

Assured Guaranty Corp.

Consolidated Balance Sheets
(in thousands of U.S. dollars)

	March 31, 2008	December 31, 2007 (1)
	(Unaudited)	
Assets		
Fixed maturity securities, at fair value	\$ 1,345,974	\$ 1,311,278
Short-term investments, at cost which approximates fair value	135,591	44,040
Total investments	1,481,565	1,355,318
Cash and cash equivalents	3,035	1,785
Accrued investment income	17,515	16,586
Deferred acquisition costs	78,663	78,910
Prepaid reinsurance premiums	130,797	97,311
Reinsurance recoverable on ceded losses	23,769	20,478
Premiums receivable	14,558	14,977
Goodwill	85,417	85,417
Credit derivative assets	3,529	4,552
Deferred tax asset	222,237	132,622
Other assets	53,944	24,055
Total assets	\$ 2,115,029	\$ 1,832,011
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 468,378	\$ 346,756
Reserves for losses and loss adjustment expenses	105,773	70,411
Profit commissions payable	3,995	3,628
Reinsurance balances payable	33,257	12,902
Current income taxes payable	14,168	2,134
Funds held by Company under reinsurance contracts	5,300	5,300
Credit derivative liabilities	684,317	473,862
Liability for tax basis step-up adjustment	9,707	9,893
Other liabilities	56,973	39,930
Total liabilities	1,381,868	964,816
Shareholder's equity		
Preferred stock	-	-
Common stock	15,000	15,000
Additional paid-in capital	380,359	380,359
Retained earnings	318,640	443,292
Accumulated other comprehensive income	19,162	28,544
Total shareholder's equity	733,161	867,195
Total liabilities and shareholder's equity	\$ 2,115,029	\$ 1,832,011

(1) Certain prior balances related to credit derivatives have been reclassified for comparative purposes. See Assured Guaranty Ltd.'s March 31, 2008 10-Q Exhibit 99.1, Note 2 for further information.

Assured Guaranty Corp.

Consolidated Statements of Operations
(in thousands of U.S. dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2008	2007 (1)
Revenues		
Gross written premiums	\$ 144,281	\$ 35,365
Ceded premiums	(40,484)	(15,093)
Net written premiums	103,797	20,272
Increase in unearned premium reserves	(87,763)	(3,742)
Net earned premiums	16,034	16,530
Net investment income	16,104	15,656
Net realized investment gains (losses)	667	(112)
Change in fair value of credit derivatives		
Realized gains and other settlements on credit derivatives	20,823	11,805
Unrealized losses on credit derivatives	(216,387)	(6,338)
Net change in fair value of credit derivatives	(195,564)	5,467
Other income	8,536	-
Total revenues	(154,223)	37,541
Expenses		
Loss and loss adjustment expenses (recoveries)	23,525	(7,285)
Profit commission expense	431	-
Acquisition costs	3,544	4,633
Other operating expenses	14,543	11,633
Interest expense	-	111
Other expense	735	601
Total expenses	42,778	9,693
(Loss) income before (benefit) provision for income taxes	(197,001)	27,848
(Benefit) provision for income taxes		
Current	12,026	9,704
Deferred	(84,375)	(3,255)
Total (benefit) provision for income taxes	(72,349)	6,449
Net (loss) income	\$ (124,652)	\$ 21,399

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