Fixed Income Investor Presentation

June 30, 2017

ASSURED GUARANTY® MUNICIPAL

MUNICIPAL ASSURANCE CORP.® AN ASSURED GUARANTY COMPANY

ASSURED GUARANTY® CORP.

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1. Please see page 3 for a definition of this convention.

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, Assured Guaranty's loss experience, or its exposure to refinancing risk in transactions (which could result in substantial liquidity claims on its guarantees); (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 Form 10-Q, as well as the risk factors included in AGL's 2016 Annual Report on 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, Non-GAAP Financial Measures and Certain Statutory Data

- Unless otherwise noted, the following conventions are used in this presentation:
  - "AGM Consolidated" means Assured Guaranty Municipal Corp. and its consolidated entities (consisting primarily of Assured Guaranty (Europe) plc (AGE[1]), Municipal Assurance Holdings Inc. (MAC Holdings), Municipal Assurance Corp. (MAC), and variable interest entities Assured Guaranty Municipal Corp. is required to consolidate under accounting principles generally accepted in the United States).
    - "AGM" means AGM Consolidated excluding MAC Holdings and MAC.
    - "Assured Guaranty Municipal" means AGM Consolidated excluding MAC Holdings, MAC and Assured Guaranty (Europe) Ltd.
  - 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. Prior to fourth quarter 2016 the Company had previously excluded the effect of consolidating FG VIEs in its calculation of its non-GAAP financial measures of Operating Income, Operating ROE, Non-GAAP Operating Shareholders' Equity and Non-GAAP Adjusted Book Value. Starting in fourth quarter 2016, based on the SEC's May 2016 Compliance and Disclosure Interpretations ("C&DIs") on Non-GAAP measures, the Company no longer adjusts for the effect of consolidating FG VIEs. However, wherever possible, the Company has separately disclosed the effect of consolidating FG VIEs ("FG VIE consolidation") that is included in its non-GAAP financial measures. The relevant non-GAAP financial measures for quarterly prior periods have been updated to reflect the revised calculation consistently for all periods presented. 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.
- June 30, 2017 Statutory Financial Information – admitted assets: $5.5B (Assured Guaranty Municipal Corp.), $3.1B (AGC), $1.1B (MAC); total liabilities $3.3B (Assured Guaranty Municipal Corp.), $1.3B (AGC), $0.6 B (MAC); contingency reserves: $1.1B (Assured Guaranty Municipal Corp.), $0.7B (AGC), $0.3B (MAC); surplus to policyholders $2.2B (Assured Guaranty Municipal Corp.), $1.8B (AGC), $0.5B (MAC).

1. AGE includes its subsidiaries Assured Guaranty (UK) plc (AGUK), Assured Guaranty (London) plc (AGLN) and CIFG Europe S.A. (CIFGE).

Corporate Overview

Corporate Overview

- **Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty" or the "Company") is the leading financial guaranty franchise**
  - We are the only long-standing financial guaranty company to continue to write new business throughout the financial crisis and recession
  - We maintain strong financial strength ratings from one or more of S&P, KBRA and A.M. Best
- **Assured Guaranty's focus is financial guaranty**
  - Over three decades of experience in the financial guaranty market
  - Publicly traded holding company (NYSE: AGO) with extensive quarterly financial disclosures at holding company and subsidiaries, providing transparency to all investors
  - Three principal U.S. financial guaranty direct subsidiaries and one principal Bermuda financial guaranty reinsurance subsidiary
- **Strong capital base**
  - Consolidated investment portfolio and cash of $11.5 billion as of June 30, 2017[1]
  - Consolidated claims-paying resources of $12.2 billion as of June 30, 2017[2]

($ in billions)	AGL Consolidated (06/30/17)
Net par outstanding	$290.6
Total investment portfolio and cash[1]	$11.5
Claims-paying resources[2]	$12.2

1. See page 28 for a breakdown of the available-for-sale portfolio ($11.5 billion), which includes $88 million of other invested assets not available for sale.
2. Aggregate data for the Company's operating subsidiaries, based primarily on statutory measures. Claims on each insurer's guarantees are paid from that insurer's separate claims-paying resources. See page 9 for components of claims-paying resources.
3. For an explanation of non-GAAP financial measures, please refer to the Appendix.

Operating Principles and Investor and Issuer Benefits

- **Underwriting principles and a strong risk management culture designed to protect our franchise**
- **Experienced and disciplined management**
- **Commitment to disclosure and transparency**
- **Our guaranty benefits investors and issuers because we provide credit selection, underwriting, surveillance and remediation, in addition to timely payment of scheduled principal and interest if an underlying transaction defaults**
  - Bond insurance helps homogenize the market's view of insured credits, which typically increases market liquidity; every day, the municipal market trades an average of approximately $500 million in bonds insured by Assured Guaranty companies ($2.5 billion per week)
  - Credit enhancement provides protection in an uncertain credit environment

Strategic Priorities

- **Generate current and future revenue through new business production**
- **Manage capital efficiently**
- **Execute alternative strategies to create value, including through acquisitions, investments and commutations**
- **Mitigate losses**

Assured Guaranty Ltd.
Corporate Structure

- **Assured Guaranty Ltd.**
  Hamilton, Bermuda
  Publicly Traded Holding Company (NYSE: AGO)
  A (stable outlook) / Baa2 (stable outlook)
  issuer credit ratings
  - **Assured Guaranty Re Ltd (AG Re)**
    Financial Guaranty Reinsurance
    S&P: AA (stable outlook)
    financial strength rating
    - **Assured Guaranty Overseas US Holding Inc.**
      U.S. Holding Company
      NR
      - **Assured Guaranty Re Overseas Ltd (AGRO)**
        Specialty Reinsurance
        S&P: AA (stable outlook) /
        A.M. Best: A+ (stable outlook)
        financial strength rating
  - **Assured Guaranty US Holdings (AGUS)**
    U.S. Holding Company
    A (stable outlook) / Baa2 (stable outlook)
    issuer credit ratings
    - **AG Financial Products Inc.**
      Swap Counterparty
      NR
    - **Assured Guaranty Corp. (AGC)**
      Financial Guaranty Direct
      S&P: AA (stable outlook) /
      KBRA: AA (stable outlook) /
      Moody's (1)
      financial strength rating
      - **Municipal Assurance Holdings Inc.[2]**
        U.S. Holdings Company
        NR
        - **Municipal Assurance Corp. (MAC)**
          Financial Guaranty Direct
          S&P: AA (stable outlook) /
          KBRA: AA+ (stable outlook)
          financial strength rating
    - **Assured Guaranty Municipal Holdings Inc. (AGMH; formerly Financial Security Assurance Holdings Ltd.)**
      U.S. Holding Company
      A (stable outlook) / Baa2 (stable outlook)
      issuer credit ratings
      - **Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.)**
        Financial Guaranty Direct
        S&P: AA (stable outlook) /
        KBRA: AA+ (stable outlook)/
        Moody's: A2 (stable outlook)
        financial strength rating
        - **Municipal Assurance Holdings Inc.[2]**
        - **Assured Guaranty (Europe) plc (AGE) (formerly Financial Security Assurance (U.K.) Limited)**
          Financial Guaranty Direct
          AA (stable outlook) /
          A2 (stable outlook)
          financial strength rating
          - **Assured Guaranty (UK) plc (AGUK)**
            Financial Guaranty Direct
            AA (stable outlook) / (1)
            financial strength ratings
          - **CIFG Europe S.A.**
            Financial Guaranty Direct
            NR
          - **Assured Guaranty (London) plc**
            Financial Guaranty Direct
            BB (positive outlook) /
            Baa2 (stable outlook)
            financial strength ratings
  - **Assured Guaranty Finance Overseas Ltd.**
    European Marketing
    NR

Ratings and company names as of October 10, 2017.
S&P / Moody's (unless otherwise specified)
NR = Not rated

1. Assured Guaranty requested in January 2017 that Moody's drop its rating of AGC and AGUK; Moody's declined, and continues to rate AGC and AGUK.
2. AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which own 100% of the outstanding common stock of MAC.

Four Discrete Operating Companies with Separate Capital Bases

Consolidated Statutory-Basis Claims-Paying Resources and Exposures

	As of June 30, 2017					
($ in millions)	AGM	AGC	MAC	AG Re[8]	Eliminations[3]	Consolidated
Claims-paying resources						
Policyholders' surplus	$2,222	$1,788	$485	$1,122	($633)	$4,984
Contingency reserve[1]	1,289	779	274	-	(274)	2,068
Qualified statutory capital	**3,511**	**2,567**	**759**	**1,122**	**(907)**	**7,052**
Unearned premium reserve[1]	1,699	430	294	683	(294)	2,812
Loss and loss adjustment expense reserves[1]	506	235	-	261	-	1,002
Total policyholders' surplus and reserves	**5,716**	**3,232**	**1,053**	**2,066**	**(1,201)**	**10,866**
Present value of installment premium[1]	230	142	1	154	(1)	526
Committed Capital Securities	200	200	-	-	-	400
Excess of loss reinsurance facility[2]	360	360	360	-	(720)	360
Total claims-paying resources (including MAC adjustment for AGM and AGC)	**$6,506**	**$3,934**	**$1,414**	**$2,220**	**($1,922)**	**$12,152**
Adjustment for MAC[4]	**640**	**414**	**-**	**-**	**(1,054)**	**-**
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)	**$5,866**	**$3,520**	**$1,414**	**$2,220**	**($868)**	**$12,152**
Statutory net par outstanding[5]	$123,809	$28,879	$36,581	$70,443	($591)	$259,121
Equity method adjustment[4]	22,205	14,376	-	-	(36,581)	-
Adjusted statutory net par outstanding[1]	$146,014	$43,255	$36,581	$70,443	($37,172)	$259,121
Net debt service outstanding[5]	$195,739	$43,417	$53,914	$110,132	($909)	$402,293
Equity method adjustment[4]	32,726	21,188	-	-	(53,914)	-
Adjusted net debt service outstanding[1]	$228,465	$64,605	$53,914	$110,132	($54,823)	$402,293
Ratios:						
Adjusted net par outstanding to qualified statutory capital	42:1	17:1	48:1	63:1		37:1
Capital ratio[6]	65:1	25:1	71:1	98:1		57:1
Financial resources ratio[7]	35:1	16:1	38:1	50:1		33:1
Admitted Assets (statutory basis)	$5,473	$3,133	$1,093			
Total Liabilities (statutory basis)	$3,250	$1,344	$608			

1. The numbers shown for Assured Guaranty Municipal Corp. (AGM) and Assured Guaranty Corp. (AGC) have been adjusted to include, as applicable, (i) their 100% share of their respective European insurance subsidiaries and (ii) 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. Amounts include financial guaranty insurance and credit derivatives.
2. Represents an aggregate $360 million excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2016. The facility terminates on January 1, 2018, unless AGC, AGM and MAC choose to extend it.
3. Eliminations are primarily for (i) intercompany surplus notes between AGM and AGC, and (ii) MAC amounts, whose proportionate share are included in AGM and AGC based on ownership percentages. 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 U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities, except for contingency reserves.

Assured Guaranty
Principal Operating Platforms

- **Assured Guaranty Municipal[1], MAC and AGC operate as three separate direct financial guaranty platforms, with AG Re operating as a reinsurer**
  - Assured Guaranty Municipal[1] focuses exclusively on public finance and global infrastructure transactions; its subsidiary Assured Guaranty (Europe) plc serves the European market
  - MAC insures only U.S. municipal bonds, primarily small and medium-size issues in select categories, such as G.O. and tax-backed bonds and public electric, water, sewer and transportation revenue bonds – a subset of Assured Guaranty Municipal's[1] focus
  - AGC, as the most diversified platform, insures the same categories as Assured Guaranty Municipal[1], as well as selected sectors within the U.S. and international structured finance market
- AG Re, as a reinsurer, provides additional capital and flexibility to Assured Guaranty Municipal[1] and AGC; its subsidiary AGRO is a specialty reinsurance company that provides financial guaranty and certain non-financial guaranty reinsurance
- **Assured Guaranty Municipal[1], MAC and AGC share Assured Guaranty's experience, culture of prudent risk management and business infrastructure**
- **Assured Guaranty's financial position and market standing, along with the franchise value of Assured Guaranty Municipal[1], AGE, MAC and AGC are strengthened through this structure**
  - Greater capacity to write business
  - More flexibility in balancing portfolio exposures
  - Enhanced operating efficiencies through common infrastructure

1. Please see page 3 for a definition of this convention.

Assured Guaranty
Principal Operating Platforms (Continued)

- **Companies distinct for legal and regulatory purposes**
  - Separate insurance licenses
  - Separate regulators – Assured Guaranty Municipal[1] and MAC are domiciled in New York; AGC is domiciled in Maryland
  - Dividend restrictions – New York, Maryland and Bermuda insurance law restrictions apply
  - Separate insured credit exposures: net par as of June 30, 2017 – AGM[1] $132 billion[2], MAC $50 billion, AGC $32 billion
  - Separate capital bases – claims-paying resources[3] as of June 30, 2017 – AGM[1] $5.9 billion, MAC $1.4 billion, AGC $3.5 billion
- **Under GAAP, Assured Guaranty Municipal Corp. is required to consolidate several entities, including MAC, when reporting financial data**
  - Because of the legal and regulatory distinction between Assured Guaranty Municipal Corp. and its consolidated entities, it can be useful to look at Assured Guaranty Municipal Corp. not only on a consolidated basis but also after excluding one or more of its consolidated entities
  - Please see page 3 for a list of conventions used to indicate which consolidated entities are included when we refer to "AGM Consolidated," "AGM" or "Assured Guaranty Municipal"

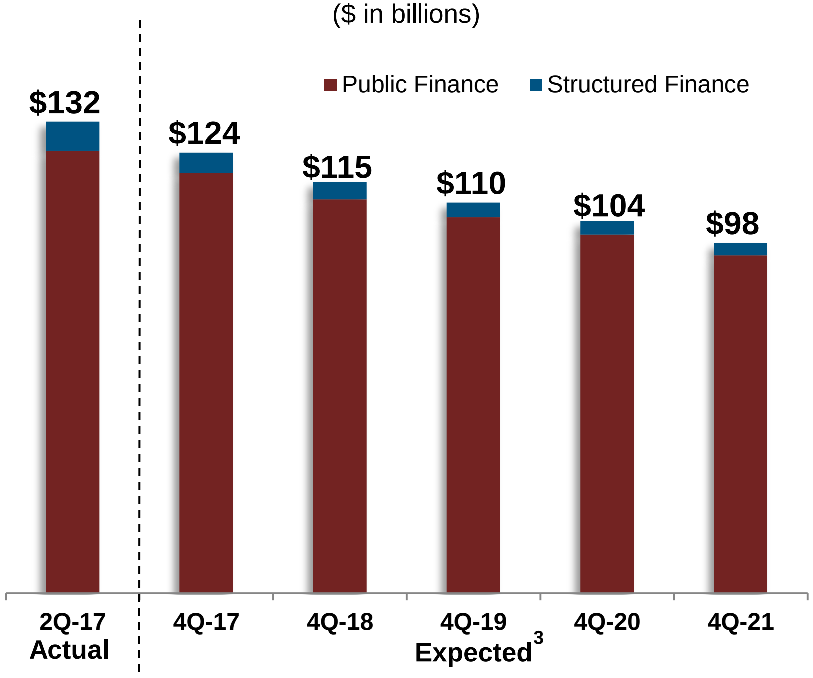
1. Please see page 3 for a definition of this convention.
2. Includes GICs (see the footnote on page 37).
3. Please see page 9 for additional details about the components of claims-paying resources as well as other statutory financial information. Consolidated claims-paying resources of the Assured Guaranty group include those of AGM, MAC and AGC shown above, and $2.2 billion at AG Re., less intercompany eliminations of $0.9 billion.

Assured Guaranty Municipal's[1] Commitment to the Public Finance Market

- **Assured Guaranty Municipal[1] is committed to insuring only U.S. public finance and global infrastructure transactions now and in the future[2]**
- **AGM's[1] existing insured portfolio continues to rapidly evolve toward its public finance focus**
- **We project that AGM's[1] legacy global structured finance insured portfolio ($8 billion as of June 30, 2017 vs. $127 billion as of September 30, 2008) will amortize rapidly – 29% by year-end 2017 and 40% by year-end 2018[3]**

AGM[1] Insured Portfolio Amortization

Current and Projected Year-End Net Par Outstanding
As of June 30, 2017
($ in billions)



1. Please see page 3 for a definition of this convention.
2. Assured Guaranty Municipal[1] stopped writing structured finance transactions in August 2008.
3. Represents the future expected amortization of current net par outstanding as of June 30, 2017. Actual amortization of the existing portfolio will differ from the expected shown here because, for example, (a) some obligors may call, prepay or defease guaranteed obligations (e.g., in the context of U.S. public finance refundings), and (b) 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 from expectations in the same direction or one portfolio may amortize more quickly while the other may amortize more slowly.

Municipal Assurance Corp. (MAC)

MAC was launched in July of 2013 as a municipal-only bond insurer with the positive attributes it takes most start-up companies years to establish.

As of June 30, 2017, Municipal Assurance Corp. (MAC) has:

- $1.4 billion in claims-paying resources, consisting of $759 million in statutory capital, $294 million in unearned premium reserves[1] (UPR), and $360 million in excess-of-loss reinsurance[2];
- A $50 billion insured U.S. municipal-only portfolio that is geographically diversified;
- A $1.1 billion investment portfolio;
- Strong financial strength ratings: AA+ (stable outlook) from Kroll Bond Rating Agency (KBRA) and AA (stable outlook) from S&P;
- Conservative and well-defined underwriting standards; and
- A high level of transparency, including quarterly financial supplements and the publication of Credit Summaries for primary-market insured transactions.

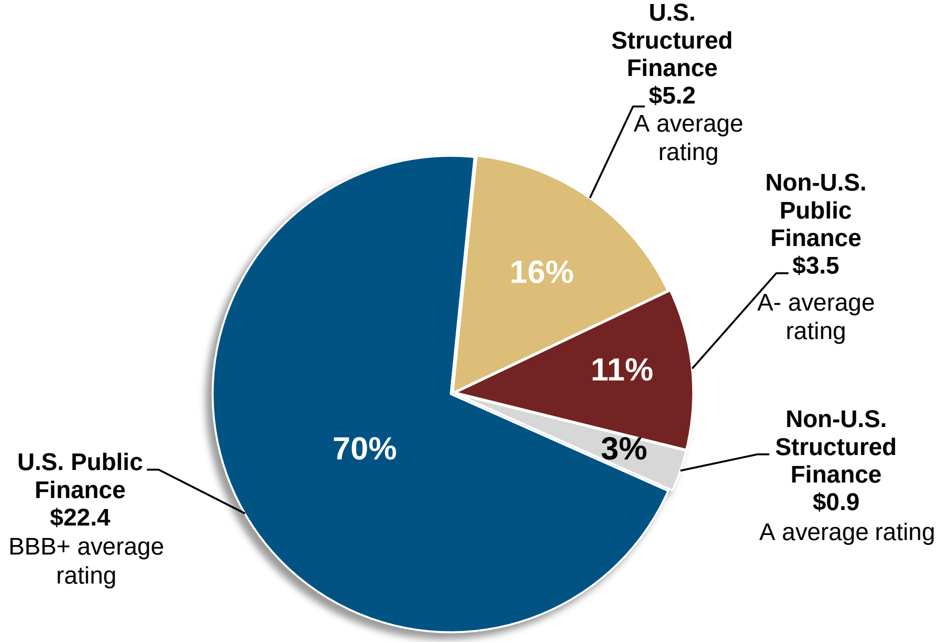
MAC benefits from Assured Guaranty's human capital, experience and business infrastructure.

1. Statutory basis.
2. Represents an aggregate $360 million excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2016. The facility terminates on January 1, 2018, unless AGC, AGM and MAC choose to extend it. Please see page 9 for additional details about the components of claims-paying resources as well as other statutory financial information.

AGC is Our Most Diversified Platform

- **AGC, a diversified insurer, writes all classes of financial guaranty business, including: U.S. public finance, global infrastructure and structured finance**
- **Structured finance new business originations:**
  - Traditional ABS (e.g., auto loans and leases, credit card receivables, consumer loans, equipment loans and leases, trade receivables)
  - Capital management solutions for financial institutions
  - Actively managed risk tolerance
  - Investment grade underlying credit quality

Net Par Outstanding
As of June 30, 2017
($ in billions)

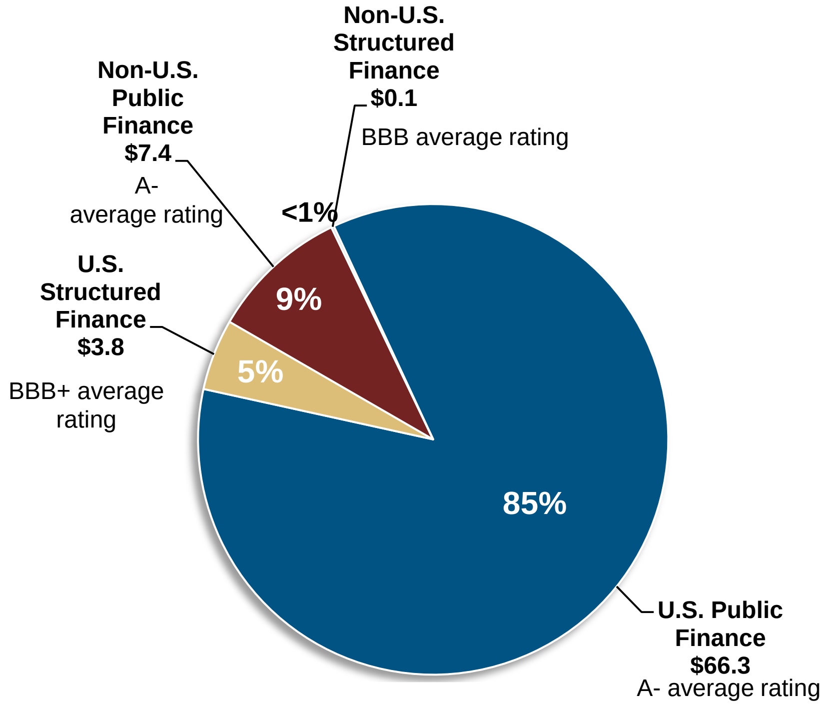


$32.0 billion, A- average rating

AG Re's Operating Structure

- **AG Re is an insurance company primarily engaged in providing reinsurance to financial guarantors**
  - AG Re is rated AA (stable outlook) by S&P
- **Provides reinsurance for Assured Guaranty Municipal[1] and AGC**
- **Portfolio opportunities with legacy monolines**
- **Its subsidiary AGRO is a specialty reinsurance company that provides financial guaranty and certain non-financial guaranty reinsurance**
  - AGRO is rated A+ (stable) by A.M. Best and AA (stable outlook) by S&P

Net Par Outstanding
As of June 30, 2017
($ in billions)



$77.7 billion, A- average rating

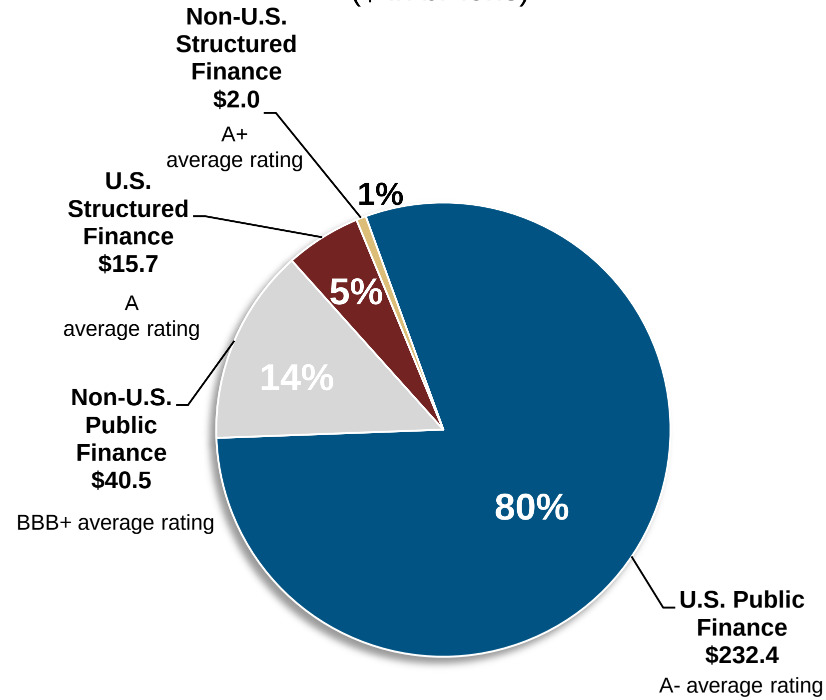
1. Please see page 3 for a definition of this convention.

Underwriting Discipline

- **Our U.S. public finance portfolio, our largest exposure category, generally performed well during the recession and in subsequent years, despite persistent financial pressures on municipal obligors**
  - Our portfolio is well-diversified with approximately 8,400 direct U.S. public finance obligors. We expect future losses to be paid, net of recoveries, on approximately a dozen exposures.
  - We have proactively managed those exposures that have experienced credit deterioration and payment default, like Detroit, Harrisburg and Stockton, with ultimately minimal losses.
  - Our Puerto Rico exposure represents our largest below investment grade U.S. public finance exposure[2], and we are actively managing this exposure to protect our rights, as well.
- **Neither AGM[1] nor AGC underwrote collateralized debt obligations (CDOs) backed by RMBS, which has protected us from losses on the scale experienced by our former competitors**

Consolidated Net Par Outstanding

As of June 30, 2017
($ in billions)



$290.6 billion, A- average rating

1. Please see page 3 for a definition of this convention.
2. See pages 33-35 for a more detailed analysis of the Company's Puerto Rico exposure.

Creating Value

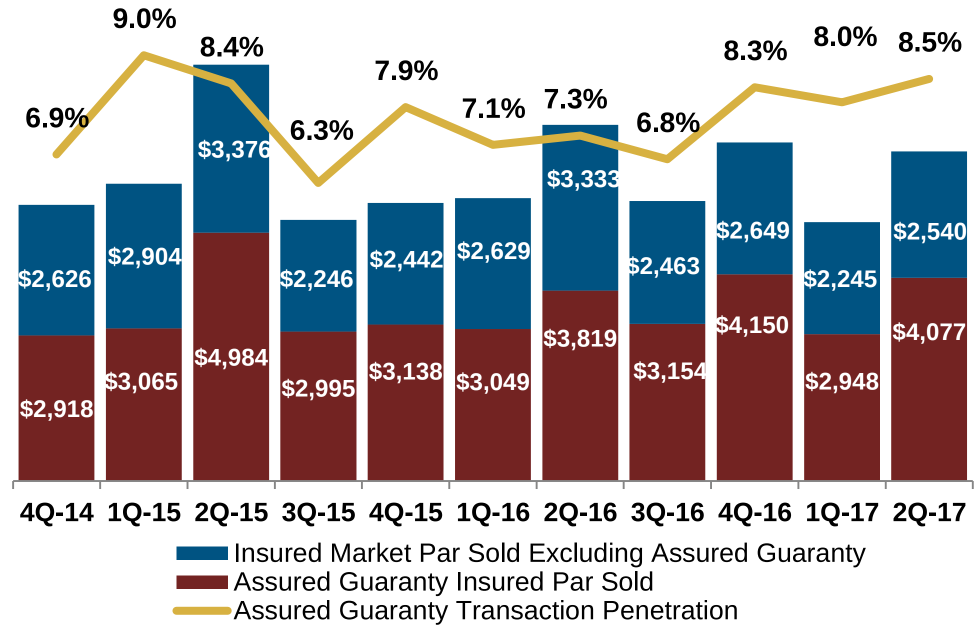
New Business Production (Par Insured)

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 in 1H 2017 totaled 438 or $7.0 billion
  - Secondary market policies sold in 1H 2017 totaled 241 or $1.2 billion
- **Total market issuance decreased 13% in 1H 2017 compared with 1H 2016, while insured volume decreased by 8% in that same period**
  - Industry par penetration for all transactions with underlying A ratings was 28% in 1H 2017, compared to 26% 1H 2016
  - Industry penetration based on the number of transactions with underlying A ratings also increased to 63% in 1H 2017, compared with 58% in 1H 2016
- **Industry penetration for smaller deals (transactions under $25 million) based on the number of transactions were relatively flat at 19% in 1H 2017, compared with 17% in 1H 2016**

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

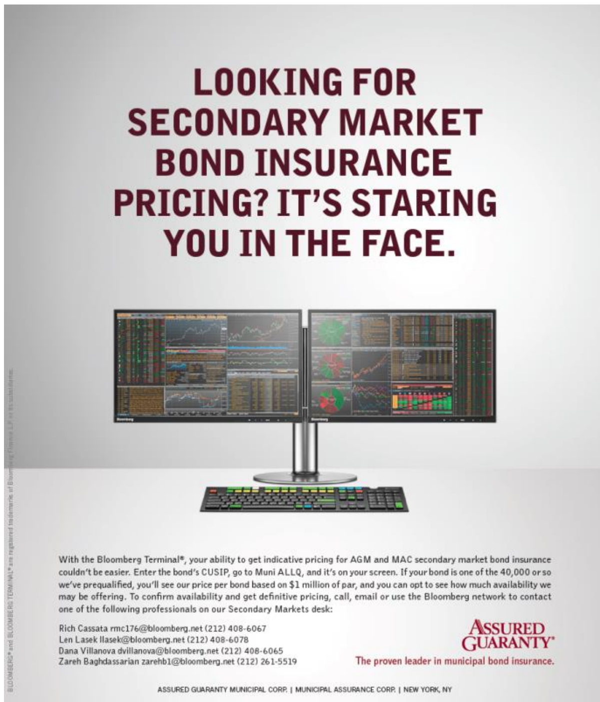
($ in millions)

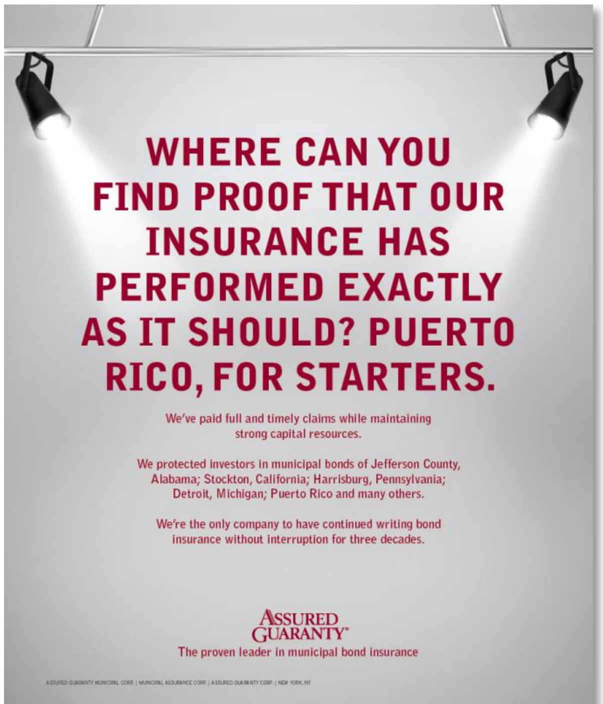


Total U.S. Public Finance New Issuance	4Q-14	1Q-15	2Q-15	3Q-15	4Q-15	1Q-16	2Q-16	3Q-16	4Q-16	1Q-17	2Q-17
Par Issued ($ in billions)	$99.3	$104.0	$111.0	$86.0	$76.4	$96.5	$119.4	$108.4	$100.2	$86.6	$100.7
Transactions Issued	2,871	3,059	3,783	2,665	2,558	2,787	3,635	3,048	2,775	2,271	3,013

1. Source: SDC database. As of June 30, 2017. Transaction penetration shown is Assured Guaranty's transaction count as a percentage of all transactions issued.

Broadening Market Awareness
Advertising Campaigns





Assured Guaranty
Select Assured Transactions in 2017

Assured Guaranty has maintained its market leadership in 2017, insuring over $9 billion of par and nearly 575 primary market transactions, ranging in size from $1mm to over $250mm in par. Some of our 2017 transactions are highlighted below:

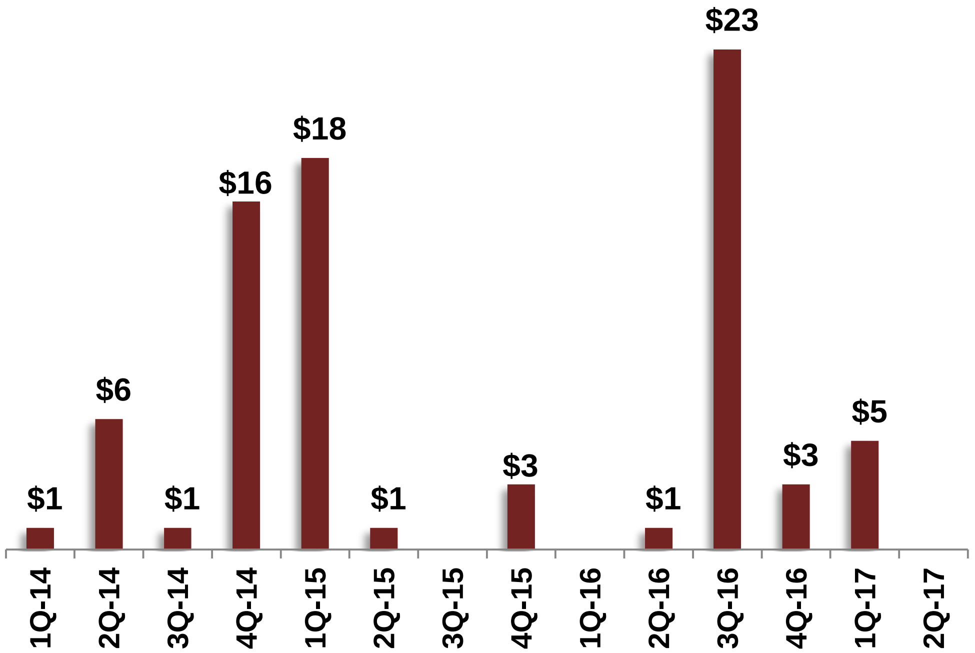
$134,000,000	General Obligation Bonds, Election of 2014, Series 2017	Hayward Unified School District, CA	April 2017
$100,555,000	Hospital Revenue Refunding Bonds, Series 2017A and Series 2017B	Owensboro Health, KY	May 2017
$105,965,000	General Obligation Refunding Bonds, Series 2017	The City of Philadelphia, PA	January 2017
$114,920,000	Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2017	North Carolina Turnpike Authority	March 2017
$148,300,000	Refunding Serial Bonds – 2017 Series A and Series B	County of Suffolk, NY	April 2017
$196,590,000	Senior Tourist Development Tax Refunding Revenue Bonds, Series 2017A	City of Orlando, FL	August 2017
$47,235,000	Lease Revenue Bonds, Series 2017	Municipal Building Authority of West Valley City, UT	April 2017
$257,100,000	Docks Facilities Revenue Refunding Bonds, Series 2017A, Series C and Series D	Alabama State Port Authority	February 2017
$95,945,000	Revenue Refunding Bonds (Ragin' Cajun Facilities - Student Housing and Parking Project), Series 2017	University of Louisiana Lafayette	March 2017
$197,760,000	Airport Revenue Refunding Bonds, Series 2017A (Non-AMT) and Series 2017B (AMT)	St. Louis Lambert Airport, MO	June 2017
$131,785,000	Sales Tax Revenue Bonds, Series 2017	School District of Manatee County, FL	February 2017
$46,130,000	Public Schools Revenue Bond Financing Program Revenue Refunding Bonds, Series 2017 A	Rhode Island Health and Education Building Corp.	March 2017
$111,865,000	Lease Revenue Refunding Bonds Series 2017A and Series 2017B	Fresno Joint Powers Financing Authority, CA	April 2017
$129,380,000	School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017A and Series 2017B	Dormitory Authority of the State of New York	May 2017
$107,815,000	Special Sales Tax Revenue Bonds, Series 2017B	Parish of Jefferson, LA	April 2017

1. Source: SDC database. Amounts are on a sale-date basis and reflect only those series insured by AGM or MAC.

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

- **Focus has been on bilateral transactions to improve policy beneficiaries' capital management efficiency**
- **During 1Q 2017, we increased our reinsurance exposure on an existing capital relief triple-X excess-of-loss life insurance transaction**
- **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 the global economy recovers, interest rates rise, more issuers return to the capital markets for financings and institutional investors again utilize financial guaranties**

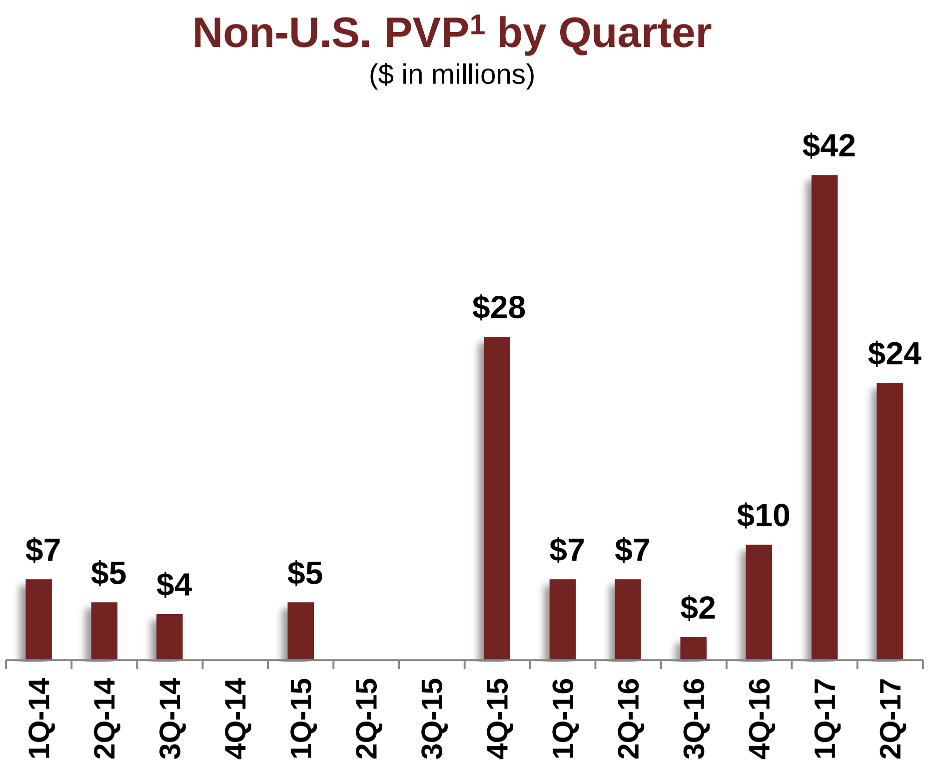
U.S. Structured PVP[1]
($ in millions)



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 2Q-17, we guaranteed a U.K. university housing transaction, provided a senior liquidity guarantee as part of a European infrastructure refinancing and provided reinsurance on aircraft residual value policies**
- **During 1Q-17, we guaranteed two U.K. university housing transactions, one U.K. hospital transaction, and a transaction in the aviation finance sector, as well as several U.K. secondary market utility transactions**
- **We are optimistic about the pipeline of infrastructure transactions. However, this 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**



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

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 Assurance North America, Inc. ("CIFG") acquisition closed on July 1, 2016**
  - Resulted in a benefit of $293 million in operating income (non-GAAP) 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 operating income (non-GAAP) of $57 million or $0.45 per share, at the acquisition date

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

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

Commutations Since 2009

As of June 30, 2017

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	1.0	18	73
Total	**$41.2**	**$352**	**$279**

Ceded Par Outstanding by Reinsurer

As of June 30, 2017

($ in millions)	Net Par Outstanding
American Overseas Re	$3,167
Tokio Marine	$3,200
Syncora	$2,027
Others	$647
Total	$9,041

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

Creating Value

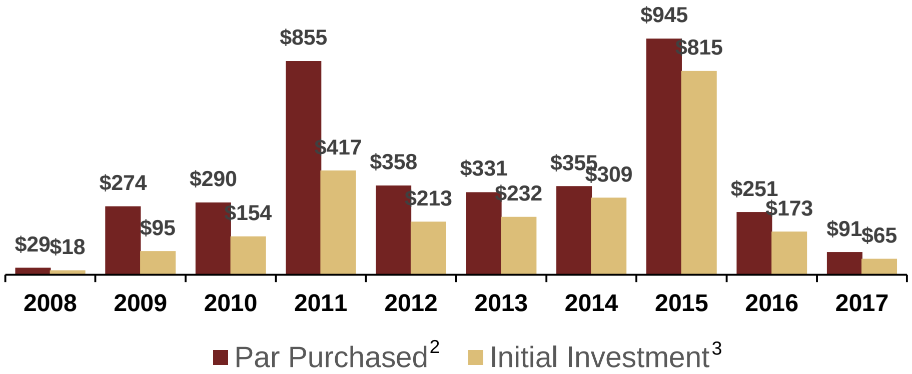
Loss Mitigation
Bond Purchases

- **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 have purchased approximately $3.8 billion of par on insured securities through June 30, 2017 with an initial purchase price of approximately $2.4 billion
- **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**

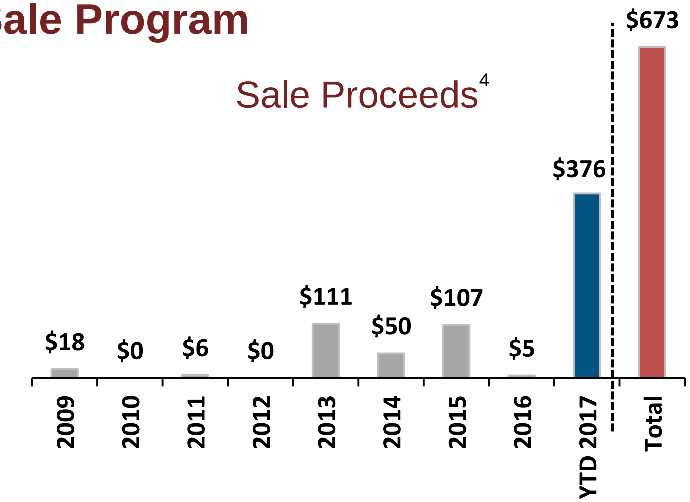
Loss Mitigation Bond Purchase and Sale Program

($ in millions)

Bonds Repurchased



Sale Proceeds[4]



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. This includes $334 million of Zohar II notes used as consideration to purchase MBIA UK in Q1 2017.

Financial Strength Ratings

- **In June 2017, S&P affirmed the AA (stable outlook) financial strength ratings of AGM, MAC and AGC**
  - S&P found the Assured Guaranty group's capital adequacy to be above their AAA requirement; although S&P did not disclose the size of the group's capital adequacy cushion (the amount of capital remaining after S&P's simulated AAA depression test), we estimate it to be more than **$2.8 billion** at year-end 2016, $1.3 billion higher than S&P reported for year-end 2013
  - Importantly, S&P re-ran an analysis assuming each of Assured Guaranty's insured Puerto Rico obligations would default, and that Assured Guaranty would pay claims totaling 100% of that debt service over the next four years. S&P also looked at scenarios in which Assured Guaranty would pay claims totaling up to 45% of its total insured Puerto Rico debt service over the life of the transactions. S&P found that under any of these scenarios, the losses would not change Assured Guaranty's S&P capital adequacy score

Financial Strength Ratings

As of June 30, 2017

	S&P	Moody's	KBRA
AGM	AA stable outlook	A2 stable outlook	AA+ stable outlook
MAC	AA stable outlook	Not Rated	AA+ stable outlook
AGC	AA stable outlook	(1)	AA stable outlook

(1) Assured Guaranty requested in January 2017 that Moody's drop its rating of AGC and AGUK; Moody's declined, and continues to rate AGC and AGUK

- **In the 3rd quarter and 4th quarter 2016, KBRA assigned a AA (stable outlook) financial strength rating to AGC and affirmed the AA+ (stable outlook) for AGM. In July 2017, KBRA affirmed the AA+ (stable outlook) for MAC.**
  - KBRA noted each Company's ability to withstand their conservative stress case loss assumptions, a mature and high-functioning operating platform and a strong management team.
- **On August 8, 2016, Moody's affirmed the A2 (stable outlook) insurance financial strength ratings on AGM and AGE**
  - Assured Guaranty requested in January 2017 that Moody's drop its ratings of AGC and AGUK; Moody's declined, and continues to rate AGC and AGUK

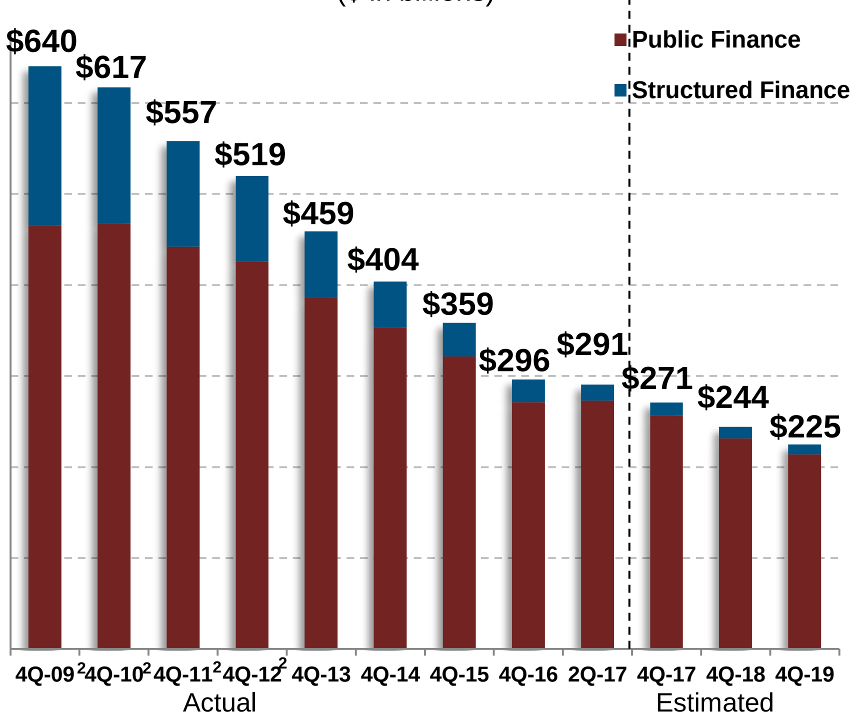
Net Par Outstanding Amortization

- **Amortization of the existing portfolio reduces rating agency capital charges, but also embedded future earned premiums**
- **New direct or assumed business originations, reassumptions and acquisitions will increase future premiums**
- **Public finance existing exposure amortizes at a steady rate**
  - $273 billion outstanding
  - 6% expected to amortize by the end of 2017; 15% by the end of 2018; 22% by the end of 2019
- **Structured finance existing exposure amortizes more quickly than public finance**
  - $18 billion outstanding
  - 19% expected to amortize by the end of 2017; 29% by the end of 2018; 39% by the end of 2019

Consolidated Net Par Outstanding Amortization[1]

As of June 30, 2017

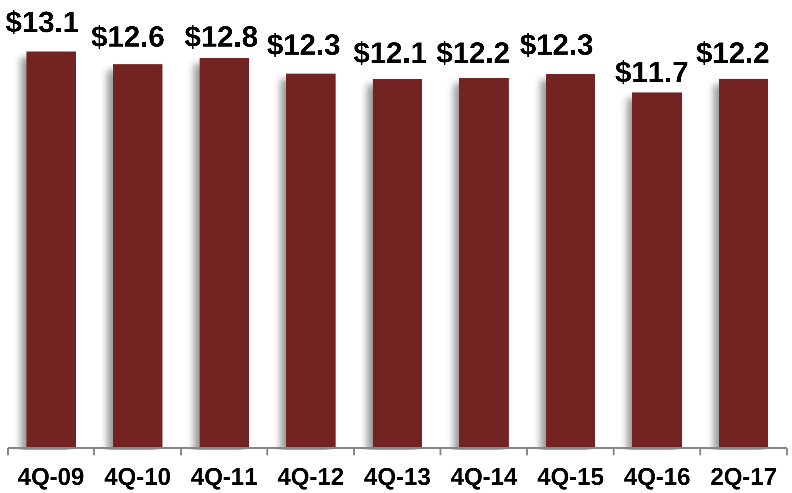
($ in billions)



1. Represents the future expected amortization of existing net par outstanding as of June 30, 2017. 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.

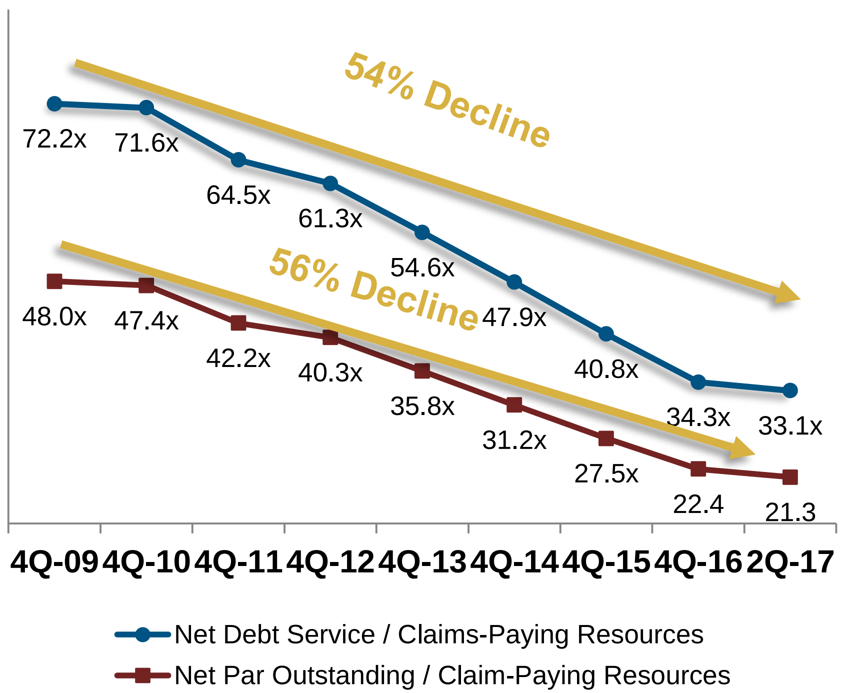
Assured Guaranty Today
Insured Portfolio and Capital Changes Since the Global Financial Crisis

Claims-Paying Resources
$ in billions



- **Assured Guaranty's robust business model and successful surveillance, loss mitigation and acquisition strategies, along with our access to capital in debt and equity markets, enabled us to maintain a strong financial position during and since the Great Recession**
- **Since our acquisition of AGM in July 2009, group claims-paying resources declined modestly relative to the $8.9 billion paid out in gross policyholder claims.**
- **Of those claims, $7.5 billion were for RMBS and $1.1 billion were for public finance**

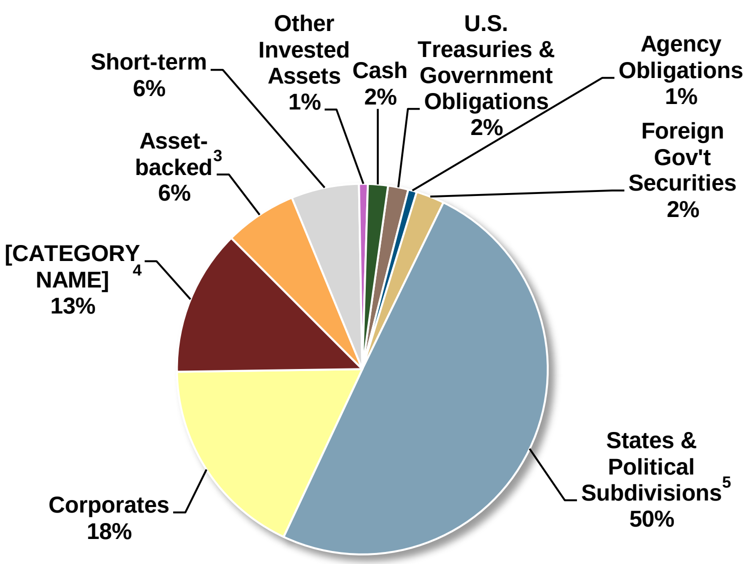
Insured Leverage



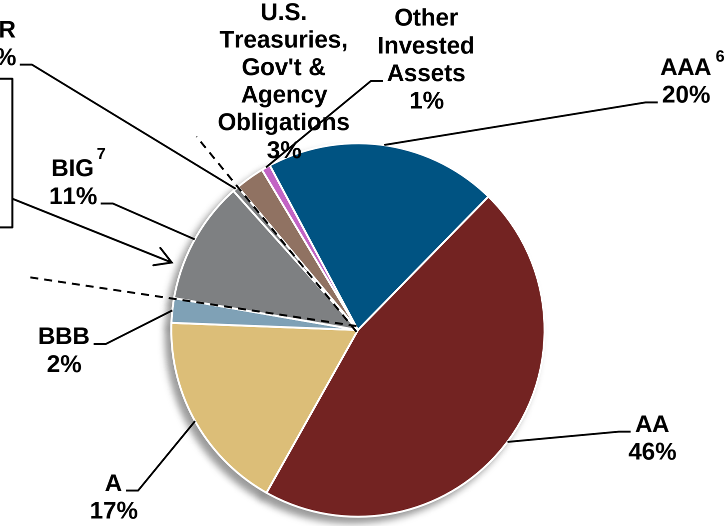
- **Since our acquisition of AGM in July 2009, group insured leverage as a multiple of claims-paying resources has been cut by more than 50%**

AGL Consolidated
Investment Portfolio
Fair Value as of June 30, 2017

Total Invested Assets and Cash[1] By Category



Total Invested Assets and Cash[1,2] By Rating

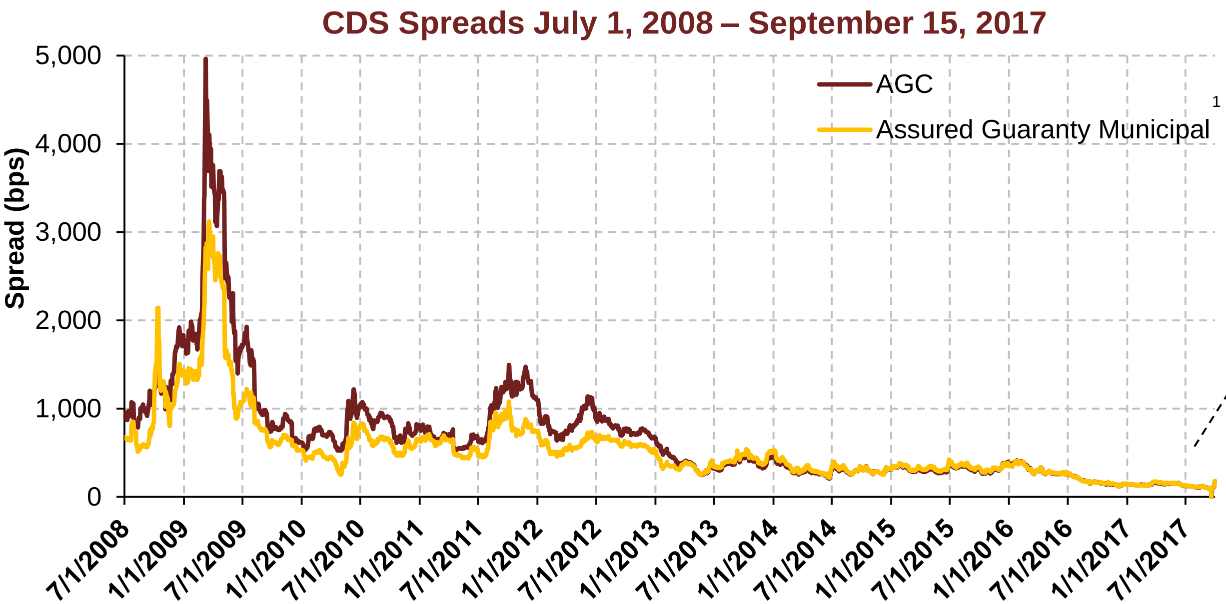


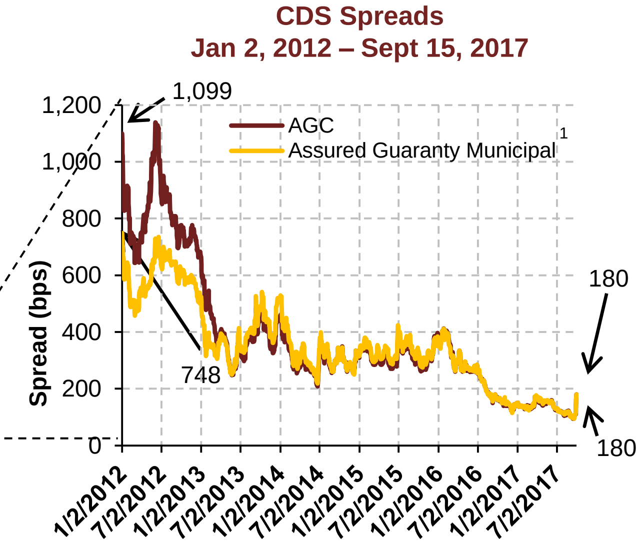
Total = $11.5 billion

1. Includes fixed maturity securities, short-term investments, cash and Other Invested Assets.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for securities purchased or obtained as part of loss mitigation or other risk management strategies, which use internal ratings classifications.
3. Included in the asset-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $623 million. The remaining securities have a fair value of $99 million and an average rating of AA+.
4. Included in the mortgage-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $357 million and agency-backed securities with a fair value of $573 million. The remaining securities have a fair value of $531 million and an average rating of AAA.
5. Included in the states & political subdivisions category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $92 million.
6. Included in the AAA category are short-term securities and cash.
7. Included in the BIG category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $1,217 million.

Credit Default Swap Spreads

- Movements in credit default swap (CDS) levels for Assured Guaranty Municipal[1] and AGC continue to be significantly affected by technical factors such as supply/demand imbalance and light trading volume
- The deterioration in the asset-backed securities market's pricing through first quarter 2009 expanded demand for CDS protection on Assured Guaranty Municipal[1] and AGC by fixed income holders of Assured Guaranty Municipal[1] and AGC insured paper as they sought to hedge exposure, thereby exacerbating the supply/demand imbalance
- Assured Guaranty Municipal[1] and AGC's 5-year CDS bid prices peaked in mid-March 2009 at 3,120 bps and 4,961 bps, respectively
- 5-year CDS levels for Assured Guaranty Municipal[1] and AGC have rallied considerably since March 2009 as a result of the improvement in general market fundamentals, the market's positive reaction to the July 2009 AGMH acquisition, our successes in loss mitigation, the deleveraging of our insured portfolio, and our record of positive operating results
- In September 2017, the 5-year CDS levels for Assured Guaranty Municipal[1] and AGC were at 6 and 4 percent, respectively, of their mid-March 2009 levels
- Between January 2, 2012 and September 29, 2017, CDS levels for AGM[1] and AGC came in by 75 and 84 percent, respectively, from their highs during this period. As of September 29, AGM's and AGC's CDS were at approximately 180.





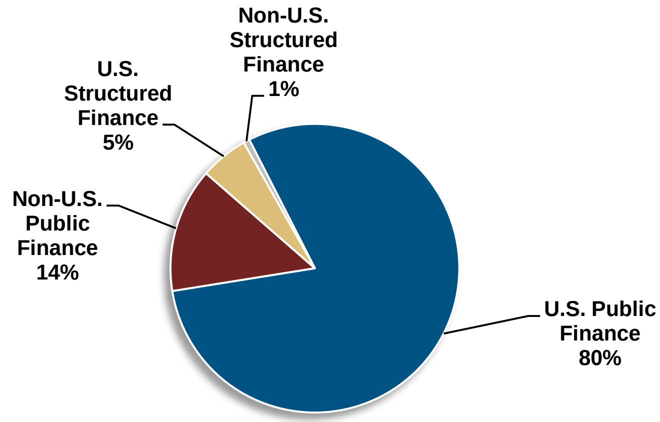
Source: CMA – Represents end-of-day bid price for 5-year protection, modified restructuring credit event spreads at New York close.

1. Please see page 3 for a definition of this convention.

Assured Guaranty Ltd. Consolidated Insured Portfolio Overview

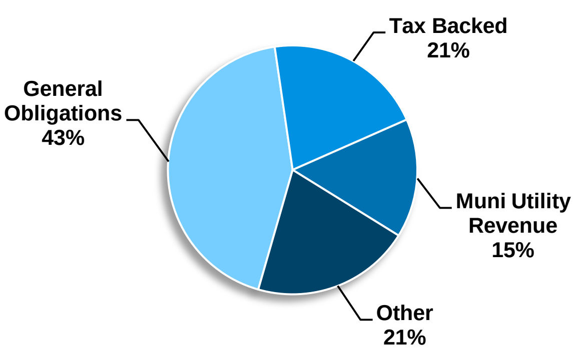
AGL Consolidated
Insured Portfolio
Net Par Outstanding as of June 30, 2017

Portfolio Diversification by Sector



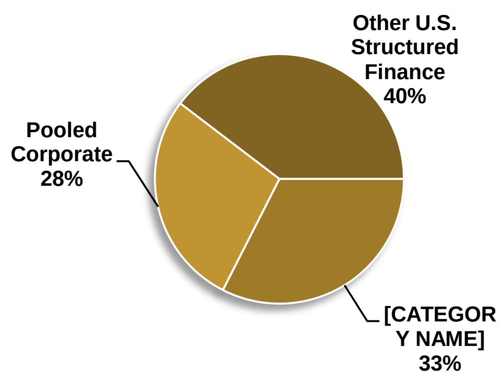
$290.6 billion[1,2]

U.S. Public Finance Portfolio



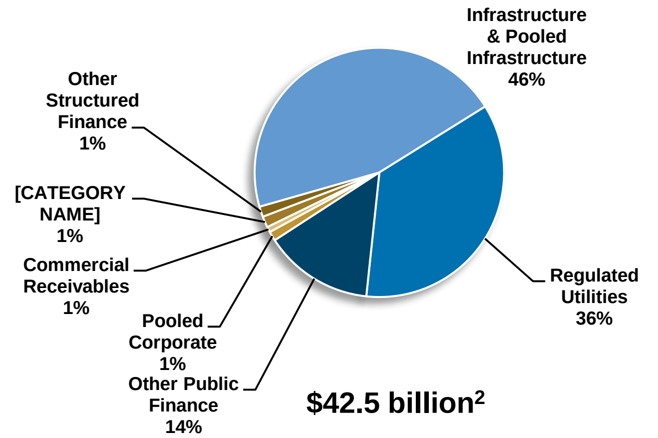
$232.4 billion[2]

U.S. Structured Finance Portfolio



$15.7 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance

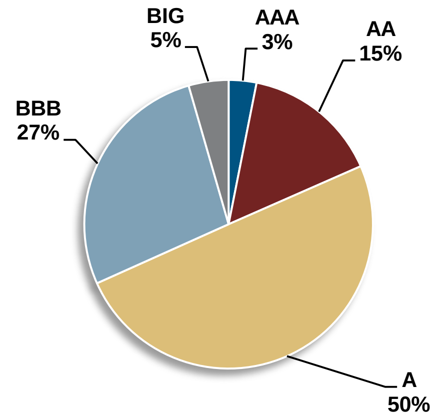


$42.5 billion[2]

1. Includes GICs. Please see the footnote on page 37.
2. Consolidated amounts include those of AG Re.

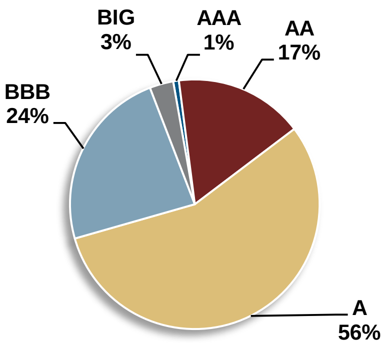
AGL Consolidated
Insured Portfolio Ratings
Net Par Outstanding as of June 30, 2017

Portfolio Diversification by Rating



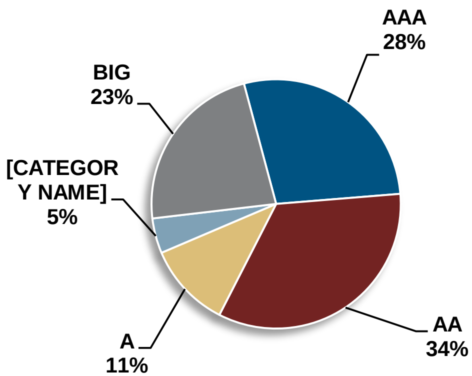
$290.6 billion[1,2]

U.S. Public Finance Portfolio



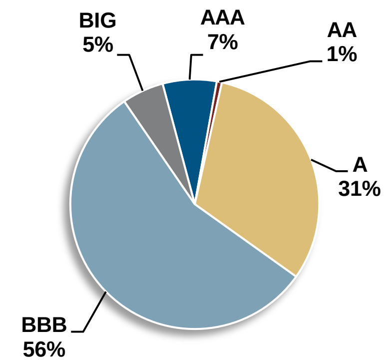
$232.4 billion[2]

U.S. Structured Finance Portfolio



$15.7 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance



$42.5 billion[2]

1. Includes GICs. Please see the footnote on page 37.
2. Consolidated amounts include those of AG Re.

Public Finance
Puerto Rico Exposure

Par Exposure to the Commonwealth and its Agencies[1]
As of June 30, 2017

Category	($ in millions)	Net Par Outstanding [3]	Gross Par Outstanding
Commonwealth Constitutionally Guaranteed	Commonwealth of Puerto Rico - General Obligation Bonds [4,5]	$1,495	$1,577
	Puerto Rico Public Buildings Authority (PBA) [4]	169	174
	Subtotal	**$1,664**	**$1,751**
Public Corporations – Certain Revenues Potentially Subject to Clawback	Puerto Rico Highways and Transportation Authority (PRHTA) (Transportation Revenue Bonds) [4,5]	$918	$949
	Puerto Rico Highways and Transportation Authority (PRHTA) (Highways Revenue Bonds) [4,5]	409	556
	Puerto Rico Convention Center District Authority (PRCCDA) [4]	152	152
	Puerto Rico Infrastructure Financing Agency (PRIFA) [4,5]	18	18
	Subtotal	**$1,497**	**$1,675**
Other Public Corporations	Puerto Rico Electric Power Authority (PREPA) [4,5]	777	876
	Puerto Rico Aqueduct and Sewer Authority (PRASA)	373	373
	Puerto Rico Municipal Finance Agency (MFA)	354	488
	Puerto Rico Sales Tax Finance Corp. (COFINA) [4,5]	271	271
	University of Puerto Rico (U of PR)	1	1
	Subtotal	**$1,776**	**$2,009**
	Total [2]	**$4,937**	**$5,435**

1. The general obligation bonds of Puerto Rico and various obligations of its related authorities and public corporations are rated BIG. The June 30, 2017 amounts include $150 million related to the commutation of previously ceded business.
2. AGL's consolidated net par outstanding is divided between its subsidiaries as follows: $2.2 billion at AGM, $1.7 billion at AGC, $1.1 billion at AG Re, and $0 at MAC. A portion of the subsidiary level exposure is eliminated upon consolidation due to instances where one subsidiary's insured bonds were previously insured by another subsidiary.
3. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $32 million and a fully accreted net par at maturity of $63 million. Of these amounts, current net par of $19 million and fully accreted net par at maturity of $50 million relate to COFINA, current net par of $7 million and fully accreted net par at maturity of $7 million relate to the PRHTA, and current net par of $5 million and fully accreted net par at maturity of $5 million relate to the Commonwealth General Obligation Bonds.
4. As of the date of the Company's 2017 2nd quarter 10-Q filing, the Company has paid claims on these credits.
5. As of the date of the Company's 2017 2nd 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 credits.

Public Finance
Puerto Rico Exposure

Scheduled Net Par Amortization of Exposure to the Commonwealth and its Agencies[1]
As of June 30, 2017

($ in millions)	3Q 2017	4Q 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2047	Total
Commonwealth – GO	$93	$0	$75	$82	$136	$16	$37	$15	$73	$68	$34	$272	$489	$105	$-	**$1,495**
PBA	28	-	-	3	5	13	0	6	0	7	11	42	54	-	-	**169**
Subtotal	**$121**	**$0**	**$75**	**$85**	**$141**	**$29**	**$37**	**$21**	**$73**	**$75**	**$45**	**$314**	**$543**	**$105**	**$-**	**$1,664**
PRHTA (Transportation Revenue)	$36	$0	$38	$32	$25	$18	$28	$34	$4	$29	$24	$156	$295	$194	$5	**$918**
PRHTA (Highways Revenue)	-	-	20	21	22	26	6	8	8	8	0	73	217	-	-	**409**
PRCCDA	-	-	-	-	-	-	-	-	-	-	-	19	133	-	-	**152**
PRIFA	-	-	2	-	-	-	-	2	-	-	-	-	-	14	-	**18**
Subtotal	**$36**	**$0**	**$60**	**$53**	**$47**	**$44**	**$34**	**$44**	**$12**	**$37**	**$24**	**$248**	**$645**	**$208**	**$5**	**$1,497**
PREPA	$5	$-	$4	$25	$44	$24	$24	$87	$84	$59	$96	$299	$26	$0	$-	**$777**
PRASA	-	-	-	-	-	-	-	-	2	25	26	57	-	2	261	**373**
MFA	52	-	50	48	39	34	34	16	12	12	26	31	-	-	-	**354**
COFINA	0	0	(1)	(1)	(1)	(2)	(2)	1	0	(2)	(2)	(7)	34	102	152	**271**
U of PR	0	-	0	0	0	0	0	0	0	0	0	0	1	-	-	**1**
Subtotal	**$57**	**$0**	**$53**	**$72**	**$82**	**$56**	**$56**	**$104**	**$98**	**$94**	**$146**	**$380**	**$62**	**$104**	**$413**	**$1,776**
Total	**$214**	**$0**	**$188**	**$210**	**$270**	**$129**	**$127**	**$169**	**$183**	**$206**	**$215**	**$942**	**$1,249**	**$417**	**$418**	**$4,937**

1. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $32 million and a fully accreted net par at maturity of $63 million. Of these amounts, current net par of $19 million and fully accreted net par at maturity of $50 million relate to COFINA, current net par of $7 million and fully accreted net par at maturity of $7 million relate to the PRHTA, and current net par of $5 million and fully accreted net par at maturity of $5 million relate to the Commonwealth General Obligation Bonds.

ASSURED GUARANTY

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

As of June 30, 2017

($ in millions)	3Q 2017	4Q 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2047	Total
[redacted]																
Commonwealth – GO	$132	$0	$147	$151	$201	$74	$94	$70	$128	$119	$82	$469	$595	$111	$-	**$2,373**
PBA	32	-	7	10	12	20	6	13	6	13	17	58	62	-	-	**256**
Subtotal	**$164**	**$0**	**$154**	**$161**	**$213**	**$94**	**$100**	**$83**	**$134**	**$132**	**$99**	**$527**	**$657**	**$111**	**$-**	**$2,629**
[redacted]																
PRHTA (Transportation Revenue)	$60	$0	$84	$76	$67	$59	$68	$72	$41	$65	$59	$308	$404	$229	$5	**$1,597**
PRHTA (Highways Revenue)	11	-	42	42	42	45	23	24	24	24	16	145	252	-	-	**690**
PRCCDA	3	-	7	7	7	7	7	7	7	7	7	50	152	-	-	**268**
PRIFA	0	-	3	1	1	1	1	2	1	1	1	4	3	16	-	**35**
Subtotal	**$74**	**$0**	**$136**	**$126**	**$117**	**$112**	**$99**	**$105**	**$73**	**$97**	**$83**	**$507**	**$811**	**$245**	**$5**	**$2,591**
[redacted]																
PREPA	$21	$2	$40	$61	$79	56	55	117	110	80	115	344	29	0	-	**1,109**
PRASA	10	-	20	19	19	19	19	19	21	44	44	129	68	70	327	**828**
MFA	61	-	66	60	49	42	41	21	16	15	29	34	-	-	-	**434**
COFINA	6	0	13	13	13	13	12	16	15	13	12	68	103	162	160	**619**
U of PR	0	-	0	0	0	0	0	0	0	0	0	0	1	-	-	**1**
Subtotal	**$98**	**$2**	**$140**	**$153**	**$160**	**$130**	**$127**	**$173**	**$163**	**$152**	**$200**	**$575**	**$201**	**$232**	**$487**	**$2,990**
Total	**$336**	**$2**	**$429**	**$440**	**$490**	**$336**	**$326**	**$361**	**$369**	**$381**	**$382**	**$1,609**	**$1,669**	**$588**	**$492**	**$8,210**

1. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $32 million and a fully accreted net par at maturity of $63 million. Of these amounts, current net par of $19 million and fully accreted net par at maturity of $50 million relate to COFINA, current net par of $7 million and fully accreted net par at maturity of $7 million relate to the PRHTA, and current net par of $5 million and fully accreted net par at maturity of $5 million relate to the Commonwealth General Obligation Bonds.

Details of Assured Guaranty's Exposure to Detroit

- **Municipal utilities exposure is $442 million of water revenue bonds and $1,008 million of sewer revenue bonds. Both the water and sewer systems provide services to areas that extend significantly beyond the City of Detroit boundaries.**

- **General obligation unlimited tax exposure has been resolved**
  - In 3Q-14, the settlement between the Company and City of Detroit regarding unlimited tax general obligation bonds was finalized. In December 2014, the City's plan of adjustment, which includes the terms of such settlement, became effective. At that time, investors exchanged 84.5% of the original general obligation bonds for newly issued bonds that are basically identical to the original bonds except that they have the benefit of additional pledged security and are issued by the Michigan Finance Authority. The remaining 15.5% of the general obligation bonds will be repaid solely by Assured Guaranty. After giving effect to post-petition payments made by Assured Guaranty on the general obligation bonds, the settlement results in an ultimate recovery to Assured Guaranty of approximately 74%.

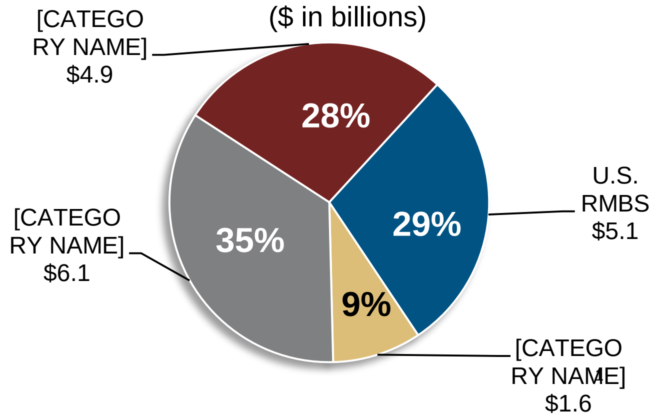
Details of Assured Guaranty's Exposure to Stockton

- **Net par exposure to Stockton is $113 million of pension obligation bonds**

- **The City of Stockton's plan of adjustment, which became effective on February 25, 2015, includes the terms of the Company's settlement with Stockton, under which the Company receives net revenues from an office building and has the irrevocable option to take title to that building, and is entitled to certain fixed payments and certain variable payments contingent on Stockton's revenue growth.**

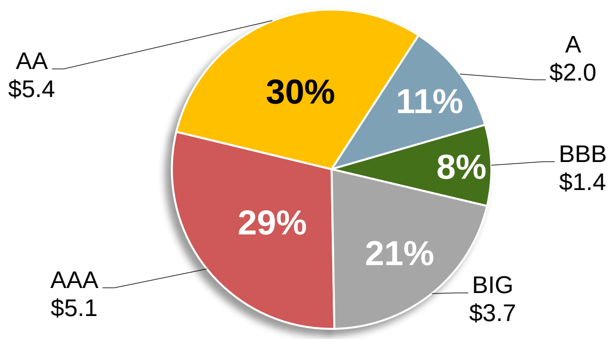
Structured Finance Exposures
Net Par Outstanding

By Type
As of June 30, 2017
($ in billions)



$17.7 billion, A average rating

By Internal Rating



- **We expect Assured Guaranty's current global structured finance insured portfolio ($17.7 billion as of June 30, 2017) to amortize more rapidly than its public finance portfolio ─ 19% expected to amortize by the end of 2017 and 29% by the end of 2018**
  - $4.9 billion in global pooled corporate obligations expected to be reduced by 55% by year-end 2017 and by 65% by year-end 2018
  - $5.1 billion in U.S. RMBS expected to be reduced by 9% by year-end 2017 and by 24% by year-end 2018
- **Assured Guaranty's total structured finance exposure of $240.9 billion at December 31, 2007 has declined by $223.2 billion to $17.7 billion through June 30, 2017, a 93% reduction**

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 June 30, 2017, 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 $0.8 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.

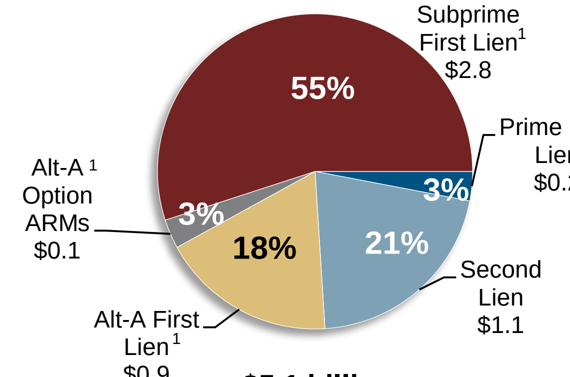
Consolidated U.S. RMBS

- **Our $5.1 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 $5.1 billion at June 30, 2017, a $24.1 billion or 83% reduction
  - 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 June 30, 2017

($ in billions)

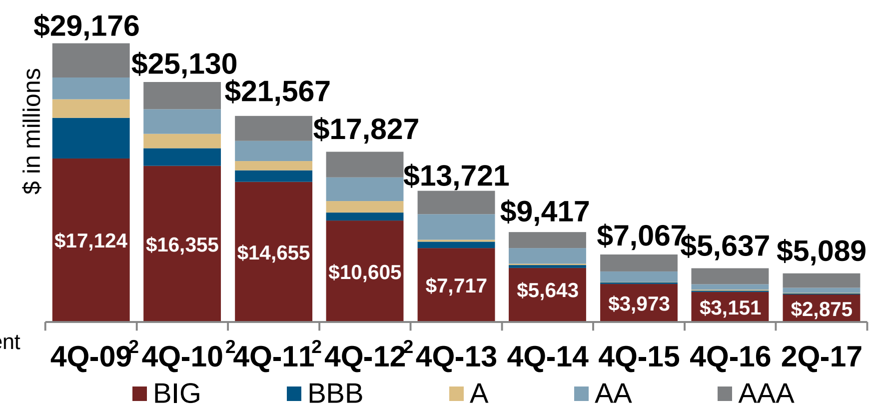


$5.1 billion

(1.8% of total net par outstanding)

U.S. RMBS by Rating

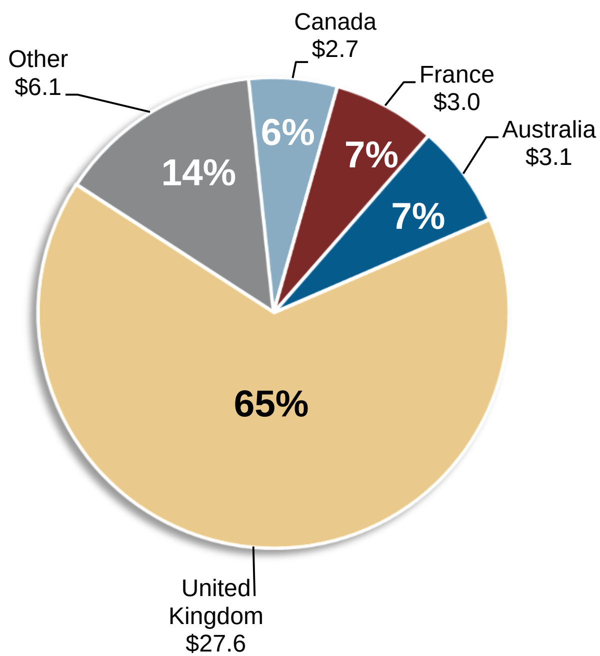
Net Par Outstanding from December 31, 2009 to June 30, 2017



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

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

Non-U.S. Exposure
As of June 30, 2017
($ in billions)



$42.5 billion, BBB+ average rating

- **95% of non-U.S. exposure is Public Finance**
  - Direct sovereign debt is limited to Poland ($217 million outstanding)
- **5% of non-U.S. exposure is Structured Finance**
  - Approximately 26% of that is to Pooled Corporates
  - 79% of non-U.S. Pooled Corporates are rated A or higher

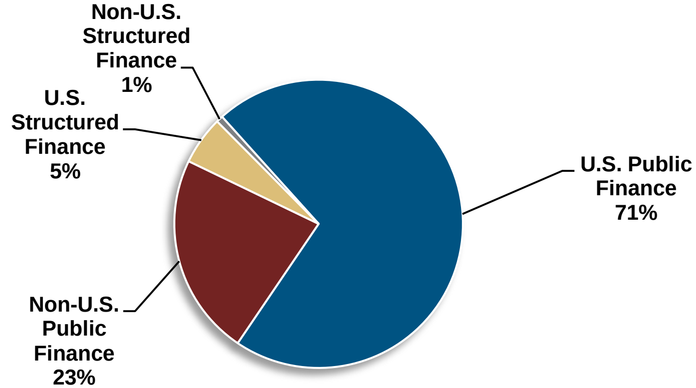
AGM Portfolio Review

Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

AGM[1]

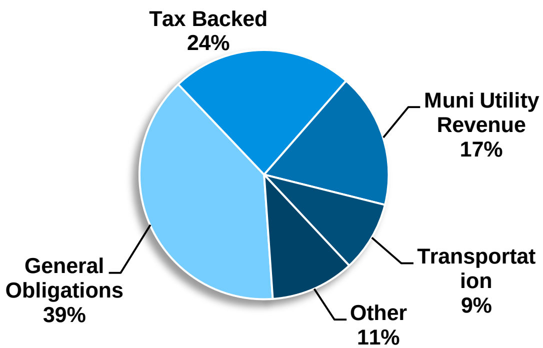
Insured Portfolio
Net Par Outstanding as of June 30, 2017

Portfolio Diversification by Sector



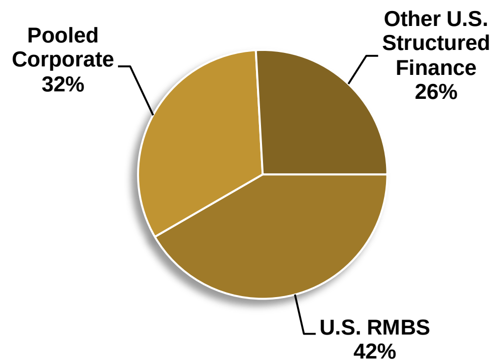
$132.3 billion[2]

U.S. Public Finance Portfolio



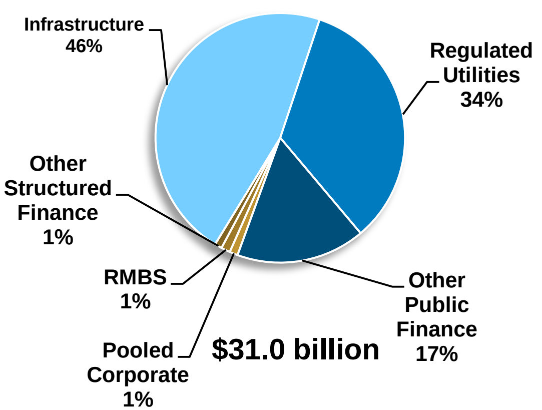
$94.2 billion

U.S. Structured Finance Portfolio



$7.2 billion[2]

Non-U.S. Portfolios Public & Structured Finance



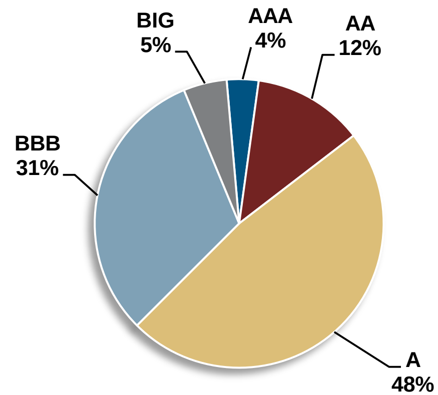
$31.0 billion

1. Please see page 3 for a definition of this convention.
2. Includes GICs. Please see the footnote on page 37.

AGM[1]
Insured Portfolio Ratings
Net Par Outstanding as of June 30, 2017

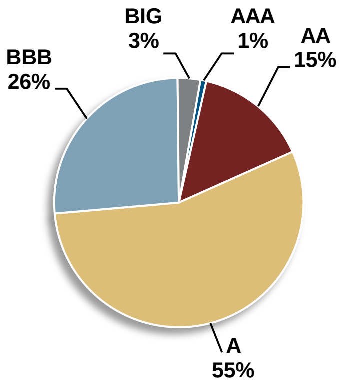
ASSURED GUARANTY®

Portfolio Diversification by Rating



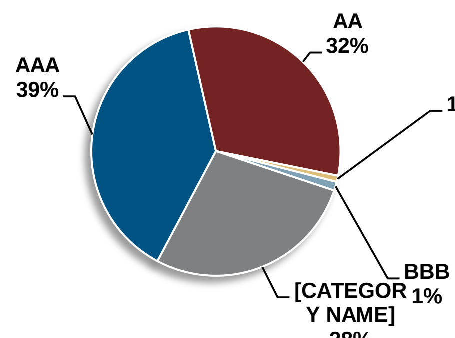
$132.3 billion[2]

U.S. Public Finance Portfolio



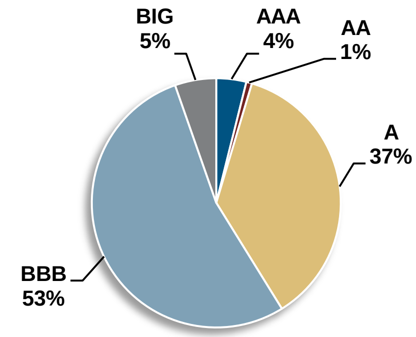
$94.2 billion

U.S. Structured Finance Portfolio



$7.2 billion[2]

Non-U.S. Portfolios Public & Structured Finance



$31.0 billion

1. Please see page 3 for a definition of this convention.
2. Includes GICs. Please see the footnote on page 37.

AGM[1]
Insured Portfolio
Net Par Outstanding as of June 30, 2017

ASSURED GUARANTY

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 36,729	A-
Tax backed	22,159	A-
Municipal utilities	16,444	A-
Transportation	8,591	A-
Healthcare	4,895	A
Higher education	2,981	A
Infrastructure finance	812	BBB+
Housing	799	A-
Other public finance[2]	741	A
Total U.S. public finance	94,151	A-
Non-U.S. public finance:		
Infrastructure finance	14,375	BBB
Regulated utilities	10,456	BBB+
Other public finance	5,177	A
Total non-U.S. public finance	30,008	BBB+
Total public finance	**$ 124,159**	**A-**

	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
RMBS	$ 2,993	BB
Pooled corporate obligations	2,335	AAA
Financial products[4]	1,590	AA-
Consumer receivables	103	B+
Commercial receivables	23	BBB-
Other structured finance[3]	144	AA-
Total U.S. structured finance	7,188	A
Non-U.S. structured finance:		
RMBS	364	BBB
Pooled corporate obligations	334	AAA
Other structured finance	292	AAA
Total non-U.S. structured finance	990	AA
Total structured finance	**$ 8,178**	**A**
Total net par outstanding	**$ 132,337**	**A-**

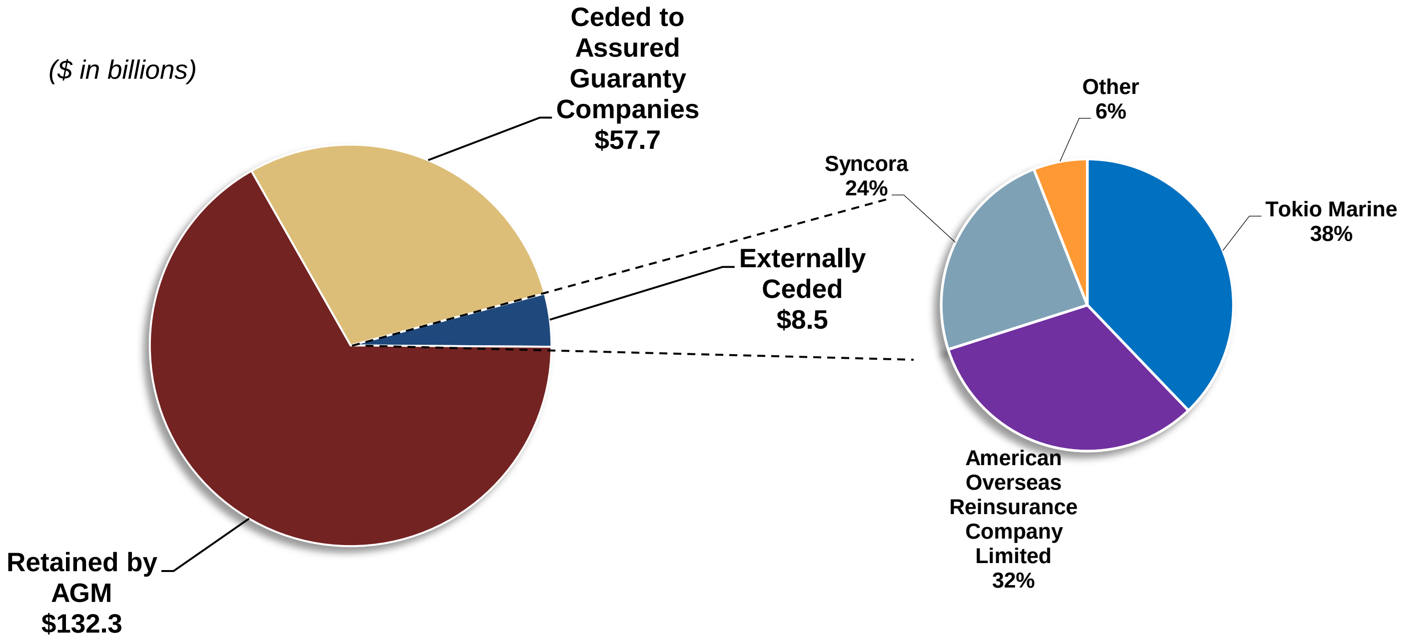
1. Please see page 3 for a definition of this convention.
2. Includes investor-owned utilities.
3. Includes structured credit.
4. Includes GICs. Please see the footnote on page 37.

Reinsurance

AGM[1] Has Ceded 4% of Its Gross Insured Portfolio to Several Non-Affiliated Reinsurers and Other Monolines

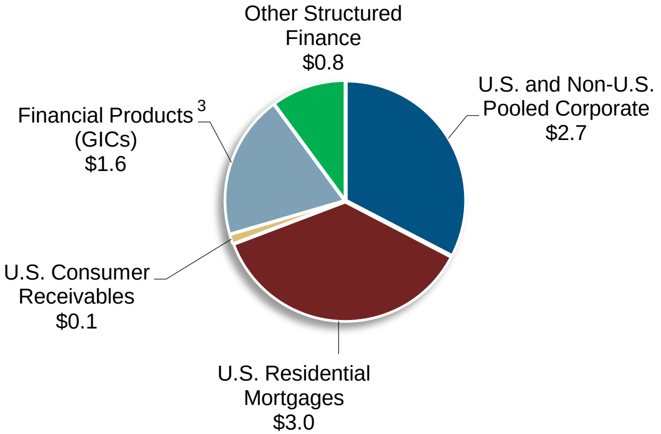
AGM's[1] Total Gross Par Outstanding: $198.5 billion
As of June 30, 2017

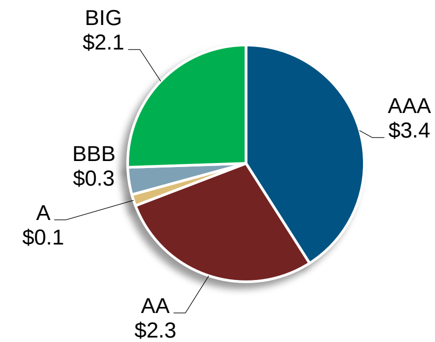
Externally Ceded Par Outstanding: $8.5 billion (4%)
As of June 30, 2017



1. Please see page 3 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.

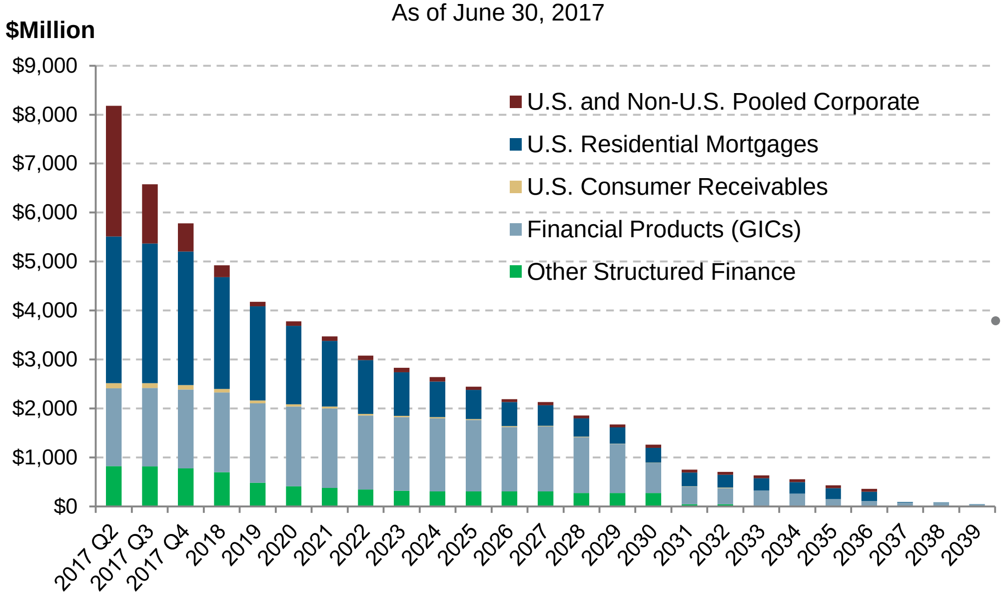
AGM[1] Amortization of Global Insured Structured Finance Portfolio





$8.2 Billion Net Par Outstanding[2]

As of June 30, 2017



- We expect AGM's legacy global structured finance insured portfolio ($8.2 billion as of June 30, 2017 versus $127.3 billion as of September 30, 2008) to run off rapidly – 29% by year-end 2017 and 49% by year-end 2019.[1]
  - $2.7 billion in global pooled corporate obligations expected to be reduced by 78% by year-end 2017 and by 97% by year-end 2019
  - $3.0 billion in U.S. RMBS expected to be reduced by 9% by year-end 2017 and by 36% by year-end 2019
  - $0.1 billion in U.S. consumer receivable obligations expected to be reduced by 11% by year-end 2017 and by 45% by year-end 2019
  - $0.8 billion in other structured finance (excluding FP) expected to be reduced by 6% by year-end 2017 and by 42% by year-end 2019
  - $1.6 billion in GICs
- Former FP business not part of Assured Guaranty's purchase; we are indemnified against exposure to the FP business by Dexia.

1. Please see page 3 for a definition of this convention.
2. Please see footnote 3 on page 12.
3. Please see the footnote on page 37.

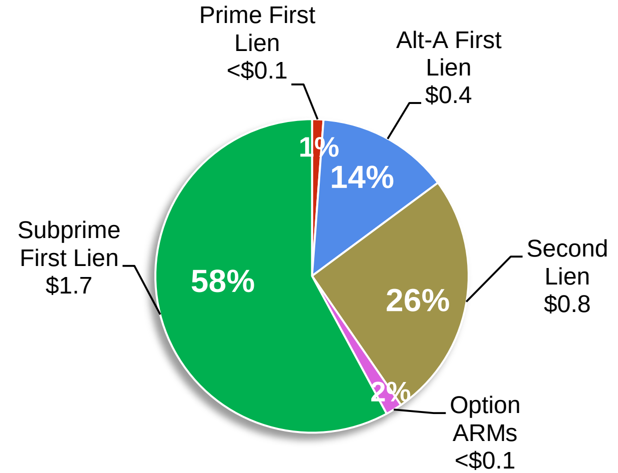
AGM[1] U.S. RMBS Exposure

- **AGM's[1] U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - $3.0 billion net par outstanding versus $17.1 billion at year-end 2008, a decrease of 82%
  - 2.3% of total net par outstanding versus 4.0% at year-end 2008
  - No U.S. RMBS underwritten since January 2008
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations of below investment grade credits

By Type

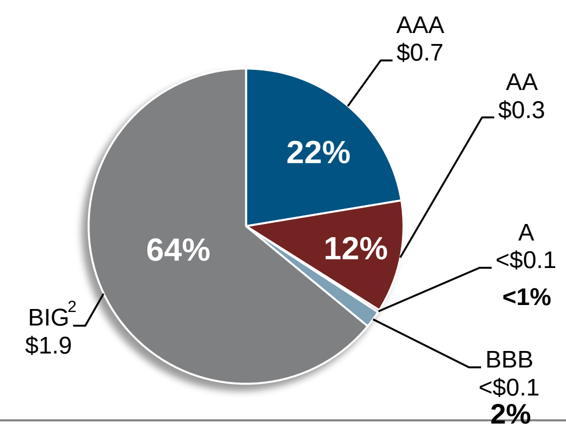
As of June 30, 2017

($ in billions)



$3.0 billion, 2.3% of net par outstanding

By Rating

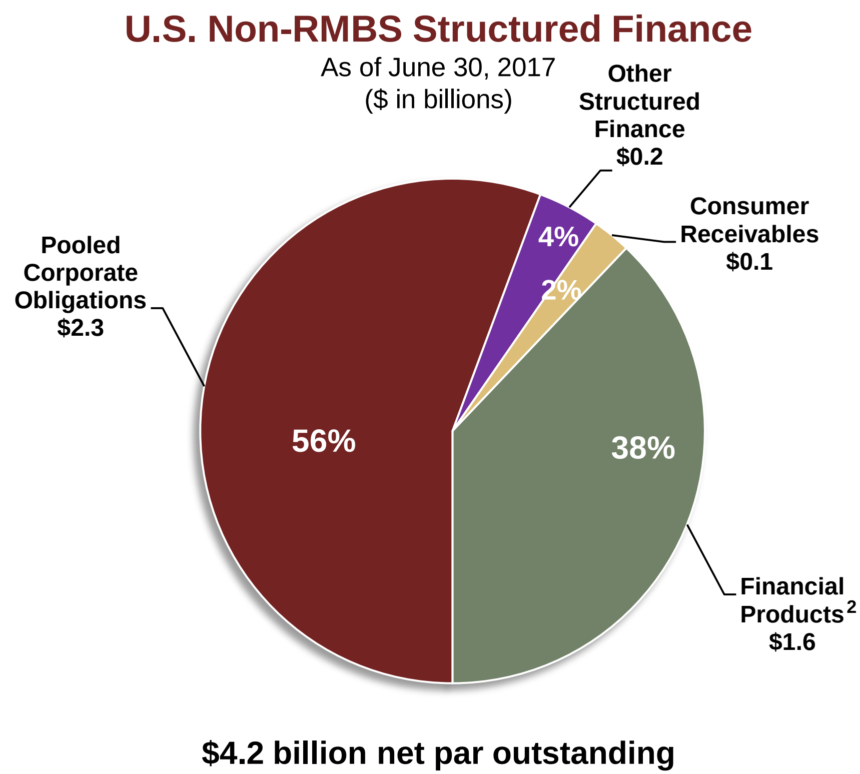


1. Please see page 3 for a definition of this convention.
2. Please see footnote 1 on page 38.

AGM[1] Non-RMBS Exposure
U.S. Structured Finance

- **56% of AGM's[1] non-RMBS U.S. structured finance portfolio consists of pooled corporate obligations**
  - 100% of U.S. pooled corporate exposure is of at least AA quality

- **Non-RMBS U.S. structured finance credit experience has been generally strong given the economic stress caused by the financial crisis**



1. Please see page 3 for a definition of this convention.
2. Please see the footnote on page 37.

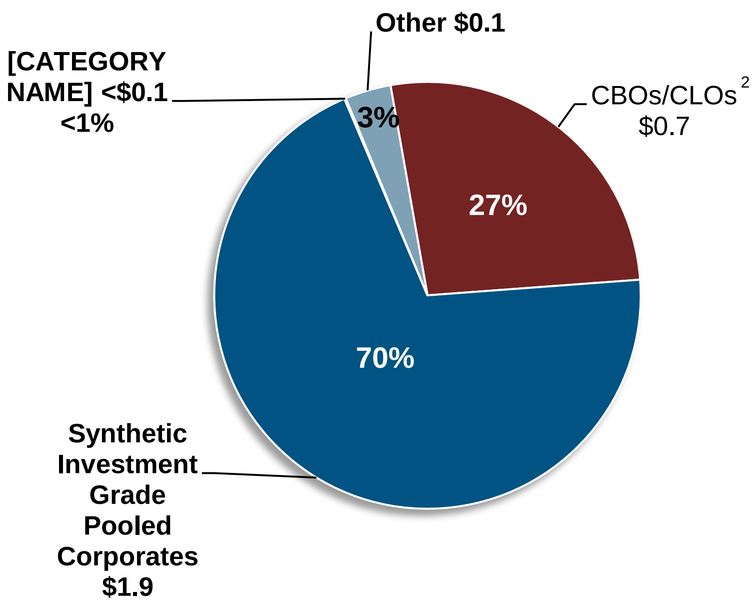
AGM[1] Global Pooled Corporate Obligations

- **AGM's[1] pooled corporate exposure is generally highly rated and well protected**
  - Average current credit enhancement of 25.8%
  - 89% rated AAA
  - AAA average rating
  - 2% rated BIG

Pooled Corporate Obligations By Asset Class

June 30, 2017

($ in billions)

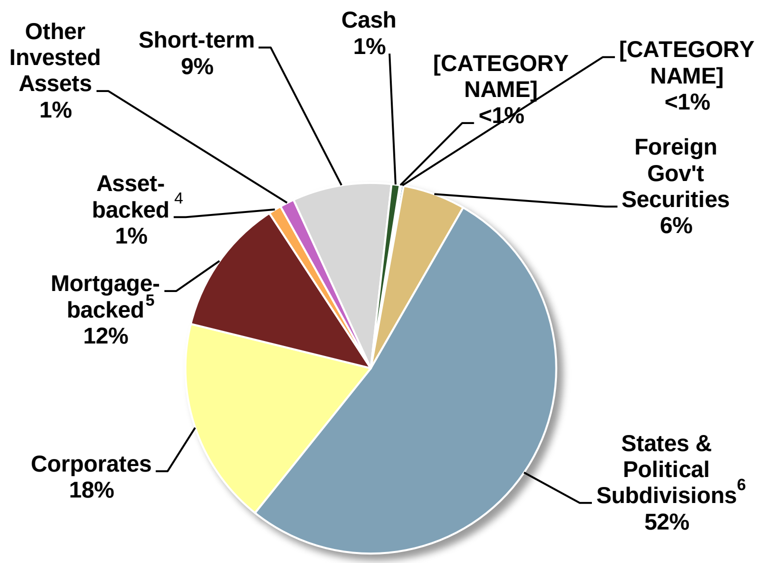


$2.7 billion net par outstanding

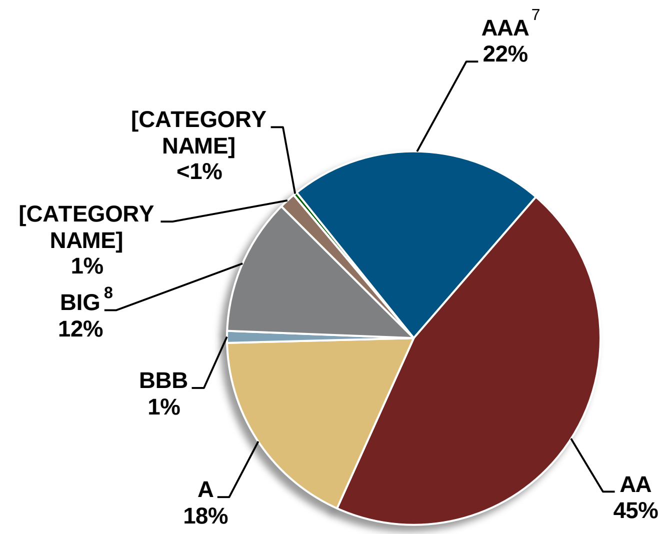
1. Please see page 3 for a definition of this convention.
2. CBOs are collateralized bond obligations. CLOs are collateralized loan obligations.

AGM[1]
Investment Portfolio
Fair Value as of June 30, 2017

Total Invested Assets and Cash[2] By Category



Total Invested Assets and Cash[2,3] By Rating



Total = $5.2 billion

1. Please see page 3 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Includes fixed maturity securities, short-term investments, cash and Other Invested Assets.
3. Ratings are represented by the lower of the Moody's and S&P classifications except for securities purchased or obtained as part of loss mitigation or other risk management strategies, which use internal ratings classifications.
4. Included in the asset-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $56 million.
5. Included in the mortgage-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $321 million and agency-backed securities with a fair value of $66 million. The remaining securities have a fair value of approximately $231 million and an average rating of AAA.
6. Included in the states & political subdivisions category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $34 million.
7. Included in the AAA category are short-term securities and cash.
8. Included in the BIG category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $614 million.

AGM Expected Loss and LAE to Be Paid
As of June 30, 2017

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Three-Months Ended June 30, 2017

	Net Expected Loss to be Paid (Recovered) as of Mar 31, 2017	Economic Loss Development During 2Q-17	(Paid) Recovered Losses During 2Q-17	Effect of Purchase of European Subsidiaries[3]	Net Expected Loss to be Paid (Recovered) as of Jun 30, 2017
Public Finance:					
U.S. public finance	$353	$37	($1)	$—	$389
Non-U.S. public finance	18	1	—	12	31
Public Finance:	371	38	(1)	12	420
Structured Finanace					
U.S. RMBS[2]	147	(10)	13	—	150
Other structure finance	13	(3)	(3)	10	17
Structured Finance:	160	(13)	10	10	167
Total	**$531**	**$25**	**$9**	**$22**	**$587**

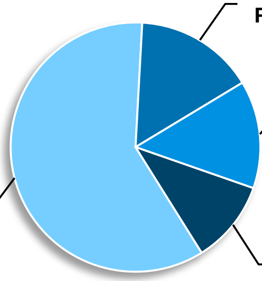
Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2016 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

1. Includes expected loss to be paid, economic loss development and paid (recovered) losses for all contracts (i.e. those accounted for as insurance, credit derivatives and FG VIEs).
2. Includes future net R&W recoverable (payable) of $(58) million as of March 31, 2017 and $(38) million as of June 30, 2017.
3. Net effect on the purchase of the three European insurance companies on June 26, 2017. AGC sold all of the shares of its direct, wholly owned subsidiaries, Assured Guaranty (UK) plc, Assured Guaranty (London) plc, and CIFG Europe S.A., (the European Subsidiaries), to AGM, its affiliate, on June 26, 2017.

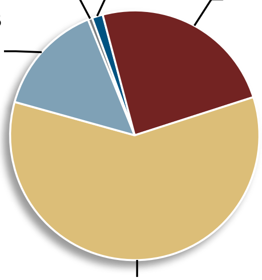
Municipal Assurance Corp.
Portfolio Review

MAC
Insured Portfolio (100% U.S. Public Finance)
Net Par Outstanding as of June 30, 2017

Portfolio Diversification by Sector



Portfolio Diversification by Rating



$49.7 billion

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 29,713	A
Municipal utilities	7,706	A
Tax backed	6,957	A+
Transportation	2,330	A-
Higher Education	2,263	A
Housing	161	A+
Other public finance	600	A
Total U.S. public finance	**$ 49,730**	**A**

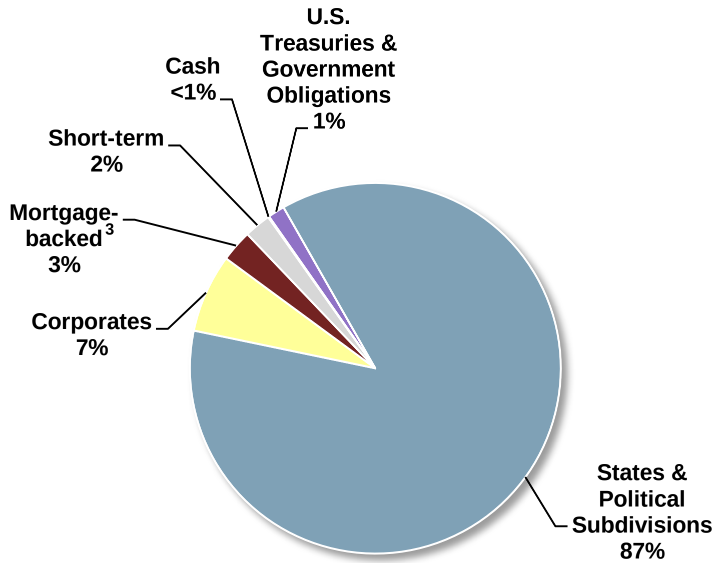
Net Par Outstanding By State
($ in millions)

	Net Par Outstanding	% of Total
California	$ 9,336	18.8%
Texas	5,538	11.1
Pennsylvania	3,758	7.6
Illinois	3,596	7.2
New York	3,113	6.3
Florida	1,990	4.0
New Jersey	1,964	3.9
Michigan	1,738	3.5
Ohio	1,494	3.0
Arizona	1,295	2.6
Other states	15,908	32.0
Total U.S. public finance	**$ 49,730**	**100.0%**

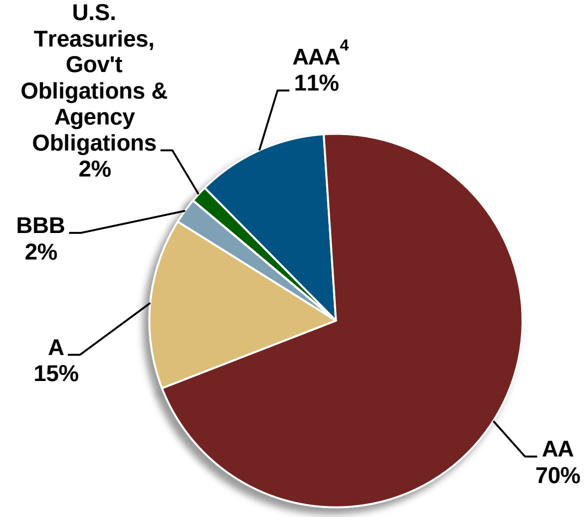
1. A total of $276 million net par outstanding; consists of 16 revenue sources rated in the BB and B categories.

MAC
Investment Portfolio
Fair Value as of June 30, 2017

Total Invested Assets and Cash[1]
By Category



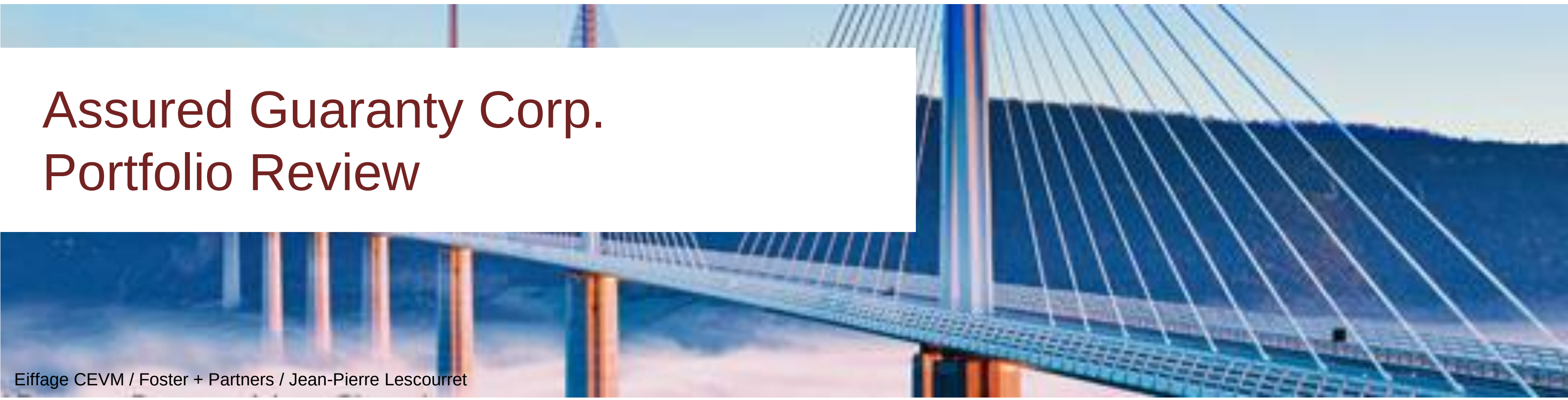
Total Invested Assets and Cash[1,2]
By Rating



Total = $1.1 billion

1. Includes fixed maturity securities, short-term investments and cash.
2. Ratings are represented by the lower of the Moody's and S&P classifications.
3. Included in the mortgage-backed category are agency-backed securities with a fair value of $10 million. The remaining securities have a fair value of $20 million and an average rating of AAA.
4. Included in the AAA category are short-term securities and cash.

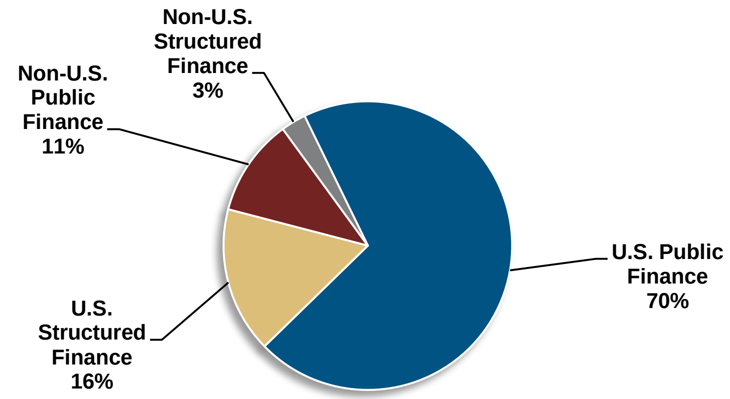
Assured Guaranty Corp.
Portfolio Review



Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

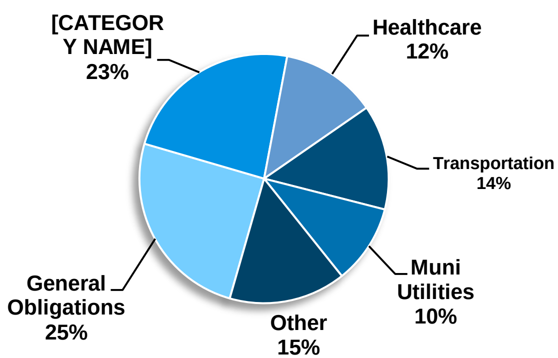
AGC
Insured Portfolio
Net Par Outstanding as of June 30, 2017

Portfolio Diversification by Sector



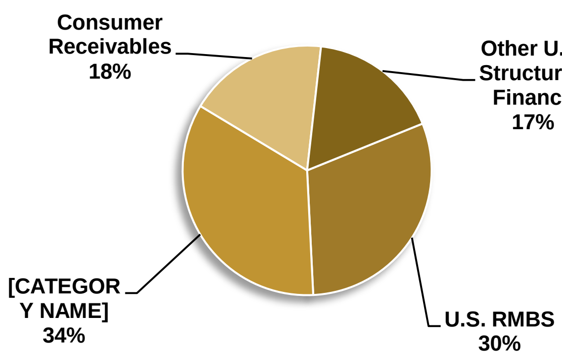
$32.0 billion

U.S. Public Finance Portfolio



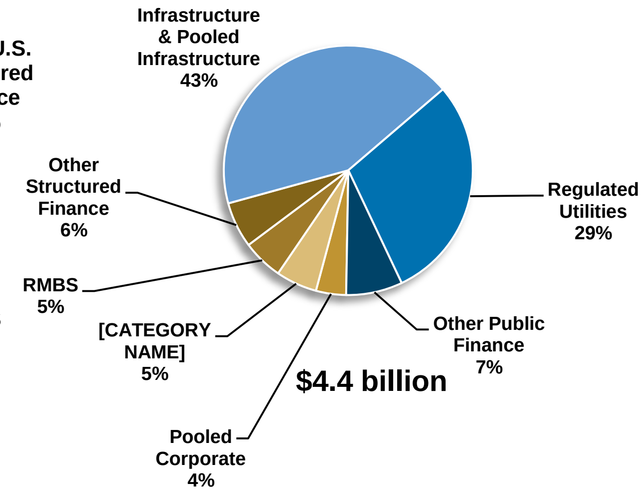
$22.4 billion

U.S. Structured Finance Portfolio



$5.2 billion

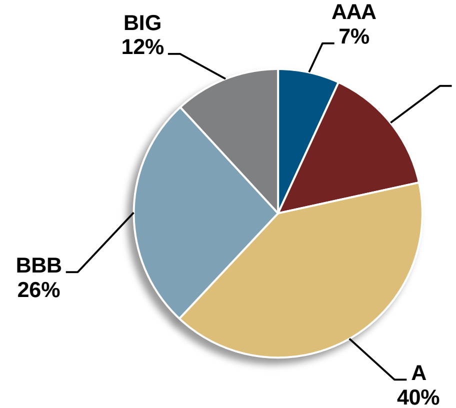
Non-U.S. Portfolios Public & Structured Finance



$4.4 billion

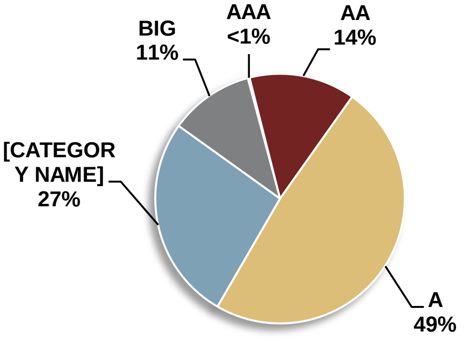
AGC
Insured Portfolio Ratings
Net Par Outstanding as of June 30, 2017

Portfolio Diversification by Rating



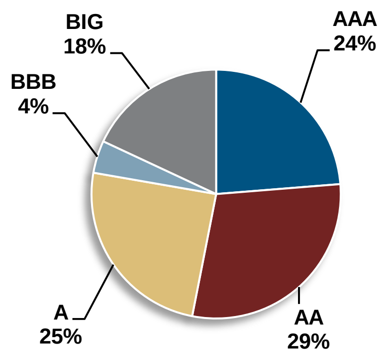
$32.0 billion

U.S. Public Finance Portfolio



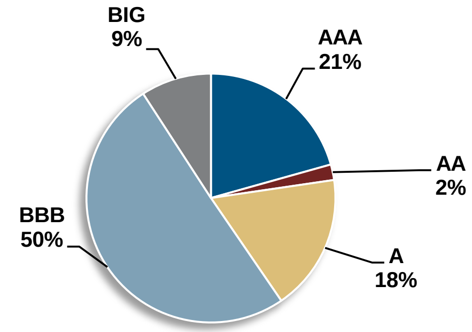
$22.4 billion

U.S. Structured Finance Portfolio



$5.2 billion

Non-U.S. Portfolios
Public & Structured Finance



$4.4 billion

AGC
Insured Portfolio
Net Par Outstanding as of June 30, 2017

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding		Avg. Internal Rating
U.S. public finance:			
General obligation	$	5,617	BBB+
Tax backed		5,255	BBB
Transportation		3,051	A-
Healthcare		2,776	A-
Municipal utilities		2,305	BBB+
Infrastructure finance		1,320	A-
Higher education		1,155	A-
Investor-owned utilities		306	A-
Housing		97	BBB
Other public finance		520	A-
Total U.S. public finance		22,402	BBB+
Non-U.S. public finance:			
Regulated utilities		1,284	BBB+
Infrastructure finance		1,237	BBB-
Pooled infrastructure		654	AAA
Other public finance		322	A-
Total non-U.S. public finance		3,497	A-
Total public finance	**$**	**25,899**	**BBB+**

	Net Par Outstanding		Avg. Internal Rating
U.S. structured finance:			
Pooled corporate obligations	$	1,802	AA-
RMBS		1,589	BBB+
Consumer receivables		952	A
Insurance securitization		618	AA-
Commercial receivables		90	BBB+
Other structured finance[1]		188	A-
Total U.S. structured finance		5,239	A
Non-U.S. structured finance:			
Commercial receivables		235	A
RMBS		231	AA-
Pooled corporate obligations		172	A
Other structured finance		261	BBB+
Total non-U.S. structured finance		899	A
Total structured finance	**$**	**6,138**	**A**
Total net par outstanding	**$**	**32,037**	**A-**

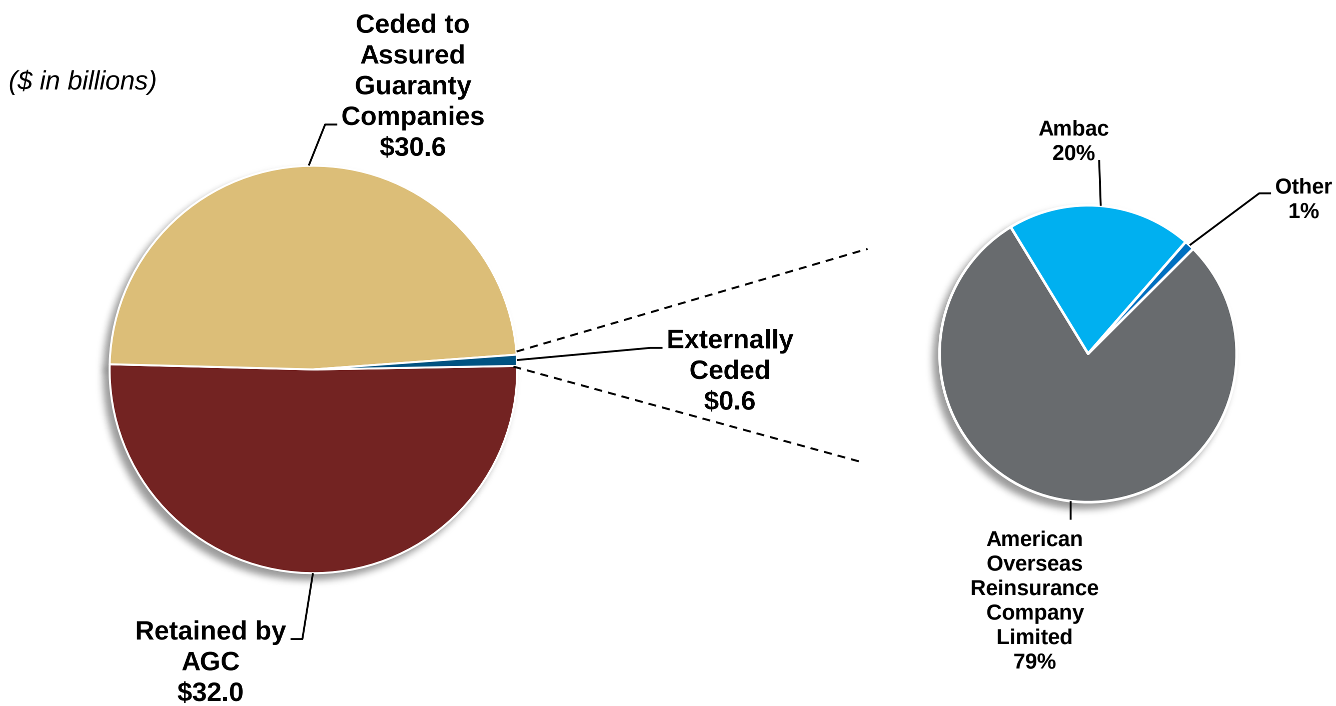
1. Includes CMBS and Structured Credit

Reinsurance

AGC Has Ceded 1.0% of Its Gross Insured Portfolio to Several Non-Affiliated Reinsurers and Other Monolines

AGC's Total Gross Par Outstanding: $63.2 billion
As of June 30, 2017

Externally Ceded Par Outstanding: $0.6 billion (1.0%)
As of June 30, 2017

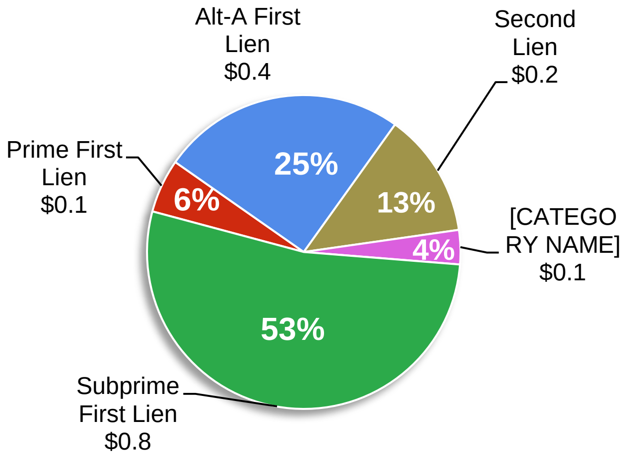


AGC U.S. RMBS Exposure

- **AGC's U.S. RMBS portfolio is amortizing on an absolute basis and has declined as a percentage of the portfolio**
  - $1.6 billion versus $13.4 billion at year-end 2007, a decrease of 88%
  - 5.0% of total net par outstanding versus 14.3% at year-end 2007
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations

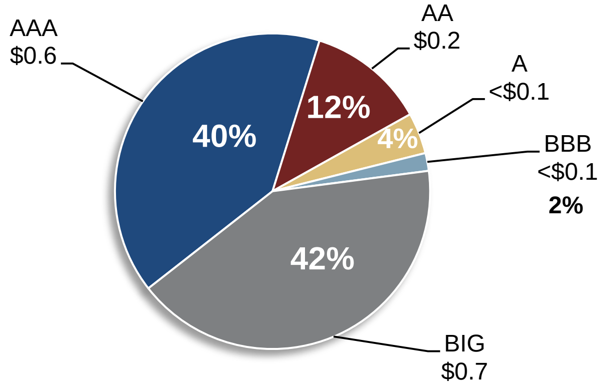
By Type

As of June 30, 2017
($ in billions)



$1.6 billion, 5.0% of net par outstanding

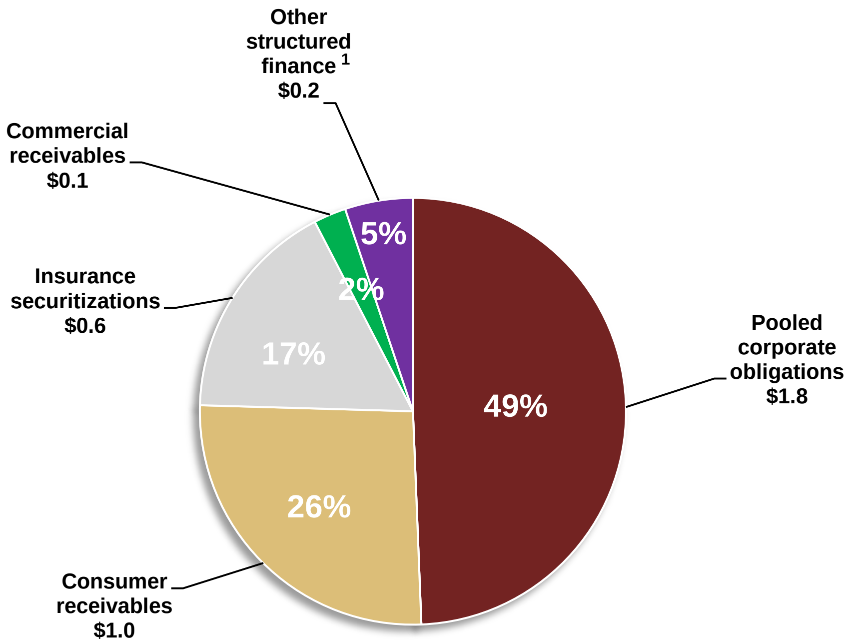
By Rating



AGC Non-RMBS Exposure
U.S. Structured Finance

- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
  - Pooled corporate obligations
  - Consumer receivables
  - Insurance securitizations
- **Non-RMBS U.S. structured finance credit experience has been generally strong despite the economic stress caused by the financial crisis**
  - 16% rated AAA
  - 8% rated BIG

U.S. Non-RMBS Structured Finance
As of June 30, 2017
($ in billions)



$3.7 billion net par outstanding

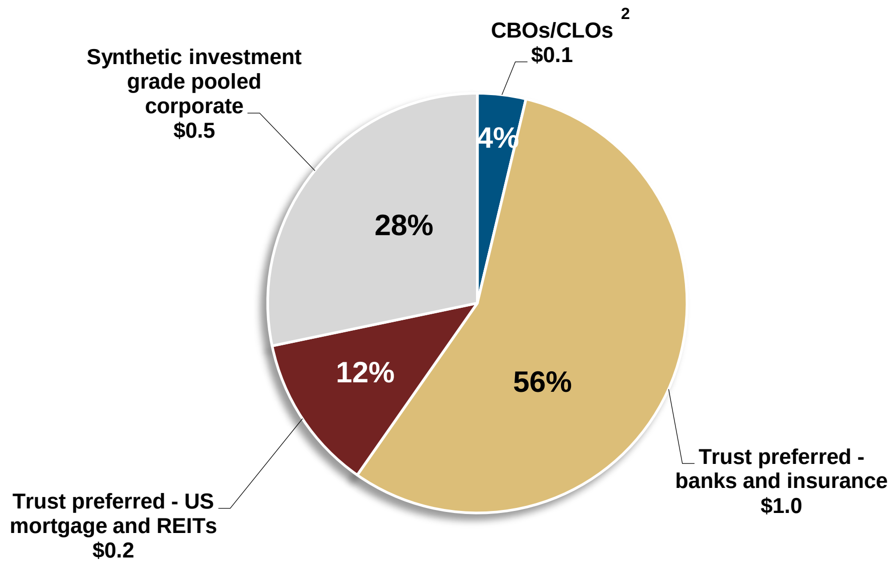
1. Includes CMBS and Structured Credit

AGC Global Direct Pooled Corporate Obligations

- **Our pooled corporate exposure is highly rated and protected by overcollateralization. In AGC's direct portfolio:**
  - Average current credit enhancement of 38.7%
  - 31% rated AAA, average rating AA-
- **AGC's $1.2 billion Trust Preferred Securities (TruPS) CDO portfolio is diversified by region (U.S. and European) as well as by collateral type (bank, thrift, insurance company, real estate investment trust (REIT) and CMBS)**
  - Includes more than 1,000 underlying issuers
  - All our exposure at the CDO level is to the most senior debt tranche
  - All U.S. bank and insurance TruPS CDOs, European TruPS CDOs and U.S. mortgage and REIT TruPS CDOs were originated at AAA attachment points
- **The $0.2 billion of TruPS CDOs backed by U.S. mortgage and REITs is the lowest average rated pooled corporate subsectors**
  - BBB average rating

Direct Pooled Corporate Obligations[1] By Asset Class

As of June 30, 2017
($ in billions)

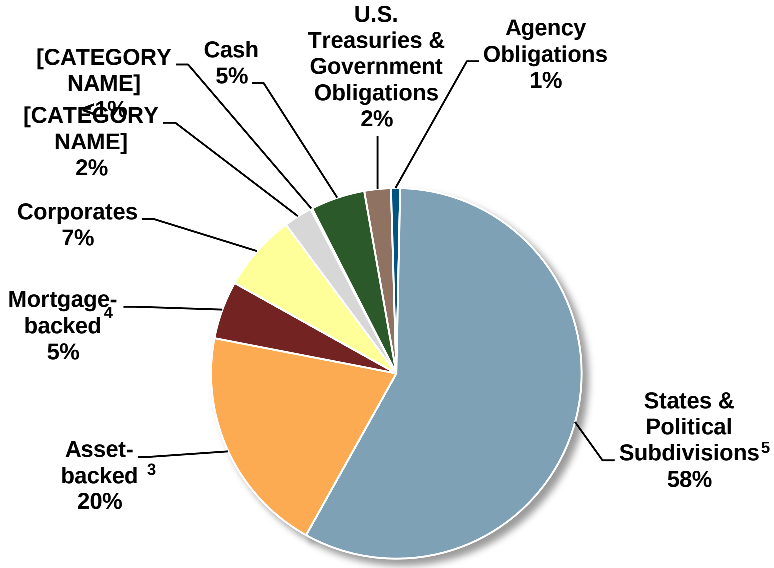


$1.8 billion net par outstanding

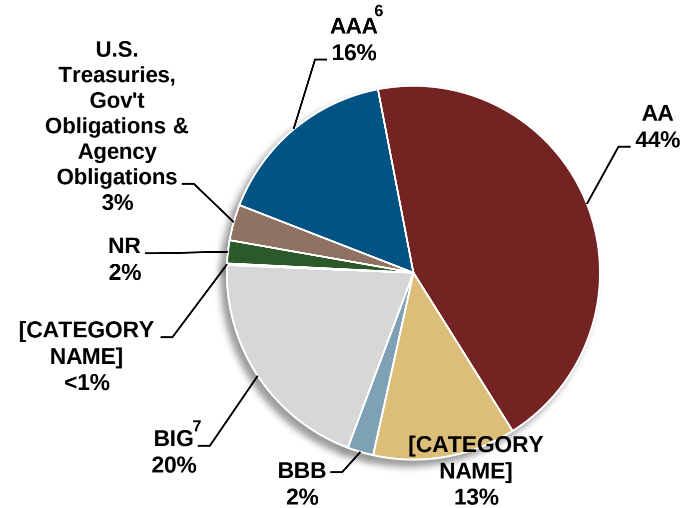
1. AGC also assumed $176 million of pooled corporate exposure.
2. See footnote 2 on page 49.

AGC
Investment Portfolio
Fair Value as of June 30, 2017

Total Invested Assets and Cash[1] By Category



Total Invested Assets and Cash[1,2] By Rating



Total = $3.0 billion

1. Includes fixed maturity securities, short-term investments, cash and Other Invested Assets.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for securities purchased or obtained as part of loss mitigation or other risk management strategies, which use internal ratings classifications.
3. Included in the asset-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $582 million.
4. Included in the mortgage-backed category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $30 million and agency-backed securities with a fair value of $53 million. The remaining securities have a fair value of $70 million and an average rating of AAA.
5. Included in the states & political subdivisions category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $58 million.
6. Included in the AAA category are short-term securities and cash.
7. Included in the BIG category are securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $598 million.

AGC Expected Loss and LAE to Be Paid
As of June 30, 2017

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid[1] for the Three-Months Ended June 30, 2017

	Net Expected Loss to be Paid (Recovered) as of Mar 31, 2017	Economic Loss Development During 2Q-17	(Paid) Recovered Losses During 2Q-17	Effect of Sale of European Subsidiaries[3]	Net Expected Loss to be Paid (Recovered) as of Jun 30, 2017
Public Finance:					
U.S. public finance	$447	$24	($3)	$—	$468
Non-U.S. public finance	18	(1)	—	(12)	5
Public Finance:	465	23	(3)	(12)	473
Structured Finanace					
U.S. RMBS[2]	23	(14)	1	—	10
Triple-X life insurance	(48)	7	1	(58)	(98)
Other structure finance	(12)	0	1	(5)	(16)
Structured Finance:	(37)	(7)	3	(63)	(104)
Total	**$428**	**$16**	**$0**	**($75)**	**$369**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. A reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. See Notes to the financial statements in the 2016 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts.

1. Includes expected loss to be paid, economic loss development and paid (recovered) losses for all contracts (i.e. those accounted for as insurance, credit derivatives and FG VIEs).
2. Includes future net R&W recoverable (payable) of $37 million as of March 31, 2017 and $29 million as of June 30, 2017.
3. Net effect on the sale of its three affliated European insurance companies on June 26, 2017. AGC sold all of the shares of its direct, wholly owned subsidiaries, Assured Guaranty (UK) plc, Assured Guaranty (London) plc, and CIFG Europe S.A., (the European Subsidiaries), to AGM, its affiliate, on June 26, 2017.

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 Assured Guaranty. 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. Assured Guaranty believes its presentation of non-GAAP financial measures, along with the effect on those measures of consolidating FG VIEs (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 variable interest entities (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. Therefore, the Company had previously removed the effect of FG VIE consolidation in its calculation of its non-GAAP financial measures. However, since fourth quarter 2016, based on the SEC's May 2016 compliance and disclosure interpretations, the Company no longer removes the effect of FG VIE consolidation from its publicly disclosed non-GAAP financial measures. This change affects the Company's calculation of operating income (non-GAAP), operating ROE, non-GAAP operating shareholders' equity and non-GAAP adjusted book value. Wherever possible, the Company has separately disclosed the effect of FG VIE consolidation. The prior-year quarterly non-GAAP financial measures have been updated to reflect the revised calculation.

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.

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. 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) 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. A reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure is presented within this presentation.

Appendix
Explanation of Non-GAAP Financial Measures

Operating Income (non-GAAP): Management believes that operating income (non-GAAP) 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 operating income (non-GAAP) further by removing FG VIE consolidation to arrive at its core operating income measure. 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, 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. 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.

4) Elimination of foreign exchange gains (losses) on remeasurement of net premium receivables and loss and LAE reserves. 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 asset or liability related to the above adjustments, which are determined by applying the statutory tax rate in each of the jurisdictions that generate these adjustments.

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 this is a useful measure because it enables an evaluation of the net present value 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 asset or liability 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.

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. There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from the Company's non-financial guaranty 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 net 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[1]

Reconciliation of GWP to PVP	**Three Months Ended**		**Year Ended December 31,**			
(dollars in millions)	**June 30, 2017**	**March 31, 2017**	**2016**	**2015**	**2014**	**2013**
Total GWP	$79	$111	$154	$181	$104	$123
Less: Intallment GWP and other GAAP adjustments	25	55	(10)	55	(22)	8
Upfront GWP	54	56	164	126	126	115
Plus: Installment premium PVP	16	43	50	53	42	26
Total PVP	$70	$99	$214	$179	$168	$141

PVP:	**June 30, 2017**	**March 31, 2017**	**2016**	**2015**	**2014**	**2013**
Public Finance - U.S.	$46	$52	$161	$124	$128	$116
Public Finance - non-U.S.	14	40	25	27	7	18
Structured Finance - U.S.	0	5	27	22	24	7
Structured Finance - non-U.S.	10	2	1	6	9	-
Total PVP	$70	$99	$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 Operating Income (non-GAAP)[1]

Operating Income Reconciliation (dollars in millions, except per share amounts)	Three Month Ended June 30, 2017 Total	2017 Per Diluted Share	2016 Total	2016 Per Diluted Share	Six Months Ended June 30, 2017 Total	2017 Per Diluted Share	2016 Total	2016 Per Diluted Share
Net income (loss)	**$153**	**$1.24**	**$146**	**$1.09**	**$470**	**$3.76**	**$205**	**$1.51**
Less pre-tax adjustments:								
Realized gains (losses) on investments	15	0.13	10	0.07	47	0.38	(4)	(0.03)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(20)	(0.17)	32	0.23	5	0.03	(28)	(0.21)
Fair value gains (losses) on CCS	2	0.01	(11)	(0.08)	0	0.00	(27)	(0.20)
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	21	0.17	(17)	(0.12)	31	0.25	(19)	(0.14)
Total pre-tax adjustments	18	0.14	14	0.10	83	0.66	(78)	(0.58)
Less tax effect on pre-tax adjustments	(6)	(0.06)	(4)	(0.02)	(27)	(0.22)	24	0.18
Operating income	$141	$1.16	$136	$1.01	$414	$3.32	$259	$1.91
Gain (loss) related to FG VIE consolidation included in operating income	$5	$0.05	($3)	($0.02)	$10	$0.08	$7	$0.05

1. For an explanation of operating income, a non-GAAP financial measure, please refer to the preceding pages of the Appendix. The prior-year non-GAAP financial measures have been updated to reflect the revised calculation as discussed in "Explanation of Non-GAAP Financial Measures."

Appendix

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

ASSURED GUARANTY®

Non-GAAP Adjusted book value reconciliation (dollars in millions, except per share amounts)	As of											
	June 30, 2017		March 31, 2017		December 31, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	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	**$6,750**	**$56.40**	**$6,637**	**$53.95**	**$6,504**	**$50.82**	**$6,250**	**$47.06**	**$6,113**	**$45.26**	**$6,063**	**$43.96**
Less pre-tax adjustments:												
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(185)	(1.55)	(164)	(1.33)	(189)	(1.48)	(265)	(2.00)	(300)	(2.22)	(241)	(1.75)
Fair value gains (losses) on CCS	62	0.52	60	0.49	62	0.48	35	0.26	46	0.34	62	0.45
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	504	4.20	380	3.08	316	2.47	600	4.52	482	3.57	373	2.71
Less Taxes	(133)	(1.11)	(99)	(0.80)	(71)	(0.54)	(118)	(0.88)	(59)	(0.43)	(56)	(0.41)
Non-GAAP operating shareholders' equity	6,502	54.34	6,460	52.51	6,386	49.89	5,998	45.16	5,944	44.00	5,925	42.96
Pre-tax adjustments:												
Less: Deferred acquisition costs	106	0.89	106	0.86	106	0.83	110	0.83	113	0.84	114	0.83
Plus: Net present value of estimated net future revenue	148	1.23	153	1.24	136	1.07	93	0.70	133	0.99	169	1.23
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	3,173	26.51	3,236	26.30	2,922	22.83	3,047	22.94	3,199	23.68	3,384	24.53
Plus Taxes	(924)	(7.71)	(945)	(7.68)	(832)	(6.50)	(843)	(6.34)	(899)	(6.66)	(968)	(7.02)
Non-GAAP Adjusted book value	$8,793	$73.48	$8,798	$71.51	$8,506	$66.46	$8,185	$61.63	$8,264	$61.17	$8,396	$60.87
Gain (loss) related to FG VIE consolidation included in non-GAAP operating shareholders' equity	3	0.03	(3)	(0.03)	(7)	(0.06)	(13)	(0.10)	(10)	(0.08)	(21)	(0.15)
Gain (loss) related to FG VIE consolidation included in non-GAAP adjusted book value	(13)	(0.10)	(20)	(0.16)	(24)	(0.18)	(30)	(0.23)	(30)	(0.23)	(43)	(0.31)

1. For an explanation of adjusted book value, a non-GAAP financial measure, please refer to the preceding pages of the Appendix. The prior-year non-GAAP financial measures have been updated to reflect the revised calculation as discussed in "Explanation of Non-GAAP Financial Measures."

Appendix
Reconciliation of GAAP ROE to Non-GAAP Operating ROE

ROE Reconciliation
(dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Net income (loss)	**$153**	**$146**	**$470**	**$205**
Operating income (non-GAAP)	141	136	414	259
Gain (loss) related to FG VIE consolidation included in operating income	5	(3)	10	7
Average shareholders' equity	**$6,694**	**$6,182**	**$6,627**	**$6,157**
Average non-GAAP operating shareholders' equity	6,481	5,971	6,444	5,962
Gain (loss) related to FG VIE consolidation included in average non-GAAP operating shareholders' equity	0	(12)	(2)	(17)
GAAP ROE[1]	**9.1%**	**9.5%**	**14.2%**	**6.7%**
Operating ROE (non-GAAP)[1]	8.7%	9.2%	12.9%	8.7%
Effect of FG VIE consolidation included in operating ROE	0.3%	(0.1)%	0.4%	0.3%

1. Quarterly ROE calculations represent annualized returns.

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Fixed Income Investor Presentation

June 30, 2017

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