

# Assured Guaranty Re Ltd.

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

	<b>March 31, 2009</b>	<b>December 31, 2008</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Fixed maturity securities, at fair value	\$ 1,635,415	\$ 1,642,808
Short-term investments, at cost which approximates fair value	370,936	346,791
<b>Total investments</b>	<b>2,006,351</b>	<b>1,989,599</b>
Cash and cash equivalents	972	942
Accrued investment income	13,900	12,641
Deferred acquisition costs	326,721	209,630
Prepaid reinsurance premiums	521	594
Funds held under reinsurance contracts	5,121	5,121
Reinsurance recoverable on ceded losses	2,472	3,474
Premiums receivable	475,304	23,559
Credit derivative assets	28,477	21,877
Deferred tax asset	15,966	19,553
Salvage recoverable	36,985	23,988
Other assets	10,724	6,690
<b>Total assets</b>	<b>\$ 2,923,514</b>	<b>\$ 2,317,668</b>
<b>Liabilities and shareholder's equity</b>		
<b>Liabilities</b>		
Unearned premium reserves	\$ 1,291,101	\$ 713,947
Reserves for losses and loss adjustment expenses	122,800	90,752
Profit commissions payable	3,781	4,614
Reinsurance balances payable	14,295	16,602
Funds held by Company under reinsurance contracts	30,524	30,244
Credit derivative liabilities	209,367	252,513
Other liabilities	10,159	15,822
<b>Total liabilities</b>	<b>1,682,027</b>	<b>1,124,494</b>
<b>Shareholder's equity</b>		
Preferred stock	-	-
Common stock	1,378	1,378
Additional paid-in capital	856,604	856,604
Retained earnings	379,895	331,804
Accumulated other comprehensive (loss) income	3,610	3,388
<b>Total shareholder's equity</b>	<b>1,241,487</b>	<b>1,193,174</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 2,923,514</b>	<b>\$ 2,317,668</b>

# Assured Guaranty Re Ltd.

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

	Three Months Ended	
	March 31,	
	2009	2008
<b>Revenues</b>		
Net premiums earned	\$ 80,720	\$ 30,799
Net investment income	24,367	20,294
Net realized investment losses	(17,348)	(39)
Change in fair value of credit derivatives		
Realized (losses) gains and other settlements on credit derivatives	(3,764)	5,736
Unrealized gains (losses) on credit derivatives	50,107	(43,234)
Net change in fair value of credit derivatives	46,343	(37,498)
<b>Total revenues</b>	<b>134,082</b>	<b>13,556</b>
<b>Expenses</b>		
Loss and loss adjustment expenses	58,372	31,614
Profit commission expense	255	748
Acquisition costs	23,764	8,338
Other operating expenses	4,530	4,357
<b>Total expenses</b>	<b>86,921</b>	<b>45,057</b>
<b>Income (loss) before (benefit) provision for income taxes</b>	<b>47,161</b>	<b>(31,501)</b>
<b>(Benefit) provision for income taxes</b>		
Current	(4,566)	57
Deferred	379	632
Total (benefit) provision for income taxes	(4,187)	689
<b>Net income (loss)</b>	<b>\$ 51,348</b>	<b>\$ (32,190)</b>