



ENDURING FINANCIAL STRENGTH<sup>SM</sup>  
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Assured Guaranty Corp.  
*Financial Supplement*

THIRD QUARTER 2008  
SEPTEMBER 30, 2008



## Assured Guaranty Corp. Financial Supplement Third Quarter Ended September 30, 2008

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This supplement should be read in conjunction with documents filed by Assured Guaranty Ltd. with the Securities and Exchange Commission, including our 10-Q's dated March 31, 2007, June 30, 2007, September 30, 2007, March 31, 2008 and June 30, 2008 and our 10-K for the year ended December 31, 2007.

Some amounts in this Financial Supplement may not add due to rounding.

### Cautionary Statement Regarding Forward-Looking Statements:

Any forward-looking statements made in this supplement reflect Assured Guaranty Corp.'s ("Assured" or "the Company") current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. For example, the Company's forward looking statements, including its calculations of adjusted book value, present value of insurance and credit derivative gross written premiums ("PVP") and net present value of estimated future installment premiums in force, and statements regarding losses, pricing, ratings, capital adequacy and the growth of the direct business could be affected by many events. These events include a significant reduction in the amount of reinsurance ceded by one or more of our principal ceding companies, rating agency action such as a ratings downgrade, difficulties with the execution of the Company's business strategy, contract cancellations, developments or volatility in the world's financial and capital markets, more severe or frequent losses associated with products affecting the adequacy of the Company's loss reserves, changes in regulation or tax laws, governmental actions, natural catastrophes, the Company's dependence on customers, decreased demand or increased competition, loss of key personnel, technological developments, the effects of mergers, acquisitions and divestitures, changes in accounting policies or practices, changes in general economic conditions, other risks and uncertainties that have not been identified at this time, management's response to these factors, and other risk factors identified in Assured Guaranty Ltd.'s filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

# Assured Guaranty Corp.

## Selected Financial Highlights

(dollars in millions)

	Quarter Ended September 30,		% Change versus 3Q-07	Nine Months Ended September 30,		% Change versus YTD 2007
	2008	2007		2008	2007	
<b>Gross written premiums (GWP) analysis:</b>						
Present value of financial guaranty and credit derivative GWP (PVP) <sup>a</sup>	\$ 82.2	\$ 132.7	(38)%	\$ 578.8	\$ 320.4	81%
Less: PVP of credit derivatives	-	90.8	(100)%	143.8	170.4	(16)%
PVP of financial guaranty GWP	82.2	41.9	96%	435.0	150.0	190%
Less: Financial guaranty installment premium PVP	30.3	8.9	240%	70.0	61.1	15%
Total: Financial guaranty upfront GWP	51.9	33.0	57%	365.0	88.9	311%
Plus: Financial guaranty installment GWP	20.8	12.1	72%	51.3	38.5	33%
Total financial guaranty GWP	72.7	45.1	61%	416.3	127.4	227%
Plus: Other segment GWP	-	0.1	(100)%	0.2	0.3	(33)%
<b>Total GWP per income statement</b>	<b>\$ 72.7</b>	<b>\$ 45.2</b>	<b>61%</b>	<b>\$ 416.5</b>	<b>\$ 127.7</b>	<b>226%</b>
<b>Net (loss) income</b>						
Less: After-tax realized (losses) gains on investments	\$ (4.4)	\$ 0.1	NM	\$ (2.9)	\$ (0.3)	867%
Less: After-tax unrealized (losses) gains on credit derivatives <sup>1</sup>	(55.1)	(108.4)	(49)%	212.4	(120.2)	NM
Plus: After-tax incurred losses on credit derivatives <sup>2</sup>	(4.0)	(0.7)	NM	(6.6)	(0.6)	NM
<b>Operating income<sup>b</sup></b>	<b>\$ 3.2</b>	<b>\$ 18.9</b>	<b>(83)%</b>	<b>\$ 27.2</b>	<b>\$ 74.5</b>	<b>(63)%</b>
<b>Book value</b>						
Plus: Net unearned premium reserve, after tax <sup>3</sup>	311.5	145.8	114%			
Plus: Net unearned revenue on credit derivatives, after tax <sup>4</sup>	7.3	5.7	28%			
Plus: Net present value of estimated future installment premiums in force, after tax <sup>d</sup>	358.4	298.1	20%			
Less: Deferred acquisition costs, after tax	50.4	48.4	4%			
<b>Adjusted book value<sup>c</sup></b>	<b>\$ 1,768.9</b>	<b>\$ 1,452.3</b>	<b>22%</b>			
<b>ROE, excluding AOCI</b>	<b>(17.5)%</b>	<b>(33.1)%</b>		<b>32.2%</b>	<b>(5.7)%</b>	
<b>Operating ROE, excluding AOCI and after-tax unrealized (losses) gains on credit derivatives<sup>b</sup></b>	<b>1.0%</b>	<b>6.8%</b>		<b>3.0%</b>	<b>9.1%</b>	
Net debt service outstanding	\$ 164,713	\$ 116,007	42%			
Gross debt service outstanding	226,140	155,381	46%			
Net par outstanding	112,064	82,873	35%			
Gross par outstanding	154,498	112,773	37%			
Net debt service written	9,071	10,009	(9)%	\$ 45,364	\$ 29,495	54%
Gross debt service written	12,302	14,292	(14)%	64,243	41,244	56%
Net par written	5,512	9,355	(41)%	28,568	22,922	25%
Gross par written	7,494	12,954	(42)%	40,430	32,351	25%

1. The quarter and nine months ended September 30, 2008 included a fair value after-tax gain of \$4.5 million and \$15.8 million, respectively, related to the Company's committed capital securities.

2. Company's estimate of incurred losses included in the mark to market unrealized loss on credit derivatives.

3. Unearned premium reserve less pre-paid reinsurance premiums, after tax.

4. Unearned revenue less pre-paid reinsurance premiums on credit derivatives, after tax.

Note: Please refer to endnotes for explanation of non-GAAP financial measures [PVP (a), operating income and operating ROE (b), adjusted book value (c), and net present value of estimated future installment premiums in force (d)].

NM = Not meaningful

# Assured Guaranty Corp.

## Consolidated Income Statements

(dollars in millions)

	Quarter Ended September 30,		% Change versus 3Q-07	Nine Months Ended September 30,		% Change versus YTD 2007
	2008	2007		2008	2007	
<b>Revenues</b>						
Gross written premiums	\$ 72.7	\$ 45.2	61%	\$ 416.5	\$ 127.7	226%
Net written premiums	52.7	22.1	138%	292.1	82.1	256%
Net earned premiums:						
Scheduled net earned direct premiums	18.8	7.5	151%	44.2	18.9	134%
Scheduled net earned reinsurance premiums	3.3	2.6	27%	11.4	14.8	(23)%
Refundings	5.7	3.4	68%	7.2	10.5	(31)%
Total net earned premiums	27.7	13.5	105%	62.8	44.2	42%
Net investment income	19.9	15.7	27%	53.4	46.5	15%
Realized gains and other settlements on credit derivatives	22.4	12.9	74%	67.3	36.8	83%
Incurred (losses) gains on credit derivatives	(6.2)	(1.0)	520%	(10.1)	(1.0)	910%
Other Income	0.2	0.4	(50)%	0.4	0.4	0%
<b>Total revenues</b>	<b>64.0</b>	<b>41.5</b>	<b>54%</b>	<b>173.8</b>	<b>126.9</b>	<b>37%</b>
<b>Expenses</b>						
Loss and loss adjustment expenses (recoveries)	45.3	1.2	3675%	92.3	(21.2)	NM
Profit commission expense	-	-	0%	0.4	(0.4)	NM
Acquisition costs	5.3	3.5	51%	12.1	11.6	4%
Other operating expenses	13.3	11.7	14%	40.7	34.8	17%
Interest and related expenses	1.5	0.6	150%	4.0	2.0	100%
<b>Total expenses</b>	<b>65.4</b>	<b>17.0</b>	<b>285%</b>	<b>149.5</b>	<b>26.7</b>	<b>460%</b>
Operating (loss) income before (benefit) provision for income taxes	(1.4)	24.5	NM	24.3	100.3	(76)%
Total (benefit) provision for income taxes	(4.6)	5.6	NM	(2.9)	25.8	NM
<b>Operating income <sup>b</sup></b>	<b>3.2</b>	<b>18.9</b>	<b>(83)%</b>	<b>27.2</b>	<b>74.5</b>	<b>(63)%</b>
Plus: After-tax realized (losses) gains on investments	(4.4)	0.1	NM	(2.9)	(0.3)	NM
Plus: After-tax unrealized (losses) gains on credit derivatives <sup>1</sup>	(51.1)	(107.7)	(53)%	219.0	(119.6)	NM
<b>Net (loss) income</b>	<b>\$ (52.2)</b>	<b>\$ (88.7)</b>	<b>(41)%</b>	<b>\$ 243.3</b>	<b>\$ (45.4)</b>	<b>NM</b>

1. The quarter and nine months ended September 30, 2008 included a fair value after-tax gain of \$4.5 million and \$15.8 million, respectively, related to the Company's committed capital securities.

Note: Please refer to endnotes for explanation of non-GAAP financial measures [operating income (b)].

NM = Not meaningful



# Assured Guaranty Corp.

## Consolidated Balance Sheets

(dollars in millions)

	As of	
	September 30, 2008	December 31, 2007
<b>Assets</b>		
Fixed maturity securities, at fair value	\$ 1,492.7	\$ 1,311.3
Short-term investments, at cost which approximates fair value	94.1	44.0
<b>Total investments</b>	<b>1,586.8</b>	<b>1,355.3</b>
Cash and cash equivalents	2.2	1.8
Accrued investment income	21.9	16.6
Deferred acquisition costs	77.8	78.9
Prepaid reinsurance premiums	196.8	97.3
Reinsurance recoverable on ceded losses	23.0	20.5
Premiums receivable	19.7	15.0
Goodwill	85.4	85.4
Credit derivative assets	165.3	4.6
Deferred tax asset	62.1	132.6
Current income taxes receivable	15.2	-
Salvage recoverable	37.8	6.2
Committed capital securities	32.6	8.3
Receivable for securities sold	7.4	0.1
Other assets	8.9	9.4
<b>Total assets</b>	<b>\$ 2,342.9</b>	<b>\$ 1,832.0</b>
<b>Liabilities and shareholder's equity</b>		
<b>Liabilities</b>		
Unearned premium reserves	\$ 676.1	\$ 346.8
Reserves for losses and loss adjustment expenses	97.0	70.4
Profit commissions payable	4.0	3.6
Reinsurance balances payable	23.6	12.9
Current income taxes payable	-	2.1
Funds held by Company under reinsurance contracts	5.3	5.3
Credit derivative liabilities	328.7	473.9
Payables for securities purchased	9.9	0.9
Other liabilities	56.1	48.9
<b>Total liabilities</b>	<b>1,200.6</b>	<b>964.8</b>
<b>Shareholder's equity</b>		
Common stock	15.0	15.0
Additional paid-in capital	480.4	380.4
Retained earnings	679.2	443.3
Accumulated other comprehensive (loss) income	(32.4)	28.5
<b>Total shareholder's equity</b>	<b>1,142.2</b>	<b>867.2</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 2,342.9</b>	<b>\$ 1,832.0</b>

# Assured Guaranty Corp.

Financial Guaranty Profile (1 of 4)

(dollars in millions)

Sector:	Gross Par Written		As of September 30, 2008:		
	3Q 2008	9 Months 2008	Net Par Outstanding	%	Avg. Rating <sup>1</sup>
<b>U.S. public finance</b>					
Tax backed	\$ 1,557	\$ 7,055	\$ 8,575	7.7%	A
General obligation	1,069	4,956	8,165	7.3%	A
Municipal utilities	837	4,599	6,373	5.7%	A
Transportation	435	2,887	4,841	4.3%	A
Healthcare	62	2,986	4,663	4.2%	A
Higher education	317	1,539	1,913	1.7%	A
Investor-owned utilities	-	80	881	0.8%	BBB+
Housing	-	-	247	0.2%	AA-
Other public finance	1,297	1,856	2,148	1.9%	A+
Total U.S. public finance	<u>\$ 5,574</u>	<u>\$ 25,958</u>	<u>\$ 37,806</u>	<u>33.7%</u>	<u>A</u>
<b>U.S. structured finance</b>					
Pooled corporate obligations	\$ -	\$ 2,659	\$ 26,631	23.8%	AAA
Prime mortgage-backed and home equity	-	3,034	8,818	7.9%	A
Subprime mortgage-backed and home equity	-	-	5,230	4.7%	AA-
Commercial mortgage-backed securities	-	-	4,550	4.1%	AAA
Consumer receivables	350	1,825	2,707	2.4%	AA+
Commercial receivables	320	693	2,228	2.0%	AA-
Structured credit	1,250	1,850	1,713	1.5%	A+
Insurance securitizations	-	-	255	0.2%	AA-
Other structured finance	-	-	186	0.2%	BBB
Total U.S. structured finance	<u>\$ 1,920</u>	<u>\$ 10,059</u>	<u>\$ 52,317</u>	<u>46.7%</u>	<u>AA</u>
<b>International</b>					
Pooled corporate obligations	\$ -	\$ 618	\$ 6,504	5.8%	AAA
Mortgage-backed and home equity	-	3,096	5,806	5.2%	AAA
Infrastructure and pooled infrastructure	-	-	4,312	3.8%	AA
Regulated utilities	-	450	1,839	1.6%	A-
Commercial receivables	-	-	996	0.9%	A-
Public finance	-	-	611	0.5%	AA
Future flow	-	250	563	0.5%	BBB
Commercial mortgage-backed securities	-	-	447	0.4%	AAA
Insurance securitizations	-	-	287	0.3%	B+
Structured credit	-	-	66	0.1%	AA-
Consumer receivables	-	-	-	-	--
Other international structured finance	-	-	510	0.5%	AAA
Total international	<u>\$ -</u>	<u>\$ 4,413</u>	<u>\$ 21,941</u>	<u>19.6%</u>	<u>AA</u>
<b>Total</b>	<u>\$ 7,494</u>	<u>\$ 40,430</u>	<u>\$ 112,064</u>	<u>100.0%</u>	<u>AA-</u>

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

Please refer to Glossary for description of selected types of U.S. public finance, U.S. structured finance and International obligations that the Company insures and reinsures.

# Assured Guaranty Corp.

Financial Guaranty Profile (2 of 4)

(dollars in millions)

## Historical Net Par Outstanding and Average Rating by Asset Type

Sector:	As of September 30,		As of December 31,			
	2008		2007		2006	
	Net Par Outstanding	Avg. Rating <sup>1</sup>	Net Par Outstanding	Avg. Rating <sup>1</sup>	Net Par Outstanding	Avg. Rating <sup>1</sup>
<b>U.S. public finance</b>						
Tax backed	\$ 8,575	A	\$ 3,520	A	\$ 3,246	A
General obligation	8,165	A	4,945	A	4,332	A
Municipal utilities	6,373	A	3,496	A	3,921	A
Transportation	4,841	A	3,072	A	2,932	A
Healthcare	4,663	A	3,300	A	2,765	A
Higher education	1,913	A	807	A-	679	A-
Investor-owned utilities	881	BBB+	854	BBB+	899	BBB+
Housing	247	AA-	267	AA-	329	AA-
Other public finance	2,148	A+	821	AA	888	AA-
Total U.S. public finance	\$ 37,806	A	\$ 21,082	A	\$ 19,991	A
<b>U.S. structured finance</b>						
Pooled corporate obligations	\$ 26,631	AAA	\$ 25,844	AAA	\$ 17,852	AAA
Prime mortgage-backed and home equity	8,818	A	8,001	AA-	2,556	A
Subprime mortgage-backed and home equity	5,230	AA-	5,419	AA+	4,566	AA+
Commercial mortgage-backed securities	4,550	AAA	4,639	AAA	4,437	AAA
Consumer receivables	2,707	AA+	3,972	AA	1,645	AA
Commercial receivables	2,228	AA-	2,142	AA	915	A
Structured credit	1,713	A+	886	A	880	AAA
Insurance securitizations	255	AA-	208	AA	165	AA
Other structured finance	186	BBB	625	AA	1,115	AA
Total U.S. structured finance	\$ 52,317	AA	\$ 51,736	AA+	\$ 34,131	AA+
<b>International</b>						
Pooled corporate obligations	\$ 6,504	AAA	\$ 5,973	AAA	\$ 2,324	AAA
Mortgage-backed and home equity	5,806	AAA	4,703	AAA	2,865	AAA
Infrastructure and pooled infrastructure	4,312	AA	4,828	AA+	3,816	AA
Regulated utilities	1,839	A-	1,877	A	1,287	A
Commercial receivables	996	A-	1,074	A-	743	A-
Public finance	611	AA	775	AA-	775	A
Future flow	563	BBB	516	BBB+	534	BBB
Commercial mortgage-backed securities	447	AAA	719	AAA	897	AAA
Insurance securitizations	287	B+	245	BBB-	279	A-
Structured credit	66	AA-	73	AA-	135	A+
Consumer receivables	-	--	5	AAA	112	BBB+
Other international structured finance	510	AAA	522	AAA	481	AAA
Total international	\$ 21,941	AA	\$ 21,309	AA+	\$ 14,248	AA
<b>Total exposures</b>	<b>\$ 112,064</b>	<b>AA-</b>	<b>\$ 94,127</b>	<b>AA</b>	<b>\$ 68,370</b>	<b>AA</b>

## Distribution by ratings of financial guaranty portfolio

Ratings <sup>1</sup> :	September 30, 2008		December 31, 2007		December 31, 2006	
	Net Par		Net Par		Net Par	
	Outstanding	%	Outstanding	%	Outstanding	%
Super senior	\$ 26,237	23.4%	\$ 26,837	28.5%	\$ 12,435	18.2%
AAA	28,081	25.1%	33,266	35.3%	26,174	38.3%
AA	15,606	13.9%	8,889	9.4%	8,389	12.3%
A	26,464	23.6%	15,148	16.1%	13,385	19.5%
BBB	13,365	11.9%	8,796	9.3%	7,122	10.4%
Below investment grade	2,312	2.1%	1,191	1.3%	865	1.3%
Total exposures	\$ 112,064	100.0%	\$ 94,127	100.0%	\$ 68,370	100.0%

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

Please refer to Glossary for description of selected types of U.S. public finance, U.S. structured finance and International obligations that the Company insures and reinsures.

# Assured Guaranty Corp.

Financial Guaranty Profile (3 of 4)

(dollars in millions)

## Distribution by Ratings of Financial Guaranty Portfolio

		As of September 30, 2008							
		U.S. Public Finance		U.S. Structured Finance		International		Consolidated	
		Net Par		Net Par		Net Par		Net Par	
Ratings <sup>1</sup> :		Outstanding	%	Outstanding	%	Outstanding	%	Outstanding	%
Super senior		\$ -	-	\$ 17,726	33.9%	\$ 8,511	38.8%	\$ 26,237	23.4%
AAA		556	1.5%	19,753	37.8%	7,772	35.4%	28,081	25.1%
AA		9,496	25.1%	5,042	9.6%	1,462	6.7%	16,000	14.3%
A		20,473	54.2%	4,009	7.7%	1,588	7.2%	26,070	23.3%
BBB		6,932	18.3%	4,165	8.0%	2,268	10.3%	13,365	11.9%
Below investment grade		349	0.9%	1,623	3.1%	340	1.5%	2,312	2.1%
Total exposures		\$ 37,806	100.0%	\$ 52,317	100.0%	\$ 21,941	100.0%	\$ 112,064	100.0%

  

		As of December 31, 2007							
		U.S. Public Finance		U.S. Structured Finance		International		Consolidated	
		Net Par		Net Par		Net Par		Net Par	
Ratings <sup>1</sup> :		Outstanding	%	Outstanding	%	Outstanding	%	Outstanding	%
Super senior		\$ -	-	\$ 17,501	33.8%	\$ 9,336	43.8%	\$ 26,837	28.5%
AAA		489	2.3%	25,759	49.8%	7,018	32.9%	33,266	35.3%
AA		5,153	24.4%	2,805	5.4%	932	4.4%	8,889	9.4%
A		10,692	50.7%	2,707	5.2%	1,749	8.2%	15,148	16.1%
BBB		4,660	22.1%	1,890	3.7%	2,246	10.5%	8,796	9.3%
Below investment grade		88	0.4%	1,074	2.1%	28	0.1%	1,191	1.3%
Total exposures		\$ 21,082	100.0%	\$ 51,736	100.0%	\$ 21,309	100.0%	\$ 94,127	100.0%

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

# Assured Guaranty Corp.

Financial Guaranty Profile (4 of 4)

(dollars in millions)

## Geographic Distribution of Financial Guaranty Portfolio as of September 30, 2008

	<b>Net Par Outstanding</b>	<b>%</b>
<b>U.S.:</b>		
California	\$ 5,736	5.1%
Florida	2,906	2.6%
New York	2,635	2.4%
Texas	2,612	2.3%
Illinois	2,255	2.0%
New Jersey	1,758	1.6%
Puerto Rico	1,508	1.3%
Pennsylvania	1,384	1.2%
Massachusetts	1,358	1.2%
South Carolina	1,082	1.0%
Other states	14,574	13.0%
Mortgage and structured (multiple states)	52,317	46.7%
<b>Total U.S.</b>	<b>\$ 90,123</b>	<b>80.4%</b>
<b>International:</b>		
United Kingdom	\$ 12,235	10.9%
Germany	2,646	2.4%
Australia	901	0.8%
Turkey	350	0.3%
Ireland	279	0.2%
Other	5,532	4.9%
<b>Total International</b>	<b>\$ 21,941</b>	<b>19.6%</b>
<b>Total exposures</b>	<b>\$ 112,064</b>	<b>100.0%</b>

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

# Assured Guaranty Corp.

## Pooled Corporate Obligations Profile

(dollars in millions)

### Distribution by Ratings of Direct Pooled Corporate Obligations as of September 30, 2008

Ratings <sup>1</sup> :	Net Par		Avg. Initial Credit	Avg. Current
	Outstanding	%	Enhancement <sup>2</sup>	Enhancement <sup>2</sup>
AAA	\$ 29,327	89.7%	37.7%	35.9%
AA	2,696	8.2%	33.9%	33.1%
A	479	1.5%	45.9%	38.6%
BBB	189	0.6%	48.2%	37.9%
Below investment grade	-	-	--	--
Total exposures	<u>\$ 32,691</u>	<u>100.0%</u>	<u>37.6%</u>	<u>35.7%</u>

### Distribution of Direct Pooled Corporate Obligations by Year Insured as of September 30, 2008

Year insured:	Net Par		Avg. Initial Credit	Avg. Current
	Outstanding	%	Enhancement <sup>2</sup>	Enhancement <sup>2</sup>
2004 and prior	\$ 1,261	3.9%	30.0%	31.5%
2005	5,544	17.0%	36.7%	34.2%
2006	9,780	29.9%	37.8%	34.9%
2007	13,474	41.2%	38.5%	36.9%
2008 YTD	2,632	8.1%	37.4%	37.4%
	<u>\$ 32,691</u>	<u>100.0%</u>	<u>37.6%</u>	<u>35.7%</u>

### Distribution of Direct Pooled Corporate Obligations by Asset Class as of September 30, 2008

Asset class:	Net Par		Average Rating <sup>1</sup>	Avg. Initial Credit	Avg. Current
	Outstanding	%		Enhancement <sup>2</sup>	Enhancement <sup>2</sup>
High yield corporates	\$ 20,865	63.8%	AAA	35.4%	33.7%
Trust preferred - banks and insurance	2,991	9.1%	AAA	47.2%	44.9%
Trust preferred - US mortgage and REITs	1,969	6.0%	AA	50.1%	45.2%
Trust preferred - European mortgage and	661	2.0%	AAA	37.4%	37.6%
Market value CDOs of corporates	3,634	11.1%	AAA	38.5%	35.3%
Investment grade corporates	1,868	5.7%	AAA	28.3%	29.6%
Commercial real estate	636	1.9%	AAA	49.0%	48.9%
CDO of CDOs (corporate) <sup>3</sup>	67	0.2%	AAA	1.7%	5.1%
	<u>\$ 32,691</u>	<u>100.0%</u>	<u>AAA</u>	<u>37.6%</u>	<u>35.7%</u>

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

2. "Average Credit Enhancement" is intended to provide a measure of the amount of equity and/or subordinate tranches that are junior in the capital structure to Assured's exposure, and reflects any reduction of that credit support resulting from defaults or other factors. For transactions where excess spread may be available to absorb certain losses, the numbers shown above do not include any benefit from excess spread. The calculation methodologies differ for the various asset classes to reflect differences in transaction structures in order to provide a measure that management believes is comparable across asset classes. Data is obtained from third-party sources such as trustee reports and may be subject to misstatement or correction.

## Assured Guaranty Corp.

Residential Mortgage-Backed Securities Profile (1 of 2)

(dollars in millions)

### Distribution by Ratings<sup>1</sup> of Residential Mortgage-Backed Securities ("RMBS") by Category as of September 30, 2008

Ratings <sup>1</sup> :	September 30, 2008					
	US		International		Total Net Par	% of Total
	Prime	Subprime	Prime	Subprime	Outstanding	
Super senior	\$ 2,753	\$ 2,206	\$ 1,636	\$ -	\$ 6,595	33.2%
AAA	1,075	164	4,049	11	5,299	26.7%
AA	710	567	104	-	1,381	7.0%
A	1,525	990	6	-	2,521	12.7%
BBB	1,497	969	-	-	2,466	12.4%
Below investment grade	1,258	333	-	-	1,591	8.0%
Total exposures	<u>\$ 8,818</u>	<u>\$ 5,230</u>	<u>\$ 5,795</u>	<u>\$ 11</u>	<u>\$ 19,854</u>	<u>100.0%</u>

### Distribution of RMBS by Category and by Year Insured as of September 30, 2008

Year insured:	US		International		Total Net Par	% of Total
	Prime	Subprime	Prime	Subprime	Outstanding	
2004 and prior	\$ 282	\$ 333	\$ 141	\$ 11	\$ 766	3.9%
2005	792	66	563	-	1,421	7.2%
2006	332	3,526	1,482	-	5,340	26.9%
2007	5,334	1,305	2,056	-	8,695	43.8%
2008 YTD	2,078	-	1,554	-	3,632	18.3%
	<u>\$ 8,818</u>	<u>\$ 5,230</u>	<u>\$ 5,795</u>	<u>\$ 11</u>	<u>\$ 19,854</u>	<u>100.0%</u>

### Distribution of U.S. RMBS by Segment and by Year Insured as of September 30, 2008

Year insured:	Direct Net Par		Reinsurance Net Par		Total Net Par	
	Outstanding	%	Outstanding	%	Outstanding	% of Total
2004 and prior	\$ 408	2.9%	\$ 207	100.0%	\$ 615	3.1%
2005	858	6.2%	-	-	858	4.3%
2006	3,858	27.9%	-	-	3,858	19.4%
2007	6,639	48.0%	-	-	6,639	33.4%
2008 YTD	2,078	15.0%	-	-	2,078	10.5%
	<u>\$ 13,841</u>	<u>100.0%</u>	<u>\$ 207</u>	<u>100.0%</u>	<u>\$ 14,048</u>	<u>70.8%</u>

### Distribution of U.S. RMBS by Segment and by Year Issued as of September 30, 2008

Year issued:	Direct Net Par		Reinsurance Net Par		Total Net Par	
	Outstanding	%	Outstanding	%	Outstanding	% of Total
2004 and prior	\$ 421	3.0%	\$ 207	100.0%	\$ 628	3.2%
2005	3,801	27.5%	-	-	3,801	19.1%
2006	2,294	16.6%	-	-	2,294	11.6%
2007	7,325	52.9%	-	-	7,325	36.9%
2008 YTD	-	-	-	-	-	-
	<u>\$ 13,841</u>	<u>100.0%</u>	<u>\$ 207</u>	<u>100.0%</u>	<u>\$ 14,048</u>	<u>70.8%</u>

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

# Assured Guaranty Corp.

Residential Mortgage-Backed Securities Profile (2 of 2)

(dollars in millions)

## Distribution of U.S. Subprime Residential Mortgage-Backed Securities by Rating<sup>1</sup> and Year Insured as of September 30, 2008

### Consolidated AGC

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ 59	\$ 37	\$ 39	\$ 14	\$ 184	\$ 333
2005	-	-	-	66	-	-	66
2006	2,206	105	467	340	408	-	3,526
2007	-	-	64	545	547	149	1,305
2008 YTD	-	-	-	-	-	-	-
	<u>\$ 2,206</u>	<u>\$ 164</u>	<u>\$ 567</u>	<u>\$ 990</u>	<u>\$ 969</u>	<u>\$ 333</u>	<u>\$ 5,230</u>
% of total	42.2%	3.1%	10.8%	18.9%	18.5%	6.4%	100.0%

### Alt-A

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ 59	\$ 24	\$ -	\$ 16	\$ -	\$ 99
2005	-	168	31	33	50	38	321
2006	-	-	-	-	-	42	42
2007	511	96	454	1,454	851	111	3,479
2008 YTD	1,630	448	-	-	-	-	2,078
	<u>\$ 2,142</u>	<u>\$ 771</u>	<u>\$ 510</u>	<u>\$ 1,487</u>	<u>\$ 917</u>	<u>\$ 192</u>	<u>\$ 6,019</u>
% of total	35.6%	12.8%	8.5%	24.7%	15.2%	3.2%	100.0%

### HELOC

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ 0	\$ 11	\$ 3	\$ 31	\$ -	\$ 46
2005	-	-	-	-	-	349	349
2006	-	-	-	-	-	-	-
2007	-	-	-	-	-	552	552
2008 YTD	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 11</u>	<u>\$ 3</u>	<u>\$ 31</u>	<u>\$ 901</u>	<u>\$ 946</u>
% of total	0.0%	0.0%	1.2%	0.3%	3.3%	95.2%	100.0%

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

## Assured Guaranty Corp.

CDOs of ABS Profile

(dollars in millions)

Financial Guaranty Direct Collateralized Debt Obligations of Asset-Backed Securities (CDOs of ABS)<sup>1</sup> Net Par Outstanding by Type of CDO, by Year Insured and by Collateral:

Year Insured	Legal Final Maturity <sup>2</sup>	Net Par Outstanding	Type of Collateral as a Percent of Total Pool							Ratings as of September 30,		Original AAA Sub-ordination	Original Sub-ordination Below Assured	Current Sub-ordination Below Assured
			ABS	RMBS (Includes Subprime)	Comm. MBS (CMBS) <sup>3</sup>	CDOs of Investment Grade Corporate	CDOs of ABS	Total Collateral Pool	U.S. Subprime First Lien RMBS	S&P	Moody's			
<b>CDOs of Mezzanine ABS<sup>3</sup>:</b>														
2001	2017	\$ 113.6	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	25.1%	25.1%	30.3%
2001	2016	59.7	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	28.1%	28.1%	40.1%
2002	2017	105.3	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	24.6%	24.6%	38.9%
2002	2017	101.7	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	22.1%	22.1%	29.7%
2002	2017	88.7	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	35.0%	35.0%	48.0%
2002	2017	68.4	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	24.0%	24.0%	33.1%
2003	2018	126.0	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	20.0%	20.0%	25.4%
2003	2038	74.9	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	23.0%	38.0%	50.4%
2003	2018	48.0	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	63.0%	63.0%	66.1%
	<b>Subtotal:</b>	<b>\$ 786.3</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>AAA</b>	<b>Aaa</b>	<b>27.2%</b>	<b>28.6%</b>	<b>37.7%</b>
<b>CDOs of High Grade ABS<sup>4</sup>:</b>														
No CDO of ABS business written														
<b>CDOs of Pooled AAA ABS<sup>5</sup>:</b>														
2003	2010	503.8	35%	34%	26%	5%	0%	100%	0%	AAA	Aaa	0.0%	12.5%	12.5%
	<b>Subtotal:</b>	<b>\$ 503.8</b>	<b>35%</b>	<b>34%</b>	<b>26%</b>	<b>5%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>AAA</b>	<b>Aaa</b>	<b>0.0%</b>	<b>12.5%</b>	<b>12.5%</b>
<b>Total:</b>		<b>\$ 1,290.2</b>	<b>14%</b>	<b>13%</b>	<b>71%</b>	<b>2%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>AAA</b>	<b>Aaa</b>	<b>16.6%</b>	<b>22.3%</b>	<b>27.8%</b>

1. A "CDO of ABS" is a collateralized debt obligation (CDO) transaction whose collateral pool consists primarily of asset-backed securities (ABS), including mortgage-backed securities (MBS). ABS transactions securities generally represent an ownership interest in a trust that contains collateral supporting the notes. Those interests are divided into several tranches that can have varying levels of subordination, credit protection triggers and credit ratings.

2. "Legal Final Maturity" represents the final date for payment specified in the transaction documents and does not take into account prepayments that shorten the expected maturity and weighted average life.

3. "CDOs of Mezzanine ABS" is a market term that refers to transactions where the underlying collateral at issuance is comprised primarily of mezzanine tranches rated BBB or lower. The collateral underlying Assured's exposure to CDOs of Mezzanine ABS is comprised of mezzanine tranches of CMBS transactions and senior unsecured debt issued by commercial property REITs. The transactions to which Assured has exposure are static pools rather than actively managed transactions, and the collateral in these static pools was originated primarily in the period from 1997-2003. The collateral underlying Assured's exposure to CDOs of Mezzanine ABS had weighted average ratings, based on rating information as of September 30, 2008, as follows: 17% AAA, 8% AA, 13% A, 44% BBB and 18% below investment grade (BIG).

4. "CDOs of High Grade ABS" is a market term that refers to transactions where the underlying collateral at issuance is comprised of mezzanine tranches rated single-A or higher.

5. "CDOs of Pooled AAA ABS" is a market term that refers to transactions where the underlying collateral at issuance is comprised of the senior-most AAA rated securities. Assured's exposure to CDOs of Pooled AAA ABS was rated, based on rating information as of September 30, 2008: 100% AAA.

# Assured Guaranty Corp.

Non-Investment Grade Exposures

As of September 30, 2008

(dollars in millions)

Non-Investment Grade Exposures by Asset Type:	Weighted Average Remaining Life	Net Par Outstanding	Average Rating <sup>1</sup>
<b>U.S. public finance</b>			
Municipal utilities	29.2	\$ 269	B
General obligation	12.9	24	BB
Transportation	15.4	24	C
Healthcare	10.0	21	CCC+
Tax backed	9.5	6	BB-
Housing	13.7	3	B-
Investor-owned utilities	9.8	2	BB+
Higher education	13.2	1	BB+
Total public finance	25.4	\$ 349	B
<b>U.S. structured finance</b>			
Prime mortgage-backed and home equity	5.6	\$ 1,258	CCC
Subprime mortgage-backed and home equity	11.0	333	BB-
Other structured finance	8.7	31	B
Pooled corporate obligations	3.0	1	BB
Commercial receivables	1.9	0	CCC-
Total structured finance	6.7	\$ 1,623	CCC+
<b>International</b>			
Insurance securitizations	12.1	\$ 279	B+
Infrastructure and pooled infrastructure	8.6	61	B+
Total international	11.5	\$ 340	B+
<b>Total non-investment grade exposures</b>	<b>10.2</b>	<b>\$ 2,312</b>	<b>B</b>

## Top Ten Non-Investment Grade Exposures as of September 30, 2008

Name or description	Weighted Average Remaining Life	Net Par Outstanding	Average Rating <sup>1</sup>	Segment
CWHEQ Revolving Home Equity Loan Trust 2007-D	6.7	\$ 527	CCC	Direct
Countrywide Home Equity Loan Trust 2005-J Class 1 & 2	5.7	280	CCC	Direct
Jefferson County Alabama Sewer	29.3	268	B	Reinsurance
Orkney Re II, PLC	10.6	149	BB-	Direct
Ballantyne Re PLC Class A-2 Floating Rate Notes	13.8	130	B	Direct
Argent Securities Inc. 2003-W6	4.7	101	BB	Direct
ACE Home Equity Loan Trust 2007-SL2	3.6	93	CCC	Direct
Morgan Stanley Mortgage Loan Trust 2006-5AR	5.4	77	B	Direct
American Home Mortgage Assets Trust 2007-3	3.1	73	D	Direct
SACO I Trust 2005-GP1	3.0	68	D	Direct
<b>Total Top 10 Non-Investment Grade Exposures</b>	<b>10.2</b>	<b>\$ 1,766</b>	<b>BB-</b>	

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

# Assured Guaranty Corp.

Closely Monitored Credits ("CMC")

(dollars in millions)

## Net Par Outstanding by Credit Monitoring Category <sup>1</sup>

<b>September 30, 2008</b>			
<b>Description:</b>	<b>Net Par</b>		<b>Number of</b>
	<b>Outstanding</b>	<b>%</b>	<b>credits in</b>
			<b>category</b>
Fundamentally sound risk	\$ 109,715	97.9%	
Closely monitored credits:			
Category 1	559	0.5%	26
Category 2	734	0.7%	17
Category 3	1,022	0.9%	14
Category 4	10	-	9
CMC Total	<u>2,324</u>	<u>2.1%</u>	<u>66</u>
Other below investment grade risk	25	-	51
<b>Total</b>	<u><u>\$ 112,064</u></u>	<u><u>100.0%</u></u>	

<b>December 31, 2007</b>			
<b>Description:</b>	<b>Net Par</b>		<b>Number of</b>
	<b>Outstanding</b>	<b>%</b>	<b>credits in</b>
			<b>category</b>
Fundamentally sound risk	\$ 92,920	98.7%	-
Closely monitored credits:			
Category 1	782	0.8%	17
Category 2	357	0.4%	6
Category 3	42	-	7
Category 4	10	-	9
CMC Total	<u>1,190</u>	<u>1.3%</u>	<u>39</u>
Other below investment grade risk	16	-	41
<b>Total</b>	<u><u>\$ 94,127</u></u>	<u><u>100.0%</u></u>	

1. Assured's surveillance department is responsible for monitoring the Company's portfolio of credits and maintains a list of closely monitored credits. The closely monitored credits are divided into four categories: Category 1 (low priority; fundamentally sound, greater than normal risk); Category 2 (medium priority; weakening credit profile, may result in loss); Category 3 (high priority; claim/default probable, case reserve established); Category 4 (claim paid, case reserve established for future payments). The closely monitored credits include all below investment grade (BIG) exposures where there is a material amount of exposure (generally greater than \$10.0 million) or a material risk of the Company incurring a loss greater than \$0.5 million. The closely monitored credits also include investment grade (IG) risks where credit quality is deteriorating and where, in the view of the Company, there is significant potential that the risk quality will fall below investment grade.

# Assured Guaranty Corp.

25 Largest U.S. Public Finance Exposures

As of September 30, 2008

*(dollars in millions)*

<b>Credit Name:</b>	<b>Net Par Outstanding</b>	<b>Rating<sup>1</sup></b>
State of California General Obligation & Leases	\$ 680	A+
Commonwealth of Puerto Rico General Obligation & Leases	671	BBB-
Denver International Airport System	507	BBB-
Miami-Dade County Florida Aviation Authority	458	A
San Francisco Airport Commission	441	A
Puerto Rico Highway & Transportation Authority	418	BBB
Miami-Dade County School Board	391	A
State of New Jersey General Obligation & Leases	333	AA-
City of Chicago General Obligation & Leases	326	AA-
Massachusetts Educational Finance Authority	300	AA
New York City General Obligation & Leases	288	A+
Puerto Rico Aqueduct & Sewer Authority	288	BBB-
North Texas Toll Road Authority	288	A
Piedmont South Carolina Municipal Power Agency	274	BBB
Chicago Public Building Commission - Chicago Board Of Education	272	A
Jefferson County Alabama Sewer Enterprise	268	B
Massachusetts State Turnpike Authority	266	A-
Commonwealth of Massachusetts General Obligation & Bay Transportation	265	A
New Jersey Higher Education Student Assistance Auth 2008-A	263	A
State of New York General Obligation & Leases	260	A+
Florida State Department of Environmental Protect	249	A+
Louisville Arena Authority	244	BBB-
Chicago-O'Hare International Airport	242	A
Energy Northwest	229	AA-
District of Columbia Water & Sewer Authority	209	A+
<b>Total top 25 U.S. public finance exposures</b>	<b>\$ 8,429</b>	

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

## Assured Guaranty Corp.

25 Largest U.S. Structured Finance Exposures

As of September 30, 2008

*(dollars in millions)*

Credit Name:	Net Par <u>Outstanding</u>	<u>Rating</u> <sup>1</sup>	<u>Credit Enhancement %</u>
Private - CDO	\$ 789	AAA	32.0%
Ares Enhanced Credit Opportunities Fund	769	AAA	39.5%
Discover Card Master Trust I Series A	720	AAA / Super senior	57.5%
Prospect Funding I LLC	674	AAA	32.8%
Deutsche Alt-A Securities Mortgage Loan 2007-2	641	BBB	10.5%
Goldentree Credit Opportunities Financing I	608	AAA	50.3%
Private - CDO	572	AAA	19.1%
Mortgagelt Securities Corp. Mortgage Loan 2007-2	571	AAA / Super senior	11.2%
Park Avenue Receivables Company LLC	549	AAA	2.5%
Field Point III & IV, Limited	546	AA-	33.5%
CWHEQ Revolving Home Equity Loan Trust 2007-D	527	CCC	0.0%
Private RMBS Re-Remic	511	AAA / Super senior	26.4%
Private - CDO	495	AAA	40.6%
Private RMBS Re-Remic	493	AAA / Super senior	27.0%
Inwood Park CDO Limited	468	AAA / Super senior	42.4%
Private RMBS Re-Remic	464	AAA / Super senior	27.8%
Citibank Omni Master Trust	464	AAA / Super senior	30.0% / 34.0%
Private RMBS Re-Remic	449	AAA / Super senior	27.3%
Deutsche Alt-A Securities Mortgage Loan 2007-3	445	A	16.5%
Aaa Trust 2007-2	418	A	44.7%
Private RMBS Transaction	413	A-	8.2%
Field Point I & II, Limited	409	AA-	32.2%
Private - CDO	405	AAA	45.2%
Private Structured Credit	400	BBB+	Private
Liberty CLO Limited	397	AAA / Super senior	40.8%
<b>Total top 25 U.S. structured finance exposures</b>	<b><u>\$ 13,197</u></b>		

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

# Assured Guaranty Corp.

## 10 Largest Healthcare and International Exposures

As of September 30, 2008

(dollars in millions)

### 10 Largest Healthcare Exposures

Credit Name:	Net Par		State
	Outstanding	Rating <sup>1</sup>	
Iowa Health System	\$ 203	AA-	IA
Integris Health, Inc.	173	AA	OK
Spartanburg Regional Healthcare System	146	AA-	SC
Essentia Health	144	A-	MN
Methodist Health System	143	A	TN
Meridian Health System Obligated Group	136	A-	NJ
Lifebridge Health	129	A	MD
Adventist Health System / Sunbelt	119	A+	FL
Bon Secours Health System, Inc.	117	A	MD
Catholic Healthcare West	116	A	CA
<b>Total top 10 healthcare exposures</b>	<b>\$ 1,426</b>		

### 10 Largest International Exposures

Credit Name:	Net Par		Rating <sup>1</sup>
	Outstanding		
Prime European RMBS	\$ 1,074	AAA / Super senior	
Permanent Master Issuer PLC	838	AAA	
Gracechurch Mortgage Financing PLC	826	AAA	
Granite Master Issuer PLC	825	AAA	
Arkle Master Issuer PLC	821	AAA	
Essential Public Infrastructure Capital III	749	AAA / Super senior	
Essential Public Infrastructure Capital II	742	AAA / Super senior	
Graphite Mortgages PLC Provide Graphite 2005-2	563	AAA / Super senior	
Synthetic CDO - IG ABS	504	AAA / Super senior	
Global Senior Loan Index Fund 1 B.V.	469	AAA / Super senior	
<b>Total top 10 international exposures</b>	<b>\$ 7,411</b>		

1. Assured's internal rating. Assured's scale is comparable to that of the nationally recognized rating agencies. The super senior category, which is not generally used by rating agencies, is used by the Company in instances where Assured's AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured's exposure or (2) Assured's exposure benefits from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured's attachment point to be materially above the AAA attachment point.

# Assured Guaranty Corp.

## Capital and Claims Paying Resources

(dollars in millions)

	As of:	
	September 30, 2008	December 31, 2007
<b>Statutory surplus and reserves</b>		
Unearned premium reserve	\$ 537	\$ 302
Contingency reserve	680	582
Policyholders' surplus	426	400
Loss and loss adjustment expense reserves	10	12
<b>Total policyholders' surplus &amp; reserves</b>	<b>\$ 1,653</b>	<b>\$ 1,296</b>
<b>Claims paying resources</b>		
Policyholders' surplus	\$ 426	\$ 400
Contingency reserve	680	582
<b>Qualified statutory capital</b>	<b>1,106</b>	<b>982</b>
Unearned premium reserve	537	302
Loss and loss adjustment expense reserves	10	12
<b>Total policyholders' surplus &amp; reserves</b>	<b>1,653</b>	<b>1,296</b>
Present value of installment premium <sup>d</sup>	551	554
Standby line of credit/stop loss	280	280
<b>Total claims paying resources</b>	<b>\$ 2,484</b>	<b>\$ 2,130</b>
Net par insured outstanding	\$ 112,064	\$ 94,127
Net debt service outstanding	\$ 164,713	\$ 128,351
Ratios:		
Net par insured to statutory capital	101:1	96:1
Capital ratio <sup>1</sup>	149:1	131:1
Financial resources ratio <sup>2</sup>	66:1	60:1

1. The capital ratio is calculated by dividing net par and interest insured by qualified statutory capital.

2. The financial resources ratio is calculated by dividing net par and interest insured by total claims paying resources.

Note: Please refer to endnotes for explanation of non-GAAP financial measures [net present value of estimated future installment premiums in force (d)].

## Assured Guaranty Corp.

Loss and LAE Reserves by Segment and Type of Reserve  
(dollars in millions)

	<b>As of September 30, 2008</b>	<b>As of December 31, 2007</b>
<b>Loss and LAE reserves by segment:</b>		
Financial guaranty direct	\$ 61.3	\$ 33.3
Financial guaranty reinsurance	32.0	31.5
Other	3.7	5.6
Total	\$ 97.0	\$ 70.4
Plus: Loss and LAE reserves on credit derivatives	16.6	4.1
Total loss and LAE reserves, including credit derivatives	\$ 113.6	\$ 74.5

	<b>As of September 30, 2008</b>	<b>As of December 31, 2007</b>
<b>Loss and LAE reserves by type:</b>		
Case	\$ 49.3	\$ 19.9
IBNR	1.9	4.1
Portfolio	45.8	46.4
Total	\$ 97.0	\$ 70.4
Plus: Loss and LAE reserves on credit derivatives	16.6	4.1
Total loss and LAE reserves, including credit derivatives	\$ 113.6	\$ 74.5

# Assured Guaranty Corp.

Investment Portfolio

As of September 30, 2008

(dollars in millions)

	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income
<b>Fixed maturity securities available for sale:</b>					
U.S. Treasury securities and obligations					
of U.S. government agencies	\$ 30.2	4.8%	3.2%	\$ 31.8	\$ 1.5
Agency obligations	33.7	5.0%	3.2%	34.9	1.7
Foreign government securities	50.4	4.9%	3.2%	51.9	2.5
Obligations of states and political subdivisions	511.1	4.7%	4.4%	493.0	24.0
Insured obligations of state and political subdivisions <sup>1</sup>	623.3	4.7%	4.4%	605.4	29.1
Corporate securities	92.1	6.0%	3.9%	81.1	5.5
Mortgage-backed securities <sup>2</sup> :					
Pass-throughs	167.6	5.8%	3.8%	159.2	9.7
PACs	5.0	4.5%	3.0%	5.0	0.2
Asset-backed securities <sup>3</sup>	25.8	5.0%	3.3%	25.2	1.3
Preferred stock	5.4	8.0%	5.2%	5.2	0.4
Total fixed maturity securities available for sale	\$ 1,544.6	4.9%	4.2%	\$ 1,492.7	\$ 75.8
Short-term investments	94.1	1.6%	1.0%	94.1	1.5
<b>Total investments</b>	<b>\$ 1,638.7</b>	<b>4.7%</b>	<b>4.0%</b>	<b>\$ 1,586.8</b>	<b>\$ 77.3</b>

## Ratings<sup>4</sup>:

	Fair Value	%
Treasury and government obligations	\$ 31.8	2.1%
Agency obligations	34.9	2.4%
AAA/Aaa	535.1	35.9%
AA/Aa	624.0	41.8%
A/A	266.0	17.8%
BBB	0.7	-
Below Investment Grade	0.2	-
<b>Total</b>	<b>\$ 1,492.7</b>	<b>100.0%</b>

## Duration of investment portfolio (in years):

**5.5**

1. Reflects obligations of state and local political subdivisions that have been insured by other financial guarantors. The underlying ratings of these bonds average A+.

2. \$0.8 million is U.S. subprime RMBS, which has an average rating of AAA.

3. Contains no CDOs of ABS.

4. Ratings are represented by the lower of the Moody's Investor Services and Standard & Poor's classifications.

# Assured Guaranty Corp.

## Summary Financial and Statistical Data

(dollars in millions)

	Year Ended December 31,					
	9 Months 2008	2007	2006	2005	2004	2003
<b>Statutory Data</b>						
Net income	\$ 31.2	\$ 71.6	\$ 64.3	\$ 100.9	\$ 103.2	\$ 66.6
Policyholders' surplus	425.8	399.6	286.0	295.7	236.7	255.6
Contingency reserve	680.4	582.5	630.9	559.0	518.4	400.0
Statutory capital	1,106.3	982.0	916.8	854.8	755.1	655.6
Unearned premium reserve	537.5	302.3	238.9	233.8	405.8	466.7
Net present value of estimated future installment premiums <sup>d</sup>	551.3	553.6	355.6	254.1	267.8	293.3
Premium resources	1,088.8	855.9	594.5	487.9	673.6	760.0
Loss and LAE reserves	9.5	12.5	15.2	20.9	31.8	55.0
Standby line of credit / stop loss	280.0	280.0	455.0	455.0	255.0	255.0
Total claims-paying resources	\$ 2,484.6	\$ 2,130.4	\$ 1,981.5	\$ 1,818.6	\$ 1,715.5	\$ 1,725.6
<b>Statutory Financial Ratios</b>						
Loss and LAE ratio	74.7%	(13.5)%	4.5%	18.2%	(8.4)%	25.9%
Expense ratio	12.3%	49.9%	64.8%	20.6%	107.4%	32.0%
Combined ratio	87.0%	36.4%	69.3%	38.8%	99.0%	57.9%
<b>Other Financial Information :</b>						
Net debt service outstanding (end of period)	\$ 164,713	\$ 128,351	\$ 85,522	\$ 70,769	\$ 105,831	\$ 117,406
Net par outstanding (end of period)	112,064	94,127	68,370	52,659	74,001	78,399
Gross par outstanding (end of period)	154,498	127,743	91,858	68,880	87,583	83,490
Par reinsured within Assured Guaranty	11,197	29,087	22,569	13,556	10,990	2,438
Qualified statutory capital	1,106	982	917	855	755	656
Policyholders' surplus & reserves	1,653	1,296	1,171	1,110	1,193	1,178
<b>Ratios:</b>						
Net par insured to statutory capital	101:1	75:1	75:1	62:1	98:1	120:1
Capital ratio <sup>1</sup>	149:1	93:1	93:1	83:1	140:1	179:1
Financial resources ratio <sup>2</sup>	66:1	43:1	43:1	39:1	62:1	68:1
<b>Gross debt service written<sup>3</sup>:</b>						
U.S. public finance	\$ 47,689	\$ 8,142	\$ 3,440	\$ 2,043	\$ 5,470	\$ 9,428
U.S. structured finance	11,057	35,396	26,848	12,999	13,640	6,950
International	5,497	15,263	13,245	3,307	2,512	3,063
Total gross debt service written	\$ 64,243	\$ 58,801	\$ 43,533	\$ 18,349	\$ 21,622	\$ 19,441

1. The capital ratio is calculated by dividing net par and interest insured divided by qualified statutory capital.

2. The financial resources ratio is calculated by dividing net par and interest insured by total claims paying resources.

3. Does not include \$34,799 million of debt service written that was novated to Financial Security Assurance Inc. during 2Q 2005.

Note: Please refer to endnotes for explanation of non-GAAP financial measures [net present value of estimated future installment premiums in force (d)]

## Glossary

Below are the brief descriptions of selected types of U.S. public finance, U.S. structured finance and International obligations that the Company insures and reinsures. For a more complete description, please refer to Assured Guaranty Ltd.'s 10-K report.

Other public finance: primarily includes government insured student loans, government-sponsored project finance and structured municipal which includes excess of loss reinsurance on portfolios of municipal credits.

Pooled corporate obligations are structured financings backed by a pool of debt obligations. These financings are typically structured in multiple tranches (layers) from equity (first loss) through super senior (high excess). Losses on defaulted pool assets are allocated successively first to the equity tranche then to higher rated tranches.

Mortgage-backed and home equity: includes individual and repackaged securities backed by either prime, Alt-A, or subprime first and second lien mortgages.

Consumer receivables: principally includes auto loan receivables and credit card receivables.

Commercial mortgage-backed securities: includes individual and repackaged securities backed by commercial mortgage-backed securities.

Commercial receivables: includes equipment loans or leases, fleet auto financings and franchise loans.

Structured credit: includes whole business securitizations and intellectual property securitizations. Whole business securitizations are obligations backed by revenue-producing assets sold to a limited-purpose company by an operating company, including franchise agreements, lease agreements, intellectual property and real property.

Other structured finance: includes, manufactured housing, collateralized debt obligations of asset-backed securities and other securitizations not included in other asset classes.

**Endnotes related to non-GAAP financial measures discussed in the financial supplement:**

(a) Present value of insurance and credit derivative gross written premiums, or PVP, which is a non-GAAP financial measure, is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, on insurance and credit derivative contracts written in the current period, discounted at 6% per year. Management believes that PVP is a useful measure for management, investors and analysts because it permits the evaluation of the value of new business production for Assured by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period, 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 settlement on credit derivatives ("credit derivative revenues") does not adequately measure. Actual future net earned or written premiums and credit derivative revenues may differ from PVP due to factors such as prepayments, amortizations, refundings, contract terminations or defaults that may or may not be influenced by market interest rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, or other factors that management cannot control or predict. This measure should not be viewed as a substitute for gross written premiums determined in accordance with GAAP.

(b) Operating income, which is a non-GAAP financial measure, is defined as net income (loss) excluding i) after-tax realized gains (losses) on investments and ii) after-tax unrealized gains (losses) on credit derivatives and the fair value adjustment of the Company's committed capital securities, other than the Company's net estimate of after-tax incurred case and portfolio loss and loss adjusted expense reserves for credit derivatives. Operating return on equity (ROE) represents operating income as a percentage of average shareholders' equity, excluding accumulated other comprehensive income and after-tax unrealized gains (losses) on credit derivatives. Management believes that operating income and operating ROE are useful measures for management, investors and analysts because the presentation of operating income and operating ROE enhance the understanding of Assured's results of operations by highlighting the underlying profitability of Assured's business. Realized gains (losses) on investments and unrealized gains (losses) on credit derivatives and the fair value adjustment of the Company's committed capital securities, other than the portion attributable to the Company's net estimate of incurred case and portfolio loss and loss adjustment expense reserves for credit derivatives, are excluded because the amount of both of these gains (losses) is heavily influenced by, and fluctuates, in part, according to changes in market interest rates, credit spreads and other factors that management cannot control or predict. These measures should not be viewed as substitutes for net income (loss) or ROE determined in accordance with GAAP.

(c) Adjusted book value, which is a non-GAAP financial measure, is defined as shareholder's equity (book value) plus the after-tax value of the unearned premium reserve net of prepaid reinsurance premiums, the after-tax value of unearned premium on credit derivatives net of prepaid reinsurance premiums and the after-tax net present value of estimated future installment premiums in force, less future ceding commissions, discounted at 6%, less after-tax deferred acquisition costs. Management believes that adjusted book value is a useful measure for management, equity analysts and investors because the calculation of adjusted book value permits an evaluation of the net present value of the Company's in force premiums and shareholder's equity. The premiums described above will be earned in future periods, but may differ materially from the estimated amounts used in determining current adjusted book value due to changes in market interest rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults and other factors that management cannot control or predict. This measure should not be viewed as a substitute for book value determined in accordance with GAAP.

(d) Net present value of estimated future installment premiums in force, which is a non-GAAP financial measure, is defined as the present value of estimated future installment premiums from our financial guaranty and credit derivative in force books of business, net of reinsurance and discounted at 6%. Management believes that net present value of estimated future installment premiums in-force is a useful measure for management, investors and analysts because it permits an evaluation of the value of future estimated financial guaranty and credit derivative installment premiums. Estimated future premiums may change from period to period due to changes in par outstanding, maturity, or other factors that management cannot control or predict that result from market interest rates, refinancing or refunding activity, prepayment speeds, policy changes or terminations, credit defaults, or other factors. There is no comparable GAAP financial measure.

For adjusted book value, net present value of estimated future installment premiums in force, and PVP, Assured uses 6% as the present value discount rate because it is the approximate taxable equivalent yield on Assured's investment portfolio for the periods presented.



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