

# Assured Guaranty Re Ltd.

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

	<b>March 31, 2008</b>	<b>December 31, 2007 (1)</b>
<b>Assets</b>	<b>(Unaudited)</b>	
Fixed maturity securities, at fair value	\$ 1,469,697	\$ 1,275,676
Short-term investments, at cost which approximates fair value	339,057	498,553
<b>Total investments</b>	<b>1,808,754</b>	<b>1,774,229</b>
Cash and cash equivalents	325	397
Accrued investment income	11,370	9,917
Deferred acquisition costs	194,012	180,391
Prepaid reinsurance premiums	3,057	644
Funds held under reinsurance contracts	5,121	5,121
Reinsurance recoverable on ceded losses	3,274	3,526
Premiums receivable	43,352	26,973
Credit derivative assets	533	922
Deferred tax asset	16,320	16,115
Other assets	19,226	11,630
<b>Total assets</b>	<b>\$ 2,105,344</b>	<b>\$ 2,029,865</b>
<b>Liabilities and shareholder's equity</b>		
<b>Liabilities</b>		
Unearned premium reserves	\$ 662,103	\$ 624,840
Reserves for losses and loss adjustment expenses	99,178	70,197
Profit commissions payable	7,374	18,704
Reinsurance balances payable	1,665	1,261
Funds held by Company under reinsurance contracts	28,708	25,109
Credit derivative liabilities	192,220	144,599
Other liabilities	18,966	22,259
<b>Total liabilities</b>	<b>1,010,214</b>	<b>906,969</b>
<b>Shareholder's equity</b>		
Preferred stock	-	-
Common stock	1,378	1,378
Additional paid-in capital	706,604	706,604
Retained earnings	366,138	398,328
Accumulated other comprehensive income	21,010	16,586
<b>Total shareholder's equity</b>	<b>1,095,130</b>	<b>1,122,896</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 2,105,344</b>	<b>\$ 2,029,865</b>

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

# Assured Guaranty Re Ltd.

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2007 (1)</b>
<b>Revenues</b>		
Gross written premiums	\$ 69,375	\$ 34,306
Ceded premiums	(3,480)	(3,214)
Net written premiums	65,895	31,092
Increase in unearned premium reserves	(35,096)	(10,556)
Net earned premiums	30,799	20,536
Net investment income	20,294	15,725
Net realized investment losses	(39)	(198)
Change in fair value of credit derivatives		
Realized gains and other settlements on credit derivatives	5,736	5,647
Unrealized losses on credit derivatives	(43,234)	(3,954)
Net change in fair value of credit derivatives	(37,498)	1,693
<b>Total revenues</b>	<b>13,556</b>	<b>37,756</b>
<b>Expenses</b>		
Loss and loss adjustment expenses	31,614	3,262
Profit commission expense	748	1,613
Acquisition costs	8,338	6,228
Other operating expenses	4,357	3,249
<b>Total expenses</b>	<b>45,057</b>	<b>14,352</b>
<b>(Loss) income before provision (benefit) for income taxes</b>	<b>(31,501)</b>	<b>23,404</b>
<b>Provision (benefit) for income taxes</b>		
Current	57	(4,049)
Deferred	632	912
Total provision (benefit) for income taxes	689	(3,137)
<b>Net (loss) income</b>	<b>\$ (32,190)</b>	<b>\$ 26,541</b>

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