EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Equity Investor Presentation

March 31, 2018

ASSURED GUARANTY®

Forward-Looking Statements and Safe Harbor Disclosure

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

Conventions and Non-GAAP Financial Measures

- Unless otherwise noted, the following conventions are used in this presentation:
  - Ratings on Assured Guaranty's insured portfolio and on bonds purchased pursuant to our loss mitigation or risk management strategies are our internal credit ratings. Internal credit ratings are expressed on a ratings scale similar to that used by the rating agencies and are generally reflective of an approach similar to that employed by the rating agencies, except that the Company's credit ratings focus on future performance, rather than lifetime performance. Exposures rated below investment grade are designated "BIG".
  - The Company reclassifies those portions of risks benefitting from collateralized reimbursement arrangements as the higher of AA or their current internal rating.
  - The Company excludes Company-insured securities that it has purchased for loss mitigation purposes from its disclosure of par and debt service outstanding (unless otherwise indicated) because it manages such securities as investments and not insurance exposure.
  - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings Services ("S&P").
  - Percentages and totals in tables or graphs may not add due to rounding.
- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures are determined on the basis of methodologies other than in accordance with GAAP ("non-GAAP financial measures"), and are defined in the Appendix. Wherever possible, the Company has separately disclosed the effect of consolidating FG VIEs on the non-GAAP financial measures. See the Appendix for a more comprehensive description of non-GAAP financial measures.
- When a financial measure is described as "operating," it is a non-GAAP measure.

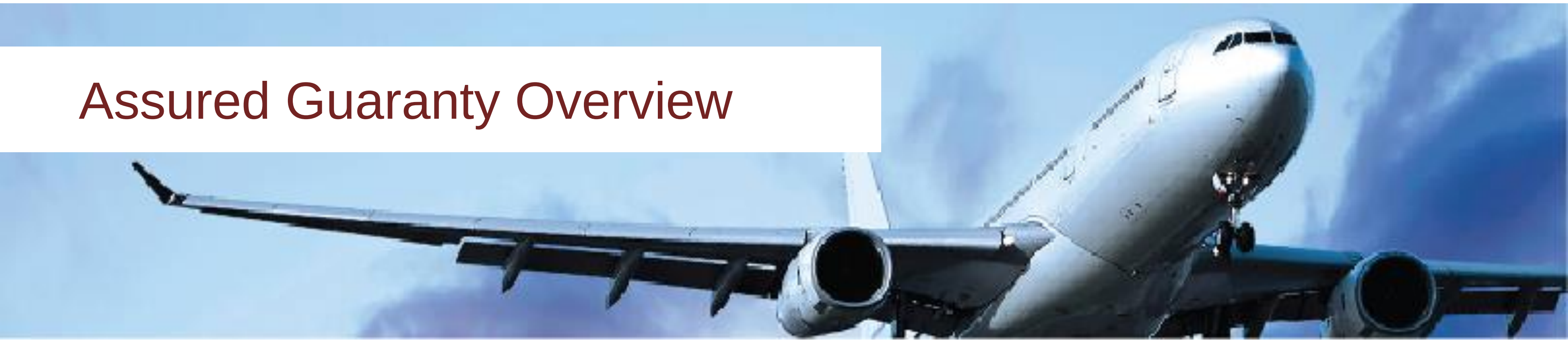
Table of Contents

First Quarter 2018 Accomplishments

- **Earned $155 million of non-GAAP operating income[1], or $1.33 per share, which includes $5 million, or $0.04 per share, related to the effect of consolidating financial guaranty variable interest entities (FG VIEs)**
  - First quarter 2017 included significant gains from a commutation and the acquisition of MBIA UK. Excluding these gains, net income in first quarter 2018 increased compared to first quarter 2017
- **Increased shareholders' equity per share, non-GAAP operating shareholders' equity[1] per share and non-GAAP adjusted book value[1] per share, reaching new records of $59.67, $57.97 and $79.45, respectively**
- **Generated $61 million of new business production[1]**
- **Repurchased an additional 2.8 million common shares ($98 million) at an average price of $35.20 per share. Year to date through May 3, 2018, repurchased 4.2 million common shares ($151 million) at an average price of $35.78.**
- **Terminated $454 million of insured net par outstanding**
- **Announced an agreement for Assured Guaranty Corp. to reinsure, generally on a 100% quota share basis, substantially all of the insured portfolio of Syncora Guarantee Inc.**

1. For an explanation of non-GAAP financial measures, please refer to the Appendix.

Assured Guaranty Overview



Assured Guaranty Overview

Assured Guaranty Ltd.

($ in billions)	March 31, 2018	September 30, 2009
Net par outstanding	**$257.1**	$646.6
U.S. public finance	**$201.3**	$424.9
U.S. structured finance	**$10.7**	$142.2
Non-U.S.	**$45.1**	$79.5
Total investment portfolio + cash	**$11.3**	$10.2
Net unearned premium reserve[1]	**$3.3**	$7.5
Claims-paying resources[2]	**$11.5**	$12.6
Ratio of net par outstanding / claims-paying resources[2]	**22:1**	**51:1**

1. Primarily unearned premium reserve net of ceded unearned premium reserve.
2. Based primarily upon statutory accounting. Aggregate data for operating subsidiaries within the Assured Guaranty Ltd. group. Claims on each subsidiary's insurance policies/financial guaranties are paid from the subsidiary's separate claims-paying resources. See page 31.
3. In January 2017, AGC requested that Moody's withdraw AGC's financial strength rating, but Moody's denied that request and continues to rate AGC

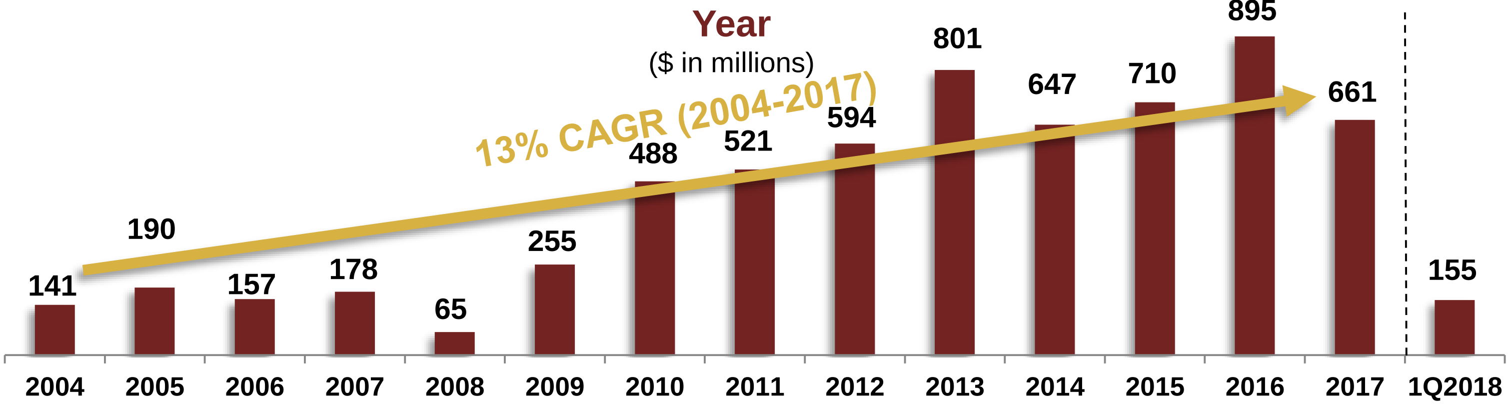
- **We are the leading financial guaranty franchise, with over three decades of experience in the municipal and structured finance markets**
- **In the U.S., we serve the bond insurance market through three platforms:**
  - Assured Guaranty Municipal Corp. (AGM) focuses on global public finance and infrastructure transactions
    - Rated AA+ (stable) by KBRA, AA (stable) by S&P and A2 (stable) by Moody's
  - Municipal Assurance Corp. (MAC) focuses on smaller U.S. public finance transactions
    - Rated AA+ (stable) by KBRA and AA (stable) by S&P
  - Assured Guaranty Corp. (AGC) guarantees structured finance transactions, global infrastructure and U.S. public finance
    - Rated AA (stable) by KBRA and AA (stable) by S&P[3]
- **Our insured portfolio has an average internal rating of A-**

Assured Guaranty Overview

- **Since our initial public offering in 2004, we have grown our annual non-GAAP operating income[1] from $141 million in 2004 to $661 million in 2017, a 13% compounded annual growth rate (CAGR).**
- **Non-GAAP operating income[1] has grown through acquisitions, new business production and other strategic activities**
  - Recapture of previously ceded business
  - Acceleration of premium through termination of insured exposure
- **Repurchases of our shares improve non-GAAP operating income per share[1]**

Non-GAAP Operating Income[1] by Year

($ in millions)



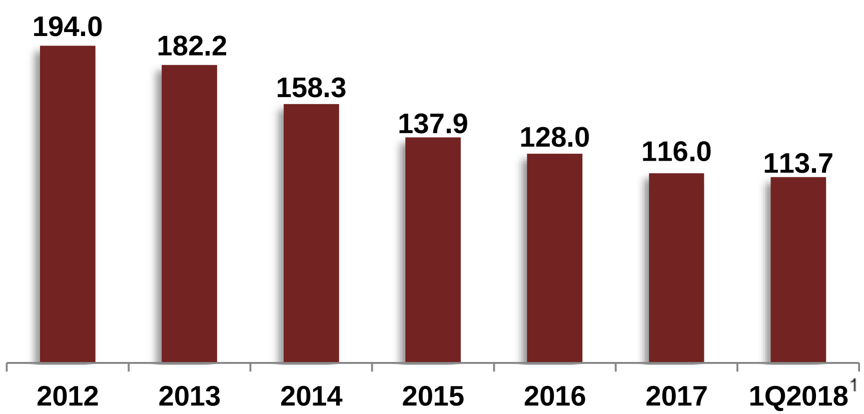
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1Q2018
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income:	N/A	N/A	N/A	N/A	N/A	N/A	$(167)	$(80)	$59	$192	$156	$11	$12	$11	$5

1. For explanations and reconciliations of non-GAAP operating income and non-GAAP operating income per share, which are non-GAAP financial measures, please refer to the Appendix.

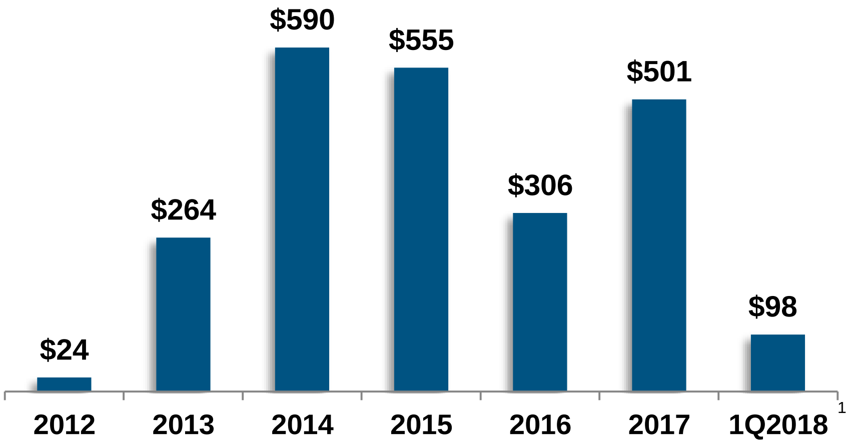
Assured Guaranty Overview
Track Record of Creating Shareholder Value

- **We have returned excess capital to shareholders by distributing dividends and repurchasing our common shares**
  - Since 2013, when we started our capital management strategy of repurchasing our common shares, through May 3, 2018, we have repurchased approximately 85.5 million shares, or roughly 44% of our shares outstanding, for approximately $2.4 billion.
  - In the first quarter of 2018, we repurchased 2.8 million common shares for $98 million at an average price per share of $35.20. Between April 1, 2018 and May 3, 2018, the Company repurchased an additional 1.4 million common shares for $53 million at an average price per share of $36.91. As of May 3, the Company's remaining share repurchase authorization was $197 million.
  - Since our 2004 IPO, we have more than tripled our quarterly dividend per share. In February 2018, our Board of Directors authorized an increase in the quarterly dividend to $0.16 per share. We have raised our quarterly dividends for seven consecutive years.

End of Period Share Count
(in millions)



Share Repurchase Amounts
($ in millions)



1. From April 1, 2018 to May 3, 2018, the Company repurchased an additional 1.4 million common shares at a cost of $53 million.

Dividend Limitation Calculations

Assured Guaranty Municipal Corp. (Domiciled in New York)

- Based on most recently filed quarterly or annual statement
- Only out of "earned surplus"[1]
- Cannot exceed the lesser of:
  - (i) 10% of policyholders' surplus, and
  - (ii) 100% of adjusted net investment income
    - – Prior 12 months' net investment income (excluding realized gains) increased by the excess, if any, of net investment income over dividends paid for the 24 months preceding the prior 12 months.

($ in millions)

Policyholders' surplus	$2,247
10% of policyholders' surplus	**$225**
2Q-17 through 1Q-18 investment income	**$176**
Net investment income	
2Q-15 through 1Q-16	236
2Q-16 through 1Q-17	192
Total	**$428**
Dividends paid	
2Q-15 through 1Q-16	(244)
2Q-16 through 1Q-17	(231)
Total	**($475)**
Excess of investment income over dividends	**$0**
Adjusted net investment income ($176 + $0 = $176)	**$176**
2018 Dividend Limitation	**$176**
2018 Remaining Capacity	**$103**

Assured Guaranty Corp. (Domiciled in Maryland)

- Based on most recently filed annual statement
- Cannot exceed the lesser of:
  - (i) 10% of policyholders' surplus, and
  - (ii) 100% of adjusted net investment income
    - – Prior year net investment income (excluding realized gains) increased by the excess, if any, of net investment income for the three years preceding the prior year over dividends paid for the three prior years.

Policyholders' surplus	$2,073
10% of policyholders' surplus	**$207**
2017 investment income	**$133**
Net investment income	
2014	54
2015	79
2016	107
Total	**$240**
Dividends paid	
2015	(90)
2016	(78)
2017	(107)
Total	**($275)**
Excess of investment income over dividends	**$0**
Adjusted net investment income ($133 + 0 = $133)	**$133**
2018 Dividend Limitation	**$133**
2018 Remaining Capacity	**$81**

Assured Guaranty Re Ltd. (AG Re) (Domiciled in Bermuda)

- Cannot exceed 25% of prior year total statutory capital and surplus without certification to the regulator
- Cannot exceed current outstanding statutory surplus
- Must be paid from current unencumbered assets
- Additionally, AG Re can make capital distributions which cannot exceed 15% of its total prior year statutory capital (total stat capital of $857 million, 15% of which is $128 million)

Total statutory capital and surplus	$1,294
25% of statutory capital and surplus	**$324**
Outstanding statutory surplus	**$405**
Unencumbered assets	**$505**
2018 Dividend Limitation	**$324**
2018 Remaining Capacity	**$284**

1. Earned surplus is currently approximately $1.6 billion. Earned surplus is the portion of the company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets.

Assured Guaranty Overview

Simplified Corporate Structure[1]

Shareholders

Assured Guaranty Ltd.
(Head Office – Bermuda; Tax Residence – U.K.)

- Total investment portfolio and cash of $35 million[2]
- Q1 2018 annualized expenses of $40 million
- Q1 2018 annualized dividend distribution of $72 million

Assured Guaranty Re Ltd.
(Bermuda)

In 2018, AG Re has the capacity to (i) make capital distributions in an aggregate amount up to $128 million without prior regulatory approval and (ii) declare and pay dividends in an aggregate amount up to the limit of its outstanding statutory surplus, which is $324 million as of March 31, 2018. As of March 31, 2018, AG Re had unencumbered assets of approximately $505 million

Assured Guaranty US Holdings Inc.
(U.S.)

- Combined investment portfolio and cash of $521 million[2,4]
- Annual debt service of $92 million in 2018

Assured Guaranty Municipal Holdings Inc.
(U.S.)

Assured Guaranty Municipal Corp.
(U.S.)

The maximum amount available during 2018 for AGM to distribute as dividends without regulatory approval is estimated to be approximately $176 million, none of which is available in the second quarter of 2018

Assured Guaranty Corp.
(U.S.)

The maximum amount available during 2018 for AGC to distribute as ordinary dividends is approximately $133 million, of which approximately $25 million is available for distribution in the second quarter of 2018.

Municipal Assurance Corp.
(U.S.)

The maximum amount available during 2018 for MAC to distribute as dividends without regulatory approval is estimated to be approximately $28 million, of which approximately $16 million is available for distribution in the second quarter of 2018[3]

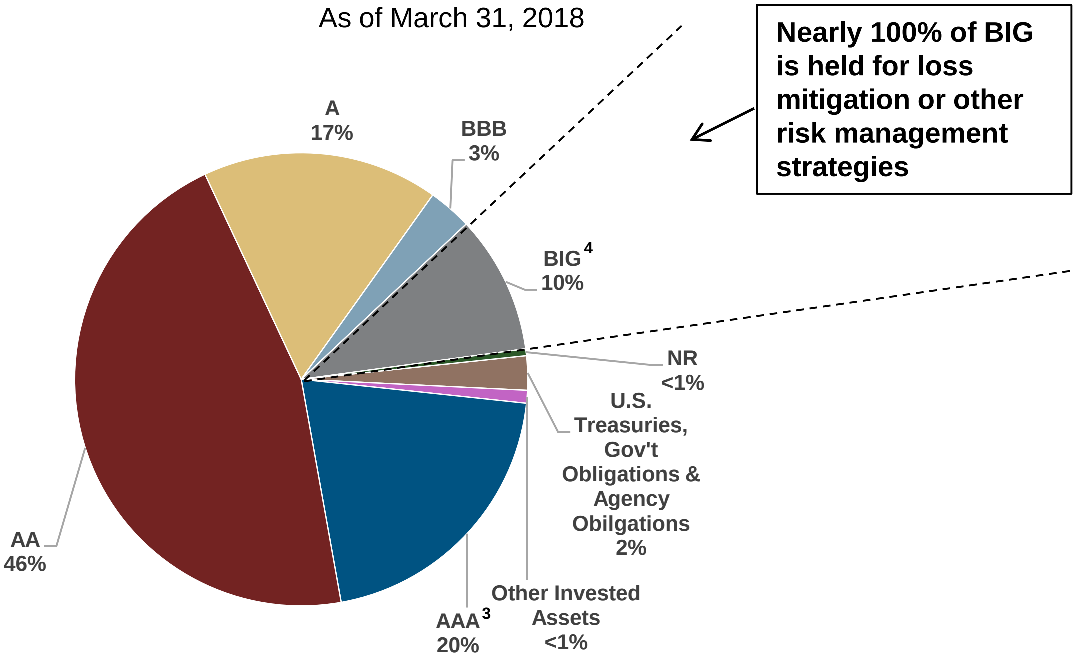
1. Represents dividend capacity as of March 31, 2018. Please see our Form 10-Q for the quarter ended March 31, 2018 for a discussion of the dividend limitations to which we are subject under applicable U.S. and Bermuda law, including the New York Insurance Law and the Maryland Insurance Code.
2. As of March 31, 2018.
3. Dividends from MAC are distributed to AGM and AGC, which may affect AGM's and AGC's dividend capacity in future periods.
4. Excludes AGUS's investment in AGMH's debt.

ASSURED GUARANTY®

Underlying Value

Underlying Value
High-Quality Investment Portfolio

Total Invested Assets and Cash[1,2]
As of March 31, 2018



$11.3 billion, A+ average rating[2]

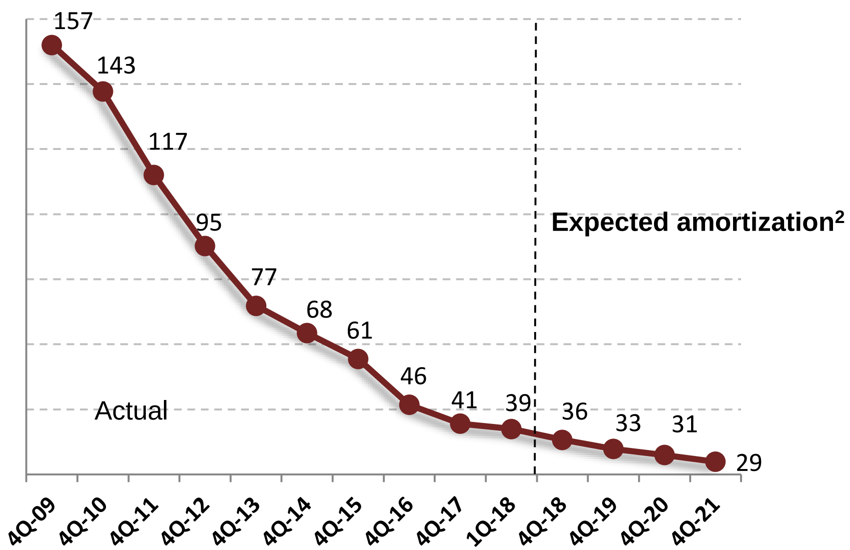
- **Highly rated fixed maturity and short-term investments, 69% rated AA or higher, and cash**
- **Approximately $865 million invested in liquid, short-term investments and cash**
- **Overall duration of the fixed maturity securities and short-term investments is 4.8 years**

1. Includes securities purchased or obtained as part of loss mitigation or other risk management strategies.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or other risk management strategies, which use internal ratings classifications. Other invested assets are not rated.
3. Included in the AAA category are short-term securities and cash.
4. Includes long-term BIG securities that were purchased or obtained as part of loss mitigation or other risk management strategies of $1,620 million in par with carrying value of $1,089 million.

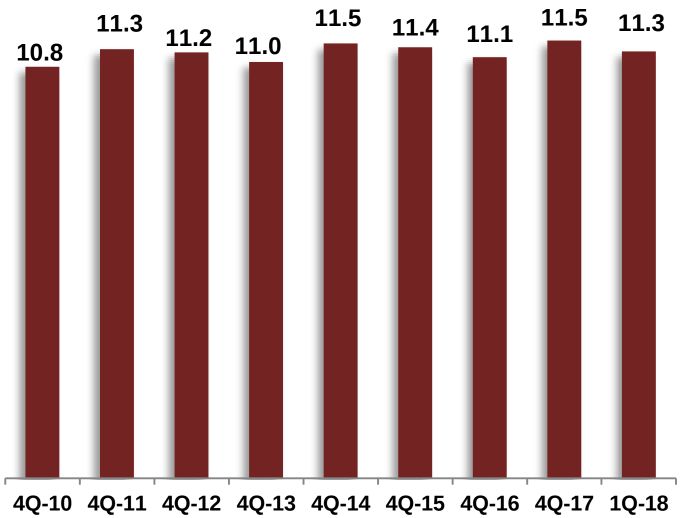
Underlying Value
Deleveraging While Maintaining Total Invested Assets

- **Our insured net par outstanding to non-GAAP operating shareholders' equity[1] has declined from 157:1 in 4Q-09 to 39:1 as of 1Q-18**
  – Deleveraging is expected to continue in the near term as new business is not expected to fully replace the amortization of the portfolio
- **Meanwhile, total invested assets and cash remains comparable to prior amounts**

Non-GAAP Operating Portfolio Leverage
Insured Net Par Outstanding / non-GAAP Operating Shareholders' Equity[1]



Total Invested Assets and Cash
($ in billions)



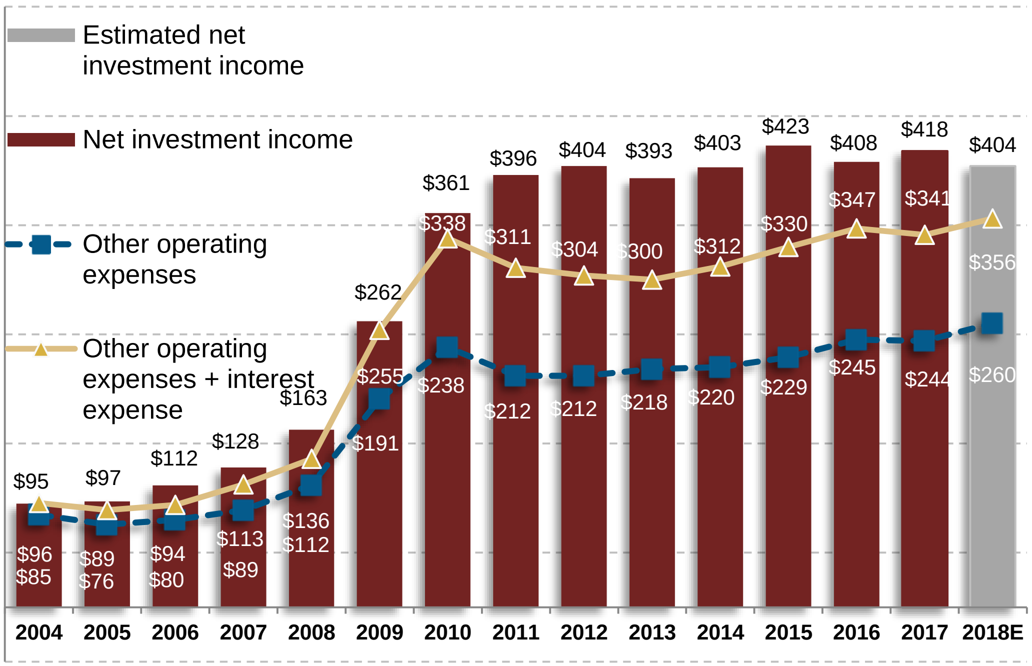
1. For an explanation of non-GAAP operating shareholders' equity, please refer to the Appendix.
2. Assumes no new business production and calculates estimated amortization divided by current non-GAAP operating shareholders' equity.

Underlying Value

Net Investment Income Generates Capital

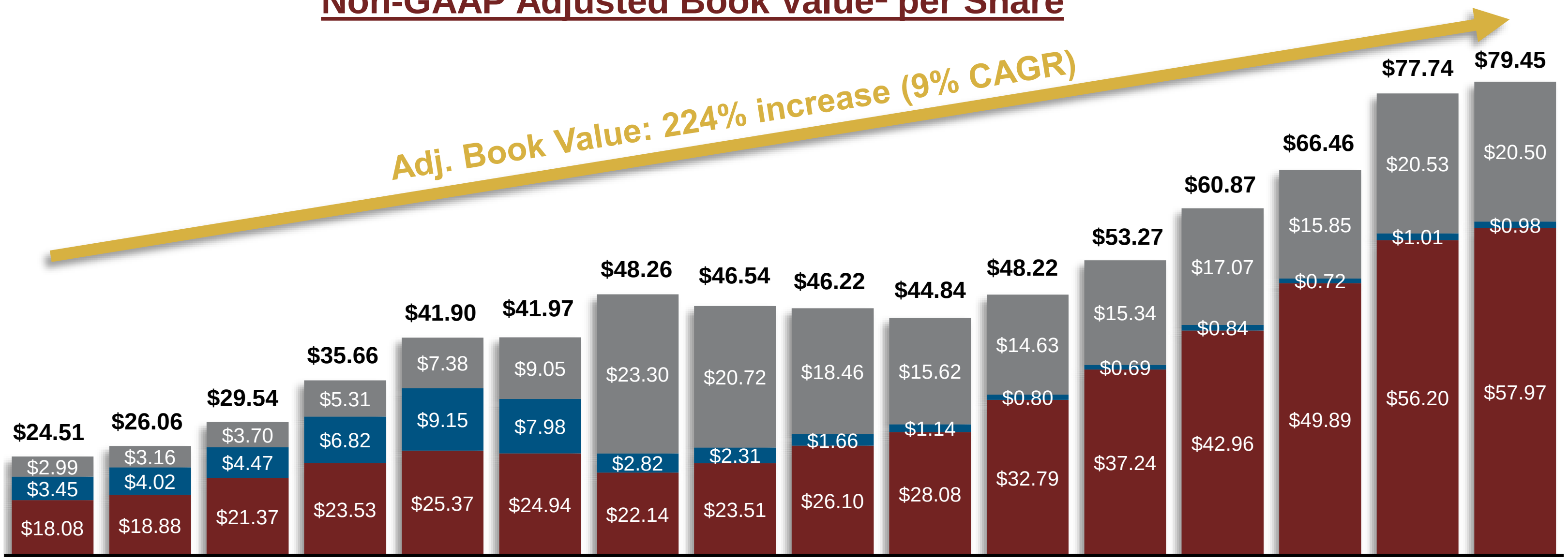
- **Net investment income is higher than the combination of operating and interest expenses, a spread that fosters capital growth**

Net Investment Income
($ in millions)



Underlying Value
Historical Growth

Non-GAAP Adjusted Book Value[1] per Share



	6/30/04	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1Q-18
Shareholders' equity per share (GAAP):	$18.73	$20.19	$22.22	$24.44	$20.33	$20.62	$18.76	$19.97	$25.52	$25.74	$28.07	$36.37	$43.96	$50.82	$58.95	$59.67
Gain (loss) related to FG VIE consolidation included in non-GAAP operating shareholders' equity per share[1]:								$(2.02)	$(2.44)	$(1.97)	$(1.04)	$(0.24)	$(0.15)	$(0.06)	$0.03	$0.06
Gain (loss) related to FG VIE consolidation included in non-GAAP adjusted book value per share[1]:								$(2.38)	$(3.10)	$(2.33)	$(1.36)	$(0.39)	$(0.31)	$(0.18)	$(0.12)	$(0.10)

- ■ Net unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed less deferred acquisition costs, after tax
- ■ Net present value of estimated net future revenue in force and net unearned revenue, after tax
- ■ Non-GAAP operating shareholders' equity [1]

1. For explanations of non-GAAP adjusted book value and net present value of estimated net future revenue and non-GAAP operating shareholders' equity, please refer to the Appendix

Creating Value

Creating Value

New Business Production (Par Insured)

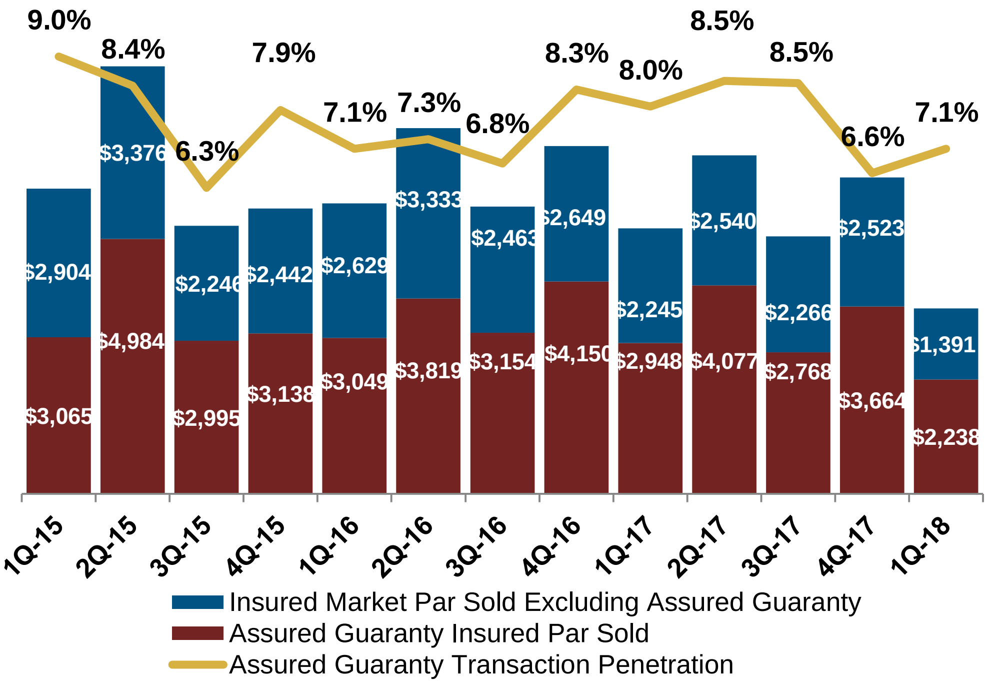
Penetration in the U.S. Public Finance Market

- **We are focused on building demand for our guaranties, both in the primary and the secondary markets for U.S. public finance**
  - Primary market policies sold during 1Q 2018 totaled 119 or $2.2 billion
  - Secondary market policies sold during 1Q 2018 totaled 77 or $195 million

- **Insured volume decreased by 30% in 1Q 2018 relative to the same period in 2017. However, that was in line with overall market trends, as total volume decreased by a similar margin.**
  - Insured penetration was 5.9% in 1Q 2018 – up from 5.6% for FY 2017.
  - Industry par penetration for all transactions with underlying A ratings was 21.9% in 1Q 2018
  - Industry penetration based on the number of transactions with underlying A ratings was 53.1% as more than half of all A rated transactions utilized insurance.

New Issue U.S. Public Finance Insured Par Sold and Transaction Penetration[1]

($ in millions)



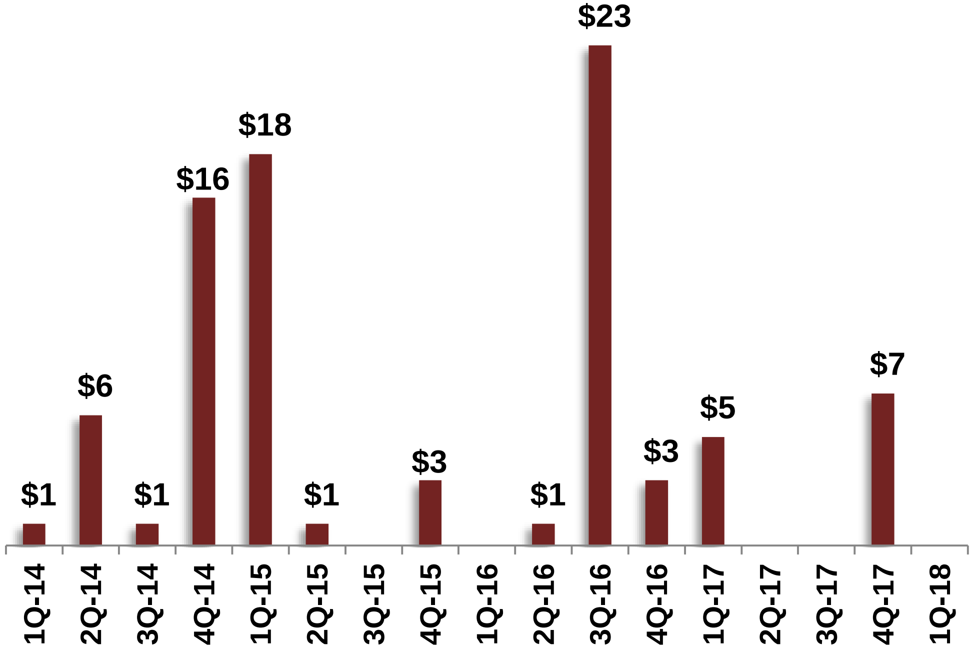
Total U.S. Public Finance New Issuance	1Q-15	2Q-15	3Q-15	4Q-15	1Q-16	2Q-16	3Q-16	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17	1Q-18
Par Issued ($ in billions)	$104.0	$111.0	$86.0	$76.4	$96.5	$119.4	$108.4	$100.2	$86.6	$100.7	$84.4	$137.5	$61.8
Transactions Issued	3,059	3,783	2,665	2,558	2,787	3,635	3,048	2,775	2,271	3,013	2,307	3,007	1,674

1. Source: SDC database. As of March 31, 2018. Transaction penetration shown is Assured Guaranty's transaction count as a percentage of all transactions issued.

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

- **Focus has been on bilateral transactions to improve policy beneficiaries' capital management efficiency**
- **New structured finance business production tends to fluctuate, as large, complex transactions require a long time frame to close**
- **We expect that capital market structured finance opportunities will increase in the future as interest rates rise, more issuers return to the capital markets for financings and institutional investors again utilize financial guaranties**

U.S. Structured PVP[1]
($ in millions)

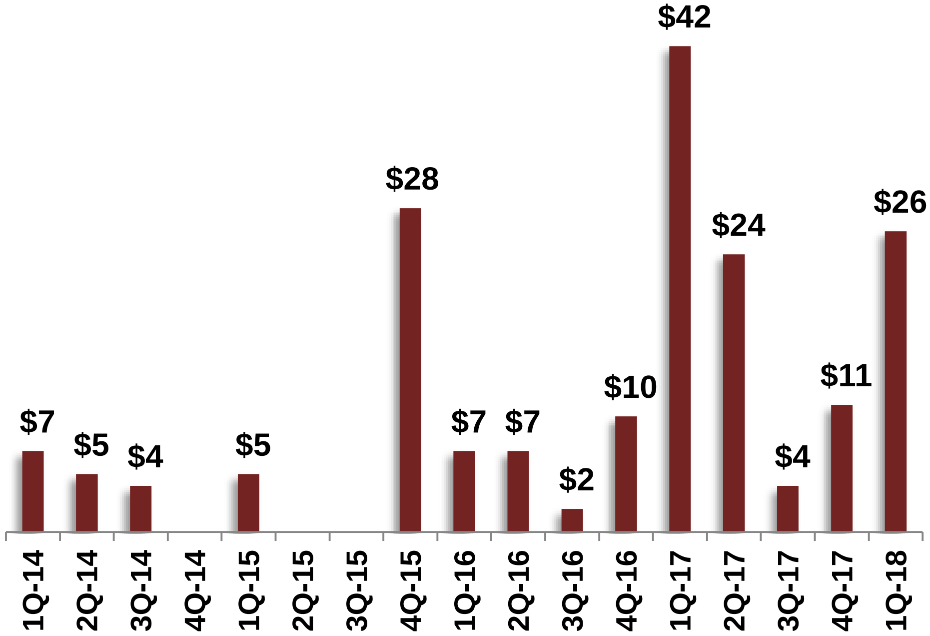


1. For an explanation of new business production, or PVP, which is a non-GAAP financial measure, please refer to the Appendix.

Creating Value
New Business Production
Non-U.S. Business Activity

- **During 1Q-18, we closed United Kingdom public-private-partnership and utility transactions in both the primary and secondary market**
- **We are optimistic about the pipeline of infrastructure transactions. However, international business typically comprises a small number of high-value transactions that have longer development periods and multiple counterparties, so the timing of closing transactions is often uncertain**

Non-U.S. PVP[1] by Quarter
($ in millions)



1. For an explanation of new business production, or PVP, which is a non-GAAP financial measure, please refer to the Appendix.

Creating Value
New Business Production
Underwriting Principles and Pricing Discipline

- **Continued focus on underwriting and pricing discipline**
  - Consistent with our pricing discipline, PVP to gross par written in the first quarter 2018 increased to 277 bps compared to 211 bps in the first quarter 2017

Gross Par Written

	Quarter Ended March 31,			
	2018		2017	
Sector:	Gross Par Written	Avg. Rating[1]	Gross Par Written	Avg. Rating[1]
U.S. public finance	$2,004	A-	$3,430	A-
Non-U.S. public finance	187	BBB-	990	BBB+
Total public finance	**$2,191**	**A-**	**$4,320**	**A-**
U.S. structured finance	$11	BBB	$243	AA
Non-U.S. structured finance	-	-	28	BBB+
Total structured finance	**$11**	**BBB**	**$271**	**AA**
Total gross par written	**$2,202**	**A-**	**$4,691**	**A-**
Total PVP	**$61**		**$99**	
PVP to gross par written	**2.77%**		**2.11%**	

1. Average internal rating.

- **Excluding one large structured infrastructure transaction written in first quarter 2017, U.S. public finance PVP was consistent with first quarter 2017, despite a 29% decline in new U.S. municipal bonds issued.**

Creating Value
Alternative Strategies
Acquisitions

- **Radian Asset Assurance acquisition closed on April 1, 2015**
  - Resulted in an increase of $654 million to claims-paying resources, an increase of $193 million to non-GAAP operating shareholder's equity and $570 million to non-GAAP adjusted book value
- **CIFG acquisition closed on July 1, 2016**
  - Resulted in a benefit of $293 million in non-GAAP operating income and $512 million to non-GAAP adjusted book value
- **MBIA UK Limited ("MBIA UK") acquisition closed on January 10, 2017**
  - Resulted in a benefit to non-GAAP operating income of $57 million or $0.45 per share, at the acquisition date
- **Syncora Guarantee Inc ("SGI") reinsurance transaction announced in February 2018**
  - Assured Guaranty will reinsure or commute approximately $14.5 billion of net par currently insured by SGI, substantially all of SGI's insured portfolio
  - SGI will pay Assured Guaranty $360 million and assign installment premiums estimated to total $55 million on a present value basis

1. For explanations of non-GAAP financial measures, please refer to the Appendix.

Creating Value
Alternative Strategies
Alternative Investments

- **In July 2016, the Company announced the formation of an Alternative Investments group**
  - The Alternative Investments group focuses on deploying a portion of Assured Guaranty's excess capital to pursue acquisitions and develop new business opportunities that benefit from the Company's core competencies and credit expertise and are in line with its risk profile, including, among others, both controlling and non-controlling investments in investment managers.
- **In February 2017, the Company came to an agreement on its first major investment**
  - The Company will purchase up to $100 million of limited partnership interests in a fund that invests in the equity of private equity managers
- **In September 2017, the Company acquired a minority interest in Wasmer, Schroeder & Company LLC**
  - Independent investment advisory firm specializing in separately managed accounts (SMAs)
  - Approximately $8 billion under management
  - Capitalizes on core competencies of both companies, such as municipal credit analysis and strong industry relationships.
- **In February 2018, the Company acquired a minority interest in Rubicon Infrastructure Advisors**
  - Rubicon is a full-service investment banking firm active in the global infrastructure sector
  - Rubicon has advised on over 70 merger and acquisition and capital raising assignments worth in excess of $30 billion over the past five years.
  - Rubicon operates on a global basis and has advised on transactions in Europe, the U.K., North America and Latin America providing investors, operating managers and construction companies with independent advice
- **The Company continues to investigate additional opportunities**

Creating Value
Commutations

- **Reassumption of previously ceded business has increased the unearned premium reserve and non-GAAP adjusted book value[1]**

Commutations Since 2009
As of March 31, 2018

Year	Reassumed Par ($ in billions)	Reassumed UPR ($ in millions)	Commutation Gain / (Loss) ($ in millions)
2009	$2.9	$65	$(11)
2010	15.5	104	50
2011	0.3	2	24
2012	19.2	109	82
2013	0.2	11	2
2014	1.2	20	23
2015	0.9	23	28
2016	0.0	-	8
2017	5.1	82	328
1Q-18	0.0	4	1
Total	**$45.3**	**$420**	**$535**

Ceded Par Outstanding by Reinsurer
As of March 31, 2018

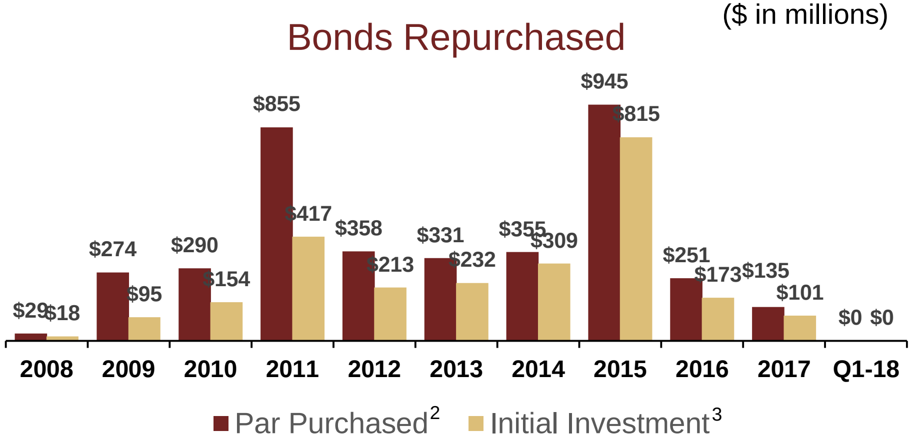
($ in millions)	Net Par Outstanding
American Overseas Re	$2,130
SGI[2]	$1,473
Others	$696
Total	$4,299

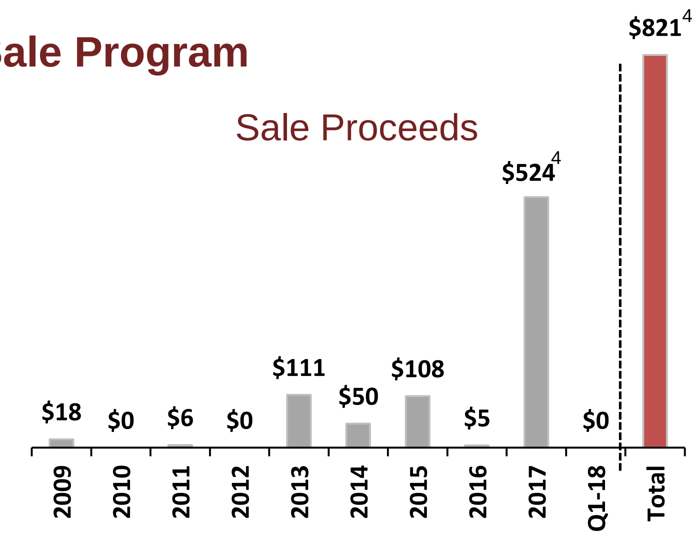
1. For an explanation of non-GAAP adjusted book value, which is a non-GAAP financial measure, please refer to the Appendix.
2. The majority of this amount would be commuted under the terms of the SGI reinsurance transaction announced in February 2018. See page 21.

Creating Value
Loss Mitigation
Bond Purchases

- **Since 2008, for loss mitigation purposes, we have strategically purchased bonds we had previously insured. Besides reducing our losses, these purchases can potentially relieve rating agency capital charges, increase future investment income and increase non-GAAP adjusted book value[1]**
  - The amount of reserves released and the ongoing principal and interest from the bonds are expected to be greater than the purchase price
  - We did not purchase any loss mitigation bonds in the first quarter of 2018
- **Targeted purchases are BIG securities on which claims are expected to be paid**
- **Subsequent to purchasing some of our insured bonds for loss mitigation purposes, we removed our insurance and sold the bonds uninsured. This typically creates rating agency capital and an economic benefit**

Loss Mitigation Bond Purchase and Sale Program
($ in millions)



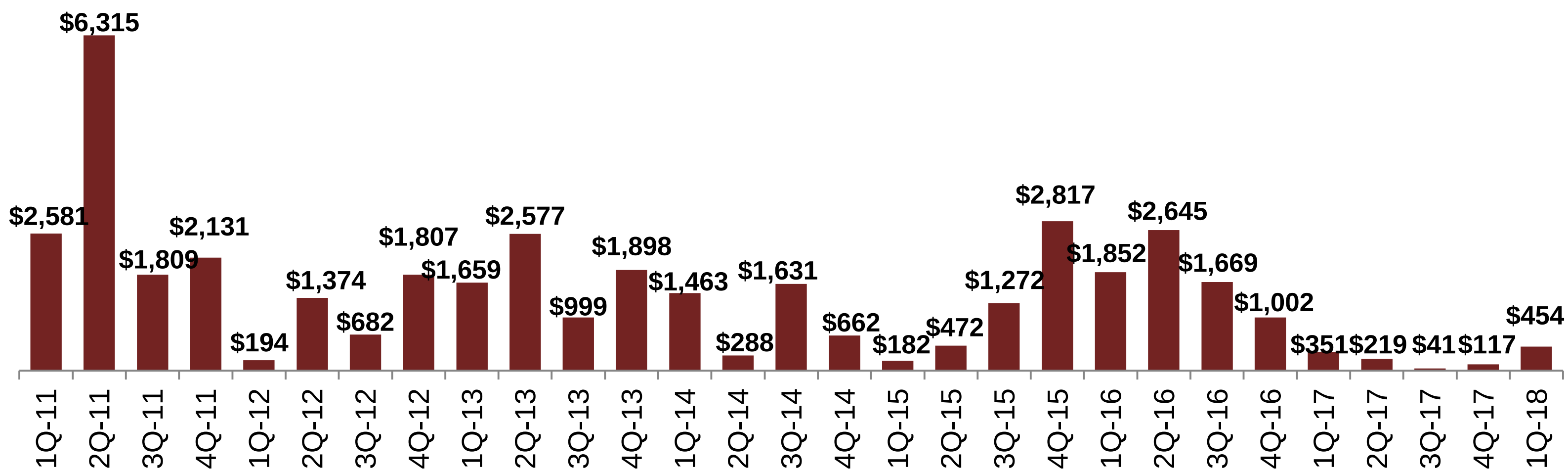


1. For an explanation of non-GAAP adjusted book value, please refer to the Appendix.
2. Par at the time of purchase.
3. Cost of purchase.
4. Includes $334 million of Zohar II notes used as consideration to acquire MBIA UK in Q1 2017.

Creating Value
Loss Mitigation
Agreements to Terminate Contracts

- **Actively pursue termination of insurance contracts**
  - At beneficiary's request: may keep all economics, possibly more
  - At our request: share economics with beneficiary
  - To eliminate high capital charges: share or possibly give up some economics
- **Since January 1, 2011, approximately $41 billion of net insured par outstanding has been terminated, which reduces our leverage and, in some cases, relieves rating agency capital charges**

Completed Terminations Since January 1, 2011
($ in millions)



Financial Results

March 31, 2018

First Quarter 2018 Results
Select Financial Items

Select GAAP Results ($ in millions, except per share data and percentages)	**Quarter Ended March 31,**		**% Change vs. 1Q-17**
	2018	**2017**	
Net income (loss)	**$197**	**$317**	**(38)%**
Net income (loss) per diluted share	**$1.68**	**$2.49**	**(33)%**
Net earned premiums	**$145**	**$164**	**(12)%**
Net investment income	**$101**	**$122**	**(17)%**
Loss and LAE	**$(18)**	**$59**	**NM**
GAAP ROE[1]	**11.5%**	**19.3%**	**(7.8)pp**

Select Non-GAAP Results ($ in millions, except per share data and percentages)	**Quarter Ended March 31,**				**% Change vs. 1Q-17**
	2018		**2017**		
	Amount	Effect of FG VIE Consolidation[3]	Amount	Effect of FG VIE Consolidation[3]	
Non-GAAP Operating income	$155	$5	$273	$5	(43)%
Non-GAAP Operating income per diluted share	$1.33	$0.04	$2.14	$0.03	(38)%
Non-GAAP Operating loss and LAE[1]	$(17)	$(6)	$41	$(2)	NM
Non-GAAP Operating ROE[2]	9.4%	0.2%	17.0%	0.3%	(7.6)pp

NM = Not meaningful pp = percentage points
1. Please see page 28 for a description of non-GAAP loss and LAE as well as a reconciliation of GAAP loss and LAE to non-GAAP loss and LAE
2. ROE calculations represent annualized returns.
3. The “Effect of FG VIE Consolidation” column represents amounts included in the consolidation statements of operations and non-GAAP operating income that the Company removes to arrive at the core financial measures that management uses in certain of its compensation calculations and its decision-making process. Please refer to the explanation of Non-GAAP Financial Measures set forth in the Appendix.

1st Quarter Loss Measures

Economic loss development (all contracts):

- Represents the estimated change in expected losses due to changes in transaction performance, discount rates, loss mitigation and other factors that affect the ultimate loss experience. Economic loss development excludes the effects of deferred premium revenue. The effect of changes in discount rates that is included in total economic loss development is not indicative of credit impairment or improvement.

Loss and LAE reported on the Consolidated Statement of Operations:

- Represents loss and loss adjustment expenses (LAE) for contracts accounted for as financial guaranty insurance ONLY
  - GAAP accounting model generally recognizes loss and LAE in the income statement only to the extent and for the amount that such losses exceed deferred premium revenue on a transaction by transaction basis.

Non-GAAP operating loss and LAE:

- Comprises:
  - Loss and LAE described above, and
  - Losses attributable to credit derivatives

($ in millions, except per share amounts)	1Q-18	1Q-17
	Amount	Amount
Loss and LAE	$(18)	59
Non-GAAP operating loss and LAE for credit derivatives	$(1)	$18
Losses attributed to FG VIEs included above	$(6)	$(2)

Portfolio Overview

March 31, 2018

Capital Base
(U.S. Statutory Basis)

Claims-Paying Resources[1]

($ in millions)	AGUS Consolidated (As of March 31, 2018)	AG Re[2] (As of March 31, 2018)	AGL Consolidated (As of March 31, 2018)
Claims-paying resources			
Policyholders' surplus	$3,944	$1,017	$4,961
Contingency reserve	1,777	-	1,777
Qualified statutory capital	**5,721**	**1,017**	**6,738**
Unearned premium reserve	1,982	659	2,641
Loss and loss adjustment expense reserves	831	312	1,143
Total policyholders' surplus and reserves	**8,534**	**1,988**	**10,522**
Present value of installment premium	299	136	435
Committed Capital Securities	400	-	400
Excess of loss reinsurance facility[3]	180	-	180
Total claims-paying resources	**$9,413**	**$2,124**	**$11,537**
Statutory net par outstanding[4]	$169,698	$63,680	$233,378
Net debt service outstanding[4]	$264,756	$99,931	$364,687
Ratios:			
Net par outstanding to qualified statutory capital	30:1	63:1	35:1
Capital ratio[5]	46:1	98:1	54:1
Financial resources ratio[6]	28:1	47:1	32:1

Contribution by Company to AGUS

($ in millions)	Policyholder's Surplus (As of March 31, 2018)	Qualified Statutory Capital (As of March 31, 2018)	Claims-Paying Resources (As of March 31, 2018)
AGM, excluding investment in MAC	$2,078	$3,072	$5,755
AGC, excluding investment in MAC	1,739	2,293	$3,247
MAC	277	506	$921
Eliminations	(150)	(150)	($510)
AGUS Consolidated	**$3,944**	**$5,721**	**$9,413**
AG Re	$1,017	1,017	$2,124
AGL Consolidated	**$4,961**	**$6,738**	**$11,537**

1. Aggregate data for operating subsidiaries within the Assured Guaranty Ltd. group. Claims on each subsidiary's insurance policies/financial guarantees are paid from the subsidiary's separate claims-paying resources. See page 31.
2. Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimates based on U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities, except for contingency reserves.
3. Represents the $180 million portion placed with an unaffiliated reinsurer of a $400 million aggregate excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2018. The facility terminates on January 1, 2020, unless AGC, AGM and MAC choose to extend it.
4. Net par outstanding and net debt service outstanding are presented on a statutory basis.
5. The capital ratio is calculated by dividing net debt service outstanding by qualified statutory capital.
6. The financial resources ratio is calculated by dividing net debt service outstanding by total claims-paying resources.

Four Discrete Operating Companies with Separate Capital Bases

Consolidated Statutory-Basis Claims-Paying Resources and Exposures

($ in millions)	AGM	AGC	MAC	AG Re[8]	Eliminations[3]	Consolidated
	As of March 31, 2018					
Claims-paying resources						
Policyholders' surplus	$2,247	$1,847	$277	$1,017	($427)	$4,961
Contingency reserve[1]	1,133	644	229	-	(229)	1,777
Qualified statutory capital	**3,380**	**2,491**	**506**	**1,017**	**(656)**	**6,738**
Unearned premium reserve[1]	1,646	336	235	659	(235)	2,641
Loss and loss adjustment expense reserves[1]	617	214	0	312	0	1,143
Total policyholders' surplus and reserves	**5,643**	**3,041**	**741**	**1,988**	**(891)**	**10,522**
Present value of installment premium[1]	182	117	0	136	0	435
Committed Capital Securities	200	200	-	-	-	400
Excess of loss reinsurance facility[2]	180	180	180	-	(360)	180
Total claims-paying resources (including MAC adjustment for AGM and AGC)	**$6,205**	**$3,538**	**$921**	**$2,124**	**($1,251)**	**$11,537**
Adjustment for MAC[4]	450	291	-	-	(741)	-
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)	**$5,755**	**$3,247**	**$921**	**$2,124**	**($510)**	**$11,537**
Statutory net par outstanding[5]	$119,306	$22,642	$28,471	$63,680	($721)	$233,378
Equity method adjustment[4]	17,282	11,189	-	-	(28,471)	-
Adjusted statutory net par outstanding[1]	$136,588	$33,831	$28,471	$63,680	($29,192)	$233,378
Net debt service outstanding[5]	$189,808	$34,163	$41,910	$99,931	($1,125)	$364,687
Equity method adjustment[4]	25,440	16,470	-	-	(41,910)	-
Adjusted net debt service outstanding[1]	$215,248	$50,633	$41,910	$99,931	($43,035)	$364,687
Ratios:						
Adjusted net par outstanding to qualified statutory capital	40:1	14:1	56:1	63:1		35:1
Capital ratio[6]	64:1	20:1	83:1	98:1		54:1
Financial resources ratio[7]	35:1	14:1	46:1	47:1		32:1
Admitted Assets (statutory basis)	$5,445	$2,927	$817			
Total Liabilities (statutory basis)	3,199	1,079	541			
Contingency Reserves (statutory basis)	989	554	229			
Surplus to Policyholders (statutory basis)	2,247	1,847	277			

1. The numbers shown for Assured Guaranty Municipal Corp. (AGM) and Assured Guaranty Corp. (AGC) have been adjusted to include their indirect share of Municipal Assurance Corp. (MAC). AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. In addition, the numbers shown for AGM have been adjusted to include 100% share of its respective European insurance subsidiaries. Amounts include financial guaranty insurance and credit derivatives.
2. Represents the $180 million portion placed with an unaffiliated reinsurer of a $400 million aggregate excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2018. The facility terminates on January 1, 2020, unless AGC, AGM and MAC choose to extend it.
3. Eliminations are primarily for (i) intercompany surplus notes between AGM and AGC, (ii) MAC amounts, whose proportionate share are included in AGM and AGC based on ownership percentages, and (iii) eliminations related to the sale of European Subsidiaries from AGC to AGM. Net par and net debt service outstanding eliminations relate to second-to-pay policies under which an Assured Guaranty insurance subsidiary guarantees an obligation already insured by another Assured Guaranty insurance subsidiary, and net par related to intercompany cessions from AGM and AGC to MAC.
4. Represents adjustments for AGM's and AGC's interest and indirect ownership of MAC.
5. Net par outstanding and net debt service outstanding are presented on a statutory basis.
6. The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
7. The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources (including MAC adjustment for AGM and AGC).
8. Assured Guaranty Re Ltd. (AG Re) numbers represent the Company's estimate of United States (U.S.) statutory accounting practices prescribed or permitted by insurance regulatory authorities, except for contingency reserves.

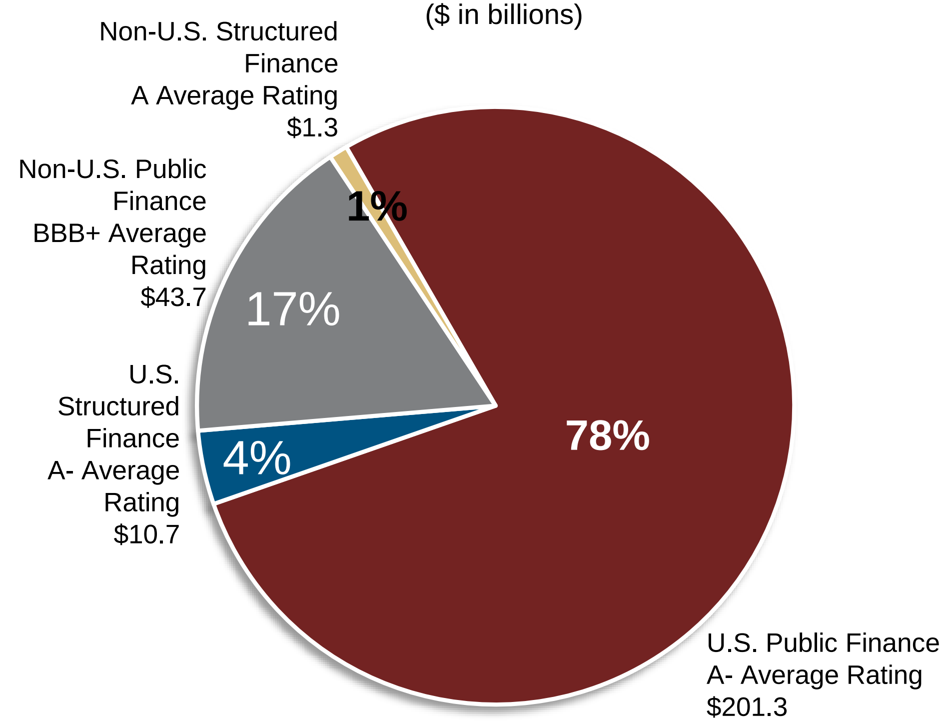
Net Par Outstanding By Sector

- **Assured Guaranty's insured portfolio is largely concentrated in U.S. public finance**
  - 78% U.S. public finance
  - 17% Non-U.S. public finance
  - 4% U.S. structured finance
  - 1% Non-U.S. structured finance
- **Our insured portfolio has an A- average internal credit rating**
  - 4.5% below investment grade
- **U.S. public finance is the sector with the largest BIG exposure**
  - $6.6 billion of U.S. public finance par exposure is BIG (57% of our total BIG)
  - Out of this $6.6 billion, $5.0 billion of net par exposure relates to Puerto Rico

Consolidated Net Par Outstanding

As of March 31, 2018

($ in billions)



$257.1 billion, A- average rating

Net Par Outstanding Amortization

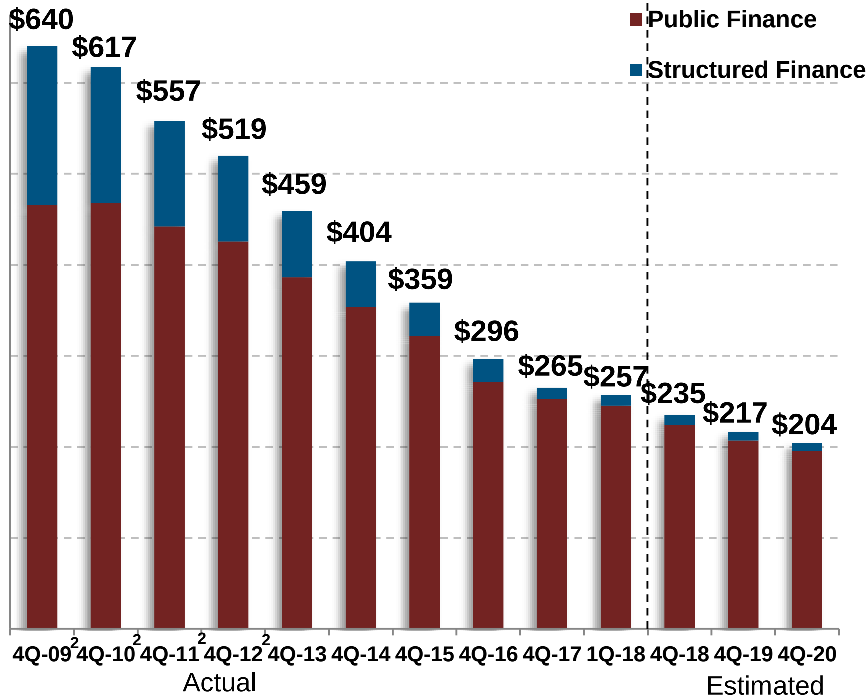
- **Amortization of the existing portfolio reduces rating agency capital charges, but also embedded future earned premiums**
  - Currently, the portfolio consists of $245 billion of public finance and $12 billion of structured finance
  - The portfolio will amortize by 9% by the end of 2018; 16% by the end of 2019; 21% by the end of 2020; 31% by the end of 2022

- **New direct or assumed business originations, reassumptions and acquisitions will increase future premiums**

Consolidated Net Par Outstanding Amortization[1]

As of March 31, 2018

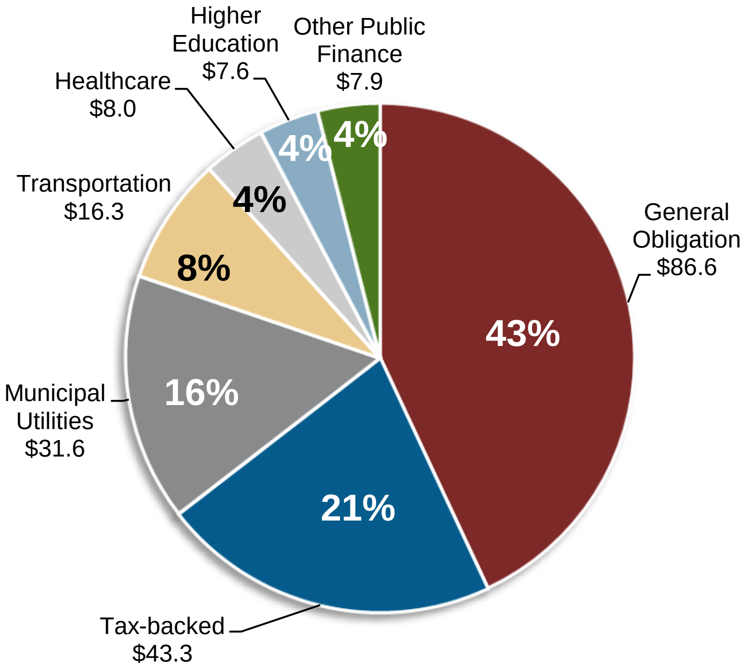
($ in billions)



1. Represents the future expected amortization of existing net par outstanding as of March 31, 2018. Actual amortization of the existing portfolio will differ from the expected shown here because, for example, (1) some obligors may call, prepay or defease guaranteed obligations (e.g., in the context of U.S. public finance refundings), and (2) the expected amortization of structured finance transactions is based in part on management's assumptions regarding the performance of the underlying assets while the actual performance of those assets may differ from management's assumptions. Actual amortization of the U.S. public and global infrastructure finance portfolio and the structured finance portfolio may be faster or slower than expected by management, both portfolios may differ in the same direction and one portfolio may amortize more quickly while the other may amortize more slowly.
2. Gross of wrapped bond purchases made primarily for loss mitigation.

U.S. Public Finance
Net Par Outstanding

U.S. Public Finance
As of March 31, 2018
($ in billions)



$201.3 billion, A- average rating

- **U.S. public finance net par outstanding is $201.3 billion and makes up 78% of our total insured portfolio as of March 31, 2018**
- **U.S. public finance portfolio generally performed well during the recession and in subsequent years, despite persistent financial pressures on municipal obligors**
  - Our portfolio is well-diversified with approximately 8,000 direct U.S. public finance obligors. We expect future losses to be paid, net of recoveries, on thirteen exposures[1].
  - We have proactively managed those exposures that have experienced credit deterioration and payment default, like Detroit, Harrisburg and Stockton, with relatively small expected losses.
  - Our Puerto Rico exposure represents our largest below investment grade U.S. public finance exposure.
- **General obligation, tax-backed and municipal utilities represent 80% of U.S. public finance net par outstanding**
  - 63% of total net par outstanding

1. Includes exposure to Puerto Rico exposures discussed on the following pages.

Public Finance
Puerto Rico Exposure

ASSURED GUARANTY®

Par Exposure to the Commonwealth and its Agencies[1]
As of March 31, 2018

	($ in millions)	Net Par Outstanding [2]	Gross Par Outstanding
Commonwealth Constitutionally Guaranteed	Commonwealth of Puerto Rico - General Obligation Bonds [3]	$1,419	$1,469
	Puerto Rico Public Buildings Authority (PBA)	141	146
	Subtotal	**$1,560**	**$1,615**
Public Corporations – Certain Revenues Potentially Subject to Clawback	Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation Revenue Bonds) [3]	$882	$913
	Puerto Rico Highways and Transportation Authority (PRHTA) (Highways Revenue Bonds) [3]	495	556
	Puerto Rico Convention Center District Authority (PRCCDA)	152	152
	Puerto Rico Infrastructure Financing Agency (PRIFA)	18	18
	Subtotal	**$1,547**	**$1,639**
Other Public Corporations	Puerto Rico Electric Power Authority (PREPA) [3]	853	870
	Puerto Rico Aqueduct and Sewer Authority (PRASA) [4]	373	373
	Puerto Rico Municipal Finance Agency (MFA) [4]	360	416
	Puerto Rico Sales Tax Finance Corp. (COFINA) [3]	273	273
	University of Puerto Rico (U of PR)[4]	1	1
	Subtotal	**$1,860**	**$1,933**
	Total	**$4,967**	**$5,187**

1. The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are rated BIG.
2. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $26 million and a fully accreted net par at maturity of $56 million. Of these amounts, current net par of $20 million and fully accreted net par at maturity of $50 million relate to COFINA, current net par of $4 million and fully accreted net par at maturity of $4 million relate to the PRHTA, and current net par of $2 million and fully accreted net par at maturity of $2 million relate to the Commonwealth General Obligation Bonds.
3. As of the date of the Company's 2018 1st quarter 10-Q filing, the seven-member federal financial oversight board established by the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) has certified a filing under Title III of PROMESA for these exposures.
4. As of the date the Company's 2018 1st quarter 10-Q filing, the Company has **not** paid claims on these credits.

Public Finance
Puerto Rico Exposure

Scheduled Net Par Amortization of Exposure to the Commonwealth and its Agencies[1]

As of March 31, 2018

($ in millions)	2Q 2018	3Q 2018	4Q 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	Total
Commonwealth – GO	$0	$78	$0	$87	$141	$15	$37	$14	$73	$68	$34	$90	$215	$567	$-	$-	**$1,419**
PBA	-	-	-	3	5	13	0	6	0	7	11	40	16	40	-	-	**141**
Subtotal	**$0**	**$78**	**$0**	**$90**	**$146**	**$28**	**$37**	**$20**	**$73**	**$75**	**$45**	**$130**	**$231**	**$607**	**$-**	**$-**	**$1,560**
PRHTA (Transportation Revenue)	$0	$38	$-	$32	$25	$18	$28	$34	$4	$29	$24	$29	$157	$279	$185	$-	**882**
PRHTA (Highways Revenue)	-	20	-	21	22	35	6	32	33	34	1	-	112	179	-	-	**495**
PRCCDA	-	-	-	-	-	-	-	-	-	-	-	19	24	109	-	-	**152**
PRIFA	-	2	-	-	-	-	-	2	-	-	-	-	-	-	14	-	**18**
Subtotal	**$0**	**$60**	**$-**	**$53**	**$47**	**$53**	**$34**	**$68**	**$37**	**$63**	**$25**	**$48**	**$293**	**$567**	**$199**	**$-**	**$1,547**
PREPA	$-	$5	$-	$26	$48	$28	$28	$95	$93	$68	$106	$105	$238	$13	$-	$-	**$853**
PRASA	-	-	-	-	-	-	-	-	2	25	26	28	29	-	2	261	**373**
MFA	-	57	-	55	45	40	40	22	17	17	34	12	21	-	-	-	**360**
COFINA	0	0	0	(1)	(1)	(1)	(2)	1	0	(2)	(2)	(2)	(1)	30	252	2	**273**
U of PR	-	0	-	0	0	0	0	0	0	0	0	0	1	0	-	-	**1**
Subtotal	**$0**	**$62**	**$0**	**$80**	**$92**	**$67**	**$66**	**$118**	**$112**	**$108**	**$164**	**$143**	**$288**	**$43**	**$254**	**$263**	**$1,860**
Total	**$0**	**$200**	**$0**	**$223**	**$285**	**$148**	**$137**	**$206**	**$222**	**$246**	**$234**	**$321**	**$812**	**$1,217**	**$453**	**$263**	**$4,967**

1. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $26 million and a fully accreted net par at maturity of $56 million. Of these amounts, current net par of $20 million and fully accreted net par at maturity of $50 million relate to COFINA, current net par of $4 million and fully accreted net par at maturity of $4 million relate to the PRHTA, and current net par of $2 million and fully accreted net par at maturity of $2 million relate to the Commonwealth General Obligation Bonds.

Public Finance
Puerto Rico Exposure

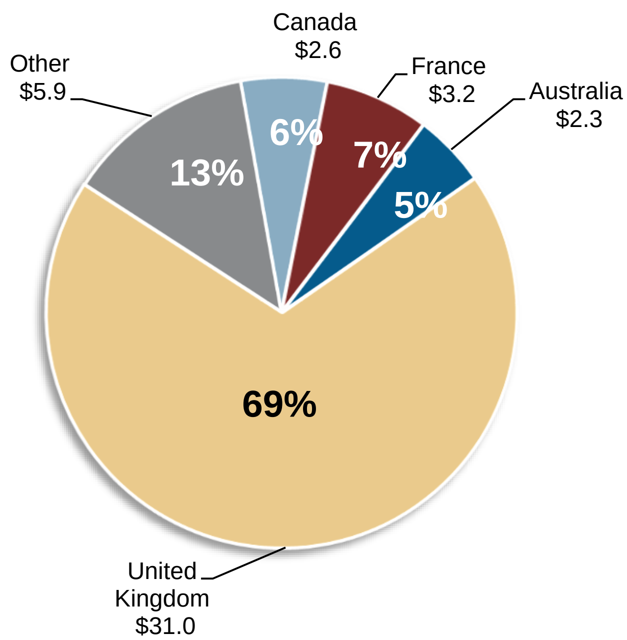
Scheduled Net Debt Service Amortization of Exposure to the Commonwealth and its Agencies[1]
As of March 31, 2018

($ in millions)	2Q 2018	3Q 2018	4Q 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	Total
[redacted]																	
Commonwealth – GO	$0	$114	$0	$156	$206	$74	$94	$71	$128	$119	$82	$136	$396	$649	$-	$-	**$2,225**
PBA	-	4	-	10	12	20	6	13	6	12	17	44	31	45	-	-	**220**
Subtotal	**$0**	**$118**	**$0**	**$166**	**$218**	**$94**	**$100**	**$84**	**$134**	**$131**	**$99**	**$181**	**$427**	**$694**	**$-**	**$-**	**$2,445**
[redacted]																	
PRHTA (Transportation Revenue)	$0	$61	$-	$76	$67	$59	$68	$72	$41	$66	$59	$63	$300	$372	$210	$-	**$1,514**
PRHTA (Highways Revenue)	-	33	-	47	46	58	27	52	51	51	17	15	182	203	-	-	**782**
PRCCDA	-	3	-	7	7	7	7	7	7	7	7	26	55	121	-	-	**261**
PRIFA	-	2	-	1	1	1	1	2	1	1	1	1	4	3	16	-	**35**
Subtotal	**$0**	**$99**	**$-**	**$131**	**$121**	**$125**	**$103**	**$133**	**$100**	**$125**	**$84**	**$105**	**$541**	**$699**	**$226**	**$-**	**$2,592**
[redacted]																	
PREPA	$3	$22	$3	$65	$87	$63	$62	$128	$121	$91	$126	$122	$273	$15	$-	$-	**$1,181**
PRASA	-	10	-	19	19	19	19	19	21	44	44	44	99	68	69	314	**808**
MFA	-	67	-	70	58	50	48	28	23	21	37	14	22	-	-	-	**438**
COFINA	0	6	0	13	13	13	13	16	15	13	13	13	74	96	307	2	**607**
U of PR	-	0	-	0	0	0	0	0	0	0	0	0	1	0	-	-	**1**
Subtotal	**$3**	**$105**	**$3**	**$167**	**$177**	**$145**	**$142**	**$191**	**$180**	**$169**	**$220**	**$193**	**$469**	**$179**	**$376**	**$316**	**$3,035**
Total	**$3**	**$322**	**$3**	**$464**	**$516**	**$364**	**$345**	**$408**	**$414**	**$425**	**$403**	**$478**	**$1,437**	**$1,572**	**$602**	**$316**	**$8,072**

1. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $26 million and a fully accreted net par at maturity of $56 million. Of these amounts, current net par of $20 million and fully accreted net par at maturity of $50 million relate to COFINA, current net par of $4 million and fully accreted net par at maturity of $4 million relate to the PRHTA, and current net par of $2 million and fully accreted net par at maturity of $2 million relate to the Commonwealth General Obligation Bonds.

Consolidated Non-U.S. Exposure
Non-U.S. Public and Structured Finance

Non-U.S. Exposure
As of March 31, 2018
($ in billions)

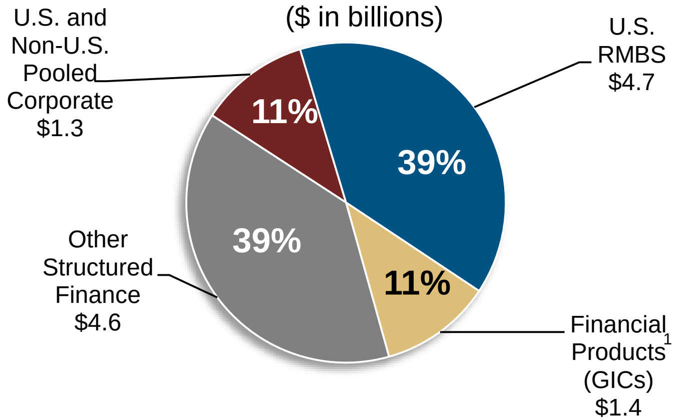


$45.1 billion, BBB+ average rating

- **97% of non-U.S. exposure is Public Finance**
  - Direct sovereign debt is limited to Poland ($291 million outstanding)
- **3% of non-U.S. exposure is Structured Finance**

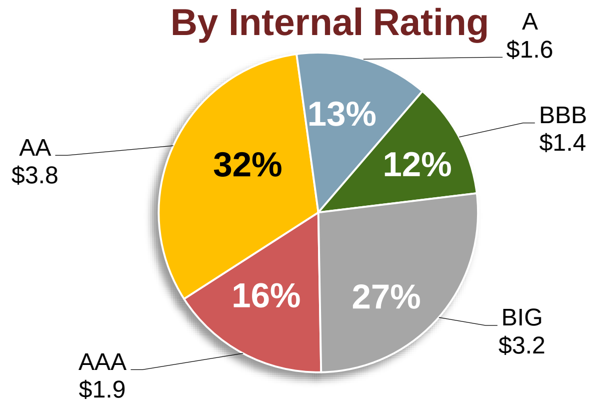
Structured Finance Exposures
Net Par Outstanding

By Type
As of March 31, 2018
($ in billions)



$12.0 billion, A- average rating

By Internal Rating



- **Assured Guaranty's total structured finance exposure of $240.9 billion at December 31, 2007 has declined by $228.9 billion to $12.0 billion through March 31, 2018, a 95% reduction**
- **We expect Assured Guaranty's current global structured finance insured portfolio to amortize more rapidly than our public finance portfolio**
  - 9% expected to amortize by the end of 2018, 20% by the end of 2019, 30% by the end of 2020 and 47% by the end of 2022

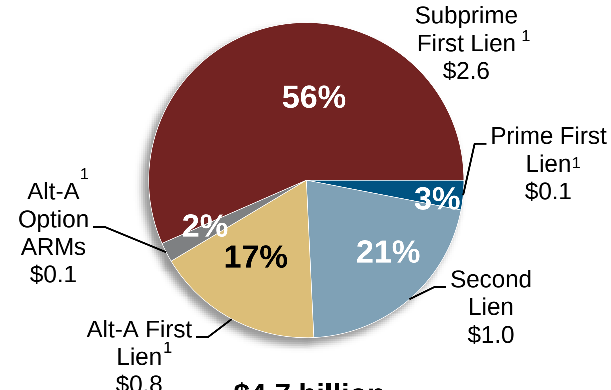
1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia. As of March 31, 2018, the aggregate fair market value of the assets supporting the GIC business (disregarding the agreed upon reductions) plus cash and positive derivative value exceeded by nearly $0.6 billion the aggregate principal amount of all outstanding GICs and certain other business and hedging costs of the GIC business. Even after applying the agreed upon reductions to the fair market value of the assets, the aggregate value of the assets supporting the GIC business plus cash and positive derivative value exceeded the aggregate principal amount of all outstanding GICs and certain other business and hedging costs of the GIC business.

Consolidated U.S. RMBS

- **Our $4.7 billion U.S. RMBS portfolio is amortizing both on a dollar basis and as a percentage of the portfolio**
  - Total U.S. RMBS has declined from $29.2 billion at December 31, 2009 to $4.7 billion at March 31, 2018, a $24.5 billion or 84% reduction
  - U.S. RMBS expected to be reduced by 14% by year-end 2018 and by 65% by year-end 2022
  - As of March 31, 2018, U.S. RMBS exposure excludes $1.1 billion of net par related to loss mitigation strategies, including loss mitigation securities held in the investment portfolio
- **Our loss reserving methodology is driven by our assumptions on several factors:**
  - Liquidation rates
  - Conditional default rates
  - Conditional prepayment rates
  - Loss severity
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Termination of insurance on BIG credits

U.S. RMBS by Exposure Type

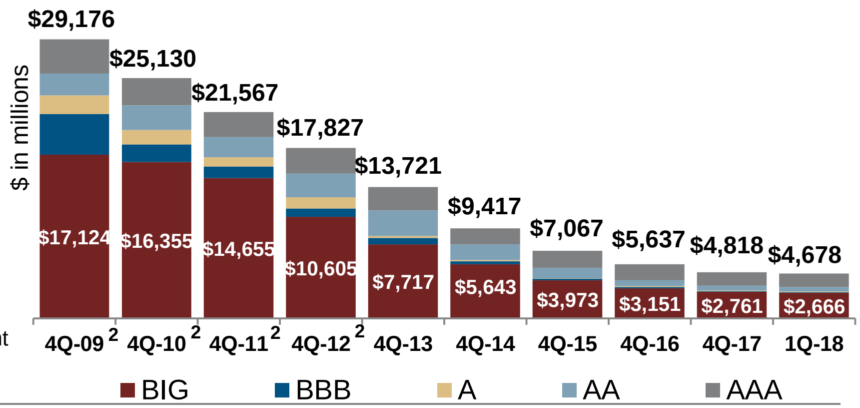
As of March 31, 2018
($ in billions)



$4.7 billion
(1.8% of total net par outstanding)

U.S. RMBS by Rating

Net Par Outstanding from December 31, 2009 to March 31, 2018



1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to collateralized reinsurance arrangements.
2. Gross of wrapped bond purchases made primarily for loss mitigation

Below Investment Grade Exposures

Net Par Outstanding by BIG Category[1]

- **As of March 31, 2018, approximately $4.0 billion (34%) of the aggregate BIG exposure was Category 1, which are transactions that show sufficient deterioration to make future losses possible but for which none are currently expected**

Financial Guaranty Insurance and Credit Derivatives Surveillance Categories

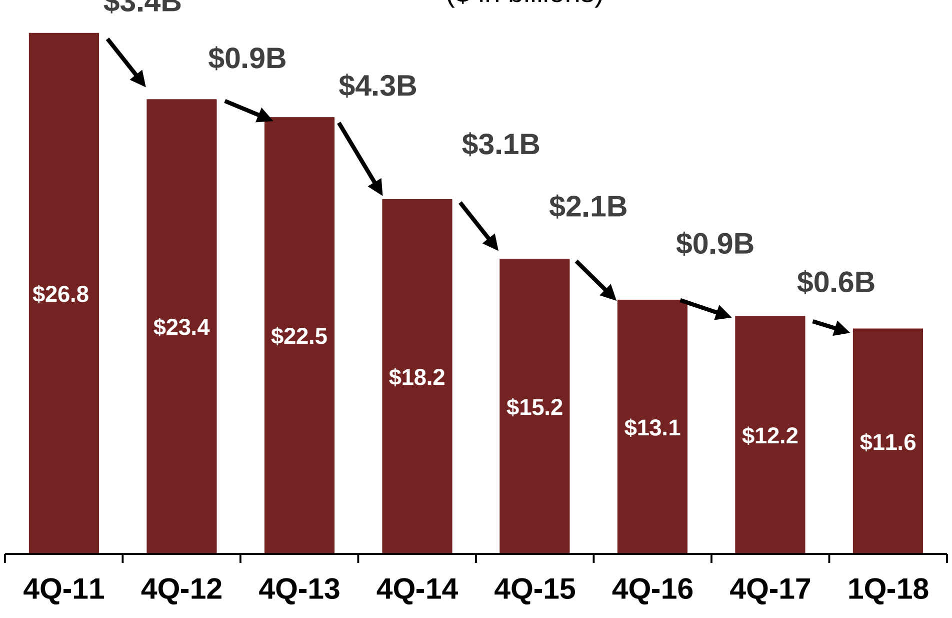
($ millions)	March 31, 2018	December 31, 2017
Category 1		
U.S. public finance	$1,875	$2,368
Non-U.S. public finance	1,476	1,455
U.S. structured finance	525	603
Non-U.S. structured finance	104	102
Total Category 1	$3,980	$4,528
Category 2		
U.S. public finance	$391	$663
Non-U.S. public finance	279	276
U.S. structured finance	368	418
Non-U.S. structured finance	3	4
Total Category 2	$1,041	$1,361
Category 3		
U.S. public finance	$4,380	$4,109
Non-U.S. public finance	-	-
U.S. structured finance	2,198	2,240
Non-U.S. structured finance	-	-
Total Category 3	$6,578	$6,349
BIG Total	**$11,599**	**$12,238**

1. Assured Guaranty's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of BIG credits. BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make future losses possible, but for which none are currently expected. BIG Category 2: Below-investment-grade transactions for which future losses are expected but for which no claims (other than liquidity claims, which are claims that the Company expects to be reimbursed within one year) have yet been paid. BIG Category 3: Below-investment-grade transactions for which future losses are expected and on which claims (other than liquidity claims) have been paid.

BIG Exposure Decline

- **Since 4Q-11, BIG net par outstanding has declined by $15.2 billion.**
- **The reassumption of American Overseas increased BIG net par outstanding by approximately $32 million in 2018.**
- **The largest components of our BIG exposure are Puerto Rico at 43% and U.S. RMBS at 23%.**

BIG Net Par Outstanding
($ in billions)



Changes in BIG Net Par Outstanding

($ in millions)	Full Year 2015	Full Year 2016	Full Year 2017	1Q-18
Beginning BIG par	**$18,247**	**$15,183**	**$13,074**	**$12,238**
Amortization / Claim Payments	(1,801)	(1,901)	(1,986)	(289)
R&W RMBS Settlement Reclassifications	-	-	-	-
FX Change	(153)	(42)	217	54
Terminations	(1,951)	(600)	(326)	(65)
Removals / Upgrades	(2,983)	(505)	(809)	(379)
Additions / Downgrades	4,234	1,182	2,136	40
Adjustments[1]	(411)	(242)	(68)	-
Total Decrease / Increase	**(3,065)**	**(2,108)**	**(836)**	**(639)**
Ending BIG par	**$15,183**	**$13,074**	**$12,238**	**$11,599**

1. Adjustments include movement due to reclassification of internal ratings due to reinsurance agreements or arrangements, benefits from the loss mitigation bond purchase program or representations and warranty settlements as well as legal defeasance.

BIG Exposures > $250 Million

(dollars in millions)

BIG Exposures Greater Than $250 Million as of March 31, 2018

Type[1]	Name or Description	Net Par Outstanding	Internal Rating
PF	Puerto Rico General Obligation, Appropriations and Guarantees of the Commonwealth	$1,578	CCC-
PF	Puerto Rico Highways and Transportation Authority	1,377	CC-
PF	Puerto Rico Electric Power Authority	853	CC
PF	Coventry & Rugby Hospital Company	598	BB+
PF	Puerto Rico Aqueduct & Sewer Authority	373	CCC
PF	Puerto Rico Municipal Finance Agency	360	CCC-
PF	Valencia Fair	343	BB-
PF	Oyster Bay, New York	332	BB+
PF	Puerto Rico Sales Tax Financing Corporation	273	CC
	Total	**$6,087**	

1. "PF" signifies a public finance transaction and "SF" signifies a structured finance transaction, if applicable.

Appendix

Appendix
Explanation of Non-GAAP Financial Measures

To reflect the key financial measures that management analyzes in evaluating the Company's operations and progress towards long-term goals, the Company discloses both financial measures determined in accordance with GAAP and financial measures not determined in accordance with GAAP (non-GAAP financial measures).

Financial measures identified as non-GAAP should not be considered substitutes for GAAP financial measures. The primary limitation of non-GAAP financial measures is the potential lack of comparability to financial measures of other companies, whose definitions of non-GAAP financial measures may differ from those of the Company.

By disclosing non-GAAP financial measures, the Company gives investors, analysts and financial news reporters access to information that management and the Board of Directors review internally. The Company believes its presentation of non-GAAP financial measures, along with the effect of FG VIE consolidation, provides information that is necessary for analysts to calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and for investors, analysts and the financial news media to evaluate Assured Guaranty's financial results.

GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company. However, the Company does not own such VIEs and its exposure is limited to its obligation under its financial guaranty insurance contract. Management and the Board of Directors use non-GAAP financial measures adjusted to remove FG VIE consolidation (which the Company refers to as its core financial measures), as well as GAAP financial measures and other factors, to evaluate the Company's results of operations, financial condition and progress towards long-term goals. The Company uses these core financial measures in its decision making process and in its calculation of certain components of management compensation. Wherever possible, the Company has separately disclosed the effect of FG VIE consolidation.

Many investors, analysts and financial news reporters use non-GAAP operating shareholders' equity, adjusted to remove the effect of FG VIE consolidation, as the principal financial measure for valuing AGL's current share price or projected share price and also as the basis of their decision to recommend, buy or sell AGL's common shares. Many of the Company's fixed income investors also use this measure to evaluate the Company's capital adequacy.

Many investors, analysts and financial news reporters also use non-GAAP adjusted book value, adjusted to remove the effect of FG VIE consolidation, to evaluate AGL's share price and as the basis of their decision to recommend, buy or sell the AGL common shares. Non-GAAP operating income adjusted for the effect of FG VIE consolidation enables investors and analysts to evaluate the Company's financial results in comparison with the consensus analyst estimates distributed publicly by financial databases.

The core financial measures that the Company uses to help determine compensation are: (1) non-GAAP operating income, adjusted to remove the effect of FG VIE consolidation, (2) non-GAAP operating shareholders' equity, adjusted to remove the effect of FG VIE consolidation, (3) growth in non-GAAP adjusted book value per share, adjusted to remove the effect of FG VIE consolidation, and (4) PVP.

The following paragraphs define each non-GAAP financial measure disclosed by the Company and describe why it is useful. To the extent there is a directly comparable GAAP financial measure, a reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure is presented within this financial supplement.

Appendix
Explanation of Non-GAAP Financial Measures

Non-GAAP Operating Income: Management believes that non-GAAP operating income is a useful measure because it clarifies the understanding of the underwriting results and financial condition of the Company and presents the results of operations of the Company excluding the fair value adjustments on credit derivatives and CCS that are not expected to result in economic gain or loss, as well as other adjustments described below. Management adjusts non-GAAP operating income further by removing FG VIE consolidation to arrive at its core operating income measure. Non-GAAP operating income is defined as net income (loss) attributable to AGL, as reported under GAAP, adjusted for the following:

1) Elimination of realized gains (losses) on the Company's investments, except for gains and losses on securities classified as trading. The timing of realized gains and losses, which depends largely on market credit cycles, can vary considerably across periods. The timing of sales is largely subject to the Company's discretion and influenced by market opportunities, as well as the Company's tax and capital profile.

2) Elimination of non-credit-impairment unrealized fair value gains (losses) on credit derivatives that are recognized in net income, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, the Company's credit spreads, and other market factors and are not expected to result in an economic gain or loss.

3) Elimination of fair value gains (losses) on the Company's CCS that are recognized in net income. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.
Non-GAAP Financial Measures (continued)

4) Elimination of foreign exchange gains (losses) on remeasurement of net premium receivables and loss and LAE reserves that are recognized in net income. Long-dated receivables and loss and LAE reserves represent the present value of future contractual or expected cash flows. Therefore, the current period's foreign exchange remeasurement gains (losses) are not necessarily indicative of the total foreign exchange gains (losses) that the Company will ultimately recognize.

5) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

Non-GAAP Operating Shareholders' Equity and Non-GAAP Adjusted Book Value: Management believes that non-GAAP operating shareholders' equity is a useful measure because it presents the equity of the Company excluding the fair value adjustments on investments, credit derivatives and CCS, that are not expected to result in economic gain or loss, along with other adjustments described below. Management adjusts non-GAAP operating shareholders' equity further by removing FG VIE consolidation to arrive at its core operating shareholders' equity and core adjusted book value.

Non-GAAP operating shareholders' equity is the basis of the calculation of non-GAAP adjusted book value (see below). Non-GAAP operating shareholders' equity is defined as shareholders' equity attributable to AGL, as reported under GAAP, adjusted for the following:

1) Elimination of non-credit-impairment unrealized fair value gains (losses) on credit derivatives, which is the amount of unrealized fair value gains (losses) in excess of the present value of the expected estimated economic credit losses, and non-economic payments. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.

2) Elimination of fair value gains (losses) on the Company's CCS. Such amounts are affected by changes in market interest rates, the Company's credit spreads, price indications on the Company's publicly traded debt, and other market factors and are not expected to result in an economic gain or loss.

3) Elimination of unrealized gains (losses) on the Company's investments that are recorded as a component of accumulated other comprehensive income (AOCI) (excluding foreign exchange remeasurement). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore should not recognize an economic gain or loss.

4) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

Appendix
Explanation of Non-GAAP Financial Measures (Cont'd)

Management uses non-GAAP adjusted book value, adjusted for FG VIE consolidation, to measure the intrinsic value of the Company, excluding franchise value. Growth in non-GAAP adjusted book value per share, adjusted for FG VIE consolidation (core adjusted book value), is one of the key financial measures used in determining the amount of certain long-term compensation elements to management and employees and used by rating agencies and investors. Management believes that non-GAAP adjusted book value is a useful measure because it enables an evaluation of the Company's in-force premiums and revenues net of expected losses. Non-GAAP adjusted book value is non-GAAP operating shareholders' equity, as defined above, further adjusted for the following:

1) Elimination of deferred acquisition costs, net. These amounts represent net deferred expenses that have already been paid or accrued and will be expensed in future accounting periods.

2) Addition of the net present value of estimated net future revenue on non-financial guaranty contracts. See below.

3) Addition of the deferred premium revenue on financial guaranty contracts in excess of expected loss to be expensed, net of reinsurance. This amount represents the expected future net earned premiums, net of expected losses to be expensed, which are not reflected in GAAP equity.

4) Elimination of the tax effects related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

The unearned premiums and revenues included in non-GAAP adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current non-GAAP adjusted book value due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults and other factors.

Non-GAAP Operating Return on Equity (Non-GAAP Operating ROE): Non-GAAP Operating ROE represents non-GAAP operating income for a specified period divided by the average of non-GAAP operating shareholders' equity at the beginning and the end of that period. Management believes that non-GAAP operating ROE is a useful measure to evaluate the Company's return on invested capital. Many investors, analysts and members of the financial news media use non-GAAP operating ROE, adjusted for FG VIE consolidation, to evaluate AGL's share price and as the basis of their decision to recommend, buy or sell the AGL common shares. Quarterly and year-to-date non-GAAP operating ROE are calculated on an annualized basis. Non-GAAP operating ROE, adjusted for FG VIE consolidation, is one of the key management financial measures used in determining the amount of certain long-term compensation to management and employees and used by rating agencies and investors.

Net Present Value of Estimated Net Future Revenue: Management believes that this amount is a useful measure because it enables an evaluation of the value of future estimated revenue for non-financial guaranty insurance contracts. There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from the Company's non-financial guaranty insurance contracts, net of reinsurance, ceding commissions and premium taxes, for contracts without expected economic losses, and is discounted at 6%. Estimated net future revenue may change from period to period due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation.

PVP or Present Value of New Business Production: Management believes that PVP is a useful measure because it enables the evaluation of the value of new business production for the Company by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period as well as premium supplements and additional installment premium on existing contracts as to which the issuer has the right to call the insured obligation but has not exercised such right, whether in insurance or credit derivative contract form, which management believes GAAP gross written premiums and the net credit derivative premiums received and receivable portion of net realized gains and other settlements on credit derivatives (Credit Derivative Realized Gains (Losses)) do not adequately measure. PVP in respect of contracts written in a specified period is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, discounted, in each case, at 6%. Under GAAP, financial guaranty installment premiums are discounted at a risk free rate. Additionally, under GAAP, management records future installment premiums on financial guaranty insurance contracts covering non-homogeneous pools of assets based on the contractual term of the transaction, whereas for PVP purposes, management records an estimate of the future installment premiums the Company expects to receive, which may be based upon a shorter period of time than the contractual term of the transaction. Actual future earned or written premiums and Credit Derivative Realized Gains (Losses) may differ from PVP due to factors including, but not limited to, changes in foreign exchange rates, prepayment speeds, terminations, credit defaults, or other factors that affect par outstanding or the ultimate maturity of an obligation.

Appendix
Reconciliation of Gross Written Premiums (GWP) to PVP

Reconciliation of GWP to PVP	**Three Months Ended**		**Year Ended December 31,**				
(dollars in millions)	**Mar 31, 2018**	**Mar 31, 2017**	**2017**	**2016**	**2015**	**2014**	**2013**
Total GWP	$73	$111	$307	$154	$181	$104	$123
Less: Installment GWP and other GAAP adjustments[1]	22	55	99	(10)	55	(22)	8
Upfront GWP	51	56	208	164	126	126	115
Plus: Installment premium PVP	10	43	81	50	53	42	26
Total PVP	$61	$99	$289	$214	$179	$168	$141

PVP:	**Mar 31, 2018**	**Mar 31, 2017**	**2017**	**2016**	**2015**	**2014**	**2013**
Public Finance - U.S.	$35	$52	$196	$161	$124	$128	$116
Public Finance - non-U.S.	26	40	66	25	27	7	18
Structured Finance - U.S.	0	5	12	27	22	24	7
Structured Finance - non-U.S.	-	2	15	1	6	9	-
Total PVP	$61	$99	$289	$214	$179	$168	$141

1. Includes present value of new business on installment policies discounted at the prescribed GAAP discount rates, gross written premium adjustments on existing installment policies due to changes in assumptions, any cancellations of assumed reinsurance contracts, and other GAAP adjustments.

Appendix
Reconciliation of Net Income (Loss) to Non-GAAP Operating Income[1]

Non-GAAP Operating Income Reconciliation (dollars in millions, except per share amounts)	Three Months Ended March 31, 2018 Total	2018 Per Diluted Share	2017 Total	2017 Per Diluted Share
Net income (loss)	**$197**	**$1.68**	**$317**	**$2.49**
Less pre-tax adjustments:				
Realized gains (losses) on investments	(5)	(0.04)	32	0.25
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	30	0.26	25	0.20
Fair value gains (losses) on CCS	(1)	(0.01)	(2)	(0.01)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	22	0.18	10	0.08
Total pre-tax adjustments	46	0.39	65	0.52
Less tax effect on pre-tax adjustments	(4)	(0.04)	(21)	(0.17)
Non-GAAP Operating income	$155	$1.33	$273	$2.14

	2018 Total	2018 Per Diluted Share	2017 Total	2017 Per Diluted Share
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income	$5	$0.04	$5	$0.03

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

Appendix

Reconciliation of Net Income (Loss) to Non-GAAP Operating Income[1] (2004-2017)

Non-GAAP Operating income reconciliation (dollars in millions, except per share amounts)	Year Ended December 31,													
	2017		2016		2015		2014		2013		2012		2011	
					Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	**$730**	**$5.96**	**$881**	**$6.56**	**$1,056**	**$7.08**	**$1,088**	**$6.26**	**$808**	**$4.30**	**$110**	**$0.57**	**$773**	**$4.16**
Less pre-tax adjustments:														
Realized gains (losses) on investments	40	0.33	(30)	(0.23)	(27)	(0.18)	(56)	(0.32)	56	0.30	(3)	(0.02)	(18)	(0.10)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	43	0.35	36	0.27	505	3.39	687	3.95	(49)	(0.26)	(672)	(3.53)	344	1.85
Fair value gains (losses) on committed capital securities (CCS)	(2)	(0.02)	0	0.00	27	0.18	(11)	(0.06)	10	0.05	(18)	(0.09)	35	0.19
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and loss adjustment expense (LAE) reserves	57	0.46	(33)	(0.25)	(15)	(0.10)	(21)	(0.12)	(1)	(0.01)	21	0.11	(5)	(0.03)
Total pre-tax adjustments	138	1.12	(27)	(0.21)	490	3.29	599	3.45	16	0.08	(672)	(3.53)	356	1.91
Less tax effect on pre-tax adjustments	(69)	(0.57)	13	0.09	(144)	(0.97)	(158)	(0.92)	(9)	(0.06)	188	1.00	(104)	(0.56)
Non-GAAP Operating income	**$661**	**$5.41**	**$895**	**$6.68**	**$710**	**$4.76**	**$647**	**$3.73**	**$801**	**$4.28**	**$594**	**$3.10**	**$521**	**$2.81**
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income	$11	$0.10	$12	$0.10	$11	$0.07	$156	$0.90	$192	$1.03	$59	$0.29	($80)	($0.43)

	Year Ended December 31,													
	2010		2009		2008		2007		2006		2005		2004	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Net income (loss) attributable to AGL	**$484**	**$2.56**	**$82**	**$0.63**	**$60**	**$0.67**	**($303)**	**($4.46)**	**$160**	**$2.15**	**$188**	**$2.53**	**$183**	**$2.44**
Less pre-tax adjustments:														
Realized gains (losses) on investments	(1)	(0.01)	(33)	(0.26)	(70)	(0.79)	(1)	(0.01)	(2)	(0.03)	2	0.03	8	0.11
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	6	0.03	(106)	(0.82)	82	0.92	(667)	(9.63)	6	0.08	(4)	(0.05)	51	0.68
Fair value gains (losses) on committed capital securities (CCS)	9	0.05	(123)	(0.95)	43	0.48	8	0.12	-	-	-	-	-	-
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and loss adjustment expense (LAE) reserves	(29)	(0.15)	27	0.21	-	-	-	-	-	-	-	-	-	-
Total pre-tax adjustments	(15)	(0.08)	(235)	(1.82)	55	0.61	(660)	(9.52)	4	0.05	(2)	(0.02)	59	0.79
Less tax effect on pre-tax adjustments	11	0.06	62	0.48	(60)	(0.67)	179	2.58	(1)	(0.02)	0	0.00	(17)	(0.23)
Non-GAAP Operating income	**$488**	**$2.58**	**$255**	**$1.97**	**$65**	**$0.73**	**$178**	**$2.57**	**$157**	**$2.12**	**$190**	**$2.55**	**$141**	**$1.88**
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income	($167)	($0.88)												

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

Appendix

Reconciliation of Shareholders' Equity to Non-GAAP Adjusted Book Value[1] (2004-2010)

Non-GAAP Adjusted book value reconciliation (dollars in millions, except per share amounts)	**2Q 2004**		**2004**		**2005**		**2006**		**2007**		**2008**		**2009**		**2010**	
	Total	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**
Reconciliation of shareholders' equity to non-GAAP adjusted book value:																
Shareholders' equity	**$1,422**	**$18.73**	**$1,528**	**$20.19**	**$1,662**	**$22.22**	**$1,651**	**$24.44**	**$1,625**	**$20.33**	**$1,876**	**$20.62**	**$3,455**	**$18.76**	**$3,670**	**$19.97**
Less pre-tax adjustments:																
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	13	0.17	44	0.58	40	0.54	46	0.68	(621)	(7.76)	(539)	(5.93)	(1,049)	(5.70)	(1,044)	(5.68)
Fair value gains (losses) on CCS	0	0.00	0	0.00	0	0.00	0	0.00	8	0.10	51	0.56	10	0.05	19	0.10
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	56	0.73	93	1.23	53	0.71	46	0.68	61	0.76	(7)	(0.08)	202	1.10	114	0.62
Less Taxes	(19)	(0.25)	(38)	(0.50)	(29)	(0.40)	(30)	(0.45)	148	1.86	102	1.13	216	1.17	262	1.42
Non-GAAP operating shareholders' equity	1,372	18.08	1,429	18.88	1,598	21.37	1,589	23.53	2,029	25.37	2,269	24.94	4,076	22.14	4,319	23.51
Pre-tax adjustments:																
Less: Deferred acquisition costs	183	2.41	186	2.46	193	2.58	217	3.21	201	2.51	216	2.37	162	0.88	145	0.79
Plus: Net present value of estimated net future credit derivative revenue	403	5.31	468	6.18	426	5.70	589	8.72	930	11.63	929	10.21	755	4.10	614	3.34
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	501	6.60	496	6.55	516	6.90	626	9.27	875	10.95	1,215	13.36	6,195	33.64	5,439	29.60
Plus Taxes	(232)	(3.07)	(234)	(3.09)	(138)	(1.85)	(179)	(2.65)	(283)	(3.54)	(379)	(4.17)	(1,977)	(10.74)	(1,677)	(9.12)
Non-GAAP Adjusted book value	$1,861	$24.51	$1,973	$26.06	$2,209	$29.54	$2,408	$35.66	$3,350	$41.90	$3,818	$41.97	$8,887	$48.26	$8,550	$46.54
Gain (loss) related to FG VIE consolidation included in non-GAAP operating shareholders' equity															($372)	($2.02)
Gain (loss) related to FG VIE consolidation included in non-GAAP adjusted book value															($439)	($2.38)

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

Appendix

Reconciliation of Shareholders' Equity to Non-GAAP Adjusted Book Value[1] (2011-2017)

Non-GAAP Adjusted book value reconciliation (dollars in millions, except per share amounts)	2011		2012		2013		2014		2015		2016		2017	
	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share	Total	Per Share
Reconciliation of shareholders' equity to non-GAAP adjusted book value:														
Shareholders' equity	**$4,652**	**$25.52**	**$4,994**	**$25.74**	**$5,115**	**$28.07**	**$5,758**	**$36.37**	**$6,063**	**$43.96**	**$6,504**	**$50.82**	**$6,839**	**$58.95**
Less pre-tax adjustments:														
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(668)	(3.67)	(1,346)	(6.94)	(1,447)	(7.94)	(741)	(4.68)	(241)	(1.75)	(189)	(1.48)	(146)	(1.26)
Fair value gains (losses) on CCS	54	0.30	35	0.18	46	0.25	35	0.22	62	0.45	62	0.48	60	0.52
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	488	2.68	708	3.65	236	1.29	523	3.30	373	2.71	316	2.47	487	4.20
Less Taxes	21	0.11	150	0.77	306	1.68	45	0.29	(56)	(0.41)	(71)	(0.54)	(83)	(0.71)
Non-GAAP operating shareholders' equity	4,757	26.10	5,447	28.08	5,974	32.79	5,896	37.24	5,925	42.96	6,386	49.89	6,521	56.20
Pre-tax adjustments:														
Less: Deferred acquisition costs	132	0.73	116	0.60	124	0.68	121	0.76	114	0.83	106	0.83	101	0.87
Plus: Net present value of estimated net future credit derivative revenue	434	2.38	317	1.63	214	1.17	159	1.00	169	1.23	136	1.07	146	1.26
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	4,790	26.28	4,301	22.17	3,791	20.81	3,461	21.86	3,384	24.53	2,922	22.83	2,966	25.56
Plus Taxes	(1,426)	(7.81)	(1,250)	(6.44)	(1,070)	(5.87)	(960)	(6.07)	(968)	(7.02)	(832)	(6.50)	(512)	(4.41)
Non-GAAP Adjusted book value	$8,423	$46.22	$8,699	$44.84	$8,785	$48.22	$8,435	$53.27	$8,396	$60.87	$8,506	$66.46	$9,020	$77.74
Gain (loss) related to FG VIE consolidation included in non-GAAP operating shareholders' equity	($444)	($2.44)	($383)	($1.97)	($190)	($1.04)	($37)	($0.24)	($21)	($0.15)	($7)	($0.06)	$5	$0.03
Gain (loss) related to FG VIE consolidation included in non-GAAP adjusted book value	($564)	($3.10)	($452)	($2.33)	($248)	($1.36)	($60)	($0.39)	($43)	($0.31)	($24)	($0.18)	($14)	($0.12)

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

Appendix

Reconciliation of Shareholders' Equity to Non-GAAP Adjusted Book Value[1]

Non-GAAP Adjusted book value reconciliation	**As of**							
(dollars in millions, except per share amounts)	**March 31, 2018**		**December 31, 2017**		**March 31, 2017**		**December 31, 2016**	
	Total	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**
Reconciliation of shareholders' equity to non-GAAP adjusted book value:								
Shareholders' equity	**$6,784**	**$59.67**	**$6,839**	**$58.95**	**$6,637**	**$53.95**	**$6,504**	**$50.82**
Less pre-tax adjustments:								
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(116)	(1.02)	(146)	(1.26)	(164)	(1.33)	(189)	(1.48)
Fair value gains (losses) on CCS	58	0.52	60	0.52	60	0.49	62	0.48
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	307	2.71	487	4.20	380	3.08	316	2.47
Less Taxes	(57)	(0.51)	(83)	(0.71)	(99)	(0.80)	(71)	(0.54)
Non-GAAP operating shareholders' equity	6,592	57.97	6,521	56.20	6,460	52.51	6,386	49.89
Pre-tax adjustments:								
Less: Deferred acquisition costs	100	0.88	101	0.87	106	0.86	106	0.83
Plus: Net present value of estimated net future revenue	140	1.23	146	1.26	153	1.24	136	1.07
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,899	25.50	2,966	25.56	3,236	26.30	2,922	22.83
Plus Taxes	(497)	(4.37)	(512)	(4.41)	(945)	(7.68)	(832)	(6.50)
Non-GAAP Adjusted book value	$9,034	$79.45	$9,020	$77.74	$8,798	$71.51	$8,506	$66.46
Gain (loss) related to FG VIE consolidation included in non-GAAP operating shareholders' equity	$8	$0.06	$5	$0.03	($3)	($0.03)	($7)	($0.06)
Gain (loss) related to FG VIE consolidation included in non-GAAP adjusted book value	($12)	($0.10)	($14)	($0.12)	($20)	($0.16)	($24)	($0.18)

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

Appendix

Calculation of Non-GAAP Operating Portfolio Leverage

Non-GAAP Operating Leverage

(dollars in millions, except leverage)	2009	2010	2011	2012	2013	2014	2015	2016	2017	1Q 2018	2018	2019	2020	2021
Insured Net Par Outstanding	$640,194	$616,686	$556,830	$518,772	$459,107	$403,729	$358,571	$296,318	$264,952	$257,089	$234,954	$216,520	$204,169	$190,637
Non-GAAP Operating Shareholders' Equity	4,076	4,319	4,757	5,447	5,974	5,896	5,925	6,386	6,521	6,592	6,592	6,592	6,592	6,592
Non-GAAP Operating Portfolio Leverage	157	143	117	95	77	68	61	46	41	39	36	33	31	29

1. See pages 51-53 for a reconciliation of GAAP shareholders' equity to non-GAAP operating shareholders' equity.

Appendix
Reconciliation of GAAP ROE to Non-GAAP Operating ROE

ROE Reconciliation
(dollars in millions)

	Three Months Ended March 31,	
	2018	**2017**
Net income (loss)	**$197**	**$317**
Non-GAAP Operating income	155	273
Gain (loss) related to FG VIE consolidation included in non-GAAP operating income	5	5
Average shareholders' equity	**$6,812**	**$6,571**
Average non-GAAP operating shareholders' equity	6,557	6,423
Gain (loss) related to FG VIE consolidation included in average non-GAAP operating shareholders' equity	7	(5)
GAAP ROE[1]	**11.5%**	**19.3%**
Non-GAAP Operating ROE[1]	9.4%	17.0%
Effect of Consolidating FG VIEs included in non-GAAP operating ROE	0.2%	0.3%

1. Quarterly ROE calculations represent annualized returns.

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

Andre Thomas
Managing Director, Equity Investor Relations
Direct: 212.339.3551
athomas@agltd.com

Equity Investor Presentation

March 31, 2018

ASSURED GUARANTY®