



Assured Guaranty Corp.
Financial Supplement

FOURTH QUARTER 2008
DECEMBER 31, 2008



Assured Guaranty Corp. Financial Supplement Fourth Quarter Ended December 31, 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, June 30, 2008 and September 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"), net present value of estimated future installment premiums in force, total estimated net future premium earnings, and statements regarding capital losses, pricing, ratings, expenses and new business production could be affected by many events. These events include 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, investment losses, the availability of capital, 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 December 31,		% Change versus	Year Ended December 31,		% Change versus
	2008	2007	4Q-07	2008	2007	2007
Gross written premiums (GWP) analysis:						
Present value of financial guaranty and credit derivative GWP (PVP) ^a	\$ 121.9	\$ 156.4	(22)%	\$ 700.7	\$ 476.8	47%
Less: PVP of credit derivatives	57.6	81.8	(30)%	201.5	252.2	(20)%
PVP of financial guaranty GWP	64.3	74.6	(14)%	499.2	224.6	122%
Less: Financial guaranty installment premium PVP	6.9	43.9	(84)%	76.8	105.1	(27)%
Total: Financial guaranty upfront GWP	57.4	30.6	88%	422.4	119.5	253%
Plus: Financial guaranty installment GWP	12.7	17.6	(28)%	64.0	56.2	14%
Total financial guaranty GWP	70.1	48.2	45%	486.4	175.7	177%
Plus: Other segment GWP	-	-	NM	0.2	0.3	(33)%
Total GWP per income statement	\$ 70.1	\$ 48.2	45%	\$ 486.6	\$ 176.0	176%
Net (loss) income						
Less: After-tax realized (losses) gains on investments	\$ (108.4)	\$ (189.5)	(43)%	\$ 134.8	\$ (234.9)	NM
Less: After-tax unrealized (losses) gains on credit derivatives ¹	(6.6)	-	NM	(9.5)	(0.3)	NM
Plus: After-tax incurred losses on credit derivatives ²	(102.7)	(210.0)	(51)%	109.7	(330.2)	NM
Plus: After-tax incurred losses on credit derivatives ²	(9.6)	(0.2)	NM	(16.2)	(0.8)	NM
Operating (loss) income^b	\$ (8.7)	\$ 20.4	NM	\$ 18.5	\$ 94.9	(81)%
Book value						
Plus: Net unearned premium reserve, after tax ³	\$ 1,046.0	\$ 867.2	21%			
Plus: Net unearned revenue on credit derivatives, after tax ⁴	326.0	163.2	100%			
Plus: Net present value of estimated future installment premiums in force, after tax ^d	10.6	7.3	45%			
Less: Deferred acquisition costs, after tax	367.6	359.9	2%			
Less: Deferred acquisition costs, after tax	51.3	51.3	0%			
Adjusted book value^c	\$ 1,698.9	\$ 1,346.2	26%			
ROE, excluding AOCI	(38.9)%	(81.2)%		14.2%	(24.4)%	
Operating ROE, excluding AOCI and after-tax unrealized (losses) gains on credit derivatives^b	(2.8)%	7.2%		1.5%	8.6%	
Net debt service outstanding	\$ 164,283	\$ 128,351	28%			
Gross debt service outstanding	225,152	172,046	31%			
Net par outstanding	111,025	94,127	18%			
Gross par outstanding	152,801	127,743	20%			
Net debt service written	8,625	13,753	(37)%	\$ 53,989	\$ 43,248	25%
Gross debt service written	11,885	17,557	(32)%	76,128	58,801	29%
Net par written	5,111	12,031	(58)%	33,680	34,953	(4)%
Gross par written	7,137	15,505	(54)%	47,567	47,795	(0)%

1. The quarter and year ended December 31, 2008 included a fair value after-tax gain of \$12.0 million and \$27.8 million, respectively, related to the Company's committed capital securities. Both the quarter and year ended December 31, 2007 included a fair value after-tax gain of \$5.4 million 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		% Change versus 4Q-07	Year Ended		% Change versus 2007
	December 31, 2008	2007		December 31, 2008	2007	
Revenues						
Gross written premiums	\$ 70.1	\$ 48.2	45%	\$ 486.6	\$ 176.0	176%
Net written premiums	53.8	41.5	30%	345.9	123.6	180%
Net earned premiums:						
Scheduled net earned direct premiums	19.0	9.2	107%	63.2	29.5	114%
Scheduled net earned reinsurance premiums	3.0	4.6	(35)%	14.4	19.4	(26)%
Refundings	7.2	0.7	NM	14.4	9.8	47%
Total net earned premiums	29.2	14.5	101%	92.0	58.7	57%
Net investment income	19.7	16.7	18%	73.2	63.2	16%
Realized gains and other settlements on credit derivatives	20.6	16.9	22%	87.9	53.8	63%
Incurred losses on credit derivatives	(14.8)	(0.2)	NM	(24.9)	(1.2)	NM
Other Income	0.2	0.1	100%	0.6	0.5	20%
Total revenues	54.9	48.0	14%	228.8	175.0	31%
Expenses						
Loss and loss adjustment expenses (recoveries)	57.2	5.9	NM	149.5	(15.4)	NM
Profit commission expense	-	0.5	NM	0.4	0.1	300%
Acquisition costs	6.4	2.9	121%	18.6	14.4	29%
Other operating expenses	8.1	12.0	(33)%	48.8	46.7	4%
Interest and related expenses	1.8	0.8	125%	5.7	2.7	111%
Total expenses	73.5	22.0	234%	223.0	48.6	359%
Operating (loss) income before (benefit) provision for income taxes	(18.6)	26.0	NM	5.8	126.4	(95)%
Total (benefit) provision for income taxes	(9.9)	5.6	NM	(12.7)	31.5	NM
Operating (loss) income ^b	(8.7)	20.4	NM	18.5	94.9	(81)%
Plus: After-tax realized (losses) gains on investments	(6.6)	-	NM	(9.5)	(0.3)	NM
Plus: After-tax unrealized (losses) gains on credit derivatives ¹	(93.1)	(209.9)	(56)%	125.9	(329.4)	NM
Net (loss) income	\$ (108.4)	\$ (189.5)	(43)%	\$ 134.8	\$ (234.9)	NM

1. The quarter and year ended December 31, 2008 included a fair value after-tax gain of \$12.0 million and \$27.8 million, respectively, related to the Company's committed capital securities. Both the quarter and year ended December 31, 2007 included a fair value after-tax gain of \$5.4 million 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	
	December 31, 2008	December 31, 2007
Assets		
Fixed maturity securities, at fair value	\$ 1,511.3	\$ 1,311.3
Short-term investments, at cost which approximates fair value	110.0	44.0
Total investments	1,621.3	1,355.3
Cash and cash equivalents	7.8	1.8
Accrued investment income	20.2	16.6
Deferred acquisition costs	79.0	78.9
Prepaid reinsurance premiums	206.5	97.3
Reinsurance recoverable on ceded losses	22.0	20.5
Premiums receivable	12.4	15.0
Goodwill	85.4	85.4
Credit derivative assets	139.5	4.6
Deferred tax asset	110.3	132.6
Current income taxes receivable	17.4	-
Salvage recoverable	70.9	6.2
Committed capital securities	51.1	8.3
Other assets	10.7	9.5
Total assets	\$ 2,454.5	\$ 1,832.0
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 708.0	\$ 346.8
Reserves for losses and loss adjustment expenses	133.7	70.4
Profit commissions payable	4.0	3.6
Reinsurance balances payable	23.7	12.9
Current income taxes payable	-	2.1
Funds held by Company under reinsurance contracts	5.5	5.3
Credit derivative liabilities	481.0	473.9
Other liabilities	52.5	49.8
Total liabilities	1,408.4	964.8
Shareholder's equity		
Common stock	15.0	15.0
Additional paid-in capital	480.4	380.4
Retained earnings	561.6	443.3
Accumulated other comprehensive (loss) income	(10.9)	28.5
Total shareholder's equity	1,046.0	867.2
Total liabilities and shareholder's equity	\$ 2,454.5	\$ 1,832.0

Assured Guaranty Corp.

Financial Guaranty Profile (1 of 4)

(dollars in millions)

Sector:	Gross Par Written		As of December 31, 2008:		
	4Q 2008	Full Year 2008	Net Par Outstanding	%	Avg. Rating ¹
U.S. public finance					
Tax backed	\$ 1,253	\$ 8,307	\$ 9,416	8.5%	A
General obligation	1,583	6,538	9,163	8.3%	A
Municipal utilities	302	4,901	6,201	5.6%	A-
Transportation	615	3,502	5,238	4.7%	A
Healthcare	673	3,659	4,865	4.4%	A
Higher education	216	1,755	2,063	1.9%	A
Investor-owned utilities	-	80	839	0.8%	BBB+
Housing	-	-	237	0.2%	AA-
Other public finance	110	1,966	2,159	1.9%	A+
Total U.S. public finance	<u>\$ 4,752</u>	<u>\$ 30,710</u>	<u>\$ 40,180</u>	<u>36.2%</u>	<u>A</u>
U.S. structured finance					
Pooled corporate obligations	\$ 1,026	\$ 3,684	\$ 26,234	23.6%	AAA
Residential mortgage-backed and home equity	-	3,034	13,725	12.4%	A
Commercial mortgage-backed securities	-	-	4,533	4.1%	AAA
Consumer receivables	-	1,825	2,328	2.1%	AA+
Commercial receivables	-	693	2,073	1.9%	AA-
Structured credit	1,000	2,850	1,936	1.7%	A+
Insurance securitizations	-	-	255	0.2%	AA-
Other structured finance	-	-	181	0.2%	BBB-
Total U.S. structured finance	<u>\$ 2,026</u>	<u>\$ 12,085</u>	<u>\$ 51,264</u>	<u>46.2%</u>	<u>AA</u>
International					
Pooled corporate obligations	\$ 359	\$ 977	\$ 5,924	5.3%	AAA
Residential mortgage-backed and home equity	-	3,096	5,160	4.6%	AAA
Infrastructure and pooled infrastructure	-	-	3,727	3.4%	AA
Regulated utilities	-	450	1,556	1.4%	A-
Commercial receivables	-	-	959	0.9%	A-
Future flow	-	250	549	0.5%	BBB
Public finance	-	-	518	0.5%	AA
Commercial mortgage-backed securities	-	-	368	0.3%	AAA
Insurance securitizations	-	-	286	0.3%	CCC
Structured credit	-	-	58	0.1%	AA-
Consumer receivables	-	-	-	-	--
Other international structured finance	-	-	477	0.4%	AAA
Total international	<u>\$ 359</u>	<u>\$ 4,772</u>	<u>\$ 19,580</u>	<u>17.6%</u>	<u>AA</u>
Total	<u><u>\$ 7,137</u></u>	<u><u>\$ 47,567</u></u>	<u><u>\$ 111,025</u></u>	<u><u>100.0%</u></u>	<u><u>AA-</u></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 December 31,					
	2008		2007		2006	
	Net Par Outstanding	Avg. Rating ¹	Net Par Outstanding	Avg. Rating ¹	Net Par Outstanding	Avg. Rating ¹
U.S. public finance						
Tax backed	\$ 9,416	A	\$ 3,520	A	\$ 3,246	A
General obligation	9,163	A	4,945	A	4,332	A
Municipal utilities	6,201	A-	3,496	A	3,921	A
Transportation	5,238	A	3,072	A	2,932	A
Healthcare	4,865	A	3,300	A	2,765	A
Higher education	2,063	A	807	A-	679	A-
Investor-owned utilities	839	BBB+	854	BBB+	899	BBB+
Housing	237	AA-	267	AA-	329	AA-
Other public finance	2,159	A+	821	AA	888	AA-
Total U.S. public finance	\$ 40,180	A	\$ 21,082	A	\$ 19,991	A
U.S. structured finance						
Pooled corporate obligations	\$ 26,234	AAA	\$ 25,844	AAA	\$ 17,852	AAA
Residential mortgage-backed and home equity	13,725	A	13,420	AA	7,122	AA
Commercial mortgage-backed securities	4,533	AAA	4,639	AAA	4,437	AAA
Consumer receivables	2,328	AA+	3,972	AA	1,645	AA
Commercial receivables	2,073	AA-	2,142	AA	915	A
Structured credit	1,936	A+	886	A	880	AAA
Insurance securitizations	255	AA-	208	AA	165	AA
Other structured finance	181	BBB-	625	AA	1,115	AA
Total U.S. structured finance	\$ 51,264	AA	\$ 51,736	AA+	\$ 34,131	AA+
International						
Pooled corporate obligations	\$ 5,924	AAA	\$ 5,973	AAA	\$ 2,324	AAA
Residential mortgage-backed and home equity	5,160	AAA	4,703	AAA	2,865	AAA
Infrastructure and pooled infrastructure	3,727	AA	4,828	AA+	3,816	AA
Regulated utilities	1,556	A-	1,877	A	1,287	A
Commercial receivables	959	A-	1,074	A-	743	A-
Future flow	549	BBB	516	BBB+	534	BBB
Public finance	518	AA	775	AA-	775	A
Commercial mortgage-backed securities	368	AAA	719	AAA	897	AAA
Insurance securitizations	286	CCC	245	BBB-	279	A-
Structured credit	58	AA-	73	AA-	135	A+
Consumer receivables	-	--	5	AAA	112	BBB+
Other international structured finance	477	AAA	522	AAA	481	AAA
Total international	\$ 19,580	AA	\$ 21,309	AA+	\$ 14,248	AA
Total exposures	\$ 111,025	AA-	\$ 94,127	AA	\$ 68,370	AA

Distribution by ratings of financial guaranty portfolio

Ratings ¹ :	December 31, 2008		December 31, 2007		December 31, 2006	
	Net Par Outstanding	%	Net Par Outstanding	%	Net Par Outstanding	%
Super senior	\$ 24,295	21.9%	\$ 26,837	28.5%	\$ 12,435	18.2%
AAA	27,318	24.6%	33,266	35.3%	26,174	38.3%
AA	14,797	13.3%	8,889	9.4%	8,389	12.3%
A	29,216	26.3%	15,148	16.1%	13,385	19.5%
BBB	11,719	10.6%	8,796	9.3%	7,122	10.4%
Below investment grade	3,680	3.3%	1,191	1.3%	865	1.3%
Total exposures	\$ 111,025	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 December 31, 2008							
		U.S. Public Finance		U.S. Structured Finance		International		Consolidated	
		Net Par		Net Par		Net Par		Net Par	
Ratings ¹ :		Outstanding	%	Outstanding	%	Outstanding	%	Outstanding	%
Super senior		\$ -	-	\$ 16,764	32.7%	\$ 7,531	38.5%	\$ 24,295	21.9%
AAA		603	1.5%	19,704	38.4%	7,011	35.8%	27,318	24.6%
AA		9,126	22.7%	4,793	9.4%	878	4.5%	14,797	13.3%
A		23,431	58.3%	3,993	7.8%	1,791	9.1%	29,216	26.3%
BBB		6,657	16.6%	3,046	5.9%	2,016	10.3%	11,719	10.6%
Below investment grade		362	0.9%	2,964	5.8%	354	1.8%	3,680	3.3%
Total exposures		\$ 40,180	100.0%	\$ 51,264	100.0%	\$ 19,580	100.0%	\$ 111,025	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 ¹ :		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%

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Assured Guaranty Corp.

Financial Guaranty Profile (4 of 4)

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio as of December 31, 2008

	Net Par	
	Outstanding	% of total
U.S.:		
California	\$ 5,869	5.3%
Texas	3,154	2.8%
Florida	2,838	2.6%
New York	2,654	2.4%
Illinois	2,439	2.2%
New Jersey	1,926	1.7%
Pennsylvania	1,675	1.5%
Puerto Rico	1,507	1.4%
Massachusetts	1,364	1.2%
South Carolina	1,085	1.0%
Other states	15,668	14.1%
Mortgage and structured (multiple states)	51,264	46.2%
Total U.S.	\$ 91,444	82.4%
International:		
United Kingdom	\$ 10,910	9.8%
Germany	2,394	2.2%
Australia	744	0.7%
Turkey	344	0.3%
Ireland	279	0.3%
Other	4,910	4.4%
Total International	\$ 19,580	17.6%
Total exposures	\$ 111,025	100.0%

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Assured Guaranty Corp.

Pooled Corporate Obligations Profile

(dollars in millions)

Distribution by Ratings of Direct Pooled Corporate Obligations as of December 31, 2008

Ratings ¹ :	Net Par		Avg. Initial Credit	Avg. Current
	Outstanding	% of total	Enhancement ²	Enhancement ²
AAA	\$ 28,050	88.4%	37.3%	33.6%
AA	2,966	9.3%	36.2%	30.0%
A	525	1.7%	42.7%	40.3%
BBB	188	0.6%	48.2%	35.3%
Below investment grade	-	-	--	--
Total exposures	<u>\$ 31,729</u>	<u>100.0%</u>	<u>37.4%</u>	<u>33.4%</u>

Distribution of Direct Pooled Corporate Obligations by Year Insured as of December 31, 2008

Year insured:	Net Par		Avg. Initial Credit	Avg. Current
	Outstanding	% of total	Enhancement ²	Enhancement ²
2004 and prior	\$ 1,233	3.9%	30.0%	30.3%
2005	5,567	17.5%	35.7%	32.9%
2006	9,857	31.1%	37.8%	32.2%
2007	12,965	40.9%	39.0%	34.3%
2008	2,107	6.6%	34.7%	35.6%
	<u>\$ 31,729</u>	<u>100.0%</u>	<u>37.4%</u>	<u>33.4%</u>

Distribution of Direct Pooled Corporate Obligations by Asset Class as of December 31, 2008

Asset class:	Net Par		Avg. Initial Credit	Avg. Current	Avg. Rating ¹
	Outstanding	% of total	Enhancement ²	Enhancement ²	
High yield corporates	\$ 20,317	64.0%	35.1%	31.6%	AAA
Trust preferred - banks and insurance	2,952	9.3%	47.1%	43.6%	AAA
Trust preferred - US mortgage and REITs	1,943	6.1%	50.0%	45.3%	AA
Trust preferred - European mortgage and REITs	616	1.9%	37.4%	37.0%	AAA
Market value CDOs of corporates	3,368	10.6%	38.3%	27.1%	AAA
Investment grade corporates	1,826	5.8%	28.3%	29.8%	AAA
Commercial real estate	651	2.1%	49.0%	49.1%	AAA
CDO of CDOs (corporate) ³	56	0.2%	1.7%	4.9%	AAA
	<u>\$ 31,729</u>	<u>100.0%</u>	<u>37.4%</u>	<u>33.4%</u>	<u>AAA</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.

3. Consists of one transaction whereby Assured's exposure is principal-protected by a collateral account currently containing \$78 million in assets and representing 105% of current net par. Funds in the collateral account are permitted to be invested in cash, government securities and AAA ABS (other than MBS).

Assured Guaranty Corp.

Residential Mortgage-Backed Securities Profile (1 of 2)

(dollars in millions)

Distribution by Ratings¹ of Residential Mortgage-Backed Securities ("RMBS") by Category as of December 31, 2008

Ratings ¹ :	December 31, 2008					
	US		International		Total Net Par	% of Total
	Prime	Subprime	Prime	Subprime	Outstanding	
Super senior	\$ 2,709	\$ 2,190	\$ 1,450	\$ -	\$ 6,349	33.6%
AAA	959	161	3,600	8	4,728	25.0%
AA	742	553	97	-	1,392	7.4%
A	1,061	972	5	-	2,037	10.8%
BBB	573	925	-	-	1,499	7.9%
Below investment grade	2,512	368	-	-	2,879	15.2%
Total exposures	<u>\$ 8,556</u>	<u>\$ 5,169</u>	<u>\$ 5,152</u>	<u>\$ 8</u>	<u>\$ 18,885</u>	<u>100.0%</u>

Distribution of RMBS by Category and by Year Insured as of December 31, 2008

Year insured:	US		International		Total Net Par	% of Total
	Prime	Subprime	Prime	Subprime	Outstanding	
2004 and prior	\$ 273	\$ 320	\$ 121	\$ 8	\$ 722	3.8%
2005	763	66	470	-	1,300	6.9%
2006	321	3,495	1,292	-	5,108	27.0%
2007	5,201	1,288	1,830	-	8,320	44.1%
2008	1,997	-	1,439	-	3,436	18.2%
	<u>\$ 8,556</u>	<u>\$ 5,169</u>	<u>\$ 5,152</u>	<u>\$ 8</u>	<u>\$ 18,885</u>	<u>100.0%</u>

Distribution of U.S. RMBS by Segment and by Year Insured as of December 31, 2008

Year insured:	Direct Net Par		Reinsurance Net Par		Total Net Par	
	Outstanding	%	Outstanding	%	Outstanding	% of Total
2004 and prior	\$ 393	2.9%	\$ 200	100.0%	\$ 593	4.3%
2005	829	6.1%	-	-	829	6.0%
2006	3,816	28.2%	-	-	3,816	27.8%
2007	6,490	48.0%	-	-	6,490	47.3%
2008	1,997	14.8%	-	-	1,997	14.6%
	<u>\$ 13,525</u>	<u>100.0%</u>	<u>\$ 200</u>	<u>100.0%</u>	<u>\$ 13,725</u>	<u>100.0%</u>

Distribution of U.S. RMBS by Segment and by Year Issued as of December 31, 2008

Year issued:	Direct Net Par		Reinsurance Net Par		Total Net Par	
	Outstanding	%	Outstanding	%	Outstanding	% of Total
2004 and prior	\$ 393	2.9%	\$ 200	100.0%	\$ 593	4.3%
2005	3,650	27.0%	-	-	3,650	26.6%
2006	2,139	15.8%	-	-	2,139	15.6%
2007	7,344	54.3%	-	-	7,344	53.5%
2008 YTD	-	-	-	-	-	-
	<u>\$ 13,525</u>	<u>100.0%</u>	<u>\$ 200</u>	<u>100.0%</u>	<u>\$ 13,725</u>	<u>100.0%</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. Residential Mortgage-Backed Securities by Rating¹ and Year Insured as of December 31, 2008

Consolidated Assured Guaranty Corp.

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ 55	\$ 38	\$ 38	\$ 13	\$ 176	\$ 320
2005	-	-	-	66	-	-	66
2006	2,190	105	452	340	408	-	3,495
2007	-	-	64	528	505	191	1,288
2008	-	-	-	-	-	-	-
	<u>\$ 2,190</u>	<u>\$ 161</u>	<u>\$ 553</u>	<u>\$ 972</u>	<u>\$ 925</u>	<u>\$ 368</u>	<u>\$ 5,169</u>
% of total	42.4%	3.1%	10.7%	18.8%	17.9%	7.1%	100.0%

Alternative-A

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ 45	\$ 22	\$ 13	\$ 15	\$ -	\$ 96
2005	-	168	31	32	-	85	316
2006	-	-	-	-	-	43	43
2007	506	100	445	978	-	1,385	3,415
2008	1,603	394	-	-	-	-	1,997
	<u>\$ 2,109</u>	<u>\$ 708</u>	<u>\$ 499</u>	<u>\$ 1,023</u>	<u>\$ 15</u>	<u>\$ 1,514</u>	<u>\$ 5,867</u>
% of total	36.0%	12.1%	8.5%	17.4%	0.3%	25.8%	100.0%

Home Equity Lines of Credit

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ 0	\$ 10	\$ 3	\$ 29	\$ -	\$ 42
2005	-	-	-	-	-	324	324
2006	-	-	-	-	-	-	-
2007	-	-	-	-	-	517	517
2008	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 10</u>	<u>\$ 3</u>	<u>\$ 29</u>	<u>\$ 841</u>	<u>\$ 883</u>
% of total	0.0%	0.0%	1.2%	0.3%	3.3%	95.2%	100.0%

Closed End Second Liens

Year insured:	Super Senior	AAA Rated	AA Rated	A Rated	BBB Rated	BIG Rated	Total
2004 and prior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-
2007	40	49	112	-	-	157	358
2008	-	-	-	-	-	-	-
	<u>\$ 40</u>	<u>\$ 49</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ 358</u>
% of total	11.1%	13.7%	31.3%	0.0%	0.0%	43.9%	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)¹ Net Par Outstanding by Type of CDO, by Year Insured and by Collateral:

Year Insured	Legal Final Maturity ²	Net Par Outstanding	Type of Collateral as a Percent of Total Pool							Ratings as of December 31, 2008		Original AAA Sub-ordination	Original Sub-ordination Below Assured	Current Sub-ordination Below Assured	
			ABS	RMBS (Includes Subprime)	Comm. MBS (CMBS) ³	CDOs of Investment Grade Corporate	CDOs of ABS	Total Collateral Pool	U.S. Subprime First Lien RMBS	S&P	Moody's				
CDOs of Mezzanine ABS³:															
2001	2017	\$ 113.5	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	102.1	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	24.6%	24.6%	39.6%	
2002	2017	92.9	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	22.1%	22.1%	31.6%	
2002	2017	88.7	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	35.0%	35.0%	48.0%	
2002	2017	64.8	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	24.0%	24.0%	34.3%	
2003	2018	118.6	0%	0%	100%	0%	0%	100%	0%	AAA	Aa3	20.0%	20.0%	26.6%	
2003	2038	74.5	0%	0%	100%	0%	0%	100%	0%	AAA	Aa2	23.0%	38.0%	49.7%	
2003	2018	46.5	0%	0%	100%	0%	0%	100%	0%	AAA	Aaa	63.0%	63.0%	66.9%	
	Subtotal:	\$ 761.3	0%	0%	100%	0%	0%	100%	0%	AAA	Aa1	27.3%	28.7%	38.4%	
CDOs of High Grade ABS⁴:															
No CDO of ABS business written															
CDOs of Pooled AAA ABS⁵:															
2003	2010	469.7	35%	34%	26%	5%	0%	100%	0%	AAA	Aaa	0.0%	12.5%	12.5%	
	Subtotal:	\$ 469.7	35%	34%	26%	5%	0%	100%	0%	AAA	Aaa	0.0%	12.5%	12.5%	
Total:		\$ 1,231.0	13%	13%	72%	2%	0%	100%	0%	AAA	Aaa	16.9%	22.5%	28.5%	

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 December 31, 2008, as follows: 16% AAA, 8% AA, 13% A, 45% 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 December 31, 2008: 100% AAA.

Assured Guaranty Corp.

Non-Investment Grade Exposures

As of December 31, 2008

(dollars in millions)

Non-Investment Grade Exposures by Asset Type:	<u>Weighted Average Remaining Life</u>	<u>Net Par Outstanding</u>	<u>Average Rating¹</u>
U.S. public finance			
Municipal utilities	28.1	\$ 265	D
Healthcare	15.5	51	B+
Transportation	15.2	22	D
General obligation	12.5	12	BB
Tax backed	8.7	6	BB-
Housing	12.8	3	B-
Investor-owned utilities	8.6	2	BB+
Higher education	12.2	1	BB+
Total public finance	<u>24.4</u>	<u>\$ 362</u>	<u>CC</u>
U.S. structured finance			
Residential mortgage-backed and home equity	5.9	\$ 2,879	B-
Structured credit	2.0	54	BB
Pooled corporate obligations	2.0	1	BB
Commercial receivables	1.2	0	CCC-
Other structured finance	7.7	30	B
Total structured finance	<u>5.8</u>	<u>\$ 2,964</u>	<u>B-</u>
International			
Insurance securitizations	11.1	\$ 279	CCC
Infrastructure and pooled infrastructure	14.1	75	B
Total international	<u>11.7</u>	<u>\$ 354</u>	<u>CCC</u>
Total non-investment grade exposures	<u>8.2</u>	<u>\$ 3,680</u>	<u>B-</u>

Top Ten Non-Investment Grade Exposures as of December 31, 2008

Name or description	<u>Weighted Average Remaining Life</u>	<u>Net Par Outstanding</u>	<u>Average Rating¹</u>
Deutsche Alt-A Securities Mortgage Loan 2007-2	7.6	\$ 628	BB
Countrywide Home Equity Loan Trust 2007-D	6.0	494	D
Deutsche Alt-A Securities Mortgage Loan 2007-3	4.1	438	BB
Jefferson County Alabama Sewer	28.2	264	D
Countrywide Home Equity Loan Trust 2005-J Class 1 & 2	5.1	260	D
CWALT Alternative Loan Trust 2007-OA10	3.0	157	BB
Orkney Re II, PLC	9.6	149	B
Ballantyne Re PLC Class A-2 Floating Rate Notes	12.8	130	D
Argent Securities Inc. 2003-W6	4.0	98	BB
ACE Home Equity Loan Trust 2007-SL2	2.9	92	CCC
Total Top 10 non-investment grade exposures	<u>8.3</u>	<u>\$ 2,709</u>	<u>B+</u>

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Assured Guaranty Corp.

Closely Monitored Credits ("CMC")

(dollars in millions)

Net Par Outstanding by Credit Monitoring Category ¹

Description:	December 31, 2008		
	Net Par Outstanding	% of total	Number of credits in category
Fundamentally sound risk	\$ 107,307	96.7%	
Closely monitored credits:			
Category 1	1,789	1.6%	32
Category 2	409	0.4%	14
Category 3	1,465	1.3%	18
Category 4	9	-	9
CMC Total	3,673	3.3%	73
Other below investment grade risk	44	-	50
Total	\$ 111,025	100.0%	

Description:	December 31, 2007		
	Net Par Outstanding	% of total	Number of credits in category
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	1,190	1.3%	39
Other below investment grade risk	16	-	41
Total	\$ 94,127	100.0%	

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 December 31, 2008

(dollars in millions)

Credit Name:	Net Par Outstanding	Rating¹
State of California General Obligation & Leases	\$ 673	A+
Commonwealth of Puerto Rico General Obligation & Leases	671	BBB-
North Texas Toll Road Authority	660	A
Denver International Airport System	506	A+
Miami-Dade County Florida Aviation Authority	457	A
San Francisco Airport Commission	441	A
Puerto Rico Highway & Transportation Authority	418	BBB
Miami-Dade County School Board	394	A
Pennsylvania State Turnpike Commission	375	A+
State of New Jersey General Obligation & Leases	333	AA-
Massachusetts Educational Finance Authority	300	AA
New York City General Obligation & Leases	294	A+
City of Chicago General Obligation & Leases	291	AA-
Puerto Rico Aqueduct & Sewer Authority	288	BBB-
Piedmont South Carolina Municipal Power Agency	273	BBB
Chicago Public Building Commission - Chicago Board of Education	269	A
Massachusetts State Turnpike Authority	266	A-
Commonwealth of Massachusetts General Obligation & Bay Transportation	264	A
Jefferson County, Alabama Sewer Enterprise	264	D
New Jersey Higher Education Student Assistance Auth 2008-A	263	A
Florida State Department of Environmental Protect	250	A+
North Carolina Eastern Municipal Power Agency	246	BBB+
Louisville Arena Authority	244	BBB-
Chicago-O'Hare International Airport	242	A
State of New York General Obligation & Leases	222	A+
Total top 25 U.S. public finance exposures	<u>\$ 8,905</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.

25 Largest U.S. Structured Finance Exposures

As of December 31, 2008

(dollars in millions)

Credit Name:	Net Par <u>Outstanding</u>	<u>Rating</u> ¹	<u>Current Credit Enhancement %</u>
Ares Enhanced Credit Opportunities Fund	\$ 960	AAA	27.3%
Fortress Credit Investments I & II	938	AAA	25.1%
Discover Card Master Trust I Series A	720	AAA	57.5%
Anchorage Crossover Credit Finance Ltd	710	AAA	18.6%
Field Point III & IV, Limited	707	AA-	21.7%
Prospect Funding I LLC	647	AAA	11.5%
Deutsche Alt-A Securities Mortgage Loan 2007-2	628	BB	10.2%
MortgageIt Securities Corp. Mortgage Loan 2007-2	560	AAA	11.2%
Park Avenue Receivables Company LLC	520	AAA	2.5%
Private RMBS Re-Remic	506	AAA	26.5%
280 Funding I - Class A-1 & A-2	495	AAA	39.4%
CWHEQ Revolving Home Equity Loan Trust 2007-D	494	D	0.0%
Private RMBS Re-Remic	486	AAA	27.0%
Goldentree Credit Opportunities Financing I	458	AAA / Super senior	40.3%
Private RMBS Re-Remic	458	AAA	27.8%
Private RMBS Re-Remic	443	AAA	27.2%
Deutsche Alt-A Securities Mortgage Loan 2007-3	438	BB	16.4%
CWALT Alternative Loan Trust 2007-HY9	406	A-	8.3%
Aaa Trust 2007-2	401	A	44.4%
Private Structured Credit	400	BBB+ / Super senior	Private
Liberty CLO Ltd	397	AAA	40.4%
KKR Financial CLO 2007-1	393	AAA	40.3%
Field Point I & II, Limited	388	AA-	33.2%
Private RMBS Re-Remic	387	AA-	25.3%
SLM Private Credit Student Loan Trust 2007	375	AAA	10.8%
Total top 25 U.S. structured finance exposures	<u>\$ 13,314</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.

10 Largest Healthcare and International Exposures

As of December 31, 2008

(dollars in millions)

10 Largest Healthcare Exposures

Credit Name:	Net Par		State
	Outstanding	Rating ¹	
Iowa Health System	\$ 203	AA-	IA
Integris Health, Inc.	173	AA	OK
Christus Health System	168	A+	TX
Fairview Hospital & Healthcare Services	160	A	MN
Methodist Health System	158	A	TN
Spartanburg Regional Healthcare System	145	AA-	SC
Essentia Health	144	A-	MN
Meridian Health System Obligated Group	136	A-	NJ
Lifebridge Health	129	A	MD
Bon Secours Health System, Inc.	117	A	MD
Total top 10 healthcare exposures	\$ 1,533		

10 Largest International Exposures

Credit Name:	Net Par	
	Outstanding	Rating ¹
Prime European RMBS	\$ 980	AAA
Permanent Master Issuer PLC	786	AAA
Gracechurch Mortgage Financing PLC	766	AAA
Arkle Master Issuer PLC	765	AAA
Essential Public Infrastructure Capital II	721	AAA
Granite Master Issuer PLC	673	AAA
Essential Public Infrastructure Capital III	626	AAA
Graphite Mortgages PLC Provide Graphite 2005-2	470	AAA
Synthetic CDO - IG ABS	470	AAA
Global Senior Loan Index Fund 1 B.V.	437	AAA
Total top 10 international exposures	\$ 6,694	

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Assured Guaranty Corp.

Capital and Claims Paying Resources

(dollars in millions)

	As of:	
	December 31, 2008	December 31, 2007
Statutory surplus and reserves		
Unearned premium reserve	\$ 570	\$ 302
Contingency reserve	712	582
Policyholders' surplus	378	400
Loss and loss adjustment expense reserves	15	12
Total policyholders' surplus & reserves	\$ 1,675	\$ 1,296
Claims paying resources		
Policyholders' surplus	\$ 378	\$ 400
Contingency reserve	712	582
Qualified statutory capital	1,090	982
Unearned premium reserve	570	302
Loss and loss adjustment expense reserves	15	12
Total policyholders' surplus & reserves	1,675	1,296
Present value of installment premium ^d	566	554
Standby line of credit/stop loss	200	280
Total claims paying resources	\$ 2,441	\$ 2,130
Net par insured outstanding	\$ 111,025	\$ 94,127
Net debt service outstanding	\$ 164,283	\$ 128,351
Ratios:		
Net par insured to statutory capital	102:1	96:1
Capital ratio ¹	151:1	131:1
Financial resources ratio ²	67:1	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)

	As of December 31, 2008	As of December 31, 2007
Loss and LAE reserves by segment:		
Financial guaranty direct	\$ 91.7	\$ 33.3
Financial guaranty reinsurance	39.1	31.5
Other	2.9	5.6
Total	\$ 133.7	\$ 70.4
Plus: Loss and LAE reserves on credit derivatives	37.5	4.1
Total loss and LAE reserves, including credit derivatives	\$ 171.2	\$ 74.5

	As of December 31, 2008	As of December 31, 2007
Loss and LAE reserves by type:		
Case	\$ 91.5	\$ 19.9
IBNR	1.9	4.1
Portfolio	40.3	46.4
Total	\$ 133.7	\$ 70.4
Case reserves on credit derivatives	\$ -	\$ -
Credit derivative portfolio reserves associated with fundamentally sound credits	15.2	3.5
Credit derivative portfolio reserves on CMC list	22.3	0.6
Total loss and LAE reserves on credit derivatives	\$ 37.5	\$ 4.1
Total loss and LAE reserves, including credit derivatives	\$ 171.2	\$ 74.5

Assured Guaranty Corp.

Investment Portfolio

As of December 31, 2008

(dollars in millions)

	Amortized Cost	Pre-Tax Book Yield	After-Tax Book Yield	Fair Value	Annualized Investment Income
Fixed maturity securities available for sale:					
U.S. Treasury securities and obligations					
of U.S. government agencies	\$ 30.1	4.8%	3.2%	\$ 35.3	\$ 1.5
Agency obligations	33.6	5.0%	3.2%	38.0	1.7
Foreign government securities	50.2	4.5%	3.0%	54.3	2.3
Obligations of states and political subdivisions	509.2	4.7%	4.4%	503.8	23.9
Insured obligations of state and political subdivisions ¹	617.6	4.7%	4.4%	610.6	28.8
Corporate securities	89.2	6.3%	4.1%	87.5	5.6
Mortgage-backed securities ² :					
Pass-throughs	157.4	5.8%	3.8%	148.9	9.1
PACs	5.0	4.5%	3.0%	5.1	0.2
Asset-backed securities ³	24.3	5.4%	3.5%	22.5	1.3
Preferred stock	5.4	8.0%	5.2%	5.3	0.4
Total fixed maturity securities available for sale	\$ 1,522.0	4.9%	4.2%	\$ 1,511.3	\$ 74.7
Short-term investments	110.0	1.5%	1.0%	110.0	1.7
Total investments	\$ 1,632.0	4.7%	4.0%	\$ 1,621.3	\$ 76.4

Ratings⁴:

	Fair Value	%
Treasury and government obligations	\$ 35.3	2.3%
Agency obligations	38.0	2.5%
AAA/Aaa	395.4	26.2%
AA/Aa	656.3	43.5%
A/A	339.0	22.4%
BBB	47.1	3.1%
Below investment grade	0.2	0.0%
Total	\$ 1,511.3	100.0%

Duration of investment portfolio (in years):

5.2

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. \$0.5 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,					
	2008	2007	2006	2005	2004	2003
Statutory Data						
Net income	\$ 27.7	\$ 71.6	\$ 64.3	\$ 100.9	\$ 103.2	\$ 66.6
Policyholders' surplus	378.1	399.6	286.0	295.7	236.7	255.6
Contingency reserve	712.2	582.5	630.9	559.0	518.4	400.0
Statutory capital	1,090.3	982.0	916.8	854.8	755.1	655.6
Unearned premium reserve	570.3	302.3	238.9	233.8	405.8	466.7
Net present value of estimated future installment premiums ^d	565.6	553.6	355.6	254.1	267.8	293.3
Premium resources	1,135.9	855.9	594.5	487.9	673.6	760.0
Loss and LAE reserves	14.7	12.5	15.2	20.9	31.8	55.0
Standby line of credit / stop loss	200.0	280.0	455.0	455.0	255.0	255.0
Total claims-paying resources	\$ 2,440.9	\$ 2,130.4	\$ 1,981.5	\$ 1,818.6	\$ 1,715.5	\$ 1,725.6
Statutory Financial Ratios						
Loss and LAE ratio	90.3%	(13.5)%	4.5%	18.2%	(8.4)%	25.9%
Expense ratio	11.5%	49.9%	64.8%	20.6%	107.4%	32.0%
Combined ratio	101.8%	36.4%	69.3%	38.8%	99.0%	57.9%
Other Financial Information :						
Net debt service outstanding (end of period)	\$ 164,283	\$ 128,351	\$ 85,522	\$ 70,769	\$ 105,831	\$ 117,406
Net par outstanding (end of period)	111,025	94,127	68,370	52,659	74,001	78,399
Gross par outstanding (end of period)	152,801	127,743	91,858	68,880	87,583	83,490
Par reinsured within Assured Guaranty	13,165	29,087	22,569	13,556	10,990	2,438
Qualified statutory capital	1,090	982	917	855	755	656
Policyholders' surplus & reserves	1,675	1,296	1,171	1,110	1,193	1,178
Ratios:						
Net par insured to statutory capital	102:1	75:1	75:1	62:1	98:1	120:1
Capital ratio ¹	151:1	93:1	93:1	83:1	140:1	179:1
Financial resources ratio ²	67:1	43:1	43:1	39:1	62:1	68:1
Gross debt service written³:						
U.S. public finance	\$ 56,865	\$ 8,142	\$ 3,440	\$ 2,043	\$ 5,470	\$ 9,428
U.S. structured finance	13,228	35,396	26,848	12,999	13,640	6,950
International	6,036	15,263	13,245	3,307	2,512	3,063
Total gross debt service written	\$ 76,128	\$ 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.

Residential mortgage-backed and home equity: includes individual and repackaged securities backed by either prime, Alt-A, or subprime first and second lien mortgages. Alt-A Option ARMs: includes transactions where 66% or more of the collateral is comprised of mortgage loans that have the potential to negatively amortize. Alt-A First Lien: includes all transactions, other than Alt-A Option ARM transactions, where more than 50% of the collateral is comprised of mortgage loans that were originated with less than full documentation.

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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