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ENDURING FINANCIAL STRENGTHSM

Assured Guaranty Re Ltd.
Financial Supplement

SECOND QUARTER 2008
JUNE 30, 2008

AG Re

Assured Guaranty Re Ltd. Financial Supplement Second Quarter 2008 Ended June 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 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 Re Ltd.'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 and statements regarding losses, pricing, ratings and capital adequacy 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 Re Ltd.

Consolidated Income Statements

(dollars in millions)

	Quarter Ended June 30,		% Change versus 2Q-07	Six Months Ended June 30,		% Change versus YTD 2007
	2008	2007		2008	2007	
Revenues						
Gross written premiums	\$ 105.2	\$ 29.1	262%	\$ 174.5	\$ 63.4	175%
Net written premiums	105.0	28.8	265%	170.9	59.9	185%
Net earned premiums	32.7	23.9	37%	63.5	44.4	43%
Net investment income	22.1	15.6	42%	42.4	31.4	35%
Realized gains and other settlements on credit derivatives	6.1	3.5	74%	11.8	9.2	28%
Incurred losses on credit derivatives	(3.3)	(1.1)	200%	(4.9)	(1.3)	277%
Total revenues	57.6	41.9	37%	112.8	83.7	35%
Expenses						
Loss and loss adjustment expenses (recoveries)	14.6	5.4	170%	46.2	8.6	437%
Profit commission expense	1.0	1.3	(23)%	1.8	2.9	(38)%
Acquisition costs	8.6	7.4	16%	16.9	13.7	23%
Other operating expenses	3.1	2.7	15%	7.4	6.0	23%
Total expenses	27.3	16.8	63%	72.3	31.2	132%
Income before provision (benefit) for income taxes	30.3	25.1	21%	40.5	52.4	(23)%
Total provision (benefit) for income taxes	1.0	0.7	43%	1.6	(1.8)	NM
Operating income^a	29.3	\$ 24.4	20%	38.9	\$ 54.2	(28)%
Plus: After-tax realized losses on investments	(0.1)	(0.9)	(89)%	(0.2)	(1.1)	(82)%
Plus: After-tax unrealized gains (losses) on credit derivatives	101.4	(4.7)	NM	59.7	(7.7)	NM
Net income	\$ 130.6	\$ 18.8	595%	\$ 98.4	\$ 45.3	117%

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

NM = Not meaningful

Assured Guaranty Re Ltd.

Consolidated Balance Sheets

(dollars in millions)

	As of	
	June 30, 2008	December 31, 2007
Assets		
Fixed maturity securities, at fair value	\$ 1,693.2	\$ 1,275.7
Short-term investments, at cost which approximates fair value	306.8	498.6
Total investments	2,000.0	1,774.2
Cash and cash equivalents	0.3	0.4
Accrued investment income	12.5	9.9
Deferred acquisition costs	210.6	180.4
Premiums receivable	87.9	27.0
Prepaid reinsurance premiums	2.2	0.6
Reinsurance recoverable on ceded losses	3.2	3.5
Deferred tax asset	16.7	16.1
Credit derivative assets	27.4	0.9
Funds held under reinsurance contracts	5.1	5.1
Salvage recoverable	25.3	2.3
Other assets	33.4	9.3
Total assets	\$ 2,424.6	\$ 2,029.9
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 733.7	\$ 624.8
Reserves for losses and loss adjustment expenses	103.4	70.2
Profit commissions payable	6.8	18.7
Reinsurance balances payable	18.3	1.3
Funds held by Company under reinsurance contracts	29.0	25.1
Credit derivative liabilities	111.9	144.6
Other liabilities	83.1	22.3
Total liabilities	1,086.1	907.0
Shareholder's equity		
Common stock	1.4	1.4
Additional paid-in capital	856.6	706.6
Retained earnings	490.8	398.3
Accumulated other comprehensive (loss) income	(10.3)	16.6
Total shareholder's equity	1,338.4	1,122.9
Total liabilities and shareholder's equity	\$ 2,424.6	\$ 2,029.9

Assured Guaranty Re Ltd.

Financial Guaranty Profile (1 of 3)

(dollars in millions)

Sector:	Gross Par	As of June 30, 2008:		
	Written	Net Par		
	2Q 2008	Outstanding	%	Avg. Rating ¹
U.S. public finance				
General obligation	\$ 1,143	\$ 17,704	15.0%	A+
Tax backed	1,093	16,844	14.3%	A+
Municipal utilities	971	9,481	8.0%	A
Healthcare	823	8,327	7.0%	A+
Transportation	703	7,573	6.4%	A
Higher education	242	3,151	2.7%	A+
Housing	-	1,810	1.5%	A+
Investor-owned utilities	12	1,469	1.2%	BBB+
Other public finance	135	2,692	2.3%	A+
Total U.S. public finance	<u>\$ 5,122</u>	<u>\$ 69,052</u>	<u>58.4%</u>	<u>A+</u>
U.S. structured finance				
Pooled corporate obligations	\$ 251	\$ 8,468	7.2%	AA+
Prime mortgage-backed and home equity	229	3,562	3.0%	A
Consumer receivables	225	3,503	3.0%	A+
Commercial receivables	110	3,230	2.7%	A-
Subprime mortgage-backed and home equity	39	1,597	1.4%	AA
Commercial mortgage-backed securities	-	1,354	1.1%	AA+
Insurance securitizations	-	1,096	0.9%	AA-
Structured credit	86	890	0.8%	BBB
Other structured finance	0	307	0.3%	A+
Total U.S. structured finance	<u>\$ 941</u>	<u>\$ 24,008</u>	<u>20.3%</u>	<u>AA-</u>
International				
Regulated utilities	\$ 67	\$ 6,816	5.8%	A-
Infrastructure and pooled infrastructure	20	6,792	5.7%	A+
Mortgage-backed and home equity	40	3,814	3.2%	AAA
Pooled corporate obligations	81	2,821	2.4%	AAA
Public finance	-	1,190	1.0%	A
Commercial receivables	0	843	0.7%	A-
Insurance securitizations	-	717	0.6%	BB+
Future flow	-	716	0.6%	BBB+
Structured credit	24	528	0.4%	A-
Commercial mortgage-backed securities	-	485	0.4%	A+
Consumer receivables	-	93	0.1%	AAA
Other international structured finance	20	304	0.3%	AA-
Total international	<u>\$ 251</u>	<u>\$ 25,117</u>	<u>21.3%</u>	<u>A+</u>
Total	<u>\$ 6,314</u>	<u>\$ 118,178</u>	<u>100.0%</u>	<u>A+</u>
Mortgage guaranty risk in force	\$ -	\$ 844	NA	NA

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 Re Ltd.

Financial Guaranty Profile (2 of 3)

(dollars in millions)

Distribution by Ratings of Financial Guaranty Portfolio

Ratings ¹ :	June 30, 2008		December 31, 2007	
	Net Par Outstanding	%	Net Par Outstanding	%
Super senior	\$ 11,197	9.5%	\$ 9,522	9.0%
AAA	13,314	11.3%	14,418	13.6%
AA	32,662	27.6%	29,545	27.8%
A	39,341	33.3%	33,779	31.8%
BBB	19,587	16.6%	18,067	17.0%
Below investment grade	2,077	1.8%	923	0.9%
Total exposures	<u>\$ 118,178</u>	<u>100.0%</u>	<u>\$ 106,253</u>	<u>100.0%</u>

Distribution of Pooled Corporate Obligations by Year of Insured as of June 30, 2008

Year insured:	Net Par Outstanding	%
2004 and prior	\$ 908	8.0%
2005	1,935	17.1%
2006	4,073	36.1%
2007	3,661	32.4%
2008 YTD	713	6.3%
	<u>\$ 11,289</u>	<u>100.0%</u>

Distribution by Ratings of Pooled Corporate Obligations

Ratings ¹ :	June 30, 2008		December 31, 2007	
	Net Par Outstanding	%	Net Par Outstanding	%
Super senior	\$ 4,155	36.8%	\$ 3,326	31.8%
AAA	5,475	48.5%	5,815	55.6%
AA	1,307	11.6%	1,172	11.2%
A	255	2.3%	106	1.0%
BBB	80	0.7%	16	0.2%
Below investment grade	17	0.2%	19	0.2%
Total exposures	<u>\$ 11,289</u>	<u>100.0%</u>	<u>\$ 10,455</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 Re Ltd.

Financial Guaranty Profile (3 of 3)

(dollars in millions)

Geographic Distribution of Financial Guaranty Portfolio as of June 30, 2008

U.S.:	Net Par Outstanding	%
California	\$ 11,352	9.6%
New York	6,744	5.7%
Florida	6,055	5.1%
Texas	4,140	3.5%
Illinois	3,517	3.0%
Pennsylvania	2,939	2.5%
Massachusetts	2,857	2.4%
New Jersey	2,252	1.9%
Washington	2,095	1.8%
Michigan	2,067	1.7%
Other states	25,034	21.2%
Mortgage and structured (multiple states)	24,008	20.3%
Total U.S.	\$ 93,061	78.7%

International:	Net Par Outstanding	%
United Kingdom	\$ 15,211	12.9%
Australia	2,476	2.1%
Germany	1,168	1.0%
Italy	727	0.6%
Ireland	646	0.5%
Other	4,889	4.1%
Total International	\$ 25,117	21.3%

Total exposures	\$ 118,178	100.0%
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Assured Guaranty Re Ltd.

Capital and Claims Paying Resources ¹

(dollars in millions)

	As of:	
	June 30, 2008	December 31, 2007
Statutory surplus and reserves		
Unearned premium reserve ²	\$ 741	\$ 629
Contingency reserve	-	-
Policyholders' surplus	1,266	1,097
Loss and loss adjustment expense reserves ³	22	18
Total policyholders' surplus & reserves	\$ 2,029	\$ 1,744
Claims paying resources		
Policyholders' surplus	\$ 1,266	\$ 1,097
Contingency reserve	-	-
Qualified statutory capital	1,266	1,097
Unearned premium reserve ²	741	629
Loss and loss adjustment expense reserves ³	22	18
Total policyholders' surplus & reserves	2,029	1,744
Present value of installment premium ^b	379	366
Standby line of credit/stop loss	200	200
Total claims paying resources	\$ 2,608	\$ 2,310
Net par insured outstanding	\$ 118,178	\$ 106,253
Net debt service outstanding	\$ 195,575	\$ 174,173
Ratios:		
Net par insured to statutory capital	93:1	97:1
Capital ratio ⁴	154:1	159:1
Financial resources ratio ⁵	75:1	75:1

1. Assured Guaranty Re Ltd. (AG Re) numbers are the Company's estimate of U.S. statutory as the company files Bermuda statutory financial statements.

2. Unearned premium reserve for AG Re is U.S. GAAP based, includes unearned revenues on credit derivatives and is net of prepaid reinsurance premiums.

3. Loss and loss adjustment reserves for AG Re are U.S. GAAP based, includes loss reserves for credit derivatives and is net of reinsurance recoverable and portfolio reserves.

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

5. 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 (b)].

Assured Guaranty Re Ltd.

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

	As of June 30, 2008	As of December 31, 2007
Loss and LAE reserves by segment:		
Financial guaranty direct	\$ 27.1	\$ 14.8
Financial guaranty reinsurance	70.5	49.3
Mortgage guaranty	2.9	2.9
Other	2.9	3.2
Total	\$ 103.4	\$ 70.2
Plus: Loss and LAE reserves on credit derivatives	9.9	4.9
Total loss and LAE reserves, including credit derivatives	\$ 113.3	75.1
	As of June 30, 2008	As of December 31, 2007
Loss and LAE reserves by type:		
Case	\$ 37.7	\$ 18.2
IBNR	2.1	2.4
Portfolio	63.6	49.6
Total	\$ 103.4	\$ 70.2
Plus: Loss and LAE reserves on credit derivatives	9.9	4.9
Total loss and LAE reserves, including credit derivatives	\$ 113.3	\$ 75.1

Assured Guaranty Re Ltd.

Investment Portfolio

As of June 30, 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	\$ 133.0	4.4%	4.1%	\$ 138.7	\$ 5.8
Agency obligations	155.0	5.0%	4.8%	158.7	7.8
Foreign government securities	0.1	7.3%	7.3%	0.2	0.0
Obligations of states and political subdivisions	75.4	4.5%	4.2%	75.1	3.4
Insured obligations of state and political subdivisions ¹	33.9	4.5%	4.2%	32.7	1.5
Corporate securities	215.5	5.7%	5.4%	211.4	12.3
Mortgage-backed securities ² :					
Pass-throughs	960.0	5.6%	5.4%	946.7	53.5
PACs	56.8	4.9%	4.7%	55.0	2.8
Asset-backed securities ³	66.1	4.9%	4.8%	67.0	3.2
Preferred stock	7.4	8.0%	8.0%	7.7	0.6
Total fixed maturity securities available for sale	\$ 1,703.2	5.3%	5.1%	\$ 1,693.2	\$ 90.9
Short-term investments	306.8	2.4%	2.3%	306.8	7.4
Total investments	\$ 2,010.0	4.9%	4.7%	\$ 2,000.0	\$ 98.2

Ratings⁴:

	Fair Value	%
Treasury and government obligations	\$ 138.7	8.2%
Agency obligations	158.7	9.4%
AAA/Aaa	1,136.0	67.1%
AA/Aa	144.4	8.5%
A/A	115.4	6.8%
Total	\$ 1,693.2	100.0%

Duration of investment portfolio (in years):

3.9

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. \$5.1 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 Re Ltd.

Summary Financial and Statistical Data

(dollars in millions)

	Year Ended December 31,					
	YTD 2Q-2008	2007	2006	2005	2004	2003
Claims Paying Resources ¹						
Policyholders' surplus	\$ 1,266.3	\$ 1,097.2	\$ 740.7	\$ 690.8	\$ 596.0	\$ 560.0
Contingency reserve	-	-	-	-	-	-
Statutory capital	1,266.3	1,097.2	740.7	690.8	596.0	560.0
Unearned premium reserve ²	741.3	629.1	444.1	356.0	186.4	233.0
Present value of installment premium ^b	379.4	366.4	229.9	173.8	132.1	90.0
Premium resources	1,120.7	995.5	674.0	529.8	318.5	323.0
Loss and LAE reserves ³	21.6	18.0	18.4	26.0	15.3	267.9
Standby line of credit / stop loss	200.0	200.0	-	-	-	-
Total claims paying resources	\$ 2,608.6	\$ 2,310.7	\$ 1,433.1	\$ 1,246.6	\$ 929.8	\$ 1,150.9
GAAP Financial Ratios						
Loss and LAE ratio ^c	64.1%	18.4%	(12.7)%	(73.6)%	(50.6)%	67.1%
Expense ratio ^c	38.4%	42.6%	47.2%	42.2%	62.8%	33.9%
Combined ratio ^c	102.5%	61.0%	34.5%	(31.4)%	12.2%	101.0%
Other Financial Information (End of Period)						
Net debt service outstanding	\$ 195,575	\$ 174,173	\$ 94,652	\$ 74,925	\$ 30,288	\$ 12,941
Net par amount outstanding	118,178	106,253	63,927	49,806	21,590	9,125

1. Assured Guaranty Re Ltd. (AG Re) numbers are the Company's estimate of U.S. statutory as the company files Bermuda statutory financial statements.

2. Unearned premium reserve for AG Re is U.S. GAAP based, includes unearned revenues on credit derivatives and is net of prepaid reinsurance premiums.

3. Loss and loss adjustment reserves for AG Re are U.S. GAAP based, includes loss reserves for credit derivatives and is net of reinsurance recoverable and portfolio reserves.

Note: Please refer to endnotes for explanation of non-GAAP financial measures [net present value of estimated future installment premiums in force (b) and loss and loss adjustment expense ratio, expense ratio and combined ratio (c)].

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) 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, other than the Company's net estimate of after-tax incurred case and portfolio loss and loss adjusted expense reserves for credit derivatives. Management believes that operating income is a useful measure for management, investors and analysts because the presentation of operating income enhances 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, 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 market interest rates, credit spreads and other factors that management cannot control or predict. This measure should not be viewed as a substitute for net income (loss) determined in accordance with GAAP.

(b) 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.

(c) Loss ratio, which is a non-GAAP financial measure, is defined as loss and loss adjustment expenses (recoveries) plus the Company's net estimate of credit derivative incurred case and portfolio loss and loss adjustment expense reserves, which is included in unrealized gains (losses) on credit derivatives, plus net credit derivative losses (recoveries), which is included in realized gains and other settlements on credit derivatives, divided by net earned premiums plus net credit derivative premiums earned, which is included in realized gains and other settlements on credit derivatives. Expense ratio is calculated by dividing the sum of ceding commissions expense (income), profit commission expense, acquisition costs and operating expenses by net earned premiums plus net credit derivative premiums earned, which is included in realized gains and other settlements on credit derivatives. Combined ratio, which is a non-GAAP financial measure, is the sum of the loss ratio and the expense ratio. Management believes that loss, expense and combined ratios are useful measures for management, investors and analysts to measure the Company's underwriting performance. There are no comparable GAAP financial measures.

AG Re

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