



EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Equity Investor Presentation

June 30, 2015

**ASSURED
GUARANTY®**

Forward-Looking Statements and Safe Harbor Disclosure



- This presentation contains information that includes or is based upon forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements give the expectations or forecasts of future events of Assured Guaranty Ltd. (“AGL”) and its subsidiaries (collectively, “Assured Guaranty” or the “Company”). These statements can be identified by the fact that they do not relate strictly to historical or current facts and relate to future operating or financial performance. Any or all of Assured Guaranty’s forward looking statements herein are based on current expectations and the current economic environment and may turn out to be incorrect. Assured Guaranty’s actual results may vary materially. Among factors that could cause actual results to differ adversely are: (1) rating agency action, including a ratings downgrade, a change in outlook, the placement of ratings on watch for downgrade, or a change in rating criteria, at any time, of AGL or any of its subsidiaries, and/or of any securities AGL or any of its subsidiaries have issued, and/or of transactions that AGL’s subsidiaries have insured; (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, territorial and local governments and their related authorities and public corporations that Assured Guaranty insures or reinsures; (5) the failure of Assured Guaranty to realize loss recoveries that are assumed in its expected loss estimates; (6) 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 Assured Guaranty’s investment portfolio and in collateral posted by and to Assured Guaranty; (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, interest rates 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, or other governmental actions; (14) difficulties with the execution of Assured Guaranty’s business strategy; (15) loss of key personnel; (16) the effects of mergers, acquisitions and divestitures; (17) natural or man-made catastrophes; (18) other risks and uncertainties that have not been identified at this time; (19) management’s response to these factors; and (20) other risk factors identified in AGL’s filings with 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 this Form 10-Q, as well as the risk factors included in AGL’s 2014 Annual Report on Form 10-K. The Company undertakes no obligation to update publicly or review any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by law. Investors are advised, however, to consult any further disclosures the Company makes on related subjects in the Company’s reports filed with the SEC.
- If one or more of these or other risks or uncertainties materialize, or if the Company’s underlying assumptions prove to be incorrect, actual results may vary materially from what the Company projected. Any forward looking statements in this Form 10-Q reflect the Company’s current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to its operations, results of operations, growth strategy and liquidity.
- For these statements, the Company claims the protection of the safe harbor for forward looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Conventions and Non-GAAP Financial Measures



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

- **Assured Guaranty overview**
 - Track record of creating shareholder value
 - Dividend capability calculations
 - Simplified corporate structure
- **Underlying value**
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 - High-quality investment portfolio
 - Deleveraging while maintaining total invested assets
 - Investment income generates capital
 - Historical growth
- **Creating value**
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 - Radian Asset acquisition
 - Reinsurance platform
 - R&W activity
 - Loss mitigation bond purchases
 - Agreements to terminate guaranties
- **Financial results**
- **Portfolio overview**

Assured Guaranty Overview



Assured Guaranty Ltd.

(\$ in billions)	June 30, 2015	January 1, 2008 (pro forma) ¹
Net par outstanding	\$390.4	\$626.6
U.S. public finance	\$312.2	\$337.3
U.S. structured finance	\$38.9	\$185.8
Non-U.S.	\$39.3	\$103.5
Total investment portfolio + cash	\$11.7	\$8.7
Net unearned premium reserve ²	\$4.1	\$6.5
Claims-paying resources ³	\$12.6	\$11.2
Ratio of Net Par Outstanding / Claims-paying resources³	28.4	55.9

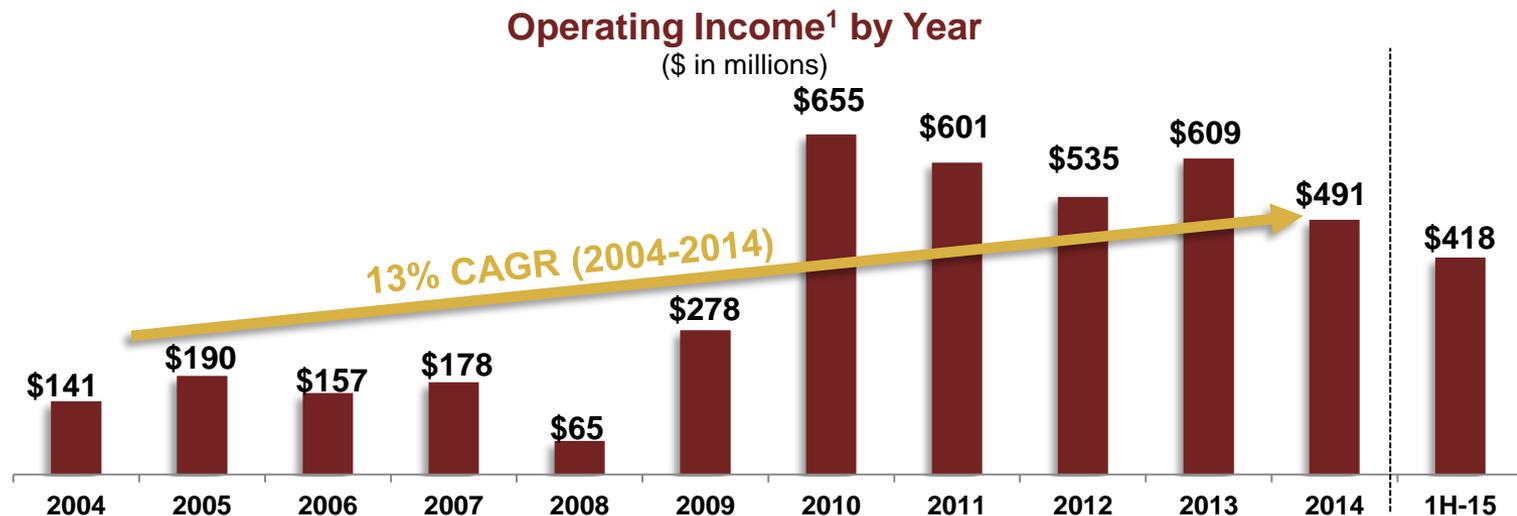
- **We are the leading financial guaranty franchise, with three decades of experience in the municipal and structured finance markets**
- **In the U.S., we serve the bond insurance market through three platforms:**
 - Assured Guaranty Municipal Corp. (AGM), rated AA+ (stable) by KBRA, AA (stable) by S&P and A2 (stable) by Moody's, focuses on public finance and infrastructure transactions
 - Municipal Assurance Corp. (MAC), rated AA+ (stable) by KBRA and AA (stable) by S&P, focuses on smaller public finance transactions
 - Assured Guaranty Corp. (AGC), rated AA (stable) by S&P and A3 (negative) by Moody's, guarantees public finance, global infrastructure and structured finance transactions
- **Our insured portfolio has an average internal rating of A**

1. 1/1/08 pro-forma includes Financial Security Assurance Holdings Ltd. fair values as of 7/1/09.

2. Unearned premium reserve net of ceded unearned premium reserve.

3. Based upon statutory accounting.

- Since our initial public offering in 2004, we have grown our annual operating income¹ from \$141 million in 2004 to \$491 million in 2014, a 13% compounded annual growth rate (CAGR)
- Operating income¹ has grown through acquisitions, new business production and other strategic activities
 - Recapture of previously ceded business
 - Acceleration of premium through termination of insured exposure



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

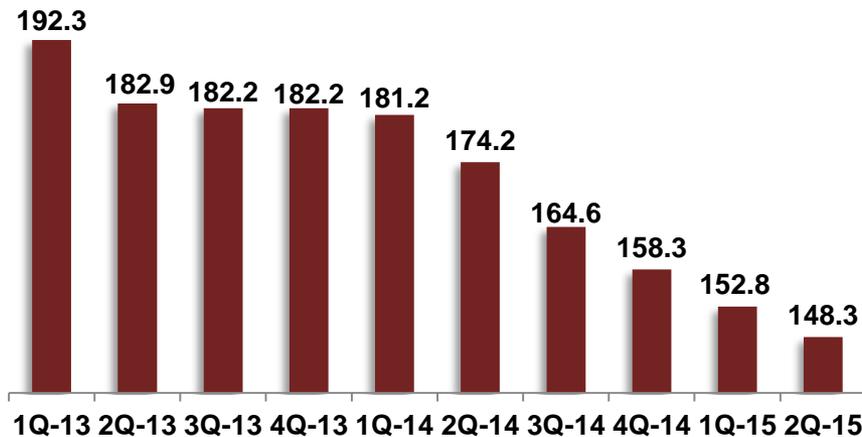
Assured Guaranty Overview

Track Record of Creating Shareholder Value

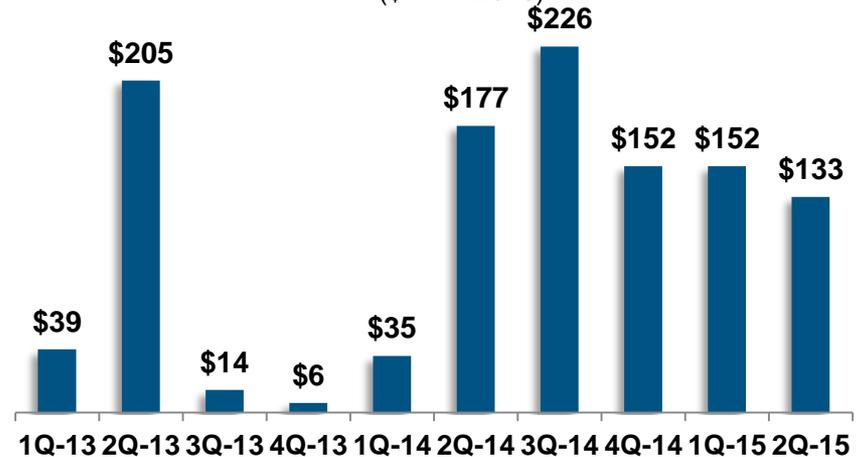


- **We have returned excess capital to shareholders by distributing dividends and repurchasing our common shares**
 - In 2014, we repurchased a total of 24.4 million common shares for approximately \$590 million at an average price of \$24.17 per share, the largest annual share repurchase in our history. Cumulatively, since we started the share buyback program in 2013, we have repurchased 25% of our shares, 49.3 million shares, for approximately \$1.2 billion through August 5, 2015
 - On May 6, 2015, in continuation of the Company's capital management strategy of repurchasing its common shares, the Company's Board of Directors approved the repurchase of an incremental \$400 million of common shares. In Second Quarter 2015, we repurchased a total of 4.7 million shares for approximately \$133 million at an average price of \$28.13 per share. Year-to-date through August 5, 2015, we have repurchased 12.4 million shares for approximately \$330 million for an average price of \$26.57 per share. As of August 5, 2015, \$280 million of total capacity remained, on a settlement basis, from all authorizations.
 - Since the 2004 IPO, we have more than tripled our quarterly dividend, reaching \$0.12 per share per quarter in 2015. We have raised our quarterly dividend for four consecutive years.

Ending Share Count by Quarter
(in millions)



Total Share Repurchase Amounts by Quarter
(\$ in millions)



Dividend Limitation Calculations

Assured Guaranty Municipal Corp. (Domiciled in New York)	Assured Guaranty Corp. (Domiciled in Maryland)	Assured Guaranty Re Ltd. (AG Re) (Domiciled in Bermuda)																																																												
<ul style="list-style-type: none"> Based on most recently filed quarterly or annual statement Only out of “earned surplus”¹ Cannot exceed the lesser of: <ul style="list-style-type: none"> (i) 10% of policyholders’ surplus, and (ii) 100% of adjusted net investment income <ul style="list-style-type: none"> – Prior 12 months’ net investment income (excluding realized gains) increased by the excess, if any, of net investment income over dividends paid for the 24 months preceding the prior 12 months. 	<ul style="list-style-type: none"> Based on most recently filed annual statement Cannot exceed the lesser of: <ul style="list-style-type: none"> (i) 10% of policyholders’ surplus, and (ii) 100% of adjusted net investment income <ul style="list-style-type: none"> – Prior year net investment income (excluding realized gains) increased by the excess, if any, of net investment income for the three years preceding the prior year over dividends paid for the three prior years. 	<ul style="list-style-type: none"> Cannot exceed 25% of total statutory capital and surplus without certification to the regulator Cannot exceed outstanding statutory surplus Must be paid from unencumbered assets Additionally, AG Re can make capital distributions which cannot exceed 15% of its total prior year statutory capital (total stat capital of \$843 million, 15% of which is \$127 million) 																																																												
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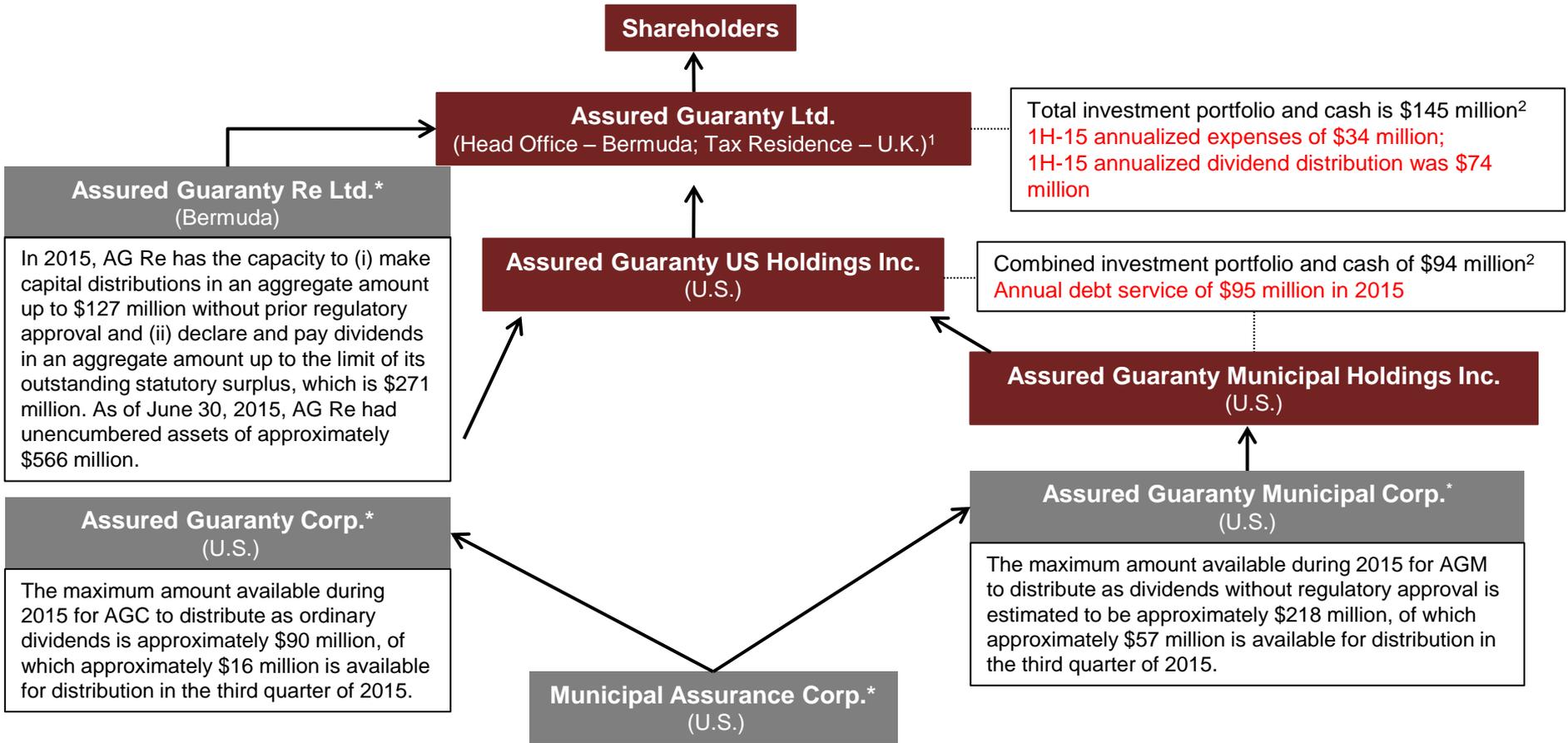
1. Earned surplus is currently approximately \$1.4 billion. Earned surplus is the portion of the company's surplus that represents the net earnings, gains or profits (after deduction of all losses) that have not been distributed to shareholders as dividends or transferred to stated capital or capital surplus, or applied to other purposes permitted by law, but does not include unrealized appreciation of assets.

2. As of June 30, 2015

Assured Guaranty Overview

Simplified Corporate Structure¹

Current Corporate Structure



Total investment portfolio and cash is \$145 million²
 1H-15 annualized expenses of \$34 million;
 1H-15 annualized dividend distribution was \$74 million

Combined investment portfolio and cash of \$94 million²
 Annual debt service of \$95 million in 2015

Assured Guaranty Re Ltd.*
(Bermuda)

In 2015, AG Re has the capacity to (i) make capital distributions in an aggregate amount up to \$127 million without prior regulatory approval and (ii) declare and pay dividends in an aggregate amount up to the limit of its outstanding statutory surplus, which is \$271 million. As of June 30, 2015, AG Re had unencumbered assets of approximately \$566 million.

Assured Guaranty Corp.*
(U.S.)

The maximum amount available during 2015 for AGC to distribute as ordinary dividends is approximately \$90 million, of which approximately \$16 million is available for distribution in the third quarter of 2015.

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

Assured Guaranty Municipal Corp.*
(U.S.)

The maximum amount available during 2015 for AGM to distribute as dividends without regulatory approval is estimated to be approximately \$218 million, of which approximately \$57 million is available for distribution in the third quarter of 2015.

The Company does not currently anticipate MAC distributing dividends.

***Please see the Appendix for more information on the operating subsidiaries' insurance regulatory dividend limitations**

1. In November 2013, AGL became tax resident in the United Kingdom. Dividends from Assured Guaranty US Holdings Inc. to AGL will be subject to a reduced withholding tax of 0% to 5% under the U.S.-U.K. double tax treaty.
 2. As of June 30, 2015

A photograph showing three construction workers on a construction site. They are standing on a grid of steel reinforcement bars (rebar) laid out on a wooden formwork. The workers are wearing white hard hats and safety glasses. One worker is wearing a white shirt and blue pants, another is wearing a yellow shirt and dark pants, and the third is wearing a white shirt and blue pants. They appear to be inspecting or working on the rebar grid. The background shows more of the construction site with wooden formwork and rebar structures.

Underlying Value

Underlying Value

Selected Company Assets and Liabilities



Selected Company Assets and Liabilities

As of June 30, 2015

(\$ in millions, except per share)

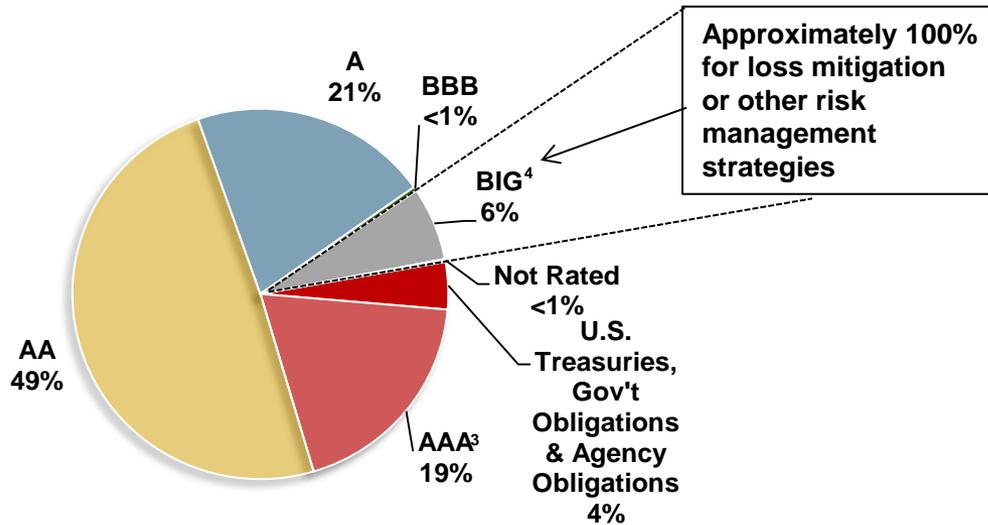
Total investment portfolio	\$11,631
Cash	\$75
Premiums receivable, net	\$703
Net unearned premium reserve	\$4,389
Expected loss to be paid, net of expected recoveries to be collected	\$1,510
Debt	\$1,594
Total investment portfolio and cash, per share	\$78.96
Expected loss to be paid, net of expected recoveries, per share	\$10.19
Debt, per share	\$10.75

- **Our investment portfolio is 91% invested in fixed income securities**
- **Net premiums receivable consists of the present value of financial guaranty insurance payments to be received in installments**

Underlying Value

High-Quality Investment Portfolio

Investments and Cash Available for Sale by Rating^{1,2}



\$11.8 billion, AA- average rating

- **Highly rated, with 70% of fixed maturity and short-term investments rated AA or higher**
- **Very liquid, with approximately \$1 billion invested in short-term investments and cash**
- **Overall duration of portfolio is 5.2 years**

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 (loss mitigation bonds) or other risk management strategies which use internal ratings classifications.
3. Included in the AAA category are short-term securities and cash.
4. Includes BIG securities that were purchased or obtained as part of loss mitigation or other risk management strategies of \$1,511 million in par with carrying value of \$737 million

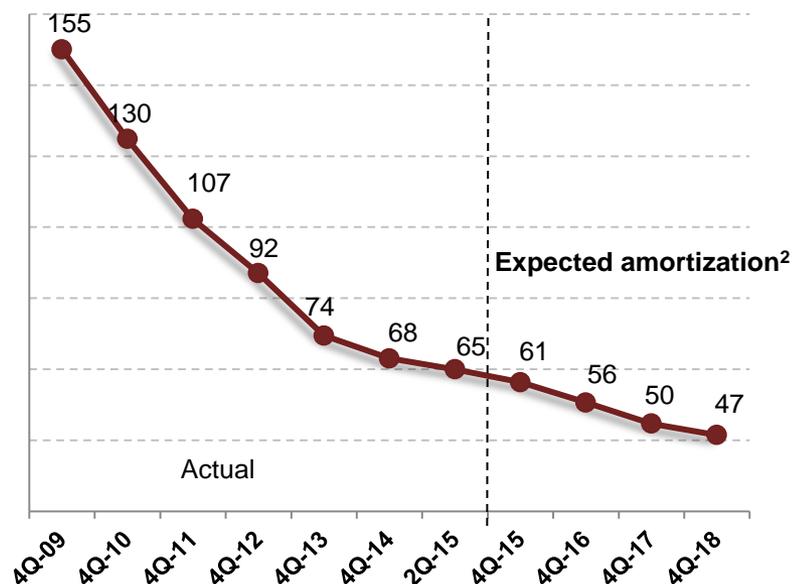
Underlying Value

Deleveraging While Maintaining Total Invested Assets

- Our net par outstanding to operating shareholders' equity¹ has declined from 155:1 in 4Q-09 to 65:1 as of 2Q-15, putting us in a stronger capital position
 - Deleveraging should continue in the near term as new business is not expected to replace the amortization of the structured finance portfolio
- Meanwhile, year-end total invested assets and cash has remained comparable to prior years

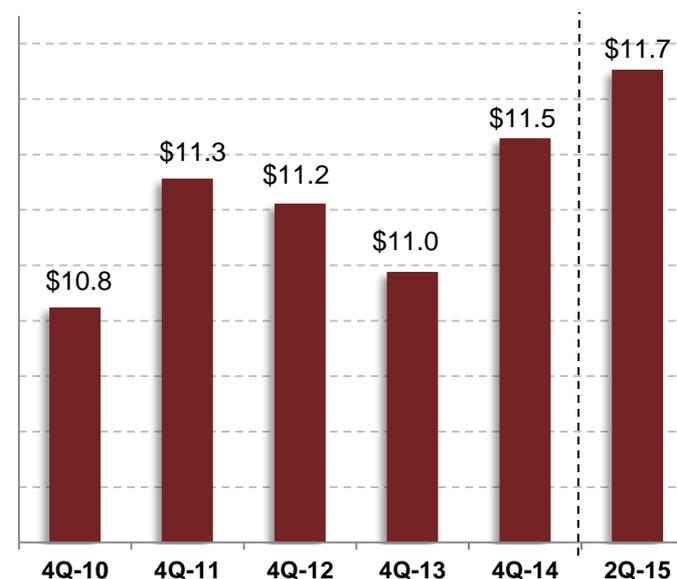
Operating Portfolio Leverage

Net Par Outstanding / Operating Shareholders' Equity¹



Total Invested Assets and Cash³

(\$ in billions)



1. For an explanation of operating shareholders' equity, a non-GAAP financial measure, please refer to the Appendix.
 2. Assumes no new business production and calculates estimated amortization divided by current operating shareholders' equity.
 3. As reported on the balance sheet.

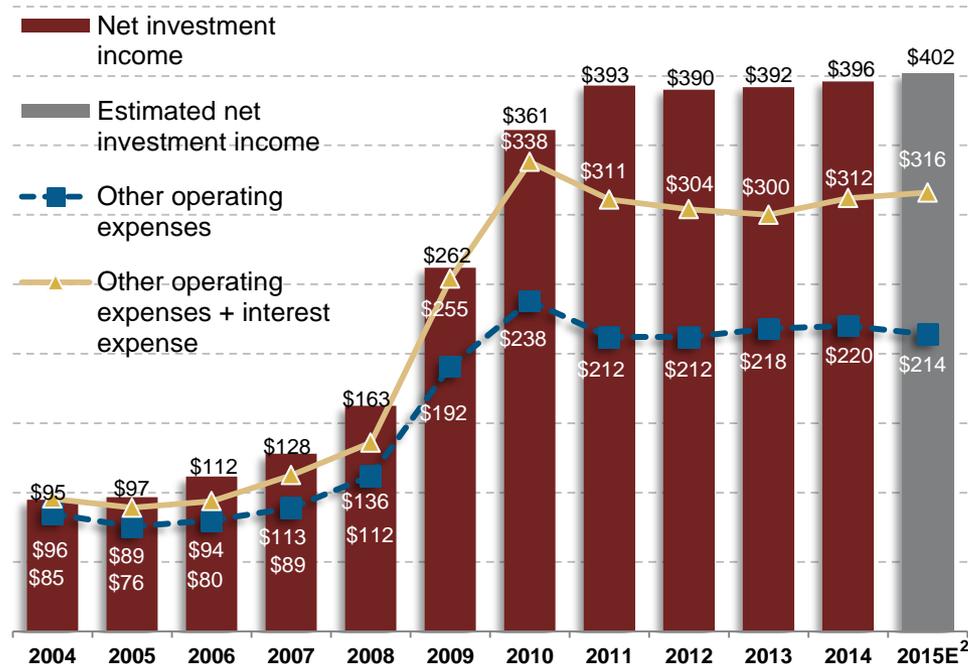
Underlying Value

Investment Income Generates Capital

- Investment income¹ is higher than the combination of operating and interest expenses, a spread that fosters capital growth
- Other operating expenses plus interest expenses have consistently been lower than in 2010
- Includes impacts from the Radian Asset acquisition completed on 4/1/2015

Investment Income¹

(\$ in millions)

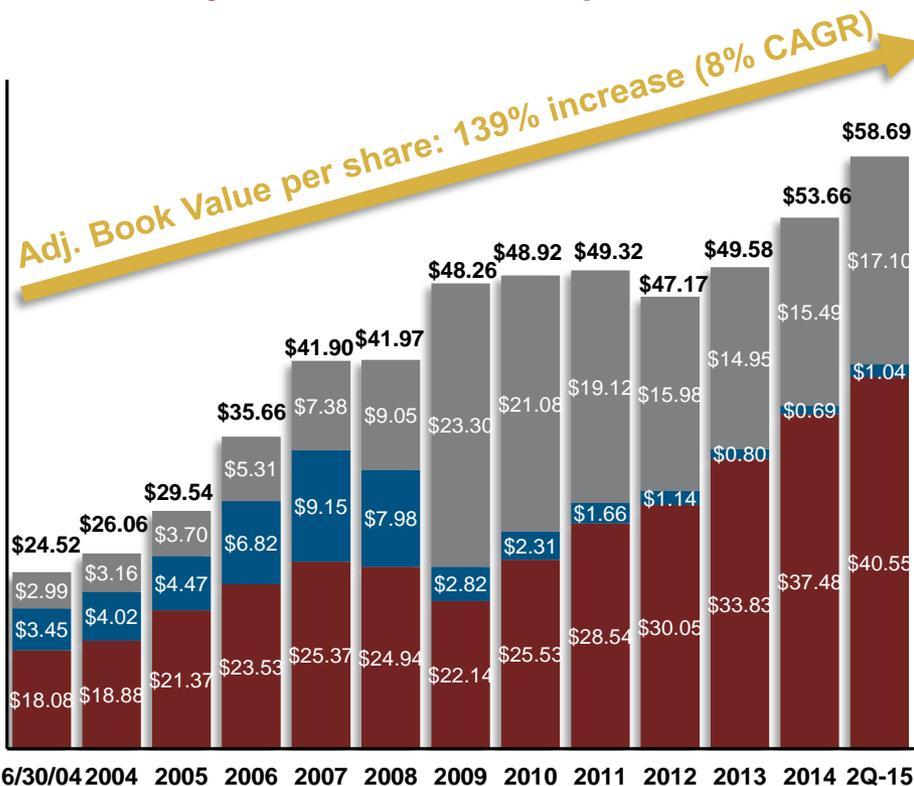


1. Investment income is used in calculating operating income, a non-GAAP financial measure. For an explanation of operating income, please refer to the Appendix.
 2. Estimated 2015 values based on YTD-15 operating net investment income of \$201 million, other operating expenses of \$121 million annualized after removing approximately \$2 million in 1Q-15 retirement-eligible expenses and \$12 million of Radian acquisition related expenses in 2Q-15. Also based on YTD-15 interest expenses of \$51 million annualized after including interest on the \$500 million 5% Senior Notes issued in June 2014.

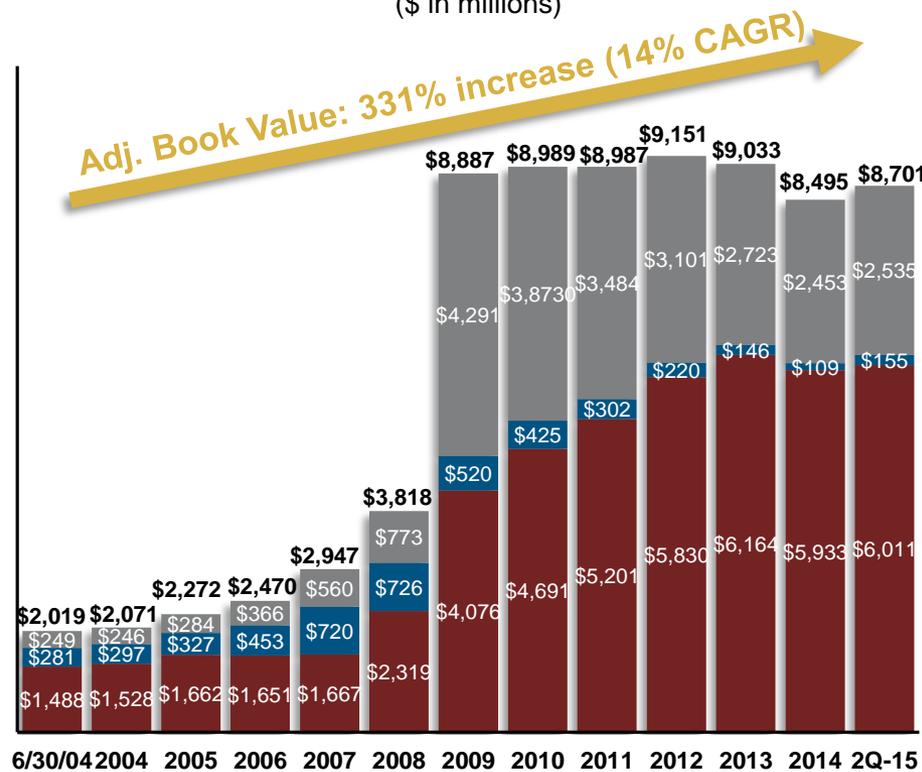
Underlying Value Historical Growth



Adjusted Book Value¹ per Share



Adjusted Book Value¹ (\$ in millions)



- Net unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed less deferred acquisition costs, after tax
- Net present value of estimated net future credit derivative revenue in force and net unearned revenue on credit derivatives, after tax
- Operating shareholders' equity¹ per share

1. For explanations of adjusted book value and net present value of estimated net future credit derivative revenue and operating shareholders' equity, which are non-GAAP financial measures, please refer to the Appendix. Effective January 1, 2012, the Company adopted new guidance on acquisition costs with retroactive application. This affected operating shareholders' equity per share and deferred acquisition cost per share, but had no effect on adjusted book value per share. Effective January 1, 2010, GAAP accounting required the consolidation of financial guaranty variable interest entities (FG VIEs) where the Company is determined to be the control party through rights under our financial guaranty insurance contracts. For those FG VIEs that the Company consolidates, it records all of the activities of the VIEs and eliminates the related insurance accounting. Operating shareholders' equity reverses the financial effect of consolidating these entities and accounts for them as financial guaranty insurance contracts in order to present the Company's insured obligations on a consistent basis.

Creating Value



Creating Value

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**

- Primary market policies in 2Q-15 totaled 317 or \$5,353 million
- Secondary market policies in 2Q-15 totaled 121 or \$259 million

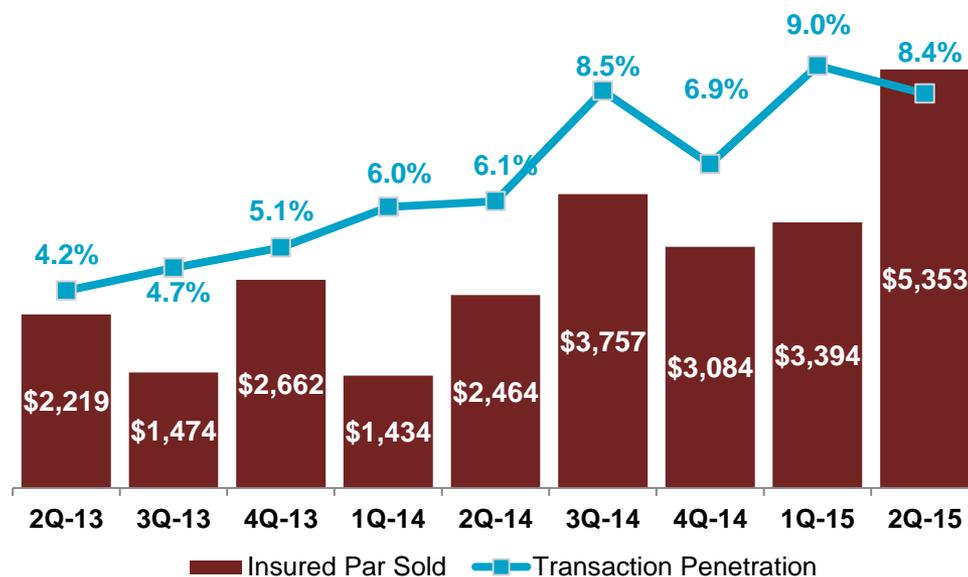
- **Despite a low interest rate environment, industry par penetration increased while industry penetration of the number of transactions was comparable over the same period in 2014**

- Industry par penetration for all transactions with underlying A ratings increased to 24.4% in 2Q-15, up from 20.7% in 2Q-14
- Industry penetration of the number of transactions with underlying A ratings of 51.5% in 2Q-15 was relatively unchanged from 52.0% in 2Q-14

- **Industry penetration for smaller deals remains strong at 16.3% of all transactions under \$25 million in 2Q-15**

**Assured Guaranty
New Issue U.S. Public Finance
Insured Par Sold and Transaction Penetration¹**

(\$ in millions)



U.S. Public Finance New Issuance	2Q-13	3Q-13	4Q-13	1Q-14	2Q-14	3Q-14	4Q-14	1Q-15	2Q-15
Total Par Issued (\$ in billions)	\$88.7	\$67.9	\$73.4	\$60.4	\$83.1	\$72.3	\$99.3	\$104.0	\$111.0
Total Transactions Issued	3,357	2,155	2,285	1,955	2,964	2,376	2,871	3,059	3,783

1. Source: SDC database. As of June 30, 2015.

Creating Value

New Business Production

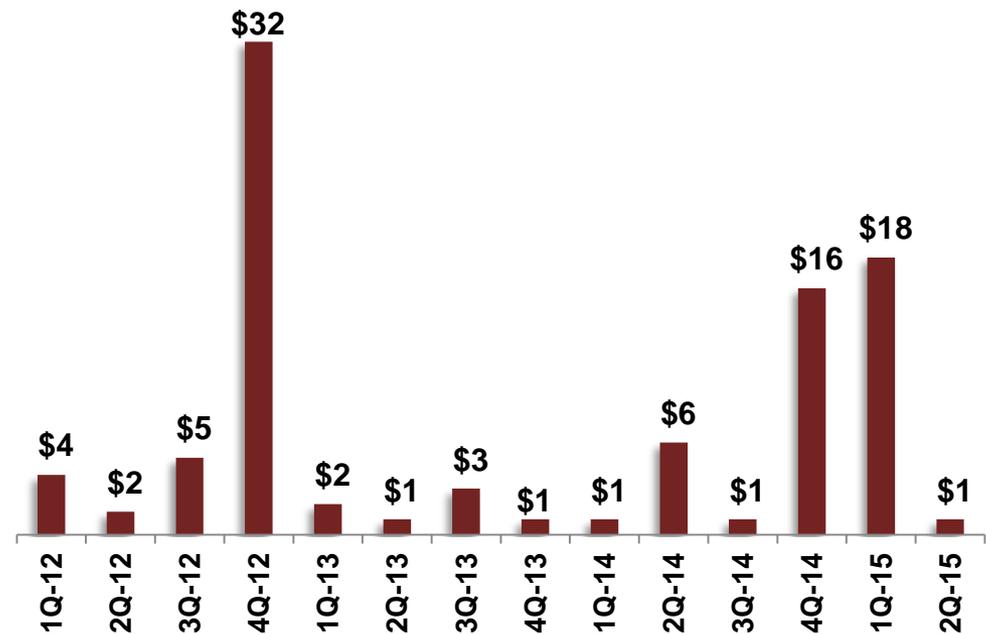
U.S. Structured Finance Business Activity



- **New structured finance business production tends to fluctuate as large, complex transactions require a long time frame to close**

U.S. Structured PVP¹

(\$ in millions)



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

Creating Value

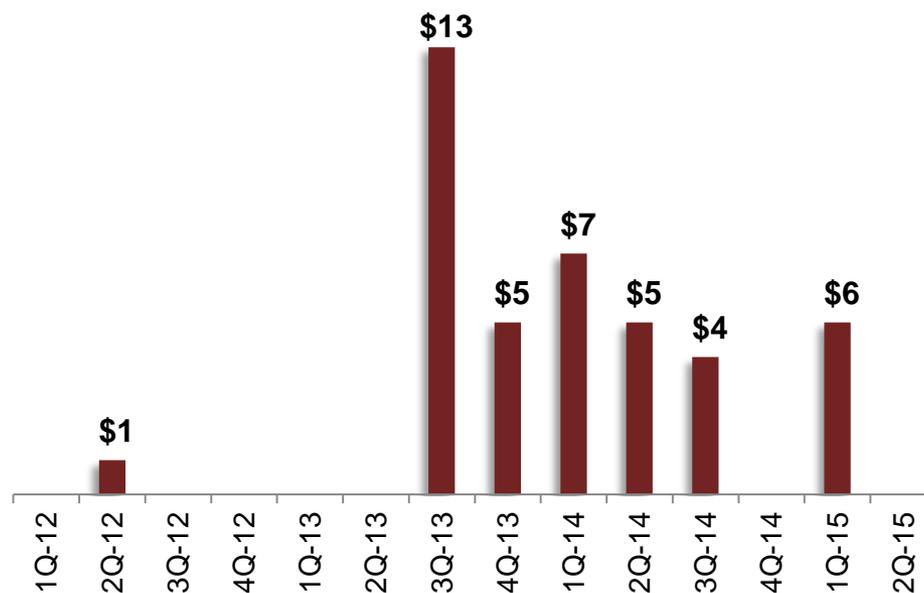
New Business Production

Non-U.S. Business Activity

- During 1Q-15, we closed a reinsurance transaction and increased non-U.S. PVP¹ by \$5 million due to a previously insured transaction
- During 3Q-14, we insured a non-U.S. diversified payment rights transaction
- During 2Q-14, we closed a non-U.S. diversified payment rights structured finance transaction
- During 1Q-14, we guaranteed a U.K. infrastructure bond

Non-U.S. PVP¹ by Quarter

(\$ in millions)



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

- Continued focus on underwriting discipline
- New business written reflects rising demand for municipal bond insurance
 - Industry's second quarter 2015 new-issue insured par was highest since third quarter 2009
 - Benchmark municipal bond rates rose approximately 50 basis points in second quarter 2015

Gross Par Written for 2Q-15 and 2Q-14

Sector:	Quarter Ended June 30, 2015		Quarter Ended June 30, 2014	
	Gross Par Written	Avg. Rating ¹	Gross Par Written	Avg. Rating ¹
U.S. public finance	\$5,581	A-	\$2,453	A-
Non-U.S. public finance	-	-	-	-
Total public finance	\$5,581	A-	\$2,453	A-
U.S. structured finance	-	-	5	A-
Non-U.S. structured finance	-	-	200	BBB+
Total structured finance	\$-	-	\$205	BBB+
Total gross par written	\$5,581	A-	\$2,658	A-

1. Average internal rating.

Radian Asset Acquisition Overview

(\$ in billions, except per share data or otherwise noted)	Radian Asset Acquisition	AGL June 30, 2015 (pro forma)
Net par outstanding	\$13.1	\$390.4
U.S. public finance	\$7.4	\$312.2
U.S. structured finance	\$4.1	\$38.9
Non-U.S.	\$1.6	\$39.3
Operating book value per share ¹	\$1.26	\$40.55
Adjusted book value per share ¹	\$3.73	\$58.69
Statutory capital (in millions)	\$494	\$6,885
Claims-paying resources (in millions)	\$650	\$12,646

- On April 1, 2015, AGC closed the acquisition of Radian Asset Assurance Inc. and merged it into AGC for a cash purchase price of \$804.5 million.
- Acquisition resulted in an after-tax bargain purchase gain and settlement of pre-existing reinsurance relationships totaling \$193 million, or \$1.27 per share for the period ended June 30, 2015.
- Of the exposure acquired, \$9.3 billion (68%) is new business; \$3.8 billion (28%) is previously ceded business; and \$0.5 billion (4%) are second-to-pay transactions Radian insured that were already insured by AGM or AGC

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

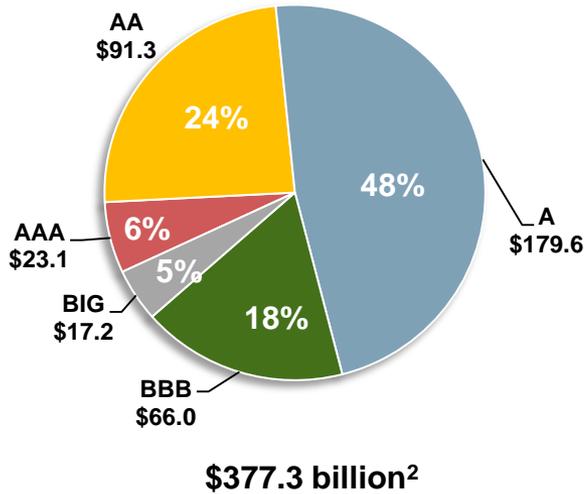
Creating Value

Radian Asset Acquisition

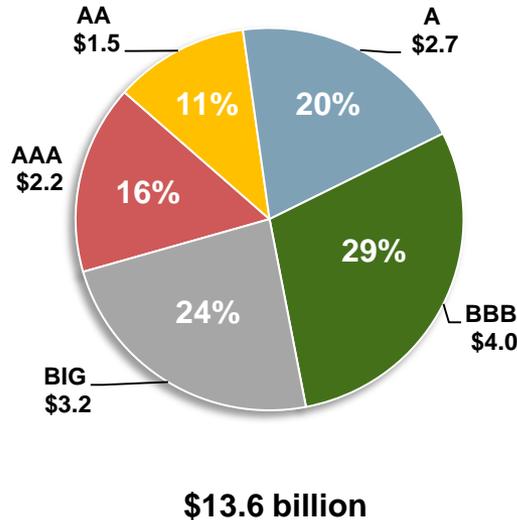


- Radian Asset acquisition adds \$9.3 billion of new net par exposure without changing the ratings distribution of our portfolio
- Bargain purchase gain and addition to claims-paying resources from transaction offsets new BIG exposure from Radian Asset, of which \$422 million is related to Puerto Rico

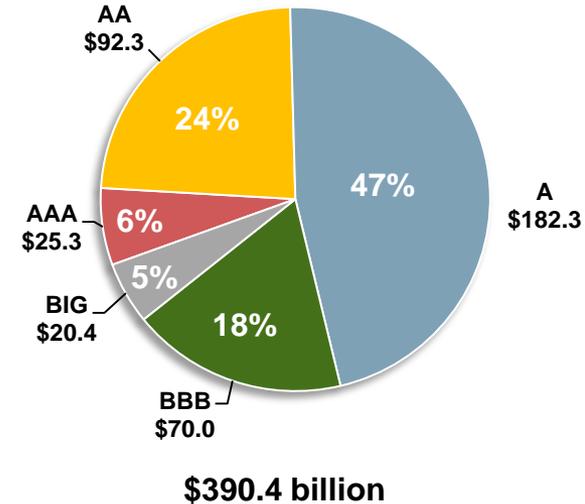
Assured Guaranty Without Radian Asset Acquisition
(As of 6/30/2015, \$ in billions)



Radian Asset Acquisition
(As of 6/30/2015, \$ in billions)



Assured Guaranty Net Par Outstanding Consolidated
(As of 6/30/2015, \$ in billions)



1. Percentages may not add due to rounding.

2. Includes \$500 million of transactions where Radian Asset provided a second-to-pay policy over securities insured by AGM or AGC and eliminated in consolidation.

- Reassumption of previously ceded business has increased the unearned premium reserve and adjusted book value¹

Year	Reassumed Par (\$ in billions)	Reassumed UPR (\$ in millions)	Commutation Gain / (Loss) (\$ in millions)
2009	\$2.9	\$65	(\$11)
2010	15.5	104	50
2011	0.3	2	24
2012	19.2	109	82
2013	0.2	11	2
2014	1.2	20	23
2015	0.1	1	33
Total	\$39.4	\$312	\$203

- 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 Reinsurer²

As of June 30, 2015

(\$ in millions)	Net Par Outstanding
American Overseas Re (formerly RAM Re)	\$6,006
Tokio Marine	\$4,768
Syncora	\$3,671
Mitsui	\$1,927
Others	\$1,083
Total	\$17,455

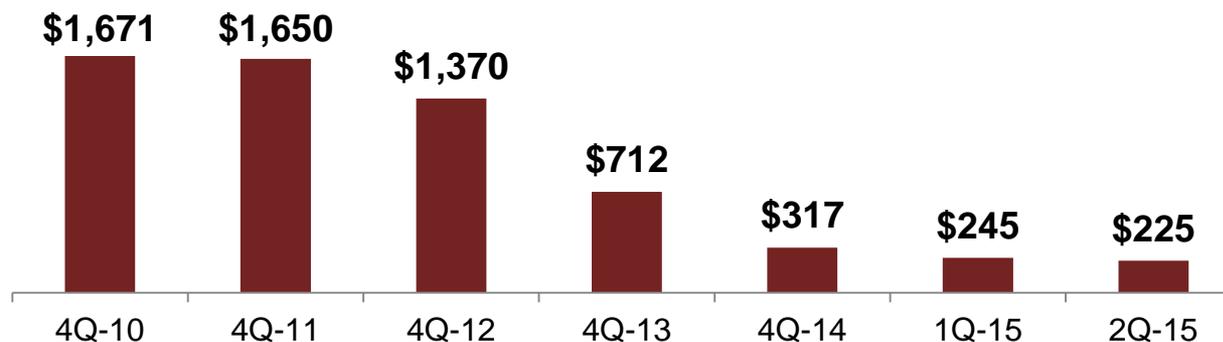
1. For an explanation of adjusted book value, which is a non-GAAP financial measure, please refer to the Appendix.

2. Includes par related to insured credit derivatives.

- The cumulative total (gross of reinsurance) of settlement receipts and commitments, R&W putback receipts, and future projected losses on terminated insurance protection was approximately \$4.2 billion^{1,2}
- Our largest agreement was with Bank of America / Countrywide, which was signed in April 2011. We have also signed agreements with Deutsche Bank, UBS, Flagstar, and Credit Suisse, as well as parties to other confidential agreements.
- As a result of our success in pursuing R&W providers, we have collected on most of the R&W breaches we have pursued and our projected future R&W benefit has declined

Future Net R&W Benefit

(\$ in millions)



1. As of June 30, 2015. 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.
2. The R&W putbacks flow through the transaction waterfalls and do not necessarily benefit us dollar-for-dollar.

Creating Value

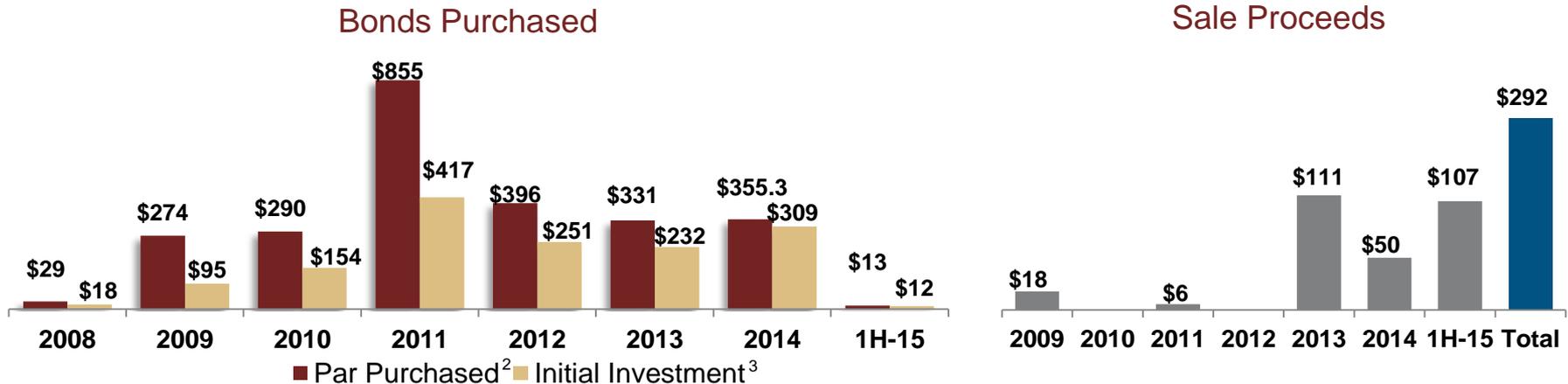
Loss Mitigation Bond Purchases



- **We purchase securities we have insured in order to reduce our losses and potentially relieve rating agency capital charges, increase future investment income and increase adjusted book value¹**
 - The amount of reserves released and the ongoing principal and interest from the bonds are expected to be greater than the purchase price
 - We have purchased approximately \$2.5 billion of par on insured securities through June 30, 2015 with an initial purchase price of approximately \$1.4 billion; of this \$2.5 billion purchased, \$1.3 billion of par remains outstanding
- **Targeted purchases are BIG securities on which claims are expected to be paid**
- **We have removed our insurance subsequent to purchasing some of our insured bonds for loss mitigation purposes and sold the bonds uninsured. This typically creates rating agency capital and an economic benefit**

Loss Mitigation Bond Purchase and Sale Program

(\$ in millions)



1. For an explanation of adjusted book value, which is a non-GAAP financial measure, please refer to the Appendix.
 2. Par at the time of purchase.
 3. Cost of purchase.

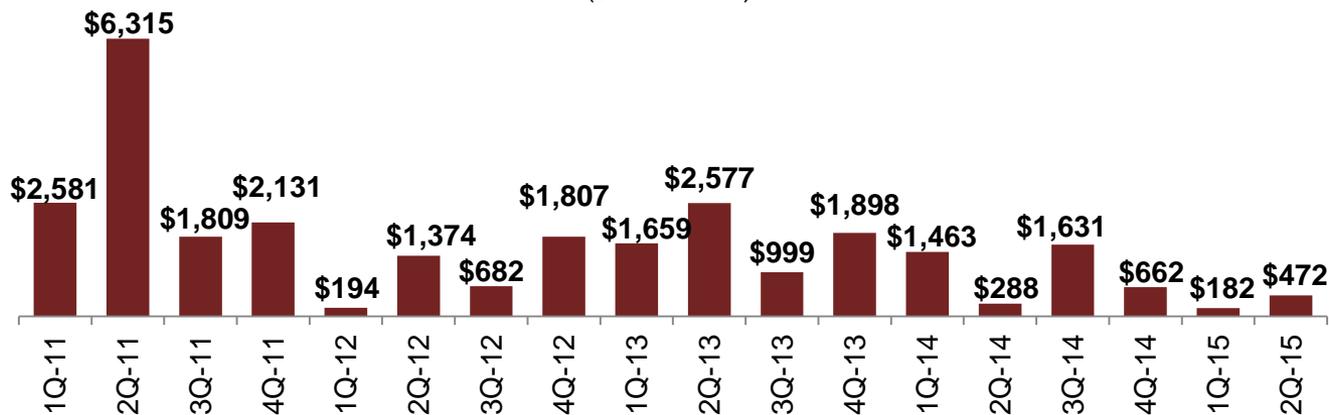
Creating Value

Agreements to Terminate Guaranties

- **Actively pursue termination of contracts**
 - At beneficiary's request: may keep all economics, possibly more
 - At our request: share economics with beneficiary
 - To eliminate high capital charges: share or possibly give up some economics
- **Since January 1, 2011, over \$29 billion of net par outstanding has been terminated, which reduces our leverage and potentially relieves rating agency capital charges**

Completed Terminations Since January 1, 2011

(\$ in millions)



Financial Results

June 30, 2015



Second Quarter 2015 Operating Results

(Excluding Consolidation of VIEs)



(\$ in millions, except per share data)	Quarter Ended June 30,		% Change vs. 2Q-14
	2015	2014	
Net earned premiums and credit derivative revenues ¹	\$259	\$162	60%
Net investment income ²	99	97	2%
Total revenues included in operating income	649	260	150%
Loss & LAE and incurred losses on credit derivatives ³	180	46	291%
Total expenses included in operating income	277	124	123%
Operating income	278	101	175%
Operating income per diluted share	1.83	0.56	227%
Operating ROE ⁴	18.7%	6.5%	12.2 pp
After-tax gain (loss) on derivatives	\$0	\$47	NM
Net income (loss)	297	159	87%
Net income (loss) per diluted share	1.96	0.89	120%

NM = Not meaningful pp = percentage points

1. Included \$5 million and \$5 million of adjustments to GAAP reported amounts during the quarters ended June 30, 2015 and 2014, respectively.

2. Included \$1 million and \$1 million of adjustments to GAAP reported amounts during the quarters ended June 30, 2015 and 2014, respectively.

3. Included \$1 million and \$7 million of adjustments to GAAP reported amounts during the quarters ended June 30, 2015 and 2014, respectively.

4. ROE calculations represent annualized returns.

Loss Expense Accounting and Economic Loss Development

- **Loss expense included in operating income¹ does not necessarily represent the Company's economic loss development in a period**
 - All losses must be calculated on a transaction by transaction basis, and each transaction's expected loss estimate plus contra-pays, net of estimated recoveries ("total losses"), is compared with the deferred premium revenue of that transaction. When the total losses exceed the deferred premium revenue, a loss is recognized in operating income for the amount of such excess
 - A portion of loss expense is the recognition of previous economic loss development that had not previously breached unearned premium reserve
- **Management uses economic loss development to evaluate credit impairments or improvements**
 - Economic loss development calculates the expected change in future losses due to change in delinquencies, interest rates, changes in discount rates, loss severities and loss mitigation and other factors that affect ultimate loss experience, excluding the effects of deferred premium revenue. The effect of changes in discount rates that is included in total economic loss development is not indicative of credit impairment or improvement

(\$ in millions, except per share data)	2Q-15	2Q-14
Loss expense (benefit) on FG and CDS included in operating income:		
Before tax	\$180	\$46
After tax	\$137	\$40
Per diluted share	\$0.90	\$0.22
Economic loss development unfavorable (favorable)		
Before tax	\$192	\$23
After tax	\$147	\$26
Per diluted share	\$0.97	\$0.14

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

Portfolio Overview

June 30, 2015



Claims-Paying Resources (as of June 30, 2015)

(\$ in millions)	AGUS Consolidated	AG Re ¹	AGL Consolidated
Policyholders' surplus	\$3,319	\$1,010	\$4,329
Contingency reserve ²	2,556	-	2,556
Qualified statutory capital	5,875	1,010	6,885
Unearned premium reserve ²	2,414	836	3,250
Loss and loss adjustment expense reserves ^{2,3}	636	323	959
Total policyholders' surplus and reserves	8,925	2,169	11,094
Present value of installment premium ²	536	166	702
Committed Capital Securities	400	-	400
Excess of loss reinsurance facility ⁴	450	-	450
Total claims-paying resources	\$10,311	\$2,335	\$12,646
Statutory net par outstanding ⁵	\$264,262	\$94,953	\$359,215
Net debt service outstanding ⁵	\$400,831	\$149,739	\$550,570
Adjusted net par outstanding to qualified statutory capital	45:1	94:1	52:1
Capital ratio ⁶	68:1	148:1	80:1
Financial resources ratio ⁷	39:1	64:1	44:1

Contribution by Company to AGUS (as of June 30, 2015)

(\$ in millions)	Qualified Statutory Capital	Policyholders' Surplus	Claims-Paying Resources
AGM, excluding investment in MAC	\$3,106	\$1,752	\$5,917
AGC, excluding investment in MAC	2,061	1,180	3,612
MAC	963	642	1,937
Eliminations	(255)	(255)	(1,155)
AGUS Consolidated	5,875	3,319	10,311
AG Re	1,010	1,010	2,335
AGL Consolidated	\$6,885	\$4,329	\$12,646

- AG Re numbers represent the Company's estimate of the application of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities.
- The numbers shown for Assured Guaranty Municipal Corp. (AGM) and Assured Guaranty Corp. (AGC) have been adjusted to include (i) their 100% share of their respective U.K. insurance subsidiaries and (ii) their indirect share of Municipal Assurance Corp. (MAC). AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. Amounts include financial guaranty insurance and credit derivatives.
- Reserves are reduced by approximately \$0.2 billion for benefit related to representation and warranty recoverables.
- Represents an aggregate \$450 million excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2014. The facility terminates on January 1, 2016, unless AGC, AGM and MAC choose to extend it.
- Net par outstanding and net debt service outstanding are presented on a 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).
- The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
- The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources.

Four Discrete Operating Companies with Separate Capital Bases



Consolidated Claims-Paying Resources and Statutory-Basis Exposures

(\$ in millions)	As of June 30, 2015					
	AGM	AGC	MAC	AG Re ¹⁰	Eliminations ⁴	Consolidated
Claims-paying resources						
Policyholders' surplus	\$ 2,181	\$ 1,393	\$ 642	\$ 1,010	\$ (897)	\$ 4,329
Contingency reserve ¹	1,548	1,008	321	-	(321)	2,556
Qualified statutory capital	3,729	2,401	963	1,010	(1,218)	6,885
Unearned premium reserve ¹	1,670	744	521	836	(521)	3,250
Loss and loss adjustment expense reserves ^{1,2}	520	116	-	323	-	959
Total policyholders' surplus and reserves	5,920	3,261	1,484	2,169	(1,739)	11,094
Present value of installment premium ¹	290	246	3	166	(3)	702
Committed Capital Securities	200	200	-	-	-	400
Excess of loss reinsurance facility ³	450	450	450	-	(900)	450
Total claims-paying resources (including MAC adjustment for AGM and AGC)	\$ 6,859	\$ 4,157	\$ 1,937	\$ 2,335	\$ (2,642)	\$ 12,646
Adjustment for MAC ⁵	942	545	-	-	(1,487)	-
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)	\$ 5,917	\$ 3,612	\$ 1,937	\$ 2,335	\$ (1,155)	\$ 12,646
Statutory net par outstanding ⁶	\$140,951	\$54,382	\$70,922	\$94,953	\$(1,993)	\$359,215
Equity method adjustment ⁷	43,050	27,872	-	-	(70,922)	-
Adjusted statutory net par outstanding ¹	\$184,001	\$82,254	\$70,922	\$94,953	\$(72,915)	\$359,215
Net debt service outstanding ⁶	\$218,848	\$80,458	\$105,416	\$149,739	\$(3,891)	\$550,570
Equity method adjustment ⁷	63,988	41,429	-	-	(105,417)	-
Adjusted net debt service outstanding ¹	\$282,836	\$121,887	\$105,416	\$149,739	\$(109,308)	\$550,570
Ratios:						
Adjusted net par outstanding to qualified statutory capital	49:1	34:1	74:1	94:1		52:1
Capital ratio ⁸	76:1	51:1	109:1	148:1		80:1
Financial resources ratio ⁹	41:1	29:1	54:1	64:1		44:1

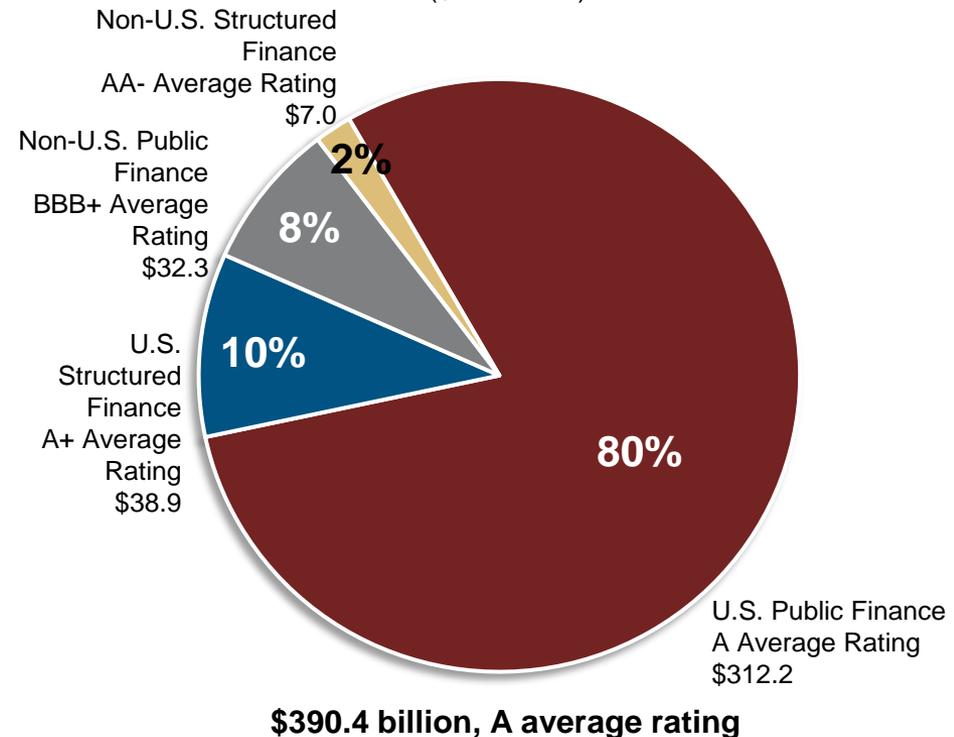
- The numbers shown for AGM and AGC have been adjusted to include (i) their 100% share of their respective U.K. insurance subsidiaries and (ii) their indirect share of MAC. AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. Amounts include financial guaranty insurance and credit derivatives.
- Reserves are reduced by approximately \$0.2 billion for benefit related to representation and warranty recoverables.
- Represents an aggregate \$450 million excess-of-loss reinsurance facility for the benefit of AGC, AGM and MAC, which became effective January 1, 2014. The facility terminates on January 1, 2016, unless AGC, AGM and MAC choose to extend it.
- Eliminations are primarily for (i) intercompany surplus notes between AGM and AGC, and between AGM and MAC, (ii) MAC amounts, whose proportionate share are included in AGM and AGC based on ownership percentages. Net par and net debt service outstanding eliminations relate to second-to-pay policies under which an Assured Guaranty insurance subsidiary guarantees an obligation already insured by another Assured Guaranty insurance subsidiary, and net par related to intercompany cessions from AGM and AGC to MAC.
- Represents adjustment for AGM's and AGC's interest and indirect ownership of MAC's total policyholders' surplus, unearned premium reserve, and loss reserves and present value of installment premium.
- Net par outstanding and net debt service outstanding are presented on a 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).
- Equity method adjustment is an adjustment made to reflect AGM's and AGC's net exposure to MAC, as determined by their indirect equity ownership.
- The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
- The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources (including MAC adjustment for AGM and AGC).
- AG Re numbers represent the Company's estimate of the application of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Net Par Outstanding By Sector

- **Assured Guaranty's portfolio is largely concentrated in U.S. public finance**
 - 80% U.S. public finance
 - 10% U.S. structured finance
 - 10% Non-U.S. public and structured finance
- **Our portfolio has an A average internal credit rating**
 - 5.2% below investment grade
- **U.S. RMBS is our largest BIG exposure**
 - \$5.4 billion (26% of total BIG) is U.S. RMBS (excludes \$846 million purchased for loss mitigation and shown as investments)
 - \$598 million comprises triple-X life securitization transactions with assets invested in RMBS (excludes \$325 million purchased for loss mitigation)

Consolidated Net Par Outstanding

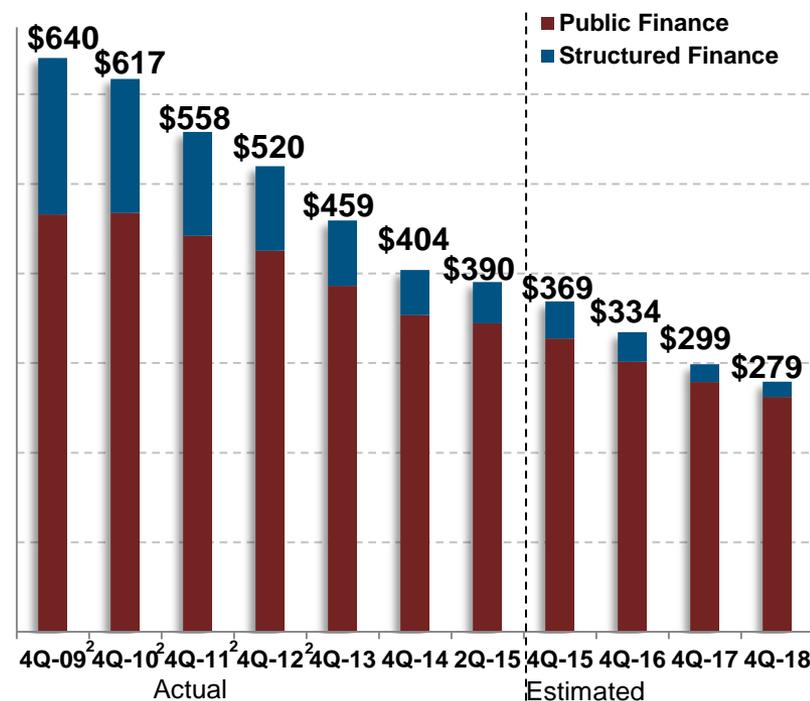
As of June 30, 2015
(\$ in billions)



- **Amortization of the portfolio reduces rating agency capital charges, but also embedded future earned premiums**
- **Public finance exposure amortizes at a steady rate**
 - \$345 billion outstanding
 - 5% expected to amortize by the end of 2015; 12% by the end of 2016; 19% by the end of 2017
- **Structured finance exposure amortizes quickly**
 - \$46 billion outstanding
 - 10% expected to amortize by the end of 2015; 28% by the end of 2016; 57% by the end of 2017
- **New direct or assumed business originations, and reassumptions, will increase future premiums**

Consolidated Net Par Outstanding Amortization¹

As of June 30, 2015
(\$ in billions)

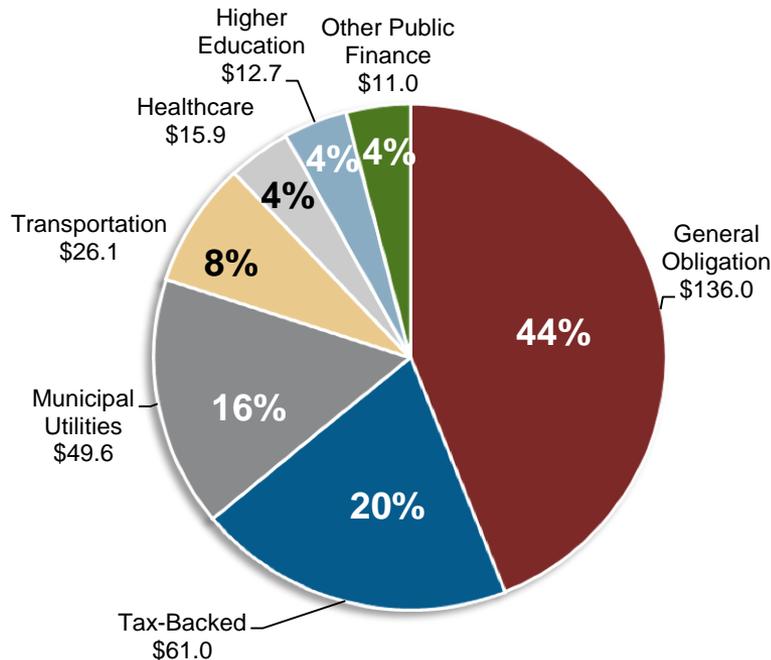


1. Represents the future expected amortization of current net par outstanding as of June 30, 2015. Actual amortization of the existing portfolio will differ from the expected shown here because, for example, (1) some obligors may call, prepay or defease guaranteed obligations (e.g., in the context of U.S. public finance refundings), and (2) the expected amortization of structured finance transactions is based in part on management's assumptions regarding the performance of the underlying assets while the actual performance of those assets may differ from management's assumptions. Actual amortization of the U.S. public and global infrastructure finance portfolio and the structured finance portfolio may be faster or slower than expected by management, both portfolios may differ in the same direction and one portfolio may amortize more quickly while the other may amortize more slowly.
2. Gross of wrapped bond purchases made primarily for loss mitigation.

U.S. Public Finance Net Par Outstanding

U.S. Public Finance

As of June 30, 2015
(\$ in billions)



\$312.2 billion, A average rating

- **U.S. public finance net par outstanding is \$312.2 billion and makes up 80% of our total insured portfolio as of June 30, 2015**
- **Our U.S. public finance portfolio performed well during the recession and in subsequent years, despite persistent financial pressures on municipal obligors**
 - Out of approximately 9,700 direct U.S. public finance obligors, we expect future losses to be paid, net of recoveries, on less than a dozen. In 2Q-15, we made payments on only three.
- **General obligation, tax-backed and municipal utilities represent 79% of U.S. public finance net par outstanding**
 - 63% of total net par outstanding

Public Finance

Puerto Rico Exposure



- In Second Quarter 2015, the Company's Puerto Rico exposures increased due to the Radian Asset acquisition and a commutation of previously ceded Puerto Rico exposures. Net par increased by \$490 million.
- On June 28, 2015, Governor García Padilla of Puerto Rico publicly stated that the Commonwealth's public debt, considering the current level of activity, is unpayable and that a comprehensive debt restructuring may be necessary. Following the Puerto Rico Governor's speech indicating an inability to pay all its debt, the Company internally downgraded all its Puerto Rico exposures.

Par Exposure to the Commonwealth and its Agencies

As of June 30, 2015

As of July 31, 2015

	As of June 30, 2015			As of July 31, 2015	
	Net Par Outstanding	Gross Par Outstanding	Internal Rating	Net Par Outstanding	
(\$ in millions)					
Previously Subject to the Voided Recovery Act	Puerto Rico Highways and Transportation Authority (Transportation Revenue Bonds)	\$934	\$961	CCC-	\$909
	Puerto Rico Electric Power Authority	818	1,015	CC	744
	Puerto Rico Aqueduct and Sewer Authority	403	403	CCC	388
	Puerto Rico Highways and Transportation Authority (Highway Revenue Bonds)	376	582	CCC	370
	Puerto Rico Convention Center District Authority	174	174	CCC-	164
	Subtotal	\$2,705	\$3,135	CCC	\$2,574
Not Previously Subject to the Voided Recovery Act	Commonwealth - General Obligation Bonds	\$1,744	\$1,889	CCC	\$1,619
	Puerto Rico Municipal Finance Agency	444	656	CCC-	434
	Puerto Rico Sales Tax Finance Corp. (COFINA)	269	269	CCC+	269
	Puerto Rico Public Buildings Authority	216	221	CCC	188
	Government Development Bank for Puerto Rico	33	33	CCC	33
	Puerto Rico Infrastructure Financing Agency	18	18	CCC-	18
	University of Puerto Rico	1	1	CCC-	1
	Subtotal	\$2,725	\$3,087	CCC	\$2,563
Total¹	\$5,430	\$6,222	CCC-	\$5,137	

- AGL's consolidated net par outstanding is divided between its subsidiaries as follows: \$2.3 billion at AGM, \$1.8 billion at AGC, \$1.4 billion at AG Re, and \$0 at MAC. A portion of the subsidiary level exposure is eliminated upon consolidation due to instances where one subsidiary insured bonds that were previously insured by another subsidiary.
- Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of \$36 million and a fully accreted net par at maturity of \$72 million. Of these amounts, current net par of \$17 million and fully accreted net par at maturity of \$50 million relate to the Puerto Rico Sales Tax Financing Corporation, current net par of \$14 million and fully accreted net par at maturity of \$15 million relate to the Puerto Rico Highway and Transportation Authority, and current net par of \$4 million and fully accreted net par at maturity of \$5 million relate to the Commonwealth General Obligation Bonds.

Public Finance

Puerto Rico Exposure



Net Par Exposure to the Commonwealth and its Agencies

As of June 30, 2015

As of July 31, 2015

(\$ in millions)		Excluding Impact of Radian Acquisition & Reinsurance Commutation	Impact of Radian Acquisition & Reinsurance Commutation	Total	Total
Previously Subject to the Voided Recovery Act	Puerto Rico Highways and Transportation Authority (Transportation Revenue Bonds)	\$844	\$90	\$934	\$909
	Puerto Rico Electric Power Authority	773	45	818	744
	Puerto Rico Aqueduct and Sewer Authority	384	19	403	388
	Puerto Rico Highways and Transportation Authority (Highway Revenue Bonds)	273	103	376	370
	Puerto Rico Convention Center District Authority	174	-	174	164
	Subtotal	\$2,448	\$257	\$2,705	\$2,574
Not Previously Subject to the Voided Recovery Act	Commonwealth - General Obligation Bonds	\$1,672	\$72	\$1,744	\$1,619
	Puerto Rico Municipal Finance Agency	399	45	444	434
	Puerto Rico Sales Tax Finance Corp. (COFINA)	269	-	269	269
	Puerto Rico Public Buildings Authority	100	116	216	188
	Government Development Bank for Puerto Rico	33	-	33	33
	Puerto Rico Infrastructure Financing Agency	18	-	18	18
	University of Puerto Rico	1	-	1	1
Subtotal	\$2,492	\$233	\$2,725	\$2,563	
Total	\$4,940	\$490	\$5,430	\$5,137	

Public Finance

Puerto Rico Exposure



Scheduled Net Par Amortization of Exposure to the Commonwealth and its Agencies^{1,2,3}

As of June 30, 2015

(\$ in millions)		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	2045-2047	Total	
Previously Subject to the Voided Recovery Act	Highways and Transportation Authority (Transportation Revenue Bonds)	\$25	\$32	\$36	\$42	\$28	\$23	\$18	\$19	\$21	\$1	\$148	\$166	\$293	\$82	\$-	\$934	
	Electric Power Authority Aqueduct and Sewer Authority	75	20	5	4	25	42	22	22	81	78	319	121	4	-	-	818	
	Highways and Transportation Authority (Highway Revenue Bonds)	14	15	-	-	-	-	-	-	-	2	109	-	2	15	246	403	
	Convention Center District Authority	6	20	10	10	21	22	26	6	8	8	24	142	73	-	-	376	
		11	11	-	-	-	-	-	-	-	-	-	19	76	57	-	-	174
	Subtotal	\$131	\$98	\$51	\$56	\$74	\$87	\$66	\$47	\$110	\$89	\$619	\$505	\$429	\$97	\$246	\$2,705	
Not Previously Subject to the Voided Recovery Act	Commonwealth - GO	\$124	\$142	\$95	\$75	\$82	\$137	\$16	\$37	\$15	\$73	\$286	\$397	\$265	\$-	\$-	\$1,744	
	Municipal Finance Agency	57	55	47	47	44	37	33	33	16	12	59	4	-	-	-	444	
	Sales Tax Finance Corp. (COFINA)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	1	0	(10)	34	(1)	255	-	269	
	Public Buildings Authority	27	8	30	-	5	10	13	0	7	0	60	39	17	-	-	216	
	Government Development Bank	33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33	
	Infrastructure Financing Agency	-	-	-	2	-	-	-	-	2	-	-	-	2	12	-	18	
	University of Puerto Rico	0	0	0	0	0	0	0	0	0	0	0	1	-	-	-	1	
Subtotal	\$240	\$204	\$171	\$123	\$130	\$183	\$60	\$68	\$41	\$85	\$395	\$475	\$283	\$267	\$-	\$2,725		
Total	\$371	\$302	\$222	\$179	\$204	\$270	\$126	\$115	\$151	\$174	\$1,014	\$980	\$712	\$364	\$246	\$5,430		

- Reported figures reflect the impact of the Radian Asset acquisition, which increased net par by \$422 million; and a commutation of previously ceded Puerto Rico exposures.
- In July 2015, various Puerto Rico issuers made scheduled principal payments, reducing Assured Guaranty's aggregate net par exposure by \$293 million. Of that amount, \$124 million related to Commonwealth General Obligation bonds and \$75 million related to Puerto Rico Electric Power Authority revenue bonds.
- Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of \$36 million and a fully accreted net par at maturity of \$72 million. Of these amounts, current net par of \$17 million and fully accreted net par at maturity of \$50 million relate to the Puerto Rico Sales Tax Financing Corporation, current net par of \$14 million and fully accreted net par at maturity of \$15 million relate to the Puerto Rico Highway and Transportation Authority, and current net par of \$4 million and fully accreted net par at maturity of \$5 million relate to the Commonwealth General Obligation Bonds.

Public Finance

Puerto Rico Exposure



Scheduled Net Debt Service Amortization of Exposure to the Commonwealth and its Agencies^{1,2,3}

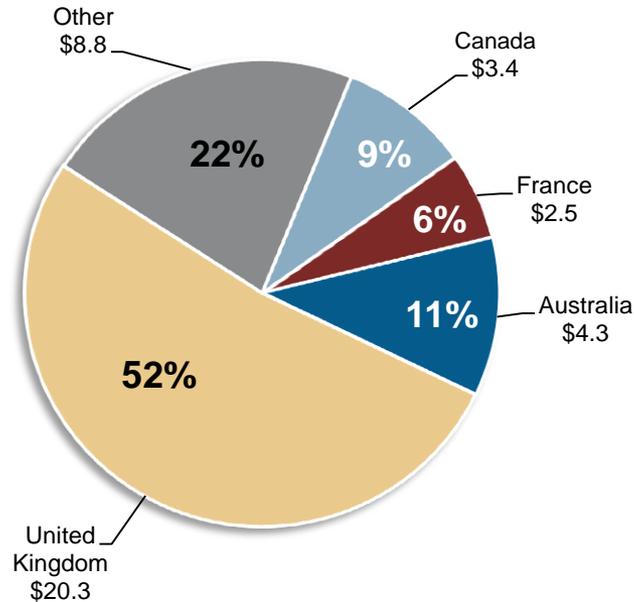
As of June 30, 2015

(\$ in millions)		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	2045-2047	Total	
Previously Subject to the Voided Recovery Act	Highways and Transportation Authority (Transportation Revenue Bonds)	\$49	\$80	\$82	\$86	\$69	\$63	\$57	\$57	\$58	\$37	\$314	\$294	\$354	\$89	\$-	\$1,689	
	Electric Power Authority	94	55	38	37	58	74	52	50	109	102	389	136	5	-	-	1,199	
	Aqueduct and Sewer Authority	25	35	19	19	19	19	19	19	19	21	191	68	70	82	272	897	
	Highways and Transportation Authority (Highway Revenue Bonds)	17	40	29	29	39	39	42	20	21	20	86	186	78	-	-	646	
	Convention Center District Authority	15	19	7	7	7	7	7	7	7	7	52	103	60	-	-	305	
	Subtotal	\$198	\$229	\$175	\$178	\$192	\$202	\$177	\$153	\$214	\$187	\$1,032	\$787	\$567	\$171	\$272	\$-	\$4,736
Not Previously Subject to the Voided Recovery Act	Commonwealth - GO	\$169	\$226	\$172	\$146	\$150	\$201	\$73	\$93	\$69	\$127	\$506	\$547	\$295	\$-	\$-	\$2,774	
	Municipal Finance Agency	68	74	64	62	56	47	40	39	21	16	68	4	-	-	-	559	
	Sales Tax Finance Corp. (COFINA)	6	13	13	13	13	13	13	13	16	15	64	107	64	283	-	646	
	Public Buildings Authority	33	18	39	8	12	18	20	6	14	6	82	50	18	-	-	324	
	Government Development Bank	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35	
	Infrastructure Financing Agency	0	1	1	3	1	1	1	1	1	3	1	3	3	5	13	-	37
	University of Puerto Rico	0	0	0	0	0	0	0	0	0	0	0	0	1	-	-	-	1
	Subtotal	\$311	\$332	\$289	\$232	\$232	\$280	\$147	\$152	\$123	\$165	\$723	\$712	\$382	\$296	\$-	\$-	\$4,376
Total	\$511	\$561	\$464	\$410	\$424	\$482	\$324	\$305	\$337	\$352	\$1,755	\$1,499	\$949	\$467	\$272	\$-	\$9,112	

1. Reported figures reflect the impact of the Radian Asset acquisition, which increased net debt service outstanding by \$670 million; and a commutation of previously ceded Puerto Rico exposures.
2. In July 2015, various Puerto Rico issuers made scheduled debt service payments, reducing Assured Guaranty's aggregate net debt service exposure by \$409 million. Of that amount, \$166 million related to Commonwealth General Obligation bonds and \$92 million related to Puerto Rico Electric Power Authority revenue bonds.
3. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of \$36 million and a fully accreted net par at maturity of \$72 million. Of these amounts, current net par of \$17 million and fully accreted net par at maturity of \$50 million relate to the Puerto Rico Sales Tax Financing Corporation, current net par of \$14 million and fully accreted net par at maturity of \$15 million relate to the Puerto Rico Highway and Transportation Authority, and current net par of \$4 million and fully accreted net par at maturity of \$5 million relate to the Commonwealth General Obligation Bonds.

Non-U.S. Exposure

As of June 30, 2015
(\$ in billions)

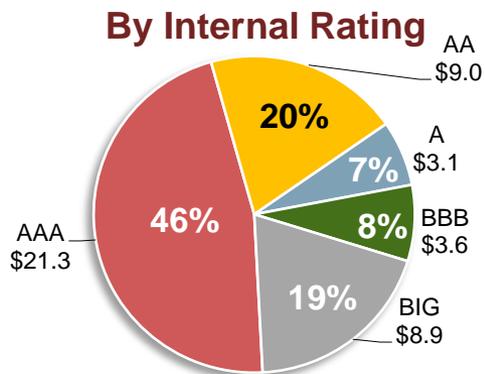
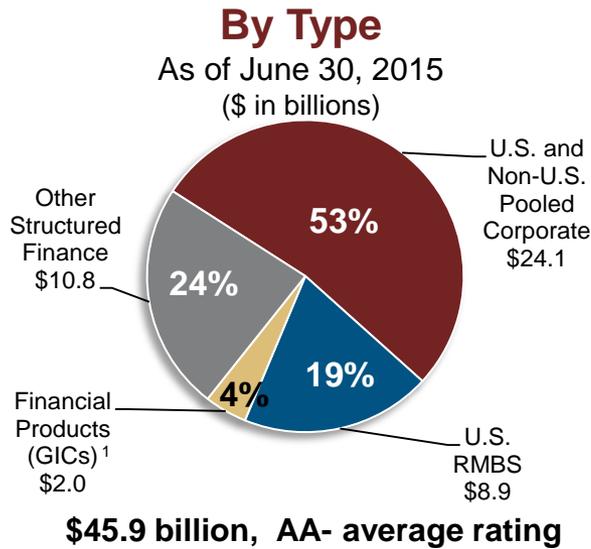


\$39.3 billion, A- average rating

- **Non-U.S. exposure is 82% public finance and 18% structured finance**
- **Approximately 66% of non-U.S. structured exposure is to pooled corporates**
 - 75% are rated A or higher
- **Direct sovereign debt is limited to:**
 - Poland \$199 million

Structured Finance Exposures

Net Par Outstanding



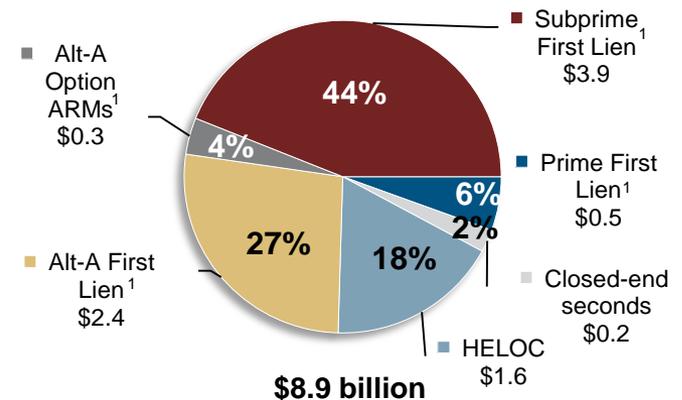
- **We expect Assured Guaranty's global structured finance insured portfolio (\$45.9 billion as of June 30, 2015) to amortize rapidly – 10% by year-end 2015 and 57% by year-end 2017**
 - \$24.1 billion in global pooled corporate obligations expected to be reduced by 10% by year-end 2015 and by 78% by year-end 2017
 - \$8.9 billion in U.S. RMBS expected to be reduced by 9% by year-end 2015 and by 37% by year-end 2017
- **Assured Guaranty's total structured finance exposures of \$240.9 billion at December 31, 2007 have declined by \$195.0 billion to \$45.9 billion through June 30, 2015, a 81% reduction, or approximately \$26 billion per year**

1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia. As of June 30, 2015, the aggregate accreted balance of the guaranteed investment contracts (GICs) was approximately \$2.0 billion. As of the same date, with respect to the assets supporting the GIC business, the aggregate accreted principal balance was approximately \$3.0 billion, the aggregate market value was approximately \$2.8 billion and the aggregate market value after agreed reductions was approximately \$2.0 billion. Cash and positive derivative value roughly offset the negative derivative values and other projected costs.

- **Our \$9.0 billion U.S. RMBS portfolio is amortizing both on a dollar basis and as a percentage of the portfolio**
 - Total U.S. RMBS has declined by \$29.2 billion at December 31, 2009 to \$9.0 billion at June 30, 2015, a \$20.2 billion or 69% reduction, exclusive of \$921 million outstanding par of loss mitigation RMBS securities held in investments at June 30, 2015
- **Our loss reserving methodology is driven by our assumptions on several factors:**
 - Liquidation rate
 - Conditional default rate
 - Conditional prepayment rate
 - Loss severity
- **We have significantly mitigated ultimate losses**
 - R&W putbacks, litigation and agreements
 - Wrapped bond purchases
 - Terminations of below investment grade credits

U.S. RMBS by Exposure Type

As of June 30, 2015
(\$ in billions)

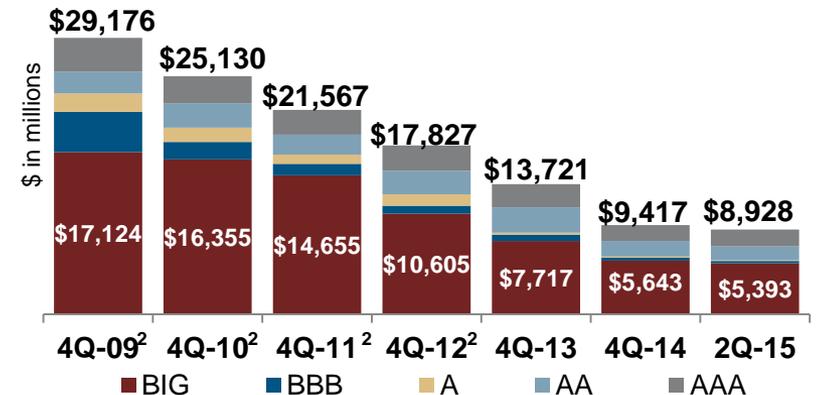


\$8.9 billion

(2.3% of total net par outstanding)

U.S. RMBS by Rating

Net Par Outstanding from December 31, 2009 to June 30, 2015



1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to collateralized reinsurance arrangements.

2. Gross of wrapped bond purchases made primarily for loss mitigation until 4Q-13

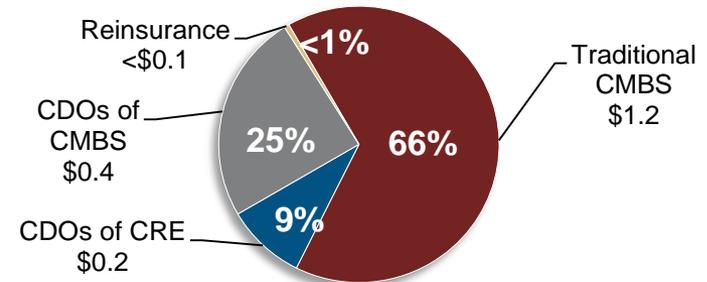
U.S. CMBS & Direct Pooled Corporate Obligations Exposures

- **Our CMBS portfolio was largely triple-A at underwriting and remains highly rated as of June 30, 2015**
 - 100% of traditional direct U.S. CMBS exposure was assigned ratings of AAA as of June 30, 2015
- **Most of our direct pooled corporate exposure is highly rated and well protected**
 - 71% rated AAA
 - Average credit enhancement (CE) of 32.1%
- **Within our direct pooled corporate exposure, our \$4.8 billion of Trust Preferred Securities (TruPS) CDO is diversified by region and collateral type**
 - Includes more than 1,500 underlying issuers
 - All our exposure at the CDO level is to the most senior debt tranche
 - Weighted average rating of BBB, weighted average adjusted current CE² of 42.9%

1. CLOs are collateralized loan obligations. CBOs are collateralized bond obligations.
 2. Adjusted current CE is the amount of collateral par above senior liabilities (and shown as a percentage of total collateral) with adjustments made for restructured collateral (to reflect expected reduced cashflow) and for non-performing collateral; U.S. Mortgage & Real Estate TruPS CDOs also include an adjustment to reflect overhedging and outstanding hedge termination payments obligations. Some asset classes may not have subordinated tranches so they are excluded from the weighted averages.

U.S. CMBS by Exposure Type

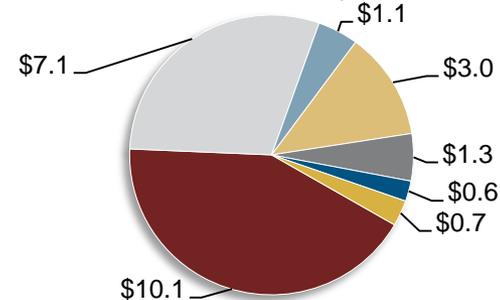
As of June 30, 2015



\$1.7 billion, AA average rating

Direct Pooled Corporate Obligations By Asset Class

As of June 30, 2015



\$23.9 billion, AA+ average rating

- CLOs/CBOs¹
- Synthetic investment grade pooled corporates
- Market value CDOs of corporates
- TruPS - Banks and insurance
- TruPS - U.S. mortgage and REITs
- TruPS - European mortgage and REITs
- Other pooled corporates

Below Investment Grade Exposures

Net Par Outstanding by BIG Category¹

Financial Guaranty Insurance and Credit Derivatives Surveillance Categories

- **Category 1 BIG, which are transactions that show sufficient deterioration to make future losses possible but for which none are currently expected, totaled \$12.7 billion at June 30, 2015**
- **Approximately \$3 billion in BIG exposure from the Radian Asset acquisition was added to BIG net par outstanding in 2Q-15, of which \$422 million is related to Puerto Rico**

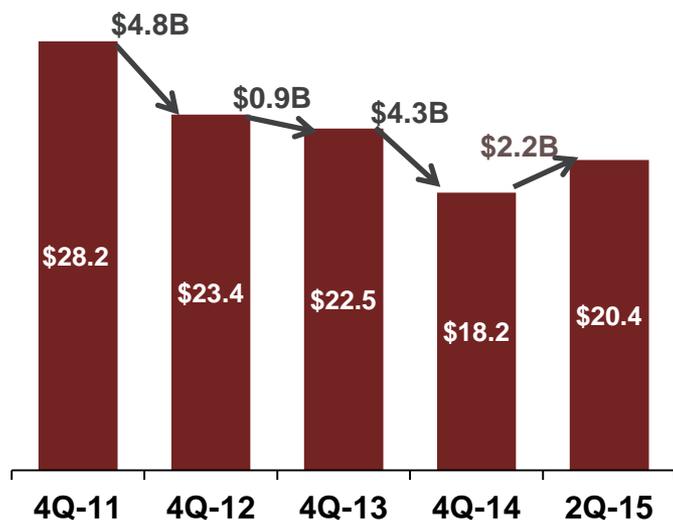
(\$ in millions)	June 30, 2015	December 31, 2014
Category 1		
U.S. public finance	\$7,622	\$6,577
Non-U.S. public finance	952	1,402
U.S. structured finance	3,475	3,124
Non-U.S. structured finance	673	762
Total Category 1	\$12,722	\$11,865
Category 2		
U.S. public finance	\$2,132	\$1,156
Non-U.S. public finance	659	2
U.S. structured finance	1,276	1,486
Non-U.S. structured finance	45	45
Total Category 2	\$4,112	\$2,689
Category 3		
U.S. public finance	\$143	\$117
Non-U.S. public finance	-	-
U.S. structured finance	3,427	3,576
Non-U.S. structured finance	-	-
Total Category 3	\$3,570	\$3,693
BIG Total	\$20,404	\$18,247

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

BIG Exposure Decline

- Since 4Q-11, BIG net par outstanding has declined by \$7.8 billion^{1,2}
- The largest components of our BIG exposure are Puerto Rico at 27% and U.S. RMBS at 26%
- Approximately \$3 billion in BIG exposure from the Radian acquisition were added to BIG net par outstanding in 2Q-15, of which \$422 million is related to Puerto Rico

BIG Net Par Outstanding
(\$ in billions)



Changes in BIG Net Par Outstanding

(\$ in millions)	Full Year 2012	Full Year 2013	Full Year 2014	1Q-15	2Q-15
Beginning BIG par	\$28,214	\$23,392	\$22,537	\$18,247	\$17,860
Amortization / Paid	(4,049)	(2,660)	(2,126)	(250)	(355)
R&W RMBS Settlement Reclassifications	(1,782)	(531)	-	-	-
FX Change	48	(98)	(185)	(127)	41
Terminations	-	(452)	(922)	(77)	(1)
Removals / Upgrades	(711)	(1,346)	(1,003)	(169)	(920)
Additions / Downgrades	1,672	5,746	261	246	3,782
Adjustments ²	-	(1,513)	(315)	(10)	(3)
Total Decrease / Increase	(4,822)	(854)	(4,290)	(387)	2,544
Ending BIG par	\$23,392	\$22,537	\$18,247	\$17,860	\$20,404

1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to reinsurance agreements or arrangements.
2. Adjustments include movement due to reclassification of internal ratings due to reinsurance agreements or arrangements as well as benefits from the loss mitigation bond purchase program.

BIG Exposures > \$250 Million

(\$ in millions)

BIG Exposures Greater Than \$250 Million as of June 30, 2015

<u>Type¹</u>	<u>Name or Description</u>	<u>Net Par Outstanding</u>	<u>Internal Rating</u>	<u>Current Credit Enhancement²</u>	<u>60+ Day Delinquencies³</u>
PF	Puerto Rico General Obligation, Appropriations and Guarantees of the Commonwealth	\$ 2,011	CCC	-	-
PF	Puerto Rico Highways and Transportation Authority	1,310	CCC-	-	-
PF	Skyway Concession Company LLC	1,269	BB	-	-
PF	Puerto Rico Electric Power Authority	818	CC	-	-
PF	Reliance Rail Finance Pty. Limited	657	BB	-	-
PF	Puerto Rico Municipal Finance Agency	444	CCC-	-	-
SF	Aphex Capital NSCR 2006-2 LTD	430	BB	7.0%	-
SF	Orkney Re II, Plc	423	CCC	N/A	-
PF	Puerto Rico Aqueduct & Sewer Authority	403	CCC	-	-
SF	Zohar II 2005-1 Limited CDO	368	B-	12.6%	-
PF	Louisville Arena Authority Inc.	337	BB	-	-
PF	M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	291	BB-	-	-
SF	Option One 2007-FXD2	288	CCC	0.0%	21.0%
PF	Puerto Rico Sales Tax Financing Corporation	269	CCC+	-	-
SF	Deutsche Alt-A Securities Mortgage Loan 2007-2	268	BB	0.0%	22.6%
SF	MABS 2007-NCW	250	CCC	4.2%	44.1%
	Total	\$9,836			

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

2. N/A stands for not applicable.

3. 60+ day delinquencies are defined as loans that are greater than 60 days delinquent and all loans that are in foreclosure, bankruptcy or REO divided by net par outstanding.

A photograph showing three construction workers on a construction site. They are standing on a grid of steel reinforcement bars (rebar) laid out on a wooden formwork. The workers are wearing white hard hats and safety glasses. One worker is wearing a white shirt and blue pants, another is wearing a yellow shirt and dark pants, and the third is wearing a white shirt and blue pants. They appear to be inspecting or working on the rebar grid. The background shows more of the construction site with wooden formwork and rebar structures.

Appendix

Assured Guaranty Overview

Dividend Limitations¹



Assured Guaranty Re Ltd. (Bermuda)

Dividend Limitations¹

Any distribution (including repurchase of shares) of any share capital, contributed surplus or other statutory capital that would reduce AG Re's total statutory capital by 15% or more of its total statutory capital as set out in its previous year's financial statements requires the prior approval of the Bermuda Monetary Authority. Separately, dividends are paid out of an insurer's statutory surplus and cannot exceed that surplus. Further, annual dividends cannot exceed 25% of total statutory capital and surplus, which is \$279 million, without AG Re certifying to the regulator that it will continue to meet required margins. Based on the foregoing limitations, in 2015 AG Re has the capacity to (i) make capital distributions in an aggregate amount up to \$127 million without the prior regulatory approval and (ii) declare and pay dividends in an aggregate amount up to the limit of its outstanding statutory surplus, which is \$271 million. Such dividend capacity may be further limited by the actual amount of AG Re's unencumbered assets, which amount changes from time to time due in part to collateral posting requirements. As of June 30, 2015, AG Re had unencumbered assets of approximately \$566 million.

Municipal Assurance Corp. (U.S.)

Dividend Limitations¹

MAC is a New York domiciled insurance company subject to the same dividend limitations described for AGM. The Company does not currently anticipate that MAC will distribute any dividends.

Assured Guaranty Corp. (U.S.)

Dividend Limitations¹

Under Maryland insurance law, AGC may, with prior notice to the Maryland Insurance Commissioner, pay an ordinary dividend that, together with all dividends paid in the prior 12 months, does not exceed 10% of its policyholders' surplus (as of the prior December 31) or 100% of its adjusted net investment income during that period. **The maximum amount available during 2015 for AGC to distribute as ordinary dividends is approximately \$90 million, of which approximately \$16 million is available for distribution in the Third Quarter of 2015.**

Assured Guaranty Municipal Corp. (U.S.)

Dividend Limitations¹

Under New York insurance law, AGM may pay dividends only out of "earned surplus"². AGM may pay a dividend that, together with all dividends paid in the prior 12 months, does not exceed the lesser of 10% of its policyholders' surplus (as of the last annual or quarterly statement filed) or 100% of its adjusted net investment income during that period. **The maximum amount available during 2015 for AGM to distribute as dividends without regulatory approval is estimated to be approximately \$218 million, of which approximately \$57 million is available for distribution in Third Quarter 2015.**

1. Represents dividend capacity as of June 30, 2015. Please see our Form 10-K for the year ended December 31, 2014 for a discussion of the dividend limitations to which we are subject under applicable U.S. and Bermuda law, including the New York Insurance Law and the Code of Maryland Regulations.
2. Please see our Form 10-K for the year ended December 31, 2014 for the definition of earned surplus.

Appendix

Explanation of Non-GAAP Financial Measures



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

To reflect the key financial measures management analyzes in evaluating the Company's operations and progress towards long-term goals, the Company discusses both measures determined in accordance with GAAP and measures not promulgated in accordance with GAAP ("non-GAAP financial measures"). Although the financial measures identified as non-GAAP should not be considered substitutes for GAAP measures, management considers them key performance indicators and employs them as well as other factors in determining compensation. Non-GAAP financial measures, therefore, provide investors with important information about the key financial measures management utilizes in measuring its business. The primary limitation of non-GAAP financial measures is the potential lack of comparability to those of other companies, which may define non-GAAP measures differently because there is limited literature with respect to such measures. Three of the primary non-GAAP financial measures analyzed by the Company's senior management are: operating income, adjusted book value and PVP.

Management and the board of directors utilize non-GAAP financial measures in evaluating the Company's financial performance. By providing these non-GAAP financial measures, the Company gives investors, analysts and financial news reporters 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.

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 AGL, 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 CCS. 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.

Appendix

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



Adjusted Book Value and Operating Shareholders' Equity: Management also uses adjusted book value to measure the intrinsic value of the Company, excluding franchise value. Growth in adjusted book value per share is one of the key financial measures used in determining the amount of certain long-term compensation to management and employees and used by rating agencies and investors.

Management believes that operating shareholders' equity is a useful measure because it presents the equity of the Company 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 gain or loss. Many investors, analysts and financial news reporters use operating shareholders' equity as the principal financial measure for valuing AGL's current share price or projected share price and also as the basis of their decision to recommend, buy or sell AGL's common shares. Many of the Company's fixed income investors also use 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 CCS. 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.

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 AGL's share price and as the basis of their decision to recommend, buy or sell the AGL 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.

Appendix

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



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.

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 the Company by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period as well as premium supplements and additional installment premium on existing contracts as to which the issuer has the right to call the insured obligation but has not exercised such right, whether in insurance or credit derivative contract form, which GAAP gross premiums written and the net credit derivative premiums received and receivable portion of net realized gains and other settlements 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.

Reconciliation of Shareholders' Equity (GAAP Book Value) to Adjusted Book Value¹

(\$ in millions, except per share amounts)

	As of :			
	June 30, 2015		December 31, 2014	
	Total	Per share	Total	Per share
Shareholders' equity	\$ 5,806	\$ 39.16	\$ 5,758	\$ 36.37
Less after-tax adjustments:				
Effect of consolidating FG VIEs	(40)	(0.27)	(44)	(0.28)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(447)	(3.02)	(527)	(3.33)
Fair value gains (losses) on committed capital securities	39	0.26	23	0.14
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	243	1.64	373	2.36
Operating shareholders' equity	\$ 6,011	\$ 40.55	\$ 5,933	\$ 37.48
After-tax adjustments:				
Less: Deferred acquisition costs	150	1.01	156	0.99
Plus: Net present value of estimated net future credit derivative revenue	155	1.04	109	0.69
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,685	18.11	2,609	16.48
Adjusted book value¹	\$ 8,701	\$ 58.69	\$ 8,495	\$ 53.66

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

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Equity Presentation

June 30, 2015

