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Assured Guaranty Corp. 'AAA' Rating Affirmed With Stable Outlook

Primary Credit Analyst:

Robert E Green, New York (1) 212-438-2013; robert_green@standardandpoors.com

Secondary Credit Analyst:

Dick P Smith, New York (1) 212-438-2095; dick_smith@standardandpoors.com

Media Contact:

Mimi Barker, New York (1) 212-438-5054; mimi_barker@standardandpoors.com

NEW YORK (Standard & Poor's) June 18, 2008--Standard & Poor's Ratings Services said today it affirmed its 'AAA' financial strength and financial enhancement ratings on Assured Guaranty Corp. (Assured). The outlook is stable.

"The affirmation reflects our view on the company's strong market position in the bond insurance industry as well as its solid capital position," said Standard & Poor's credit analyst Robert Green. "Relative to a year ago when the company was at a trading value disadvantage compared with the major primary companies, Assured's successful negotiation of the nonprime RMBS situation has resulted in trading value improvement and affirmation of its rating."

Only Assured, Financial Security Assurance Inc., and Berkshire Hathaway Assurance Corp. have 'AAA' ratings with stable outlooks. Assured's management tightened subprime criteria and withdrew from the collateralized debt obligation of asset-backed securities (CDO of ABS) sector at the end of 2003. This has resulted in no exposure to CDOs of ABS with problematic sectors and vintages, and nonprime residential mortgage-backed securities (RMBS) exposure with mostly original 'AAA' underlying ratings.

"The stable outlook is based on what we view as strong capitalization at the rating level, a favorable market position, and conservative investment policy," said Mr. Green.

Assured is well-capitalized with a margin of safety in the range of 1.4x to 1.5x. In April 2008, an investment fund managed by W.L. Ross purchased \$250 million of common equity of parent company Assured Guaranty Ltd., and has a remaining commitment to purchase up to \$750 million of common equity at Assured Guaranty Ltd.'s option.

For this year, Assured should see further growth in adjusted gross premiums written in the U.S. public finance sector given the company's 35% share of the municipal market in March 2008. Overall gross par written in the first quarter was \$16.7 billion, up 95% from the year-earlier quarter.

"While much of the structured market is disrupted, we believe Assured is well-positioned to participate in those one-off transactions in the structured market which are still best executed with bond insurance," Mr. Green said.

Ratings List

Ratings Affirmed

Assured Guaranty Corp

Issuer Credit Rating

Local Currency AAA/Stable/--

Financial Strength Rating

Local Currency AAA/Stable/--

Financial Enhancement Rating

Local Currency AAA/--/--

Assured Guaranty (UK) Ltd.

Issuer Credit Rating

AAA/Stable/--

Financial Strength Rating

Local Currency AAA/Stable/--

Financial Enhancement Rating

Local Currency AAA/--/--

Assured Guaranty Mortgage Insurance Company

Issuer Credit Rating

Local Currency AA/Stable/--

Financial Strength Rating

Local Currency AA/Stable/--

Assured Guaranty Re Ltd.

Assured Guaranty Re Overseas Ltd.

Issuer Credit Rating

Local Currency AA/Stable/--

Financial Strength Rating

Local Currency AA/Stable/--

Financial Enhancement Rating

Local Currency AA/--/--

Assured Guaranty, LTD.

Issuer Credit Rating

A+/Stable/--

Senior Unsecured

Local Currency A+

Junior Subordinated
Local Currency

A-

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