

Assured Guaranty Corp.

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

	March 31, 2009	December 31, 2008
	(Unaudited)	
Assets		
Fixed maturity securities, at fair value	\$ 1,540,763	\$ 1,511,329
Short-term investments, at cost which approximates fair value	228,586	109,986
Total investments	1,769,349	1,621,315
Cash and cash equivalents	13,925	7,823
Accrued investment income	20,410	20,205
Deferred acquisition costs	55,806	78,989
Prepaid reinsurance premiums	362,960	206,453
Reinsurance recoverable on ceded losses	21,407	22,014
Premiums receivable	453,161	12,445
Goodwill	85,417	85,417
Credit derivative assets	127,237	139,494
Deferred tax asset	102,443	110,336
Current income taxes receivable	-	17,382
Salvage recoverable	117,219	70,884
Committed capital securities	70,728	51,062
Other assets	10,335	10,651
Total assets	\$ 3,210,397	\$ 2,454,470
Liabilities and shareholder's equity		
Liabilities		
Unearned premium reserves	\$ 1,202,038	\$ 707,957
Reserves for losses and loss adjustment expenses	143,633	133,710
Profit commissions payable	3,971	3,971
Reinsurance balances payable	190,277	23,725
Current income taxes payable	14,631	-
Funds held by Company under reinsurance contracts	5,493	5,493
Credit derivative liabilities	497,188	481,040
Other liabilities	49,229	52,548
Total liabilities	2,106,460	1,408,444
Shareholder's equity		
Preferred stock	-	-
Common stock	15,000	15,000
Additional paid-in capital	480,375	480,375
Retained earnings	620,772	561,598
Accumulated other comprehensive loss	(12,210)	(10,947)
Total shareholder's equity	1,103,937	1,046,026
Total liabilities and shareholder's equity	\$ 3,210,397	\$ 2,454,470

Assured Guaranty Corp.

Consolidated Statements of Operations

(in thousands of U.S. dollars)

(Unaudited)

	Three Months Ended	
	March 31,	
	2009	2008
Revenues		
Net premiums earned	\$ 67,725	\$ 16,034
Net investment income	19,301	16,104
Net realized investment gains	238	667
Change in fair value of credit derivatives		
Realized gains and other settlements on credit derivatives	22,969	20,823
Unrealized losses on credit derivatives	(23,023)	(216,387)
Net change in fair value of credit derivatives	(54)	(195,564)
Other income	20,318	8,536
Total revenues	107,528	(154,223)
Expenses		
Loss and loss adjustment expenses	21,382	23,525
Profit commission expense	-	431
Acquisition costs	(343)	3,544
Other operating expenses	15,191	14,543
Other expense	1,400	735
Total expenses	37,630	42,778
Income (loss) before provision (benefit) for income taxes	69,898	(197,001)
Provision (benefit) for income taxes		
Current	17,995	12,026
Deferred	2,530	(84,375)
Total provision (benefit) for income taxes	20,525	(72,349)
Net income (loss)	\$ 49,373	\$ (124,652)