EMBRACE POSSIBILITIES, INVEST IN CERTAINTIES

Equity Investor Presentation

September 30, 2015

ASSURED GUARANTY®

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- 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, bankruptcy, 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 the 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.

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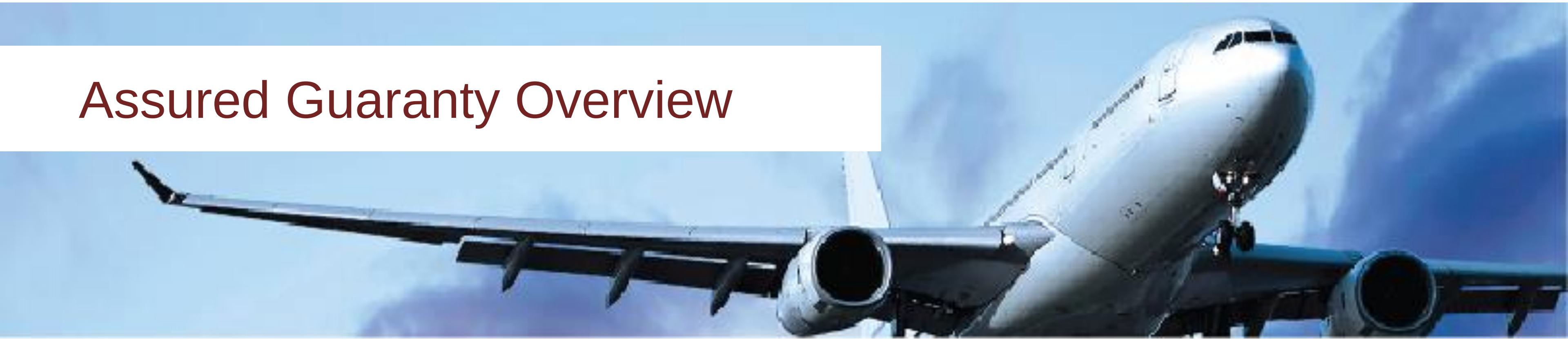
Assured Guaranty Overview



Assured Guaranty Overview

Assured Guaranty Ltd.

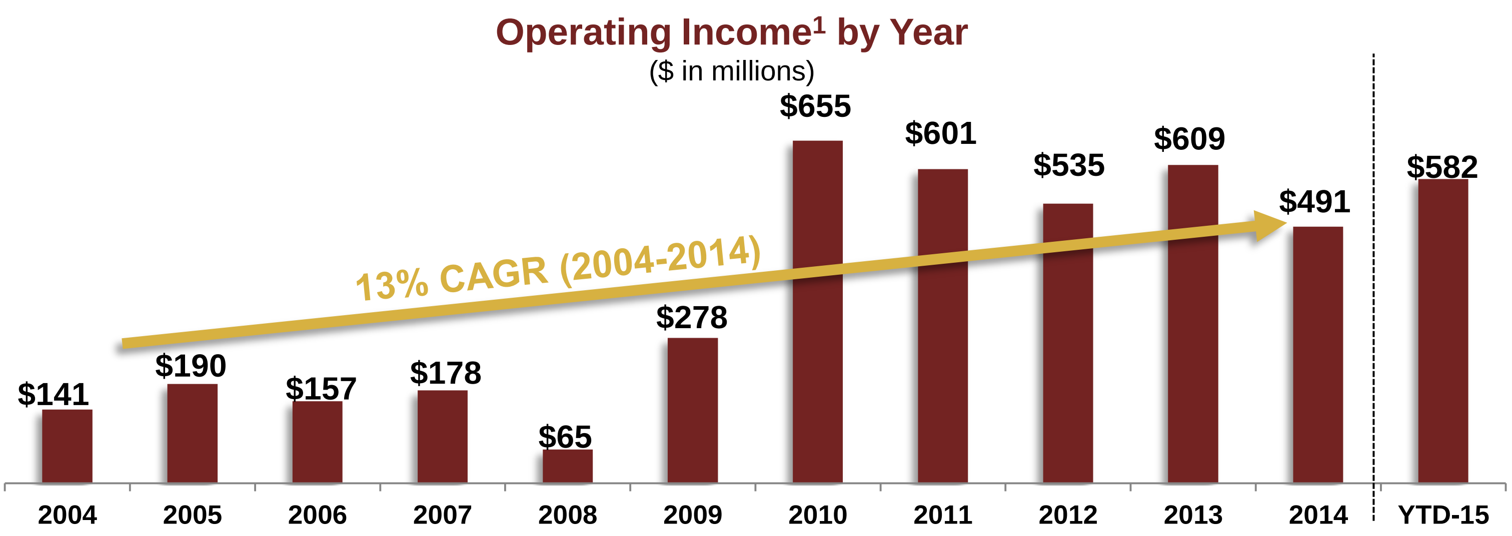
($ in billions)	September 30, 2015	January 1, 2008 (pro forma)[1]
Net par outstanding	$372.4	$626.6
U.S. public finance	$300.7	$337.3
U.S. structured finance	$35.4	$185.8
Non-U.S.	$36.2	$103.5
Total investment portfolio + cash	$11.4	$8.7
Net unearned premium reserve[2]	$3.8	$6.5
Claims-paying resources[3]	$12.4	$11.2
Ratio of Net Par Outstanding / Claims-paying resources[3]	**30.0**	**55.9**

- **We are the leading financial guaranty franchise, with over three decades of experience in the municipal and structured finance markets**
- **In the U.S., we serve the bond insurance market through three platforms:**
  - Assured Guaranty Municipal Corp. (AGM), 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.

Assured Guaranty Overview

- **Since our initial public offering in 2004, we have grown our annual operating income[1] from $141 million in 2004 to $491 million in 2014, a 13% compounded annual growth rate (CAGR)**
- **Operating income[1] has grown through acquisitions, new business production and other strategic activities**
  - Recapture of previously ceded business
  - Acceleration of premium through termination of insured exposure
- **Opportunistic repurchase of our shares improves operating income per share[1]**

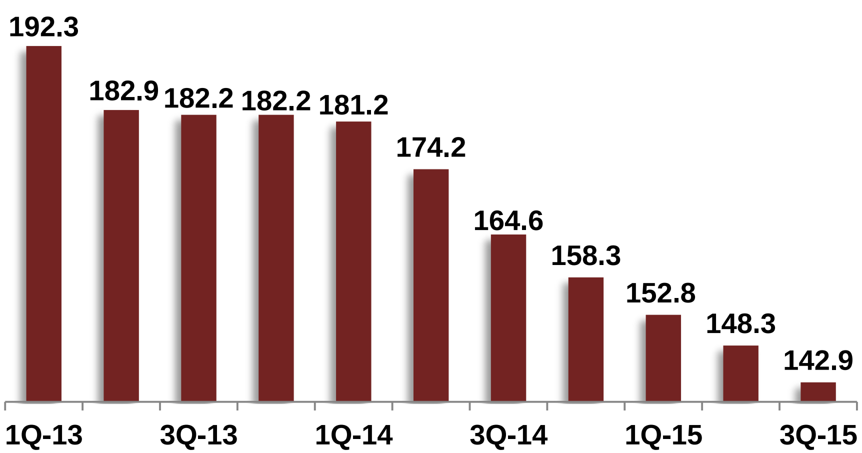


1. For an explanations of operating income and operating income per share, which is a non-GAAP financial measure, please refer to the Appendix.

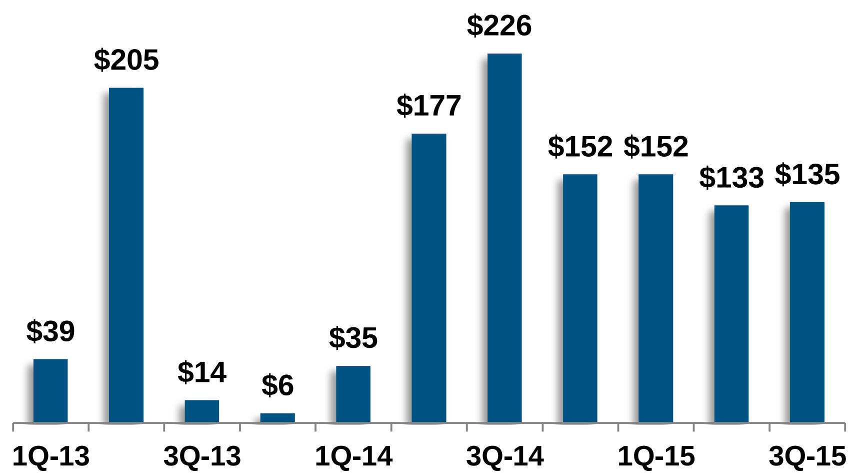
Assured Guaranty Overview
Track Record of Creating Shareholder Value

- **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. Since 2013, when we started our capital management strategy of repurchasing our common shares, through November 5, 2015, we have repurchased 54.6 million shares, or roughly 28% of our shares outstanding, for approximately $1.3 billion.
  - On May 6, 2015, the Company's Board of Directors approved the repurchase of $400 million of common shares incremental to what had been authorized through that date. In Third Quarter 2015, we repurchased a total of 5.4 million shares for approximately $135 million at an average price of $25.17 per share. Year-to-date through November 5, 2015, we have repurchased 17.7 million shares for approximately $468 million for an average price of $26.39 per share. As of November 5, 2015, $143 million of total capacity remained, on a settlement basis, from all authorizations.
  - Since our 2004 IPO, we have more than tripled our quarterly dividend per share, 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)

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

Assured Guaranty Corp. (Domiciled in Maryland)

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

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

- 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)

($ in millions)

Assured Guaranty Municipal Corp.

Policyholders' surplus	$2,148
10% of policyholders' surplus	**$215**
4Q-14 through 3Q-15 investment income	**$222**
Net investment income	
4Q-12 through 3Q-13	180
4Q-13 through 3Q-14	218
Total	**$398**
Dividends paid	
4Q-12 through 3Q-13	(98)
4Q-13 through 3Q-14	(170)
Total	**($268)**
Adjusted net investment income ($222 + $398 - $268 = $352)	**$352**
2015 Dividend Limitation	**$215**
2015 Remaining Dividend Capacity	**$52**

Assured Guaranty Corp.

Policyholders' surplus	$1,086
10% of policyholders' surplus	**$109**
2014 investment income	**$54**
Net investment income	
2011	80
2012	81
2013	66
Total	**$227**
Dividends paid	
2012	(55)
2013	(67)
2014	(69)
Total	**($191)**
Adjusted net investment income ($54 + $227 - $191 = $90)	**$90**
2015 Dividend Limitation	**$90**
2015 Remaining Dividend Capacity	**$40**

Assured Guaranty Re Ltd. (AG Re)

Total stat capital and surplus	$1,114
25% of stat capital and surplus	**$279**
Outstanding statutory surplus	**$271**
Unencumbered assets[2]	**$611**
2015 Dividend Limitation	**$271**
2015 Remaining Dividend Capacity	**$151**

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 September 30, 2015

Assured Guaranty Overview
Simplified Corporate Structure

Current Corporate Structure

Shareholders

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

- Total investment portfolio and cash is $100 million as of September 30, 2015
- YTD-15 annualized expenses of $32 million;
- YTD-15 annualized dividend distribution was $73 million

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 September 30, 2015, AG Re had unencumbered assets of approximately $611 million.

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

- Combined investment portfolio and cash of $78 million as of September 30, 2015
- Annual debt service of $95 million in 2015

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

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 $40 million is available for distribution in the fourth quarter of 2015.

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 $215 million, of which approximately $52 million is available for distribution in the fourth quarter of 2015.

Municipal Assurance Corp.*
(U.S.)

The Company does not currently anticipate MAC distributing dividends.

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

Underlying Value

Underlying Value
Selected Company Assets and Liabilities

Selected Company Assets and Liabilities As of September 30, 2015 ($ in millions, except per share)	
Total investment portfolio	$11,343
Cash	$66
Net premiums receivable	$676
Net unearned premium reserve	$3,849
Expected loss to be paid, net of expected recoveries to be collected	$1,307
Debt[1]	$1,593
Total investment portfolio and cash, per share	**$79.84**
Expected loss to be paid, net of expected recoveries, per share	**$9.15**
Debt, per share	**$9.14**

- **Our investment portfolio is 94% invested in fixed income securities**
- **Net premiums receivable consists of the present value of financial guaranty insurance payments to be received in installments**

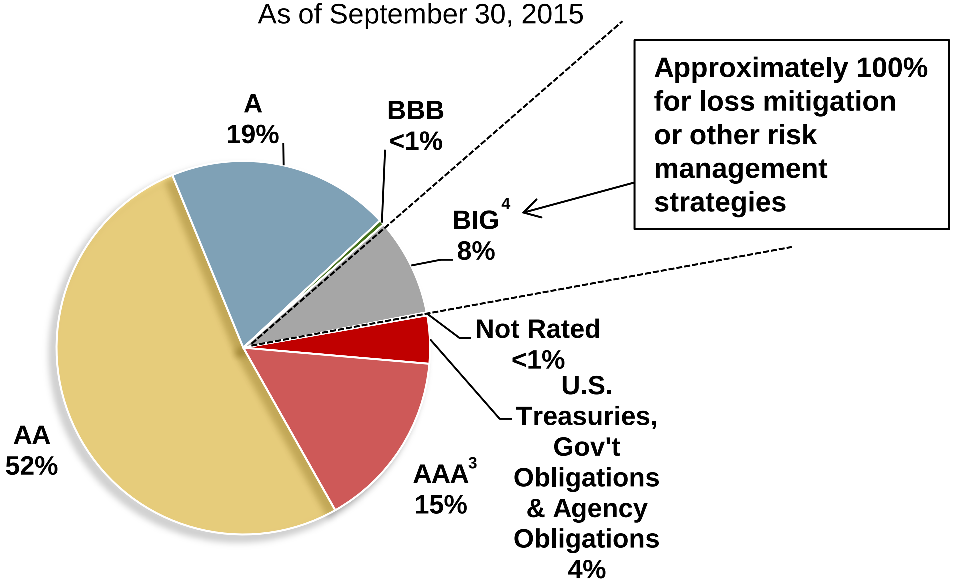
1. Represents par outstanding as of September 30, 2015.

Underlying Value

High-Quality Investment Portfolio

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

As of September 30, 2015



$11.5 billion, AA- average rating

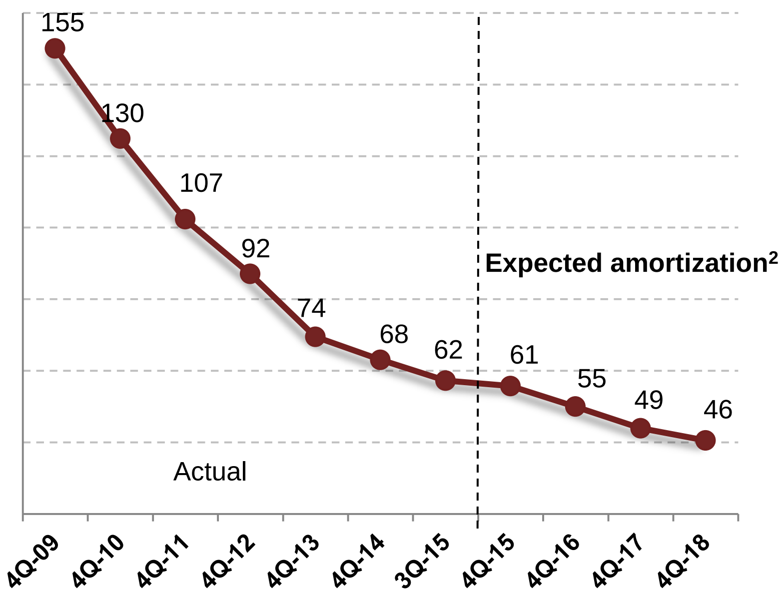
- **Highly rated, with 70% of fixed maturity and short-term investments rated AA or higher**
- **Approximately $600 million invested in liquid, short-term investments and cash**
- **Overall duration of portfolio is 5.5 years**

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 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 $1,916 million in par with carrying value of $960 million

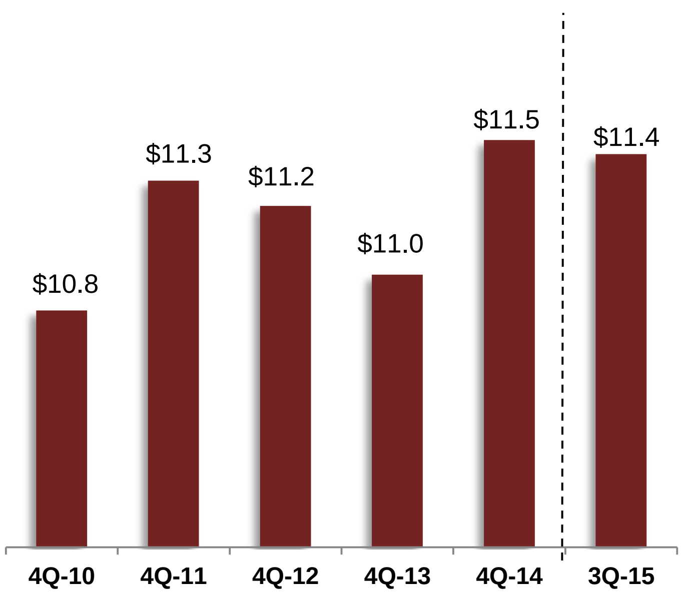
Underlying Value
Deleveraging While Maintaining Total Invested Assets

- **Our net par outstanding to operating shareholders' equity[1] has declined from 155:1 in 4Q-09 to 62:1 as of 3Q-15**
  - 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' Equity[1]



Total Invested Assets and Cash[3]
($ in billions)

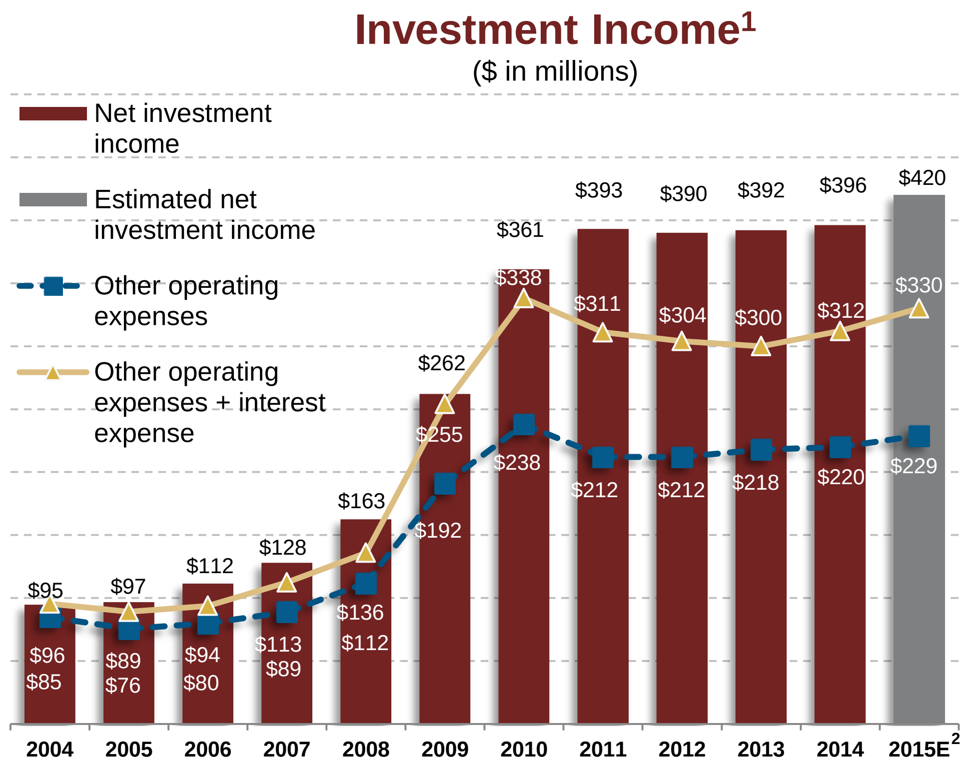


1. For an explanation of operating shareholders' equity, a non-GAAP financial measure, please refer to the Appendix.
2. Assumes no new business production and calculates estimated amortization divided by current operating shareholders' equity.
3. As reported on the balance sheet.

Underlying Value

Investment Income Generates Capital

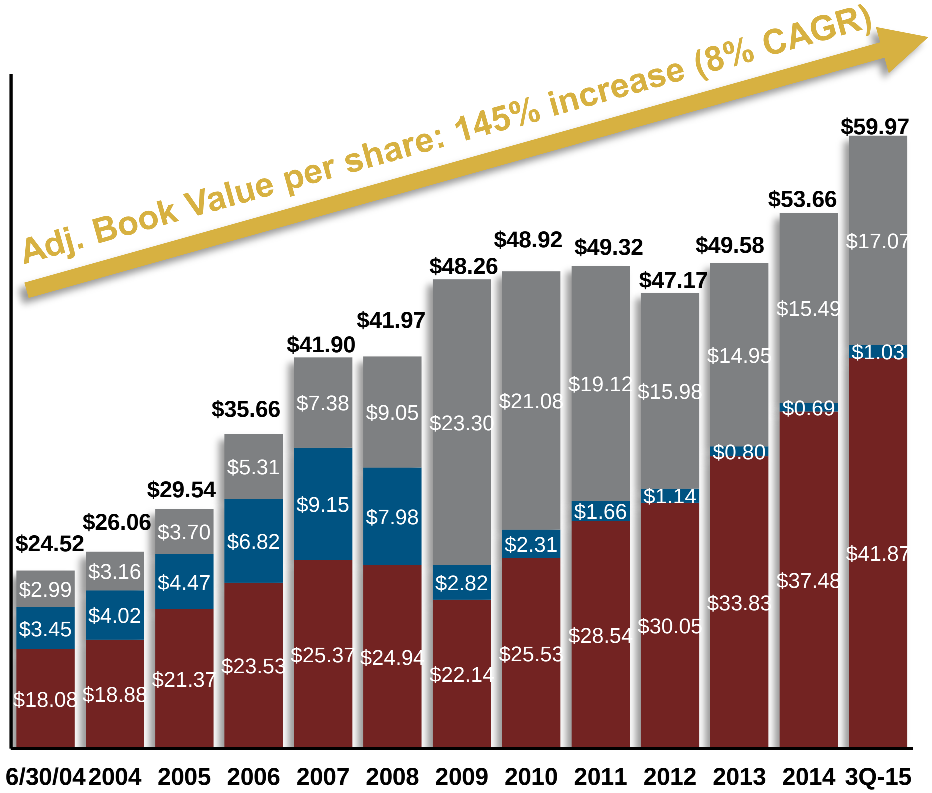
- **Investment income[1] is higher than the combination of operating and interest expenses, a spread that fosters capital growth**
- **Other operating expenses plus interest expenses have consistently been lower than their peak amounts in 2010**
- **Includes impact of the Radian Asset acquisition completed on 4/1/2015**



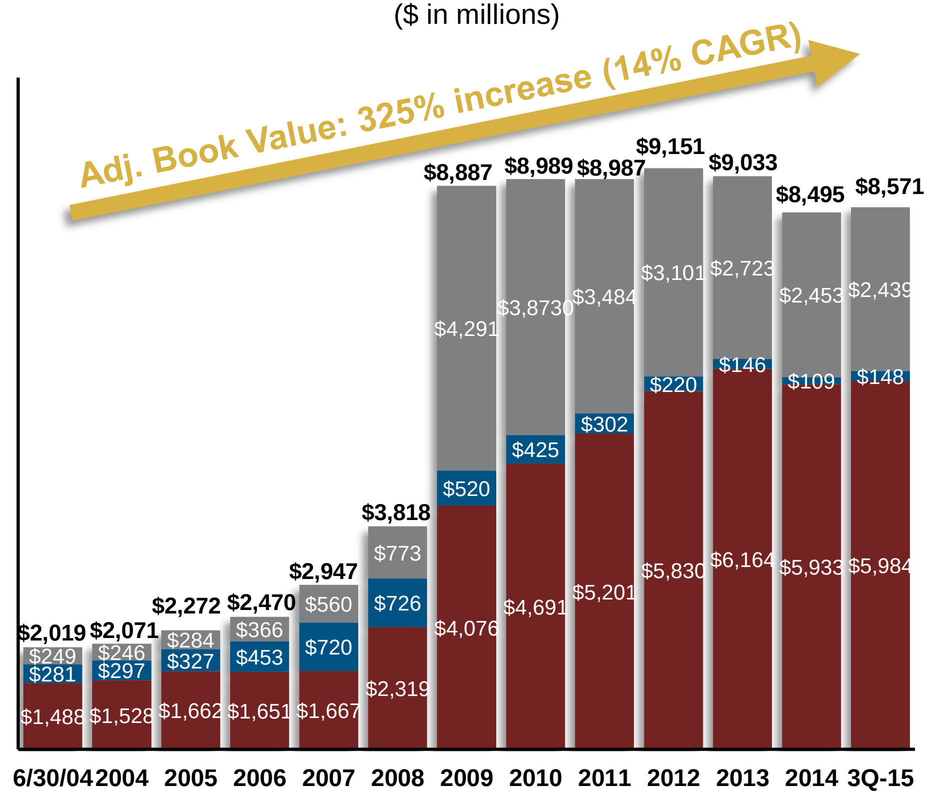
1. Investment income is used in calculating operating income, a non-GAAP financial measure. For an explanation of operating income, please refer to the Appendix.
2. Estimated 2015 values based on YTD-15 operating net investment income of $315 million, other operating expenses of $175 million annualized 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 $76 million annualized which includes interest on the $500 million principal amount of 5% Senior Notes issued in June 2014.

Underlying Value
Historical Growth

Adjusted Book Value[1] per Share



Adjusted Book Value[1]
($ 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' equity[1]

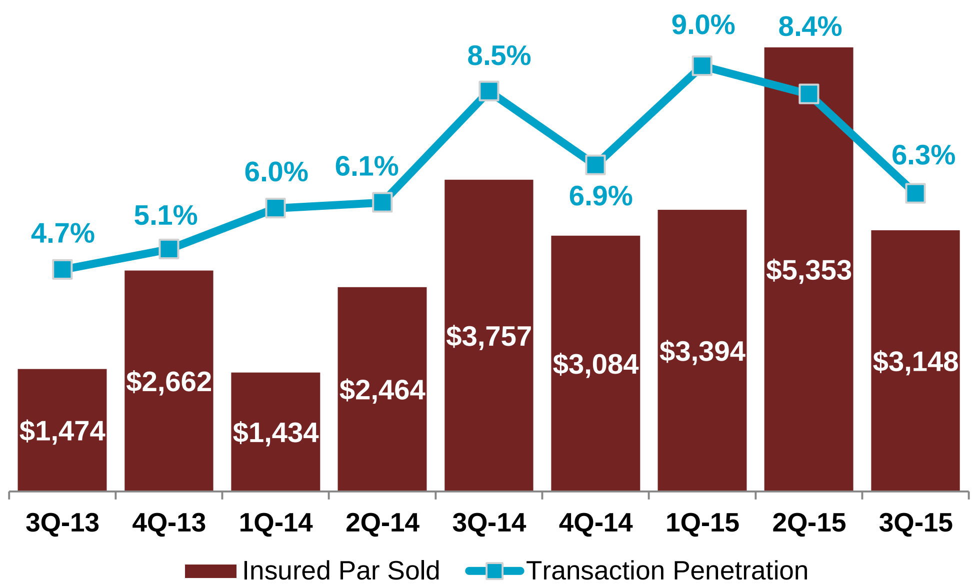
1. For explanations of adjusted book value and net present value of estimated net future credit derivative revenue and operating shareholders' equity, which are non-GAAP financial measures, please refer to the Appendix. Effective January 1, 2012, the Company adopted new guidance on acquisition costs 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 3Q-15 totaled 212 or $3,148 million
  - Secondary market policies in 3Q-15 totaled 206 or $430 million
- **Despite a low interest rate environment and quarterly fluctuations in penetration rates, year-to-date insured volume has increased 51% over prior year period**
  - Industry par penetration for all transactions with underlying A ratings decreased to 17.9% in 3Q-15, down from 24.0% in 3Q-14
  - Industry penetration based on the number of transactions with underlying A ratings decreased to 50.3% in 3Q-15, down from 51.5% in 3Q-14
- **Industry penetration for smaller deals remains strong at 16.2% of all transactions under $25 million in 3Q-15 compared to 16.5% in 3Q-14**

Assured Guaranty
New Issue U.S. Public Finance
Insured Par Sold and Transaction Penetration[1]
($ in millions)

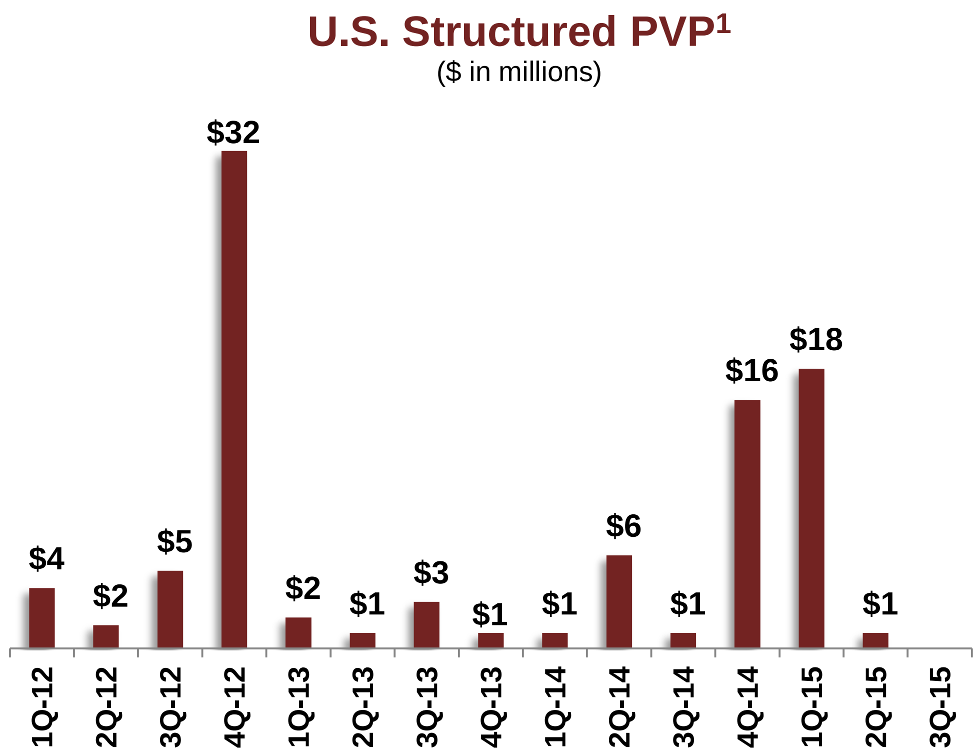


U.S. Public Finance New Issuance	3Q-13	4Q-13	1Q-14	2Q-14	3Q-14	4Q-14	1Q-15	2Q-15	3Q-15
Total Par Issued ($ in billions)	$67.9	$73.4	$60.4	$83.1	$72.3	$99.3	$104.0	$111.0	$86.0
Total Transactions Issued	2,155	2,285	1,955	2,964	2,376	2,871	3,059	3,783	2,665

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

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

- **In 1Q-15, we insured a reserve financing transaction in the insurance sector**
- **In 4Q-14, we insured two new market tax credit transactions and a reserve financing transaction**
- **New structured finance business production tends to fluctuate, as large, complex transactions require a long time frame to close**



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

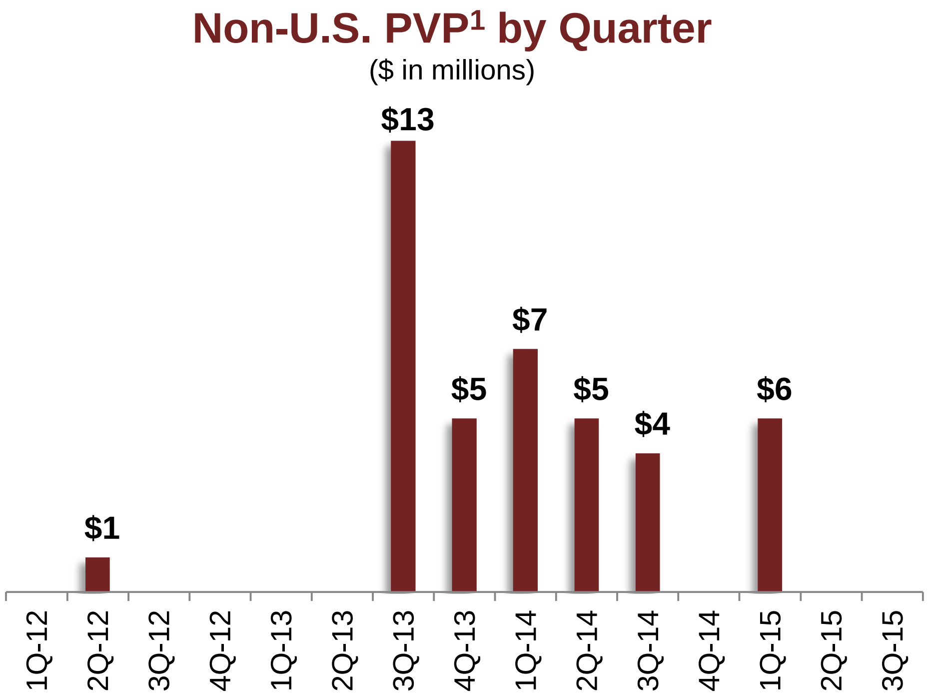
Non-U.S. Business Activity

- **During 1Q-15, we insured a reinsurance transaction and increased non-U.S. PVP[1] 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 insured a non-U.S. diversified payment rights structured finance transaction**

- **During 1Q-14, we guaranteed a U.K. infrastructure bond**



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

Creating Value

New Business Production

Underwriting Discipline

- **Continued focus on underwriting discipline**
- **New business written reflects rising demand for municipal bond insurance, despite a low interest rate environment**
  - Year-to-date 2015 insured par volume outpaced the increase in overall market volume
  - Benchmark municipal bond rates decreased approximately 24 basis points in third quarter 2015

Gross Par Written for 3Q-15 and 3Q-14

Sector:	Quarter Ended September 30, 2015 Gross Par Written	Quarter Ended September 30, 2015 Avg. Rating[1]	Quarter Ended September 30, 2014 Gross Par Written	Quarter Ended September 30, 2014 Avg. Rating[1]
U.S. public finance	$4,703	A-	$4,018	A-
Non-U.S. public finance	-	-	-	-
Total public finance	**$4,703**	**A-**	**$4,018**	**A-**
U.S. structured finance	-	-	9	A-
Non-U.S. structured finance	-	-	150	BBB
Total structured finance	**$-**	**-**	**$159**	**BBB**
Total gross par written	**$4,703**	**A-**	**$4,177**	**A-**

1. Average internal rating.

Creating Value
Radian Asset Acquisition

Radian Asset Acquisition Overview
As of September 30, 2015

($ in billions)	Radian Asset Acquisition
Net par outstanding	
U.S. public finance	$6.9
U.S. structured finance	$4.0
Non-U.S.	$1.5
Internal ratings[2]	
AAA	$2.6
AA	$1.1
A	$2.5
BBB	$3.7
BIG	$2.7

$12.4 billion, A- average rating

- **On April 1, 2015, AGC acquired Radian Asset Assurance Inc. and merged it into AGC**
- **Acquisition resulted in an after-tax bargain purchase gain and settlement of pre-existing reinsurance relationships totaling $193 million at September 30, 2015**
- **Of the exposure acquired, $8.9 billion was new business and $3.6 billion was previously ceded business**

1. For explanations of non-GAAP financial measures, please refer to the Appendix.
2. Numbers may not add up to $12.4 billion total due to rounding.

Creating Value

Commutations & Reinsurance Platform

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

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 a primary 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]

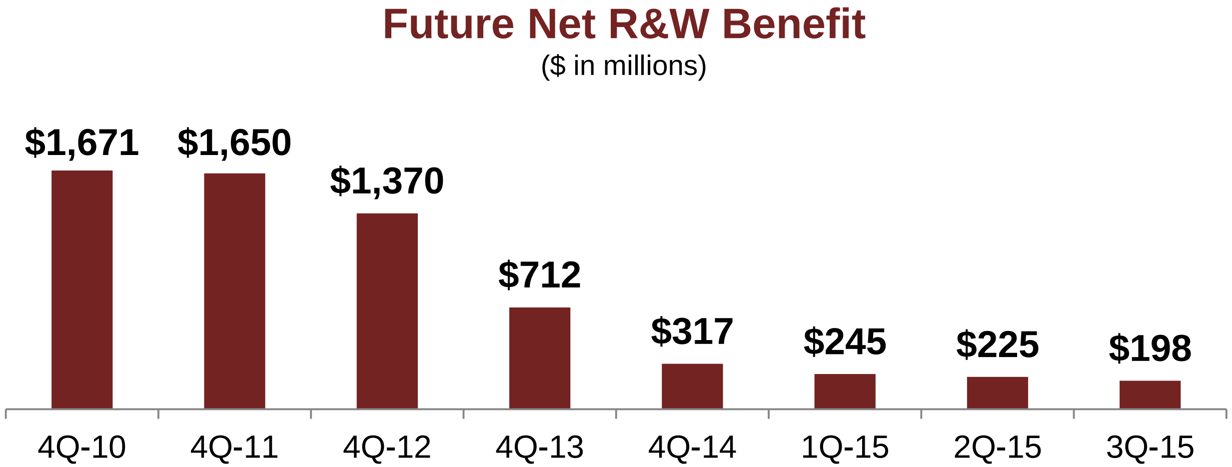
As of September 30, 2015

($ in millions)	Net Par Outstanding
American Overseas Re (formerly RAM Re)	$5,480
Tokio Marine	$4,426
Syncora	$3,505
Mitsui	$1,854
Others	$1,046
Total	$16,311

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.

Creating Value
R&W Activity

- **The Company recovered approximately $4.2 billion[1,2] through October 31, 2015 from our combined R&W efforts including settlements and commitments, R&W receipts and loss reductions from terminated insurance protection**
- **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.**
- **With agreements reached in October 2015, we have completed our direct pursuit of R&W claims**

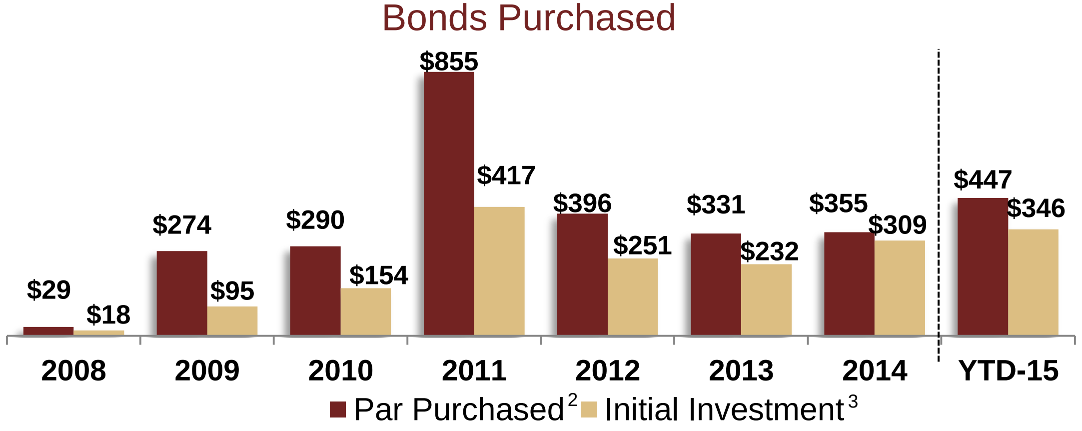


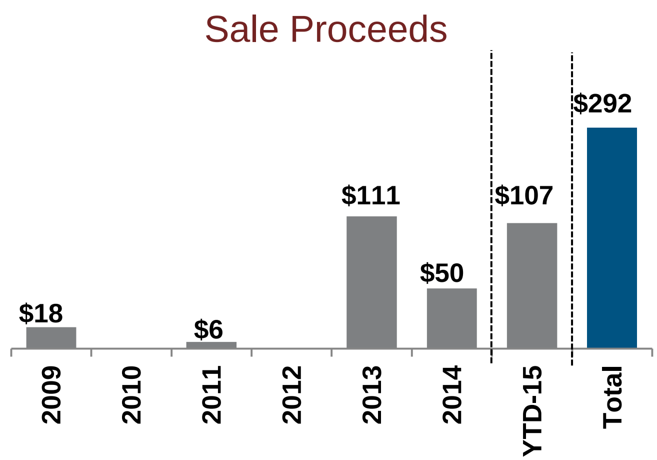
1. As of September 30, 2015. Includes future benefits covered under our agreements with Bank of America/Countrywide, Deutsche Bank, UBS and agreements with certain other parties. Bank of America, Deutsche Bank AG and UBS have collateralized their future reimbursement obligations with eligible assets 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

- **Since 2008, for loss mitigation purposes, we have strategically purchased bonds we had previously insured. Besides reducing our losses, these purchases can potentially relieve rating agency capital charges, increase future investment income and increase adjusted book value[1]**
  - The amount of reserves released and the ongoing principal and interest from the bonds are expected to be greater than the purchase price
  - We have purchased approximately $2.9 billion of par on insured securities through September 30, 2015 with an initial purchase price of approximately $1.8 billion; of this $2.9 billion purchased, we still own $1.7 billion of par
- **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)





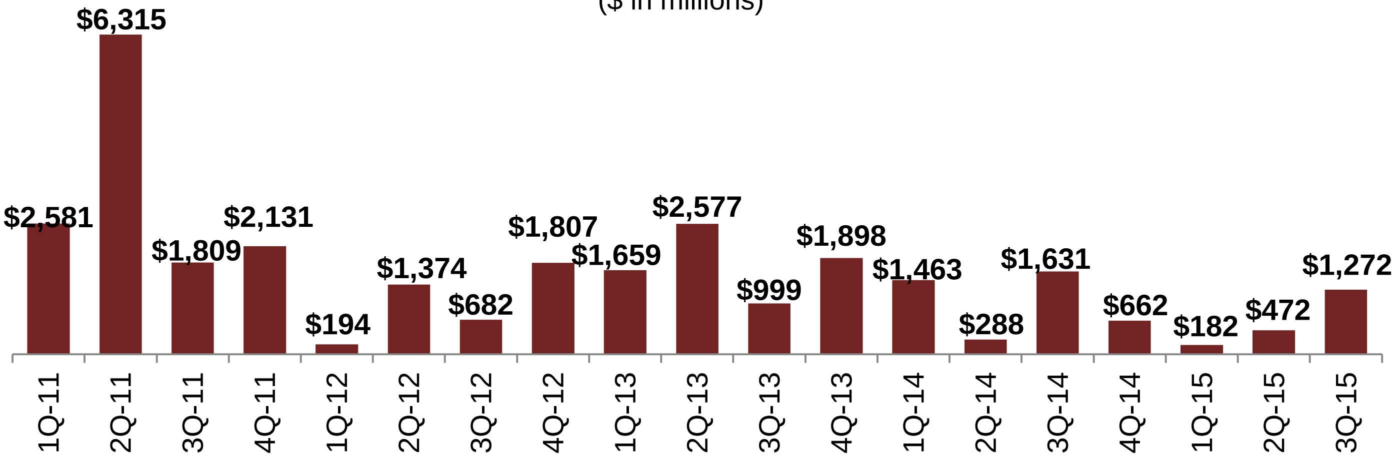
1. For an explanation of adjusted book value, which is a non-GAAP financial measure, please refer to the Appendix.
2. Par at the time of purchase.
3. Cost of purchase.

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 $30 billion of net par outstanding has been terminated, which reduces our leverage and potentially relieves rating agency capital charges**
- **In October, we reached a settlement agreement to terminate five CDS transactions that will generate a net fair value gain of approximately $293 million in 4Q-15 and terminated a CMBS transaction with a CDS counterparty that will generate a net fair value gain of approximately $34 million in 4Q-15. Both net fair value gains will affect GAAP earnings in 4Q-15.**

Completed Terminations Since January 1, 2011

($ in millions)



Financial Results

September 30, 2015

Third Quarter 2015 Operating Results
(Excluding Consolidation of VIEs)

($ in millions, except per share data)	Quarter Ended September 30,		% Change vs. 3Q-14
	2015	**2014**	
Net earned premiums and credit derivative revenues[1]	$252	$166	52%
Net investment income[2]	114	102	12%
Total revenues included in operating income	369	274	35%
Loss & LAE and incurred losses on credit derivatives[3]	68	(51)	NM
Total expenses included in operating income	152	30	413%
Operating income	164	177	(7)%
Operating income per diluted share	**1.12**	**$1.05**	**7%**
Operating ROE[4]	**11.0%**	**11.7%**	**(0.7) pp**
After-tax gain (loss) on derivatives	$(3)	$161	NM
Net income (loss)	129	355	(64)%
Net income (loss) per diluted share	**0.88**	**$2.09**	**(58)%**

NM = Not meaningful pp = percentage points
1. Included $6 million and $5 million of adjustments to GAAP reported amounts during the quarters ended September 30, 2015 and 2014, respectively.
2. Included $2 million and $0 million of adjustments to GAAP reported amounts during the quarters ended September 30, 2015 and 2014, respectively.
3. Included $10 million and $15 million of adjustments to GAAP reported amounts during the quarters ended September 30, 2015 and 2014, respectively.
4. ROE calculations represent annualized returns.

Loss Expense Accounting and Economic Loss Development

- **Loss expense included in operating income[1] does not necessarily represent the Company's economic loss development in a period**
  - Loss expense included in operating income is calculated on a transaction by transaction basis. Losses are reported in operating income only to the extent and for the amount that such losses exceed deferred premium revenue.
  - Loss expense may include current economic development, as well as prior period economic development that is recognized as deferred premium revenue amortizes.
- **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)	3Q-15	3Q-14
Loss expense (benefit) on FG and CDS included in operating income:		
Before tax	$68	$(51)
After tax	$49	$(29)
Per diluted share	$0.34	$(0.17)
Economic loss development unfavorable (favorable)		
Before tax	$(3)	$(63)
After tax	$18	$(37)
Per diluted share	$0.12	$(0.22)

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

Portfolio Overview

September 30, 2015

Capital Base

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

($ in millions)	AGUS Consolidated	AG Re[1]	AGL Consolidated
Policyholders' surplus	$3,276	$1,028	$4,304
Contingency reserve[2]	2,679	-	2,679
Qualified statutory capital	**5,955**	**1,028**	**6,983**
Unearned premium reserve[2]	2,296	809	3,105
Loss and loss adjustment expense reserves[2,3]	526	316	842
Total policyholders' surplus and reserves	**8,777**	**2,153**	**10,930**
Present value of installment premium[2]	499	160	659
Committed Capital Securities	400	-	400
Excess of loss reinsurance facility[4]	450	-	450
Total claims-paying resources	**$10,126**	**$2,313**	**$12,439**
Statutory net par outstanding[5]	$250,277	$91,812	$342,089
Net debt service outstanding[5]	$378,830	$144,575	$523,405
Adjusted net par outstanding to qualified statutory capital	42:1	89:1	49:1
Capital ratio[6]	64:1	141:1	75:1
Financial resources ratio[7]	37:1	63:1	42:1

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

($ in millions)	Qualified Statutory Capital	Policyholders' Surplus	Claims-Paying Resources
AGM, excluding investment in MAC	$3,128	$1,708	$5,776
AGC, excluding investment in MAC	2,085	1,157	3,562
MAC	991	661	1,937
Eliminations	(250)	(250)	(1,149)
AGUS Consolidated	**5,954**	**3,276**	**10,126**
AG Re	1,028	1,028	2,313
AGL Consolidated	**$6,982**	**$4,304**	**$12,439**

1. AG Re numbers represent the Company's estimate of the application of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities except for contingency reserves.
2. 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
3. Reserves are reduced by approximately $0.2 billion for benefit related to representation and warranty recoverables.
4. 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.
5. 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).
6. The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
7. The financial resources ratio is calculated by dividing adjusted net debt service outstanding by total claims-paying resources.

Four Discrete Operating Companies with Separate Capital Bases

ASSURED GUARANTY®

Consolidated Claims-Paying Resources and Statutory-Basis Exposures

($ in millions)	As of September 30, 2015 AGM	AGC	MAC	AG Re[10]	Eliminations[4]	Consolidated
Claims-paying resources						
Policyholders' surplus	$ 2,148	$ 1,377	$ 661	$ 1,028	$ (910)	$ 4,304
Contingency reserve[1]	1,621	1,058	330	-	(330)	2,679
Qualified statutory capital	**3,769**	**2,435**	**991**	**1,028**	**(1,240)**	**6,983**
Unearned premium reserve[1]	1,603	693	493	809	(493)	3,105
Loss and loss adjustment expense reserves[1,2]	426	100	-	316	-	842
Total policyholders' surplus and reserves	**5,798**	**3,228**	**1,484**	**2,153**	**(1,733)**	**10,930**
Present value of installment premium[1]	270	229	3	160	(3)	659
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)	**$ 6,718**	**$ 4,107**	**$ 1,937**	**$ 2,313**	**$ (2,636)**	**$ 12,439**
Adjustment for MAC[5]	942	545	-	-	(1,487)	-
Total claims-paying resources (excluding MAC adjustment for AGM and AGC)	**$ 5,776**	**$ 3,562**	**$ 1,937**	**$ 2,313**	**$ (1,149)**	**$ 12,439**
Statutory net par outstanding[6]	$135,121	$50,455	$66,241	$91,812	$(1,540)	$342,089
Equity method adjustment[7]	40,208	26,033	-	-	(66,241)	-
Adjusted statutory net par outstanding[1]	$175,329	$76,488	$66,241	$91,812	$(67,781)	$342,089
Net debt service outstanding[6]	$209,387	$74,377	$98,408	$144,575	$(3,342)	$523,405
Equity method adjustment[7]	59,734	38,674	-	-	(98,408)	-
Adjusted net debt service outstanding[1]	$269,121	$113,051	$98,408	$144,575	$(101,750)	$523,405
Ratios:						
Adjusted net par outstanding to qualified statutory capital	47:1	31:1	67:1	89:1		49:1
Capital ratio[8]	71:1	46:1	99:1	141:1		75:1
Financial resources ratio[9]	40:1	28:1	51:1	63:1		42:1

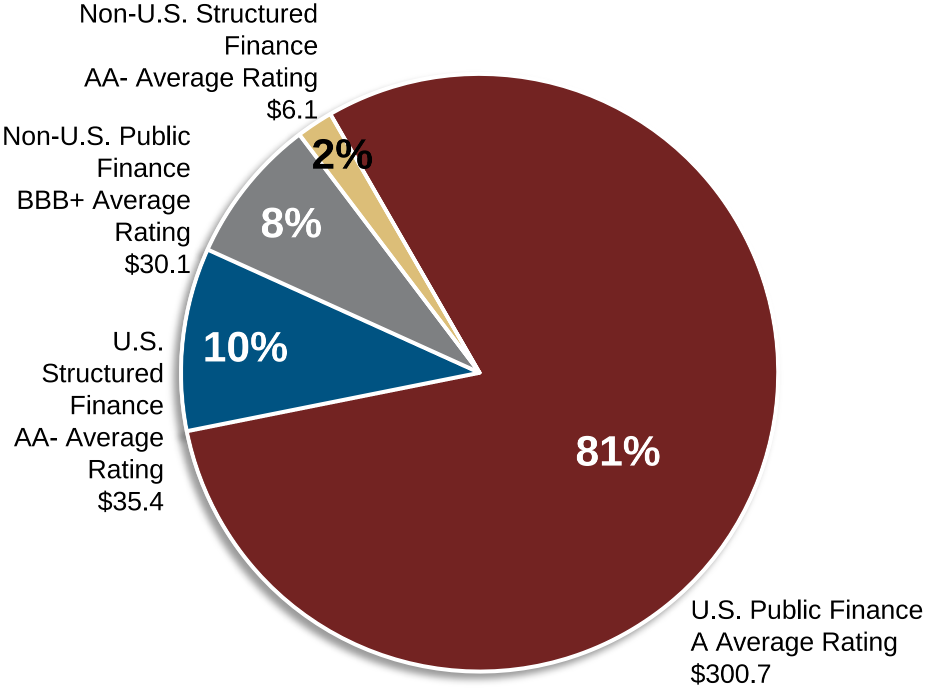
1. The numbers shown for AGM and AGC have been adjusted to include (i) their 100% share of their respective U.K. insurance subsidiaries and (ii) their indirect share of MAC. AGM and AGC own 60.7% and 39.3%, respectively, of the outstanding stock of Municipal Assurance Holdings Inc., which owns 100% of the outstanding common stock of MAC. Amounts include financial guaranty insurance and credit derivatives.
2. Reserves are reduced by approximately $0.2 billion for benefit related to representation and warranty recoverables.
3. 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.
4. 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.
5. 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.
6. 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).
7. 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.
8. The capital ratio is calculated by dividing adjusted net debt service outstanding by qualified statutory capital.
9. 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).
10. AG Re numbers represent the Company's estimate of the application of U.S. statutory accounting practices prescribed or permitted by insurance regulatory authorities except for contingency reserves.

Net Par Outstanding By Sector

- **Assured Guaranty's portfolio is largely concentrated in U.S. public finance[1]**
  - 81% 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**
  - 4.7% below investment grade
- **U.S. public finance is our largest BIG exposure**
  - $9.5 billion of par exposure (54% of our total BIG)
  - Out of this $9.5 billion, $5.1 billion of par exposure relates to Puerto Rico

Consolidated Net Par Outstanding[1]

As of September 30, 2015
($ in billions)



$372.4 billion, A average rating

1. Numbers may not add up to 100% due to rounding.

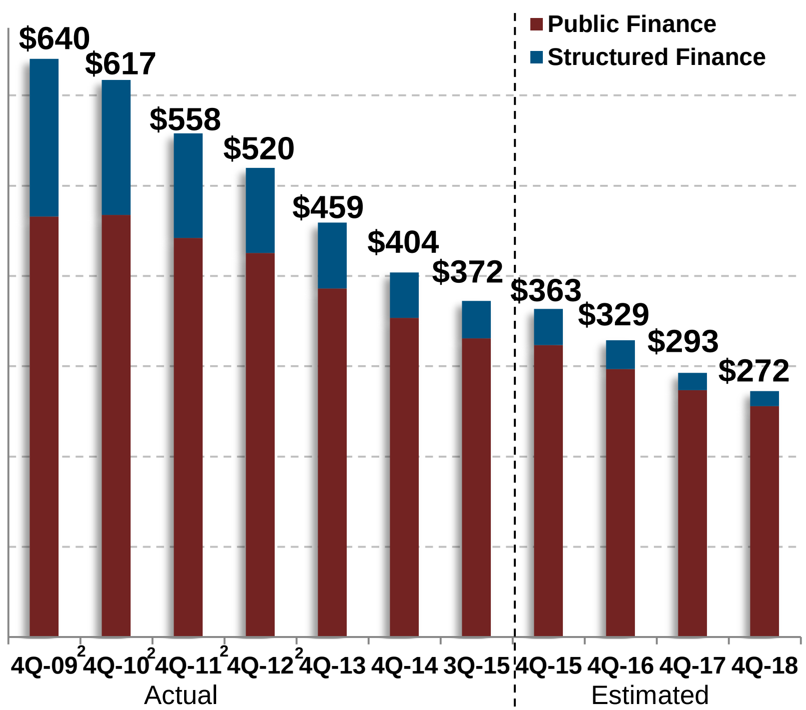
Net Par Outstanding Amortization

- **Amortization of the portfolio reduces rating agency capital charges, but also embedded future earned premiums**
- **Public finance exposure amortizes at a steady rate**
  - $331 billion outstanding
  - 2% expected to amortize by the end of 2015; 10% by the end of 2016; 17% by the end of 2017
- **Structured finance exposure amortizes quickly**
  - $42 billion outstanding
  - 4% expected to amortize by the end of 2015; 23% by the end of 2016; 54% by the end of 2017
- **New direct or assumed business originations, and reassumptions, will increase future premiums**

Consolidated Net Par Outstanding Amortization[1]

As of September 30, 2015

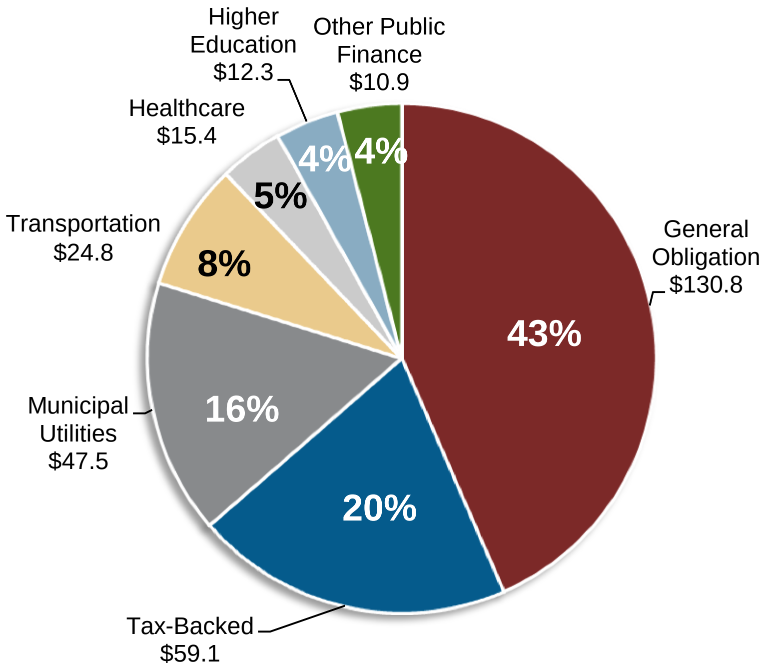
($ in billions)



1. Represents the future expected amortization of current net par outstanding as of September 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 September 30, 2015
($ in billions)



$300.7 billion, A average rating

- **U.S. public finance net par outstanding is $300.7 billion and makes up 81% of our total insured portfolio as of September 30, 2015**
- **U.S. public finance portfolio generally performed well during the recession and in subsequent years, despite persistent financial pressures on municipal obligors**
  - Out of approximately 9,600 direct U.S. public finance obligors, we expect future losses to be paid, net of recoveries, on less than a dozen
- **General obligation, tax-backed and municipal utilities represent 79% of U.S. public finance net par outstanding**
  - 64% of total net par outstanding

Public Finance
Puerto Rico Exposure

- We continue to work with the Puerto Rico Electric Power Authority on a consensual settlement that is designed to put the utility on a sound financial footing going forward. This potential agreement would result in modernization, long-term sustainable rates to customers, and continued access to efficient financing.
- Incentivizing economic growth, facilitating access to efficient financing and providing Federal oversight of fiscal management would not only provide near-term relief, but also long-term sustainability to the Commonwealth's fiscal situation.

Par Exposure to the Commonwealth and its Agencies

As of September 30, 2015

	($ in millions)	Net Par Outstanding	Gross Par Outstanding	Internal Rating
Previously Subject to the Voided Recovery Act	Puerto Rico Highways and Transportation Authority (Transportation Revenue Bonds)	$909	$936	CCC-
	Puerto Rico Electric Power Authority	744	902	CC
	Puerto Rico Aqueduct and Sewer Authority	388	388	CCC
	Puerto Rico Highways and Transportation Authority (Highway Revenue Bonds)	370	575	CCC
	Puerto Rico Convention Center District Authority	164	164	CCC-
	Subtotal	**$2,575**	**$2,965**	**CCC-**
Not Previously Subject to the Voided Recovery Act	Commonwealth - General Obligation Bonds	$1,620	$1,747	CCC
	Puerto Rico Municipal Finance Agency	387	571	CCC-
	Puerto Rico Sales Tax Finance Corp. (COFINA)	269	269	CCC+
	Puerto Rico Public Buildings Authority	188	194	CCC
	Government Development Bank for Puerto Rico	33	33	CCC
	Puerto Rico Infrastructure Financing Agency	18	18	CCC-
	University of Puerto Rico	1	1	CCC-
	Subtotal	**$2,516**	**$2,833**	**CCC**
	Total[1]	**$5,091**	**$5,798**	**CCC**

1. AGL's consolidated net par outstanding is divided between its subsidiaries as follows: $2.1 billion at AGM, $1.7 billion at AGC, $1.3 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.
2. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $32 million and a fully accreted net par at maturity of $67 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 $10 million and fully accreted net par at maturity of $11 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.

Net Par Exposure to the Commonwealth and its Agencies

As of September 30, 2015

	($ in millions)	Excluding Impact of Radian Acquisition & Reinsurance Commutation	Impact of Radian Acquisition & Reinsurance Commutation	Total
Previously Subject to the Voided Recovery Act	Puerto Rico Highways and Transportation Authority (Transportation Revenue Bonds)	$822	$87	$909
	Puerto Rico Electric Power Authority	723	21	744
	Puerto Rico Aqueduct and Sewer Authority	369	19	388
	Puerto Rico Highways and Transportation Authority (Highway Revenue Bonds)	291	79	370
	Puerto Rico Convention Center District Authority	164	-	164
	Subtotal	**$2,369**	**$206**	**$2,575**
Not Previously Subject to the Voided Recovery Act	Commonwealth - General Obligation Bonds	$1,566	$53	$1,620
	Puerto Rico Municipal Finance Agency	361	26	387
	Puerto Rico Sales Tax Finance Corp. (COFINA)	269	-	269
	Puerto Rico Public Buildings Authority	89	100	188
	Government Development Bank for Puerto Rico	33	-	33
	Puerto Rico Infrastructure Financing Agency	18	-	18
	University of Puerto Rico	1	-	1
	Subtotal	**$2,337**	**$179**	**$2,516**
	Total	**$4,706**	**$385**	**$5,091**

Public Finance
Puerto Rico Exposure

Scheduled Net Par Amortization of Exposure to the Commonwealth and its Agencies[1,2]
As of September 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)	$0	$32	$36	$42	$28	$23	$18	$19	$21	$1	$148	$166	$293	$82	$-	**$909**
	Electric Power Authority	0	20	5	4	25	42	22	22	81	78	319	122	4	-	-	**744**
	Aqueduct and Sewer Authority	-	15	-	-	-	-	-	-	-	2	109	-	1	15	246	**388**
	Highways and Transportation Authority (Highway Revenue Bonds)	-	20	10	10	21	22	26	6	8	8	24	142	73	-	-	**370**
	Convention Center District Authority	-	11	-	-	-	-	-	-	-	-	19	76	58	-	-	**164**
	Subtotal	**$0**	**$98**	**$51**	**$56**	**$74**	**$87**	**$66**	**$47**	**$110**	**$89**	**$619**	**$506**	**$429**	**$97**	**$246**	**$2,575**
Not Previously Subject to the Voided Recovery Act	Commonwealth - GO	$0	$142	$95	$75	$82	$137	$16	$37	$15	$73	$286	$397	$265	$-	$-	**$1,620**
	Municipal Finance Agency	-	55	47	47	44	37	33	33	16	12	59	4	-	-	-	**387**
	Sales Tax Finance Corp. (COFINA)	0	(1)	(1)	(1)	(1)	(1)	(2)	(2)	1	0	(10)	34	(1)	254	-	**269**
	Public Buildings Authority	-	8	30	-	5	10	12	0	7	0	60	38	18	-	-	**188**
	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	1	-	-	-	**1**
	Subtotal	**$33**	**$204**	**$171**	**$123**	**$130**	**$183**	**$59**	**$68**	**$41**	**$85**	**$395**	**$474**	**$284**	**$266**	**$-**	**$2,516**
	Total	**$33**	**$302**	**$222**	**$179**	**$204**	**$270**	**$125**	**$115**	**$151**	**$174**	**$1,014**	**$980**	**$713**	**$363**	**$246**	**$5,091**

1. Reported figures reflect the impact of the Radian Asset acquisition, of which $385 million is outstanding as of September 30, 2015; and a commutation of previously ceded Puerto Rico exposures.
2. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $32 million and a fully accreted net par at maturity of $67 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 $10 million and fully accreted net par at maturity of $11 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.

Scheduled Net Debt Service Amortization of Exposure to the Commonwealth and its Agencies[1,2]

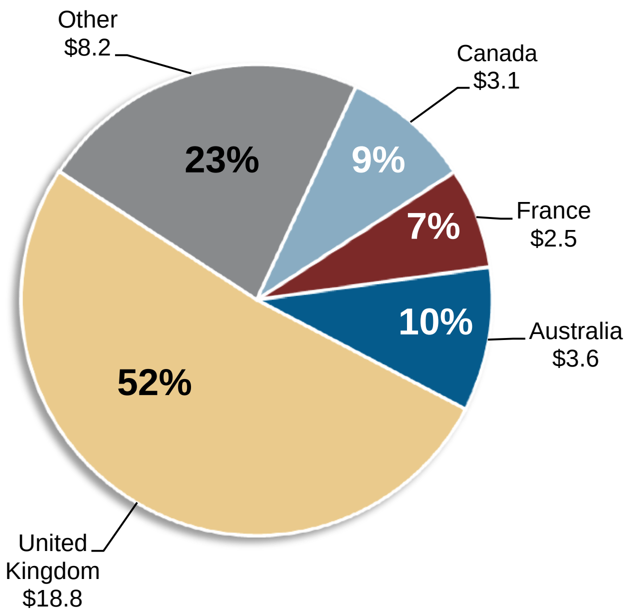
As of September 30, 2015

	($ 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)	$0	$80	$82	$86	$69	$63	$56	$57	$58	$37	$314	$295	$356	$89	$-	**$1,642**
	Electric Power Authority	2	55	38	37	58	74	52	50	109	102	389	136	5	-	-	**1,107**
	Aqueduct and Sewer Authority	-	35	19	19	19	19	19	19	19	21	191	68	71	82	272	**873**
	Highways and Transportation Authority (Highway Revenue Bonds)	-	40	29	29	39	39	42	20	21	21	86	186	77	-	-	**629**
	Convention Center District Authority	-	19	7	7	7	7	7	7	7	7	52	103	60	-	-	**290**
	Subtotal	**$2**	**$229**	**$175**	**$178**	**$192**	**$202**	**$176**	**$153**	**$214**	**$188**	**$1,032**	**$788**	**$569**	**$171**	**$272**	**$4,541**
Not Previously Subject to the Voided Recovery Act	Commonwealth - GO	$0	$226	$172	$146	$150	$201	$73	$93	$69	$127	$506	$548	$295	$-	$-	**$2,606**
	Municipal Finance Agency	-	74	64	62	56	47	40	39	21	16	68	4	-	-	-	**491**
	Sales Tax Finance Corp. (COFINA)	0	12	13	13	13	13	13	13	16	15	63	106	64	284	-	**638**
	Public Buildings Authority	-	18	39	8	12	18	20	6	14	6	82	50	20	-	-	**293**
	Government Development Bank	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**34**
	Infrastructure Financing Agency	-	-	1	3	1	1	1	1	3	-	4	4	5	13	-	**37**
	University of Puerto Rico	-	0	0	0	0	0	0	0	0	0	0	1	-	-	-	**1**
	Subtotal	**$34**	**$330**	**$289**	**$232**	**$232**	**$280**	**$147**	**$152**	**$123**	**$164**	**$723**	**$713**	**$384**	**$297**	**$-**	**$4,100**
	Total	**$36**	**$559**	**$464**	**$410**	**$424**	**$482**	**$323**	**$305**	**$337**	**$352**	**$1,755**	**$1,501**	**$953**	**$468**	**$272**	**$8,641**

1. Reported figures reflect the impact of the Radian Asset acquisition, of which $633 million of net debt service is outstanding; and a commutation of previously ceded Puerto Rico exposures.
2. Includes exposure to Capital Appreciation Bonds with a current aggregate net par outstanding of $32 million and a fully accreted net par at maturity of $67 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 $10 million and fully accreted net par at maturity of $11 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.

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

Non-U.S. Exposure
As of September 30, 2015
($ in billions)

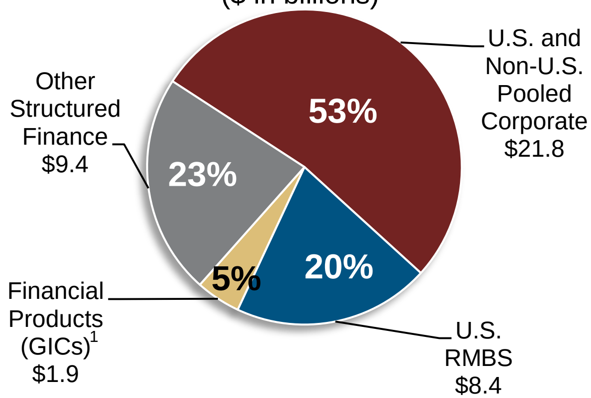


$36.2 billion, A- average rating

- **83% of non-U.S. exposure is public finance**
  - Direct sovereign debt is limited to Poland ($203 million outstanding)
- **17% of non-U.S. exposure is structured finance**
  - Approximately 68% of that is to pooled corporates
    - 74% of non-U.S. pooled corporates are rated A or higher

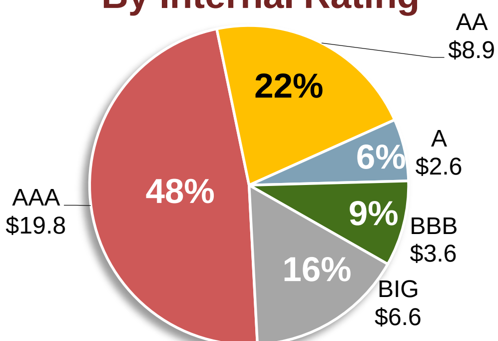
Structured Finance Exposures
Net Par Outstanding

By Type
As of September 30, 2015
($ in billions)



$41.5 billion, AA- average rating

By Internal Rating



- **We expect Assured Guaranty's global structured finance insured portfolio ($41.5 billion as of September 30, 2015) to amortize rapidly – 23% by year-end 2016 and 54% by year-end 2017**
  - $21.8 billion in global pooled corporate obligations expected to be reduced by 4% by year-end 2015, 27% by year-end 2016 and by 76% by year-end 2017
  - $8.4 billion in U.S. RMBS expected to be reduced by 4% by year-end 2015, 20% by year-end 2016 and by 33% by year-end 2017
- **Assured Guaranty's total structured finance exposure of $240.9 billion at December 31, 2007 has declined by $199.4 billion to $41.5 billion through September 30, 2015, an 83% reduction, or an average of approximately $26 billion per year**

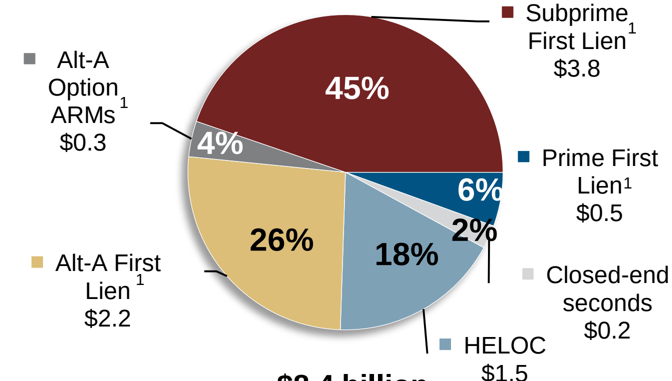
1. Assured Guaranty did not acquire Financial Security Assurance Holdings Ltd.'s financial products segment. Assured Guaranty and its subsidiaries are indemnified against exposure to such segment by Dexia. As of September 30, 2015, the aggregate accreted balance of the guaranteed investment contracts (GICs) was approximately $1.9 billion. As of the same date, with respect to the assets supporting the GIC business, the aggregate accreted principal balance was approximately $2.9 billion, the aggregate market value was approximately $2.7 billion and the aggregate market value after agreed reductions was approximately $1.8 billion. Cash and positive derivative value roughly offset the negative derivative values and other projected costs.

Consolidated U.S. RMBS

- **Our $8.4 billion U.S. RMBS portfolio is amortizing both on a dollar basis and as a percentage of the portfolio**
  - Total U.S. RMBS has declined from $29.2 billion at December 31, 2009 to $8.4 billion at September 30, 2015, a $20.8 billion or 71% reduction
  - Decline in U.S. RMBS is exclusive of $939 million outstanding par of loss mitigation RMBS securities held in investments at September 30, 2015
- **Our loss reserving methodology is driven by our assumptions on several factors:**
  - Liquidation rates
  - Conditional default rates
  - Conditional prepayment rates
  - Loss severity
- **We have significantly mitigated ultimate losses**
  - R&W putbacks, litigation and agreements
  - Wrapped bond purchases
  - Terminations of BIG credits

U.S. RMBS by Exposure Type

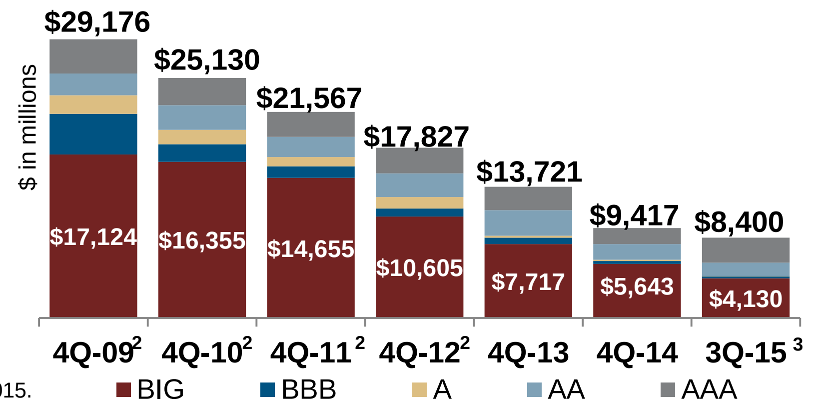
As of September 30, 2015
($ in billions)



$8.4 billion
(2.3% of total net par outstanding)

U.S. RMBS by Rating

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



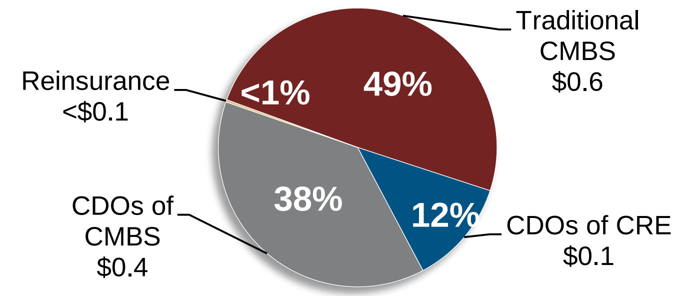
1. The Company has reclassified certain net par outstanding from below investment grade to investment grade due to collateralized reinsurance arrangements.
2. Gross of wrapped bond purchases made primarily for loss mitigation until 4Q-13
3. The Company upgraded from BIG to AAA certain CDS transactions that were terminated in October 2015.

U.S. CMBS & Direct Pooled Corporate Obligations Exposures

- **Our CMBS portfolio was largely triple-A at underwriting and remains highly rated as of September 30, 2015**
  - 100% of traditional direct U.S. CMBS exposure was assigned ratings of AAA as of September 30, 2015
- **Most of our direct pooled corporate exposure is highly rated and well protected**
  - 69% rated AAA
  - Average credit enhancement (CE) of 32.3%
- **Within our direct pooled corporate exposure, our $4.6 billion of Trust Preferred Securities (TruPS) CDO is diversified by region and collateral type**
  - Includes more than 1,800 underlying issuers
  - All our exposure at the CDO level is to the most senior debt tranche
  - Weighted average rating of A-, weighted average adjusted current CE[2] of 43.9%

U.S. CMBS by Exposure Type

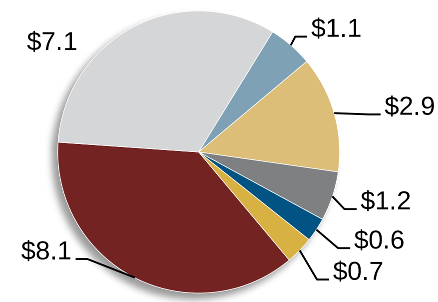
As of September 30, 2015



$1.1 billion, AA average rating

Direct Pooled Corporate Obligations By Asset Class

As of September 30, 2015



$21.7 billion, AA+ average rating

- CLOs/CBOs[1]
- 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

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.

Below Investment Grade Exposures
Net Par Outstanding by BIG Category[1]

- **As of September 30, 2015, approximately $10.8 billion (61%) of the aggregate BIG exposure was Category 1, which are transactions that show sufficient deterioration to make future losses possible but for which none are currently expected**
- **Approximately $3 billion in BIG exposure from the Radian Asset acquisition was added to BIG net par outstanding in 2Q-15**
  - Of the added exposure, $385 million of net par outstanding as of September 30, 2015 was related to Puerto Rico

Financial Guaranty Insurance and Credit Derivatives Surveillance Categories

($ in millions)	September 30, 2015	December 31, 2014
Category 1		
U.S. public finance	$7,132	$6,577
Non-U.S. public finance	913	1,402
U.S. structured finance	2,239	3,124
Non-U.S. structured finance	515	762
Total Category 1	$10,799	$11,865
Category 2		
U.S. public finance	$2,212	$1,156
Non-U.S. public finance	601	2
U.S. structured finance	1,162	1,486
Non-U.S. structured finance	44	45
Total Category 2	$4,020	$2,689
Category 3		
U.S. public finance	$136	$117
Non-U.S. public finance	-	-
U.S. structured finance	2,656	3,576
Non-U.S. structured finance	-	-
Total Category 3	$2,792	$3,693
BIG Total	**$17,611**	**$18,247**

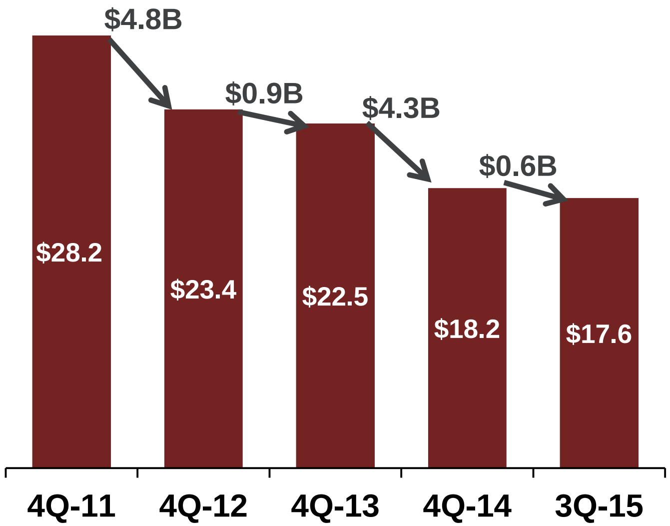
1. Assured Guaranty's surveillance department is responsible for monitoring our portfolio of credits and maintains a list of BIG credits. BIG Category 1: Below-investment-grade transactions showing sufficient deterioration to make future losses possible, but for which none are currently expected. BIG 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 $10.6 billion[1,2]**
- **The largest components of our BIG exposure are Puerto Rico at 29% and U.S. RMBS at 23%**
- **Approximately $3 billion in BIG exposure from the Radian acquisition were added to BIG net par outstanding in 2Q-15**
  - Of the added exposure, $385 million of net par outstanding as of September 30, 2015 was 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	First Half 2015	3Q-15[2]
Beginning BIG par	**$28,214**	**$23,392**	**$22,537**	**$18,247**	**$20,404**
Amortization / Paid	(4,049)	(2,660)	(2,126)	(605)	(779)
R&W RMBS Settlement Reclassifications	(1,782)	(531)	-	-	-
FX Change	48	(98)	(185)	(86)	(60)
Terminations	-	(452)	(922)	(78)	(1,394)
Removals / Upgrades	(711)	(1,346)	(1,003)	(1,089)	(164)
Additions / Downgrades	1,672	5,746	261	4,028	-
Adjustments[1]	-	(1,513)	(315)	(13)	(396)
Total Decrease / Increase	**(4,822)**	**(854)**	**(4,290)**	**2,157**	**(2,793)**
Ending BIG par	**$23,392**	**$22,537**	**$18,247**	**$20,404**	**$17,611**

1. 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 or representations and warranty settlements.
2. The Company upgraded from BIG to AAA certain CDS transactions that were terminated in October 2015.

BIG Exposures > $250 Million

($ in millions)

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

Type[1]	Name or Description	Net Par Outstanding	Internal Rating
PF	Puerto Rico General Obligation, Appropriations and Guarantees of the Commonwealth	$ 1,859	CCC
PF	Puerto Rico Highways and Transportation Authority	1,279	CCC-
PF	Skyway Concession Company LLC	1,269	BB
PF	Puerto Rico Electric Power Authority	744	CC
PF	Reliance Rail Finance Pty. Limited	598	BB
PF	Puerto Rico Aqueduct & Sewer Authority	388	CCC
PF	Puerto Rico Municipal Finance Agency	387	CCC-
SF	Zohar II 2005-1 Limited CDO	364	B-
PF	Louisville Arena Authority Inc.	337	BB
PF	M6 Duna Autopalya Koncesszios Zartkoruen Mukodo Reszvenytarsasag	279	BB-
SF	Option One 2007-FXD2	279	CCC
PF	Puerto Rico Sales Tax Financing Corporation	269	CCC+
	Total	**$8,052**	

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

Appendix

Assured Guaranty Overview
Dividend Limitations[1]

Assured Guaranty Re Ltd.
(Bermuda)

<u>Dividend Limitations</u>[1]
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 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 September 30, 2015, AG Re had unencumbered assets of approximately $611 million.

Municipal Assurance Corp.
(U.S.)

<u>Dividend Limitations</u>[1]
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.)

<u>Dividend Limitations</u>[1]
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 the lessor of 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 $40 million is available for distribution in the Fourth Quarter of 2015.**

Assured Guaranty Municipal Corp.
(U.S.)

<u>Dividend Limitations</u>[1]
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 $215 million, of which approximately $52 million is available for distribution in Fourth Quarter 2015.**

1. Represents dividend capacity as of September 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.

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.

Appendix

Reconciliation of PVP[1] to Gross Written Premiums (GWP) & Operating Income[1] to Net Income (Loss)

($ in millions, except per share data)

Consolidated New Business Production Analysis:

	3Q-15	3Q-14	Δ%
Present value of new business production (PVP)			
Public finance - U.S.:	$41	$51	(20)%
Public finance - non-U.S.	-	-	-
Structured finance - U.S.	0	1	(100)%
Structured finance - non-U.S.	-	4	-
Total PVP	**$41**	**$56**	**(27)%**
Total PVP	**$41**	**$56**	**(27)%**
Less: PVP of non-financial guaranty insurance	(1)	-	NM
PVP of financial guaranty insurance	$40	$56	(29)%
Less: Financial guaranty installment premium PVP	(1)	4	NM
Total: Financial guaranty upfront gross written premiums (GWP)	41	52	(21)%
Plus: Financial guaranty installment GWP and other GAAP adjustments[2]	(1)	(5)	(80)%
Total GWP	**$40**	**$47**	**(15)%**

Reconciliation of Consolidated Operating Income to Net Income (Loss)

	3Q-15	3Q-14
Operating income	**$164**	**$177**
Plus after-tax adjustments:		
Realized gains (losses) on investments	(22)	(10)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(3)	161
Fair value gains (losses) on committed capital securities	(9)	3
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	(7)	(13)
Effect of consolidating FG VIEs	6	37
Net income (loss)	**$129**	**$355**

Per Diluted Share

	3Q-15	3Q-14
Operating income	**$1.12**	**$1.05**
Plus after-tax adjustments:		
Realized gains (losses) on investments	(0.15)	(0.06)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(0.02)	0.94
Fair value gains (losses) on committed capital securities	(0.06)	0.01
Foreign exchange gains (losses) on remeasurement of premiums receivable and loss and LAE reserves	(0.05)	(0.07)
Effect of consolidating FG VIEs	0.04	0.22
Net income (loss)	**$0.88**	**$2.09**

NM = Not meaningful

1. For an explanation of PVP and operating income, non-GAAP financial measures, please refer to the preceding pages of the Appendix.
2. Represents 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.

Reconciliation of GAAP Book Value to Adjusted Book Value[1]

Reconciliation of Shareholders' Equity (GAAP Book Value) to Adjusted Book Value[1]

($ in millions, except per share amounts)

	As of :			
	September 30, 2015		December 31, 2014	
	Total	Per share	Total	Per share
Shareholders' equity	**$ 5,819**	**$ 40.72**	**$ 5,758**	**$ 36.37**
Less after-tax adjustments:				
Effect of consolidating FG VIEs	(38)	(0.26)	(44)	(0.28)
Non-credit impairment unrealized fair value gains (losses) on credit derivatives	(448)	(3.14)	(527)	(3.33)
Fair value gains (losses) on committed capital securities	30	0.21	23	0.14
Unrealized gain (loss) on investment portfolio excluding foreign exchange effect	291	2.04	373	2.36
Operating shareholders' equity	**$ 5,984**	**$ 41.87**	**$ 5,933**	**$ 37.48**
After-tax adjustments:				
Less: Deferred acquisition costs	148	1.04	156	0.99
Plus: Net present value of estimated net future credit derivative revenue	148	1.03	109	0.69
Plus: Net unearned premium reserve on financial guaranty contracts in excess of expected loss to be expensed	2,587	18.11	2,609	16.48
Adjusted book value[1]	**$ 8,571**	**$ 59.97**	**$ 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
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