

Assured Guaranty Re Ltd.

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

	June 30, 2008	December 31, 2007 (1)
	(Unaudited)	
Assets		
Fixed maturity securities, at fair value	\$ 1,693,235	\$ 1,275,676
Short-term investments, at cost which approximates fair value	306,783	498,553
Total investments	2,000,018	1,774,229
Cash and cash equivalents	329	397
Accrued investment income	12,451	9,917
Deferred acquisition costs	210,578	180,391
Prepaid reinsurance premiums	2,163	644
Funds held under reinsurance contracts	5,121	5,121
Reinsurance recoverable on ceded losses	3,202	3,526
Premiums receivable	87,867	26,973
Credit derivative assets	27,429	922
Deferred tax asset	16,714	16,115
Salvage recoverable	25,250	2,297
Other assets	33,444	9,333
Total assets	\$ 2,424,566	\$ 2,029,865
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 733,716	\$ 624,840
Reserves for losses and loss adjustment expenses	103,374	70,197
Profit commissions payable	6,779	18,704
Reinsurance balances payable	18,277	1,261
Funds held by Company under reinsurance contracts	28,962	25,109
Credit derivative liabilities	111,930	144,599
Other liabilities	83,091	22,259
Total liabilities	1,086,129	906,969
Shareholder's equity		
Preferred stock	-	-
Common stock	1,378	1,378
Additional paid-in capital	856,604	706,604
Retained earnings	490,766	398,328
Accumulated other comprehensive (loss) income	(10,311)	16,586
Total shareholder's equity	1,338,437	1,122,896
Total liabilities and shareholder's equity	\$ 2,424,566	\$ 2,029,865

(1) Certain prior balances related to credit derivatives have been reclassified for comparative purposes. See Assured Guaranty Ltd.'s June 30, 2008 10-Q, Note 2 for further information.

Assured Guaranty Re Ltd.

Consolidated Statements of Operations

(in thousands of U.S. dollars)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007 (1)	2008	2007 (1)
Revenues				
Gross written premiums	\$ 105,154	\$ 29,136	\$ 174,529	\$ 63,442
Ceded premiums	(142)	(322)	(3,622)	(3,536)
Net written premiums	105,012	28,814	170,907	59,906
Increase in unearned premium reserves	(72,348)	(4,963)	(107,444)	(15,519)
Net earned premiums	32,664	23,851	63,463	44,387
Net investment income	22,148	15,636	42,442	31,361
Net realized investment losses	(113)	(981)	(152)	(1,179)
Change in fair value of credit derivatives				
Realized gains and other settlements on credit derivatives	6,111	3,520	11,847	9,167
Unrealized gains (losses) on credit derivatives	97,951	(6,043)	54,717	(9,997)
Net change in fair value of credit derivatives	104,062	(2,523)	66,564	(830)
Other income	-	1	-	1
Total revenues	158,761	35,984	172,317	73,740
Expenses				
Loss and loss adjustment expenses	14,629	5,373	46,243	8,635
Profit commission expense	1,047	1,270	1,795	2,883
Acquisition costs	8,556	7,443	16,894	13,671
Other operating expenses	3,056	2,732	7,413	5,981
Total expenses	27,288	16,818	72,345	31,170
Income before provision (benefit) for income taxes	131,473	19,166	99,972	42,570
Provision (benefit) for income taxes				
Current	(3)	117	54	(3,932)
Deferred	848	254	1,480	1,166
Total provision (benefit) for income taxes	845	371	1,534	(2,766)
Net income	\$ 130,628	\$ 18,795	\$ 98,438	\$ 45,336

(1) Certain prior balances related to credit derivatives have been reclassified for comparative purposes. See Assured Guaranty Ltd.'s June 30, 2008 10-Q, Note 2 for further information.