Fixed Income Investor Presentation

December 31, 2013

ASSURED GUARANTY® MUNICIPAL

MUNICIPAL ASSURANCE CORP.
AN ASSURED GUARANTY COMPANY

ASSURED GUARANTY® CORP.

Table of Contents

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, together with its subsidiaries, "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 materially are (1) 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 Assured Guaranty or any of its subsidiaries and/or of transactions that Assured Guaranty's subsidiaries have insured; (2) reduction in the amount of available insurance opportunities and/or in the demand for Assured Guaranty's insurance; (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 shortfalls or other factors will result in credit losses or impairments on obligations of state and local governments that the Company insures or reinsures; (5) the failure of Assured Guaranty to realize insurance loss recoveries or damages through loan putbacks, settlement negotiations or litigation; (6) 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; (7) increased competition, including from new entrants into the financial guaranty industry; (8) rating agency action on obligors, including sovereign debtors, resulting in a reduction in the value of securities in the Company's investment portfolio and in collateral posted by and to the Company; (9) the inability of Assured Guaranty to access external sources of capital on acceptable terms; (10) changes in the world's credit markets, segments thereof or general economic conditions; (11) the impact of market volatility on the mark-to-market of Assured Guaranty's contracts written in credit default swap form; (12) changes in applicable accounting policies or practices; (13) changes in applicable laws or regulations, including insurance and tax laws; (14) other governmental actions; (15) difficulties with the execution of Assured Guaranty's business strategy; (16) contract cancellations; (17) loss of key personnel; (18) adverse technological developments; (19) the effects of mergers, acquisitions and divestitures; (20) natural or man-made catastrophes; (21) other risks and uncertainties that have not been identified at this time; (22) management's response to these factors; and (23) other risk factors identified in Assured Guaranty's filings with the U.S. Securities and Exchange Commission (the "SEC").
- 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 the Company's Form 10-K and 10-Q filings. The Company undertakes no obligation to update publicly or review any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by law. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company's reports filed with the SEC.
- If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may vary materially from what the Company projected. Any forward looking statements in this presentation reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity.
- For these statements, the Company claims the protection of the safe harbor for forward looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Conventions and Disclaimers

- Unless otherwise noted, the following conventions are used in this presentation:
  - "AGM Consolidated" shall mean Assured Guaranty Municipal Corp. and its consolidated entities (consisting primarily of Assured Guaranty (Europe) Ltd.; 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" shall mean AGM Consolidated excluding MAC Holdings and MAC.
    - "Assured Guaranty Municipal" shall mean AGM excluding Assured Guaranty (Europe) Ltd.
  - Ratings on our insured portfolio and on bonds purchased pursuant to loss mitigation or risk management strategies are Assured Guaranty's internal 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, beginning third quarter 2013, the Company's internal credit ratings focus on future performance, rather than lifetime performance.
  - Exposures rated below investment grade are designated "BIG". For residential mortgage backed securities (RMBS) transactions collateralized under representations and warranties (R&W) settlement agreements, a portion of the BIG exposure has been reclassified as investment grade.
  - In third quarter 2013, the Company changed the manner in which it presents par outstanding and debt service in two ways. First, the Company had included securities purchased for loss mitigation purposes both in its invested assets portfolio and its financial guaranty insured portfolio. Beginning with third quarter 2013, the Company excluded such loss mitigation securities from its disclosure about its financial guaranty insured portfolio (unless otherwise indicated) because it manages such securities as investments and not insurance exposure. It has taken this approach as of both December 31, 2013 and December 31, 2012. Second, the Company refined its approach to its internal credit ratings and surveillance categories, which resulted in the upgrade of $25 million from BIG to investment grade. Please refer to "Refinement of Approach to Internal Credit Ratings and Surveillance Categories" in note 3, Outstanding Exposure, of the Company's Annual Report on Form 10-K for the annual period ended December 31, 2013 for additional information. Under the old approach, a transaction with a projected lifetime loss, no matter how strong on a prospective basis, was required to be rated BIG. Under its revised approach, a transaction may be rated investment grade if it (a) has turned generally cash-flow positive and (b) is projected to have net future reimbursements with a sufficient cushion to warrant an investment grade rating even if it is projected to have ending lifetime insurance claim payments.
  - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P").
  - Percentages and totals in tables or graphs may not add due to rounding.
- The materials in this presentation do not constitute advice with respect to any municipal financial products, or the issuance of any municipal securities, including with respect to the structuring, timing or terms of any such financial products or issuances. You should not rely on such material to make any decision with respect to these topics. Neither we nor any of our affiliates is acting as your advisor in connection with any municipal financial product or any issuance of municipal securities. We encourage you to consult your own financial and legal advisors and to make your own independent investigation regarding any municipal financial product and the structure, timing and terms of any issuance of municipal securities. Municipal financial product includes any municipal derivative, guaranteed investment contract, plan or program for the investment of the proceeds of municipal securities, or the recommendation and brokerage of municipal escrow investments.
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Non-GAAP Financial Measures and Performance Indicators

- 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 not in accordance with GAAP (“non-GAAP financial measures”) are defined in the appendix. In each case, the most directly comparable GAAP financial measure, if available, is presented, and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how Assured Guaranty’s management, analysts and investors evaluate Assured Guaranty’s financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty.
- The performance information described below is obtained from third parties and / or provided by the trustee and may be subject to revision as updated or additional information are obtained. The following performance measures are used in this presentation:
  - *60+ Day Delinquencies* are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or real estate owned divided by current collateral balance.
  - *Average Credit Enhancement* is intended to provide a measure of the amount of equity and/or subordinated tranches that are junior in the capital structure to Assured Guaranty’s exposure, expressed as a percentage of the total transaction size, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the amounts shown do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes.
  - *Cumulative Losses* are defined as net charge-offs on the underlying loan collateral divided by the original collateral balance.
  - *Pool Factor* is the percentage of the current collateral balance divided by the original collateral balance of the transactions at inception.
  - *Subordination* represents the sum of subordinate tranches and overcollateralization, expressed as a percentage of total transaction size, and does not include any benefit from excess spread collections that may be used to absorb losses. Many of the closed-end second lien RMBS transactions insured by the Company have unique structures whereby the collateral may be written down for losses without a corresponding write-down of the obligations insured by the Company. Many of these transactions are currently undercollateralized, with the principal amount of collateral being less than the principal amount of the obligation insured by the Company. The Company is not required to pay principal shortfalls until legal maturity (rather than making timely principal payments), and takes the undercollateralization into account when estimating expected losses for these transactions.

ASSURED GUARANTY®

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 writing new business today
  - We maintain strong financial strength ratings from S&P, Moody's, and Kroll
- **Assured Guaranty's sole focus is financial guaranty**
  - Almost three decades of experience in financial guaranty market
  - Publicly traded holding company (NYSE: AGO) with extensive quarterly financial disclosures providing transparency to all investors
  - Three principal financial guaranty direct subsidiaries and one financial guaranty reinsurance subsidiary
- **Strong capital base**
  - Consolidated investment portfolio[2] of $10.8 billion as of December 31, 2013
  - Consolidated claims-paying resources of $12.1 billion as of December 31, 2013
- **In July 2013, Assured Guaranty launched Municipal Assurance Corp. (MAC), a new municipal bond insurance company that will insure only select categories of U.S. municipal bonds**
  - As another strong Assured Guaranty company, MAC can provide issuers, especially midsize and smaller ones, enhanced market access and interest cost savings

($ in billions)	AGL Consolidated (12/31/13)
Net par outstanding[1]	$434.6
Total investment portfolio[2]	$10.8
Claims-paying resources[3]	$12.1

1. Statutory basis.
2. Includes $170 million of other invested assets not available for sale and excludes $184 million of cash and $88 million of investments in repurchased insured securities whose issuers were subsequently consolidated as variable interest entities (VIEs). See page 29 for a breakdown of the available-for-sale portfolio.
3. Based on statutory measures. See page 10 for components of claims-paying resources.

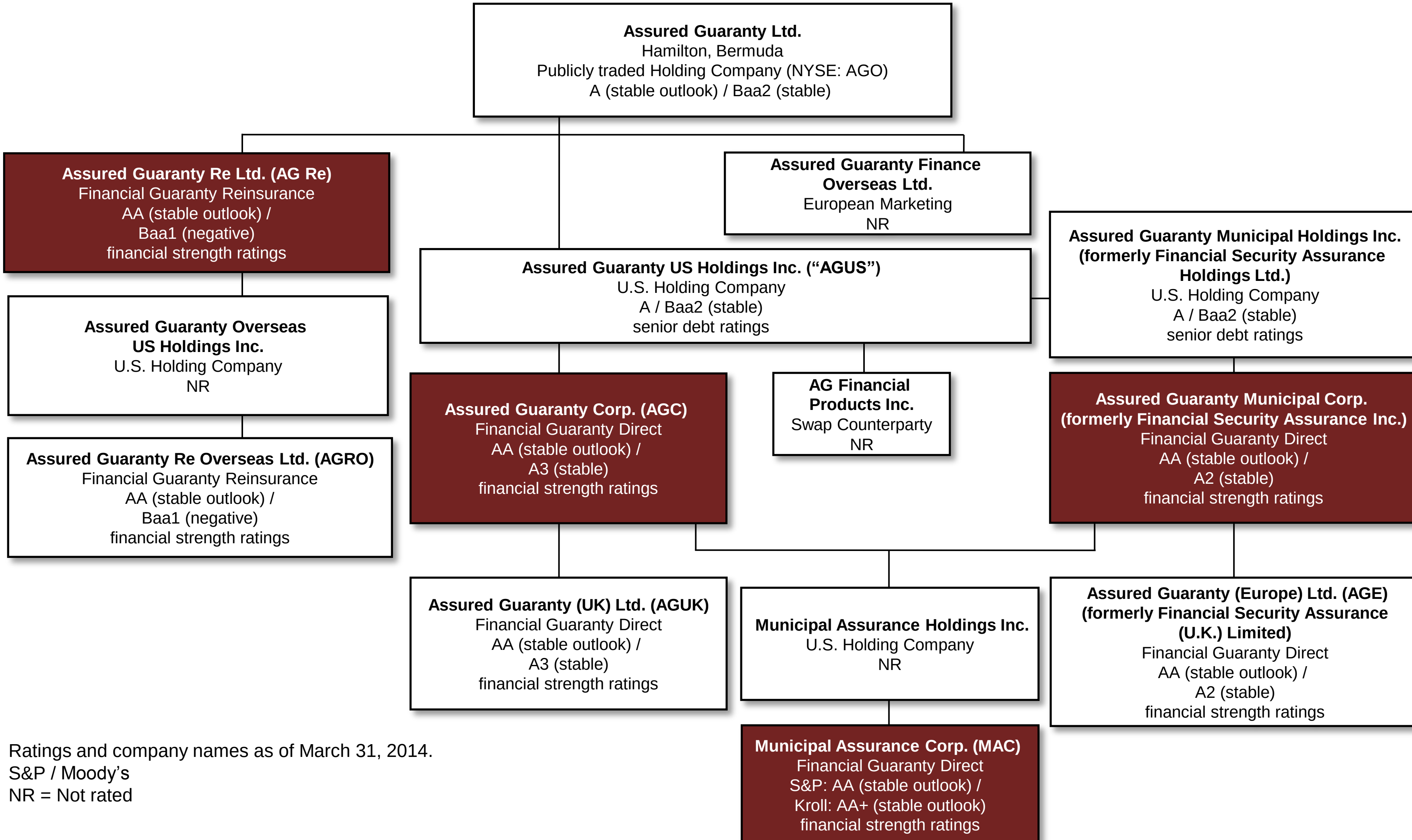
Operating Principles and Investor and Issuer Benefits

- **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 $400 million in bonds insured by Assured Guaranty companies
  - Credit enhancement provides protection in an uncertain credit environment

Strategic Priorities

- Exercise underwriting and pricing discipline
- Increase penetration in the U.S. public finance market
- Increase new business activity in our U.S. structured and international segments
- Maintain high financial strength ratings
- Pursue loss mitigation strategies
- Enhance market opportunities through reinsurance platform
- Utilize capital efficiently

Assured Guaranty Ltd.
Corporate Structure



Ratings and company names as of March 31, 2014.
S&P / Moody’s
NR = Not rated

Four Discrete Operating Companies With Separate Capital Bases

ASSURED GUARANTY®

Consolidated Claims-Paying Resources and Statutory-Basis Exposures

($ in millions)	As of December 31, 2013 AGM	AGC	MAC[2]	AG Re[3]	Eliminations[4]	Consolidated
Claims-paying resources						
Policyholders' surplus	$ 1,746	$ 693	$ 514	$ 1,063	$ (814)	$ 3,202
Contingency reserve[1,2]	1,783	1,151	320	–	(320)	2,934
Qualified statutory capital	**3,529**	**1,844**	**834**	**1,063**	**(1,134)**	**6,136**
Unearned premium reserve[1,2]	1,891	720	671	934	(671)	3,545
Loss and loss adjustment expense reserves[5,6]	340	153	–	280	–	773
Total policyholders' surplus and reserves	**5,760**	**2,717**	**1,505**	**2,277**	**(1,805)**	**10,454**
Present value of installment premium[1,6]	395	262	5	201	(5)	858
Standby line of credit/stop loss	200	200	–	–	–	400
Excess of loss reinsurance facility	435	435	–	–	(435)	435
Total claims-paying resources (including MAC adjustment for AGM and AGC)	**$ 6,790**	**$ 3,614**	**$ 1,510**	**$ 2,478**	**$ (2,245)**	**$ 12,147**
Adjustment for MAC	917	593	–	–	(1,510)	–
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)	**$ 5,873**	**$ 3,021**	**$ 1,510**	**$ 2,478**	**$ (735)**	**$ 12,147**
Statutory net par outstanding[7]	$ 171,279	$ 57,227	$ 96,141	$ 111,575	$ (1,625)	$ 434,597
Equity method adjustment[8]	58,358	37,783	–	–	(96,141)	–
Adjusted statutory net par outstanding[7]	$ 229,637	$ 95,010	$ 96,141	$ 111,575	$ (97,766)	$ 434,597
Net debt service outstanding[7]	$ 263,089	$ 82,478	$ 144,672	$ 177,105	$ (3,547)	$ 663,797
Equity method adjustment[8]	87,816	56,856	–	–	(144,672)	–
Adjusted net debt service outstanding[7]	$ 350,905	$ 139,334	$ 144,672	$ 177,105	$ (148,219)	$ 663,797

1. The numbers shown for AGM and AGC have been adjusted to include their indirect share of MAC of 60.7% and 39.3%, respectively.
2. Assured Guaranty US Holdings Inc. acquired Municipal and Infrastructure Assurance Corporation, which it has renamed MAC, from Radian Asset Assurance Inc. (Radian) in May 2012. In July 2013, Municipal Assurance Holdings Inc. (MAC Holdings) was formed to own 100% of MAC's outstanding stock. Assured Guaranty Municipal and AGC subscribed for 60.7% and 39.3% of the MAC Holdings outstanding stock. In July 2013, MAC was launched as a new US municipal only bond insurance company with $1.5 billion in claims-paying resources and capitalized to approximately $800 million through cash and securities.
3. 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.
4. In 2009, AGC issued a $300 million note payable to Assured Guaranty Municipal. 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 Assured Guaranty Municipal and AGC to MAC.
5. Reserves are reduced by approximately $0.7 billion for benefit related to representation and warranty recoverables.
6. Includes financial guaranty insurance and credit derivatives.
7. Net par outstanding and net debt service outstanding are presented on a separate company statutory basis. Under statutory accounting, such amounts would be reduced both when an outstanding issue is legally defeased (i.e., an issuer has legally discharged its obligations with respect to a municipal security by satisfying conditions set forth in defeasance provisions contained in transaction documents and is no longer responsible for the payment of debt service with respect to such obligations) and when such issue is economically defeased (i.e., transaction documents for a municipal security do not contain defeasance provisions but the issuer establishes an escrow account with U.S. government securities in amounts sufficient to pay the refunded bonds when due; the refunded bonds are not considered paid and continue to be outstanding under the transaction documents and the issuer remains responsible to pay debt service when due to the extent monies on deposit in the escrow account are insufficient for such purpose).
8. Equity method adjustment is an adjustment made to reflect the net exposure of Assured Guaranty Municipal and AGC to MAC, as determined by their indirect equity ownership.

Assured Guaranty
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
  - MAC insures U.S. municipal bonds that S&P classifies in its lowest risk categories, Category 1 and Category 2, a subset of Assured Guaranty Municipal's[1] focus
  - AGC guarantees public finance, global infrastructure and structured finance transactions
  - AG Re, as a reinsurer, provides additional capital and flexibility to Assured Guaranty Municipal[1] and AGC
- **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], 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
Operating Platforms (Continued)

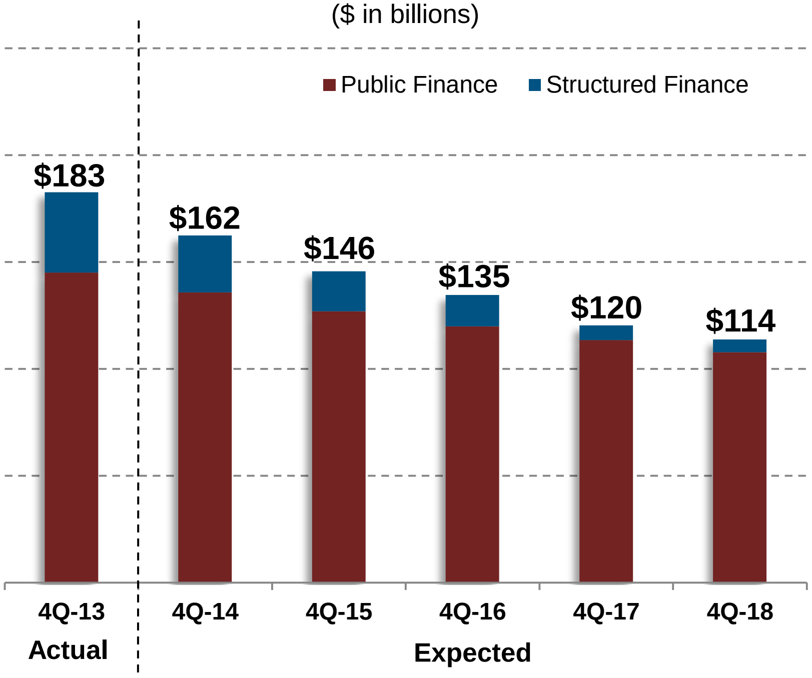
- **Companies distinct for legal and regulatory purposes**
  - Separate insurance licenses
  - Separate regulators – Assured Guaranty Municipal[1] and MAC are domiciled in New York; AGC is domiciled in Maryland
  - Dividend restrictions – including New York, Maryland and Bermuda insurance law restrictions
  - Separate insured credit exposures: net par as of December 31, 2013 – AGM[1] $183 billion[2], MAC $104 billion, AGC $58 billion
  - Separate capital bases – claims-paying resources as of December 31, 2013 – AGM[1] $5.9 billion, MAC $1.5 billion, AGC $3.0 billion[3]
- **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 and the appendix for a reconciliation to the corresponding GAAP value.
2. Includes $2.7 billion of GICs (see footnote 2 on page 48).
3. In 2009, AGC issued a $300 million note payable to Assured Guaranty Municipal.

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 is expected to rapidly evolve toward its public finance focus**
- **We project that AGM's[1] legacy global structured finance insured portfolio ($38 billion as of December 31, 2013 vs. $127 billion as of September 30, 2008) will amortize rapidly – 29% by year-end 2014 and 61% by year-end 2016[3]**

AGM[1] Net Par Outstanding Amortization
Current and Projected Year-End Amounts
As of December 31, 2013
($ in billions)

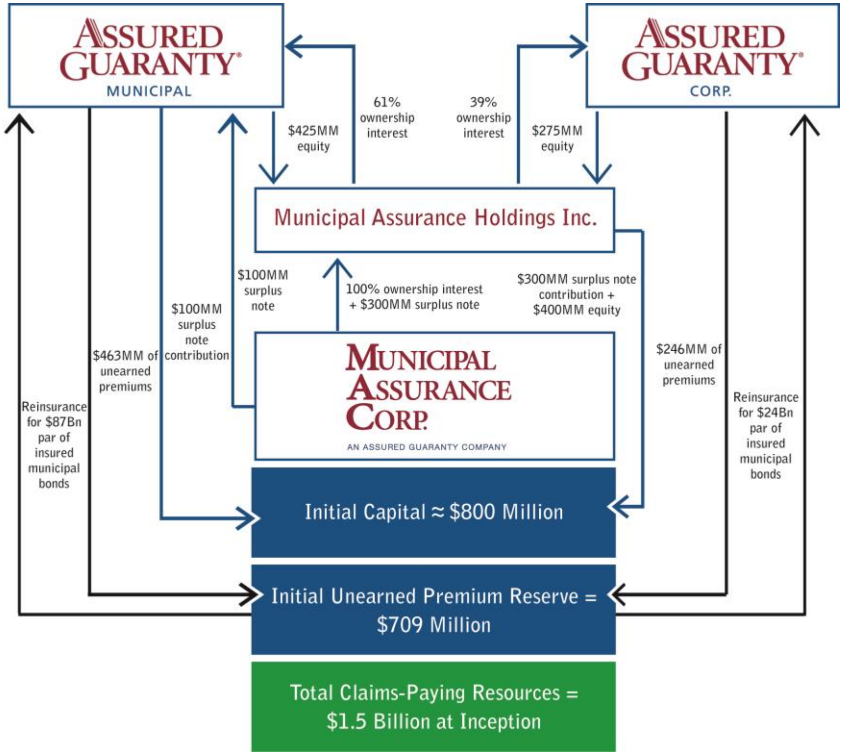


1. Please see page 3 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Assured Guaranty Municipal[1] stopped writing structured finance transactions in August 2008.
3. Represents the future expected amortization of current net par outstanding as of December 31, 2013. 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 from expectations in the same direction or one portfolio may amortize more quickly while the other may amortize more slowly.

Capitalization of MAC

Unlike a typical start-up, MAC began with significant investment income and predictable future earned revenue built in.

- **MAC was initially capitalized, in July 2013, to approximately $800 million through cash and securities contributed by Assured Guaranty Municipal[1] and AGC**
  - Assured Guaranty Municipal[1] contributed $425 million in return for a 61% ownership stake in Municipal Assurance Holdings Inc. (MAC Holdings)
  - AGC contributed $275 million in return for a 39% ownership stake in MAC Holdings
  - MAC Holdings, as the 100% owner of MAC, contributed cash and securities to increase MAC's policyholders' surplus to $400 million and also purchased a $300 million, 0% surplus note, with no maturity, issued by MAC
  - Assured Guaranty Municipal[1] purchased a 20-year $100 million, 5% surplus note issued by MAC
- **Assured Guaranty Municipal[1] and AGC also ceded $111 billion in par to MAC along with the associated $709 million in unearned premium reserves (UPR)**
  - Assured Guaranty Municipal[1] ceded $87 billion in par along with the associated $463 million in UPR
  - AGC ceded $24 billion in par along with the associated $246 million in UPR
- **MAC has total claims-paying resources of $1.5 billion**



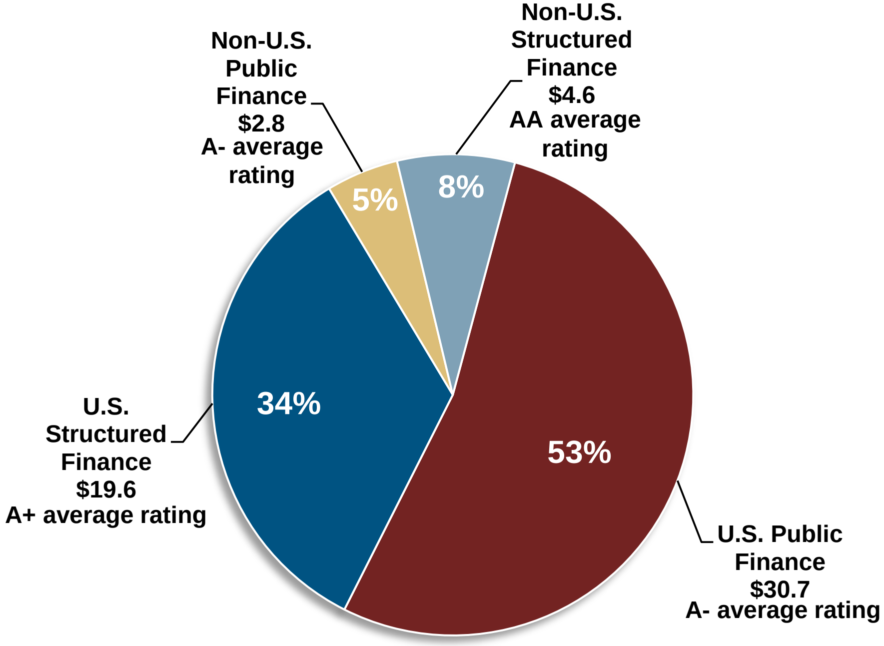
Note: All numbers are presented on a statutory basis except for par amounts, which are presented on a GAAP basis. Initial capital contributions are pretax.

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

AGC's Operating Structure

- **AGC is a diversified insurer writing 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
  - No U.S. RMBS until product changes fundamentally
  - Actively managed risk tolerance
  - Investment grade underlying credit quality

Net Par Outstanding
As of December 31, 2013
($ in billions)



$57.6 billion, A average rating

AG Re's Operating Structure

- **AG Re is an insurance company primarily engaged in providing reinsurance to financial guarantors**
- **Provides reinsurance for Assured Guaranty Municipal[1] and AGC**
- **Portfolio opportunities with legacy monolines**

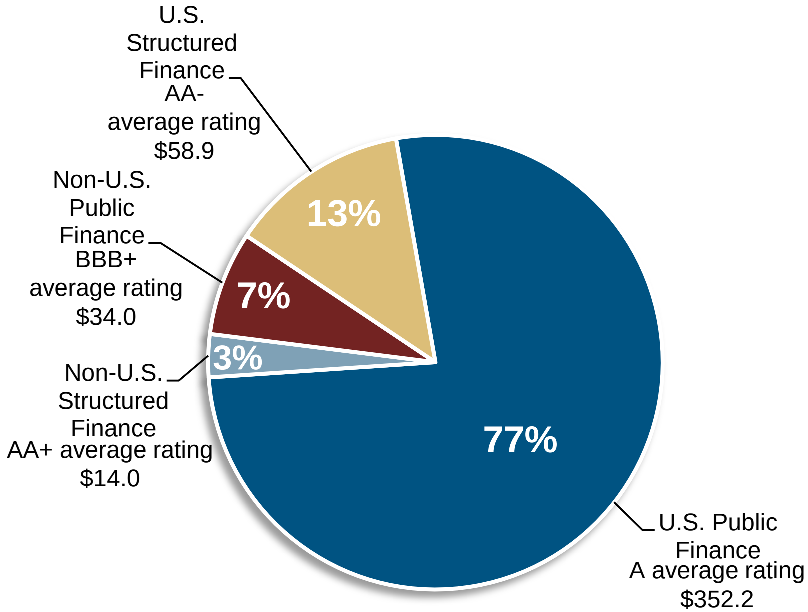
1. Please see page 3 for a definition of this convention.

Underwriting Discipline

- **Our U.S. public finance portfolio, our largest exposure category, has performed well despite increased financial pressure on municipal obligors caused by the recession**
  - We have tightened our public finance underwriting standards
  - Out of approximately 10,000 direct U.S. public finance obligors, we expect future losses to be paid, net of recoveries, on less than a dozen. In 4Q-13, we made payments on only five.
- **Our principal losses in the last several years have been on U.S. RMBS due to the lack of adherence to underwriting standards by mortgage originators**
  - 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 December 31, 2013
($ in billions)



$459.1 billion, A average rating

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

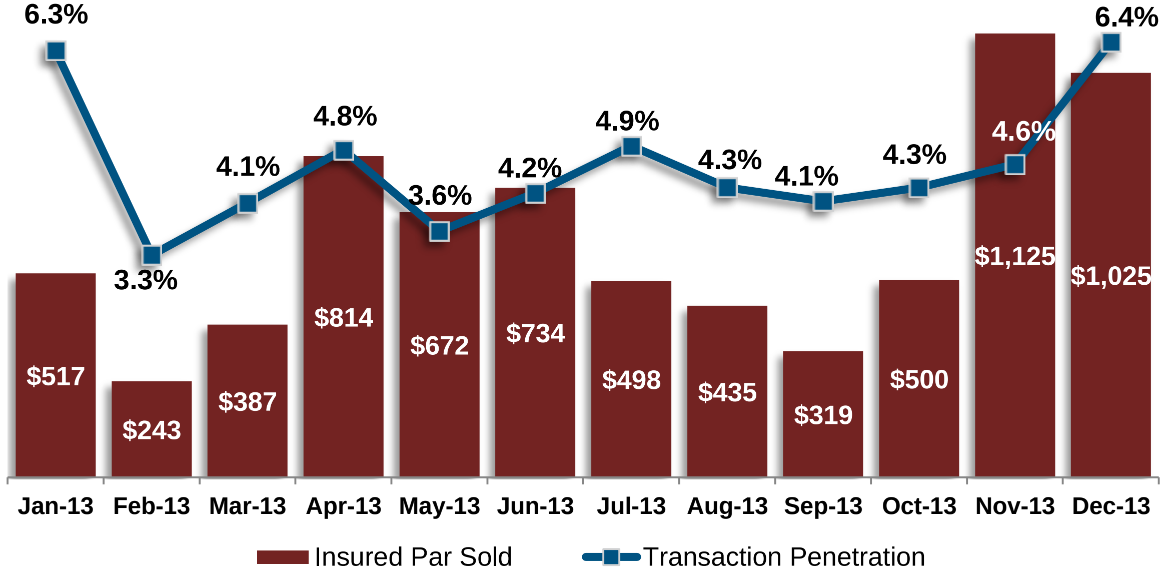
New Business Production

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**
  - Secondary market policies totaled 206 in 4Q-13
- **Lower market issuance and a challenging market environment have put pressure on market penetration by the financial guaranty insurance industry**
  - Industry penetration was 32.1% of A-rated transactions in 4Q-13, relatively unchanged from 31.6% in 3Q-13
  - Industry par penetration for all transactions with underlying A ratings increased to 12.3% in 4Q-13, up from 9.7% in 3Q-13
- **Industry penetration for smaller deals remains strong at 11.7% of all transactions under $25 million in 4Q-13**

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

($ in millions)



Total Par Issued ($ in billions)	$26.4	$23.3	$31.2	$36.1	$28.4	$24.6	$28.4	$21.3	$18.6	$26.5	$23.1	$24.1
Total Transactions Issued	872	974	937	1,136	1,264	952	776	747	637	794	778	715

1. Source: SDC database. As of December 31, 2013.

The Fundamental Demand for Bond Insurance Continued in 2013

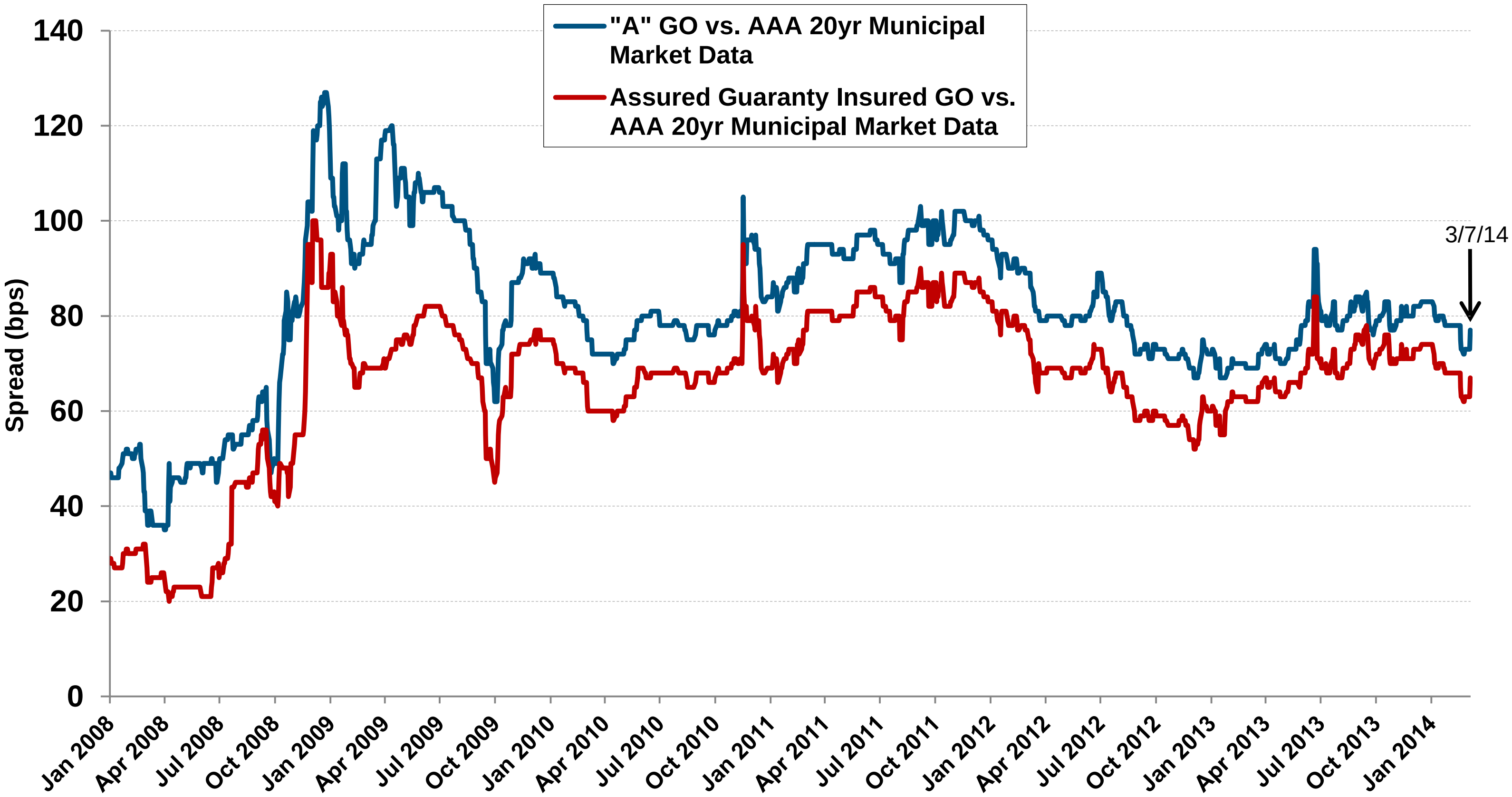
ASSURED GUARANTY®

In the Primary Market, More Than $7.5 Billion of Insured Par on Nearly 500 Transactions Sold With Our Insurance[1], Including These Selected Issues

$92,685,000	Senior Lien Revenue Refunding Bonds	**Alameda Corridor Transportation Authority, California**	January 2013
$77,940,000	Customer Facility Charge Senior Lien Revenue Bonds (Chicago O'Hare International Airport)	**City of Chicago, Illinois**	August 2013
$600,002,890	Senior Lien Sewer Revenue Warrants	**Jefferson County, Alabama**	November 2013
$42,900,000	School Infrastructure Sales, Services and Use Tax Revenue Bonds	**Johnston Community School District, Iowa**	November 2013
$39,615,000	Revenue Bonds	**Lake Charles Harbor and Terminal District, Louisiana**	November 2013
$59,850,000	School Building and Site General Obligation Unlimited Tax Bonds	**Livonia Public Schools School District, Michigan**	June 2013
$120,770,000	Power Project Revenue Bonds (LEPA Unit No. 1)	**Louisiana Energy and Power Authority**	October 2013
$89,990,000	Special Obligation Bonds (City of Jackson Water and Sewer System Revenue Bond Project)	**Mississippi Development Bank**	June 2013
$43,830,000	Refunding Certificates of Participation	**Morris-Union Jointure Commission, New Jersey**	May 2013
$101,370,000	Tax-Exempt Private Activity Bonds (The Goethals Bridge Replacement Project)	**New Jersey Economic Development Authority**	November 2013
$79,300,000	General Obligation Bonds	**Pocono Mountain School District, Pennsylvania**	April 2013
$180,000,000	General Obligation Bonds	**State of Illinois**	April 2013
$44,985,000	Subordinate Tax Allocation Refunding Bonds (Central Glendale Redevelopment Project)	**Successor Agency to the Glendale Redevelopment Agency, California**	November 2013
$107,095,000	General Obligation Public Improvement (Serial) Bonds	**Town of Oyster Bay, New York**	October 2013
$70,615,000	Revenue and Refunding Bonds	**West Travis County Public Utility Agency, Texas**	July 2013

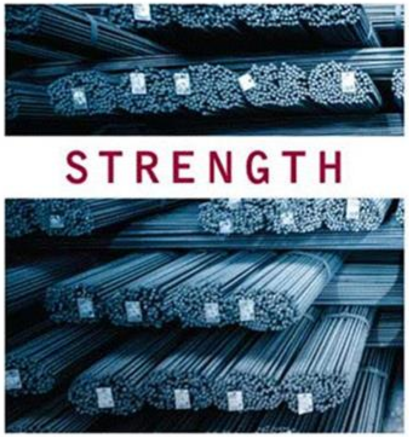
1. Source: SDC database. Sales from January 1 through December 31, 2013. Amounts are on a sale-date basis and reflect only those series insured by Assured Guaranty Municipal[2], AGC, or MAC.
2. Please see page 3 for a definition of this convention.

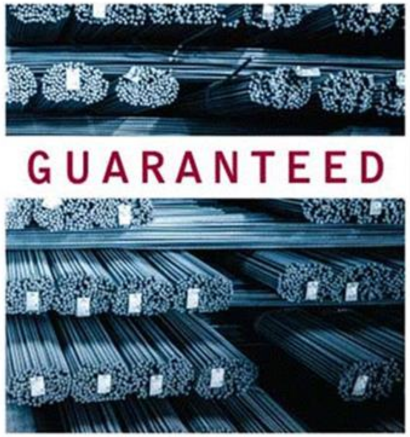
Current U.S. Municipal Operating Environment Is Challenging

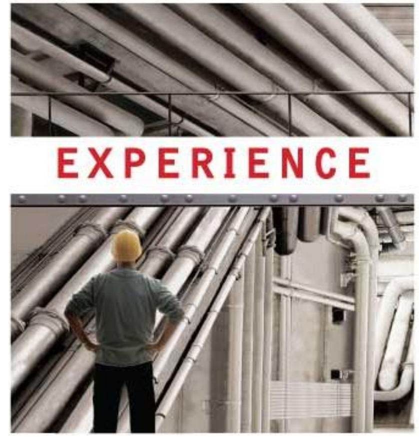


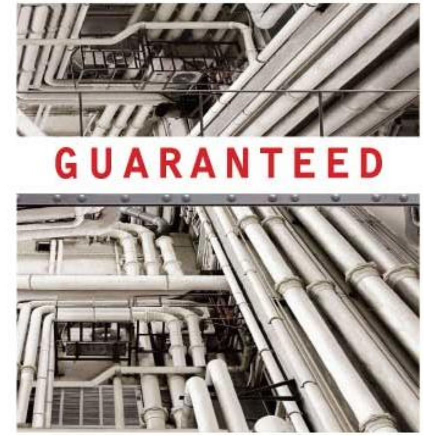
- **Lower yields have led to tighter credit spreads**
- **Despite the lower yield environment and ratings volatility, Assured Guaranty has continued to offer spread savings for "A" rated credits**

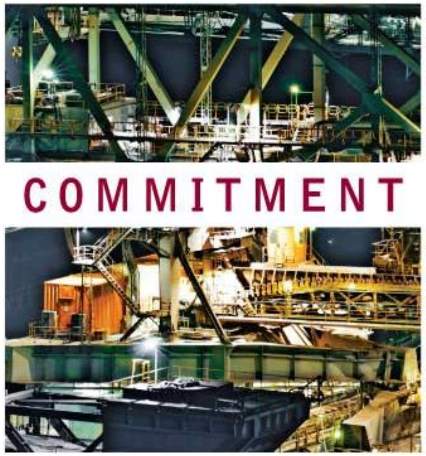
Broadening Market Awareness

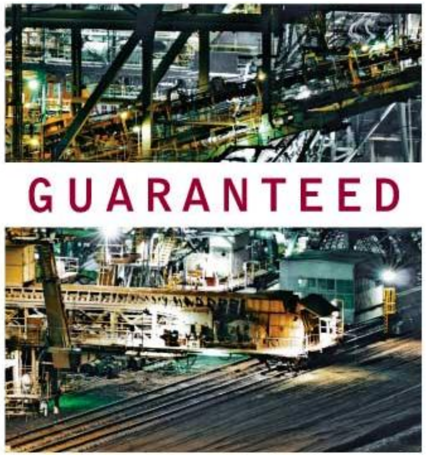








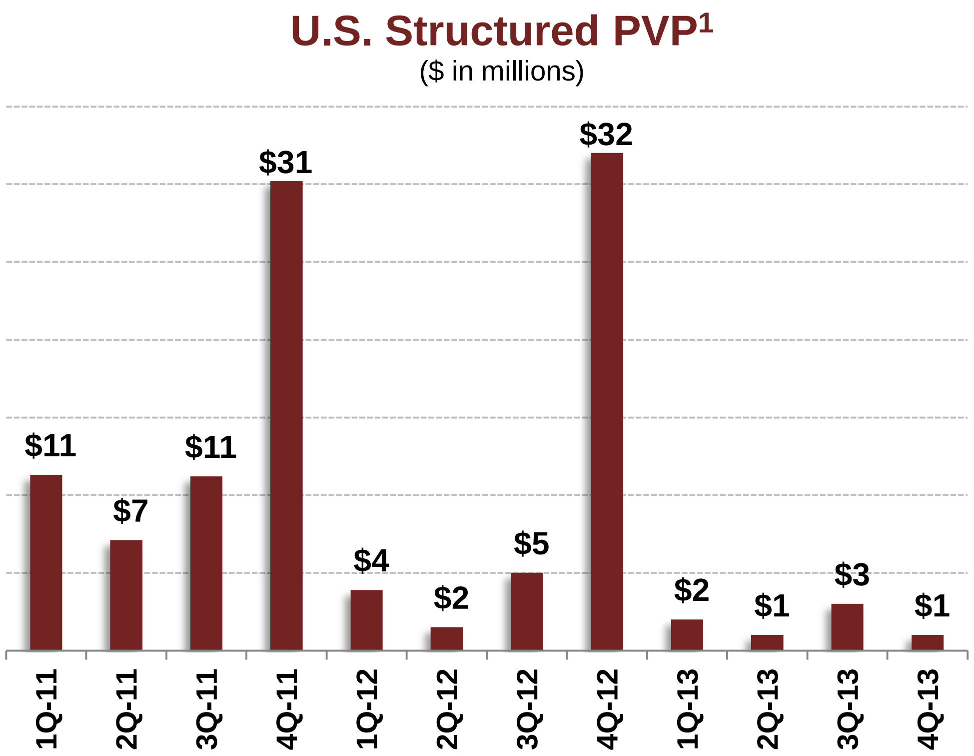




New Business Production

U.S. Structured Finance Business Activity

- **2013 U.S. structured finance PVP[1] was $7 million**
- **New business production tends to fluctuate as large, complex transactions require a long time frame**
- **Our future pipeline should benefit from new regulations, such as the implementations of Solvency II and Basel III, that may limit the lending ability of banks**

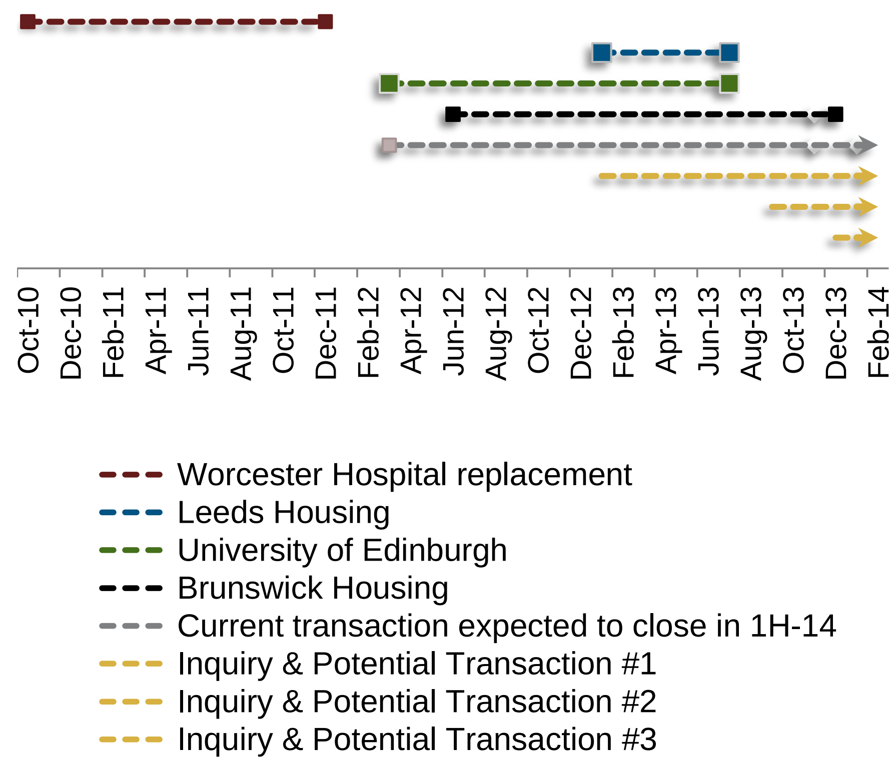


1. Please see the appendix for an explanation of this non-GAAP financial measure and a reconciliation to gross written premiums.

New Business Production
International Business Activity

- **During 2013, closed the first three wrapped bond issues for U.K. PPP infrastructure financings since 2008:**
  - £102 million bond issued by the Sustainable Communities for Leeds (sc4l) consortium to finance the redevelopment of the Little London, Beeston Hill and Holbeck areas in Leeds
  - £63 million bond issued by Holyrood Student Accommodation PLC to finance the construction of accommodation and associated facilities for the University of Edinburgh
  - £74 million bond issued by S4B PLC to finance the regeneration of the Brunswick public housing estate in central Manchester
- **Our future pipeline should benefit from increased issuance, as well as new regulations, such as Basel III, that may limit the lending ability of banks**

Time Between First Inquiry and Closing Date



New Business Production
Reinsurance Platform

- **Reassumption of previously ceded business has increased the unearned premium reserve and adjusted book value[1]**
  - Reassumed $2.9 billion of par in 2009
  - Reassumed $15.5 billion of par in 2010
  - Reassumed $0.3 billion of par in 2011
  - Reassumed $19.2 billion of par in 2012
  - Reassumed $0.2 billion of par in 2013
- **High-quality portfolios from inactive companies are of interest**
  - Public finance as well as high-quality structured finance business, such as performing pooled corporate and commercial receivables

Ceded Par Outstanding by Reinsurer[2]
As of December 31, 2013

($ in millions)	Net Par Outstanding
American Overseas Re (formerly RAM Re)	$8,331
Tokio Marine	7,279
Radian	4,709
Syncora	4,201
Mitsui	2,144
Others	2,124
Total	$28,788

1. Please see the appendix for an explanation of this non-GAAP financial measure and a reconciliation to GAAP book value.
2. Includes $3,172 million in ceded par outstanding related to insured credit derivatives.

Financial Strength Ratings

- **We maintain strong financial strength ratings:**
  - S&P upgraded the financial strength ratings of AGM, MAC, and AGC to AA (stable outlook) on March 18, 2014. No other active financial guarantor has a higher S&P rating than the AA (stable outlook) of these three platforms.
  - A key factor listed by S&P in support of the upgrade was that “the full payment of claims to investors on various ‘high-profile’ municipal bankruptcies held in Assured’s insured portfolio demonstrates and reiterates to various constituents the value of bond insurance and the credit position and capacity of the company.”
  - On February 10, 2014, Moody’s affirmed its financial strength ratings of AGM and AGC, listing Assured Guaranty’s “leadership position in the financial guaranty insurance sector” and “strong overall capital profile” as important strengths

Financial Strength Ratings
As of March 31, 2014

	S&P	Moody’s	Kroll
AGM	AA stable outlook	A2 stable	Not Rated
MAC	AA stable outlook	Not Rated	AA+ stable outlook
AGC	AA stable outlook	A3 stable	Not Rated

- **Kroll Bond Rating Agency (Kroll) has assigned MAC an insurer financial strength rating of AA+ (stable outlook)**
  - Kroll’s rating methodology for bond insurers focuses primarily on “i) an assessment of the company’s management, strategy and organization; ii) an evaluation and modeling of its insured portfolio and ability to pay claims in run-off; and iii) an analysis of its claims-paying resources and overall financial profile”
  - In its report, Kroll states that it “typically subjects a financial guarantor to stresses consistent with a AAA rating. At this stress level, MAC can cover modeled claims and expenses”

Pursuing Loss Mitigation Strategies
R&W Activity

- **The cumulative total (gross of reinsurance) of settlement receipts and commitments and R&W putback receipts was approximately $3.6 billion.[1] The putbacks flow through the transaction waterfalls and do not necessarily benefit us dollar-for-dollar.**
- **Favorable ruling in Flagstar trial is a positive development for ongoing and future R&W litigation**
- **Our largest agreement was with Bank of America / Countrywide, which was signed in April 2011. We have also signed agreements with Deutsche Bank in May 2012, with UBS in May 2013, and with Flagstar in June 2013.**
- **We are currently in litigation with Credit Suisse / DLJ Mortgage Capital**

($ in millions)	Future Net R&W Benefit as of	
	December 31, 2013	December 31, 2012
R&W pursuant to agreements[1]	$413	$367
R&W not pursuant to agreements	299	843
Total	**$712**	**$1,370**

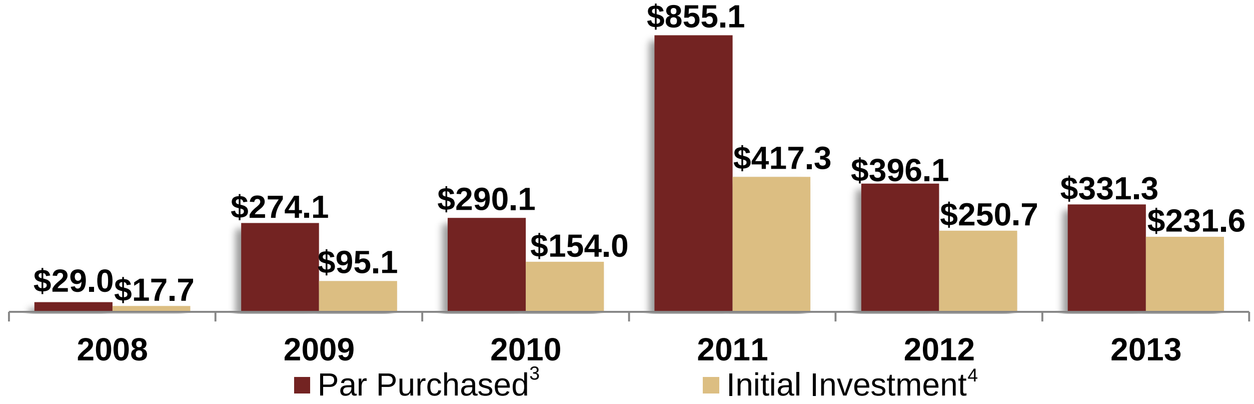
1. As of December 31, 2013. Includes future benefits covered under our agreements with Bank of America/Countrywide, Deutsche Bank, UBS and agreements with certain other parties. Bank of America, Deutsche Bank AG and UBS have collateralized their future reimbursement obligations with eligible assets placed in trust. The amount of assets required to be posted may increase or decrease from time to time, as determined by rating agency requirements.

Pursuing Loss Mitigation Strategies:
Other Capital Creation or Rating Agency Capital Relief Activities – Bond Purchases

- **We have a program to purchase securities we have insured in order to reduce our losses and potentially relieve rating agency capital charges, enhance yield and increase future investment income**
  - We have purchased approximately $2.2 billion of par on insured securities through December 31, 2013 with an initial purchase price of approximately $1.2 billion; $1.6 billion of par remains outstanding
- **Targeted purchases are BIG securities on which claims are expected to be paid**
  - 76% of all purchases are for RMBS securities
  - Since the start of the program, 69% of purchased insured par has benefited AGM[1], 31% has benefited AGC
- **Purchasing wrapped bonds has increased adjusted book value[2] because the amount of reserves released and the ongoing principal and interest payments from the bonds are expected to be greater than the purchase price**

Wrapped Bond Purchase Program

($ in millions)



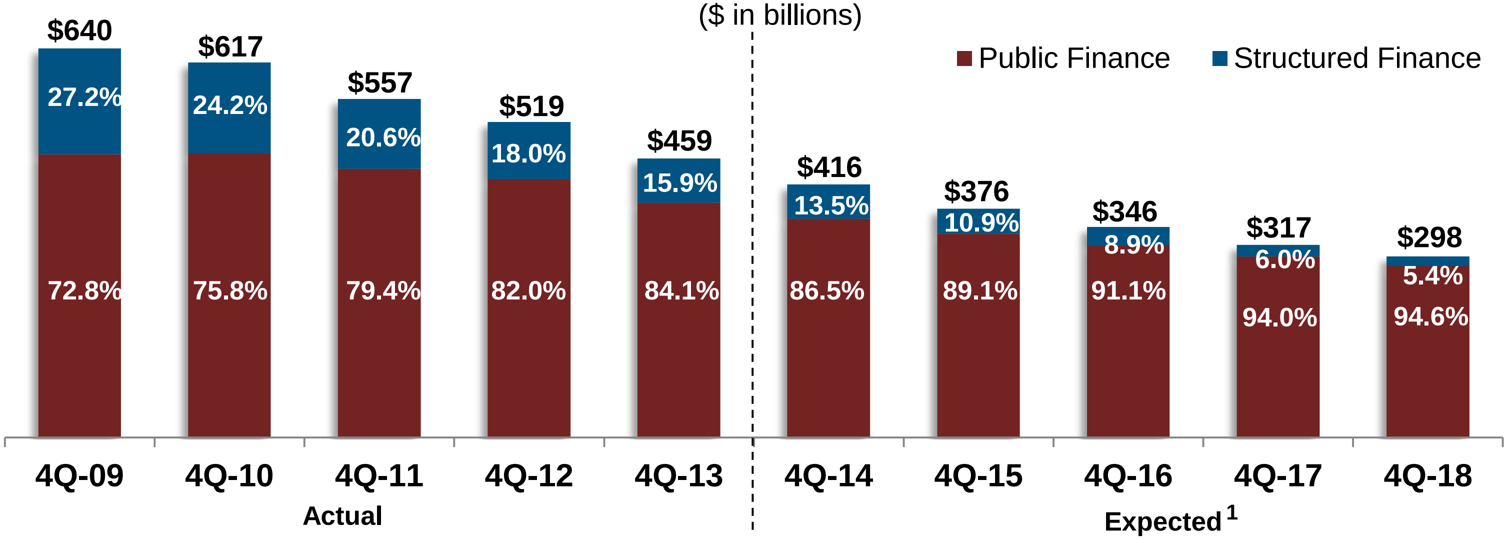
1. Please see page 3 for a definition of this convention.
2. Please see the appendix for an explanation of this non-GAAP financial measure and a reconciliation to GAAP book value.
3. Par at the time of purchase.
4. Cost of purchase.

Insured Portfolio Amortization Also Creates Rating Agency Capital

- **Amortization of the portfolio reduces rating agency capital charges but also embedded future earned premiums**
- **Public finance exposure amortizes at a steady rate**
  - $386 billion net par outstanding
  - 7% expected to amortize by year-end 2014; 18% by year-end 2016[1]
- **Structured finance exposure amortizes quickly**
  - $73 billion net par outstanding
  - 23% expected to amortize by year-end 2014; 58% by year-end 2016[1]
- **New direct or assumed business originations, and reassumptions, will increase future premiums**

Consolidated Net Par Outstanding Amortization by Asset Type

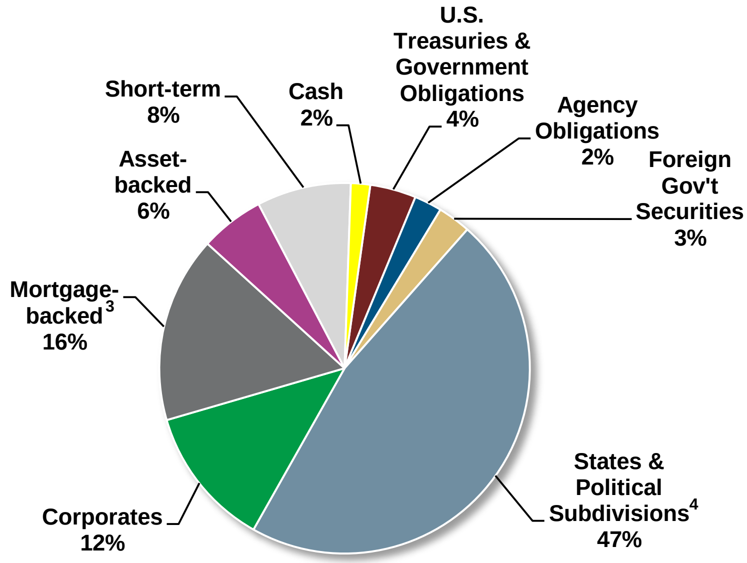
as of December 31, 2013
($ in billions)



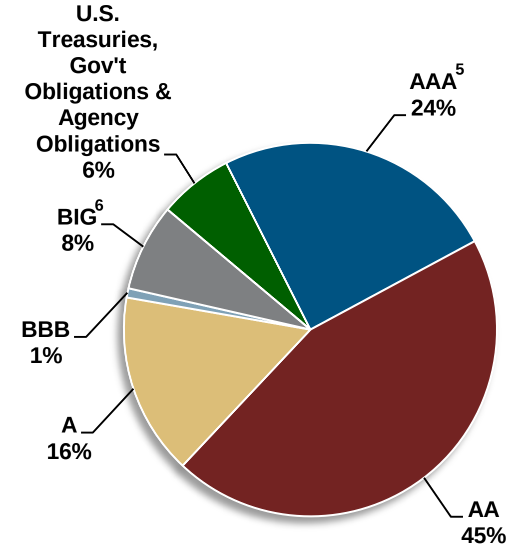
1. Please see footnote 3 on page 13.

AGL Consolidated
Investment Portfolio
Fair Value as of December 31, 2013

Investments Available for Sale and Cash[1] By Category



Investments Available for Sale and Cash[1,2] By Rating



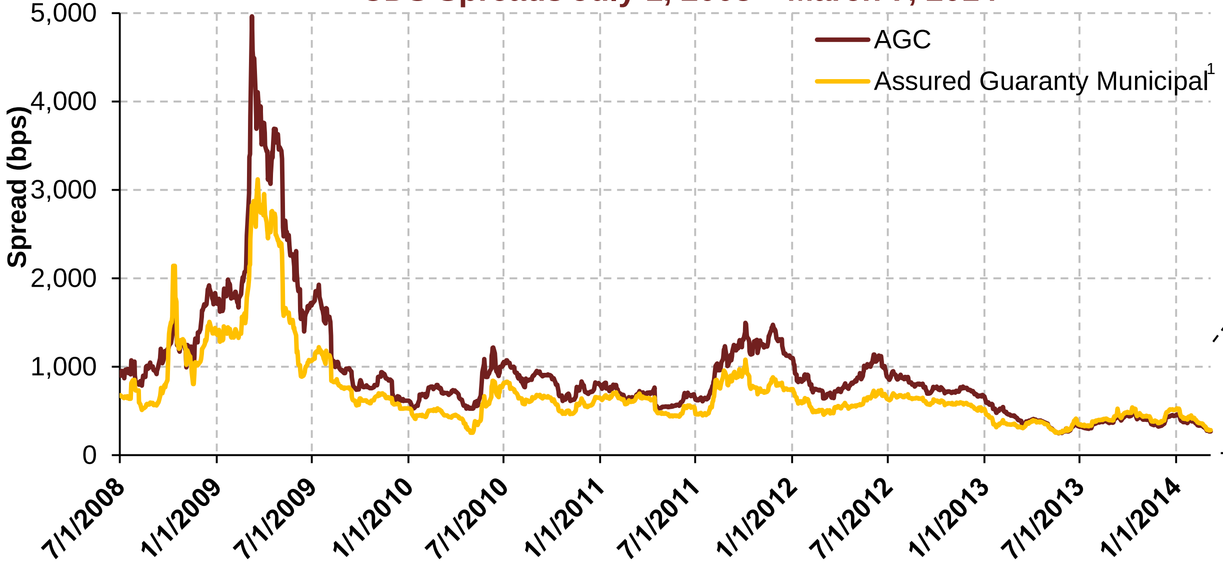
Total = $10.9 billion

1. Includes fixed maturity securities, short-term investments and cash and excludes other invested assets. Also includes securities purchased or obtained as part of loss mitigation or other risk management strategies, some of which were issued by entities that were subsequently consolidated as VIEs and which are therefore eliminated in consolidation on the balance sheet.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or risk management strategies, which use internal ratings classifications.
3. Included in the mortgage-backed category are agency-backed securities with a fair value of $839 million and securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $419 million. The remaining securities have a fair value of $511 million and an average rating of AAA.
4. 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 $36 million.
5. Included in the AAA category are short-term securities and cash.
6. 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 $823 million.

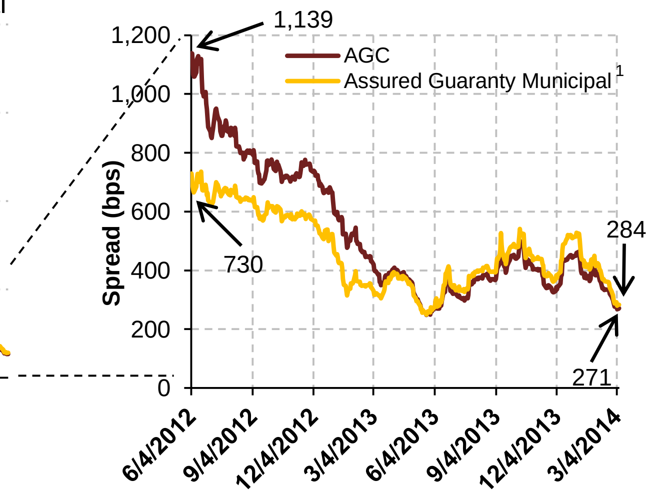
Credit Default Swap Spreads

- **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 3120 bps and 4961 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 consistent positive operating results**
- **In March 2014, the 5-year CDS levels for Assured Guaranty Municipal[1] and AGC were at 9 and 5 percent, respectively, of their mid-March 2009 levels**
- **Between June 2012 and March 2014, CDS levels for Assured Guaranty Municipal[1] and AGC came in by 61 and 76 percent, respectively. As of March 7, 2014 they were 284 bps and 271 bps, respectively**

CDS Spreads July 1, 2008 – March 7, 2014



CDS Spreads
June 4, 2012 – March 7, 2014



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.

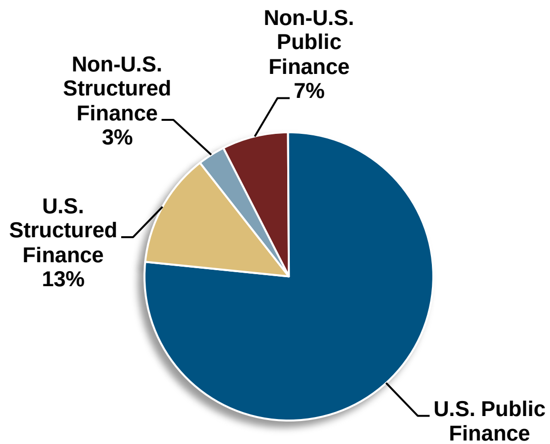
Assured Guaranty Ltd. Consolidated Insured Portfolio Overview

AGL Consolidated

Insured Portfolio

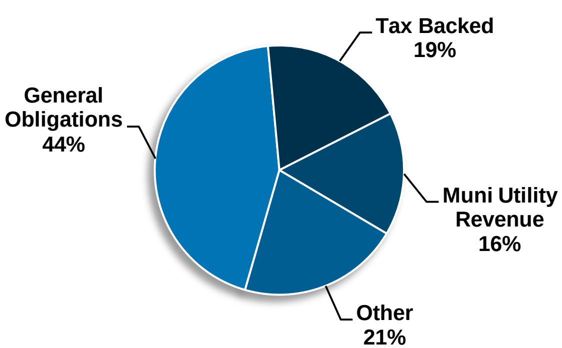
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Sector



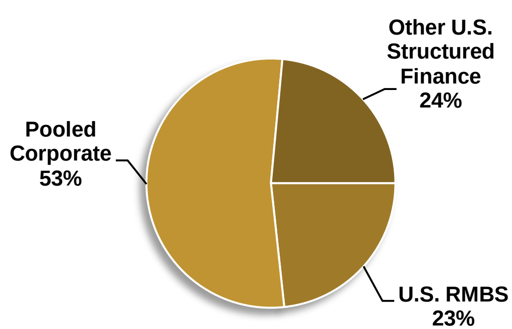
$459.1 billion[1,2]

U.S. Public Finance Portfolio



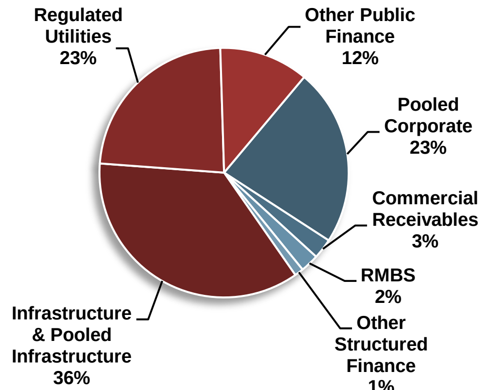
$352.2 billion[2]

U.S. Structured Finance Portfolio



$58.9 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance



$48.0 billion[2]

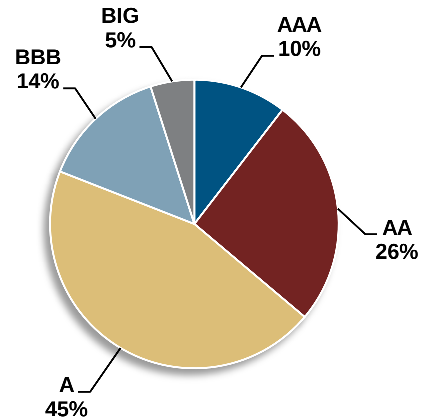
1. Includes $2.7 billion of GICs. Please see footnote 2 on page 48.
2. Consolidated amounts include those of AG Re.

AGL Consolidated

Insured Portfolio Ratings

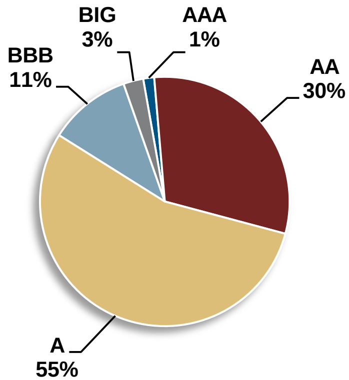
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Rating



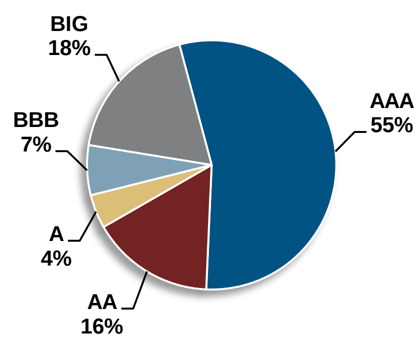
$459.1 billion[1,2]

U.S. Public Finance Portfolio



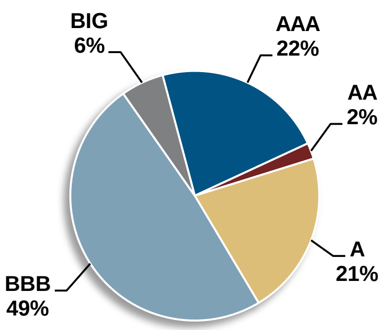
$352.2 billion[2]

U.S. Structured Finance Portfolio



$58.9 billion[1,2]

Non-U.S. Portfolios Public & Structured Finance



$48.0 billion[2]

1. Includes $2.7 billion of GICs. Please see footnote 2 on page 48.
2. Consolidated amounts include those of AG Re.

AGL Consolidated
Select Defaulted U.S. Municipal Exposures

Exposure	Net Par Outstanding	Current Status
Jefferson County Sewer	$606 million ($601 million issued December 2013)	Jefferson County's revised plan of adjustment was approved by the bankruptcy court and in December 2013, became effective. As part of the plan of adjustment, AGM insured approximately $600 million of senior Sewer Revenue Warrants, which the Company internally rates investment grade. The sewer system emerged from bankruptcy with a significantly lower debt burden and a rate structure that is approved through the life of the new Sewer Revenue Warrants. The Company has $606 million net par outstanding, all rated investment grade, of which $601 million was issued in December 2013.
Stockton	$119 million	On October 3, 2013, the Company reached a tentative settlement with the City regarding the treatment of the bonds insured by the Company in the City's proposed plan of adjustment. Under the terms of the settlement, the Company received title to an office building, the ground lease of which secures the Lease Revenue Bonds, and will also be entitled to certain fixed payments and certain variable payments contingent on the City's revenue growth. The settlement is subject to a number of conditions, including a sales tax increase (which was approved by voters on November 5, 2013), confirmation of a plan of adjustment that implements the terms of the settlement and definitive documentation. The court proceeding to determine whether to confirm the plan of adjustment is expected to begin in May 2014. The Company expects the plan to be confirmed and implemented during 2014. All $119 million of net par outstanding is rated below investment grade.
Harrisburg	$193 million ($186 million net par outstanding insured in December 2013)	The Company had insured bonds for a resource recovery facility sponsored by the City. In December 2013, the defaulted Resource Recovery Facility Bonds were paid off with funds from the sale of the resource recovery facility, the sale of Parking System Revenue Bonds issued by the Pennsylvania Economic Development Financing Authority (PEDFA) and claim payments made by the Company. The Company guaranteed some of the Parking Facility Revenue Bonds issued by PEDFA and is entitled to receive reimbursements for claims it paid from residual cash flow on the parking system after the payment of debt service on the PEDFA bonds. The Company has $193 million net par outstanding ($186 million net par outstanding insured in December 2013) with approximately $61 million rated below investment grade and approximately $133 million rated investment grade.

AGL Consolidated
Detroit Exposure

Details of Assured Guaranty's Exposure to Detroit
As of December 31, 2013
($ in millions)

Municipal Utilities

Exposure	Net Par Outstanding	Internal Rating
Water	$ 784	BBB
Sewer	$ 1,018	BBB
Total	**$ 1,802**	

General Obligation / General Fund

Exposure	Net Par Outstanding	Internal Rating
General Obligation Unlimited Tax	$ 146	D
Certificates of Participation	$ 175	D
Total	**$ 321**	

- **Municipal utilities exposure is $784 million of water revenue bonds and $1,018 million of sewer revenue bonds. Both the water and sewer systems provide services to areas that extend significantly beyond the city limits. These obligations are secured by a lien on "special revenues"**
  - The principal of and interest on the water revenue bonds are secured by a lien on the net revenues of the water supply system. In fiscal year 2012, net revenues covered debt service on first and second lien bonds 1.18 times.
  - The principal of and interest on the sewer revenue bonds are secured by a lien on the net revenues of the sewage disposal system. In fiscal year 2012, net revenues covered debt service on first and second lien bonds 1.36 times.
- **The average annual debt service of Assured Guaranty's Detroit general obligation unlimited tax exposure during the next 10 years is $15.3 million; for the general fund certificates of participation, the average annual debt service is $12.4 million**

AGL Consolidated
Puerto Rico Exposure

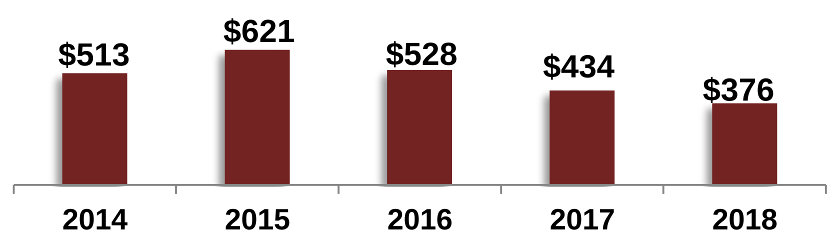
ASSURED GUARANTY®

Exposure to Puerto Rico
As of December 31, 2013
($ in millions)

Exposure	Net Par Outstanding
Commonwealth - General Obligation Bonds	1,885
Puerto Rico Highway and Transportation Authority (Transportation Revenue Bonds)	869
Puerto Rico Electric Power Authority	860
Puerto Rico Municipal Finance Agency	450
Puerto Rico Aqueduct and Sewer Authority	384
Puerto Rico Highway and Transportation Authority (Highway Revenue Bonds)	302
Puerto Rico Sales Tax Finance Corp. (COFINA)	268
Puerto Rico Convention Center District Authority	185
Puerto Rico Public Buildings Authority[1]	139
Puerto Rico Public Finance Corporation	44
Government Development Bank for Puerto Rico[1]	33
Puerto Rico Infrastructure Financing Authority	18
University of Puerto Rico	1
Total[2]	**$5,438**

- **In February 2014, S&P, Moody's and Fitch Ratings downgraded much of the debt of Puerto Rico and its related authorities and public corporations to below investment grade, citing various factors including limited liquidity and market access risk. The Commonwealth has not defaulted on any of its debt. Puerto Rico is not an eligible debtor under Chapter 9 of the U.S. Bankruptcy Code.**
- **Commonwealth officials have adopted substantive pension reform, increased rates for various revenue streams and tripled the excise tax on petroleum products**
- **GDB indicated that it still expects to have sufficient liquidity through fiscal 2014**
- **On March 11, 2014, Puerto Rico sold $3.5 billion of General Obligation bonds in a heavily oversubscribed issuance.**

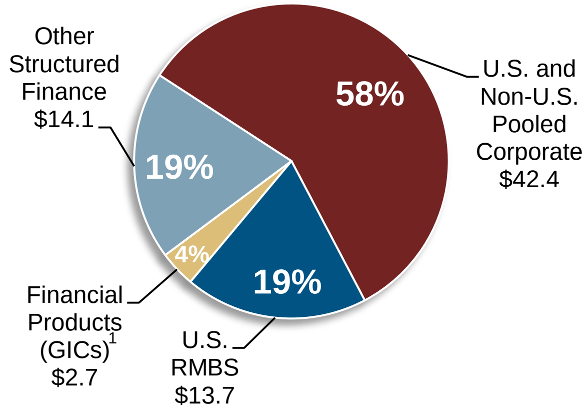
Amortization of Puerto Rico Exposure
Net Principal & Interest Amortization Schedule
($ in millions)



1. Further secured by guarantee of Commonwealth.
2. AGL's consolidated net par outstanding is divided between its subsidiaries as follows: $2.5 billion at AGM, $1.5 billion at AGC, $1.5 billion at AGRe, and $0 at MAC. A portion of the subsidiary level exposure is eliminated upon consolidation due to instances where one subsidiary insured bonds that were previously insured by another subsidiary.

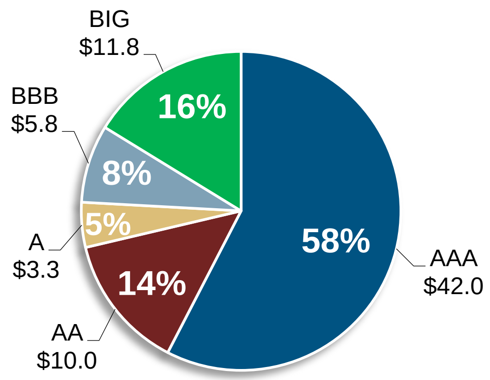
AGL Consolidated
Structured Finance Exposures
Net Par Outstanding

By Type
As of December 31, 2013
($ in billions)



$72.9 billion, AA average rating

By Internal Rating



- **We expect Assured Guaranty's global structured finance insured portfolio ($72.9 billion as of December 31, 2013) to amortize rapidly ─ 23% by year-end 2014 and 58% by year-end 2016[2]**
  - $42.4 billion in global pooled corporate obligations expected to be reduced by 30% by year-end 2014 and by 70% by year-end 2016
  - $13.7 billion in U.S. RMBS expected to be reduced by 17% by year-end 2014 and by 47% by year-end 2016
- **Assured Guaranty and AGM's[3] total structured finance exposures of $240.9 billion at December 31, 2007 have declined by $168.0 billion to $72.9 billion through December 31, 2013, a 70% reduction, or approximately $28 billion per year**

1. Please see footnote 2 on page 48.
2. Please see footnote 3 on page 13.
3. Please see page 3 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.

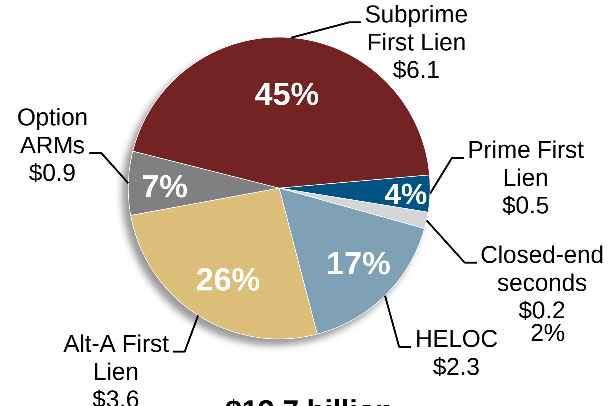
AGL Consolidated
U.S. RMBS

- **Our $13.7 billion U.S. RMBS portfolio is amortizing 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 $13.7 billion at December 31, 2013, a $15.5 billion or 53% reduction
- **Our loss reserving methodology is driven by our assumptions on several factors with a key variable on new delinquencies:**
  - Conditional default rate
  - Conditional prepayment rate
  - Loss severity
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations

U.S. RMBS by Exposure Type

As of December 31, 2013

($ in billions)

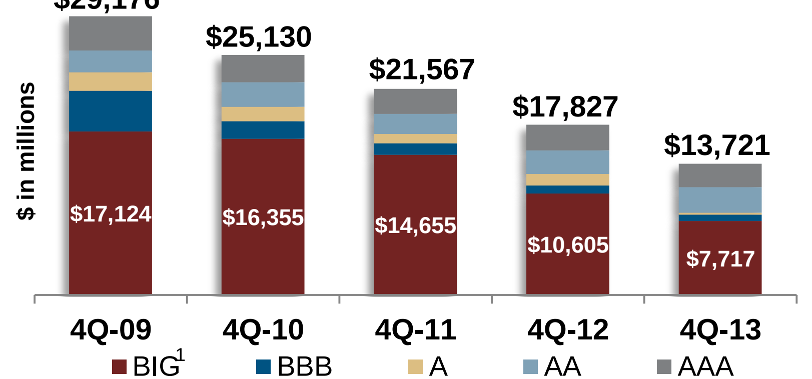


$13.7 billion

(3.0% of net par outstanding)

By Internal Rating

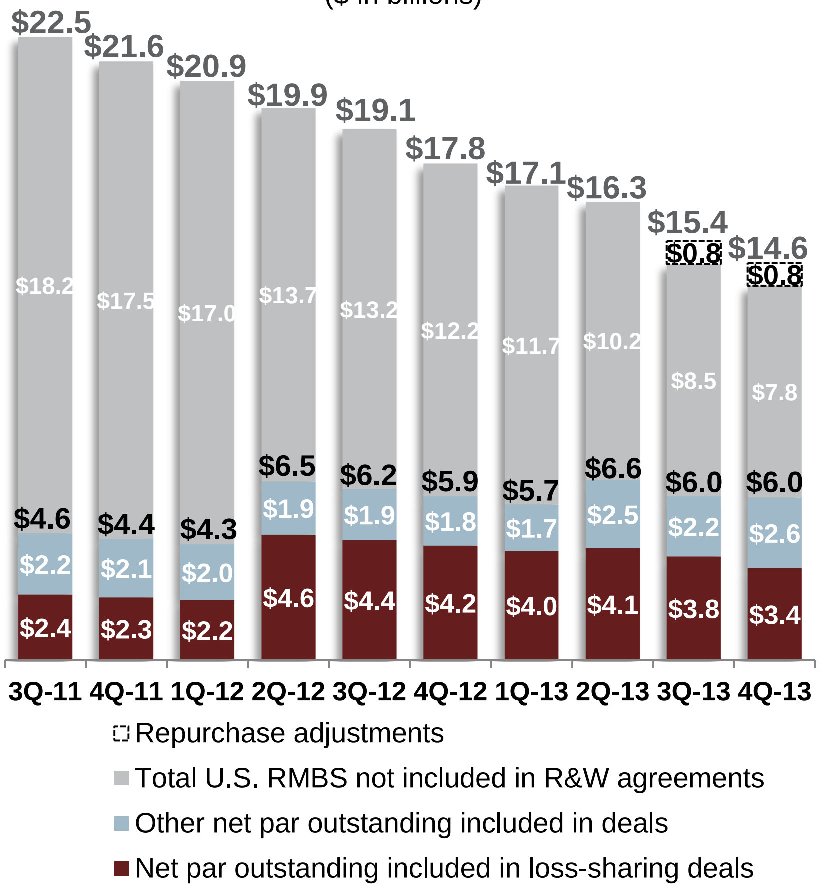
Net Par Outstanding from December 31, 2009 to December 31, 2013



1. For RMBS transactions collateralized under R&W settlement agreements, a portion of the BIG exposure has been reclassified as investment grade.

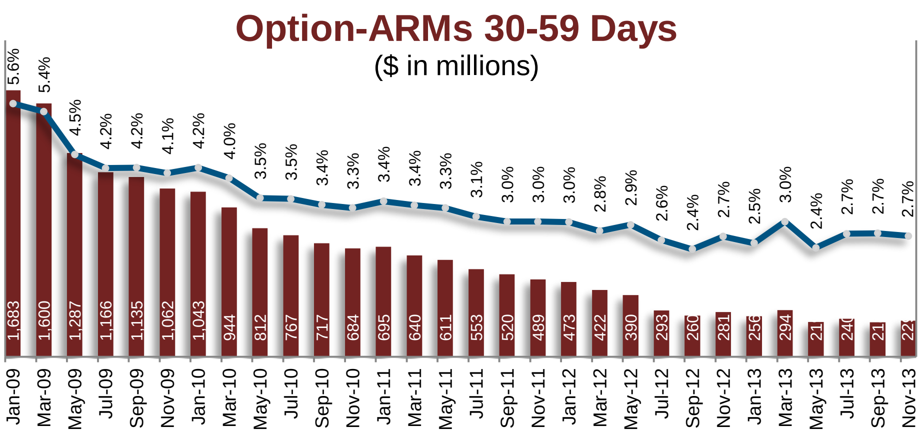
AGL Consolidated
U.S. RMBS Exposure Loss-Sharing Arrangements

Net Par Outstanding Included in R&W Agreements by Quarter
($ in billions)

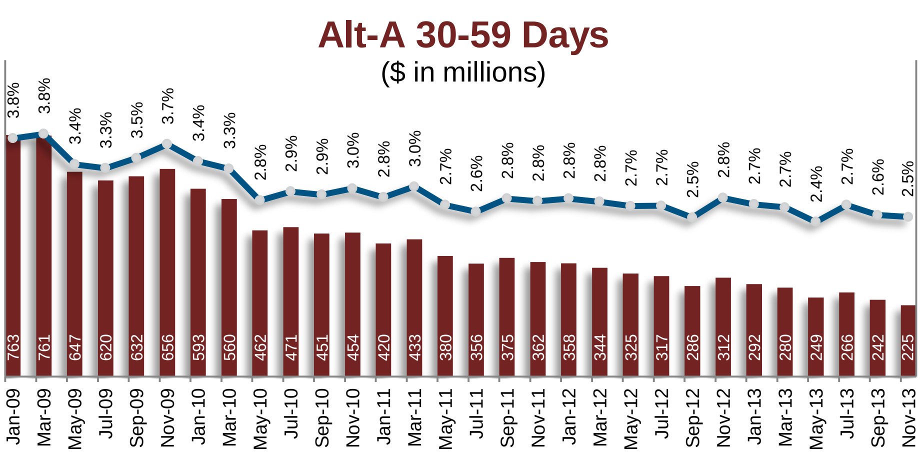


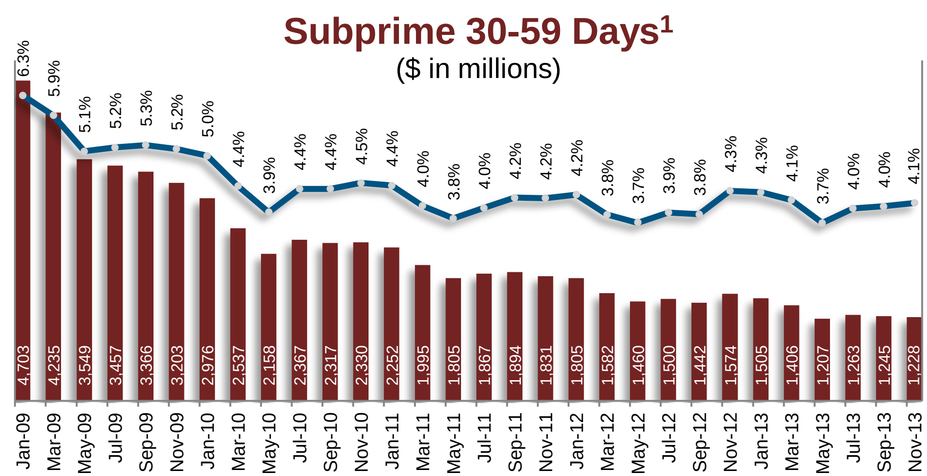
- **43% of total U.S. RMBS is included in R&W agreements**
- **25% of total U.S. RMBS is included in loss-share arrangements**
- **Counterparties include Bank of America, Deutsche Bank, UBS, Flagstar, as well as other confidential agreements**
  - Bank of America agreed to reimburse 80% of paid losses on first lien transactions up to a lifetime collateral loss cap of $6.6 billion
  - Deutsche Bank agreed to reimburse 0% - 85% of losses on financial guaranty contracts and increase the equivalent of a first loss provision for certain CDS in an amount ranging from 0% - 100% of losses on certain securities, with certain corridors of unreimbursed losses
  - UBS agreed to reimburse 85% of future claims with no ceiling
  - Flagstar agreed to reimburse 100% of future losses

AGL Consolidated
First Lien 30-59 Day Delinquencies
For Financial Guaranty Direct Transactions Originated 2005-2008



- **First lien 30-59 day delinquencies are down since January 2009 in both percentage terms and dollar amounts in Option-ARM, Alt-A and subprime transactions**



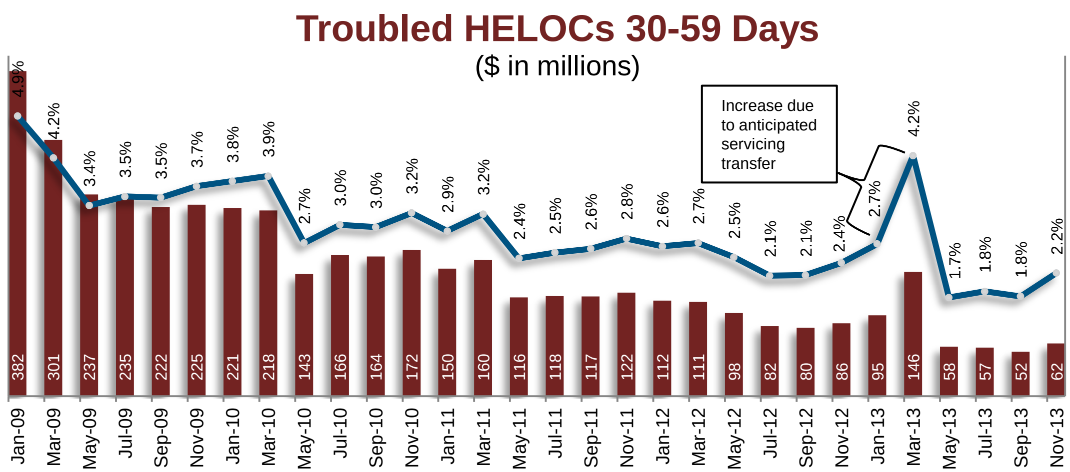


Reflects actual AGM and AGC direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

1. Excludes one transaction with approximately $75 million of net par outstanding.

AGL Consolidated
Second Lien Delinquencies
For Financial Guaranty Direct Transactions Originated 2005-2008

- **Second lien 30-59 day delinquencies are down since January 2009 in both percentage terms and dollar amounts for troubled HELOCs**



Reflects actual AGM and AGC direct data. Assured Guaranty has not insured any U.S. RMBS since 2008.

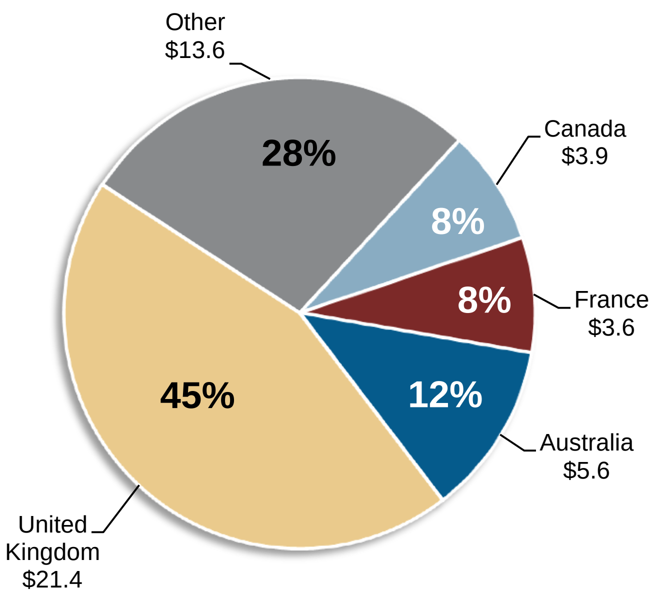
AGL Consolidated

International Public and Structured Finance Net Par Outstanding

International Finance

As of December 31, 2013

($ in billions)



$48.0 billion, A average rating

- **International exposure is 71% public finance and 29% structured finance**
- **Approximately 79% of international structured exposure is to pooled corporates**
  - 89% are rated A or higher
- **Direct sovereign debt is limited to:**
  - Poland $228 million

AGL Consolidated

Insured Obligations Within Troubled Eurozone Countries[1]

- **Approximately 41%, or $1.6 billion, of net par outstanding of exposure to troubled Eurozone countries is to structured finance transactions**
- **M6 Toll Road is a 58km dual carriage motorway from Budapest south towards the Croatian border**
  - 100% availability paid by the Minister of Economy and Transport, representing the Hungarian government
- **Spanish exposures are linked to the regional governments of Valencia, Castile La Mancha, and Catalunya**

BIG Exposures to Troubled Eurozone Countries

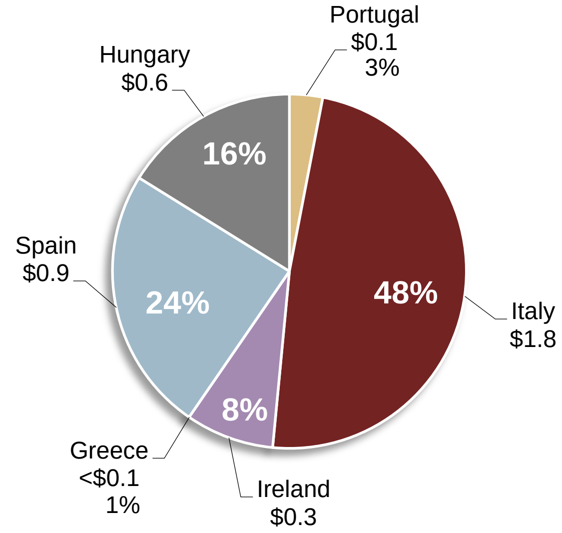
($ in millions)

Name or Description	Country	Internal Rating	Expected Maturity	Net Par Outstanding
M6 (Hungary) - Refinancing – Senior	Hungary	BB-	2025	385
Valencia Fair	Spain	BB-	2026, 2027	263
Autovia de la Mancha, S.A.	Spain	BB-	2031, 2033	149
FHB 8.95% 2016	Hungary	BB	2016, 2019	129
OTP 10.0% 2012	Hungary	BB+	2019	90
Metro de Porto, Portugal	Portugal	B+	2028, 2030	56
Metro Lisboa Rail Equip Lease	Portugal	B+	2025	24
Metropolitano De Lisboa	Portugal	B+	2016	18
Caminhos de Ferro Portugueses, EP	Portugal	B+	2014, 2015	12
Catalunya, Generalitat De (Spain)	Spain	BB-	2015	11
Gleneagles Funding Limited	Ireland	BB	2037	7
OTP Mortgage Bank Ltd.	Hungary	BB+	2019	5
Universidades De Generalidad De Valencia	Spain	BB-	2017, 2020, 2022	4
CACSA	Spain	BB-	2019, 2021, 2025	3
Total				**$1,156**

Insured Obligations Within Troubled Eurozone Countries[1]

As of December 31, 2013

($ in billions)



$3.8 billion, BBB+ average rating

1. Exposure to insured obligations in troubled Eurozone countries refers to the economies of Portugal, Italy, Ireland, Greece, Spain and Hungary.

AGM[1] Portfolio Review

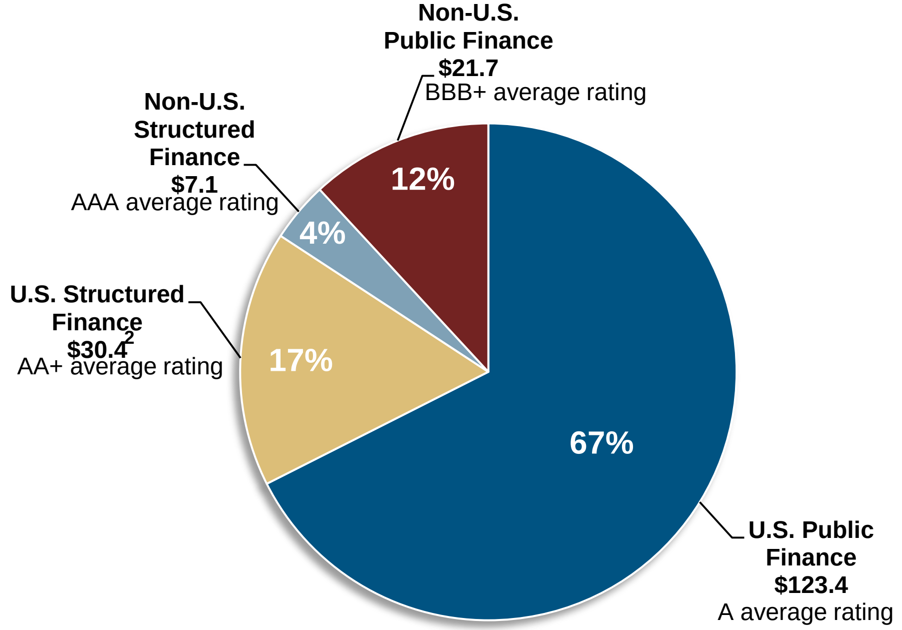
Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

1. "AGM Consolidated" shall mean Assured Guaranty Municipal Corp. and its consolidated entities (consisting primarily of Assured Guaranty (Europe) Ltd.; 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" shall mean AGM Consolidated excluding MAC Holdings and MAC. "Assured Guaranty Municipal" shall mean AGM excluding Assured Guaranty (Europe) Ltd.

AGM[1]
Insured Portfolio Overview

- **AGM's[1] portfolio is diversified by asset class**
  - 67% U.S. public finance
  - 17% U.S. structured finance
  - 12% Non-U.S. public finance
  - 4% Non-U.S. structured finance
- **The portfolio maintains a high overall credit rating despite downgrades in our U.S. RMBS portfolio**
  - A+ average internal rating
- **U.S. RMBS is the largest source of BIG exposures, at 39% of the BIG exposures**

Net Par Outstanding[1,2]
As of December 31, 2013
($ in billions)

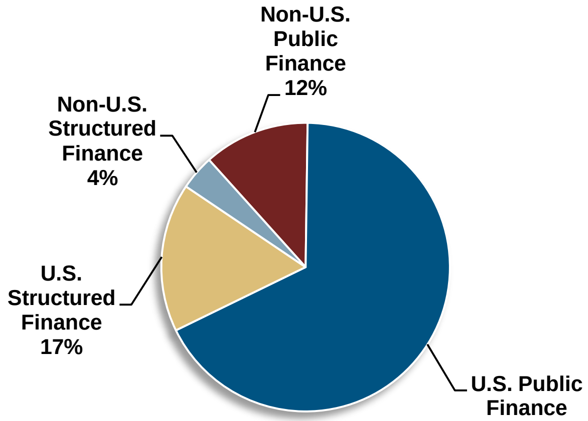


$182.6 billion, A+ average rating

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Includes $2.7 billion in GICs. Please see footnote 2 on page 48.

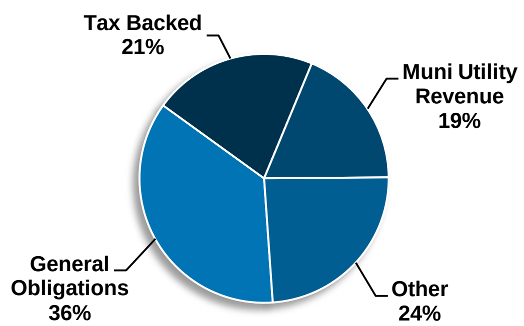
AGM[1]
Insured Portfolio
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Sector



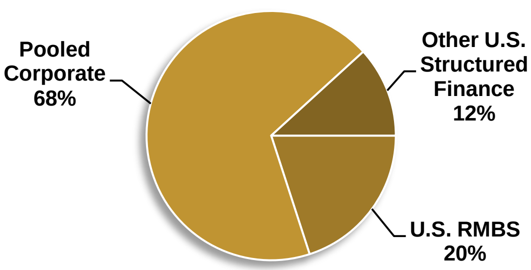
$182.6 billion[2]

U.S. Public Finance Portfolio



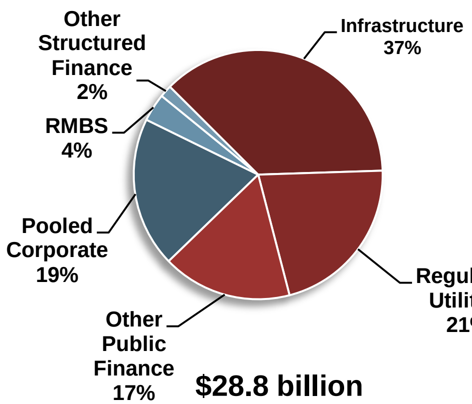
$123.4 billion

U.S. Structured Finance Portfolio



$30.4 billion[2]

Non-U.S. Portfolios Public & Structured Finance



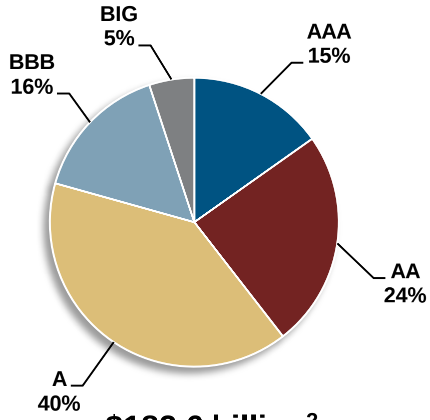
$28.8 billion

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Includes $2.7 billion in GICs. Please see footnote 2 on page 48.

AGM[1]

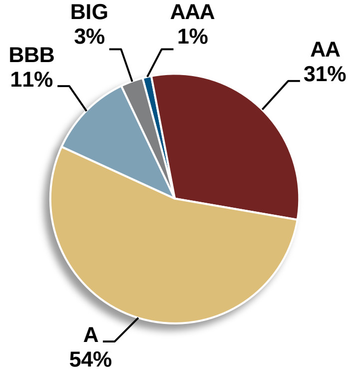
Insured Portfolio Ratings
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Rating



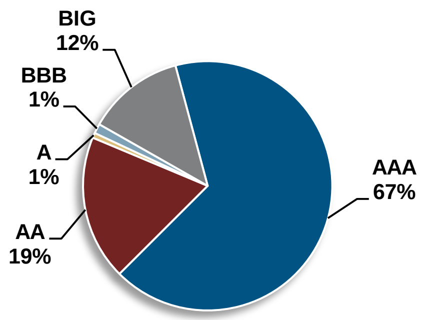
$182.6 billion[2]

U.S. Public Finance Portfolio



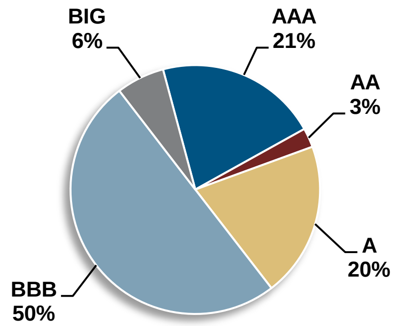
$123.4 billion

U.S. Structured Finance Portfolio



$30.4 billion[2]

Non-U.S. Portfolios
Public & Structured Finance



$28.8 billion

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Includes $2.7 billion in GICs. Please see footnote 2 on page 48.

AGM[1]
Insured Portfolio
Net Par Outstanding as of December 31, 2013

ASSURED GUARANTY

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 44,512	A
Tax backed	26,265	A+
Municipal utilities	22,971	A
Transportation	13,929	A
Healthcare	7,704	A
Higher education	3,718	A+
Housing	1,927	A+
Infrastructure finance	1,289	BB+
Other public finance	1,060	A
Total U.S. public finance	123,375	A
Non-U.S. public finance:		
Infrastructure finance	10,674	BBB
Regulated utilities	6,184	BBB+
Other public finance	4,851	A
Total non-U.S. public finance	21,709	BBB+
Total public finance	**$ 145,084**	**A**

	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
Pooled corporate obligations	$ 20,753	AAA
RMBS	6,085	BBB-
Financial products[2]	2,709	AA-
Insurance securitizations	306	AA
Consumer receivables	187	BB-
Commercial receivables	44	BB
Structured credit	6	B
Other structured finance	327	A
Total U.S. structured finance	30,417	AA+
Non-U.S. structured finance:		
Pooled corporate obligations	5,613	AAA
RMBS	1,044	A+
Structured credit	83	BBB+
Other structured finance	373	AAA
Total non-U.S. structured finance	7,113	AAA
Total structured finance	**$ 37,530**	AA+
Total net par outstanding	**$ 182,614**	**A+**

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Assured Guaranty did not acquire FSAH's Financial Products (FP) segment. Assured Guaranty and its subsidiaries are indemnified against exposure to the FP segment by Dexia SA (Dexia). As of December 31, 2013, the aggregate accreted balance of the guaranteed investment contracts (GICs) was approximately $2.7 billion. As of the same date, with respect to the assets supporting the GIC business, the aggregate accreted principal balance was approximately $4.0 billion, the aggregate market value was approximately $3.8 billion and the aggregate market value after agreed reductions was approximately $2.7 billion. Cash and net derivative value constituted another $0.6 billion of assets. The outstanding GIC exposure was $2.7 billion at November 30, 2013, which was the latest figure available when the total insured portfolio was measured at quarter-end.

Reinsurance

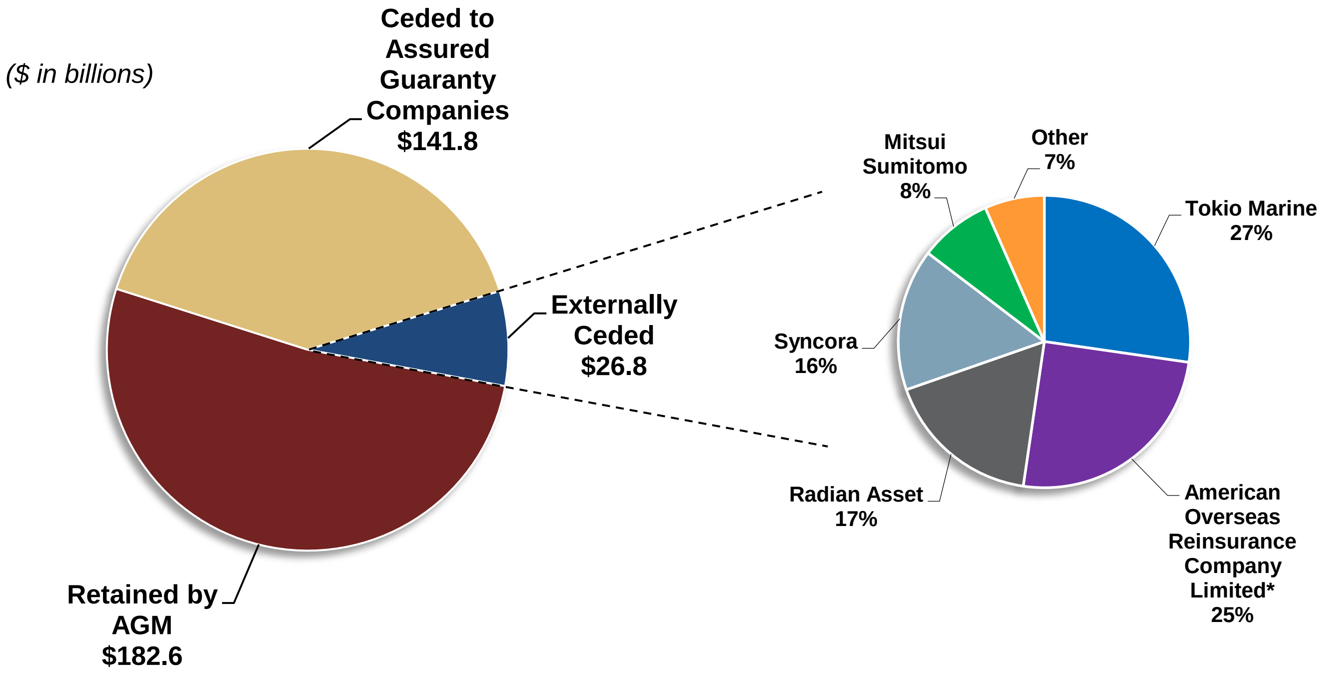
AGM[1] Has Ceded 8% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines

AGM's[1] Total Gross Par Outstanding: $351.2 billion

As of December 31, 2013

Externally Ceded Par Outstanding: $26.8 billion (7.6%)

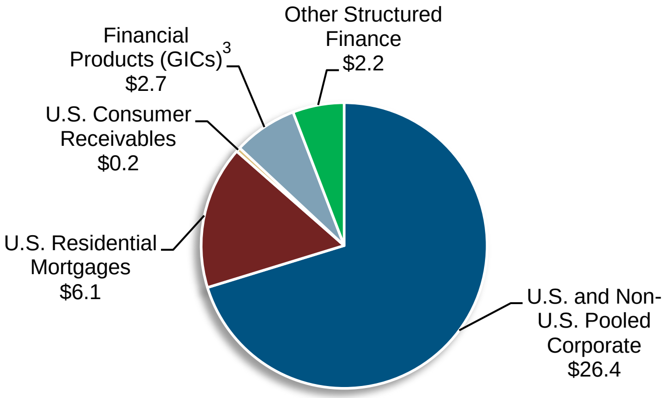
As of December 31, 2013

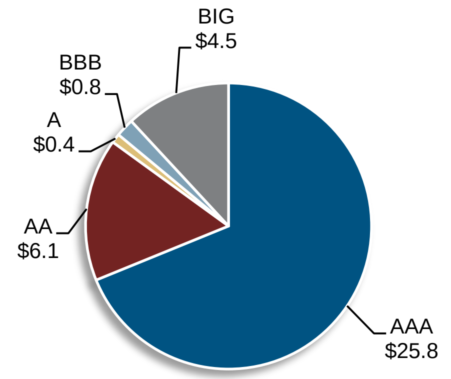


* Formerly RAM Reinsurance Company Ltd.

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.

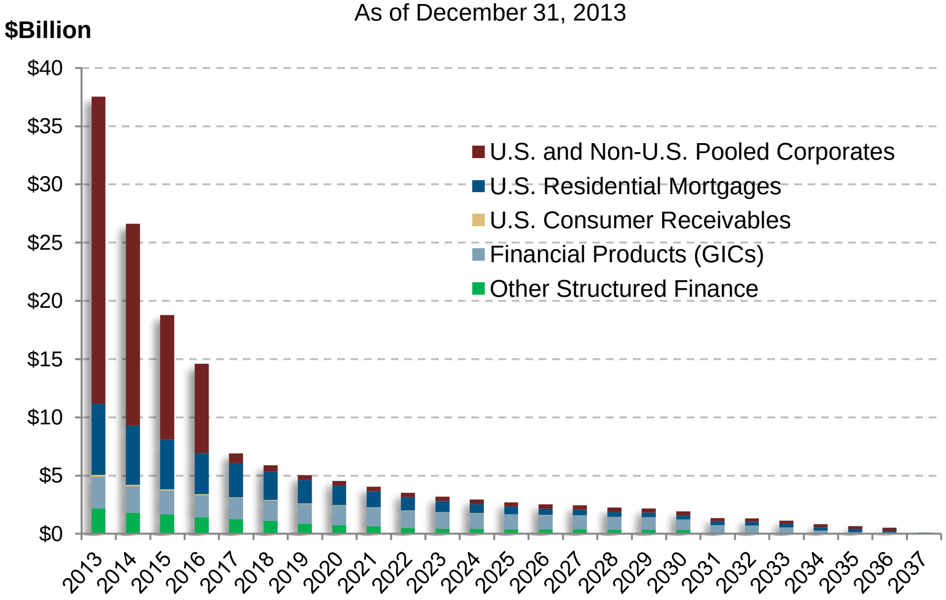
AGM[1] Amortization of Global Insured Structured Finance Portfolio





$37.5 Billion Net Par Outstanding

As of December 31, 2013



- We expect AGM's[1] legacy global structured finance insured portfolio ($37.5 billion as of December 31, 2013 versus $127.3 billion as of September 30, 2008) to amortize rapidly – 29% by year-end 2014 and 61% by year-end 2016.[2]
  - $26.4 billion in global pooled corporate obligations expected to be reduced by 34% by year-end 2014 and by 71% by year-end 2016
  - $6.1 billion in U.S. RMBS expected to be reduced by 16% by year-end 2014 and by 42% by year-end 2016
  - $0.2 billion in U.S. consumer receivable obligations expected to be reduced by 16% by year-end 2014 and by 43% by year-end 2016
  - $2.2 billion in other structured finance (excluding FP) expected to be reduced by 17% by year-end 2014 and by 35% by year-end 2016
- Former FP business not part of Assured Guaranty's purchase; we are indemnified against exposure to the FP business by Dexia. In addition, Assured Guaranty also has been protected by guaranties issued by the French and Belgian governments with respect to the GIC portion of the FP business.
  - $2.7 billion in GICs expected to be reduced by 16% by year-end 2014 and by 30% by year-end 2016

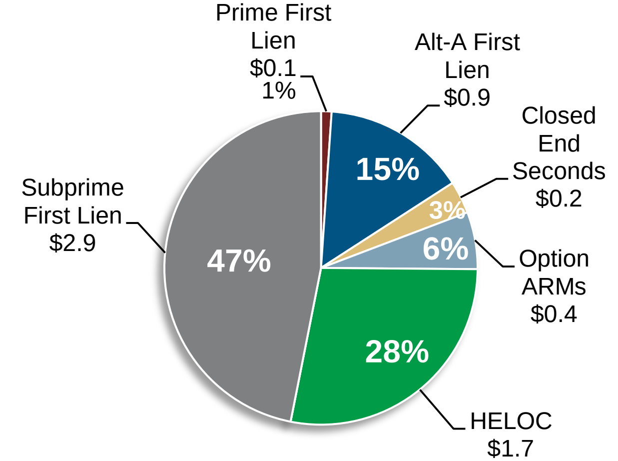
1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Please see footnote 3 on page 13.
3. Please see footnote 2 on page 48.

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**
  - $6.1 billion net par outstanding versus $17.1 billion at year-end 2008, a decrease of 64%
  - 3.3% 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

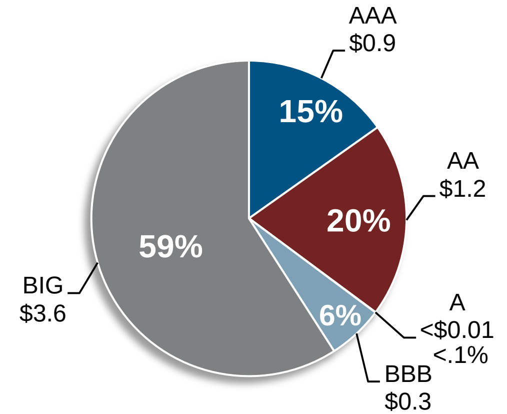
By Type

As of December 31, 2013
($ in billions)



$6.1 billion, 3.3% of net par outstanding

By Rating

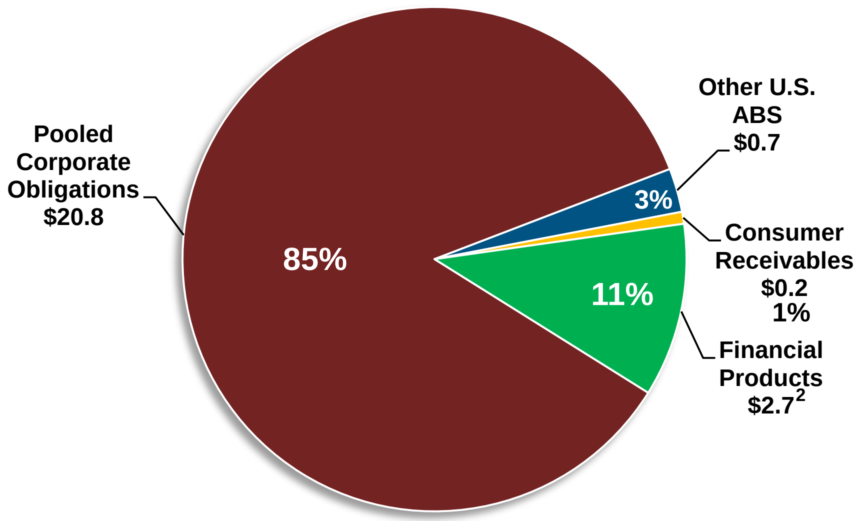


1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.

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

- **85% of AGM's[1] non-RMBS U.S. structured finance portfolio consists of pooled corporate obligations**
  - 93% of U.S. pooled corporate exposure is of AAA quality
- **Non-RMBS U.S. structured finance credit experience has been generally strong given the economic stress of recent years**

U.S. Non-RMBS Structured Finance
As of December 31, 2013
($ in billions)



$24.3 billion net par outstanding

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.
2. Please see footnote 2 on page 48.

AGM[1] Global Pooled Corporate Obligations

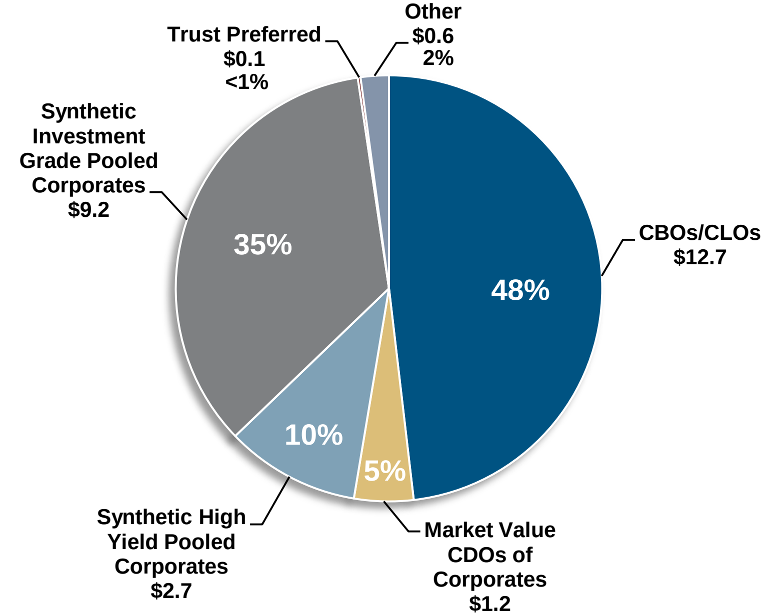
- **AGM's[1] pooled corporate exposure is generally highly rated and well protected**
  - Average current credit enhancement of 26.6%
  - 92% rated AAA
  - AAA average rating
  - 2% rated BIG

- **$56 million of TruPS (bank and insurance company only)**
  - Average rating of AA+
  - Average current credit enhancement remains strong at 57.4%

Pooled Corporate Obligations By Asset Class

As of December 31, 2013

($ in billions)



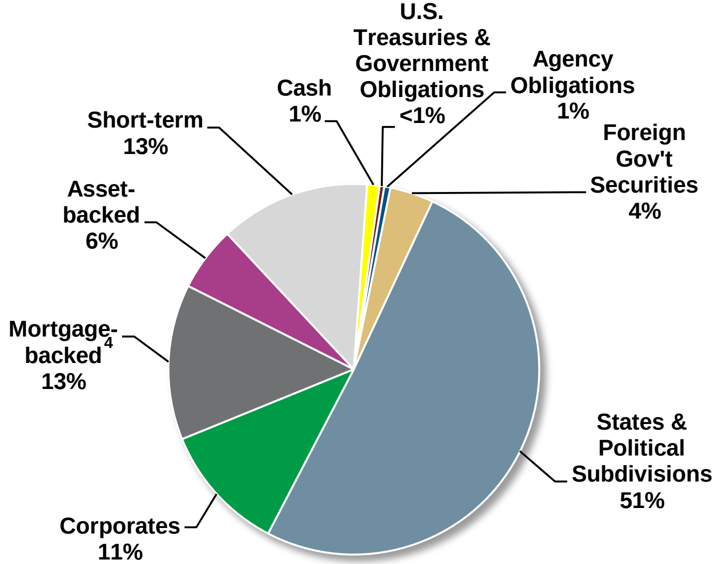
$26.4 billion net par outstanding

1. Please see page 44 for a definition of this convention and the appendix for a reconciliation to the corresponding GAAP value.

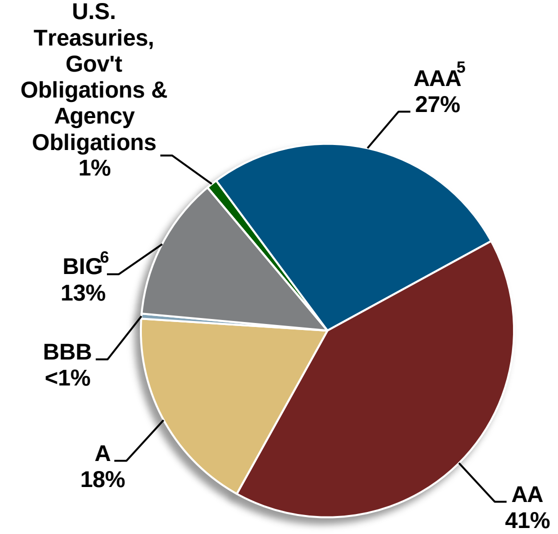
AGM[1]

Investment Portfolio
Fair Value as of December 31, 2013

Investments Available for Sale and Cash[2] By Category



Investments Available for Sale and Cash[2,3] By Rating



Total = $4.8 billion

1. Please see page 44 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 and cash and excludes other invested assets. Also includes securities purchased or obtained as part of loss mitigation or other risk management strategies, some of which were issued by entities that were subsequently consolidated as VIEs and which are therefore eliminated in consolidation on the balance sheet.
3. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or risk management strategies, which use internal ratings classifications.
4. Included in the mortgage-backed category are agency-backed securities with a fair value of $147 million and securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $353 million. The remaining securities have a fair value of $158 million and an average rating of AAA.
5. Included in the AAA category are short-term securities and cash.
6. 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 $603 million.

AGM Consolidated[1] Expected Loss and Loss Adjustment Expense (“LAE”) to Be Paid

As of December 31, 2013

($ in millions)

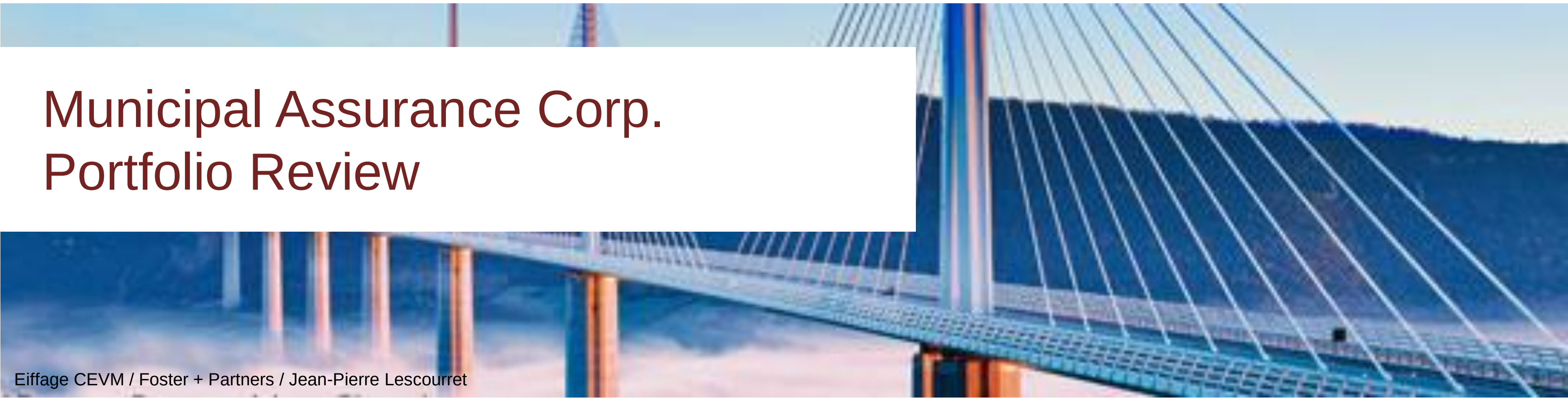
Rollforward of Net Expected Loss and LAE to be Paid for the Three Months Ended December 31, 2013

Financial Guaranty Insurance Contracts and Credit Derivatives	Net Expected Loss to be Paid as of September 30, 2013	Economic Loss Development During 4Q-13[2]	(Paid) Recovered Losses During 4Q-13	Net Expected Loss to be Paid as of December 31, 2013
U.S. RMBS				
First lien:				
Alt-A first lien	$ 69	$ 10	$ 104	$ 183
Option ARMs	16	(14)	(6)	(4)
Subprime first lien	211	14	(3)	222
Total first lien	296	10	95	401
Second lien:				
Closed end seconds	(22)	—	2	(20)
HELOC	(119)	(16)	27	(108)
Total second lien	(141)	(16)	29	(128)
Total U.S. RMBS	155	(6)	124	273
Other structured finance	24	3	—	27
U.S. public finance	27	52	(18)	61
Non-U.S. public finance	39	3	—	42
Total	**$ 245**	**$ 52**	**$ 106**	**$ 403**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. Under GAAP, however, a reserve and corresponding loss expense is generally recognized in the period and for the amount that expected losses exceed unearned premium reserve. For AGM, unearned premium reserve on the Acquisition Date (July 1, 2009) represented fair value and incorporated all expected losses at that date. See Notes to the financial statements in the 2013 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts and the effects of acquisition accounting on financial guaranty insurance accounting.

1. Please see page 44 for a definition of this convention.
2. Includes the effect of changes in the Company's estimate of future recovery on representations and warranties (R&W).

Municipal Assurance Corp.
Portfolio Review

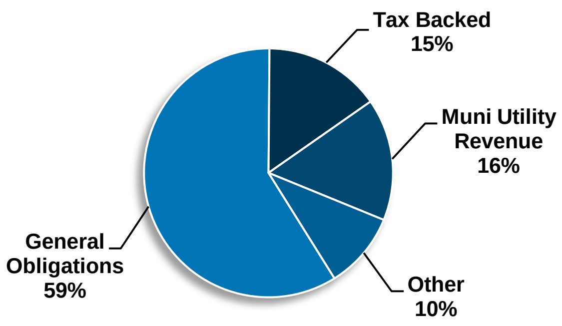


Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

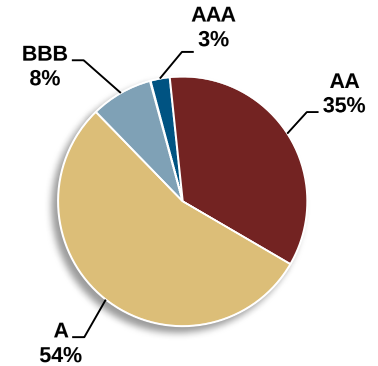
MAC

Insured Portfolio (100% U.S. Public Finance)
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Sector



Portfolio Diversification by Rating



$104.2 billion

Net Par Outstanding By Asset Type
($ in millions)

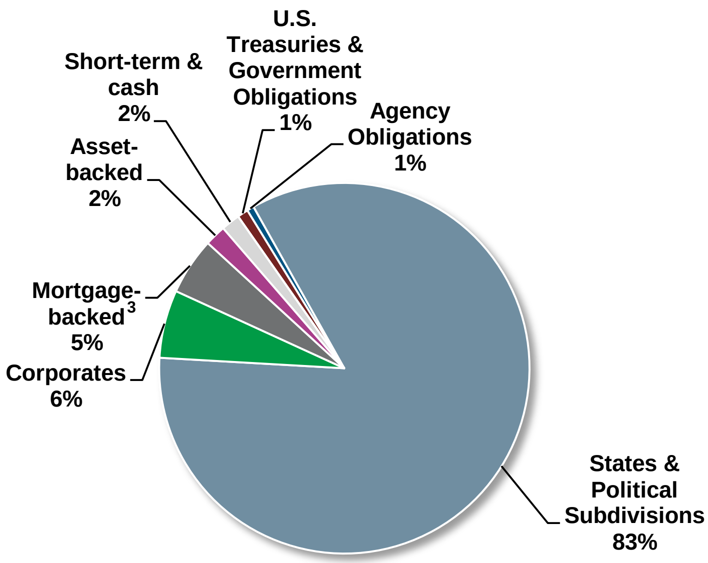
		Net Par Outstanding	Avg. Internal Rating
U.S. public finance:			
General obligation	$	61,516	A+
Municipal utilities		16,562	A+
Tax backed		15,808	A+
Transportation		4,367	A
Higher education		4,087	A+
Housing		859	AA-
Other public finance		1,045	A+
Total U.S. public finance	**$**	**104,243**	**A+**

Net Par Outstanding By State
($ in millions)

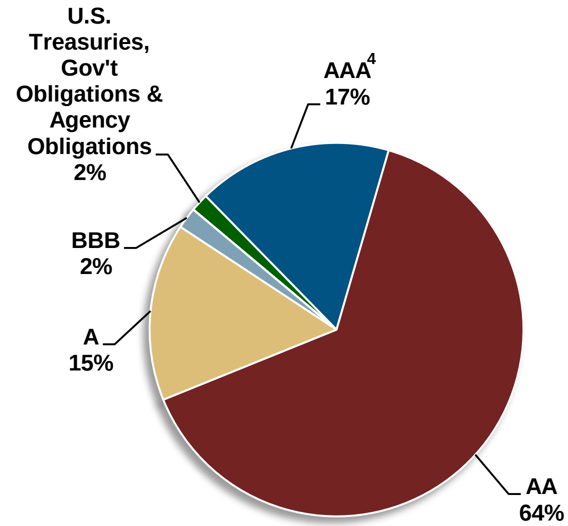
		Net Par Outstanding	% of Total
California	$	15,357	14.7%
Texas		9,879	9.5%
Pennsylvania		8,512	8.2%
Illinois		5,951	5.7%
New York		5,819	5.6%
Michigan		5,099	4.9%
Florida		4,824	4.6%
New Jersey		4,010	3.8%
Ohio		3,694	3.5%
Indiana		2,964	2.8%
Other states		38,134	36.7%
Total U.S. public finance	**$**	**104,243**	**100.0%**

MAC
Investment Portfolio
Fair Value as of December 31, 2013

Investments Available for Sale and Cash[1] By Category



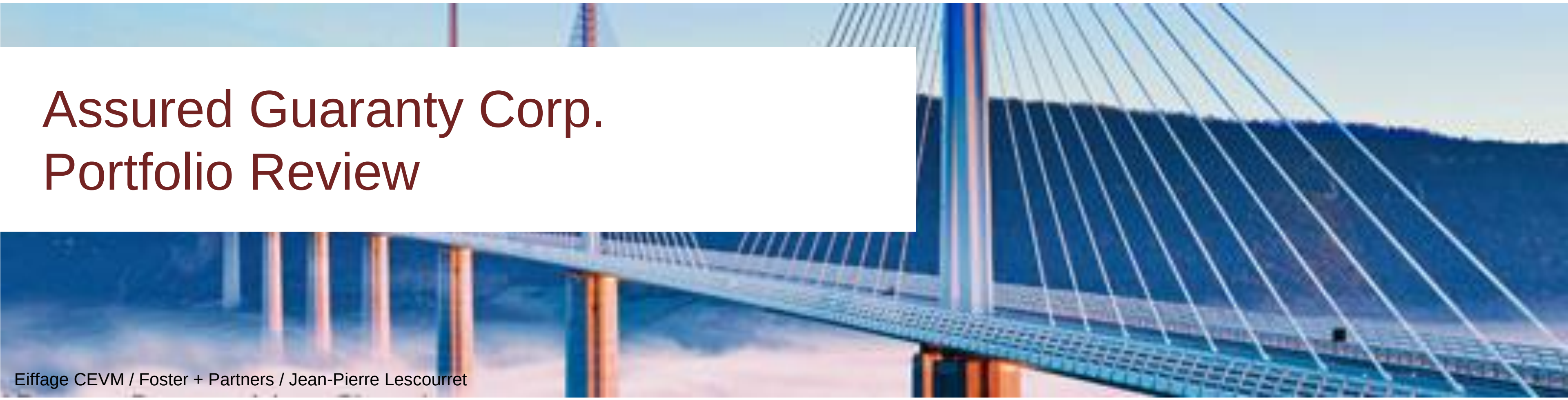
Investments Available for Sale and Cash[1,2] By Rating



Total = $1.5 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 $21 million. The remaining securities have a fair value of $52 million and an average rating of AA+.
4. Included in the AAA category are short-term securities and cash.

Assured Guaranty Corp.
Portfolio Review

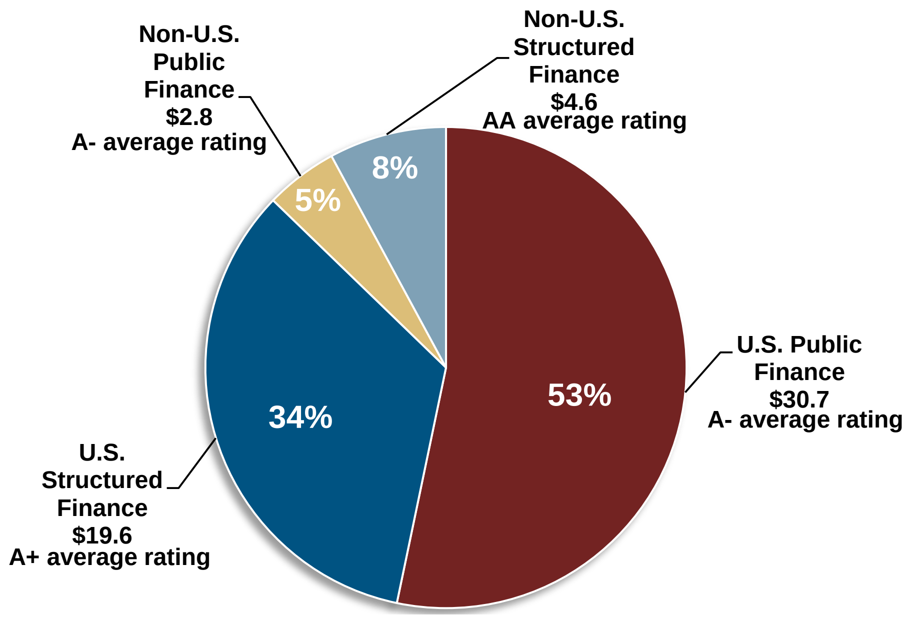


Eiffage CEVM / Foster + Partners / Jean-Pierre Lescourret

AGC
Insured Portfolio Overview

- **AGC's portfolio is diversified by asset class**
  - 53% U.S. public finance
  - 34% U.S. structured finance
  - 5% Non-U.S. public finance
  - 8% Non-U.S. structured finance
- **Portfolio maintains a high overall credit rating despite downgrades in U.S. RMBS portfolio**
  - Average internal rating of A
- **U.S. RMBS is the largest source of BIG exposures at 40% of AGC's BIG exposures**

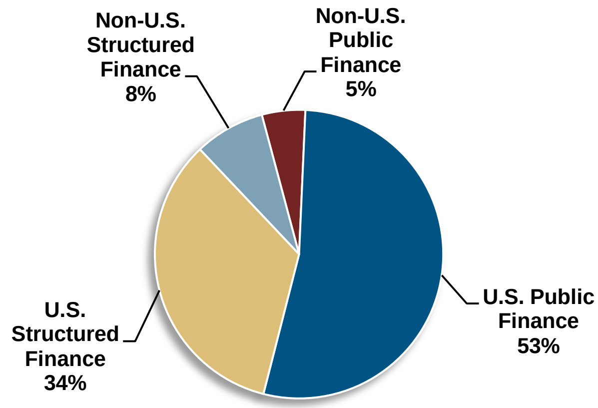
Net Par Outstanding
As of December 31, 2013
($ in billions)



$57.6 billion, A average rating

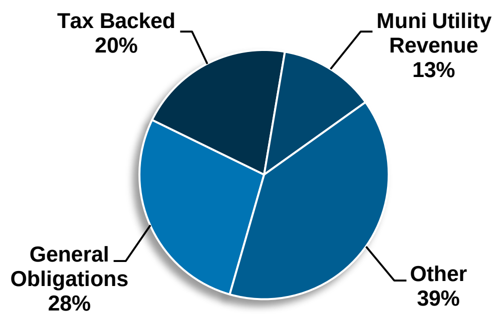
AGC
Insured Portfolio
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Sector



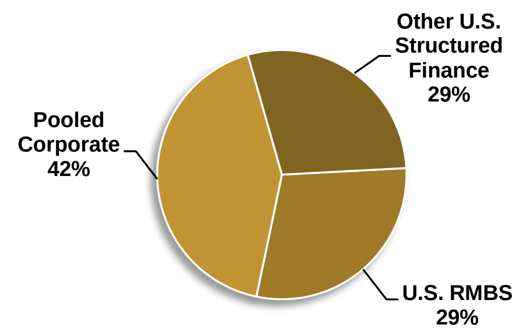
$57.6 billion

U.S. Public Finance Portfolio



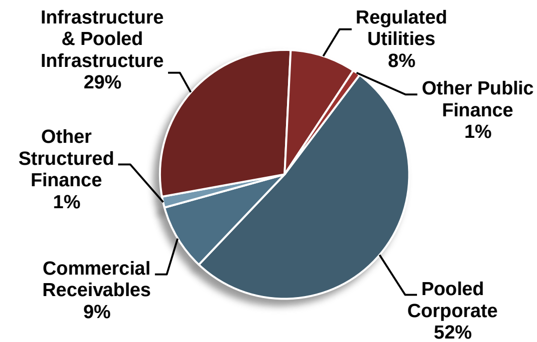
$30.7 billion

U.S. Structured Finance Portfolio



$19.6 billion

Non-U.S. Portfolios Public & Structured Finance

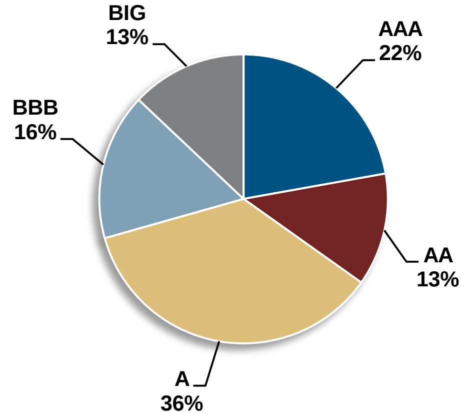


$7.4 billion

AGC

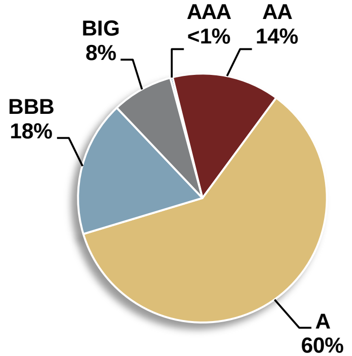
Insured Portfolio Ratings
Net Par Outstanding as of December 31, 2013

Portfolio Diversification by Rating



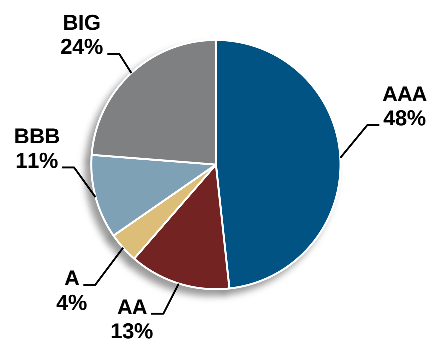
$57.6 billion

U.S. Public Finance Portfolio



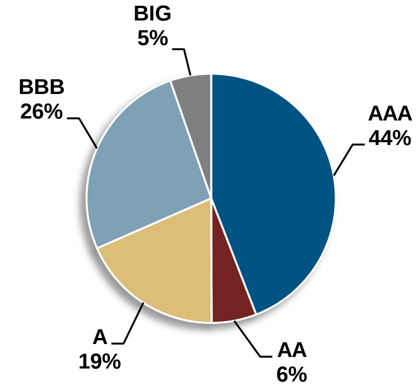
$30.7 billion

U.S. Structured Finance Portfolio



$19.6 billion

Non-U.S. Portfolios Public & Structured Finance



$7.4 billion

AGC
Insured Portfolio
Net Par Outstanding as of December 31, 2013

Net Par Outstanding By Asset Type
($ in millions)

	Net Par Outstanding	Avg. Internal Rating
U.S. public finance:		
General obligation	$ 8,534	A-
Tax backed	6,279	A-
Municipal utilities	3,826	A-
Transportation	4,443	A-
Healthcare	3,675	A
Higher education	1,644	A
Infrastructure finance	993	BBB+
Investor-owned utilities	425	A-
Housing	75	BBB+
Other public finance	820	A
Total U.S. public finance	30,714	A-
Non-U.S. public finance:		
Pooled infrastructure	1,144	A
Infrastructure finance	965	BBB
Regulated utilities	626	A-
Other public finance	73	A+
Total non-U.S. public finance	2,808	A-
Total public finance	**$ 33,522**	**A-**

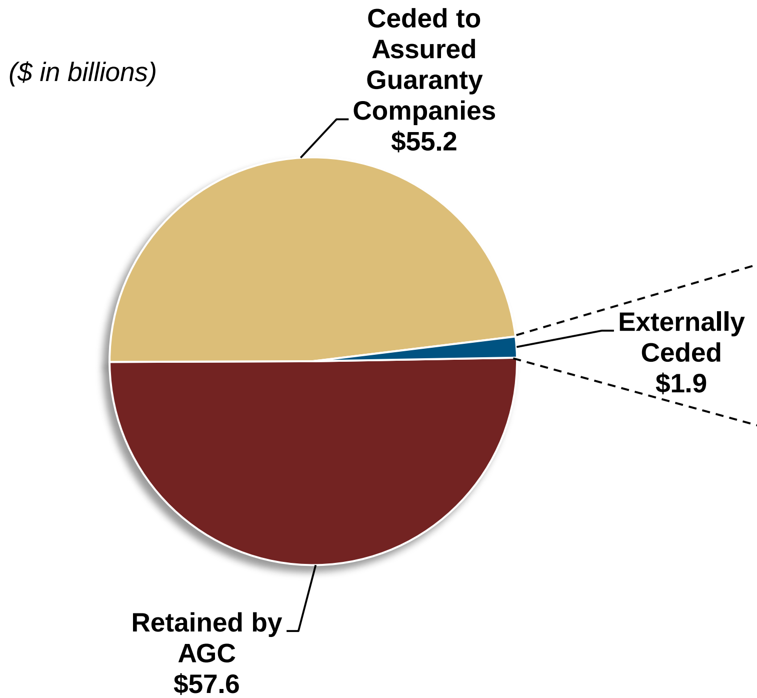
	Net Par Outstanding	Avg. Internal Rating
U.S. structured finance:		
Pooled corporate obligations	$ 8,281	AA-
RMBS	5,699	BBB
CMBS and other commercial real estate related exposures	2,989	AAA
Consumer receivables	1,158	A
Insurance securitization	691	A-
Commercial receivables	505	A
Structured credit	54	BB
Other structured finance	196	A
Total U.S. structured finance	19,573	A+
Non-U.S. structured finance:		
Pooled corporate obligations	3,813	AA+
Commercial receivables	635	BBB+
RMBS	59	AAA
Structured credit	44	BBB
Other structured finance	2	A
Total non-U.S. structured finance	4,553	AA
Total structured finance	**$ 24,126**	**A+**
Total net par outstanding	**$ 57,648**	**A**

Reinsurance

AGC Has Ceded 2% of Its Gross Insured Portfolio to a Diversified Group of Non-Affiliated Reinsurers and Other Monolines

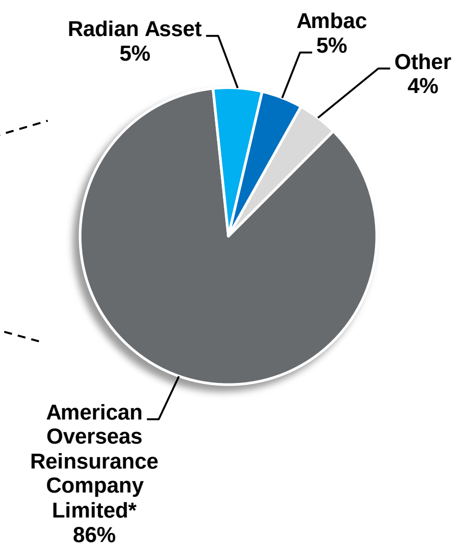
AGC's Total Gross Par Outstanding: $114.8 billion

As of December 31, 2013



Externally Ceded Par Outstanding: $1.9 billion (1.7%)

December 31, 2013



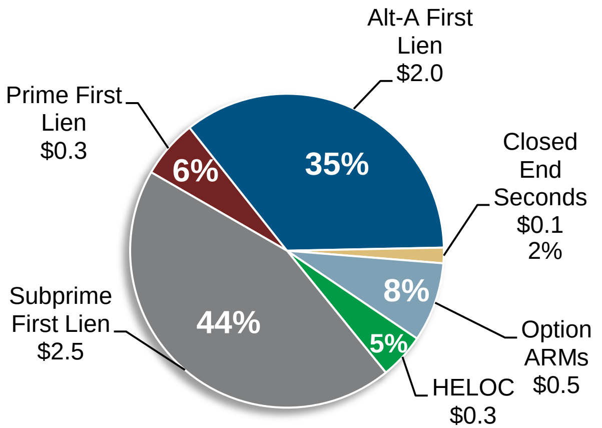
* Formerly RAM Reinsurance Company Ltd.

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**
  - $5.7 billion versus $13.4 billion at year-end 2007, a decrease of 57%
  - 9.9% 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

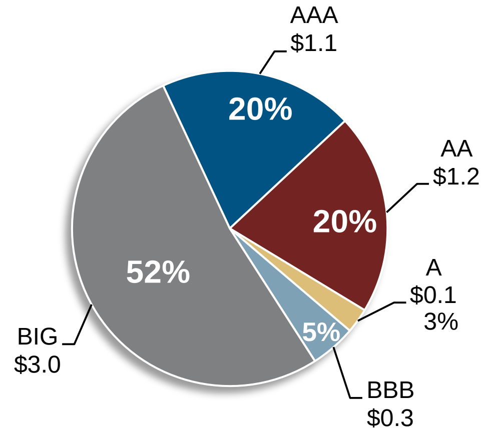
By Type

As of December 31, 2013
($ in billions)



$5.7 billion, 10% of net par outstanding

By Rating



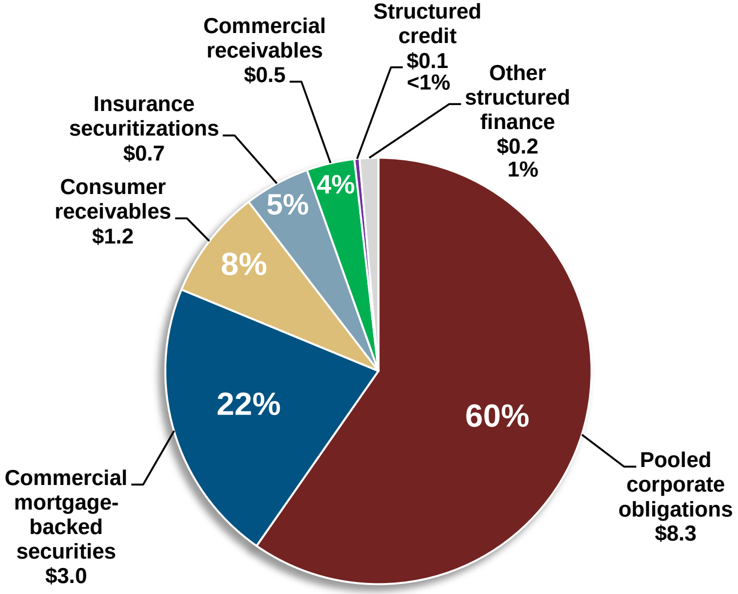
AGC Non-RMBS Exposure
U.S. Structured Finance

- **AGC's non-RMBS U.S. structured finance exposures consist principally of:**
  - Pooled corporate obligations
  - CMBS
  - Consumer receivables
- **Non-RMBS U.S. structured finance credit experience has been generally strong given the economic stress of recent years**
  - 60% rated AAA
  - 12% rated BIG

U.S. Non-RMBS Structured Finance

As of December 31, 2013

($ in billions)

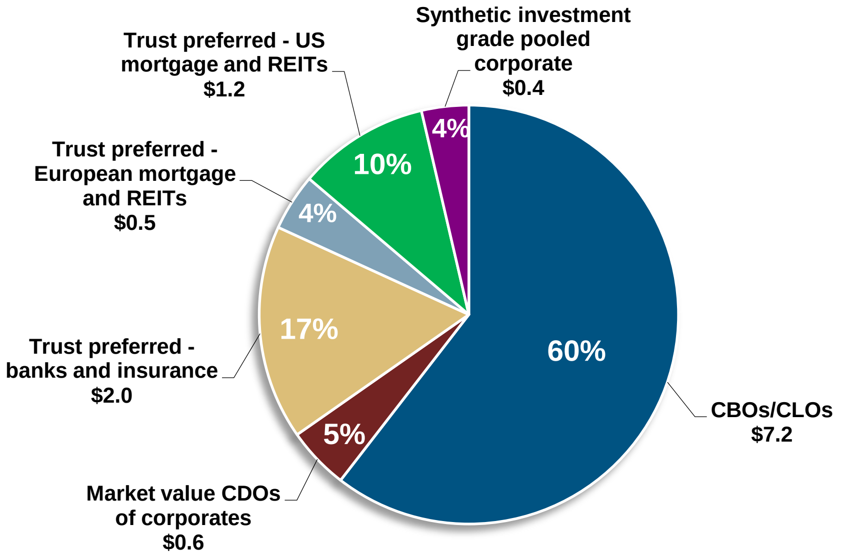


$13.9 billion net par outstanding

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 37.1%
  - 69% rated AAA, average rating AA
- **AGC's $3.7 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 1,400 issuers
  - All our exposure at the CDO level is to the most senior debt tranche
  - 100% of U.S. bank and insurance TruPS CDOs, 100% of European TruPS CDOs and 100% of U.S. mortgage and REIT TruPS CDOs were originated at AAA attachment points
- **The $1.2 billion of TruPS CDOs backed by U.S. mortgage and REITs is the lowest average rated pooled corporate subsector**
  - BB average rating

Direct Pooled Corporate Obligations[1]
By Asset Class
As of December 31, 2013
($ in billions)



$11.8 billion net par outstanding

1. AGC also assumed $270 million of pooled corporate exposure.

AGC Direct U.S. CMBS Exposure

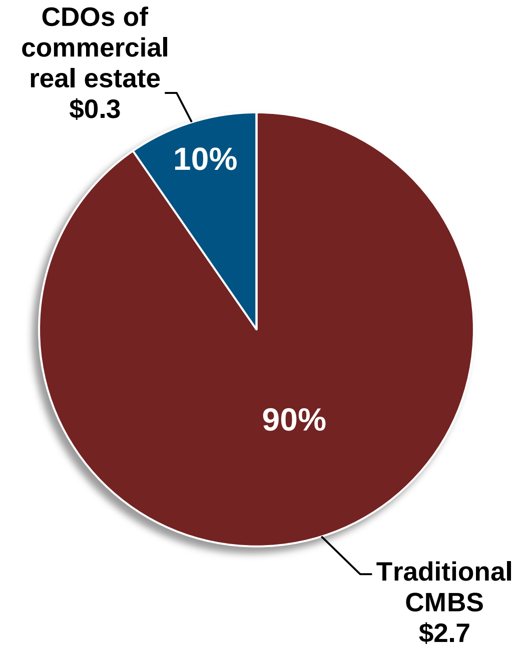
- **AGC's CMBS-related exposures were underwritten at high attachment points**
  - All deals except one were written with triple-A ratings at inception
  - One deal was written with a single-A rating at inception
  - AAA current average rating
- **$2.7 billion traditional CMBS portfolio**
  - Most of the exposures were written as "basket trades"; some have additional credit enhancement from first-loss position retained by the investor
  - 99% rated AAA as of December 31, 2013
  - 1% rated A
- **$287 million commercial real estate CDO portfolio**
  - Two transactions
  - Average current credit enhancement stands at 57.2% vs. initial credit enhancement of 52.2%
- **Beginning in the middle of 2006, AGC concluded that underwriting standards applied to newly originated commercial property loans were deteriorating and adjusted underwriting standards accordingly**

Direct U.S. Commercial Real Estate Exposure[1]

By Sector

As of December 31, 2013

($ in billions)



$3.0 billion net par outstanding

1. AGC also assumed $6 million of U.S. CMBS exposure.

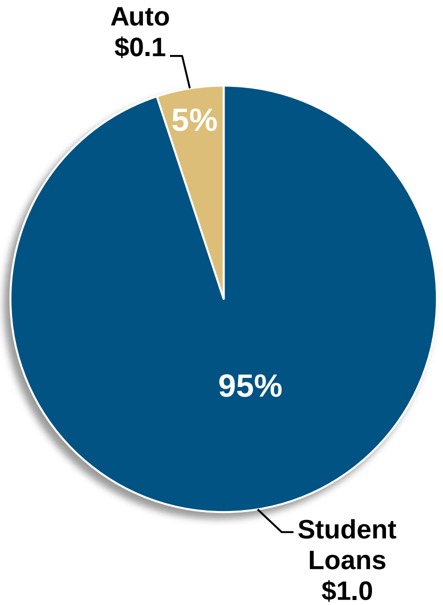
AGC Direct U.S. Consumer Receivables

- **Despite the economic stress of recent years, AGC's consumer receivable portfolio is entirely investment grade:**
  - Average rating of A+
  - For all transactions, current credit enhancement is higher than initial credit enhancement
  - 32% rated AAA

Direct U.S. Consumer Receivables by Type[1]

As of December 31, 2013

($ in billions)

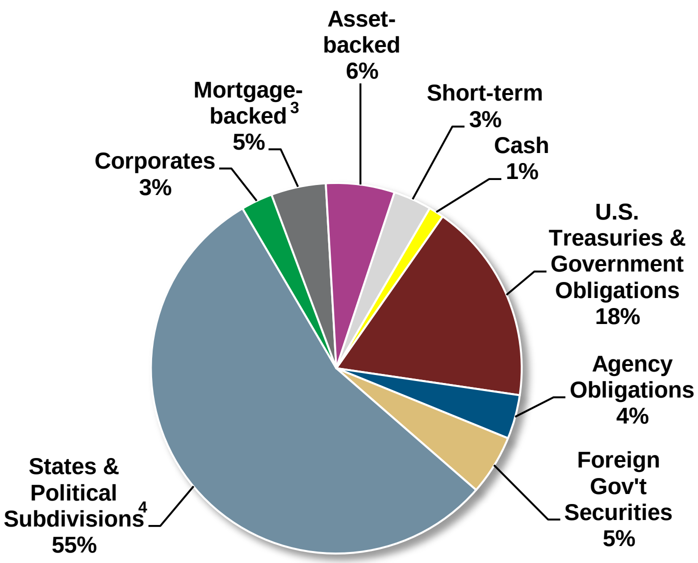


$1.1 billion net par outstanding

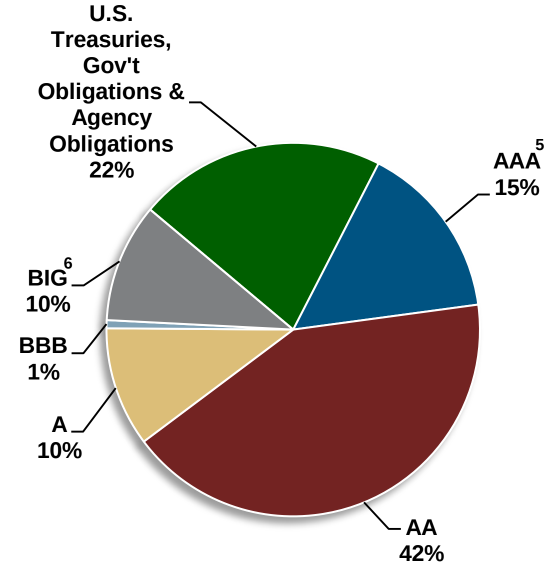
1. AGC also assumed $75 million of U.S. consumer receivable exposure.

AGC
Investment Portfolio
Fair Value as of December 31, 2013

Investments Available for Sale and Cash[1] By Category



Investments Available for Sale and Cash[1,2] By Rating



Total = $2.1 billion

1. Includes fixed maturity securities, short-term investments and cash and excludes other invested assets. Also includes securities purchased or obtained as part of loss mitigation or other risk management strategies, some of which were issued by entities that were subsequently consolidated as VIEs and which are therefore eliminated in consolidation on the balance sheet.
2. Ratings are represented by the lower of the Moody's and S&P classifications except for bonds purchased for loss mitigation or risk management strategies, which use internal ratings classifications.
3. Included in the mortgage-backed category are agency-backed securities with a fair value of $21 million and securities purchased or obtained as part of loss mitigation or other risk management strategies with a fair value of $65 million. The remaining securities have a fair value of $16 million and an average rating of AAA.
4. 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 $28 million.
5. Included in the AAA category are short-term securities and cash.
6. 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 $220 million.

AGC Expected Loss and LAE to Be Paid
As of December 31, 2013

($ in millions)

Rollforward of Net Expected Loss and LAE to be Paid for the Three Months Ended December 31, 2013

Financial Guaranty Insurance Contracts and Credit Derivatives	**Net Expected Loss to be Paid as of September 30, 2013**	**Economic Loss Development During 4Q-13[1]**	**(Paid) Recovered Losses During 4Q-13**	**Net Expected Loss to be Paid as of December 31, 2013**
U.S. RMBS				
First lien:				
Prime first lien	$ 17	$ —	$ —	$ 17
Alt-A first lien	110	(5)	(6)	99
Option ARMs	(10)	7	(2)	(5)
Subprime first lien	75	(8)	(2)	65
Total first lien	192	(6)	(10)	176
Second lien:				
Closed end seconds	5	—	1	6
HELOC	(8)	2	1	(5)
Total second lien	(3)	2	2	1
Total U.S. RMBS	189	(4)	(8)	177
Trust preferred securities ("TruPS")	38	—	—	38
Other structured finance	(39)	(5)	(2)	(46)
U.S. public finance	21	11	9	41
Non-U.S. public finance	4	—	—	4
Total	**$ 213**	**$ 2**	**$ (1)**	**$ 214**

Expected loss to be paid in the table above represents the PV of expected net claims payments and reimbursements. Under GAAP, however, 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 2013 AGL Form 10-K for a complete discussion of the accounting policy for financial guaranty insurance and credit derivative contracts and the effects of acquisition accounting on financial guaranty insurance accounting.

1. Includes the effect of changes in the Company's estimate of future recovery on R&W.

Appendix

Explanation of Non-GAAP Financial Measures

Endnotes related to non-GAAP financial measures discussed in the presentation:

The Company references financial measures that are not in accordance with GAAP. Assured Guaranty's management and board of directors utilize non-GAAP measures in evaluating the Company's financial performance and as a basis for determining senior management incentive compensation. By providing these non-GAAP financial measures, investors, analysts and financial news reporters have access to the same information that management reviews internally. In addition, Assured Guaranty's presentation of non-GAAP financial measures is consistent with how analysts calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and with how investors, analysts and the financial news media evaluate Assured Guaranty's financial results.

The following paragraphs define each non-GAAP financial measure and describe why it is useful. A reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure, if available, is presented within this presentation. Non-GAAP financial measures should not be viewed as substitutes for their most directly comparable GAAP measures.

Operating Income: Management believes that operating income is a useful measure because it clarifies the understanding of the underwriting results of the Company's financial guaranty business, and also includes financing costs and net investment income, and enables investors and analysts to evaluate the Company's financial results as compared with the consensus analyst estimates distributed publicly by financial databases. Operating income is defined as net income (loss) attributable to Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1. Elimination of the after-tax 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. Trends in the underlying profitability of the Company's business can be more clearly identified without the fluctuating effects of these transactions.

2. Elimination of the after-tax non-credit-impairment unrealized fair value gains (losses) on credit derivatives, which is the amount 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. Additionally, such adjustments present all financial guaranty contracts on a more consistent basis of accounting, whether or not they are subject to derivative accounting rules.

3. Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities. Such amounts 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.

4. Elimination of the after-tax foreign exchange gains (losses) on remeasurement of net premium receivables and loss and LAE reserves. Long-dated receivables constitute a significant portion of the net premium receivable balance and represent the present value of future contractual or expected collections. 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 effects of consolidating FG VIEs in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs.

Explanation of Non-GAAP Financial Measures

Operating Shareholders' Equity: Management believes that operating shareholders' equity is a useful measure because it presents the equity of Assured Guaranty Ltd. with all financial guaranty contracts accounted for on a more consistent basis and excludes fair value adjustments that are not expected to result in economic loss. Many investors, analysts and financial news reporters use operating shareholders' equity as the principal financial measure for valuing Assured Guaranty Ltd.'s current share price or projected share price and also as the basis of their decision to recommend, buy or sell Assured Guaranty Ltd.'s common shares. Many of the Company's fixed income investors also use operating shareholders' equity to evaluate the Company's capital adequacy. Operating shareholders' equity is the basis of the calculation of adjusted book value (see below). Operating shareholders' equity is defined as shareholders' equity attributable to Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1. Elimination of the effects of consolidating FG VIEs in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs.

2. Elimination of the after-tax non-credit-impairment unrealized fair value gains (losses) on credit derivatives, which is the amount 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.

3. Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities. Such amounts 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.

4. Elimination of the after-tax 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.

Operating return on equity (''Operating ROE''): Operating ROE represents operating income for a specified period divided by the average of operating shareholders' equity at the beginning and the end of that period. Management believes that operating ROE is a useful measure to evaluate the Company's return on invested capital. Many investors, analysts and members of the financial news media use operating ROE to evaluate Assured Guaranty Ltd.'s share price and as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd. common shares. Quarterly and year-to-date operating ROE are calculated on an annualized basis.

Appendix (Continued)
Explanation of Non-GAAP Financial Measures

Adjusted Book Value: Management believes that adjusted book value is a useful measure because it enables an evaluation of the net present value of the Company's in-force premiums and revenues in addition to operating shareholders' equity. The premiums and revenues included in adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current adjusted book value due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults and other factors. Many investors, analysts and financial news reporters use adjusted book value to evaluate Assured Guaranty Ltd.'s share price and as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd. common shares. Adjusted book value is operating shareholders' equity, as defined above, further adjusted for the following:

1. Elimination of after-tax 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 after-tax net present value of estimated net future credit derivative revenue. See below.

3. Addition of the after-tax value of the unearned premium reserve 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.

Net present value of estimated net future credit derivative revenue: Management believes that this amount is a useful measure because it enables an evaluation of the value of future estimated credit derivative revenue. There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from the Company's credit derivative in-force book of business, net of reinsurance, ceding commissions and premium taxes for contracts without expected economic losses, and is discounted at 6%. Estimated net future credit derivative 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 Assured Guaranty 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 GAAP gross premiums written and the net credit derivative premiums received and receivable portion of net realized gains and other settlement on credit derivatives (Credit Derivative Revenues) do not adequately measure. PVP in respect of financial guaranty 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, in each case, discounted at 6%. For purposes of the PVP calculation, management discounts estimated future installment premiums on insurance contracts at 6%, while under GAAP, these amounts 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 Revenues 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 (Continued)
AGL Consolidated
Reconciliation of PVP to GWP

($ in millions)

	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012	Year Ended December 31, 2013	Year Ended December 31, 2012
New business production analysis:				
PVP				
Public finance - U.S.:				
Assumed from Radian	$ —	$ —	$ —	$ 22
Other	61	37	116	144
Public finance - non-U.S.	5	—	18	1
Structured finance - U.S.	1	32	7	43
Structured finance - non-U.S.	—	—	—	—
Total PVP	**$ 67**	**$ 69**	**$ 141**	**$ 210**
Reconciliation of PVP to gross written premiums:				
PVP of financial guaranty insurance	**$ 67**	**$ 69**	**$ 141**	**$ 210**
Less: financial guaranty installment premium PVP	7	33	26	45
Total: financial guaranty upfront gross written premiums (GWP)	60	36	115	165
Plus: financial guaranty installment GWP and other GAAP adjustments[1]	(2)	73	8	88
Total GWP	**$ 58**	**$ 109**	**$ 123**	**$ 253**
Financial guaranty gross par written:				
Public finance - U.S.:				
Assumed from Radian	$ —	$ —	$ —	$ 1,797
Other	2,743	3,641	8,671	14,364
Public finance - non-U.S.	122	—	392	35
Structured finance - U.S.	—	400	287	620
Structured finance - non-U.S.	—	—	—	—
Total	**$ 2,865**	**$ 4,041**	**$ 9,350**	**$ 16,816**

Please refer to the preceding pages of the appendix for an explanation of the non-GAAP financial measures.

1. Includes present value of new business on installment policies plus GWP adjustment on existing installment policies due to changes in assumptions and any cancellations of assumed reinsurance contracts and other GAAP adjustments.

Appendix (Continued)
AGL Consolidated
Reconciliation of GAAP Book Value to Adjusted Book Value

($ in millions, except per share amounts)

	As of:			
	December 31, 2013		December 31, 2012	
	Total	Per Share	Total	Per Share
Reconciliation of shareholders' equity to adjusted book value:				
Shareholders' equity	**$ 5,115**	**$ 28.07**	**$ 4,994**	**$ 25.74**
Less after-tax adjustments:				
Effect of consolidating FG VIEs	(172)	(0.95)	(348)	(1.79)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(1,052)	(5.77)	(988)	(5.09)
Fair value gains (losses) on committed capital securities	30	0.16	23	0.12
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	145	0.80	477	2.45
Operating shareholders' equity	**$ 6,164**	**33.83**	**$ 5,830**	**30.05**
After-tax adjustments:				
Less: Deferred acquisition costs	161	0.88	165	0.85
Plus: Net present value of estimated net future credit derivative revenue	146	0.80	220	1.14
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,884	15.83	3,266	16.83
Adjusted book value	**$ 9,033**	**$ 49.58**	**$ 9,151**	**$ 47.17**

Please refer to the preceding pages of the appendix for an explanation of the non-GAAP financial measures.

Appendix (Continued)
Reconciliation of AGM[1] Net Par Outstanding to AGM Consolidated[1] Net Par Outstanding

Net Par Outstanding by Asset Type
December 31, 2013
($ in millions)

	AGM[1]	MAC	AGM Consolidated[1]
U.S. public finance:			
General obligation	$ 44,512	$ 61,516	$ 106,028
Tax backed	26,265	15,808	42,073
Municipal utilities	22,971	16,562	39,533
Transportation	13,929	4,367	18,296
Healthcare	7,704	-	7,704
Higher education	3,718	4,087	7,805
Housing	1,927	859	2,786
Infrastructure finance	1,289	-	1,289
Other public finance	1,060	1,044	2,104
Total U.S. public finance	123,375	104,243	227,618
Non-U.S. public finance:			
Infrastructure finance	10,674	-	10,674
Regulated utilities	6,184	-	6,184
Other public finance	4,851	-	4,851
Total non-U.S. public finance	21,709	-	21,709
Total public finance	**$ 145,084**	**$ 104,243**	**$ 249,327**
U.S. structured finance:			
Pooled corporate obligations	$ 20,753	$ -	20,753
RMBS	6,085	-	6,085
Financial products [2]	2,709	-	2,709
Insurance securitizations	306	-	306
Consumer receivables	187	-	187
Commercial receivables	44	-	44
Structured credit	6		6
Other structured finance	327	-	327
Total U.S. structured finance	30,417	-	30,417
Non-U.S. structured finance:			
Pooled corporate obligations	5,613	-	5,613
RMBS	1,044	-	1,044
Structured credit	83	-	83
Other structured finance	373	-	373
Total non-U.S. structured finance	7,113	-	7,113
Total structured finance	**$ 37,530**	**$ -**	**$ 37,530**
Total	**$ 182,614**	**$ 104,243**	**$ 286,857**

Distribution by Ratings of U.S. Public Finance Portfolio
December 31, 2013
($ in millions)

	AGM[1]	MAC	AGM Consolidated[1]
Ratings:			
AAA	$ 1,404	$ 2,608	$ 4,012
AA	37,930	36,548	74,478
A	66,754	56,635	123,389
BBB	13,704	8,387	22,091
BIG	3,583	65	3,648
Net par outstanding	**$ 123,375**	**$ 104,243**	**$ 227,618**

Note: all net par amounts exclude bonds purchased for loss mitigation purposes.
1. Please see page 44 for a definition of this convention.
2. Please see footnote 2 on page 48.

Appendix (Continued)

Reconciliation of AGM[1] Investment Portfolio and Cash to AGM Consolidated[1] Investment Portfolio and Cash

	Fair Value December 31, 2013 ($ in millions)		
	AGM[1]	MAC	AGM Consolidated[1]
Investment portfolio, available-for-sale			
Fixed maturity securities:			
Obligations of states and political subdivisions	$ 1,682	$ 1,008	$ 2,690
Insured obligations of state and political subdivisions	774	226	1,000
U.S. Treasury securities and obligations of U.S. government agencies	20	14	34
Agency obligations	26	9	35
Corporate securities	542	87	629
Mortgage-backed securities (MBS):			
Residential MBS (RMBS)	500	21	521
Commercial MBS (CMBS)	158	52	210
Asset-backed securities	273	27	300
Foreign government securities	186	-	186
Total fixed maturity securities	4,161	1,444	5,605
Short-term investments and cash	687	24	711
Total	**$ 4,848**	**$ 1,468**	**$ 6,316**
Less: FG VIEs	74	-	74
Total	**$ 4,774**	**$ 1,468**	**$ 6,242**

	Fair Value December 31, 2013 ($ in millions)		
	AGM[1]	MAC	AGM Consolidated[1]
Ratings:			
U.S. Treasury securities and obligations of U.S. government agencies	$ 20	$ 14	$ 34
Agency obligations	26	9	35
AAA/Aaa	632	223	855
AA/Aa	1,989	945	2,934
A/A	870	226	1,096
BBB	21	27	48
Below investment grade (BIG)	603	-	603
Total fixed maturity securities, available-for-sale	4,161	1,444	5,605
Less: FG VIEs	83	-	83
Total fixed maturity securities, available-for-sale	**$ 4,078**	**$ 1,444**	**$ 5,522**

1. Please see page 44 for a definition of this convention.

Appendix (Continued)
Reconciliation of AGM[1] Estimated Amortization to AGM Consolidated[1] Estimated Amortization

	December 31, 2013 ($ in millions)		
	AGM[1]	MAC	AGM Consolidated[1]
Public Finance			
Estimated Ending Net Par Outstanding[2]			
2013 (as of December 31)	$ 145,084	$ 104,243	$ 249,327
2014	135,787	94,588	230,375
2015	126,968	85,953	212,921
2016	119,992	79,088	199,080
2017	113,450	73,427	186,877
2018	107,842	68,049	175,891
2023	78,757	43,462	122,219
2028	50,466	23,226	73,692
2033	27,760	10,674	38,434

	December 31, 2013 ($ in millions)		
	AGM[1]	MAC	AGM Consolidated[1]
Public Finance			
Estimated Net Par Amortization[2]			
2014	$ 9,297	$ 9,655	$ 18,952
2015	8,819	8,635	17,454
2016	6,976	6,865	13,841
2017	6,542	5,661	12,203
2018	5,608	5,378	10,986
2014-2018	37,242	36,194	73,436
2019-2023	29,085	24,587	53,672
2024-2028	28,291	20,236	48,527
2029-2033	22,706	12,552	35,258
After 2033	27,760	10,674	38,434

1. Please see page 44 for a definition of this convention.
2. Please see footnote 3 on page 13.

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Fixed Income Investor Presentation

December 31, 2013