December 31, 2011. The following table shows liquidation assumptions for various delinquency categories.

NOTES TO FINANCIAL STATEMENTS

First Lien Liquidation Rates

	As of March 31, 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 conditional default rate trend. The start of that conditional default rate 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 conditional default rate (*i.e.*, the conditional default rate 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 conditional default rate thus calculated individually on the delinquent collateral pool for each RMBS is then used as the starting point for the conditional default rate curve used to project defaults of the presently performing loans.

In the base case, each transaction's conditional default rate is projected to improve over 12 months to an intermediate conditional default rate (calculated as 20% of its conditional default rate plateau); that intermediate conditional default rate is held constant for 36 months and then trails off in steps to a final conditional default rate of 5% of the conditional default rate 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 conditional default rate 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 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 March 31, 2012 were the same as it used for December 31, 2011.) The Company then assumes that loss severities begin returning to levels consistent with underwriting assumptions beginning in March 2013, and in the base case scenario, decline over two years to 40%.

The following table shows the key assumptions used in the calculation of expected loss to be paid for direct vintage 2004 - 2008 first lien U.S. RMBS.

Key Assumptions in Base Case Expected Loss Estimates First Lien RMBS

	As of March 31, 2012	As of December 31, 2011
Alt-A First Lien		
Plateau conditional default rate.....	5.5% – 33.9%	5.7% – 41.3%
Intermediate conditional default rate.....	1.1% – 6.8%	1.1% – 8.3%
Final conditional default rate.....	0.3% – 1.7%	0.3% – 2.1%
Initial loss severity.....	65%	65%
Initial conditional prepayment rate.....	0.0% – 9.4%	0.0% – 15.2%
Final conditional prepayment rate.....	15%	15%
Option ARM		
Plateau conditional default rate.....	9.7% – 32.2%	11.7% – 31.5%
Intermediate conditional default rate.....	1.9% – 6.4%	2.3% – 6.3%
Final conditional default rate.....	0.5% – 1.6%	0.6% – 1.6%
Initial loss severity.....	65%	65%
Initial conditional prepayment rate.....	0.1% – 5.3%	0.3% – 10.8%
Final conditional prepayment rate.....	15%	15%
Subprime		
Plateau conditional default rate.....	8.1% – 24.8%	10.4% – 29.9%
Intermediate conditional default rate.....	1.6% – 5.0%	2.1% – 6.0%
Final conditional default rate.....	0.5% – 1.5%	0.5% – 1.5%
Initial loss severity.....	90%	90%
Initial conditional prepayment rate.....	0.0% – 7.9%	0.0% – 10.6%
Final conditional prepayment rate.....	15%	15%

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 and the loan balance over time) as well as the amount of excess spread (the amount by which the interest paid by the

NOTES TO FINANCIAL STATEMENTS

borrowers on the underlying loan exceeds the amount of interest owed on the insured obligations). The assumption for the conditional prepayment rate 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 conditional prepayment rate, which is assumed to be either 10% or 15% depending on the scenario run. For transactions where the initial conditional prepayment rate is higher than the final conditional prepayment rate, the initial conditional prepayment rate 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 conditional prepayment rates and the speed of recovery of loss severity rates. The Company probability weighted a total of five scenarios (including its base case) at March 31, 2012, the same as 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%), expected loss to be paid would increase from current projections by approximately \$11.5 million for Alt-A first liens, \$13.7 million for Option ARM, \$63.2 million for subprime and \$0.0 million for prime transactions. In an even more stressful scenario where other loss severities were assumed to recover over eight years (and subprime severities were assumed to recover only to 60% and other assumptions were the same as the other stress scenario), loss reserves would increase from current projections by approximately \$29.5 million for Alt-A first liens, \$28.1 million for Option ARM, \$88.5 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 (the same scenario used for the base case at December 31, 2010), expected loss to be paid would decrease from current projections by approximately \$2.5 million for Alt-A first lien, \$14.9 million for Option ARM, \$12.2 million for subprime and \$0.0 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, loss reserves would decrease from current projections by approximately \$10.8 million for Alt-A first lien, \$32.6 million for Option ARM, \$23.4 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 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 net loss reserves as of March 31, 2012 an estimated benefit from loan repurchases related to breaches of R&W of \$697.3 million, which includes amounts from Bank of America. Where the Company has an agreement with an R&W provider (e.g., the Bank of America Agreement) or, where potential recoveries may be higher due to settlements, that benefit is based on the agreement or probability of a potential agreement. For other transactions, the amount of benefit recorded as a reduction of loss reserves was calculated by extrapolating each transaction's breach rate on defaulted loans to projected defaults and applying a percentage of the recoveries the Company believes it will receive. 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 reserves. 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 pursuant to legal settlements. See "- Recovery Litigation" in Note 14 Contingencies for a description of the related legal proceedings the Company has commenced.

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. The Company did not include any recoveries related to breaches of R&W in amounts greater than the losses it paid or expected to pay under any given cash flow scenario. These scenarios were probability weighted in order to determine the recovery incorporated into the Company's loss reserves. This approach was used for both loans that had already defaulted and those assumed to default in the future. As noted above, in circumstances where potential recoveries may be higher due to settlements, the recovery assumption is based on the probability of the potential agreement.

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 projected settlements 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 March 31, 2012, cumulative collateral losses on the 12 first lien RMBS transactions 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 \$2.1 billion. The Company estimates that cumulative projected collateral losses for these first lien transactions will be \$4.5 billion, which will result in estimated gross loss reserves to the Company of \$323.9 million before considering R&W recoveries from Bank of America, and \$64.8 million after considering such R&W recoveries, all on a discounted basis. The Bank of America Agreement covers cumulative collateral losses up to \$6.6 billion for these transactions. As of March 31, 2012, and before cessions to reinsurers, Assured Guaranty had collected \$76.3 million, sent invoices for an additional \$13.9 million in claims paid in March 2012 and expected to collect an additional \$250.8 million, on a discounted basis, for covered first lien transactions under the Bank of America Agreement. Bank of America had placed approximately \$1.0 billion of eligible assets in trust in order to collateralize the reimbursement obligation. The amount of assets required to be posted may increase or decrease from time to time as determined by rating agency requirements.

On May 8, 2012, Assured Guaranty reached a settlement with Deutsche Bank AG and certain of its affiliates (collectively "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. As part of the settlement agreement (the "Deutsche Bank Agreement"), Assured Guaranty has settled its litigation against Deutsche Bank on three RMBS transactions, one of which was insured by AGM. See note 14, Recovery Litigation – RMBS Transactions, for information about the RMBS transaction subject to the settlement.

The Deutsche Bank Agreement provides for Assured Guaranty to receive a cash payment of \$165.6 million from Deutsche Bank upon signing, a portion of which will partially reimburse Assured Guaranty for past losses on certain transactions. Assured Guaranty and Deutsche Bank have also entered into loss sharing arrangements covering future RMBS related losses, which are described below. Under the Deutsche Bank Agreement, Deutsche Bank AG will place approximately \$282.7 million of eligible assets in trust in order to collateralize the obligations of a reinsurance affiliate

NOTES TO FINANCIAL STATEMENTS

under the loss-sharing arrangements, and the Deutsche Bank reinsurance affiliate may post additional collateral in the future to satisfy rating agency requirements.

Included in the settlement are eight RMBS transactions ("Covered Transactions") that Assured Guaranty has insured through financial guaranty insurance policies. 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 \$165.6 million cash payment) reach \$318.8 million. Assured Guaranty currently projects that the Covered Transactions will not generate aggregate losses in excess of \$318.8 million. In the event aggregate losses exceed \$388.8 million, the reinsurance affiliate is required to resume reimbursement at the rate of 85% of Assured Guaranty's losses in excess of \$388.8 million until such losses reach \$600.0 million. The Covered Transactions represented \$581 million of gross par outstanding as of April 25, 2012.

Certain uninsured tranches ("Uninsured Tranches") of three of the Covered Transactions are included as collateral in RMBS re-securitization transactions. Under the Deutsche Bank Agreement, the Deutsche Bank reinsurance affiliate will reimburse losses in an amount equal to 60% of losses in these Uninsured Tranches until the aggregate losses in the Uninsured Tranches reach \$141.1 million. Assured Guaranty currently projects that the Uninsured Tranches will not generate losses in excess of \$141.1 million. In the event aggregate losses exceed \$161.1 million, reimbursement resumes at the rate of 60% until the aggregate losses reach \$185.1 million. The reinsurance affiliate is required to reimburse any losses in excess of \$185.1 million at the rate of 100% until the aggregate losses reach \$247.8 million. The Uninsured Tranches represent \$337 million of gross par outstanding as of April 25, 2012.

The terms of the Deutsche Bank settlement were largely reflected in the Company's 2011 loss reserves.

Other Notable Loss or Claim Transactions

The Company projects losses on, or is monitoring particularly closely, a number of other individual transactions, the most significant of which are described in the following paragraphs.

As of March 31, 2012 the Company had exposure to sovereign debt of Greece through financial guarantees of €105.5 million of debt (€68.8 million on a net basis) due in 2037 with a 4.5% fixed coupon and €36.2 million of inflation-linked debt (€23.6 million on a net basis) due in 2057 with a 2.085% coupon. On February 24, 2012, Greece announced the terms of exchange offers and consent solicitations that requested the voluntary participation by holders of certain Greek bonds, including the insured 2037 and 2057 bonds, in an exchange that would result in the cancellation of such bonds in exchange for a package of replacement securities with lower principal amounts, and requested the consent of holders to amendments of the bonds that could be used to impose the same terms on holders that do not voluntarily participate in the exchange. In March 2012, the exchange was imposed through collective action clauses on the Company's exposure to the 2037 bonds. In April 2012, Assured Guaranty consented to the exchange with respect to its exposure on the 2057 bonds. The exchanges have caused the Company to recognize a loss reserve of \$226.5 million gross of reinsurance and \$147.9 million net of reinsurance as of March 31, 2012, an increase from the equivalent amounts of \$24.5 million gross of reinsurance and \$16.0 million net of reinsurance as of December 31, 2011.

The Company has net exposure to Jefferson County, Alabama of \$186.9 million. On November 9, 2011, Jefferson County filed for bankruptcy under Chapter 9 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Alabama (Southern Division).

Most of the Company's net exposure relates to \$81.8 million of warrants issued by Jefferson County in respect of its sewer system. Jefferson County's sewer revenue warrants are secured by a pledge of the net revenues of the sewer system, and the bankruptcy court has affirmed that the net revenues constitute "special revenue" under Chapter 9. Therefore, the net revenues of the sewer system are not subject to an automatic stay during the pendency of the County's bankruptcy case. However, whether sufficient net revenues will be made available for the payment of regularly scheduled debt service will be a function of the bankruptcy court's determination of "necessary operating expenses" under the bankruptcy code and the valuation of the sewer revenue stream which the bankruptcy court ultimately approves. The Company has loss reserves of \$4.5 million as of March 31, 2012 and \$4.9 million as of December 31, 2011 on the sewer revenue warrants, which is an estimate based on a number of probability-weighted scenarios.

The Company's remaining net exposure of \$105.2 million relates to bonds issued by Jefferson County that are secured by, or payable from, certain revenues, taxes or lease payments that may have the benefit of a statutory lien or a lien on "special revenues" or other collateral. The Company has no loss reserve as of March, 31 2012 and December 31, 2011 on these bonds.

The Company expects that bondholder rights will be enforced. However, due to the early stage of the bankruptcy proceeding, and the circumstances surrounding Jefferson County's debt, the nature of the action is uncertain. The Company will continue to analyze developments in the matter closely.

The Company had loss reserves of \$6.7 million as of December 31, 2011 on a transaction backed by revenues generated by telephone directory "yellow pages" (both print and digital) in various jurisdictions with a net par of \$51.0 million and guaranteed by Ambac Assurance Corporation ("Ambac"). As of March 31, 2012 the Company had purchased all of the net outstanding insured bonds in this transaction.

The Company insures a total of \$156.9 million net par of securities backed by manufactured housing loans, a total of \$90.9 million rated below investment grade ("BIG"). The Company has loss reserves of \$8.8 million as of March 31, 2012 compared to \$9.5 million as of December 31, 2011 on two direct transactions from 2000-2001 with an aggregate net par of \$93.5 million.

The Company has \$82.5 million of net par exposure to The City of Harrisburg, Pennsylvania, of which \$47.6 million is BIG. The Company has paid \$4.9 million in net claims to date, and expects a full recovery.

The following summarizes U.S. subprime loss activity:

- a. The aggregate amount of U.S. subprime related net losses paid in the first three months of 2012 were \$4,270,533;
- b. The aggregate amount of U.S. subprime related net losses incurred in the first three months of 2012 was \$22,594,120;
- c. The aggregate amount of U.S. subprime related net case reserves at the end of the current reporting period were \$83,047,002, and
- d. The Company does not establish IBNR reserves.

22. Events Subsequent

Subsequent events have been considered through May 15, 2012 for these statutory financial statements which are to be issued May 15, 2012. There were no material events occurring subsequent to March 31, 2012 that have not already been disclosed in these notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

Reinsurance Assumed and Ceded

The following table summarizes ceded and assumed unearned premiums and the related commission equity at March 31, 2012.

	Assumed		Ceded		Net	
	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity
Affiliates	\$ 369,820,551	\$ 110,946,165	\$ 1,304,882,821	\$ 391,464,846	\$ (935,062,270)	\$ (280,518,681)
Non Affiliates	2,257,472	677,242	278,996,668	83,699,000	(276,739,196)	(83,021,758)
Total	\$ 372,078,023	\$ 111,623,407	\$ 1,583,879,489	\$ 475,163,846	\$ (1,211,801,466)	\$ (363,540,439)
Direct Unearned Premium Reserve \$2,678,184,425						

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

There has been no change since the 2011 Annual Statement.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss expenses attributable to insured events of prior years were \$113,760,121 for the first quarter 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 \$282,891,767 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 \$119,840,394.

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 March 31, 2012:

<i>Dollars in thousands</i>	Surveillance Categories			
	BIG 1	BIG 2	BIG 3	Total
Number of risks	75	29	60	164
Remaining weighted-average contract period (in years)	7.9	10.5	5.9	7.7
Insured contractual payments outstanding:				
Principal	\$6,497,471	\$3,099,398	\$5,146,510	\$14,743,379
Interest	2,129,721	1,921,974	1,331,838	5,383,532
Total	\$8,627,192	\$5,021,372	\$6,478,348	\$20,126,911
Gross claim liability	\$ 81,621	\$1,625,486	\$1,751,509	\$3,458,616
Less: Gross potential recoveries - subrogation	221,577	844,246	1,615,370	2,681,193
Ceded claim liability	(74,207)	328,028	131,897	385,718
Discount, net	(1,185)	140,771	(19,746)	119,840
Net liability reported in the balance sheet	<u>\$(64,564)</u>	<u>\$312,441</u>	<u>\$ 23,988</u>	<u>\$ 271,865</u>
Reinsurance recoverables	\$1,433	\$21,576	\$44,892	\$67,901
Unearned premium reserve	\$47,835	\$3,656	\$7,362	\$58,853

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 [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007
- 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 Insurance Department.....
- 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: \$

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	\$ 524,583,984
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	\$ 524,583,984
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 [X] 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 [X]

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 Management 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 [X] No []

17.2 If no, list exceptions:

.....

STATEMENT AS OF MARCH 31, 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	1,034,912			15,428,302	1,715,242
2. Alaska	AK L		0			0	0
3. Arizona	AZ L	516,992	432,046			0	0
4. Arkansas	AR L	388,104	0			0	0
5. California	CA L	2,013,059	4,621,510	4,413,528	5,604,718	20,330,641	40,893,080
6. Colorado	CO L	1,023,058	9,458	(384,909)	0	0	0
7. Connecticut	CT L	984,405	0	1,974,285	2,871,090	(68,022,855)	(35,834,032)
8. Delaware	DE L	(1,484,742)	8,108,494	16,882,500	44,077,021	73,274,029	(485,043,121)
9. District of Columbia	DC L	44,858	45,349			0	0
10. Florida	FL L	985,060	924,234			1,416,548	0
11. Georgia	GA L	121,950	237,899		2,244,829		35,581,950
12. Hawaii	HI L	56,525	58,084		0	0	0
13. Idaho	ID L		180,649		0	0	0
14. Illinois	IL L	1,107,879	1,624,246		0	0	0
15. Indiana	IN L		232,901		0	0	0
16. Iowa	IA L		0		0	0	0
17. Kansas	KS L	87,552	90,915		0	0	0
18. Kentucky	KY L	166,000	0		0	0	0
19. Louisiana	LA L	490,044	427,139		0	0	0
20. Maine	ME L		18,000		0	0	0
21. Maryland	MD L	(316,475)	724,422	50,621,073	55,562,142	101,085,382	324,096,871
22. Massachusetts	MA L	185,375	833,140	(2,572,351)	8,460,576	(29,533,035)	(23,224,263)
23. Michigan	MI L	709,369	114,426		0	0	0
24. Minnesota	MN L	89,487	109,511	8,903,931	22,942,812	(97,161,219)	(64,276,037)
25. Mississippi	MS L	234,338	253,198		0	0	0
26. Missouri	MO L	61,006	27,040		0	0	0
27. Montana	MT L		0		0	0	0
28. Nebraska	NE L		0		0	0	0
29. Nevada	NV L		(705)		0	0	0
30. New Hampshire	NH L		0		0	0	0
31. New Jersey	NJ L	1,602,840	992,683		684,406	24,052,000	25,261,800
32. New Mexico	NM L	48,000	18,098		0	0	0
33. New York	NY L	18,817,392	39,290,474	29,666,278	46,153,888	283,304,641	247,025,774
34. North Carolina	NC L	7,215	8,185		0	0	0
35. North Dakota	ND L		0		0	0	0
36. Ohio	OH L	1,084,163	129,453		0	0	0
37. Oklahoma	OK L	19,949	135,153		0	0	0
38. Oregon	OR L		0		0	0	0
39. Pennsylvania	PA L	3,915,579	2,838,132	1,401,950	0	(8,867,255)	(3,396,824)
40. Rhode Island	RI L		0		0	0	0
41. South Carolina	SC L	48,639	320,706		0	0	0
42. South Dakota	SD L		0		0	0	0
43. Tennessee	TN L	23,238	153,934		0	0	0
44. Texas	TX L	8,145,351	1,966,168		0	0	0
45. Utah	UT L	381,398	69,549		0	0	0
46. Vermont	VT L	(20,068)	6,569		0	0	0
47. Virginia	VA L	86	102		0	0	0
48. Washington	WA L	161,044	0		0	0	0
49. West Virginia	WV L		0		0	0	0
50. Wisconsin	WI L	1,090,187	61,828		0	0	0
51. Wyoming	WY L		0		0	0	0
52. American Samoa	AS N		0		0	0	0
53. Guam	GU N		0		0	0	0
54. Puerto Rico	PR L	815	9,268,970		0	0	0
55. U.S. Virgin Islands	VI N		0		0	0	0
56. Northern Mariana Islands	MP N		0		0	0	0
57. Canada	CN N	371,833	0		0	0	0
58. Aggregate Other Alien	OT XXX	2,145,454	2,994,300	8,115,833	1,061,833	(49,826)	7,909,244
59. Totals	(a) 52	45,805,166	78,361,172	119,022,118	189,663,315	315,257,353	70,709,684
DETAILS OF WRITE-INS							
5801. Australia	XXX	560,572	588,431		0		
5802. Bermuda	XXX		178				
5803. Chile	XXX	(20,181)	37,646				
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	1,605,063	2,368,045	8,115,833	1,061,833	(49,826)	7,909,244
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	2,145,454	2,994,300	8,115,833	1,061,833	(49,826)	7,909,244

(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

No significant change since prior year end.

STATEMENT AS OF MARCH 31, 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						FSA Mexico Holdings Inc	NY	DS	Assured Guaranty Municipal Insurance Co	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		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		52-1533088				Assured Guaranty Corp	MD	DS	Assured Guaranty US Holdings Inc	Ownership	100.0	Assured Guaranty Ltd	
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		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						AGFP Holdings LLC	DE	DS	AG PFC Holding LLC	Ownership	100.0	Assured Guaranty Ltd	

12

Asterisk	Explanation
----------	-------------

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	87,301,523	36,217,622	41.5	(213.3)
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	87,301,523	36,217,622	41.5	(213.3)
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	45,805,166	45,805,166	78,361,172
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	45,805,166	45,805,166	78,361,172
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 MARCH 31, 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	70,191		70,191	139,508			139,508	3,093	0	3,093
2. 2010	(27,063)		(27,063)	1,947	0	1,947	(14,545)			(14,545)	14,465	0	14,465
3. Subtotals 2010 + prior	179,543	0	179,543	72,138	0	72,138	124,963	0	0	124,963	17,558	0	17,558
4. 2011	32,499		32,499	(28,754)		(28,754)	157,455			157,455	96,202	0	96,202
5. Subtotals 2011 + prior	212,042	0	212,042	43,384	0	43,384	282,418	0	0	282,418	113,760	0	113,760
6. 2012	XXX	XXX	XXX	XXX	0	0	XXX	474		474	XXX	XXX	XXX
7. Totals	212,042	0	212,042	43,384	0	43,384	282,418	474	0	282,892	113,760	0	113,760
8. Prior Year-End Surplus As Regards Policyholders	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. 53.6	2. 0.0	3. 53.6
													Col. 13, Line 7 Line 8
													4. 9.4

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES





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

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

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.....		0	23,846
3705. Tax & Loss Bonds.....		19,054,183	0
3797. Summary of remaining write-ins for Line 37 from Page 04	0	19,054,183	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. France.....	.XXX		0				
5805. United Kingdom.....	.XXX	118,165	161,045				
5806. Jersey Islands.....	.XXX	274,432	274,432				
5807. Japan.....	.XXX		19,208				
5808. Cayman Islands.....	.XXX	1,197,397	1,890,720	8,115,833	1,061,833	(49,826)	7,909,244
5809. Mexico.....	.XXX		7,189				
5810. New Zealand.....	.XXX	15,069	15,451				
5897. Summary of remaining write-ins for Line 58 from Page 10	.XXX	1,605,063	2,368,045	8,115,833	1,061,833	(49,826)	7,909,244

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	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	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	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	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	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	0	19,054,183
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	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	294,609,351	1,162,879,941
3. Accrual of discount	11,681,516	30,047,077
4. Unrealized valuation increase (decrease)	(101,641,564)	170,508,821
5. Total gain (loss) on disposals	4,979,195	2,969,781
6. Deduct consideration for bonds and stocks disposed of	237,732,982	1,027,948,345
7. Deduct amortization of premium	2,784,043	7,519,620
8. Total foreign exchange change in book/adjusted carrying value	14,806	(3,138)
9. Deduct current year's other than temporary impairment recognized	8,022,732	51,445,192
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,365,828,803	3,404,725,256
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	3,365,828,803	3,404,725,256

STATEMENT AS OF MARCH 31, 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).....	2,789,150,689	548,137,122	337,164,567	(5,101,115)	2,995,022,129	0	0	2,789,150,689
2. Class 2 (a).....	31,653,302		1,041,311	(27,435)	30,584,556	0	0	31,653,302
3. Class 3 (a).....	33,754,780			(28,684,682)	5,070,098	0	0	33,754,780
4. Class 4 (a).....	17,822,676			28,474,643	46,297,319	0	0	17,822,676
5. Class 5 (a).....	0			1,095,696	1,095,696	0	0	0
6. Class 6 (a).....	179,975,289	17,946,271	1,267,714	5,114,820	201,768,666	0	0	179,975,289
7. Total Bonds	3,052,356,736	566,083,393	339,473,592	871,927	3,279,838,464	0	0	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	3,052,356,736	566,083,393	339,473,592	871,927	3,279,838,464	0	0	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 \$264,585,557 ; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

S102

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	150,191,916	XXX	150,182,370	118,159	

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	117,958,543	260,148,704
3. Accrual of discount	11,789	29,109
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals	(231)	361,626
6. Deduct consideration received on disposals	100,489,619	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).....	150,191,916	132,727,769
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	150,191,916	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	153,524,727	1,213,209,307
3. Accrual of discount	1,738	51,223
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals.....	(41)	95
6. Deduct consideration received on disposals	6,229,914	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)	288,459,573	141,163,063
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	288,459,573	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 MARCH 31, 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. Governments									
912828-RG-7	US Treasury N/B-W/I		03/01/2012	INTERCOMPANY TRANSFER FSI		794,273	800,000	923	1
0599999 - Bonds - U.S. Governments						794,273	800,000	923	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
416415-AP-2	HARTFORD CT		03/23/2012	US BANCORP PIPER JAFFRAY		2,768,875	2,500,000		1FE
416415-AQ-0	HARTFORD CT		03/23/2012	US BANCORP PIPER JAFFRAY		2,746,975	2,500,000		1FE
416415-AV-9	HARTFORD CT		03/23/2012	Goldman Sachs		675,956	625,000		1FE
416415-AW-7	HARTFORD CT		03/23/2012	Goldman Sachs		377,342	350,000		1FE
416415-BJ-5	HARTFORD CT		03/23/2012	US BANCORP PIPER JAFFRAY		1,231,459	1,095,000		1FE
484873-LC-6	KANSAS CITY MO		03/09/2012	MRBEAL & CO		1,508,750	1,250,000		1FE
542433-NQ-6	Long Beach CA USD		03/09/2012	CITIGROUP GLOBAL MARKETS		6,821,543	5,855,000		1FE
542433-NS-2	Long Beach CA USD		03/09/2012	CITIGROUP GLOBAL MARKETS		10,899,405	9,495,000		1FE
725277-EQ-6	Pittsburgh PA GO		03/07/2012	JANNEY		7,960,028	7,025,000		1FE
725277-ER-4	Pittsburgh PA GO		03/07/2012	JANNEY		6,200,755	5,500,000		1FE
744829-CL-4	PUEBLO CNTY CO COPS		02/17/2012	Goldman Sachs		1,558,239	1,335,000		1FE
744829-CM-2	PUEBLO CNTY CO COPS		02/17/2012	Goldman Sachs		671,918	580,000		1FE
744829-CN-0	PUEBLO CNTY CO COPS		02/17/2012	Goldman Sachs		1,914,450	1,665,000		1FE
744829-CP-5	PUEBLO CNTY CO COPS		02/17/2012	Goldman Sachs		1,997,170	1,750,000		1FE
74514L-D2-0	PUERTO RICO CMWLTH		03/08/2012	Goldman Sachs		65,000,000	65,000,000		1FE
74514L-D5-3	PUERTO RICO CMWLTH		03/08/2012	Goldman Sachs		4,939,900	5,000,000		1FE
74514L-D6-1	PUERTO RICO CMWLTH		03/08/2012	Goldman Sachs		4,893,750	5,000,000		1FE
74514L-D7-9	PUERTO RICO CMWLTH		03/08/2012	Goldman Sachs		4,915,150	5,000,000		1FE
74514L-D8-7	PUERTO RICO CMWLTH		03/08/2012	Goldman Sachs		11,204,006	11,520,000		1FE
777543-UF-4	ROSEMONT IL		03/22/2012	Goldman Sachs		2,940,900	3,000,000		1FE
777543-UK-3	ROSEMONT IL		03/22/2012	Goldman Sachs		3,436,125	3,500,000		1FE
942860-PK-7	WAUKEGAN IL		01/27/2012	Goldman Sachs		1,329,301	1,155,000		1FE
942860-PM-3	WAUKEGAN IL		01/27/2012	Goldman Sachs		1,404,879	1,220,000		1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						147,396,876	141,920,000	0	XXX
Bonds - U.S. Special Revenue									
040484-FY-8	ARIZONA ST BRD OF RGTS UNIV SY		03/28/2012	WELLS FARGO BROK SER LLC		3,304,800	3,000,000		1FE
10727U-BT-0	BRENTWOOD CA INFRASTRUCTURE FI		01/12/2012	Goldman Sachs		2,988,056	2,830,000		1FE
10727U-BU-7	BRENTWOOD CA INFRASTRUCTURE FI		01/12/2012	Goldman Sachs		4,302,288	4,330,000		1FE
186352-PW-4	CLEVELAND OH ARPT SYS REVENUE		02/09/2012	Goldman Sachs		3,254,940	3,000,000		1FE
186352-PY-0	CLEVELAND OH ARPT SYS REVENUE		02/09/2012	Goldman Sachs		2,151,340	2,000,000		1FE
20774Y-FA-0	CONNECTICUT ST HLTH & EDUCNLF		01/27/2012	Goldman Sachs		548,800	500,000		1FE
20774Y-FB-8	CONNECTICUT ST HLTH & EDUCNLF		01/27/2012	Goldman Sachs		1,112,990	1,000,000		1FE
13033L-VU-8	CALIFORNIA HEALTH FAC FING AU		01/10/2012	WELLS FARGO BROK SER LLC		2,567,559	2,265,000	6,606	1FE
196707-JR-5	COLORADO ST BRD OF GOVERNORS U		03/08/2012	STIFEL NICOLAUS & CO INC		3,060,313	2,520,000	4,200	1FE
254845-HP-8	DIST OF COLUMBIA WTR & SWR AUT		03/21/2012	VARIOUS		4,426,130	4,000,000	1,528	1FE
431022-NH-1	Highlands Cnty Health		03/26/2012	BANK OF NEW YORK		2,100,240	2,000,000	39,083	1FE
573903-ER-8	MARTIN CNTY FL HLTH FACS AUTH		01/30/2012	Goldman Sachs		2,986,473	3,000,000		1FE
576000-LP-6	MASSACHUSETTS ST SCH BLDG AUTH		02/15/2012	BARCLAYS CAPITAL		1,960,280	1,750,000	26,250	1FE
576051-FP-6	MASSACHUSETTS ST WTR RESOURCES		03/26/2012	BARCLAYS CAPITAL		1,113,920	1,000,000		1FE
591745-H9-8	MET ATLANTA GA RAPID TRANSIT A		03/26/2012	UBS Securities		2,156,080	2,000,000	24,444	1FE
592657-AT-7	MET WTR DIST UT SALT LAKE & SA		03/28/2012	UBS Securities		1,335,035	1,150,000	4,951	1FE
60636C-5W-5	MISSOURI ST DEV FIN BRD		03/27/2012	Goldman Sachs		2,382,006	2,200,000		1FE
60636C-5X-3	MISSOURI ST DEV FIN BRD		03/27/2012	Goldman Sachs		2,486,518	2,315,000		1FE
60636C-5Y-1	MISSOURI ST DEV FIN BRD		03/27/2012	Goldman Sachs		2,593,369	2,430,000		1FE
60636C-5Z-8	MISSOURI ST DEV FIN BRD		03/27/2012	Goldman Sachs		2,709,399	2,555,000		1FE
60636C-6E-4	MISSOURI ST DEV FIN BRD		03/27/2012	Goldman Sachs		3,449,215	3,500,000		1FE
64971M-6W-7	NEW YORK CITY NY TRANSITIONAL		02/02/2012	PIPER JOFFERY		2,505,533	2,250,000	30,000	1FE
64972F-5Q-5	NEW YORK CITY NY MUNI WTR FINA		03/07/2012	Goldman Sachs		4,902,050	5,000,000		1FE
65825P-CX-6	NORTH CAROLINA ST CAPITAL IMPT		03/07/2012	WELLS FARGO BROK SER LLC		1,794,585	1,500,000	27,292	1FE
64990H-MM-9	NYS Dorm SUNY		02/15/2012	CITIGROUP GLOBAL MARKETS		8,458,030	7,000,000		1FE
64990H-MN-7	NYS Dorm SUNY		02/15/2012	CITIGROUP GLOBAL MARKETS		5,996,800	5,000,000		1FE
68803P-BT-6	OSCEOLA CNTY FL TOURIST DEV TA		01/19/2012	AGM		2,437,842	2,500,000		1FE
74265L-YF-9	PRIV CLGS & UNIVS AUTH GA		02/08/2012	Added by SunGard		1,116,550	1,000,000	23,611	1FE
80467P-CG-5	SAVANNA CA ELEM SCH DIST		01/25/2012	Goldman Sachs		805,225	3,100,000		1FE
837147-7C-5	SOUTH CAROLINA ST PUBLIC SVC A		02/02/2012	BARCLAYS CAPITAL		9,954,549	9,075,000	45,375	1FE

E04

STATEMENT AS OF MARCH 31, 2012 OF THE ASSURED GUARANTY MUNICIPAL CORP.

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
.91417K-US-8	UNIV OF COLORADO CO ENTERPRISE		.03/09/2012	Added by SunGard		1,221,060	1,000,000	2,917	1FE
.914716-XB-6	UNIV OF NORTH CAROLINA NC AT C		.02/10/2012	BARCLAYS CAPITAL		1,404,988	1,250,000		1FE
.91523N-KF-2	UNIV OF WASHINGTON WA UNIV REV		.02/09/2012	BARCLAYS CAPITAL		2,257,800	2,000,000		1FE
.91476P-CH-9	UNIV OK REVENUES		.01/26/2012	BARCLAYS CAPITAL		1,237,466	1,125,000		1FE
.940093-3K-1	WASHINGTON ST UNIV		.02/08/2012	Added by SunGard		2,232,480	2,000,000		1FE
.97710B-M4-1	WISCONSIN ST HLTH & EDUCNL FA		.01/31/2012	Goldman Sachs		5,527,544	4,995,000		1FE
.97710B-M7-4	WISCONSIN ST HLTH & EDUCNL FA		.01/23/2012	Goldman Sachs		2,624,728	2,650,000		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						107,466,981	100,790,000	236,257	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
.36159J-CS-8	GEMINT.12-1.A		.01/18/2012	Merrill Lynch		7,999,347	8,000,000		1FE
.53957D-AC-7	LIMAA 2007-1W A2-1		.01/13/2012	FSA		3,697,549	7,934,867	137,301	6AM
.53957D-AD-5	LIMAA 2007-1W A2-2		.03/22/2012	FSA		14,248,722	30,605,055	385,024	6AM
.88157V-AC-1	TMTS 2007-6 ALT A3		.03/23/2012	Goldman Sachs		1,330,009	2,031,256	624	1FM
.88156V-AA-6	TMTS.06-10SL A1		.03/22/2012	FSA		11,666,367	17,307,454	62,705	1FM
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						38,941,994	65,878,632	585,654	XXX
8399997 - Subtotals- Bonds - Part 3						294,600,124	309,388,632	822,834	XXX
8399999 - Subtotals - Bonds						294,600,124	309,388,632	822,834	XXX
Common Stocks - Industrial and Miscellaneous									
.DEXB07-05-0	DEXIA RESTRICTED STOCK	D	.02/01/2012	BANK OF NEW YORK	23,640,000	9,227			
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)									
9799997 - Subtotals - Common Stocks - Part 3						9,227	XXX	0	XXX
9799999 - Subtotals - Common Stocks						9,227	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						9,227	XXX	0	XXX
9999999 Totals						294,609,351	XXX	822,834	XXX

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

E04.1

STATEMENT AS OF MARCH 31, 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. Governments																					
912828-GU-7	TREASURY NOTE		03/01/2012	INTERCOMPANY TRANSFER FSA		649,960	650,000	648,908	649,920		40		40		649,960			0	9,804	04/30/2012	1
0599999 - Bonds - U.S. Governments																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
23223P-AN-7	CUYAHOGA CNTY OHIO		03/08/2012	CITIGROUP GLOBAL MARKETS		7,607,276	6,265,000	6,802,725	6,551,121		(7,962)		(7,962)		6,543,158		1,064,118	1,064,118	88,754	12/01/2017	1FE
23223P-AQ-0	CUYAHOGA CNTY OHIO		03/08/2012	CITIGROUP GLOBAL MARKETS		5,056,444	4,145,000	4,484,714	4,360,179		(4,271)		(4,271)		4,355,908		700,536	700,536	58,721	12/01/2019	1FE
235308-NH-2	DALLAS TEX INDPT SCH DIST		02/15/2012	CALLED @ 100.0000000		35,000	35,000	36,045	35,017		(17)		(17)		35,000		0	0	863	02/15/2017	1FE
235308-NT-6	DALLAS TEX INDPT SCH DIST		02/15/2012	CALLED @ 100.0000000		345,000	345,000	355,298	345,163		(163)		(163)		345,000		0	0	9,488	02/15/2017	1FE
23720D-CR-1	DARE CNTY NC COP		03/05/2012	CALLED @ 102.0000000		1,020,000	1,000,000	985,980	993,256		26,744		26,744		1,020,000		0	0	13,382	06/01/2018	1AM
262615-HU-4	IL CMNTY		01/10/2012	Added by SunGard		3,433,142	3,225,000	3,516,218	3,272,381		(808)		(808)		3,271,572		161,570	161,570	18,813	06/01/2013	1FE
416415-AV-9	HARTFORD CT		03/28/2012	Goldman Sachs		682,575	625,000	675,956			(57)		(57)		675,899		6,676	6,676		04/01/2031	1FE
416415-AW-7	HARTFORD CT		03/28/2012	Goldman Sachs		380,429	350,000	377,342			(12)		(12)		377,330		3,099	3,099		04/01/2032	1FE
703023-LV-1	UNION FRE		01/13/2012	JANNEY		1,021,370	1,000,000	982,130	982,178		34		34		982,211		39,159	39,159	1,313	10/01/2025	1FE
703023-LW-9	PATCHOGUE-MEDFORD NY		01/30/2012	VARIOUS		973,793	950,000	932,758	932,799		38		38		932,837		40,956	40,956	1,522	10/01/2026	1FE
703023-LX-7	UNION FRE		01/17/2012	VARIOUS		2,054,263	2,000,000	1,970,380	1,970,445		59		59		1,970,504		83,758	83,758	2,925	10/01/2027	1FE
744829-CL-4	PUEBLO CNTY CO COPS		03/30/2012	Goldman Sachs		317,568	280,000	326,822			(335)		(335)		326,487		(8,919)	351		09/15/2026	1FE
744829-CN-0	PUEBLO CNTY CO COPS		03/28/2012	Goldman Sachs		1,854,913	1,665,000	1,914,450			(2,179)		(2,179)		1,912,271		(57,359)	(57,359)	3,647	09/15/2028	1FE
744829-CP-5	PUEBLO CNTY CO COPS		02/29/2012	Goldman Sachs		2,003,782	1,750,000	1,997,170			(647)		(647)		1,996,523		7,258	7,258		09/15/2029	1FE
74514L-D2-0	PUERTO RICO CMWLTH		03/30/2012	Goldman Sachs		46,234,122	45,395,000	45,395,000			0		0		45,395,000		839,122	839,122	444	07/01/2035	1FE
74514L-D6-1	PUERTO RICO CMWLTH		03/23/2012	Goldman Sachs		5,026,750	5,000,000	4,893,750			272		272		4,894,022		132,728	132,728		07/01/2024	1FE
74514L-D7-9	PUERTO RICO CMWLTH		03/23/2012	Goldman Sachs		5,036,950	5,000,000	4,915,150			195		195		4,915,345		121,605	121,605		07/01/2025	1FE
74514L-D8-7	PUERTO RICO CMWLTH		03/30/2012	Goldman Sachs		9,841,321	9,910,000	9,638,169			552		552		9,638,721		202,601	202,601	38	07/01/2027	1FE
777543-JF-4	ROSEMONT IL		03/23/2012	Goldman Sachs		2,996,290	3,000,000	2,940,900			5		5		2,940,905		55,385	55,385		12/01/2031	1FE
777543-JK-3	ROSEMONT IL		03/26/2012	Goldman Sachs		3,495,330	3,500,000	3,436,125			9		9		3,436,134		59,196	59,196		12/01/2035	1FE
792075-LU-5	BRD		01/05/2012	VARIOUS		1,067,357	1,055,000	1,055,367	1,054,964		(88)		(88)		1,054,877		12,480	12,480	602	07/01/2022	1FE
942860-PK-7	WAUKEGAN IL		03/13/2012	Goldman Sachs		1,326,763	1,155,000	1,329,301			(1,060)		(1,060)		1,328,242		(1,478)	(1,478)	2,715	12/30/2020	1FE
942860-PM-3	WAUKEGAN IL		02/10/2012	Goldman Sachs		1,410,626	1,200,000	1,404,879			(489)		(489)		1,404,390		6,236	6,236	1,258	12/30/2022	1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
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		03/01/2012	Sink PMT @ 100.0000000		75,000	75,000	74,785			204		204		75,000		0	0	7	12/01/2034	1FE
10727U-BT-0	BRENTWOOD CA INFRASTRUCTURE FI		01/20/2012	Goldman Sachs		3,020,459	2,830,000	2,988,056			(288)		(288)		2,987,767		32,692	32,692		11/01/2026	1FE
10727U-BU-7	BRENTWOOD CA INFRASTRUCTURE FI		01/26/2012	Goldman Sachs		4,402,405	4,330,000	4,302,288			34		34		4,302,322		100,082	100,082		11/01/2031	1FE
139532-FA-8	CAPE MAY CNTY N J MUN UTILS AUTH		01/03/2012	CALLED @ 100.0000000		2,985,000	2,985,000	3,056,670	2,985,000		0		0		2,985,000		0	0	78,356	01/01/2020	1FE
186352-PW-4	REVENUE CLEVELAND OH ARPT SYS		02/13/2012	Goldman Sachs		3,272,850	3,000,000	3,254,940			(233)		(233)		3,254,707		18,143	18,143		01/01/2028	1FE
186352-PY-0	REVENUE CLEVELAND OH ARPT SYS		02/14/2012	Goldman Sachs		2,166,560	2,000,000	2,151,340			(77)		(77)		2,151,263		15,297	15,297		01/01/2030	1FE
20774Y-FA-0	CONNECTICUT ST HLTH & EDUCNLF		02/14/2012	Goldman Sachs		551,908	500,000	548,800			(170)		(170)		548,630		3,277	3,277	167	07/01/2028	1FE
20774Y-FB-8	CONNECTICUT ST HLTH & EDUCNLF		03/06/2012	Goldman Sachs		1,117,829	1,000,000	1,112,990			(809)		(809)		1,112,181		5,648	5,648	2,728	07/01/2026	1FE
226706-AA-7	MSMT AUTH		02/15/2012	Sink PMT @ 100.0000000		595,000	595,000	454,959	456,808		138,192		138,192		595,000		0	0	1,045	01/01/2023	1FE
246395-TY-3	DE HSG-SR-SFM-B		03/01/2012	CALLED @ 100.0000000		50,000	50,000	50,000			0		0		50,000		0	0	1,368	07/01/2039	1FE
3128PV-BS-8	#J15449		03/15/2012	VARIOUS		4,541,105	4,311,370	4,510,097	4,521,391		(41,220)		(41,220)		4,480,171		60,934	60,934	44,675	05/01/2026	1FE
3128PU-EW-8	FG J14649		03/15/2012	PRINCIPAL RECEIPT		505,652	505,652	503,202	503,219		2,433		2,433		505,652		0	0	3,147	04/01/2026	1FE
3128LO-DE-9	FGOLD 30YR		03/15/2012	PRINCIPAL RECEIPT		27,039	27,039	27,339	27,299		(259)		(259)		27,039		0	0	304	11/01/2037	1FE
3128MS-HJ-2	FGOLD 30YR GIANT		03/15/2012	PRINCIPAL RECEIPT		36,546	36,546	36,900	36,970		(424)		(424)		36,546		0	0	407	06/01/2036	1FE
3128MG-EF-1	FGOLD 30YR GIANT		03/15/2012	PRINCIPAL RECEIPT		66,313	66,313	62,831	62,156		4,157		4,157		66,313		0	0	580	04/01/2038	1FE
3128MS-ME-7	FGOLD 30YR GIANT POOL # G03657		03/15/2012	PRINCIPAL RECEIPT		94,145	94,145	97,484	96,977		(2,833)		(2,833)		94,145		0	0	814	12/01/2037	1FE
34073N-8N-3	FL HSG-4-HOMEOWNER		01/03/2012	Sink PMT @ 100.0000000		460,000	460,000	460,000	460,000		0		0		460,000		0	0		07/01/2038	1FE
3138AB-SL-1	FN AH6822		03/26/2012	PRINCIPAL RECEIPT		468,521	468,521	472,327	472,225		(3,705)		(3,705)		468,521		0	0	2,793	03/01/2026	1FE
31403D-T8-2	FNMA 30YR POOL # 745875		03/26/2012	PRINCIPAL RECEIPT		50,279	50,279	51,568	51,669		(1,389)		(1,389)		50,279		0	0	558	09/01/2036	1FE
31414U-6M-5	FNMA 30YR POOL # 977076		03/26/2012	PRINCIPAL RECEIPT		120,394	120,394	115,841	115,841		6,638		6,638		120,394		0	0	1,117	01/01/2038	1FE
31405R-AK-2	FNMA 30YR POOL #796610		03/26/2012	PRINCIPAL RECEIPT		527,656	527,656	521,390	521,594		6,062		6,062		527,656		0	0	5,042	10/01/2034	1FE
31406M-4A-1	FNMA 30YR POOL #814517		03/26/2012	PRINCIPAL RECEIPT		119,811	119,811	118,388	118,557		1,254		1,254		119,811		0	0	1,575	03/01/2035	1FE
31385X-09-1	FNMA 30YR POOL#555880		03/26/2012	PRINCIPAL RECEIPT		59,123	59,123	58,758	58,689		435		435		59,123		0	0	525	11/01/2033	1FE

EO5

STATEMENT AS OF MARCH 31, 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)	
314020-P7-9	FNMA 30YR POOL#725946		03/26/2012	PRINCIPAL RECEIPT		314,233	314,233	310,501	309,788		4,445		4,445		314,233			.0	2,866	..11/01/2034	1FE	
314020-SZ-5	FNMA 30YR POOL#735036		03/26/2012	PRINCIPAL RECEIPT		307,247	307,247	303,599	303,057		4,191		4,191		307,247			.0	2,816	..12/01/2034	1FE	
31407N-ZJ-5	FNMA 15 YR MBS/POOL		03/26/2012	PRINCIPAL RECEIPT		30,979	30,979	30,954	30,959		20		20		30,979			.0	283	..10/01/2020	1FE	
314096-MP-8	FNMA 30 YR POOL		03/26/2012	PRINCIPAL RECEIPT		82,745	82,745	82,774	82,777		(32)		(32)		82,745			.0	885	..07/01/2036	1FE	
31402G-VP-4	FNMA 30YR		03/26/2012	PRINCIPAL RECEIPT		8,240	8,240	8,217	8,215		24		24		8,240			.0	76	..02/01/2034	1FE	
31402Q-WA-5	FNMA 30YR		03/26/2012	PRINCIPAL RECEIPT		11,903	11,903	11,515	11,492		410		410		11,903			.0	109	..01/01/2035	1FE	
31410F-T6-2	FNMA 30YR MBS/POOL		03/26/2012	PRINCIPAL RECEIPT		42,019	42,019	41,474	41,592		427		427		42,019			.0	358	..02/01/2035	1FE	
31403D-DX-4	FNMA 30YR MBS/POOL# 13442		03/26/2012	PRINCIPAL RECEIPT		28,892	28,892	27,813	27,619		1,273		1,273		28,892			.0	283	..04/01/2036	1FE	
31410G-AE-3	FNMA 30YR POOL		03/26/2012	PRINCIPAL RECEIPT		75,067	75,067	70,287	69,171		5,896		5,896		75,067			.0	629	..12/01/2036	1FE	
31390Y-2V-9	FNMA POOL 660588		03/26/2012	PRINCIPAL RECEIPT		5,487	5,487	5,525	5,512		(25)		(25)		5,487			.0	67	..09/01/2017	1FE	
3137EA-CT-4	FREDDIE MAC		03/08/2012	BARCLAYS CAPITAL		5,333,230	5,000,000	5,131,205	5,118,330		(4,792)		(4,792)		5,113,538		219,692	219,692		35,417	..05/27/2016	1FE
426357-DR-7	HENRY CNTY GA HOSP AUTH REV		03/02/2012	CALLED @ 101.0000000		9,448,550	9,355,000	9,158,732	9,220,886		227,664		227,664		9,448,550			.0	367,931	..07/01/2024	1FE	
45129Y-UN-4	IDAHO HSG & FIN ASSN FORMERLY IDAH		01/03/2012	CALLED @ 100.0000000		170,000	170,000	170,000	170,000						170,000			.0		..07/01/2028	1FE	
45129Y-U0-7	IDAHO HSG & FIN ASSN FORMERLY IDAH		01/03/2012	CALLED @ 100.0000000		260,000	260,000	260,000	260,000						260,000			.0		..07/01/2039	1FE	
45200B-C0-9	ILLINOIS FIN AUTH REV		03/01/2012	MATURITY		4,185,000	4,185,000	4,422,038	4,190,943		(5,943)		(5,943)		4,185,000			.0	104,625	..03/01/2012	1FE	
454624-Y4-3	INDIANA ST BOND BANK REVENUE		01/10/2012	VARIOUS		1,399,443	1,195,000	1,356,002	1,355,159		(319)		(319)		1,354,841		44,603	44,603	2,296	..09/01/2023	1FE	
454624-Y6-8	INDIANA ST BOND BANK REVENUE		01/10/2012	VARIOUS		728,381	630,000	705,109	704,719		(148)		(148)		704,571		23,810	23,810	1,197	..09/01/2024	1FE	
467520-P0-9	JACKSON CNTY MO REORG SCH DIST NO		03/01/2012	CALLED @ 100.0000000		2,000,000	2,000,000	2,059,520	2,001,283		(1,283)		(1,283)		2,000,000			.0	52,500	..03/01/2019	1FE	
467520-PR-7	JACKSON CNTY MO REORG SCH DIST NO		03/01/2012	CALLED @ 100.0000000		2,000,000	2,000,000	2,045,560	2,000,986		(986)		(986)		2,000,000			.0	52,500	..03/01/2020	1FE	
573903-ER-8	MARTIN CNTY FL HLTH FACS AUTH		01/30/2012	ZIEGLER SECURITIES		3,016,260	3,000,000	2,986,473						2,986,473			29,787	29,787		..11/15/2042	1FE	
59324P-AS-8	MIAMI BEACH FL STORMWATER REV		01/13/2012	CALLED @ 100.0000000		1,000,000	1,000,000	1,013,300	1,000,995		(995)		(995)		1,000,000			.0	19,708	..09/01/2030	2FE	
60636C-5Y-1	MISSOURI ST DEV FIN BRD		03/30/2012	Goldman Sachs		727,164	680,000	725,716			(22)		(22)		725,694		1,470	1,470		..06/01/2027	1FE	
60636C-5Z-8	MISSOURI ST DEV FIN BRD		03/29/2012	Goldman Sachs		529,915	500,000	530,215			(13)		(13)		530,202		(287)	(287)		..06/01/2028	1FE	
60636C-6E-4	MISSOURI ST DEV FIN BRD		03/29/2012	Goldman Sachs		3,487,750	3,500,000	3,449,215			6		6		3,449,221		38,529	38,529		..06/01/2037	1FE	
60636X-XM-0	MO HSG SF PAC		03/01/2012	Sink PMT @ 100.0000000		360,000	360,000		373,396		(13,396)		(13,396)		360,000			.0	10,890	..03/01/2037	1FE	
649674-DR-6	NEW YORK NY CITY HLTH & HOSP CORP		02/15/2012	CALLED @ 100.0000000		2,550,000	2,550,000	2,719,652	2,552,687		(2,687)		(2,687)		2,550,000			.0	70,125	..02/15/2017	1FE	
649674-DT-2	NEW YORK NY CITY HLTH & HOSP CORP		02/15/2012	CALLED @ 100.0000000		2,400,000	2,400,000	2,542,560	2,402,267		(2,267)		(2,267)		2,400,000			.0	66,000	..02/15/2018	1FE	
649674-DV-7	NEW YORK NY CITY HLTH & HOSP CORP		02/15/2012	CALLED @ 100.0000000		1,250,000	1,250,000	1,314,425	1,251,029		(1,029)		(1,029)		1,250,000			.0	34,375	..02/15/2019	1FE	
649674-DZ-8	NEW YORK NY CITY HLTH & HOSP CORP		02/15/2012	CALLED @ 100.0000000		3,500,000	3,500,000	3,497,655	3,499,962		38		38		3,500,000			.0	89,688	..02/15/2023	1FE	
64972F-50-5	NEW YORK CITY NY MUNI WTR FINA		03/08/2012	Goldman Sachs		4,918,150	5,000,000	4,902,050			5		5		4,902,055		16,095	16,095		..06/15/2039	1FE	
647200-YP-3	NM MTG-SFM-D2		01/03/2012	Sink PMT @ 100.0000000		655,000	655,000	655,000	655,000						655,000			.0		..07/01/2039	1FE	
658562-AG-8	NORTH CHARLESTON S C HSG AUTH MULT		02/29/2012	RBC		1,556,490	1,535,000	1,535,000	1,535,000						1,535,000		21,490	21,490	41,573	..02/20/2038	1FE	
677560-LD-7	OHIO ST HSG FIN AGY RESIDENTIAL MT		03/01/2012	Sink PMT @ 100.0000000		20,000	20,000	20,000	20,000						20,000			.0	550	..03/01/2040	1FE	
67886N-JG-5	OKLAHOMA HSG FIN AGY SINGLE FAMILY		03/01/2012	Sink PMT @ 100.0000000		25,000	25,000	25,000	25,000						25,000			.0	669	..09/01/2034	1FE	
67886N-JJ-9	OKLAHOMA HSG FIN AGY SINGLE FAMILY		03/01/2012	Sink PMT @ 100.0000000		140,000	140,000	140,000	140,000						140,000			.0	3,815	..03/01/2039	1FE	
68802K-AS-1	OSCEOLA CNTY FL SALES TAX REV		03/30/2012	WELLS FARGO BROK SER LLC		3,409,156	3,325,000	3,491,516	3,340,080		(4,931)		(4,931)		3,335,149		74,007	74,007	1,489	..10/01/2019	1FE	
68803P-BT-6	OSCEOLA CNTY FL TOURIST DEV TA		01/19/2012	THE MUNICENTER		2,453,125	2,500,000	2,437,842						2,437,842		15,283	15,283			..10/01/2041	1FE	
795583-EV-1	SALT LAKE CITY INTRM TN HEALTHCARE		02/15/2012	MATURITY		3,000,000	3,000,000	2,985,000	2,999,813		187		187		3,000,000			.0	92,250	..02/15/2012	12*	
79575D-J4-3	SALT RIVER PROJ ARIZ AGRIC IMPT&PW		01/03/2012	CALLED @ 101.0000000		297,950	295,000	291,593	297,950						297,950			.0	7,375	..01/01/2023	12*	
79575D-L2-4	SALT RIVER PROJ ARIZ AGRIC IMPT&PW		01/03/2012	CALLED @ 101.0000000		712,050	705,000	696,857	712,050						712,050			.0	17,625	..01/01/2023	1FE	
452245-AR-4	STATE OF ILLINOIS TOLL ROAD		01/01/2012	MATURITY		1,000,000	1,000,000	1,028,010	1,000,000						1,000,000			.0	31,500	..01/01/2012	1FE	
80467P-CG-5	SAVANNA CA ELEM SCH DIST		01/31/2012	Goldman Sachs		901,077	3,100,000	805,225			811		811		806,036		95,041	95,041		..02/01/2052	1FE	
880459-6V-9	TENNESSEE HSG DEV AGY		01/03/2012	CALLED @ 100.0000000		40,000	40,000	40,000	40,000						40,000			.0		..01/01/2037	1FE	

EO5 1

STATEMENT AS OF MARCH 31, 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)
88045R-HR-6	TENNESSEE HSG DEV AGENCY		01/03/2012	CALLED @ 100.0000000		45,000	45,000	45,000	45,000				0		45,000			0		07/01/2035	1FE
898796-R9-0	TUCSON AZ WTR REV		03/30/2012	WELLS FARGO BROK SER LLC		1,652,368	1,600,000	1,710,304	1,636,620		(2,257)		(2,257)		1,634,363		18,005	18,005	66,733	07/01/2016	1FE
91755N-LU-7	UT ST HSG FIN AGENCY		01/01/2012	SINK PMT @ 100.0000000		10,000	10,000	9,825	9,923		77		77		10,000		0	0	07/01/2020	1FE	
944514-MP-0	WAYNE CNTY MICH ARPT AU		01/05/2012	VARIOUS		4,176,097	4,165,000	4,140,093	4,140,364		24		24		4,140,389		35,708	35,708	18,425	12/01/2020	1FE
97710B-M4-1	WISCONSIN ST HLTH & EDUCNL FA		02/07/2012	VARIOUS		5,505,900	4,995,000	5,527,544			(1,561)		(1,561)		5,525,983		(20,083)	(20,083)	1,248	07/15/2027	1FE
97710B-M7-4	WISCONSIN ST HLTH & EDUCNL FA		02/03/2012	Goldman Sachs		2,613,894	2,650,000	2,624,728			30		30		2,624,758		(10,864)	(10,864)	286	07/15/2028	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						103,697,357	103,458,658	103,497,956	64,200,730	0	310,844	0	310,844	0	102,858,997	0	838,359	838,359	1,344,370	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
07401W-AP-4	BEAR STEARNS SECOND LIEN		03/29/2012	PRINCIPAL RECEIPT		38,707	38,707	35,184	35,184		3,523		3,523		38,707			0		08/25/2037	1FE
19035R-AL-3	COAST 2002-1A1 A		02/01/2012	PRINCIPAL RECEIPT		117,590	117,590	45,182	45,182		0		0		117,590		72,407	72,407	530	07/30/2017	6AM
12627H-AF-7	CSAB 2006-2 A3A		03/25/2012	PRINCIPAL RECEIPT		410,254	410,254	262,419	273,474		136,780		136,780		410,254		0	0	09/25/2036	1FM	
12628L-AG-5	CSAB 2006-4 A4		03/25/2012	PRINCIPAL RECEIPT		647,421	647,421	424,584	430,727		216,694		216,694		647,421		0	0	12/25/2036	1FM	
23242L-AB-9	CWHEL 2006-F 2A1A		03/15/2012	PRINCIPAL RECEIPT		2,141,932	2,141,932	1,541,229	1,518,910		623,021		623,021		2,141,932		0	0	07/15/2036	1FE	
126686-AH-7	CWHEL 2006-HW 2A11B		03/15/2012	PRINCIPAL RECEIPT		363,616	363,616	282,089	282,089		79,954		79,954		363,616		0	0	11/15/2036	1FE	
126682-AA-1	CWHEL 2007-A A		03/15/2012	PRINCIPAL RECEIPT		509,818	509,818	323,302	323,302		186,516		186,516		509,818		0	0	04/15/2037	1FM	
233050-AN-3	DBUBS 11-LC1AA1 144A		03/12/2012	PRINCIPAL RECEIPT		41,311	41,311	41,723	41,629		(318)		(318)		41,311		0	0	11/10/2046	2AM	
377372-AC-1	GLAXOSMITHKLINE CAP INC		03/08/2012	JEFFRIES		6,311,880	6,000,000	6,524,775	6,212,783		(28,455)		(28,455)		6,184,328		127,552	127,552	95,383	05/15/2013	1FE
53957D-AC-7	LIMAA 2007-1W A2-1		01/23/2012	PRINCIPAL RECEIPT		1,096,939	1,096,939	518,573	455,665		578,367		578,367		1,096,939		0	0	10/23/2037	6AM	
576431-AC-4	MARM 2007-1 12A2		03/25/2012	PRINCIPAL RECEIPT		7,667	7,667	4,833	4,833		2,834		2,834		7,667		0	0	01/25/2047	1FM	
57645N-AD-2	MARM 2007-3 12A2		03/25/2012	PRINCIPAL RECEIPT		2,309,464	2,309,464	1,678,639	1,678,639		630,825		630,825		2,309,464		0	0	05/25/2047	1FE	
65538P-AD-0	NOMURA ASSET ACCEP CORP		03/25/2012	PRINCIPAL RECEIPT		19,457	19,457	15,299	15,316		4,142		4,142		19,457		0	0	03/25/2047	1FE	
65538B-AH-2	2007-S2W A		03/25/2012	PRINCIPAL RECEIPT		125,592	125,592	52,329	52,329		73,263		73,263		125,592		0	0	07/25/2037	6AM	
717081-DA-8	PFIZER INC		02/23/2012	Added by SunGard		1,137,410	1,000,000	1,109,820	1,069,103		(2,980)		(2,980)		1,066,123		71,287	71,287	24,224	03/15/2015	1FE
75971F-AX-1	RENAISSANCE HOME EQUITY		03/25/2012	PRINCIPAL RECEIPT		761,176	761,176	413,488	441,146		320,029		320,029		761,176		0	0	09/25/2037	1FE	
88156V-AB-4	LOAN TRUST		03/25/2012	PRINCIPAL RECEIPT		268,198	268,198	148,229	148,954		119,244		119,244		268,198		0	0	10/25/2037	1FM	
88157D-AA-5	TWTS 2006-12SL A1 35125%		03/25/2012	PRINCIPAL RECEIPT		1,583,433	1,583,433	1,069,328	1,104,167		479,266		479,266		1,583,433		0	0	11/25/2037	1FE	
88157D-AB-3	TWTS 2006-12SL A2		03/25/2012	PRINCIPAL RECEIPT		101,912	101,912	68,749	69,445		32,468		32,468		101,912		0	0	11/25/2037	1AM	
88157E-AB-6	TWTS 2007-1SL A2		03/25/2012	PRINCIPAL RECEIPT		75,392	75,392	61,218	61,468		13,924		13,924		75,392		0	0	01/25/2038	1FM	
88157Y-AB-3	TWTS 2007-6 ALT A2		03/25/2012	PRINCIPAL RECEIPT		33,284	33,284	26,296	26,296		6,986		6,986		33,284		0	0	08/25/2038	1FM	
88157Y-AC-1	TWTS 2007-6 ALT A3		03/25/2012	PRINCIPAL RECEIPT		9,549	9,549	4,551	4,551		4,999		4,999		9,549		0	0	08/25/2038	1FM	
88156V-AA-6	TWTS.06-10SL A1		03/25/2012	PRINCIPAL RECEIPT		560,193	560,193	312,610	326,134		234,058		234,058		560,193		0	0	10/25/2037	1FE	
88157E-AA-8	TWTS2007-1SLA1		03/25/2012	PRINCIPAL RECEIPT		784,239	784,239	518,024	525,769		258,470		258,470		784,239		0	0	01/25/2038	1FE	
94974B-ET-3	WELLS FARGO & COMPANY		01/20/2012	WELLS FARGO BROK SER LLC		5,302,050	5,000,000	5,059,650	5,035,439		(649)		(649)		5,034,790		267,260	267,260	59,375	10/01/2014	1FE
055650-BF-4	BP CAPITAL MARKETS PLC		03/08/2012	JEFFRIES		5,363,800	5,000,000	5,524,950	5,255,365		(25,167)		(25,167)		5,230,197		133,603	133,603	91,875	11/07/2013	1FE
000000-00-0	ADVANTAGE CAPITAL II			USE OF TAX CREDIT		42,321					22,028		22,028		42,321		0	0	12/01/2020	1FE	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						30,164,605	29,007,145	26,062,158	25,439,474	0	3,969,822	0	3,969,822	0	29,492,495	0	672,109	672,109	271,656	XXX	XXX
8399997 - Subtotals - Bonds - Part 4						237,732,986	231,875,803	230,585,651	110,787,627	0	4,290,526	0	4,290,526	0	232,753,788	0	4,979,195	4,979,195	1,830,766	XXX	XXX
8399999 - Subtotals - Bonds						237,732,986	231,875,803	230,585,651	110,787,627	0	4,290,526	0	4,290,526	0	232,753,788	0	4,979,195	4,979,195	1,830,766	XXX	XXX
9999999 Totals						237,732,986	XXX	230,585,651	110,787,627	0	4,290,526	0	4,290,526	0	232,753,788	0	4,979,195	4,979,195	1,830,766	XXX	XXX

E05 2

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

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

