

August 26, 2009

Research Update:

Outlook On Financial Security Assurance Holdings Ltd. Revised To Stable; 'A+' Rating Affirmed

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Table Of Contents

Overview

Rating Action

Rationale

Outlook

Related Research

Ratings List

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Overview

- Assured Guaranty Ltd. has guaranteed the debt of its newly acquired subsidiary, Financial Security Assurance Holdings Ltd.
- We have revised the outlook on the subsidiary to stable from developing.
- We have also affirmed our 'A+' counterparty credit rating on the company.

Rating Action

On Aug. 26, 2009, Standard & Poor's Ratings Services revised its outlook on Financial Security Assurance Holdings Ltd. (FSA Holdings) to stable from developing. At the same time, Standard & Poor's affirmed its 'A+' counterparty credit rating on FSA Holdings.

Rationale

The rating on FSA Holdings is based on a guarantee from its parent, Assured Guaranty Ltd. (AGL; A+/Stable/--). FSA Holdings is the obligor for all debt and hybrid securities for the consolidated FSA Holdings group prior to its acquisition by AGL on July 1, 2009. The operating performance and debt-service needs of FSA Holdings and the rating on AGL are dependent on Assured's, FSA's, and AG Re's ability to pay dividends to AGL. We believe all three companies have sufficient dividend capacity to support Assured Holdings' debt-service needs.

Outlook

The stable outlook is based on what we view as strong capitalization at the rating level, a favorable market position, conservative investment policy, and dividend capacity of Assured Ltd.'s principal operating subsidiaries, 'AAA' rated Assured Guaranty Corp. and Financial Security Assurance Inc.

Related Research

"Bond Insurance Industry Overview And Analytical Focus," June 29, 2006.

Ratings List

Ratings Affirmed; Outlook Action

Financial Security Assurance Holdings Ltd.

Counterparty Credit Rating

Research Update: Outlook On Financial Security Assurance Holdings Ltd. Revised To Stable; 'A+' Rating Affirmed

Local Currency	A+/Stable/--	A+/Developing/--
Senior Unsecured	A+	
Junior Subordinated	A-	

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