

**Announcement: Assured Guaranty Ltd (Bermuda)**

**Moody's comments on Assured's first quarter 2008 earnings announcement**

---

New York, May 13, 2008 -- Moody's said that Assured Guaranty Ltd.'s first quarter earnings release held no rating implications for its main financial guaranty insurance operating companies. The insurance financial strength ratings of Assured Guaranty Corp. (AGC) and Assured Guaranty Re Ltd. (AG Re) remain at Aaa and Aa2, respectively. The rating outlooks are stable.

Assured realized a first quarter 2008 net loss of \$169.2 million, primarily due to a \$181.4 million after-tax mark-to-market loss on credit derivatives stemming mostly from pooled corporate exposures and CMBS transactions. More notably, Assured reported \$52.9 million in loss reserve charges on US RMBS exposures during the quarter, primarily relating to two Countrywide HELOC transactions. Moody's noted that Assured's total loss reserves and credit impairment charges for US RMBS securities, which stood at \$92.1 million as of 3/31/08, are below the rating agency's prior expected-case loss estimate and the stress-case losses used to evaluate the company's capital adequacy. Assured's exposure to ABS CDOs remains modest relative to most other financial guarantors.

In addition to its mortgage-related exposures, Assured added to its closely monitored credit list two structured life insurance transactions with investment exposure to subprime mortgages. Assured also has \$540 million in exposure to bonds issued by Jefferson County Alabama Sewer System, which is currently experiencing financial stress. Assured does not currently expect to experience ultimate losses on any of these transactions.

The competitive position of Assured's direct financial guaranty company, AGC has improved in recent quarters given the downturn in business volume experienced by those guarantors with large mortgage and mortgage-related ABS CDO exposures. The present value of insurance and credit derivative gross premiums written (PVP) by AGC during the quarter totaled \$255 million, representing an increase of 205% from a year ago. This increase was reflective of both significantly greater transaction volume and higher premium rates. Assured's investment income rose by 16% as invested assets grew as a result of the company's raising \$304 million through a common stock issuance in December, 2007 coupled with sizable upfront premiums received on new public finance business. PVP for the reinsurance segment was down 7% from the prior year's first quarter, reflecting lower facultative business coming from third-party primary guarantors.

Subsequent to the end of 1Q08, Assured issued \$250 million in common stock to investment funds managed by WL Ross & Co., LLC (WL Ross). \$150 million of issuance proceeds were downstreamed to AG Re in anticipation of increased demand for reinsurance from primary financial guarantors seeking to improve their capital adequacy. Subject to certain terms and conditions, Assured has the option to issue up to an additional \$750 million of common stock to funds managed by WL Ross, providing Assured with a committed source of capital to finance business growth and/or expansion.

New York  
Arlene Isaacs-Lowe  
Senior Vice President  
Financial Institutions Group  
Moody's Investors Service  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

New York  
Jack Dorer  
Managing Director  
Financial Institutions Group  
Moody's Investors Service  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

---

© Copyright 2008, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."