

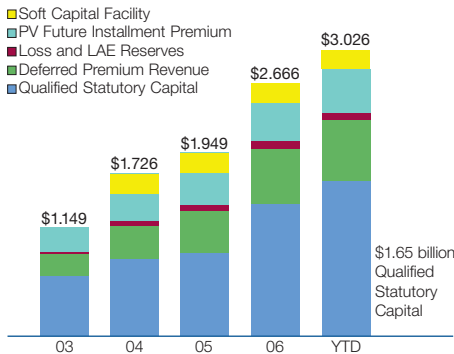
Fundamental strength
in triple-A rated financial
guarantee insurance
and reinsurance



2007 2ND QUARTER
FIXED INCOME INVESTOR UPDATE

Growing Claims-paying Resources*

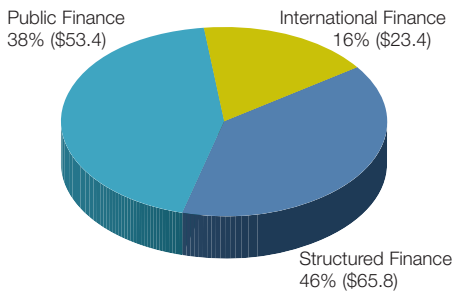
\$ in billions, as of June 30, 2007



Insured Portfolio Statistics

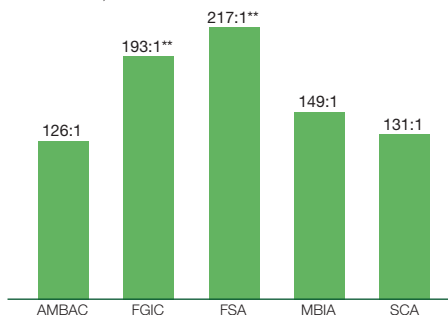
As of June 30, 2007

- \$142.6 billion net par outstanding
- Weighted average credit quality of AA- (S&P)
- Weighted average life of 11.4 years
- Below investment grade exposure stands at 0.46% of net par



Industry Capital Ratios

Net Principal and Interest / Qualified Statutory Capital,
as of June 30, 2007



at a glance

Security Capital Assurance Ltd (NYSE: SCA) is a Bermuda-based monoline financial guarantee holding company that, through its subsidiaries – XL Capital Assurance Inc., a monoline financial guarantee insurance provider, and XL Financial Assurance Ltd., a monoline provider of reinsurance to financial guarantee insurers – provides triple-A rated credit enhancement for the obligations of debt issuers worldwide.

XL Capital Assurance Inc. (XLCA) delivers triple-A rated credit enhancement for the obligations of debt issuers worldwide. XLCA guarantees US municipal bonds; asset-backed securities; debt backed by utilities and selected infrastructure projects; specialized risks, including future flow securitizations and bank deposit insurance; and collateralized debt obligations (CDOs). XLCA provides a triple-A rated guarantee that is unconditional and irrevocable and, in the process, helps clients overcome a broad spectrum of strategic, competitive and financial challenges.

XL Financial Assurance Ltd. (XLFA) is a triple-A rated provider of reinsurance to financial guarantee primary insurance companies. XLFA's reinsurance provides financial guarantors with full reinsurance capital relief under the rating agency models.

The SCA Advantage

- Unique triple-A financial guarantee insurance and reinsurance platform
- Experienced, top-five monoline insurer
- Independent, publicly traded company
- Strong claims-paying resources growth
- Low financial leverage relative to peers
- Disciplined credit culture and risk selection promoted by experienced management

Triple-A Rated

XLCA and XLFA are assigned the highest financial strength ratings:

AAA Standard & Poor's

Aaa Moody's Investors Service

AAA Fitch

SECURITY CAPITAL ASSURANCE
XL CAPITAL ASSURANCE XL FINANCIAL ASSURANCE

* Claims-paying Resources: Historical information for SCA for periods prior to 12/31/2006 is based on combined historical information for XLCA and XLFA. XLFA numbers are our estimate of US statutory capital, as the company files Bermuda statutory financial statements. Deferred Premium Revenue for XLFA is US GAAP-based and net of prepaid reinsurance premiums and deferred acquisition costs. Loss and LAE reserves for XLFA is US GAAP-based and net of unpaid losses and loss expense recoverable. PV Future installment Premium is a present value calculation of premiums we expect to receive over time based on policies we have issued and protection we have extended.

** Source: Companies' operating supplements. Figures for FGIC and FSA are as of Q1.

Awards

Public Finance

- Northeast Regional Deal of the Year – Small Issuer, *The Bond Buyer*
- Far West Regional Deal of the Year – Large Issuer, *The Bond Buyer*

Global Infrastructure

- Global Monoline of the Year, *Project Finance International*
- North American Deal of the Year, *Project Finance International*
- Shipping Capital Markets Deal of the Year, *Jane's Transport Finance*
- Innovative Shipping Finance Deal of the Year, *Lloyd's Shipping Economist*

Structured Finance

- ABS Deal of the Year – Europe, *International Securitisation Report*

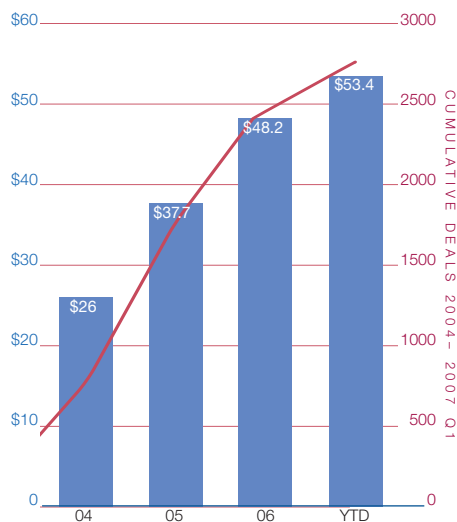
US Public Finance

- \$6.2 billion par insured year-to-date
- More than \$53.4 billion net par of XLCA-wrapped municipals outstanding
- 280 transactions year-to-date and over 700 municipal bond transactions in 2006
- Over 600 institutional investors in XLCA-wrapped municipal bonds

Scale of Our Business

Public Finance Net Par Outstanding and Number of Deals

\$ in billions, as of March 31, 2007



US Public Finance Contact

Thomas F. Randazzo
Head of US Public Finance
212-478-3450
thomas.randazzo@scafg.com

Structured Finance

- Accounts for 43% of new business production in the first half of 2007
- Represents 46% of total net insured par outstanding

Asset-backed Securities

- 11% market share year-to-date insured ABS/MBS
- Consumer ABS focus on mortgage and auto loan collateral
- Commercial ABS focus on intellectual property, operating assets, and small business loan

Collateralized Debt Obligations

- \$39.1 billion net insured par outstanding
- Only \$13.6 million of insured portfolio is rated below A by S&P
- Focused on senior tranches of cashflow CDOs including: high-yield corporate risk, ABS, CDOs, hedge funds, emerging market risk, commercial real estate

Structured Finance Contacts

Wynne Morriss
Head of Origination
212-478-3445
wynne.morriss@scafg.com

Cassie Lau
Head of Consumer ABS
212-478-3402
cassie.lau@scafg.com

Sohail Rasul
Head of CDOs
212-478-3412
sohail.rasul@scafg.com

Investor Relations Contacts

Frank Constantinople
Head of Investor Relations
+441 279 7450
frank.constantinople@scafg.com

Kieran McShane
Head of Fixed Income Investor Relations
212-478-3696
kieran.mcshane@scafg.com

Noel Chandonnet
Fixed Income Investor Relations,
Public Finance
212-478-3485
noel.chandonnet@scafg.com

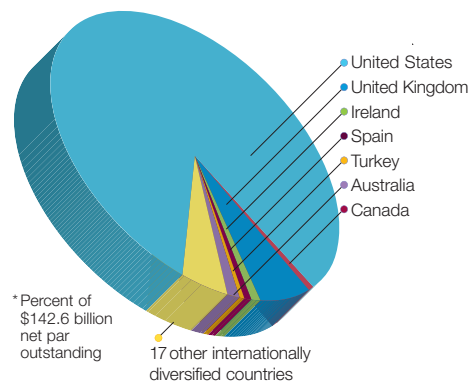
International

- Global infrastructure focused on primary and secondary debt of privately owned and operated essential public infrastructure
- Power and utilities focused on international utilities and structured credits in energy finance
- Specialized risk focused on future flow transactions and international public finance

SCA International Exposure*

As of June 30, 2007

United States, 83.6%
International, 16.4%



International Contacts

Phil Henson
Co-Head Power and Utilities
212-478-3444
phil.henson@scafg.com

Alistair Buchan
Co-Head Power & Utilities
+44 207 065 6990
alistair.buchan@scafg.com

David Stortz
Head of Specialized Risk
212-478-3452
david.stortz@scafg.com

Alberto Ramos
Head of Global Infrastructure
+34 91 702 3323
alberto.ramos@xlgroup.com